PCAC
PERMANENT CITIZENS
ADVISORY COMMITTEE TO THE MTA

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PCAC Testimony Presented to Joint Legislative Public Hearing on 2019-2020 Executive Budget Proposal: Transportation

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Good afternoon, my name is Lisa Daglian and I am the Executive Director of the Permanent Citizens Advisory Committee to the MTA, known as PCAC. Created in 1981, PCAC and its member organizations are the voice of the transit and commuter rail users in the MTA's 12-county New York service region. The New York City Transit Riders Council (NYCTRC) represents the riders of New York's subways and buses; the Metro-North Railroad Commuter Council (MNRCC) acts on behalf of Metro-North commuters; and the Long Island Rail Road Commuter Council (LIRRCC) is the voice of the riders of Long Island Rail Road. Together, the three systems carry more than eight million riders a day. I am here today to speak on their behalf.

Although each of our councils represents a different part of the region, they all agree: riders want a safe, affordable and reliable way to get where they're going. Unfortunately, significant underfunding and disinvestment have left the system – and the riders – in a precarious position. The bad news is that deficits are only projected to increase, with a projected $500 million deficit next year and $1 billion in 2022. Matters will only get worse if the proposed fare increases don't go through as anticipated. Unless new, sustainable funding sources are identified, we'll either see even more painful fare increases, unpalatable service cuts, or both. We cannot afford to go back to the "bad old days" and lose the valuable transit resources that keep the region competitive.

The good news is that it isn't too late to stop the cycle of despair and disrepair, and turn the ship around. First and foremost is the need to create steady and sustainable funding for the MTA's Operating and Capital Budgets, and have a structure in place to ensure that those funds are used in the most efficient and effective manner possible. At the end of the day, time, money and strong leadership will be key to taking the agency into the future.

As rider advocates, we are encouraged – and excited – by the plans that have been put forth by the current Presidents of the MTA Operating Agencies. Andy Byford's *Fast Forward* plan is, quite frankly, the blueprint for the transit system that New Yorkers want to see. Phil Eng has developed a strong plan for the future in *LIRR Forward*, and we are glad to see incremental, yet real, improvements in the service and reliability of the railroad. Cathy Rinaldi and her team have created a good path forward with *Metro-North Way Ahead* to restore it to its position as a premiere railroad. It is critical that funding be identified to fund these plans to modernize signals, upgrade infrastructure and improve safety and accessibility across all of the MTA's systems. Plans without funding are just dreams of things that could be. These improvements come with a price tag – we've all heard $40-60 billion for Fast Forward alone – and finding that funding is key to ensuring that NYCTransit, the LIRR and MNR continue to serve the region's riders now, and into the future.

Strong leadership at MTA Capital Construction is also helping to change the way the agency does business – both internally and externally. A recent internal full process review identifies ways to dramatically reduce the number of steps and hands a change order must go through. While there is still significant progress to be made in how the MTA manages its capital construction projects, we believe that the new focus on efficient processes, better contractor relationships and a commitment to Design-Build is the recipe to faster timelines and less costly projects.

The strong leadership at the agencies is already clearly in place – now to find the money, and give them the time to make the critical changes that riders want and need.

We are encouraged by the funding proposals in the Executive Budget, although we have concerns about funding for the MTA capital plan being contingent on passage of three Article VII provisions: congestion pricing; MTA restructuring; and expansion of speed camera zones in New York City. We support each of these – but we do not agree that these critical funds should be conditional captives, tied so directly to passage of these legislative requirements. We ask that you not tie up critical funds while deliberations over how to enact each of these proposals continues.

Congestion Pricing: The Governor has proposed congestion pricing as the "reliable funding stream" and we agree that it's necessary to help fund the capital plan and reduce congestion. It's an idea whose time has finally come. The $15 billion that it is estimated to net through bonding would go to the MTA's 2020 -2024 capital plan. However, under the current proposal it cannot start earlier than December 31, 2020. We believe that it can be accelerated under the leadership of TBTA, and that New York City must maintain its role in protecting safety on the streets and therefore must be partners in reviewing structural placement. We must also make sure that these and other revenues and funds set aside for capital projects are not diverted to pay for other operating expenses. We support this effort.

MTA Restructuring: We believe that having strong, full time and independent leadership at the MTA is the best first step to re-instilling confidence in the MTA. A single point of contact as Chair/CEO – similar to the leadership under New York's first Governor Cuomo – proved to be a successful model for effecting change and bringing in innovative solutions to long-standing problems. We are hopeful that a new Chair will be appointed soon, one who will support the agency Presidents in their efforts and work with them to identify savings and find efficiencies – to tighten the belt, as it were. We agree that there is a need to continue to look into and make process improvements similar to those now underway. However, considerations of structural review and revision are too important to do in haste and we ask for a longer, multi-stepped approach leading to a well thought out proposal.

Expansion of speed camera zones in New York City: The proposals – including red light cameras, bus lane enforcement cameras and school speed zone cameras, along with new enforcement cameras within the Congestion Pricing zones – should yield funds for transit-related purposes, in addition to funding street-based safety-related projects. **We also encourage the passage of legislation for cameras at railroad grade crossings, with revenue directed to road and rail safety improvements.**

These funding sources are a good start, but will not meet all the needs of the MTA or its riders.

Consistently capturing Transit Added Value and use of Tax Increment Financing would create tremendous opportunities for the MTA. Studies indicate that transit accessibility can increase property values up to 20%. A portion of that value should be captured and funding set aside to finance transit infrastructure improvements when proximate projects – such as upzonings and Amazon's H2Q in New York City, and TOD on Long Island and in the Hudson Valley – are developed. We've seen how successful these programs can be with the $200 million in improvements at Grand Central that came from an agreement with the developers of One Vanderbilt. Mechanisms already exist for the types of agreements; they should be used consistently and constantly.

They say that desperate times call for desperate measures. These are desperate times: delays and disrepair are causing people to flee the system, leading to declining ridership, which means less revenue, less faith in the system, and less investment. We've been down this slope before and it doesn't end well. Now's the time to look at every possible revenue source, including incremental tax increases in the sales tax, gas tax, recording tax, Millionaire's tax, corporate tax, and cannabis tax, to address the real state of emergency that we are seeing unfold. Getting out of debt by getting into more debt doesn't work at home, and it won't work for the MTA.

Debt service is through the roof. It takes a huge chunk out of the MTA's operating budget – and it is expected to grow to more than $3 billion over the next two-to-three years. The next capital plan must address the MTA debt issue and start figuring out ways to ratchet debt DOWN and not increase it more.

We agree with the Metropolitan Transportation Sustainability Advisory Working Group report that, "...the state and city should consider accelerating their existing capital commitments to provide bonding relief to the MTA's capital program." Currently, billions of dollars in state and city appropriations can only be spent when the MTA has exhausted all of its other dollars. But when will that be and how will it impact funding for the next capital program? There is very little information about how or when the MTA will access this money.

It is clear that the MTA must do its part to regain the trust of the legislature, and the faith of the riders it serves. The New York region is built around a robust transit system. It's critical that it remain the driver that supports our growth, vitality, and identity. Investment in the future of the transit system is investment in the region's economic stability and ability. We ask that you keep the more than eight million daily riders of the MTA's system top of mind as you collaborate on and negotiate this budget.

Thank you.