



PERMANENT CITIZENS
ADVISORY COMMITTEE TO THE MTA

2 BROADWAY, 16TH FLOOR, NEW YORK, NY 10004
(212) 878-7087 • mail@pcac.org

ANDREW ALBERT CHAIR AND MTA BOARD MEMBER
RANDOLPH GLUCKSMAN FIRST VICE CHAIR AND MTA BOARD MEMBER

LISA DAGLIAN EXECUTIVE DIRECTOR
ELLYN SHANNON ASSOCIATE DIRECTOR
BRADLEY BRASHEARS PLANNING MANAGER
SHEILA BINESH TRANSPORTATION PLANNER
DEBORAH MORRISON ADMINISTRATIVE ASSISTANT

**Statement by Lisa Daglian, PCAC Executive Director
at the Transportation Committee of the New York City Council
on The MTA's FY2020-2024 Capital Plan
City Hall, New York, NY
November 25, 2019**

Good afternoon Chair Rodriguez and distinguished Council members, my name is Lisa Daglian and I am the Executive Director of the Permanent Citizens Advisory Committee to the MTA, known as PCAC. Created by the New York State Legislature in 1981, PCAC and its member organizations are the voice of the nearly nine million 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. As all of these systems operate within New York City's boundaries, I am here today to speak on behalf of all three Councils.

Thank you for holding this oversight hearing to discuss the upcoming Capital Plan, along with the Transformation Plan that is now being implemented. We appreciate that you are looking at these issues in tandem since they are closely related.

We're excited about the potential of the FY20-24 Capital Plan to transmute the rider experience and improve the system, including long-awaited accessibility projects. This bold and ambitious plan includes the makings of a rider's dream come true. The MTA system clearly needs new signaling; rolling stock; station upgrades; track and yard improvements; and expansion projects, including the completion of East Side Access and progress on Second Avenue Subway Phase 2, Penn Access; and bus infrastructure enhancements. This plan promises it all.

We appreciate – as we know you do – Andy Byford's leadership and the steps he has already taken to improve our city's transit network, as evidenced by increased ridership and gains in On-Time Performance. Similarly, Cathy Rinaldi and Phil Eng have begun to turn around the commuter railroads. Funding and implementing the FY2020-24 Capital Plan will allow the aspirations of *Fast Forward*, *LIRR Forward* and *Metro-North Way Ahead* to become reality.

The infusion of congestion pricing funds is a game changer. An anticipated \$15 billion, when bonded, will be an integral part in financing the plan. The MTA serves and benefits the entire region and the state, and it's only right that all riders benefit from the first congestion pricing program in the United States. However, we won't see the revenue until mid-2021 to 2022, so it's critical that early funding sources be identified and come through in a timely way.

On the city side, this means providing the anticipated \$3 billion *before* the MTA's \$9.7 billion share – not after. At the November 12th state legislative hearing, we heard that the city would seek a construct

similar to the FY15-19 plan, in which city and state funds would be used after all others were exhausted. That's a problem and we hope that position will change. Having the city's portion come after the MTA has spent all its other funds – through debt – has shown to be precarious. We are concerned about the MTA's debt load, which is at a dangerous 19 percent and taking a huge chunk out of the MTA's operating budget; it is expected to grow to more than \$3 billion over the next two-to-three years. While we understand and appreciate that more details of schedules, projects, efficiencies and approach need to be completed, we urge that you side with riders to make those funds available earlier rather than later. That's our most important request to the city.

The MTA has said clearly that it wants to deliver projects better, faster and more cost effectively, and we look forward to standardization of its new approach to doing business. Change at the MTA is coming in part based on the recommendations of the *AlixPartners'* Transformation Plan, and in part on changes recommended by the board's Procurement and Cost Containment Task Forces, which identified ways to reduce project delays and expenses by reducing the number of steps purchases and change orders need to go through. We are pleased that the authority's first reorganizational effort focuses on Construction and Development, led by Janno Lieber. Mr. Lieber has proven that he can build big things, and we believe he has the chops to deliver the Capital Plan that the agency has promised to riders. We are already seeing positive changes and new approaches, including:

- The use of Design-Build;
- Bundling projects: the current capital plan has approximately 1,400 projects, while the plan for the next program is to bring that number down to hundreds;
- Reducing contract sign-off turnaround time;
- Speeding up contractor payments;
- Using community input to determine contractor incentive payments.

These are the hallmarks of more effective and efficient use of taxpayer dollars. We have had the opportunity to see these principles in action – successfully – as they are being applied to the LIRR's Third Track project. It is our understanding that this approach will translate to the entirety of the FY20-24 capital plan but go even further by taking an agency-wide approach and using a project CEO model with a single point of accountability.

Clearly, there are a number of unknowns in the program as put forth. We're eagerly awaiting the details – and we're sure you are as well. What we don't know are things like:

- What projects will get built first and how will they be staged?
- Where does Congestion Pricing fit into the decision-making mix?
- What's the expected timeframe for delivery?
- What's going to be bundled and how will that work?

It's more important than ever that as the Capital Plan is fleshed out with real information, a new dashboard is constructed, released and updated monthly explaining the projects and funding in a way that riders and other stakeholders can understand. We have offered to work with the MTA's capital group on improvements to this key public-facing effort and hope they accept our offer. A transparent dashboard will help restore faith in the MTA.

A key focal point of transformation is guiding the MTA to new ways of doing business. Those efforts will be particularly critical, given the authority's gloomy fiscal future. New dedicated operating revenue funding streams must be identified to strengthen the organization and build it to the capacity required for maintaining – and growing – ridership. Now is exactly the right time to increase, not decrease service. What good will new train cars and buses be if they're sitting idle because of service reductions? Congestion pricing aims to reduce vehicular travel by getting people out of cars and into transit. That means there has to be service to get people where they need to go. It's simple: if the service isn't there, the riders won't come. The same political will that finally brought about congestion pricing is now needed to create a dedicated funding stream to operate the system. We look forward to working with you and all of our elected officials to help avert the system's next crisis.

We appreciate the Council's call to further increase access that New York City riders have to the system through Fair Fares but given the MTA's dire fiscal outlook the city must continue to support it with funding. We are also pleased that the MTA considers the Atlantic Ticket pilot from our Freedom Ticket proposal a success and has extended it for another year, giving riders in SE Queens, Jamaica, and Brooklyn more travel options – but caution that capacity reviews must be undertaken and the effect on all riders studied before expansion. These reviews should be undertaken and publicly discussed before East Side Access and Penn Access open so that any extension of the programs will be ready for roll-out based on sound data and analysis. Both ESA and Penn Access will change the way people travel into, out of and around the city, and should benefit all.

Approving, funding and getting the Capital Plan going will finally help bring about the 21st century transit network riders in our 21st century city – and region – need. Thank you.