



## **President's Remarks – Richard L. Rodriguez, November 2010**

Good morning.

Last week, the CTA was a proud recipient of the 2010 Chicago Innovation Award for our CTA Bus Tracker system.

The Innovation Awards focus attention on the most significant new products and services introduced in the region. The awardees are innovations that uniquely fill unmet needs, spark a competitive response in the marketplace, exceed market expectations, achieve financial success, or improve people's lives. We're very proud that Bus Tracker was selected as one of ten winners.

In its few short years of operation, Bus Tracker has evolved from a web site, accessible from desktop computers, to information that is easily accessible from wireless devices, and readily available on displays throughout the City. The CTA has made great strides in finding ways to enhance its functionality so that riders can rely on this travel management tool wherever they may be.

I would like to acknowledge all the CTA staff, past and present, that contributed to this honor.

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Before you today are ordinances to approve the proposed 2011 Budget and a five-year capital plan. I am recommending a \$1.3 billion dollar budget that, through cost-conscious management, maintains current fares and service levels for riders.

As we have discussed at prior meetings, the budget relies on the State meeting its commitments for past-due operating funds and promised capital funds.

This budget allows us to hold steady in a down economy and keep service and fares stable for our riders. In a perfect world, we would like to see growth of our system, but our current financial reality doesn't allow for that in the immediate future. Still, we have some exciting initiatives that will advance in 2011.

In the coming year, the CTA will proceed with the first order of new rail cars in more than 15 years. Also underway is a new initiative that will transform how customers pay for transit and allow the CTA to avoid an upfront capital cost to upgrade fare equipment. We also plan to implement a biometric time and attendance system that will increase accountability and allow for better analysis due to more centralized data.

Once state capital funds are received, we are ready with a list of projects that include overhauling buses; rehabilitating bus garages and rail stations; upgrading substations; and replacing track to eliminate and prevent slow zones.

We also continue to seek revenue opportunities. Today, you are being asked to approve a contract with Sprint/Nextel, which will allow them to become the sixth wireless service provider to lease the use of CTA's subway communications infrastructure. The CTA will receive approximately \$3.1 million dollars over the life of the contract. We have similar contracts with AT&T, Verizon Wireless, U.S. Cellular, T-Mobile and Cricket valued at approximately \$15 million dollars in total.

Within the next week, we expect to be going out to bid for a firm to assist with the development and implementation of a Corporate Sponsorship program. Our goals are two-fold: we want to find new ways to generate revenue and we want to do so in a way that will enhance the experience of our riders through improvements, services and amenities.

We will consider branding opportunities including naming rights over stations, rail lines, bus routes, special services or events and retail space. We're looking both at new revenues or initiatives that could save us money such as underwriting capital improvements by renovating stations or concession spaces.

Customers would benefit from these improvements, as well as by access to more amenities or enhanced retail services.

We're seeking firms that could help us identify and value assets for sponsorship opportunities, determine revenues, benefits and goals, and then implement the program. We expect to be back to you in the Spring with an award recommendation.

We will continue to manage to our budget with an eye toward future plans for improvement as the economy recovers.

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I would now like to provide the Board with an update on our hiring. As operating employees retire or resign, we have been recalling eligible laid off employees to fill those vacancies.

Of the nearly 1,000 employees who were laid off in February, we have been able to rehire 400 and have another 90 in the pipeline. So, in effect, within the next few weeks, we will have been able to hire back nearly half of the workers who were laid off.

The majority of those employees are bus operators, but we've also brought back rail operators and servicers and mechanics for both bus and rail.

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Finally, I'd like to welcome our new General Counsel, Karen Seimetz. Managing the day to day operations of the City's Law Department has provided her experience with a variety of legal disciplines, and that knowledge will be a tremendous benefit for the CTA. We welcome her to the CTA family.

I also want to thank Brad Jansen, who has been serving as Acting General Counsel, for his hard work-- and patience -- while we filled this position. Under his guidance, the department has continued to function smoothly and efficiently. I have appreciated his advice and counsel.

Thank you, and this concludes my report.

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