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**PCAC Testimony Before Joint Assembly-Senate Hearing on the
Impact of COVID-19 on the MTA and Public Transportation
Delivered by Lisa Daglian, Executive Director
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My name is Lisa Daglian and I am the Executive Director of the Permanent Citizens Advisory Committee to the MTA, PCAC. Created by the State legislature in 1981, PCAC is the MTA's in-house rider advocacy organization, representing riders on New York City's subways and buses and the Long Island Rail Road and Metro-North Railroad.

Thank you for holding this hearing today to discuss the Impact of COVID-19 on the MTA and public transportation. We also greatly appreciate your outreach to the New York Congressional delegation in support of additional federal funds to support the MTA and its millions of riders through the end of 2021.

As you heard extensively this morning, the MTA is in the most dire fiscal situation it has ever faced: the agency is literally going broke helping move New York. Even at the height of the pandemic, it continued to operate to serve essential workers, which contributed to its current, ominous financial state. Support from the federal government has come to-date in the form of \$3.9 billion through the CARES Act; as you are aware, that funding has since been exhausted.

The MTA has taken, and continues to take, significant steps to keep its workers and riders safe. Chairman Foye detailed those steps earlier. I am proud to have distributed masks and hand sanitizer in subway stations and to have served on the Mask Force. Altogether, we distributed thousands of masks. Taken together, the actions the MTA has taken, and continues to take, come at significant expense. Tomorrow the MTA Board will hold a special meeting which we know will include grim news. If worst case doomsday scenarios play out, we're in big trouble – now and into the future. Millions of New Yorkers rely on the city's subways and buses and the Long Island Rail Road and Metro-North to get to work – jobs that support our region's recovery and are helping rebuild our economy.

Without another infusion of emergency federal funding relief – as much as \$12 billion through the end of 2021 – the MTA will be forced to make difficult choices, including deep service cuts, reduced cleaning, fare increases, layoffs, and a significant reduction in the MTA's capital program.

Congestion pricing was supposed to pay for capital projects such as signal replacement and other upgrades that will improve the system's safety and reliability and allow trains to run more frequently – thus reduce crowding. But that is being held up by USDOT. Even in the impossible situation that this vital revenue stream becomes immediately available, the financial damage is profound and federal funding is key to addressing the overwhelming budget shortfall.

Without this critical federal funding, the transit system has the potential to begin a downslide into a death spiral from which it would take years – even decades – to come back, and riders will be the biggest losers.

The MTA faced – and continues to face – extraordinary challenges in responding to the COVID-19 health emergency. Its workforce has been deeply affected: more than one hundred thirty NYC Transit workers died, over 4,000 were infected, and thousands more had to quarantine: at one point, more than 40% of the workforce was out sick. We thank the men and women who have kept New York moving during very dark and uncertain times.

Stay-at-home orders meant that fewer people were traveling: by the end of April, subway ridership was down 91%; LIRR ridership was down 97%; and Metro-North ridership was down 95%. The loss of ridership led to an inevitable loss in revenue. According to the MTA's July 2020 Financial Plan, 2019 actual farebox revenue was \$6.3 billion, but by mid-year the forecast for 2020 was down to just \$2.2 billion.

As commute patterns change and work-from-home becomes the norm instead of the exception, it could get even worse. A recent survey by the Partnership for New York City indicates that only 26% of employees are expected to return to the office by the end of the year; it also found that 83% of returning employees will rely on public transit. That means there must be safe and sufficient service to get people where they need to go, when they need to get there.

Clearly, given the lack of timely federal responsiveness, it's time to look under every couch cushion and every stone to find every available dollar to spare riders – and our region – from a very bleak future.

Transformation is slated to save several hundred million dollars a year but has been on pause as the MTA correctly focuses its energy on keeping the system running and providing whatever resources it needs to protect riders and workers. I believe that we'll hear more in the coming weeks about Transformation efforts that are planned or have begun to be implemented and how they'll effect the MTA's finances. In the coming months we'll also hear about the planned biennial fare increases for next year. Altogether, this will help – but without federal funding, it won't come close to saving the MTA.

We have some thoughts on a mix of capital and operating funding possibilities and ask for your support in exploring these avenues:

- Our understanding is that there are possibly tens of millions of dollars available through the legislature's "set-aside" funding – also known as CPRB money – for capital projects. Obviously, this won't address the hole left by the congestion pricing delay, but it could certainly help advance important projects. We would like to hear from all stakeholders, including the MTA, how to best spend these funds to better understand the most desperate needs and regionally important areas of focus. It's important we work to all row in the same direction.

- While we know that the state and city are also being hamstrung by lack of federal support, each agreed to commit \$3 billion toward the FY20-24 Capital Program. These funds were timed to come to the MTA after the internet sales tax and real estate tax revenues, and following implementation of congestion pricing. With one down and the other currently out, we would like to see those state and city funds moved up in the queue to allow the capital program – and the economic benefits it generates – to begin to restart the economy.

- It's also time to revisit potential dedicated operating revenue sources. 2020 is hardly the best time to ask for new taxes and fees – but it could be time to start preparing for that. eventuality in 2021. PCAC chair and MTA Board member Andrew Albert has gone on the record in support of raising the gas tax, and our MNRCC and LIRRCC chairs agree that we'd support a 15-to-20 cent per gallon gas tax increase, which could be phased out or adjusted as other funding sources come back online. Our back of the envelope tally indicates that If the gas tax is doubled to from 8 cents to 16 cents, an *additional* \$494 million would be raised. If the gas tax is tripled from 8 cents to 24 cents, an *additional* \$988 million would be raised. Again, not enough to fix all the MTA's problems, but it would help.

- The MTA could choose the unappetizing route of going into even more debt. While it has the ability to do so, that will just eat into the agency's operating budget – the money it uses to actually run the system. It just borrowed \$451 million from the Fed, which allows it to pay back previous debt, thus buying some time. In a New York Post column on Sunday, Nicole Gelinias – who is slated to appear on another panel today – wrote that next year's \$3 billion in debt-payment costs will consume a full quarter of lower revenues. More debt is not usually a good answer – and we're not sold on it now unless there are no other alternatives to cutting service. Unfortunately, that's a reality we could soon face.

- Making the MTA's financial and capital project data available in usable and searchable formats would help all of us better make the case for funding now, and into the future. Regular and transparent reporting to the legislature could spur the actions we have been calling for over the years.

- We are open to an ongoing conversation about possible revenue raisers and invite you to look at our funding tool for ideas on options for both capital and operating funding streams.

There has been a slow but steady increase in ridership – but people are still very concerned about catching the virus, as are we. Despite the MTA's significant efforts to clean and disinfect stations and train cars, following many international best practices, there is still a real sense of

trepidation among riders – those who have yet to return and those who never stopped using the system. There is more that the MTA can do to convince riders it's safe to return.

The MTA is working to make as much information as possible available about conditions in stations and on-board trains and buses to empower passengers to make travel decisions that make them feel comfortable on transit. Projects we are watching and asking about include:

- Including alerts on MTA real-time on board and station crowding information to let riders know where crowding is occurring and directing them to less crowded stations.
 - Example: The expansion of the LIRR's TrainTime app to subways and TrainSpace – now under development for Metro-North – to provide real-time crowding information
- Implementation and expansion of the MYmta bus crowding pilot to all buses.

Additional rider friendly improvements we will be talking to them about include:

- Creating an online cleaning dashboard with real-time and historical data of cleaning by station to assure riders of cleanliness.
- Adding a ridership element to the NYCT performance dashboard to provide daily and monthly ridership by route/line, time of day, and stations/stops, including historic aggregated rider counts.
- Establishing the capacity of each station and providing the percentage of capacity reached in real-time.
- Making crowd-sourced crowding information for subways available in real time.

These recommendations come from international best practices and from systems within the U.S. We know that the MTA's Innovation team is working at developing some of these, and other we think can be progressed simultaneously. Of course, they all cost money to implement – something the MTA has in short supply.

Before I close, I'd like to thank you again for holding this hearing. We'd like to see another in the fall, with an update. I'd also be remiss if I didn't mention our ongoing call for restoration of 24/7 subway service. We thank Senator Hoylman for his legislation requiring the MTA and NYCT to provide continuous daily service for 24 hours unless a state of emergency is in effect – such as we're in now.

Essential workers have needed, and continue to need, service at all hours and buses can't replace subway service. With milestones and metrics rightly being the cornerstone of the state's reopening, we urge similar publicly disclosed metrics for restoration of overnight service. We've heard reliably that there are lines outside some subway stations waiting for

service to begin again at 5 a.m. Since the majority of overnight use has historically been between 4-5 a.m., we'd like to see a more immediate metric-based option for rolling back closures to restart service at 4. Anything you can do to help move this forward is much appreciated.

Getting riders back on board will help mitigate some of the financial calamity the MTA is facing but that's going to take time. We pledge to continue the fight along with you, the MTA, the advocacy organizations you see here, and other groups across the country. The surest and best way to get the funding all of our transit systems need is to spur the federal government to act – to invest in transit and its riders.

Thank you.