



NORTHERN INDIANA
COMMUTER TRANSPORTATION DISTRICT

33 E. U.S. HIGHWAY 12 • CHESTERTON, INDIANA 46304-3514

PHONE: 219.926.5744 • FAX: 219.929.4438

February 18, 2010

The Honorable Richard G. Lugar
United States Senate
306 Hart Senate Office Building
Washington, DC 20510

Dear Senator Lugar:

On behalf of the Northern Indiana Commuter Transportation District (NICTD), I am writing to respectfully request your support in seeking federal funding for the South Shore Commuter Rail Capital Reinvestment Plan. More specifically, \$3 million is being sought from within the New Starts Account of the fiscal year 2011 budget for the Federal Transit Administration (FTA). We will use the funding to continue our comprehensive upgrade of the signal and power distribution systems.

NICTD is grateful for the past federal assistance provided for this critical project, however a continued federal investment is needed to keep this project on track and to meet the increasing demands for commuter rail services in Northwestern Indiana. As you know, Phases 1 & 2 of the signal system are completely operational and we have completed Phase 1 the new catenary system between Gary and Kensington. We awarded Phase 2 to Aldridge Electric and they have completed the first 5.5 miles east of Gary as part of the Gary to Michigan City work. This year we plan to extend the work to Dune Park.

The South Shore commuter service is a major contributor to the economic engine of northern Indiana and southeast Chicago, operating more than 13,000 trains annually providing reliable access to high paying Chicago jobs. A survey in 2004 found that South Shore riders return in excess of \$225 million in salaries and wages to northwest Indiana. Since the mid-70's ridership has grown from 1.5 to over 4.2 million passengers in 2007. While ridership declined by 7.1% last year, we expect this trend to reverse as the economy recovers.

The South Shore is uniquely positioned in the heart of Chicago's Loop within easy access to approximately 500,000 jobs, nearly doubling the job base of Lake and Porter counties, Indiana. The South Shore also provides access to world-class educational institutions from IU, Purdue

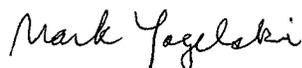
Pand Notre Dame to the University of Chicago and Northwestern University. It also serves as a vital link to premier health care providers for the most vulnerable in our society.

Positioned against this backdrop of economic necessity is the fact that the South Shore's basic infrastructure is in critical need of complete replacement. With federal assistance NICTD has been able to upgrade stations and bridges; and is now replacing its 80-year old signal and power distribution systems.

According to the Federal Transit Administration, the Major Capital Investment Program (New Starts) is a competitive, discretionary grants program that allocates funds for public transit systems including light rail, commuter rail, subway and heavy rail, and rapid bus projects in an objective manner based on established criteria. Based on FTA's own guidelines and criteria, the NICTD is eligible for a federal investment. This project is also authorized under SAFETEA-LU.

As the fiscal year 2011 appropriations process moves forward, we look forward to working with you on this important request. Thank you again for your long time support of the commuter service.

Sincerely,



Mark Yagelski
Chairman
NICTD Board of Trustees
LaPorte County Council