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Press Release

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[Metro-North](#)

IMMEDIATE

MTA Metro-North Railroad Turns 30 Today

From Worst to Best in Three Decades

Deraillments, track fires, mechanical break downs, hot cars in the summer, cold cars in the winter and always late. That's the way it was on December 31, 1982, in what was the Metropolitan Region of Conrail. And that's the way it was on January 1, 1983, when the name changed to Metro-North Commuter Railroad.

But in the three decades since then, everything has changed. As it celebrates its 30 th birthday today, Metro-North has become the busiest and best passenger railroad in the country with a consistent on-time performance of better than 97% and a customer satisfaction rating of 93%. Metro-North is now internationally recognized for its excellence.

Metro-North's next big goal is to provide more frequent service to all stations at all times.

"In July, we announced the largest service expansion in Metro-North's history with the addition of 230 trains a week. Most of the new trains will be on weekends and in the off-peak periods to meet non-commutation ridership that is growing about 6% a year," said Metro-North President Howard Permut. "With 30-minute headways, customers are no longer wedded to a timetable."

The transformation started with a focus on customer service and the notion that the railroad should be run like a business, not a government agency.

Peter Stangl, the first president of Metro-North recalled one of his first moves as leader of the young railroad was to convene the managers and tell them: "From now on we are going to make our decisions based on what's in the best interest of our customers. And every decision will be driven by that. We started to build a culture of service. Employees bought into it. It took time. But it is what continues to make Metro-North the best commuter railroad in the country."

That mantra has been maintained by all four Metro-North presidents.

"The one constant motivating force behind everything Metro-North has accomplished since its formation is you, our customers," current Metro-North President Howard Permut says in the January issue of "Mileposts," the railroad's customer newsletter. "Without you, we would not have a reason for being in business."

In 1983 system-wide on-time performance was hovering at 80.5% and annual ridership of 42 million and dropping. Today, Metro-North routinely operates at over 97% on-time system-wide and has annual ridership of almost 84 million.

"It was a mess when we took over, an embarrassment to everyone and a disservice to the public," said Stangl, who was president from 1983 to 1991. "There was no capital funding. There was no leadership from Conrail, which was based in Philadelphia. Morale was in the pits. There's no other way to describe it. The facilities they worked in were terrible."

Donald N. Nelson, the railroad's first Vice President of Operations and later the second president from 1991 to 1998, called himself: "a product of the bankruptcies and collapse of the northeastern railroads in the sixties."

"I understood the necessity of maintaining infrastructure and rolling stock in a state of good repair," Nelson said. "That was always my main focus and took all of my 15 years at Metro-North to achieve (with some exceptions). We were able to continually improve the level of service delivery to that which exists today. We also tried to involve all employees in the solution. I think we were pretty good at that and embedded it into the culture of the railroad."

Peter A. Cannito, Metro-North's third president, also credited the railroad's employees.

"A major factor in Metro-North's success is the dedication of the workforce," Cannito said. "Providing quality service day in and day out is a weighty responsibility that requires a commitment to excellence, outstanding teamwork and pride. I think the men and women who work at this railroad demonstrate these qualities every day. Metro-North's record of achievement is impressive, not just for a railroad that is a public benefit corporation, but for any business," said Cannito, who retired in 2008 after a 40-year career in the railroad industry.

Conrail and its predecessors had not made any investment in tracks, power systems, signals, rolling stock, shops or stations for years. In the 1950s, '60s and '70s, railroads were not as popular as interstate highways and airports.

As a result, the trains had fallen into a state of disrepair and were continually breaking down. Wheels fell off trains. There were severe standee problems due to continual equipment shortages. The elevated Park Avenue Viaduct, the main artery feeding Grand Central, was close to a state of collapse. The Cos Cob Power Plant was original 1910 equipment that couldn't meet the demands of the New Haven Line. This resulted in frequent power shortages

and delays. Grand Central Terminal had become de facto shelter for the homeless. Trains were so reliably bad that passengers were clamoring for publicly subsidized buses to operate from outlying stations instead.

Metro-North was the very definition of a true transportation crisis.

But things began to change under the leadership of Richard Ravitch, chairman of the Metropolitan Transportation Authority, Metro-North's parent agency, who initiated the first capital program in 1982. Since then, the MTA Capital Program has invested over \$6 billion in track and power systems, in Metro-North's rolling stock, including the M7 and M8 rail cars, stations, including Yankees-E. 153rd Street Station, and shops & yards, including the new Coach and Locomotive Shops that replaced century-old facilities at Harmon.

The state of Connecticut has also invested over \$3 billion in improvements on the New Haven Line.

And there is the revitalization of Grand Central Terminal, which is celebrating its centennial this year. It began in 1984 with a new copper roof and the terminal has seen continuous investment since then to restore this Beaux-Arts gem to its original grandeur while developing it into a retail and dining destination.

"While capital funding was, and is, absolutely critical, it alone could not have alone solved our problems," said Permut, who has been at Metro-North since its inception and president for the past 4 ½ years. "The new leadership developed a corporate vision. Initially the focus was on the basics: Providing a safe, clean, comfortable ride. The railroad began operating like a private business, setting goals to achieve this modest vision; developing initiatives to meet those goals; and then implementing those initiatives."

To make it a reality, the railroad began hiring the best people it could find and providing them with the training, tools and facilities needed to achieve its goals.

"A lot of the people who were young when I became president in 1983 are now running the railroad," said Stangl, 71, who was railroad president for eight years. "They bought into the culture of customer service and grew up with it and live it."

"Building a first-rate workforce also meant forging partnership with our unions and union leadership. Together, we began to break down barriers and give employees a sense of ownership so they could help identify new efficiencies in the workplace. We created a new atmosphere, one where employees were treated well and took pride in their work," said Permut, 61.

In turn, employees treated customers well. This synergy is reflected in the railroad's customer satisfaction survey results. Employees receive positive ratings of 95% to 98% satisfaction.

Metro-North has gone from being known as an almost unessential railroad that could be replaced by buses to one that is considered crucial to the region's economic vitality.

It carries Hudson Valley & Connecticut residents to the crucial New York City job market. It also carries New York City residents to jobs in suburban employment centers, the so-called "reverse peak market," creating economic development in proximity to train stations and within suburban communities.

In fact, the railroad dropped the word "Commuter" from its name in 1994 in recognition of the fact that the railroad was carrying more people in the off-peak, nights, weekends, in the reverse peak, and those making intermediate trips between stations not in Manhattan than it was the traditional "Man in the Grey Flannel Suit" morning commuter from suburb to central business district. The railroad had become a truly regional transportation resource.

Stangl, noting that Permut was "one of my early hires," credited him with identifying and developing the reverse commutation market. "He got the railroad to allocate more resources to reverse market. Why run them empty, when you can get people on the trains running north in the morning?"

Permut is now focused on increasing frequency of service, so that the train is even more attractive alternative to driving.

"In the off peak and weekends my goal is roughly 20 to 30 minute service depending on the station. If a place like Hartsdale or Scarsdale, White Plains, Croton Harmon or Tarrytown can support 20 minute service, then it should be 20 minutes. We want Metro-North to provide the value so that people choose to ride us," Permut said.

"Metro-North has gone from the worst railroad in North America to the best railroad in North America and it's been a terrific transformation over these 30 years," said Permut noting that in 2011, Metro-North won the prestigious, international Brunel Award's Jury Prize for Overall Excellence in Railroad Design.

"In good times and in bad—whether we are meeting the routine daily challenges of running the railroad or working around the clock restoring service after cataclysmic events such as "Superstorm Sandy," our focus has never wavered. It has always been, and will always be, on our customers," Permut said.