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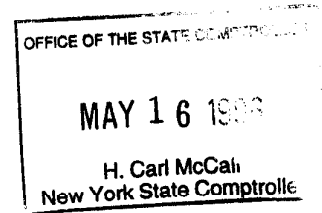
E. Virgil Conway
Chairman



Metropolitan Transportation Authority

April 22, 1996

Honorable George Pataki
Governor of the State of New York
Executive Chamber
State Capitol
Albany, NY 12224



Re: MNR - Productivity of Ticket Selling Operations
Report No. 94-S-93

Dear Governor Pataki:

On January 4, 1996, the Department of Audit and Control issued the above-referenced final audit report.

As provided by Section 170 of the Executive Law, I am furnishing you with the attached response which addresses each recommendation contained in the audit report.

For your convenience, I have attached a copy of the final audit report.

Sincerely,

OFFICE OF THE STATE COMPTROLLER
ROBERT H. ATTMORE
DEPUTY COMPTROLLER

MAY 16 1996

MGMT. AUDIT &
FINANCIAL REPORTING

attachments

0006.doc

The agencies of the MTA,
State of New York

MTA New York City Transit
MTA Long Island Rail Road

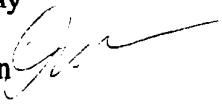
MTA Long Island Bus
MTA Metro-North Railroad

MTA Bridges and Tunnels
MTA Card Company

Memorandum



Metro-North Railroad

Date April 18, 1996
To E. V. Conway
From D. N. Nelson 
Re **Metro-North's Response to State Comptroller's Audit #94-S-93**

This is in response to the final New York State audit report #94-S-93 : The Productivity of Ticket Selling Operations at Metro-North Railroad conducted by the State Comptroller's Office. It addresses each recommendation made in the final report.

Recommendation #1: Establish formal criteria for deploying ticket sellers.

We agree with the establishment of formal criteria for the deployment of ticket sellers. The Long Term Revenue Collection and Ticket Sales Study has formed a basis for the establishment of a criteria. A detailed cost/benefit analysis was conducted for each station in conjunction with the deployment of Ticket Vending Machines. There is no specific sales threshold. The cost/benefit analysis evaluated many interrelated factors such as ticket office sales volumes, future growth, station staffing costs, ticket vending machines deployed, customer service levels, train staffing for on-board sales etc. The ticket sales and revenue collection strategy with the associated configuration of open ticket offices, Ticket Vending Machines and changes in sales hours is in the process of being implemented.

Recommendation #2: Consider closing ticket offices or curtailing ticket selling hours at the stations that have relatively low ticket sales.

We are in agreement with this recommendation. The ticket sales strategy is based upon a detailed cost/benefit analysis which included customer service impacts. We will be making decisions regarding the adoption of final strategy elements at stations. This will include the expanded use of part-time ticket sellers and the deployment of Ticket Vending Machines.

The process for procurement of these Ticket Vending Machines has begun as a joint effort between Metro-North and the Long Island Railroad. Specifications are being developed at the present time with a planned commitment of funds for purchase by the end of 1996 and installation in 1998/1999.

Negotiations with Metro-North's labor union for ticket sales personnel are currently underway. These negotiations are pursuing issues in support of the ticket sales strategy and include deployment of Ticket Vending Machines, part time sales, expanded duties, and other work rule issues.

Additionally, comments on page 8 refer to on-board crews and whether on-board crews, other ticket offices, and our mail in operation can handle additional ticket sales. Metro-North's mail-in operation only handles monthly tickets which only impacts ticket office operations a few days each month. It will not absorb diversions in ticket sales. Also, it is not practical to assume that other stations will absorb additional sales volume. Station sales at outlying stations are specific to that station. This is an issue which requires careful study. Depending upon sales volumes and the workload on-board trains, additional crew members may have to be added to handle expanded on-train sales. This may not be cost effective. The strategy we selected has taken these factors into account.

Recommendation # 3: Perform formal analysis to determine the optimal size of the pool of standby ticket sellers. Minimize the extent to which standby ticket sellers are assigned to stations that are already fully staffed.

The pool of extra ticket sellers provide coverage for vacation relief, sickness, qualification time, and any other reason a position may be vacant as well as augmenting sales during high volume periods and part time vacancies as needed. They are also assigned to open ticket offices that are regularly closed, or open ticket windows which are normally closed, in order to increase service to our customers when additional staff is available. They are guaranteed 40 hours pay per week and we utilize all 40 hours.

We agree to perform a formal analysis of the utilization and staffing of the extra list. This analysis will be conducted after labor agreements are finalized and should be completed by the end of 1996.

Recommendation #4: Establish formal criteria for deploying TVMs on the basis of sales volume and use this criteria to formally assess the placement of TVMs. Based on this assessment, relocate the TVMs, as necessary, to help ensure that they are used in the most productive manner.

AND

Recommendation #5: Formally assess the potential long-term benefits of expanding the use of TVMs. As appropriate, develop a formal long-term plan for expanding the Railroad's TVM program.

We are in agreement with both recommendations and steps are being taken to implement a comprehensive network of Ticket Vending Machines on Metro-North. The Long Term Revenue Collection and Ticket Sales Study was completed in December of 1995 and recommendations were adopted by Metro-North at year end. As referenced in previous recommendation responses, the overall strategy encompasses various elements of sales at ticket offices with an emphasis on Ticket Vending Machine deployment which is central to the strategy. Funds have been reserved in Metro-North's Capital Program for these procurements. A detailed cost/benefit analysis was conducted to determine the stations and number of Ticket Vending Machines to be placed at each location.

Negotiation of labor issues involved with this deployment are currently taking place. Specifications for purchasing these Ticket Vending Machines are being prepared at the present time as a joint procurement between Metro-North and the Long Island Rail Road. Metro-North will commit funds for purchase by the end of 1996. Deployment is expected to take place in 1998/1999. All elements of the strategy will be part of an overall implementation plan.

We are in agreement with the basic recommendations of the audit. With the completion of the Long Term Revenue and Ticket Sales Study, we will move forward in all of the areas mentioned. A copy of the final strategy is available for your review if desired. We are available to review any of our comments with you should you require additional clarification or information.