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STATE OF NEW YORK  
OFFICE OF THE STATE COMPTROLLER

August 13, 2013

Mr. Thomas F. Prendergast  
Chairman and Chief Executive Officer  
Metropolitan Transportation Authority  
347 Madison Avenue  
New York, NY 10017

Re: Selected Aspects of Railcar Fleet  
Maintenance  
Report 2013-F-9

Dear Mr. Prendergast:

Pursuant to the State Comptroller's authority as set forth in Article X, Section 5 of the State Constitution and Section 2803 of the Public Authorities Law, we have followed up on the actions taken by officials of Metropolitan Transportation Authority - New York City Transit (Transit) and the Staten Island Railway (Railway) to implement the recommendations contained in our audit report, *Selected Aspects of Railcar Fleet Maintenance* (Report 2009-S-68).

**Background, Scope, and Objective**

The Metropolitan Transportation Authority (MTA) is a public benefit corporation providing transportation services in and around the New York City metropolitan area. The MTA consists of six constituent agencies and includes a Headquarters which provides administrative support. Transit provides subway service throughout four boroughs of New York City, and the Railway provides train service in Staten Island.

As of October 2012, Transit's Department of Subways operated 6,311 subway cars and 518 work cars (including locomotives, flat cars and other equipment); all maintained at 14 railcar maintenance shops. The Railway, which reports organizationally through Transit's Department of Subways, operates 64 cars. Transit also has two overhaul shop complexes which perform preventive maintenance and repairs requiring specialized equipment or skills not available in the maintenance shops. Overhauls for the Railway's fleet are performed at Transit's overhaul shops.

The Department of Subways has a 'Rail Fleet Management Plan' dated October, 2012 that includes parameters and requirements of the maintenance and inspection of the subway fleet. The Railway has its own parameters. Transit uses the Rolling Stock Management Information

System (RSMIS) to collect, record and manage maintenance data for its fleet of cars.

Our initial audit report, which was issued on September 15, 2011, examined whether MTA's Transit and the Railway (1) has standards and procedures for the maintenance of its railcar fleet, (2) performs railcar maintenance in compliance with these standards and procedures, and (3) has a comprehensive maintenance plan for its railcar fleet. The objective of our follow up was to assess the extent of implementation as of June 28, 2013, of the nine recommendations included in our initial report.

### **Summary Conclusions and Status of Audit Recommendations**

We found that MTA Transit and Railway officials have made progress in correcting the problems we identified. However, additional improvements are needed. Of the nine prior audit recommendations, four were implemented, three were partially implemented, and two were not implemented.

### **Follow-up Observations**

#### **Recommendation 1**

*Increase the timeliness of input of mileage data in RSMIS.*

Status - Partially Implemented

Agency Action - Transit is implementing a system, I-TRAC (Integrated Train Register Activity Console). I-TRAC will provide real-time information to RSMIS on rail car mileage and usage to the maintenance shops to facilitate scheduling of inspections. Transit anticipates that I-TRAC will be functional for all rail lines by the end of 2013. The lack of accurate mileage data is a primary reason cited by Transit for failing to inspect cars in a timely manner. For example, as of May 31, 2013, the mileage recorded for a car we had sampled was as of May 25, so at least five days of use had not yet been entered.

#### **Recommendation 2**

*Monitor when inspections are occurring and the reasons they are not performed in a timely manner to ensure that, at a minimum, they meet the established goal of 80 percent.*

Status - Partially Implemented

Agency Action - Transit monitors inspection timeliness on a monthly basis. Overall, in 2011 and 2012 Transit inspected over 84 percent of its cars within the guidelines. There is no requirement to report the reasons why inspections are not performed timely. However, the Coney Island Maintenance Shop maintains a manual record of the reasons that its cars are inspected outside of the guidelines. There are no plans to have the other maintenance shops follow the same procedure.

The Railway monitors inspections on a monthly basis. It indicates what the reasons are for any shortfall on the Rail Fleet 66-Day inspection Report.

### **Recommendation 3**

*Re-assess the 80-percent goal for timeliness of inspections to determine whether a higher goal would be appropriate.*

Status - Not implemented

Agency Action - Neither Transit nor the Railway have done a re-assessment of this guideline. The Rail Fleet Management Plan indicates facilities are monitored to insure at least 80 percent of the fleet is inspected within the inspection cycle. Transit officials still point to Federal Transit Administration recommendations made in 1999 as the reason for the 80 percent minimum compliance goal. They advise that their aim is to inspect the entire fleet either on time or early. Transit officials indicated that once I-TRAC is in place system-wide they will have more accurate mileage data, at which point they could re-assess the goal.

Railway officials told us they are complying with Transit's 80 percent guideline and would be willing to change it if Transit did.

### **Recommendation 4**

*Make sure that the Timeliness of Inspection Report is distributed to Transit's senior management.*

Status - Implemented

Agency Action - Both Transit and Railway officials stated that they have established procedures for distributing reports on the timeliness of inspections to senior management. Transit created the "Dashboard," which is part of the Department of Subways Information Center (Intranet).

The Railway distributes a monthly report in hardcopy that is signed by Railway senior management. The Railway's monthly reports are also posted on the Department of Subways Information Center and distributed by e-mail to Transit's senior management. We received copies of e-mails that confirm this distribution.

### **Recommendation 5**

*Monitor all Railway cars to ensure that inspections are performed timely and are documented properly.*

Status - Implemented

Agency Action - The Railway monitors its railcars through its Inspection Cycle report and documents inspections on hard copy "Blue Sheets." The Railway also produces Car Reports which show the work done on each railcar. We tested 30 railcars from the "Blue Sheets" and found that they were done timely.

#### **Recommendation 6**

*Determine the possible savings from extending the inspection interval for the newest classes of cars.*

Status - Implemented

Agency Action - Transit determined that by implementing the inspection schedule change to 73 days (+/- 5 days) and 11,000 miles, it achieved a reduction of 50 positions in its inspection workforce, for a savings of about \$4.8 million.

The Railway indicated there were potential savings of 325 work days, or about \$78,000, due to the change from 45 days to 66 days. However, due to damage to its facilities from Super Storm Sandy inspections are taking longer, so it was unable to realize the savings.

#### **Recommendation 7**

*Evaluate extending Railway's car inspection interval to 66 days (plus or minus 5 days).*

Status - Implemented

Agency Action - The Railway has been conducting its inspections on a 66 days (+/- 5 days) schedule with no mileage limit since January 1, 2012.

The Railway conducted an engineering study in 2012 which showed that the change would not adversely affect availability or reliability of their cars. The Railway does not use mileage as a factor in scheduling inspections.

#### **Recommendation 8**

*Determine why the scheduled SMS procedures were not performed as required, and implement procedures to correct the problem(s).*

Status - Partially Implemented

Agency Action - In response to our initial report, Transit stated that all SMS work was performed. At that time Transit was using a standard template for SMS (Scheduled Maintenance Service) work for all cars. The form did not account for the fact the listed equipment was not on all of the cars so the same SMS procedures were not required to be done.

For SMS work in 2013, Transit changed its forms to differentiate the work for each car. Transit plans to change the forms for other car classes as they come up for SMS work but there are no written procedures stating this.

**Recommendation 9**

*Department of Subways management should require Railway to operate under Transit's Rail Fleet Management Plan for maintaining railcars in accordance with standards and procedures established for Transit's fleet, and require Railway to report performance results regularly to senior management.*

Status - Not Implemented

Agency Action - At the time of our original audit Railway officials stated that they planned to move to Transit's Plan once they receive new cars. They have not received any new railcars but indicated that they are following Transit's Fleet Management Plan. We have not received any documentation supporting this statement.

Major contributors to this report were Robert Mehrhoff, Erica Zawrotniak, Richard Moriarty, Nancy Hello, and Slamon Sarwari.

We would appreciate your response to this report within 30 days, indicating any actions planned to address the unresolved issues discussed in this report. We thank the management and staff of the Metropolitan Transportation Authority-New York City Transit and Staten Island Railway for the courtesies and cooperation extended to our auditors during this follow-up review.

Very truly yours,

Carmen Maldonado  
Audit Director

cc: M. Fucilli, MTA Auditor General  
D. Jurgens, MTA Audit Services  
T. Lukacs, NYS Division of the Budget