

NYPIRG Straphangers Campaign Regional Plan Association Transportation Alternatives Tri-State Transportation Campaign

Testimony
of
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before the
New York State Assembly Committee on
Corporations, Authorities and Commissions
hearing on
Oversight of the Metropolitan Transportation Authority (MTA)
New York City
Friday, January 11, 2013

Our groups appreciate the opportunity this hearing provides to discuss future policies and finances of the MTA. We make three points as follows:

1. The MTA's shaky finances – both operating and capital needs – will need to be addressed in coming years.

The MTA was in great financial distress before superstorm Sandy hit in October. It needs billions of dollars for its upcoming 2015-2019 capital program. The amount of unidentified funds is likely in the range of more than \$10 billion. Riders have been asked to pay enough, our groups and scores of civic and community leaders strongly believe the State and City must take responsibility for providing this funding for the transit system.

In addition, the agency plans to raise fares in 2015. That would be five times in seven years that the agency would have increased fares. As New York State Comptroller Thomas DiNapoli noted in an October 2012 report: "Fares and tolls are rising much faster than inflation. By 2015, fares and tolls will have increased by 35% since 2007."

The MTA sustained \$5 billion in damage from the storm. The South Ferry station on the 1 and the A train accross Jamaica Bay remain closed. Some \$1 billion in bonds in needed repairs (out of the \$5 billion worth of damage) will come from the riders, who will pay \$62 million a year in interest and debt service for decades.

At this time, it is unclear whether there has been long-term damage from the storm, such as a reduced life span for assets such as signals.

Our groups congratulate committee Chairman Brennan on his legislative proposal to send a \$4.5 billion Bond Act to the voters as part of the solution to the MTA's financial woes. Currently, the MTA is beginning to plan for its upcoming 2015-2019 capital plan. The previous plan was funded at \$24 billion and a similar amount is assumed for the new plan to maintain and improve the system. The Bond Act would not solve the funding needs of the agency alone, but would cover almost 8% of the anticipated needs. We do not view the Bond Act or taking on excessive debt in general as a sustainable long-term strategy for funding the MTA's capital plans. However, it could serve as a "down payment" on the upcoming 2015-2019 plan, with the balance of the plan being paid for with a mix of federal and state and city funds as well as new revenues dedicated to the MTA. These revenues would not only help the MTA fund its upcoming capital plan but begin to reduce the high levels of debt service the agency is currently saddled with.

2. The next MTA chairman should be willing to commit to more than one year of service.

The revolving door keeps swinging at the MTA. With MTA Chairman Joseph Lhota's departure in late December 2012, there have been six MTA leaders in the last six years. That has not helped the cause of winning safe, reliable and affordable transit.*

At this time, we do not know whom Governor Cuomo will appoint to be MTA Chair and CEO. But we suggest that the new head of the MTA develop a good working relationship with the next mayor. Our groups believe that both the City and State should increase its contributions to MTA capital and operating needs.

3. The MTA needs to continue its successful use of new technologies.

This includes:

- a) A faster pace of planning and construction of new Select Bus Service routes around the city. SBS routes provide speedier trips, through the use of such features as exclusive lanes enforced by camera; paying fares before boarding; and three-door buses. Implementation of "world class bus rapid transit" was a recommendation of Governor Cuomo's NYS 2100 Commission.
- b) Innovative use of social media, as was done in communicating with the public during superstorm Sandy. And in the use of mta.info website, such as the changeover on weekends to The Weekender.
- c) Implementation of Bus Time and Subway Time ahead of schedule and extension Subway Time to the lettered lines.

*The count since 2007: MTA Chairman Peter Kalikow and MTA Executive Director Katherine Lapp (2001-2007); MTA Chairman Dale Hemmerdinger and MTA CEO Lee Sander (2007-2009); MTA Chairman and CEO Jay Walder (2009-2011) MTA Chairman and CEO Joseph Lhota (2012.).