

1 BEFORE THE NEW YORK STATE SENATE FINANCE
2 AND ASSEMBLY WAYS AND MEANS COMMITTEES

2 -----

3 JOINT LEGISLATIVE HEARING

4 In the Matter of the
5 2017-2018 EXECUTIVE BUDGET
6 ON TRANSPORTATION

6 -----

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8 Hearing Room B
9 Legislative Office Building
10 Albany, New York

11 February 15, 2017
12 9:41 a.m.

11

12 PRESIDING:

13 Senator Catharine M. Young
14 Chair, Senate Finance Committee

15 Assemblyman Herman D. Farrell, Jr.
16 Chair, Assembly Ways & Means Committee

16 PRESENT:

17 Senator Liz Krueger
18 Senate Finance Committee (RM)

19 Assemblyman Robert Oaks
20 Assembly Ways & Means Committee (RM)

21 Senator Diane J. Savino
22 Vice Chair, Senate Finance Committee

23 Assemblyman David Gantt
24 Chair, Assembly Committee on Transportation

25 Senator Joseph Robach
26 Chair, Senate Transportation Committee

24

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Transportation
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3 PRESENT: (Continued)

4 Assemblyman Jeffrey Dinowitz
Chair, Assembly Committee on Corporations,
5 Authorities & Commissions

6 Assemblyman Michael Cusick

7 Senator James N. Tedisco

8 Assemblyman Mark C. Johns

9 Assemblyman Phil Steck

10 Assemblyman James Skoufis

11 Senator Timothy Kennedy

12 Assemblyman Steven Otis

13 Senator Martin Malave Dilan

14 Assemblyman David G. McDonough

15 Senator Thomas D. Croci

16 Assemblywoman Pamela J. Hunter

17 Assemblywoman Alicia Hyndman

18 Assemblyman Edward Ra

19 Senator Leroy Comrie

20 Assemblywoman Nicole Malliotakis

21 Senator Todd Kaminsky

22 Assemblyman Walter T. Mosley

23 Assemblywoman Tremaine Wright

24 Assemblywoman Yuh-Line Niou

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3 PRESENT: (Continued)

4 Assemblywoman Jo Anne Simon

5 Senator Elaine Phillips

6 Assemblyman L. Dean Murray

7 Assemblyman David Buchwald

8 Senator Brad Hoylman

9 Assemblyman N. Nick Perry

10 Senator Roxanne Persaud

11 Assemblywoman Helene E. Weinstein

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 Commissioner

16 New York State Department
 of Transportation

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 New York State Department
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1 CHAIRMAN FARRELL: Good morning. Good
2 morning. I'll try that again. Good morning.

3 AUDIENCE: Good morning.

4 CHAIRMAN FARRELL: All right.

5 Today we begin the 111th in a series
6 of hearings conducted by the joint fiscal
7 committees of the Legislature regarding the
8 Governor's proposed budget for fiscal year
9 2017-2018. The hearings are conducted
10 pursuant to Article VII, Section 3 of the
11 Constitution, and Article II, Section 32 and
12 32A of the Legislative Law.

13 Today the Assembly Ways and Means
14 Committee and the Senate Finance Committee
15 will hear testimony concerning budget
16 proposals for transportation.

17 I will now introduce some of the
18 members, and then Senator Young will do hers
19 and so will Assemblyman Oaks.

20 We have been visited by Assemblyman
21 David Gantt, chair of the Transportation
22 Committee; Assemblyman Michael Cusick,
23 Assemblywoman Pam Hunter, Assemblyman Jeff
24 Dinowitz, chair of the Corporations

1 Committee.

2 And Mr. Oaks, Senator -- Assemblyman
3 Oaks. I was going to move you up.

4 SENATOR ROBACH: You should have been
5 a Senator.

6 ASSEMBLYMAN OAKS: Yes, we've been
7 joined by Assemblyman McDonough,
8 Assemblyman Johns, Assemblyman Ra, and
9 Assemblywoman Malliotakis.

10 CHAIRWOMAN YOUNG: Thank you.

11 Good morning. I'm Senator Catharine
12 Young, and I'm chair of the Senate Standing
13 Committee on Finance. And I'm joined today
14 by several of my colleagues. First, Senator
15 Diane Savino, who is vice chair of the
16 Finance Committee; Senator Liz Krueger, who
17 is ranking member; Senator Joe Robach, who is
18 chair of the Senate Standing Committee on
19 Transportation; Senator James Tedisco,
20 Senator Todd Kaminsky, Senator Marty Dilan,
21 Senator Tom Croci, and Senator Tim Kennedy.

22 Mr. Chairman?

23 CHAIRMAN FARRELL: Yes, thank you.

24 But before I start, I would like to

1 remind all of the witnesses testifying today,
2 and our colleagues on the bench, to keep your
3 statement within your allotted time limits so
4 that everyone can be afforded opportunity to
5 speak. And you'll see we have the clocks
6 there -- they're on the dais and they're on
7 the wall, so you can see them.

8 Now we will go to our first witness,
9 and that is the New York State Department of
10 Transportation, Matthew Driscoll,
11 commissioner.

12 Good morning again.

13 COMMISSIONER DRISCOLL: Good morning.
14 Thank you. Good morning, everyone.
15 Chairperson Young, Chairperson Farrell,
16 Chairperson Robach, Chairperson Gantt, and
17 members of the Finance, Ways and Means, and
18 Transportation Committees, thank you for the
19 opportunity to discuss Governor Cuomo's
20 Executive Budget as it pertains to the
21 Department of Transportation for the
22 2017-2018 state fiscal year.

23 I'd like to begin with stating how
24 honored I am to serve as the 12th

1 commissioner of the Department of
2 Transportation. During the course of my more
3 than 20 years of public service, I've worked
4 with many talented, dedicated and wonderful
5 individuals -- none more so than those I now
6 have the opportunity to work with at the
7 Department of Transportation. Their
8 extraordinary professionalism and work ethic
9 are the reasons that New York State's
10 multimodal transportation systems are among
11 the most dependable and highly regarded in
12 the nation.

13 I'd like to take this opportunity to
14 publicly thank the women and men of the
15 department. Thank you for all you do.

16 As the previous owner of successful
17 small businesses, I came to understand and
18 appreciate the inherent value of a dollar,
19 and as such, I did all I could to control
20 expenses while maximizing returns on the
21 investments that I made. I instilled that
22 same discipline throughout my tenure as mayor
23 of the City of Syracuse. And now, as
24 commissioner of a state agency with an

1 \$11 billion annual budget, I bring that same
2 approach to this department.

3 I've worked with Governor Cuomo to
4 institute a performance-based accountability
5 culture within DOT that has demonstrated that
6 government can be run more efficiently and
7 that the public's money can be spent more
8 effectively.

9 The department aggressively
10 streamlined the project selection, design,
11 procurement and delivery processes. As you
12 well know, DOT is successfully using new
13 procurement methods such as design-build,
14 prequalification of contractors, and best
15 value, in addition to the traditional
16 design-bid-build procedure, to deliver its
17 capital program. I'll talk more about these
18 procurement techniques in a few moments. But
19 perhaps little known is the entrepreneurial
20 spirit that these new techniques have
21 enabled, including the design, development
22 and deployment of new innovative construction
23 methods and the use of state-of-the-art
24 materials such as precast bridge elements,

1 rapid-set or ultra-high-performance concrete,
2 and slide-in bridge construction. These
3 innovative methods have reduced both the cost
4 and the time it takes to design and deliver
5 construction projects. And as we all know,
6 the more efficient we are with taxpayers'
7 money, the better off we all are.

8 Last year I pledged to this committee
9 that I would address the department's process
10 to accelerate construction and ensure that
11 the Department of Transportation's capital
12 program is creating jobs and facilitating
13 local economic development. I have done
14 that, and have since directed the department
15 to accelerate the award of projects so that
16 construction can begin earlier. By
17 accelerating the timing of procurements, we
18 will now take full advantage of the limited
19 construction window in the Northeast. As a
20 result, projects which would have been
21 completed over two construction seasons can
22 now be delivered in one.

23 One of our best tools for saving time
24 has been design-build. Prior to the

1 enactment of the Infrastructure Investment
2 Act of 2011, DOT delivered construction
3 contracts through a traditional
4 design-bid-build process. By combining the
5 design and construction phases of a project
6 into one contract, project delivery is more
7 efficient, and project benefits are delivered
8 to the public sooner.

9 Since being signed into law in 2011,
10 DOT has awarded 25 design-build contracts
11 valued in excess of \$1.2 billion. These
12 projects are now underway throughout the
13 state, and the results are overwhelmingly
14 positive. Projects are being delivered
15 sooner, on-budget, and jobs are being
16 created. In addition to these contracts,
17 there are currently five more under
18 procurement, totaling an additional
19 \$360 million.

20 The Department has also identified
21 14 projects statewide in excess of
22 \$900 million that may be candidates for
23 design-build in the future. The act's
24 benefits make it clear that design-build

1 authority should be made permanent.

2 Design-build was never intended to
3 replace the traditional design-bid-build
4 method, nor will it, but it has, without
5 question, been a valuable tool to accelerate
6 projects that would not have otherwise
7 advanced for years. To sustain this positive
8 momentum, the Governor has included a
9 proposal in his Executive Budget to
10 permanently extend these procurement
11 techniques, and I urge your support for this
12 proposal.

13 Last year, with your strong support,
14 DOT realized the first long-term
15 transportation infrastructure investment plan
16 in nearly a decade. The department is
17 currently delivering the second year of the
18 \$21.1 billion five-year investment in our
19 roads, bridges, rails, transit systems and
20 airports, from Montauk to Niagara Falls.
21 Together, these collective investments will
22 keep New York's economy growing into the next
23 century, while creating 250,000 construction
24 jobs.

1 Senator Robach asks me often about
2 delivery. So to illustrate the enormous
3 economic impact of the department's capital
4 plan, since last April, DOT-awarded projects
5 will have utilized more than 90,000 tons of
6 steel, the amount of steel used to
7 manufacture 90,000 automobiles; more than
8 6.7 million tons of asphalt -- that's the
9 equivalent of paving a four-lane highway from
10 New York to California -- and more than
11 280,000 cubic yards of concrete, or four and
12 a half times the amount of concrete used to
13 construct the Empire State Building.

14 To sustain this momentum, we must
15 continue to invest in building infrastructure
16 in every region of our state. The Executive
17 Budget released last month will do just that.

18 The Governor's Executive Budget
19 proposal for the Department of Transportation
20 not only honors the commitments made through
21 the five-year capital plan; this proposed
22 budget provides an additional \$1.2 billion in
23 new resources to improve roadway access to
24 and from JFK Airport, and to accelerate the

1 construction of several major regional
2 projects by as much as three years. Those
3 projects include, among others, the
4 construction in the Town of Woodbury, the
5 Transit and Economic Development Hub, State
6 Route 17 and 32 interchange; construction of
7 the second phase of the new Kosciuszko Bridge
8 in New York City; reconstruction of State
9 Route 198, the Scajaquada corridor in
10 Buffalo; and the replacement of the passenger
11 rail station here locally in Schenectady.

12 The Executive Budget also sustains
13 record-level funding for local road and
14 bridge assistance under the CHIPS,
15 Marchiselli, PAVE-NY and BRIDGE NY programs.

16 I'm also pleased to provide status
17 updates on several of the new transportation
18 infrastructure initiatives that were
19 announced last year. The upstate airport
20 economic development and revitalization
21 competition -- this was a \$200 million
22 competition announced by Governor Cuomo last
23 year, and it challenged upstate airports to
24 envision bold new plans to enhance safety,

1 improve operations and access, reduce
2 environmental impacts, and create a better
3 passenger experience. The first two winners,
4 Elmira Corning Regional Airport and the
5 Greater Rochester International Airport,
6 submitted innovative and transformative
7 plans. Elmira was awarded \$40 million to
8 support a \$60 million re-imagination of the
9 airport -- increasing capacity, enhancing
10 security, improving retail options, and
11 modernizing to compete in the 21st century
12 global economy. Rochester was awarded
13 \$39.8 million to support its \$54 million plan
14 to bring new sustainability features into the
15 airport, increasing capacity and safety, and
16 promoting innovation at the site.

17 To build on this success, the Governor
18 recently announced the winners of Round 2 of
19 the upstate airport competition. The
20 Syracuse-Hancock International Airport will
21 receive \$35.8 million towards a \$54 million
22 project, including a state-of-the-art
23 centralized security checkpoint, a
24 revitalized terminal facade, and two

1 completely redesigned concourses. And
2 \$38 million was just recently awarded to the
3 Plattsburgh International Airport to support
4 its \$43 million investment to increase
5 capacity, including construction of a new air
6 cargo receiving and distribution center and
7 the establishment of a new customs facility.

8 Last month I notified municipalities
9 across the state of the results of the
10 \$200 competitive funding awards for BRIDGE NY
11 under the current two-year solicitation. The
12 BRIDGE NY program provides critical funding
13 for local governments to rehab and replace
14 bridges and culverts across every region of
15 the state. By providing BRIDGE NY funding to
16 local governments, New York is building
17 safer, more reliable bridges, protecting
18 public safety, and supporting the economic
19 competitiveness of communities by improving
20 local infrastructure.

21 This year's awards will support 93
22 bridges and 39 culverts and the rehab and
23 replacement of those projects across the
24 state. At least one municipality in every

1 county of the state that applied for funding
2 will be receiving an award for a bridge or
3 culvert project under this new program.

4 In conclusion, over the next several
5 years the implementation of the department's
6 long-term transportation plan will play a
7 central role in the state's economic growth.
8 The acceleration of strategic investments in
9 transportation infrastructure, as proposed in
10 the Executive Budget, will serve as a
11 catalyst for job creation, access to new
12 global markets, and enhanced community
13 quality of life. To that end, New York State
14 Department of Transportation will ensure that
15 through continued investments in
16 transportation programs, we will foster
17 economic opportunity in New York State. It's
18 what we must do as a state to sustain our
19 position as the Empire State.

20 I want to thank you for your time this
21 morning, and I'm happy to entertain any
22 questions that you may have for me.

23 CHAIRMAN FARRELL: Thank you very
24 much.

1 To begin the questioning, chairman of
2 the Transportation Committee, Assemblyman
3 Gantt.

4 ASSEMBLYMAN GANTT: Thank you very
5 much, Chairman Farrell.

6 And thank you, Commissioner, for
7 coming before us today. I have a few
8 questions that I'd like to ask because I have
9 some real concerns.

10 One is the design-build. And I'm not
11 sure where we end with up with that. Given
12 today's atmosphere with all the collusion and
13 all the other stuff that we got going on.
14 But I hope you guys can keep that under
15 control.

16 I also have a concern about Uber. You
17 know that place? And while I've taken
18 taxicabs all across the state, I'm not so
19 sure that every system needs Uber. And the
20 reason being is -- and I live in the heart of
21 quote, unquote, the ghetto. And for years,
22 the hack cabs were controlled by a very few
23 people. And finally, between Councilman
24 Norwood and myself, working with City

1 Council, we have improved the -- first of all
2 we've improved who has the license plates.
3 Before, people were doing the plates, paying
4 all the money, and then the -- in particular
5 this one guy, he paid the money one day; the
6 next day, the guy came by and took the hack
7 plate off. Which really bothered me, because
8 people have to make a living.

9 With Uber, for instance, can you tell
10 me why they pay 5.5 percent and the rest of
11 the state pays approximately 8 percent in
12 sales tax?

13 COMMISSIONER DRISCOLL: No, I can't
14 tell you that.

15 But what I can tell you, first on
16 design-build, is that it has -- as I provided
17 in my remarks, it's worked remarkably well
18 for the State Department of Transportation.
19 But I want to make the point again that it
20 will never replace design-bid-build. But it
21 is a tool in our tool belt that really helps
22 us accelerate and deliver, on time and on
23 budget, major projects.

24 With respect to Uber, I can only tell

1 you, personally speaking, I am supportive of
2 it. I think it's a great opportunity,
3 particularly in upstate communities and in
4 rural communities, where transportation modes
5 are far and few in between. And I'm
6 certainly hopeful that both legislative
7 bodies will be supportive of the passage of
8 Uber.

9 ASSEMBLYMAN GANTT: Then given that,
10 why is it that the Governor says everybody
11 has to have it? Have you checked to see
12 who's got good taxi service and who doesn't?
13 Have you guys looked at any of that?

14 COMMISSIONER DRISCOLL: Well, that
15 would be a question for the Executive. I'm
16 not at this point dealing with Uber.

17 ASSEMBLYMAN GANTT: So -- but you
18 support it?

19 COMMISSIONER DRISCOLL: I personally
20 support it, yes.

21 ASSEMBLYMAN GANTT: But you don't know
22 how it's going to work in the different
23 communities.

24 COMMISSIONER DRISCOLL: I know that

1 it's going to -- and I've used it in other
2 cities. It's a remarkable tool. And so I
3 support it personally. And if there is a
4 modest fee associated with that, my
5 experience has shown me it's faster and
6 frankly less expensive, in my experiences
7 with it, that I've utilized, than a
8 traditional taxicab.

9 ASSEMBLYMAN GANTT: Is Uber going to
10 be forced to take people from every
11 neighborhood? Do you know?

12 COMMISSIONER DRISCOLL: Again, I don't
13 know the answer to that.

14 ASSEMBLYMAN GANTT: Okay. Those are
15 some of the concerns that I have, because I
16 think poor people in my neighborhood who
17 don't have -- first of all, may not have the
18 cellphone, but number two, who may not have
19 the credit card, but still who need taxi
20 service or livery services of some kind, what
21 do they do? What do you suggest to me that I
22 tell them they should do?

23 COMMISSIONER DRISCOLL: Well, I --
24 hopefully they have a friend who has a

1 cellphone.

2 You know, look, Uber makes good sense.
3 It's being utilized across the nation. The
4 facts are clear, it's helping create new
5 economies, it's growing jobs, it's providing
6 transportation in a cost-effective manner to
7 people who many times can't get it or can't
8 wait for a traditional cab.

9 ASSEMBLYMAN GANTT: You say that, but
10 you haven't checked the system in Rochester.

11 COMMISSIONER DRISCOLL: Well, you
12 know, I guess what I would say to that,
13 that's correct, I don't know the system in
14 Rochester. I know my hometown system. It's
15 not a criticism. And I've used cabs here in
16 Albany. And sometimes, you know, I can't
17 wait an hour.

18 ASSEMBLYMAN GANTT: Albany's the worst
19 place in the world to get a cab, I agree with
20 you, because I've --

21 COMMISSIONER DRISCOLL: You know,
22 depending on the time of the day or the time
23 of the year, it's sometimes difficult to get
24 a cab. And I think the efficiency, the

1 convenience of Uber -- and again, I want to
2 state for the record that I personally
3 support that. But quite candidly, sir,
4 that's the negotiation between the Executive
5 and the legislative.

6 ASSEMBLYMAN GANTT: And what do you
7 suggest we do about making the playing field
8 equal? For instance, cab drivers in my
9 neighborhood pay somewhere in the
10 neighborhood, I think, of \$5,000, if I have
11 that correct. And Uber's going to have a
12 much different insurance base. What do we do
13 to make the playing field equal so everybody
14 can have a fair shot at it? Or do we just
15 allow Uber to close the regulars down, and
16 then the public be damned?

17 COMMISSIONER DRISCOLL: Well, I would
18 suggest to you that this is the time that
19 those negotiations should take place. I hope
20 they do, and I hope the result is that
21 upstate has Uber.

22 ASSEMBLYMAN GANTT: Okay. I have some
23 other questions. In terms of the DMV office
24 in Rochester, where are we at with that?

1 State have been very open. In fact, we have
2 formulated a workgroup made up of
3 transportation individuals from the
4 Department of Transportation and Federal
5 Highway. We're having very productive
6 conversations relative to those.

7 New York State, the DOT, we have
8 installed about 374 of those signs across the
9 state. And I think the facts are clear.
10 Since those signs have been installed,
11 there's been an uptick of over 100,000 hits
12 to the apps, which is all based on -- focused
13 on tourism and growing the economy. You may
14 have read the other day that the revenues for
15 the Taste NY program are up across the state.

16 Tourism is a big business, as you all
17 well know, in each of your districts and all
18 across this state. It's a \$100 billion
19 business in New York State, and it makes good
20 sense to support local economies, local
21 producers, local growers, local artisans and
22 help them grow their businesses.

23 ASSEMBLYMAN GANTT: Commissioner,
24 we've spent a lot of time in terms of public

1 safety, distracted driving.

2 COMMISSIONER DRISCOLL: Mm-hmm.

3 ASSEMBLYMAN GANTT: You hear of that
4 one? Those signs are very distracting. I
5 mean, I drive this way, so I can tell you.
6 And have you done anything to study that?

7 COMMISSIONER DRISCOLL: We don't
8 believe that they're distracting, we believe
9 that they're informational. They're not
10 directional, as well, but they provide
11 information in particular regions. As you
12 know, New York State is based on regions.
13 That's how the Governor has chosen to
14 administer New York State, I think smartly
15 so. And so what these signs do is offer
16 opportunities for people to understand those
17 options that are available in each of the
18 10 regions throughout New York State.

19 ASSEMBLYMAN GANTT: But in the
20 meantime, you were told a person who's in his
21 car, that he should not use his cellphone.
22 And --

23 COMMISSIONER DRISCOLL: Uh --

24 ASSEMBLYMAN GANTT: Should not use his

1 cellphone, and I agree with you. However, I
2 also think the same thing happens when one
3 passes those Thruway signs out there.

4 COMMISSIONER DRISCOLL: Clearly we do
5 not condone people using their cellphones
6 while they're driving. The hope is that they
7 use it when they pull off at a rest area, a
8 text stop, or a passenger who may be with
9 them, and likely so, would use that to access
10 that information as well.

11 ASSEMBLYMAN GANTT: And you're going
12 to let DMV deal with that.

13 The Executive increased the proportion
14 for the capital plan by \$1.2 billion, of
15 which \$600 million is dedicated to a series
16 of projects. Do you have a breakdown of how
17 the \$600 million will be spent?

18 COMMISSIONER DRISCOLL: I do. So
19 it's \$564 million will go towards the
20 Kew Gardens Interchange. It's a very busy
21 place, with 250,000 vehicles going through
22 that. It's a big choke point, if you will,
23 access to John F. Kennedy Airport.

24 And we've received \$600 million in

1 encumbrance relief for federal dollars to
2 support acceleration of projects like
3 Woodbury Commons, as an example.

4 ASSEMBLYMAN GANTT: The question that
5 I always ask in each one of these is how --
6 the deficiency of our roads and bridges,
7 because -- what's the percentage this year,
8 can you tell me?

9 COMMISSIONER DRISCOLL: I can't give
10 you the exact percentages here. The overall
11 condition of our roads and bridges is not in
12 the poor category. You know, and I think
13 that's why, quite honestly, the BRIDGE NY
14 program has been such a big success, because
15 it is also addressing local bridges, locally
16 owned bridges -- not state-owned bridges,
17 locally owned bridges -- that are in need of
18 much repair.

19 It's a program, you know, that we
20 thought would really help locals address
21 those needs. It's been wildly popular. We
22 expect that to continue going forward.

23 The question of infrastructure, I was
24 speaking earlier today with Senator Tedisco

1 about it. The reality is, and I think all of
2 us know that we live in a very old state, we
3 live in the old Northeast, and much of the
4 infrastructure is very old. Unfortunately,
5 over the past 40 or so years, a lot of that
6 infrastructure was ignored. And so here we
7 are today with the task to deal with it
8 aggressively. We're doing that. That's one
9 of the reasons why we like design-build for
10 the big megaprojects, you know.

11 And while we talk about the big
12 projects at the Department of Transportation,
13 many times we seem to focus on those big
14 projects, I'd like to tell you there's about
15 2500 projects in the five-year plan that are
16 small and local. And they're important to
17 local communities. So from my position, big
18 or small, they're all important.
19 Infrastructure is challenged. I can tell you
20 that this Governor is investing in it. We
21 have the biggest capital plan in the history
22 of the Department of Transportation.

23 I would also say this, that it is
24 incumbent upon our federal partners to

1 continue to invest. We know that there's
2 been conversations from President Trump's
3 administration that they're talking about an
4 infrastructure plan. We hope that happens.
5 If that happens, New York State DOT is ready
6 to deliver, we will be poised to deliver
7 federal funds, in addition to our five-year
8 plan to address that aging infrastructure.

9 ASSEMBLYMAN GANTT: But can we deliver
10 on our part of the bargain? Can we deliver
11 on our percentage of those road or bridge
12 projects?

13 COMMISSIONER DRISCOLL: I'm sorry, I'm
14 having trouble hearing you.

15 ASSEMBLYMAN GANTT: That's okay. We
16 want the feds to deliver. However, can we
17 deliver on our piece? I'm sure that we pay a
18 portion of that.

19 COMMISSIONER DRISCOLL: Yeah, we do.
20 And we are delivering. And I'm letting you
21 know, here and now, we are delivering.

22 ASSEMBLYMAN GANTT: And we can
23 continue to deliver?

24 COMMISSIONER DRISCOLL: I'm sorry?

1 ASSEMBLYMAN GANTT: We can continue to
2 deliver?

3 COMMISSIONER DRISCOLL: We're going to
4 continue to deliver, and we're going to do it
5 faster. As I outlined in my remarks, I've
6 changed the very structure that's been in
7 place for over 20 years at DOT on lettings.
8 So no longer will larger projects be let in
9 the fourth quarter, it will be done in the
10 third quarter.

11 What does that mean? That means
12 instead of having a project go out in the
13 fall, where people can't mobilize because
14 winter's coming, it's going to be done in the
15 spring. So they'll be able to mobilize
16 efficiently, and they've got a full
17 construction season. It's going to make a
18 big difference.

19 ASSEMBLYMAN GANTT: Commissioner, you
20 push design-build. As one who happens to be
21 of color, as one who's also concerned about
22 whether or not minorities will get a fair
23 share of that -- and the Governor has bragged
24 about his 30 percent, which I don't believe.

1 I have to tell you that. I just don't
2 believe that -- can you tell me how we're
3 going to assure the state -- assure the state
4 of -- at least the minority communities, how
5 they're going to be able to participate in
6 that system?

7 COMMISSIONER DRISCOLL: Yeah, and I
8 can speak certainly on behalf of DOT. It's
9 something that I have been committed to my
10 entire professional career in public service.
11 And I have a record of that, as mayor. I
12 continue that here. I think we've done very
13 well working towards that goal.

14 Through December, our number was about
15 20 percent. But we don't stop there, we
16 continue to work with groups and individuals
17 and businesses to mentor them across the
18 state. We'll also be partaking in some
19 statewide educational -- a series of
20 educational meetings later this year.

21 MWBE is very important to the
22 Governor, it's very important to me, and it's
23 very important to the state. And so that is
24 a big component of all of our project

1 delivery, is to make sure that we are -- we
2 are -- working towards that goal.

3 CHAIRMAN FARRELL: Thank you,
4 Chairman.

5 Senator?

6 CHAIRWOMAN YOUNG: Thank you.

7 Our next speaker is Senator Joe
8 Robach, who chairs the Transportation
9 Committee.

10 SENATOR ROBACH: Thank you, Senator
11 Young.

12 Commissioner, thank you for your
13 comments. And I would say I think we're
14 definitely moving in a better direction, as
15 you stated in your comments. That for
16 several years we didn't even have a capital
17 plan, let alone parity with the MTA in roads
18 and bridges, helped exacerbate our aging
19 infrastructure, and I think was not the right
20 direction. So I'm glad we're moving in the
21 right direction, and I do appreciate the
22 lettings early and everything else.

23 But I do want to just talk about
24 money, because I think it's important. And

1 certainly I think probably for everybody up
2 here, we hear from people -- from local
3 governments, constituents, people in the
4 field, engineers -- where we're at. So --
5 and I think it's important we let everybody
6 know. So we all worked together, and we
7 fought for this very important framework, if
8 you will, of parity, which some people say is
9 a five-year plan, some people say is a
10 six-year plan. When we were in negotiations
11 directly with the Governor, he said it had to
12 be six years and it was \$27 billion for the
13 MTA, \$27 billion for roads and bridges. Is
14 that all still in place, and where we're at?

15 COMMISSIONER DRISCOLL: Yes. Yes.

16 SENATOR ROBACH: Okay, good.

17 So I do the math a little bit
18 simplistically and say roughly we should be
19 having about \$4.5 billion a year going out
20 for roads and bridges all across -- and
21 that's in roads and bridges, that's for
22 Long Island, New York City, all of upstate,
23 everywhere. Do we try to kind of like hit
24 that goal annually, or not necessarily?

1 very mindful of making that money work, work
2 efficiently, and work in an expeditious
3 manner. Which is why I advocate for
4 design-build. It will not replace
5 design-bid-build. But that for us, and I
6 think for communities across the state, it's
7 a great tool to have in our toolbox.

8 SENATOR ROBACH: Yeah. I know, again,
9 my goal is to get as much work out the door
10 as we can. I don't want to be gluttonous,
11 but I realize there's a lag. So if I'm
12 answering the question to somebody to say
13 where is this money that we pledged in the
14 budget -- so the answer would be maybe we're
15 on a little delay, it may take a little bit
16 longer than six years, but we're really
17 working and it's getting out the door.

18 Would that be fair?

19 COMMISSIONER DRISCOLL: That would be
20 fair. But I would also call and ask before
21 you answer that question, so we can tell you
22 accurately where it is in the pipeline.

23 But some of these larger projects, and
24 in particular when you're working with

1 locals, take time. They take time for local
2 reasons, and they take time for procurement
3 reasons.

4 So -- but it's true, I'm committed to
5 moving the money out the door faster. I
6 continue to do that. I discussed some of
7 that here today. I've realigned, and I
8 discussed that with you last year here,
9 administratively how we work internally. I
10 think we have a much more efficient internal
11 flow. And so I think it's working better for
12 the Department of Transportation.

13 SENATOR ROBACH: Yeah. I guess I
14 would -- I have a lot of questions. I'll try
15 to expedite.

16 You know, I guess I would like to
17 see -- and I realize it's not just you, we
18 have to work with the Governor and everybody
19 in the process. But going back to my
20 colleague Dave Gantt's comments, you know,
21 when we wanted to get those signs put up and
22 the Governor had the will, we did it in no
23 time. I guess I'd like to see a little bit
24 more of that urgency, especially in a

1 geographic sense.

2 Like I love the bridge program,
3 because there's a little something for
4 everybody in how we spread out the money and
5 assistance there, and people can see it.
6 This isn't so much a question, just an
7 observation. Most of the things I see in
8 upstate New York are a little bit more of
9 maintenance. I see a lot of things in
10 downstate New York, not only for the MTA, but
11 in roads and bridges, that are capital. So
12 when I have somebody say to me, you know,
13 where's that money, it's harder and harder
14 for me for answer it.

15 The good news is there's a lot of
16 activity. I think, because of your comment,
17 we all agree with the aging infrastructure.
18 I think it's very important that we use our
19 resources to try and get that out as
20 geographically as possible.

21 And there are a lot of projects that
22 are shovel-ready all across the state -- not
23 just in my district, but, you know, Buffalo,
24 Syracuse, you name it. It seems to me like

1 we should be able to get to those without as
2 much delay if we have the funding in place.

3 So I guess more than a question, it
4 would be my request that hopefully we can
5 really improve on what you've already
6 improved and kind of make that a little bit
7 quicker. I think it would be very well
8 received all across the state, especially in
9 upstate New York.

10 COMMISSIONER DRISCOLL: Understood.

11 SENATOR ROBACH: And one last thing,
12 too. You answered part of it. So the
13 Governor puts in -- because, you know, we're
14 trying to do some of these other projects --
15 \$1.2 billion additional DOT funds for road
16 and bridge, which is great. Where is that
17 money, what pool -- where is that money
18 coming from?

19 COMMISSIONER DRISCOLL: The 1.2? It's
20 coming from DOB. And that's specific to the
21 Kew Gardens Interchange, which I explained,
22 and then --

23 SENATOR ROBACH: So that would come
24 out of this \$27 billion that we've planned --

1 COMMISSIONER DRISCOLL: It's new
2 money. We have \$3.8 billion, but we're
3 getting another 1.2, so we have \$5 billion.
4 But that 1.2, 564 is going towards the Kew
5 Gardens Interchange, and the 600 encumbrance
6 relief will go to some of the accelerated
7 projects that I described, like Woodbury
8 Commons.

9 SENATOR ROBACH: Okay. And then I'd
10 just say one last thing too, because I don't
11 want to manipulate too much time here. I'm
12 hopeful, and I think we're going to try to
13 negotiate it, even in these challenging
14 times, I think for CHIPS and Marchiselli
15 funds. Those are critically important. You
16 know, we kind of say we're going to focus a
17 lot in maintenance. I think it would almost
18 be better for us to focus on capital and let
19 the locals a little bit focus more on
20 maintenance, because that's what they do
21 every day.

22 To do that, we have to at least
23 increase to the rate of inflation or greater
24 those local fundings. And it's not at this

1 particular table, but important to us all.
2 You were a mayor; you know that they love
3 when we can give them some relief to do
4 roadwork or anything else --

5 COMMISSIONER DRISCOLL: Right.

6 SENATOR ROBACH: -- Because they don't
7 have a lot of money.

8 So I hope, as we move forward -- I
9 know the Senate will be trying to negotiate
10 an increase in that category. I hope as the
11 commissioner you see the need and will be
12 amenable to that.

13 COMMISSIONER DRISCOLL: Well, and I
14 just want to say I know the need, having
15 lived it, as you've described. And that is
16 very much, you know, how we arrived with
17 PAVE-NY. So while CHIPS money has remained
18 the CHIPS money, and it's local money that's
19 fungible for them for the roads, the PAVE-NY
20 money is also flexible money for them in
21 addition to CHIPS, so that they get to
22 determine -- not DOT, but the locals get to
23 determine, you know, what roadwork they want
24 to do.

1 That's new. It wasn't like that
2 previously. DOT typically insisted that that
3 local work be connected to the state system.
4 We have now provided more flexibility to the
5 locals with the PAVE-NY program, and we give
6 that money to them in the same formula as
7 CHIPS is distributed. And I know many people
8 across the state have been very happy about
9 that.

10 But I don't disagree with you. You
11 know, this is the time of the year where the
12 negotiation takes place, and I would
13 encourage you to do so.

14 SENATOR ROBACH: Just real quick, one
15 parochial thing I just want to say too.
16 So -- and maybe you can explain to me how
17 this works. So you know we've been trying to
18 do the 390/490 interchange, we've got a bad
19 bridge there where stuff fell off and hit a
20 car, and of course -- rightfully so -- that
21 alarms the public.

22 Then Senator Schumer came in and said,
23 I've earmarked X amount of millions of
24 dollars for that project -- yet we're not

1 doing it yet. How does that work? And how
2 do we capture that money? And does that
3 really doing do anything for us, expediting
4 the project?

5 COMMISSIONER DRISCOLL: What, the
6 federal money?

7 SENATOR ROBACH: Well --

8 COMMISSIONER DRISCOLL: The federal
9 money obviously --

10 SENATOR ROBACH: I only know what I
11 read in the newspaper, also, because he
12 didn't tell me directly. But he said in
13 addition to everything else --

14 COMMISSIONER DRISCOLL: Well, you know
15 what they say about reading newspapers,
16 right?

17 SENATOR ROBACH: -- he had earmarked
18 specific money for that project above and
19 beyond what we had talked about.

20 COMMISSIONER DRISCOLL: Right.

21 SENATOR ROBACH: Is there some -- I
22 don't know how that works. Is there some --

23 COMMISSIONER DRISCOLL: No, there's no
24 additional money. And I don't want to speak

1 for the Senator, but we get federal funds.

2 So perhaps that's what he was speaking to.

3 SENATOR ROBACH: So there's not -- he
4 really doesn't have the ability, then, other
5 than generically, to go to the state to say
6 this federal money has to specifically go to
7 this project like a -- more like an earmark
8 or a member item?

9 COMMISSIONER DRISCOLL: We use the
10 federal funds across the state, across the
11 board. He's been very supportive with not
12 only the Department of Transportation's work
13 in Rochester, but other efforts as well.

14 SENATOR ROBACH: Well, I'll get my
15 last plug and then I'll be done. I'll just
16 remind you that that 390/490 interchange in
17 Rochester has more cars through it every
18 morning than the Tappan Zee Bridge.

19 COMMISSIONER DRISCOLL: Two hundred
20 thousand.

21 SENATOR ROBACH: There you go.

22 Thank you.

23 CHAIRMAN FARRELL: Thank you, Senator.

24 CHAIRWOMAN YOUNG: Thank you,

1 Mr. Chairman.

2 CHAIRMAN FARRELL: Assemblyman
3 McDonough.

4 ASSEMBLYMAN McDONOUGH: Thank you,
5 Chairman.

6 And good morning, Commissioner, and
7 welcome again.

8 A lot of what I wanted to ask was
9 covered. But I'm from Long Island and Nassau
10 County, and my region, which is Region 10,
11 I'm concerned about the amount of work that's
12 going to be in Region 10.

13 We have some parkways, and I'll just
14 gloss over them so that -- we won't take too
15 much time. But the Wantagh Parkway is in bad
16 shape. The Sagtikos Parkway is in need of
17 somehow improving that, because the
18 traffic -- and I drive it frequently -- is
19 horrendous.

20 And of course we talked about the
21 JFK Expressway, somebody already mentioned
22 that. That is going to be done in
23 conjunction with the development at Kennedy
24 Airport, or are you getting it done prior?

1 Do you know the schedule on that?

2 COMMISSIONER DRISCOLL: In conjunction
3 with --

4 ASSEMBLYMAN McDONOUGH: With the
5 redevelopment of Kennedy?

6 COMMISSIONER DRISCOLL: Right. We'll
7 be starting that work and are starting that
8 work now. The design, you know.

9 ASSEMBLYMAN McDONOUGH: Okay. All
10 right. And that's design-build also, right?

11 COMMISSIONER DRISCOLL: Yes.

12 ASSEMBLYMAN McDONOUGH: Okay. The
13 infrastructure problem you've addressed
14 somewhat already, and you and I talked about
15 it earlier. But of the 17,000 bridges in the
16 State of New York, DOT has control of
17 probably over half of those, right?

18 COMMISSIONER DRISCOLL: Yeah, about
19 8300.

20 ASSEMBLYMAN McDONOUGH: Okay. Now,
21 your evaluation of those bridges, from my
22 information, is on a scale of 1 to 7, I
23 think, that they evaluate it. And I think 7
24 is the worst condition, right? I understand

1 that many of them are above 3. Would you
2 agree with that?

3 COMMISSIONER DRISCOLL: I'm sorry,
4 many are what?

5 ASSEMBLYMAN McDONOUGH: Many of the
6 bridges that have been evaluated are above 3
7 in the evaluation.

8 COMMISSIONER DRISCOLL: Above 3?

9 ASSEMBLYMAN McDONOUGH: Some 4.

10 COMMISSIONER DRISCOLL: Likely. Above
11 3?

12 ASSEMBLYMAN McDONOUGH: Yeah.

13 COMMISSIONER DRISCOLL: Yes, perhaps.

14 ASSEMBLYMAN McDONOUGH: So that means
15 they have to -- I realize that there's
16 many --

17 COMMISSIONER DRISCOLL: So they're
18 like in moderate condition.

19 ASSEMBLYMAN McDONOUGH: Pardon me?

20 COMMISSIONER DRISCOLL: Moderate
21 condition.

22 ASSEMBLYMAN McDONOUGH: Moderate.

23 Well, above 3 starts to get poor, right?

24 Many of the bridges are not controlled

1 by DOT. Does your inspections and evaluation
2 do those bridges as well, even though they're
3 locally controlled?

4 COMMISSIONER DRISCOLL: Yes, we
5 inspect local bridges as well. And we try to
6 work with local communities, having
7 experienced this, where there may be a
8 reduction in weight limits, as an example.

9 Rather than just saying you've got to
10 close the bridge, we work with locals,
11 locally owned bridges, so that, you know,
12 they can identify funds to address their
13 bridges.

14 But again, I think that's where this
15 BRIDGE NY program has been very successful
16 thus far, in our first go at it, and we think
17 that that success will continue helping
18 support locals.

19 ASSEMBLYMAN McDONOUGH: Okay, and you
20 mentioned BRIDGE NY. There's also PAVE-NY.

21 COMMISSIONER DRISCOLL: A separate
22 program.

23 ASSEMBLYMAN McDONOUGH: And a lot of
24 the roads -- and I know going through winters

1 makes it very tough. But some of the
2 parkways I just mentioned -- the Wantagh
3 Parkway, for instance, is in serious need of
4 being redone.

5 COMMISSIONER DRISCOLL: Right. And
6 we're looking to repave. And I drove that
7 Wantagh Parkway myself, because I had heard
8 about it from you and others, so I did drive
9 that myself to experience that ride.

10 ASSEMBLYMAN McDONOUGH: Right. Well,
11 it does need it. So that's part of your
12 goal --

13 COMMISSIONER DRISCOLL: Right.

14 ASSEMBLYMAN McDONOUGH: -- and we'd
15 like to see that done as soon as possible.

16 Let's go to transportation aid. The
17 Governor's proposed budget is flat, no change
18 from last year for non-MTA transportation.
19 In Nassau County on Long Island, and in
20 Suffolk County as well, there's no increase
21 in funding, yet the increase in expenses is
22 tremendous.

23 Now, let me give you the example of
24 Nassau County, which went to 3P, public

1 private partnership, five years ago. They
2 were under MTA, called the Long Island Bus
3 division of MTA. Because of the financial
4 structure of Nassau County and because they
5 weren't able to continue to pay, MTA told
6 them, We're going to cut the service.

7 At that time, the county executive
8 then decided we'll go into privatization. A
9 study was done for a year and a half, finally
10 they did privatize, and the cost estimate --
11 and the cost result has been less than what
12 it would have been with MTA. However, costs
13 go up. Now it's been five years. For the
14 last two years they have had the same funding
15 from STOA, State Operating Assistance, and
16 this year the same thing.

17 Right now they've told the Nassau
18 County Legislature and they've told the
19 Nassau County Executive that unless something
20 is done, as of April 1st they're going to cut
21 routes tremendously. I'll get you a copy of
22 that. Fifty-four-hundred riders will be
23 impacted. Now, we've got almost 100,000
24 riders on a daily basis there. But 5400

1 riders, and most of these routes will cover
2 people like students, people who don't have
3 cars or other ways of transportation, and
4 minority communities that really need the bus
5 service. They can't afford a taxi or
6 anything like that.

7 And I'm hopeful that the Governor
8 is -- maybe you know -- in the Governor's
9 30-days amendments and in our negotiations,
10 that we can restore that. The same thing is
11 for upstate non-MTA transportation. They all
12 remain flat.

13 In the one I'm talking about in
14 Nassau County, they have a \$6 million
15 deficit. It started at 12, they've trimmed
16 everything they can, it's down to \$6 million.
17 The legislature has said they definitely want
18 to fund that. But as you may well know,
19 Nassau is under the Nassau Interim Financial
20 Authority, NIFA, and NIFA has refused that.

21 So we're trying now to get some way to
22 get that additional money, because those
23 riders who will be impacted are the most
24 needy riders, and -- but it has to be done.

1 The bus system operates on a cost-plus basis,
2 so it's not -- there's no fat in there.

3 So any influence you have on that,
4 we'll see what the Governor's proposals and
5 our negotiations are. But that's critical.

6 The other thing was mentioned already,
7 and Chairman Gantt said it, the blue signs.
8 I've had a lot of people -- and I'm in
9 Long Island, but you see a lot of them on the
10 Southern State Parkway, a lot of them out on
11 the expressways, and I've seen them coming
12 upstate. I'm told that the USDOT has told
13 you, told New York, stop putting them up;
14 correct? Stop putting any new ones up?

15 COMMISSIONER DRISCOLL: We agreed to
16 hold any further sign installations while we
17 work through this workgroup process that
18 we've been engaged in. And we are engaged,
19 and they are engaged with us as well.

20 ASSEMBLYMAN McDONOUGH: And I know
21 this comes from news reports, but is there a
22 goal from the feds to say we'd like to get
23 those removed because they were done without
24 permission?

1 COMMISSIONER DRISCOLL: The Federal
2 Highway has not said to me, remove the signs.
3 They are working with us.

4 ASSEMBLYMAN McDONOUGH: But they were
5 done, as I understand, without the permission
6 which is required before you put up some
7 signs like that. Am I correct on that?

8 COMMISSIONER DRISCOLL: No, their
9 concern with the signs is, as an example, the
10 font size. Or the web address. Or
11 lower-case lettering on the signs. That is
12 their concern with the signs. The signs are
13 erected in -- following all the state and
14 federal DOT safety regulations with, you
15 know, breakaway poles, if you will, supports.
16 But their concerns are the font size, the web
17 addresses, and lower-case lettering.

18 ASSEMBLYMAN McDONOUGH: Okay. Thank
19 you very much for your time.

20 COMMISSIONER DRISCOLL: Thank you,
21 sir.

22 ASSEMBLYMAN McDONOUGH: Thank you,
23 Chairman.

24 CHAIRMAN FARRELL: Thank you.

1 We've been joined by Assemblywoman
2 Simon and Assemblyman Skoufis.

3 Senator?

4 CHAIRWOMAN YOUNG: Thank you,
5 Mr. Chairman.

6 We've been joined by Senator Leroy
7 Comrie.

8 So, first of all, welcome. We're so
9 happy to have you. And I want to sincerely
10 thank you and Regions 4, 5 and 6, which are
11 in my Senate district, as you know, because
12 they've always been so responsive and they do
13 a great job. And I just want to say that
14 publicly.

15 COMMISSIONER DRISCOLL: Thank you.

16 CHAIRWOMAN YOUNG: So beginning, I
17 want to put my upstate hat on for a second
18 and I want to talk about state transit
19 operating aid. So as you know, in the
20 Governor's budget proposal he recommends
21 \$5 billion in transit operating assistance,
22 an increase of \$30 million for the MTA. And
23 they would receive \$4.5 billion, while
24 downstate non-MTA providers would receive

1 \$303 million. Upstate operators would
2 receive \$199 million. And that reflects an
3 increase that the Legislature put in last
4 year, but it's the same amount of the
5 operating funding as last year.

6 So my question is, do you believe that
7 there's a structural funding problem in
8 regards to upstate transit?

9 COMMISSIONER DRISCOLL: Yes.

10 CHAIRWOMAN YOUNG: Okay. And if you
11 believe that, what steps can be taken to
12 ensure that the upstate transit operators,
13 including Syracuse, Buffalo, Rochester and
14 Albany have more reliable and predictable
15 funding? Because we need -- you know, the
16 Legislature obviously is willing to try to
17 address this problem, but we need partners.

18 COMMISSIONER DRISCOLL: Right. Well,
19 look, the stark reality is that the construct
20 by which these organizations were built
21 versus downstate is very different from many
22 years ago. And you and I have discussed
23 this, as have others with me.

24 Where in the downstate they have

1 dedicated revenue streams that are built off
2 of their tax base, upstate communities did
3 not do that, never did that. And so now as,
4 you know, over the last 20 years there was an
5 exodus from upstate -- we all know the
6 story -- it's increasingly more difficult to
7 try to place an additional fee, if you will,
8 on existing tax structures. So there is an
9 imbalance between downstate and upstate.

10 That is a function of the Legislature.
11 I think it's a function as well of the State
12 of New York working with local communities to
13 identify where potentially additional
14 revenues, locally and/or state, might be
15 applied to mass transit in the upstate areas.

16 CHAIRWOMAN YOUNG: So as you point
17 out, the Legislature did step up last year
18 and put more money in the budget. But as I
19 said, we need partners. So hopefully we can
20 work together with you and the Governor to
21 try to correct some of the imbalance that
22 exists. Because there are so many people --
23 as you know, upstate, transportation is a
24 huge issue. I mean, you look at my district

1 that is so rural, it's a very, very
2 compelling issue. So I just wanted to ask
3 you about that.

4 Switching gears a little bit, the
5 Governor proposes enhanced enforcement powers
6 for the Public Transportation Safety Board,
7 including withholding statewide mass transit
8 operating assistance and other state aid.
9 This operating assistance, as you know so
10 well, is necessary for transit systems
11 throughout the state to remain operational.
12 And according to the bill copy in support of
13 the proposal, it says "The Federal Transit
14 Administration has determined that current
15 state law does not provide the PTSB with
16 sufficient enforcement power."

17 My question is, does the department
18 have any written documentation or
19 communication from the FTA which states that
20 New York must have this authority to withhold
21 the operating assistance in order to be in
22 compliance? Do we have --

23 COMMISSIONER DRISCOLL: We do. We do.
24 It's the FTA who's forcing this on us. And

1 yes, we do.

2 CHAIRWOMAN YOUNG: So when did this
3 come up or emerge? Did it come up recently,
4 or -- I guess the Legislature would be, I
5 would be interested in seeing any
6 documentation or any kind of background
7 material on it as we go through the budget
8 process. It would be very helpful,
9 Commissioner.

10 COMMISSIONER DRISCOLL: Sure. We'll
11 be happy to provide that.

12 CHAIRWOMAN YOUNG: That's wonderful.
13 Thank you.

14 COMMISSIONER DRISCOLL: This has come
15 up in the last couple of years.

16 CHAIRWOMAN YOUNG: Okay. Has there
17 been a proposal legislatively, though, to
18 make this change?

19 COMMISSIONER DRISCOLL: Not that I'm
20 aware of.

21 CHAIRWOMAN YOUNG: Not until now.

22 COMMISSIONER DRISCOLL: But we work
23 closely with them on this as well. I mean,
24 obviously there's a lot of corridors in

1 New York and throughout the Northeast. So
2 we're engaged. But I'm happy to provide that
3 information to you.

4 CHAIRWOMAN YOUNG: That's wonderful.
5 Thank you.

6 Another issue is the Lower Hudson
7 Transit Link program. And in coordination
8 with the project to replace the Tappan Zee
9 Bridge, in late 2012 the Governor created a
10 Mass Transit Task Force to recommend regional
11 transit approvals. And in 2014, the task
12 force released its final report with
13 recommended transit improvements between
14 Rockland and Westchester counties across the
15 Tappan Zee Bridge. And now you, as the
16 department, are overseeing the Lower Hudson
17 Transit Link Program.

18 COMMISSIONER DRISCOLL: Right.

19 CHAIRWOMAN YOUNG: The first phase of
20 the program began in 2015, and it's scheduled
21 to be in operation in 2018, I believe. Is
22 that correct?

23 COMMISSIONER DRISCOLL: That's
24 correct.

1 CHAIRWOMAN YOUNG: Okay. So the first
2 phase of it includes the I-287 corridor
3 between Suffern to the west, White Plains to
4 the east. So we have some questions about
5 the time frame. What's the time frame for
6 Phase 2 and subsequent phases of the Lower
7 Hudson Transit Link program? Because we have
8 several members who are impacted by this.

9 COMMISSIONER DRISCOLL: Well, that is
10 subject to discussions with the
11 municipalities. But I think I could probably
12 answer all of this for you to let you know we
13 are on track to meet the October 2018
14 service, which will open when the bridge
15 opens. We are in procurement for an operator
16 now, so I can't really talk about that. I'm
17 sure you can appreciate that.

18 CHAIRWOMAN YOUNG: I understand.

19 COMMISSIONER DRISCOLL: But we are
20 seeking -- right. We are seeking an operator
21 now. But we are on track to be open with BRT
22 on -- in October, rather, of 2018.

23 CHAIRWOMAN YOUNG: Thank you.

24 Does that include a schedule for

1 further bus improvements down the road? I'm
2 sure people would --

3 COMMISSIONER DRISCOLL: I'm sorry, for
4 what?

5 CHAIRWOMAN YOUNG: Will there be a
6 schedule for further bus improvements
7 established later on, do you think?

8 COMMISSIONER DRISCOLL: That's going
9 to be a discussion, you know, in the future.
10 I think there's a lot of desire to see that
11 happen. You know, we're really focused on
12 getting this open, right? And then as you
13 learn and watch and grow and build out a
14 system, that will be a conversation certainly
15 between the Executive, the Legislature, and
16 local communities.

17 CHAIRWOMAN YOUNG: Thank you.

18 Another issue that's popped up is
19 related to divisible load permits. And the
20 Governor proposes to increase the statutory
21 cap on divisible load permits, thereby
22 raising \$10.8 million in revenue over the
23 next five years. And as you know -- you know
24 better than anybody else what a divisible

1 load permit is. It's required to operate a
2 vehicle or a combination of vehicles to haul
3 weights exceeding the limitations that are
4 established in the Vehicle and Traffic Law.

5 So I hear quite often from some of my
6 local governments and so on about the wear
7 and tear on the roads. And I know that
8 you're very concerned about that also. So
9 what is causing this need for more divisible
10 load permits, given the increased potential
11 highway traffic safety risk -- because people
12 are concerned about that with the heavy
13 trucks -- and additional wear and tear on the
14 roads and bridges, especially in the context
15 of no additional funding for maintenance of
16 those very same roads and bridges?

17 So it looks like we're going to
18 dramatically increase the number of divisible
19 load permits, but there isn't any extra
20 funding to address some of the road issues
21 that may arise because of that. So what's
22 really spurring this?

23 COMMISSIONER DRISCOLL: No, I think
24 there's an uptick in the industry. And

1 certainly the industry has been active on
2 that. That's a good sign, in the sense that
3 in that economy things are moving in the
4 right direction.

5 But we also -- and we're cognizant of
6 the fact that, you know, we want to
7 understand the weights of particular vehicles
8 that may be on a particular road. And so,
9 you know, we also have to and need to issue a
10 permit. And so we can restrict certain loads
11 to certain roadways. So we make sure, to the
12 extent possible, that we do so in a way that
13 does not damage existing infrastructure and
14 direct those traffic flows onto existing
15 infrastructure that can handle those weights.

16 CHAIRWOMAN YOUNG: Okay. So I think
17 it's another justification, though, if we go
18 forward with this, to do -- as Senator Robach
19 pointed out -- more local road and bridge
20 funding, just to help the localities.

21 I wanted to discuss briefly the work
22 zone camera pilot program. And in the State
23 of the State, the Governor proposed a work
24 zone camera pilot program which actually

1 would place cameras in DOT work zones, and
2 signage alerting people to the cameras. DOT
3 would use its data to compile statistics and
4 study how to better enforce the law and make
5 work zones safer.

6 What is curious, however, is that
7 there is no funding for this in program that
8 we can identify in the Senate included in the
9 Governor's Executive Budget proposal. So how
10 does DOT expect to pay for this program, and
11 how much would the program cost?

12 COMMISSIONER DRISCOLL: Well, it's
13 funded as part of the capital program. But
14 also we will be using it as part of our
15 construction contracts as well.

16 CHAIRWOMAN YOUNG: It's funded as part
17 of the capital program? And how much would
18 that cost?

19 COMMISSIONER DRISCOLL: I don't have
20 that number off the top of my head. I can
21 get you that number.

22 CHAIRWOMAN YOUNG: That would be
23 helpful to get that. Thank you.

24 COMMISSIONER DRISCOLL: I do want to

1 say, you know, work zone safety is extremely
2 important to us, for obvious reasons. And
3 there's been some tragic incidents that
4 happened last year. And it's something that
5 we're really focused on, and also working
6 with the new leadership at the Thruway on,
7 and the State Police, because we want to do
8 more to protect, you know, emergency workers,
9 state workers, folks who are working in these
10 interstates and these roadways. I don't
11 think we can ever do enough. So that's a big
12 focus for us going forward as well.

13 CHAIRWOMAN YOUNG: Thank you. And we
14 agree that we want our workers to be safe,
15 there's no question about that. And the
16 Legislature in the past, as you know, has
17 strengthened the laws in regards to work zone
18 safety.

19 But how do you anticipate using the
20 data that you would compile to change -- you
21 know, you're talking about this is important
22 to you, and I know that it is. But how would
23 you change enforcement and make the work
24 zones safer based on this data?

1 COMMISSIONER DRISCOLL: Well, I
2 really -- I think it boils down to education
3 and enforcement. The best way to get people
4 to pay attention is to hit them in the
5 pocketbook, and that's really what it's going
6 to boil down to. But the data will show us,
7 you know, more heavily traveled areas, maybe
8 areas that have significantly higher speeds
9 than perhaps others. That helps us, that
10 data helps us then work with the State
11 Police, as an example, so that they can
12 target particular areas.

13 CHAIRWOMAN YOUNG: Okay. So that's
14 the role that the State Police would have, is
15 that --

16 COMMISSIONER DRISCOLL: Well, we don't
17 do enforcement.

18 CHAIRWOMAN YOUNG: Right. Right. But
19 you would be working closely, obviously, with
20 them?

21 COMMISSIONER DRISCOLL: Right. But I
22 think that's the most effective way to get
23 people to pay attention.

24 CHAIRWOMAN YOUNG: Thank you. And

1 finally, I just have a quick question about
2 design-build, because you spoke about that
3 earlier. But has the department accounted
4 for any savings associated with the
5 design-build? Have you come up with any kind
6 of study or report on that as far as what
7 savings might be there for the taxpayers?

8 COMMISSIONER DRISCOLL: Yeah, we have
9 data. And savings isn't always in money,
10 it's in time. Because time is money. But we
11 do have documentation to that, and we can --
12 we can demonstrate where the acceleration of
13 projects, because of design-build, has been
14 more effective.

15 CHAIRWOMAN YOUNG: That's great. And,
16 you know, we want those projects -- as
17 Senator Robach said, we want them out the
18 door, we want them done, we want them built,
19 we want people put to work, we want a better
20 transportation system. So that's great if
21 you have that data, and we would look forward
22 to getting that. So thank you, Commissioner.

23 COMMISSIONER DRISCOLL: Thank you.

24 CHAIRMAN FARRELL: Thank you.

1 Assemblyman -- Chairman -- Dinowitz.

2 ASSEMBLYMAN DINOWITZ: Thank you.

3 Good morning. I appreciate your
4 advocacy, your support for design-build.

5 It's my understanding that New York City is
6 not included in design-build. And I believe
7 that the de Blasio administration very much
8 wants to be, but they're not and there's no
9 immediate plans for that to happen. Do you
10 have any idea why that's the case?

11 COMMISSIONER DRISCOLL: What I know is
12 the Executive is supportive of design-build
13 for New York City. I've heard that there's
14 been legislative concerns. That's the extent
15 of what I know.

16 ASSEMBLYMAN DINOWITZ: So is the
17 Governor in the budget doing anything that
18 would make it so that New York would be
19 covered with design-build?

20 COMMISSIONER DRISCOLL: I think that's
21 a function of the negotiation between the
22 Executive and the Legislature. My
23 understanding is he is supportive of it.

24 ASSEMBLYMAN DINOWITZ: Okay, so we can

1 take that to the bank, then.

2 On a different area, the last budget
3 included \$5 million to study the feasibility
4 of a tunnel connecting Long Island with
5 either the Bronx, Westchester, or maybe even
6 Connecticut. Did they start the study? Was
7 the study completed? What was the result of
8 the study?

9 COMMISSIONER DRISCOLL: It's been
10 awarded. It's been awarded, and that's
11 starting soon, correct? It's underway. It's
12 underway.

13 ASSEMBLYMAN DINOWITZ: So they
14 actually have started the study?

15 COMMISSIONER DRISCOLL: They've
16 started, yes.

17 ASSEMBLYMAN DINOWITZ: On another
18 issue, the budget proposal includes
19 \$200 million to build an interconnected
20 multi-use trail, the Empire State Trail. Is
21 that done through DOT?

22 COMMISSIONER DRISCOLL: Some elements
23 of that are done through DOT. There's other
24 agencies involved, like Parks, of course.

1 Canal Corporation.

2 ASSEMBLYMAN DINOWITZ: So do you know
3 how much of that trail -- how much of the
4 funding would be going to upstate, the Albany
5 area, downstate, the City? Is there any kind
6 of breakdown?

7 COMMISSIONER DRISCOLL: Well, I'd say
8 the majority of it is upstate, north of the
9 Tappan Zee, if that's our marker. The budget
10 proposal is for \$53 million to begin that
11 work this year. We are already actively
12 engaged in working with Parks on that.

13 ASSEMBLYMAN DINOWITZ: Okay. Because
14 some of us in the city, particularly in the
15 Bronx, have been working for a number of
16 years to try to gain river access along the
17 Hudson River, which I have the entire Hudson
18 River waterfront in the Bronx, such as it is.

19 And presumably that could be used to
20 help make that a reality. Do you know if
21 there's any discussion of that happening?

22 COMMISSIONER DRISCOLL: I don't know
23 if there's been any discussion of that. I
24 think it's connecting to that, though, so

1 that you could go from the Bronx to Canada,
2 you could go from New York City to Buffalo
3 when the project is complete.

4 ASSEMBLYMAN DINOWITZ: Right. But you
5 don't know if there's anything specific to
6 help make that a reality along the Bronx
7 portion of the Hudson River waterfront?

8 COMMISSIONER DRISCOLL: I can't tell
9 you with specificity today, but I can get you
10 that answer.

11 ASSEMBLYMAN DINOWITZ: I would
12 appreciate it.

13 Also the budget proposes \$5.5 billion
14 in the coming year for the DOT capital plan,
15 but of that only about 3 percent, or
16 \$173 million, is allocated for alternative
17 modes of transportation outside of the city,
18 such as aviation, rail, non-MTA mass transit.

19 Considering that the Governor has set
20 as a goal a 40 percent reduction of
21 greenhouse gas emissions from the 1990 levels
22 by the year 2030, do you think that we're
23 really doing enough in that respect
24 considering the very tiny portion that's

1 going in that direction?

2 COMMISSIONER DRISCOLL: Well, I think
3 when we work on DOT projects, we take all of
4 that into consideration, including air
5 quality emissions, impact on neighborhoods,
6 and the like. And I think I can say to you
7 that I believe we are making good progress in
8 that area.

9 ASSEMBLYMAN DINOWITZ: Okay. In
10 another area -- and we're going to discuss
11 this with the MTA later -- but the budget
12 cuts \$65 million from the General Fund, money
13 that would otherwise go to the MTA to replace
14 money lost because of exclusions that were
15 imposed with respect to the mobility tax. So
16 those funds, I guess they're kind of DOT
17 funds. Do you have an opinion about that?

18 COMMISSIONER DRISCOLL: Well, we're a
19 pass-through. And it's related to payroll
20 taxes. I don't want to speak for the MTA,
21 you'll speak to them later. But it's a cap
22 that was placed because of the payroll taxes
23 and the elimination of those downstate.

24 Actually, the MTA is receiving about

1 \$29 million more in cash in this budget.

2 But again, I think those questions are
3 better suited for the MTA later today.

4 ASSEMBLYMAN DINOWITZ: Yeah, we'll
5 discuss that later. They're really not
6 getting more cash, but ...

7 Now, you had mentioned earlier the
8 Kew Gardens Interchange. So that's the
9 Van Wyck Expressway project; correct?

10 COMMISSIONER DRISCOLL: Yes.

11 ASSEMBLYMAN DINOWITZ: As part of that
12 project, is there mass transit access to JFK
13 as part of the revitalization of that area?
14 Is part of it for mass transit?

15 COMMISSIONER DRISCOLL: Right, so
16 we'll add a fourth lane. There will be no
17 right-of-way impacts on private property.
18 And there will be a managed lane as well.

19 ASSEMBLYMAN DINOWITZ: Okay, thank you
20 very much.

21 COMMISSIONER DRISCOLL: Thank you.

22 CHAIRMAN FARRELL: Thank you.

23 Senator?

24 SENATOR KRUEGER: Thank you.

1 Senator Martin Dilan, Transportation
2 ranker.

3 SENATOR DILAN: Thank you.

4 Good morning, Commissioner.

5 COMMISSIONER DRISCOLL: Good morning.

6 SENATOR DILAN: I want to follow-up on
7 design-build. I know it's been talked about,
8 but I just want to be clear as to why
9 New York City was excluded from the
10 design-build proposal. For example, in
11 New York City, Brooklyn, we have the
12 Kosciuszko Bridge, which is a design-build
13 project. However, you go down to the BQE,
14 down the road a bit. But you can't use
15 design-build. And you mentioned that the
16 Governor is supportive, you're supportive.
17 So why was it excluded? And you mentioned
18 that it's up to negotiations. So that means
19 that if we request it, it will happen?

20 COMMISSIONER DRISCOLL: Well, what I
21 said was my understanding is the Executive is
22 supportive of it, and that my understanding
23 is that there were some legislative concerns.
24 I know not what those are. But again, this

1 is the time where the legislative and the
2 Executive have these discussions in a
3 negotiation. And this would be one of those
4 negotiations that you would take.

5 SENATOR DILAN: But if it's good for
6 Kosciuszko Bridge, why isn't it good for BQE?

7 COMMISSIONER DRISCOLL: Why is the K
8 Bridge good for DOT with a design-build?

9 SENATOR DILAN: Yeah.

10 COMMISSIONER DRISCOLL: Because we're
11 delivering it faster. And it's improving
12 access, particularly for freight.

13 SENATOR DILAN: So basically what
14 you're saying is that you would support it,
15 design-build for New York City?

16 COMMISSIONER DRISCOLL: I think
17 design-build is a good tool. I don't think
18 it should replace design-bid-build. But I
19 think it's a very good tool to have in your
20 toolbox, and it's proven for the Department
21 of Transportation to deliver larger projects
22 more efficiently.

23 SENATOR DILAN: So it's open to
24 negotiation during this process, then.

1 COMMISSIONER DRISCOLL: That's
2 correct.

3 SENATOR DILAN: All right, thank you.

4 With respect to the Federal Highway
5 funds and the distribution of that money,
6 it's my understanding that New York City is
7 only getting 18 percent apportioned to it of
8 the entire federal allotment. Can you
9 explain the disparity and the decrease in
10 funding? It's my understanding that it's a
11 decrease of about 35 percent.

12 COMMISSIONER DRISCOLL: I'd have to
13 say, Senator, I'm not -- I don't -- I'm
14 confused, because that's not the case.

15 SENATOR DILAN: Can you explain, then,
16 the apportionment? How much is New York City
17 getting out of the entire allocation of
18 federal money?

19 COMMISSIONER DRISCOLL: Forty-seven
20 percent.

21 SENATOR DILAN: Forty-seven percent is
22 the correct number?

23 COMMISSIONER DRISCOLL: Yeah. That's
24 not been decreased.

1 SENATOR DILAN: It has not been
2 decreased.

3 COMMISSIONER DRISCOLL: No.

4 SENATOR DILAN: Okay, my understanding
5 is different. So if that number is correct
6 or incorrect, I guess we can follow up later.

7 COMMISSIONER DRISCOLL: Sure.

8 SENATOR DILAN: Okay, thank you.

9 Just one more question with respect to
10 the Brooklyn-Queens Expressway. It's my
11 understanding that the city is proposing some
12 reconstruction, and they're proposing about
13 the -- the cost will be about \$1.7 billion
14 over five years. Is there any money being
15 allocated to that project by the state with
16 respect to the federal funding?

17 COMMISSIONER DRISCOLL: No. That is
18 an unbuilt section of that highway, and it is
19 maintained by the City of New York.

20 SENATOR DILAN: And there would be no
21 contribution from the state?

22 COMMISSIONER DRISCOLL: No.

23 SENATOR DILAN: At all?

24 COMMISSIONER DRISCOLL: No.

1 SENATOR DILAN: And why not?

2 COMMISSIONER DRISCOLL: Because we
3 have equally large projects to do on state
4 systems across New York State. And in the
5 City.

6 SENATOR DILAN: I believe that that
7 portion of the expressway is a very important
8 road and the various bridges there are a big
9 asset for the State of New York. So I think
10 we really need to look into that.

11 COMMISSIONER DRISCOLL: Okay.

12 SENATOR DILAN: Thank you.

13 COMMISSIONER DRISCOLL: Thank you.

14 CHAIRMAN FARRELL: Thank you.

15 We've been joined by Assemblywomen
16 Tremaine Wright and Yuh-Line Niou.

17 Mr. Oaks?

18 ASSEMBLYMAN OAKS: Yes, we've also
19 been joined by Assemblyman Murray.

20 CHAIRMAN FARRELL: Next to question,
21 Assemblyman Ra.

22 ASSEMBLYMAN RA: Thank you, Chairman.

23 Commissioner, I just wanted to get
24 into -- Assemblyman McDonough had mentioned

1 some of the highways, parkways on
2 Long Island. But in recent years, going
3 through the district I represent, you know, I
4 have Jericho Turnpike, which a lot of work
5 has been done on, and then there's Hempstead
6 Turnpike, where there were -- there was a
7 major safety initiative a few years back, so
8 we now have some medians along different
9 strips, a few new traffic lights, a lot of
10 new "No Turn on Red" signs, which has stopped
11 traffic from moving too quickly -- which,
12 depending on who you ask, is a good thing or
13 a bad thing at times.

14 But now a lot of the focus has shifted
15 on the actual condition of the roadway
16 itself, and there are stretches of that that
17 I hear about in my office on a regular basis.

18 Any particular plans to do something
19 more comprehensive along that stretch in
20 terms of the condition of the roadway, like
21 was done on Jericho Turnpike?

22 COMMISSIONER DRISCOLL: Yeah, and as
23 you point out, we have done a lot of work in
24 that particular area. And again, we continue

1 to assess conditions going forward. We want
2 to build those into our capital plan. We're
3 starting to develop the next capital plan,
4 although we're only in Year 2 here. So
5 systems such as that are all looked at and
6 are measured to be included into the next
7 five-year capital plan.

8 ASSEMBLYMAN RA: Okay. Because as you
9 may be familiar, you know, that's one of the
10 main roads as you're coming in from the
11 Queens-Nassau border in Elmont, coming into
12 my hometown in Franklin Square and through
13 West Hempstead. And, you know, there's I
14 think been a big push along that stretch to
15 revitalize the business community, fill some
16 of the empty storefronts. And I think having
17 a roadway that is in good condition is
18 definitely an important part of that when
19 people are looking for a location to come and
20 open a business.

21 So I appreciate a continuing dialogue
22 on that topic, and it being, you know,
23 hopefully a priority going forward.

24 Thank you.

1 COMMISSIONER DRISCOLL: Thank you.

2 CHAIRMAN FARRELL: Thank you.

3 Senator?

4 SENATOR KRUEGER: Thank you.

5 The next to testify is Senator Croci.

6 SENATOR CROCI: Thank you very much,

7 Madam Ranking Member.

8 Commissioner, thank you very much for
9 your testimony here today. Also thank you
10 for your service to the state, not only as
11 commissioner but your willingness, after
12 being the mayor of such a large city, to
13 continue to serve.

14 I had a question regarding some of
15 your testimony. The rest area/welcome center
16 on the Long Island Expressway between Exit 51
17 and 52, what was the total cost of that
18 project?

19 COMMISSIONER DRISCOLL: So DOT
20 constructed the building, and it was
21 \$20.2 million.

22 SENATOR CROCI: Does that include all
23 of the change orders?

24 COMMISSIONER DRISCOLL: I don't know.

1 There was other funders, other agencies, ESD
2 and such. The construction cost for the
3 building that we built was \$20.2 million.

4 SENATOR CROCI: That came from DOT?

5 COMMISSIONER DRISCOLL: Yeah.

6 SENATOR CROCI: Very good. Has the
7 Comptroller audited that project, by any
8 chance? Is there any information --

9 COMMISSIONER DRISCOLL: I don't know.

10 SENATOR CROCI: So it's my
11 understanding that there was equipment that
12 showed up to the site for the construction of
13 that facility before the notice to proceed
14 has been received or a contract signed, is
15 that correct?

16 COMMISSIONER DRISCOLL: That's true.

17 SENATOR CROCI: And why was that, sir?

18 COMMISSIONER DRISCOLL: I ordered it.

19 SENATOR CROCI: Okay.

20 COMMISSIONER DRISCOLL: That was the
21 shrub clearing that took place. And I take
22 responsibility for that. State-owned
23 property, I went in, I cleared -- began to
24 clear the property. And I did that without

1 really communicating fully to the local
2 community.

3 SENATOR CROCI: Okay. How many
4 conversations did you have directly with
5 Governor Cuomo about this specific project?

6 COMMISSIONER DRISCOLL: Not that many.
7 I couldn't give you a number.

8 SENATOR CROCI: But you did
9 communicate directly with him on the project?

10 COMMISSIONER DRISCOLL: Sure.

11 SENATOR CROCI: Was this a
12 design-build, in your opinion? Is this a
13 design-build project?

14 COMMISSIONER DRISCOLL: This wasn't a
15 design-build, no.

16 SENATOR CROCI: Okay. Can you explain
17 to me how it was done so quickly, the bidding
18 process, the procurement process, then?
19 Because this happened very rapidly.

20 COMMISSIONER DRISCOLL: Well, we also
21 contracted to have them working double
22 shifts. So that's a distinction there.

23 But we worked with approvals through
24 the Comptroller's office. We worked with the

1 contractor and the subs to escalate the work.

2 SENATOR CROCI: Okay. And were all
3 the proper permits in place for all of the
4 work?

5 COMMISSIONER DRISCOLL: Yes. Yes,
6 absolutely.

7 SENATOR CROCI: Where does the septic
8 go from the welcome center?

9 COMMISSIONER DRISCOLL: I think it
10 goes to -- well, it goes to the county
11 facility.

12 SENATOR CROCI: The county facility?

13 COMMISSIONER DRISCOLL: I'm sorry, did
14 you say septic?

15 SENATOR CROCI: The septic. The
16 sewage.

17 COMMISSIONER DRISCOLL: There is not a
18 septic system. There is a main-line sewer
19 system.

20 SENATOR CROCI: A forced main?

21 COMMISSIONER DRISCOLL: Forced main.
22 It's not a septic system.

23 SENATOR CROCI: And where does that
24 go, sir?

4 SENATOR CROCI: A county facility? So
5 there was a --

8 SENATOR CROCI: -- there was an
9 authorized permit from the Department of
10 Health in Suffolk County?

12 SENATOR CROCI: And how much did the
13 septic -- or the sewer line, the forced main,
14 as you've said, how much did that cost?

18 SENATOR CROCI: But that's outside of
19 the 20 you said, or 20-plus?

21 SENATOR CROCI: So the cost of the
22 project was actually much higher?

1 \$20.2 million.

2 SENATOR CROCI: Was this a change
3 order?

4 COMMISSIONER DRISCOLL: No. We were
5 prepared, if we did not get the requisite
6 approvals from the Suffolk County Water
7 Authority, to do a different system. But in
8 fact they did approve the project.

9 SENATOR CROCI: Okay. Was there any
10 digging done in the Towns of Huntington or
11 Islip, streets dug up or -- was any of that
12 work done in accordance with this forced
13 main?

14 COMMISSIONER DRISCOLL: I can't tell
15 you specifically the very direction of which
16 that pipe ran, so I don't know the answer to
17 that. But clearly we had to put a pipe in
18 the ground, so there was digging somewhere.

19 SENATOR CROCI: Okay. And all the
20 permits were obtained from the two townships?

21 COMMISSIONER DRISCOLL: Yes.

22 SENATOR CROCI: Yes. Did a different
23 contractor perform the sewer work than did
24 the original construction work?

1 COMMISSIONER DRISCOLL: I believe so.

2 I don't know specifically who.

3 SENATOR CROCI: And how were they
4 selected so quickly?

5 COMMISSIONER DRISCOLL: I wouldn't say
6 it was very quickly. That's a -- the process
7 by which that installation occurred was not
8 out of the ordinary.

9 SENATOR CROCI: Was it RFP'd or bid?

10 COMMISSIONER DRISCOLL: Bid.

11 SENATOR CROCI: It was bid. And there
12 was a sealed bid and it was opened --

13 COMMISSIONER DRISCOLL: We're happy to
14 get you all that information.

15 SENATOR CROCI: That would be very
16 helpful. Thank you.

17 Can you explain why there was such a
18 rush to complete this welcome center?

19 COMMISSIONER DRISCOLL: Well, I -- how
20 do you define rush? I mean, you know, our
21 goal was to get a welcome center up certainly
22 during the summer months. And as it turned
23 out, it happened to be late fall. That
24 welcome center has been a huge success, even

1 with some particular community members who
2 were opposed to it.

3 So all in all, we think it's been a
4 tremendous asset to that particular region.

5 SENATOR CROCI: And you're saying that
6 the RFP, the procurement process, the bidding
7 process was done in accordance with normal
8 state processes? It was not a design-build?

9 COMMISSIONER DRISCOLL: We followed
10 all procurement guidelines.

11 SENATOR CROCI: Procurement guidelines
12 for normal state bidding processes?

13 COMMISSIONER DRISCOLL: Procurement
14 guidelines impact everything that we do or
15 any other agency does when you go to let a
16 bid.

17 SENATOR CROCI: Okay. Was a state of
18 emergency ever implemented in this process?

19 COMMISSIONER DRISCOLL: For what
20 reason?

21 SENATOR CROCI: That's what I'm
22 asking. Was that used at any point?

23 COMMISSIONER DRISCOLL: No. There was
24 no state of emergency.

1 SENATOR CROCI: All right. So can I
2 ask you, was the article 3B, which you've
3 signed, I'm sure, as a mayor and I as a
4 supervisor signed, was that ever implemented
5 in the procurement or bidding process in this
6 specific project?

7 COMMISSIONER DRISCOLL: If it was
8 required to be omitted -- or if it was
9 required to be submitted, it was.

10 SENATOR CROCI: So this was done
11 pursuant to a disaster declaration?

12 COMMISSIONER DRISCOLL: This was not
13 done pursuant to a disaster declaration. We
14 did not follow the federal process. We did
15 not need to, since there was no federal
16 funding involved.

17 SENATOR CROCI: But there was an
18 emergency declaration used?

19 COMMISSIONER DRISCOLL: Not that I'm
20 aware of.

21 SENATOR CROCI: So you said there was
22 some sort of a state of emergency or
23 emergency --

24 COMMISSIONER DRISCOLL: No, no, no.

1 You said that. You asked me if there was a
2 state of emergency, and I replied "For what?"

3 SENATOR CROCI: Was an emergency of
4 any kind used by an Executive agency in this
5 case to speed up the implementation of the
6 bidding or RFP process for this welcome
7 center?

8 COMMISSIONER DRISCOLL: Not to my
9 knowledge.

10 SENATOR CROCI: Not to your knowledge.
11 Okay, thank you.

12 CHAIRWOMAN YOUNG: Thank you.

13 CHAIRMAN FARRELL: Thank you.

14 Assemblywoman Hunter.

15 ASSEMBLYWOMAN HUNTER: Thank you,
16 Mr. Chairman.

17 And thank you, Commissioner Driscoll.
18 Always good to see you away from Syracuse.

19 COMMISSIONER DRISCOLL: Nice to see
20 you as well.

21 ASSEMBLYWOMAN HUNTER: First, I must
22 say -- I have to thank you for my travel here
23 when I came Monday morning. There was a huge
24 snowstorm in Syracuse -- I don't know when

1 was the last time you were back -- and the
2 Thruway was exceptional. So giving you
3 credit where credit is due, it was awesome.
4 And --

5 COMMISSIONER DRISCOLL: Well, I'd like
6 to take that credit, but that's actually
7 Bill Finch. But I will pass that along.

8 ASSEMBLYWOMAN HUNTER: Okay. Well,
9 I'm hoping it's going to be just as awesome
10 on the way home when I leave here this
11 afternoon.

12 Just a few questions for you. As you
13 know, there's this wonderful bridge gutting
14 the City of Syracuse, and we are in the
15 process now of trying to figure out what we
16 want to do with this bridge. And included in
17 the Executive's Budget is money -- I think
18 it's \$2 million -- for a survey or a plan.
19 And I wanted to know, how long is this plan
20 going to take, knowing that we have been
21 working on, you have been working on, many
22 people have been working on plans and studies
23 for several years?

24 COMMISSIONER DRISCOLL: Right.

1 ASSEMBLYWOMAN HUNTER: So where are
2 we?

3 COMMISSIONER DRISCOLL: Where are we.
4 So as you accurately point out, we have
5 retained an independent consultant, who is
6 doing an evaluation based on project criteria
7 that all other related projects to the I-81
8 corridor have gone through. And they will do
9 the same with what was a request from some
10 members of the state delegation to look at a
11 tunnel option, a tunnel option with a
12 community grid, a depressed highway, and a
13 depressed highway with a community grid as
14 well.

15 That's really just started. We
16 anticipate it's going to take at least a
17 minimum of six months. But, you know, we'll
18 hear more from the consultant as they move
19 along.

20 ASSEMBLYWOMAN HUNTER: So wasn't some
21 of that information already completed prior
22 to another consultant? It seems -- I know
23 it's a new entity and they, you know, want to
24 gather and compile their own. But this --

1 not a combo option, but the tunnel option or
2 depressed highway option, was obviously
3 already considered and rejected previously,
4 from conversations obviously with my
5 colleagues relative to cost, wanting to get
6 actually what is the cost, and having heard
7 from many people around the surrounding towns
8 and villages relative to this.

9 But I'm just trying to get a sense
10 for -- and I know you and I had this
11 conversation, it seems like forever ago, that
12 we're still having more conversations about
13 this. So if we're talking about maybe six
14 months for this plan to come from the
15 consultant -- and then what's the next
16 process after that?

17 COMMISSIONER DRISCOLL: Well, it's an
18 analysis. And they have received all of the
19 documentation that DOT has and had received
20 relative to the tunnel option. They are
21 doing that independently of the Department of
22 Transportation engineers.

23 As I said, you know, we're hoping, of
24 course, that that could be completed within

1 six months, but we have not had any more
2 communication with them to date. But we
3 certainly hope it will be six months.

4 At that point a conversation will
5 ensue. We'll see what the result is from
6 that analysis of the tunnel option. And I'd
7 like to expand a little bit and clarify,
8 after the multiple revisions that we had gone
9 through on the numerous projects that DOT
10 staff had evaluated, as you may know, we came
11 down to two remaining projects, a viaduct
12 replacement, simply building, rebuilding the
13 viaduct in place -- although certainly wider,
14 straighter -- and then a community grid
15 option.

16 Those are in a current DEIS. Those
17 are currently with Federal Highway. They are
18 going through a review and will be providing
19 those comments back to DOT, that's part of
20 the normal process. DOT will need to answer
21 the questions and respond to the comments.
22 They would go back to Federal Highway.

23 We would not move for a final record
24 of decision on those two, because certainly

1 we want to understand what the result is.

2 ASSEMBLYWOMAN HUNTER: So we're going
3 to get them all together, and not the two
4 DEIS studies we've been waiting for coming
5 forward until the consultant's plan is done,
6 and we'll receive it all together?

7 COMMISSIONER DRISCOLL: Right. Right.
8 We wouldn't release those until we have the
9 completed work by the independent engineering
10 firm.

11 ASSEMBLYWOMAN HUNTER: And obviously
12 this was included in the Governor's State of
13 the State, so is it indicative upon the
14 Legislature passing the budget for the
15 \$2 million for the consultant to start
16 working? Or has he already started, or she?

17 COMMISSIONER DRISCOLL: No. Because
18 we had \$15 million in the budget last year
19 for this work. So it's coming out of DOT for
20 that work, the \$2 million.

21 ASSEMBLYWOMAN HUNTER: Okay. So it's
22 already been contracted and they're already
23 working.

24 COMMISSIONER DRISCOLL: They're

1 already underway.

2 ASSEMBLYWOMAN HUNTER: Okay. Relative
3 to URI monies, as you know, we were the
4 recipients in 2015 of the half a billion
5 dollars, and there were a couple of projects
6 included. To date, I don't think any of that
7 money has been disbursed for any of those big
8 projects that were included in the URI.

9 But there were a couple of projects in
10 there -- agribusiness was one of them, and an
11 inland port was another one -- which would
12 enhance economic development, obviously, in
13 the Central New York area. But both of those
14 projects would have huge impacts on highway
15 travel.

16 And I wanted to know, are we including
17 in URI monies or in your capital plan, when
18 these awards are given, there's going to be
19 included increased truck traffic? So wanting
20 to know who's going to pay for the corrosion,
21 erosion, the roads and bridges, the new
22 things that need to happen. Is that part of
23 the URI money, or is that supposed to be a
24 separate pot with you relative to making

1 enhancements for new truck traffic?

2 COMMISSIONER DRISCOLL: Well, we have
3 a maintenance budget in place now. We've
4 always had one. That will continue going
5 forward. If -- you know, depending on site
6 location, if there's enhancements to a
7 particular section of highway that would need
8 to be done, DOT would be responsible for
9 that, in part and parcel with the URI funding
10 of the inland port as an example.

11 ASSEMBLYWOMAN HUNTER: So it is
12 separate, it's not going to be from URI
13 money, it would be part of --

14 COMMISSIONER DRISCOLL: Correct.

15 ASSEMBLYWOMAN HUNTER: And potentially
16 you'd make amendments, I guess, to your
17 capital plan -- if, say, we were on board
18 with our inland port in saying, okay, now we
19 need to create or renovate something, your
20 plan would be amended based on all of these
21 new activities? And not just in any area,
22 obviously, others would have the same --

23 COMMISSIONER DRISCOLL: No, actually
24 what my plan would be would be to work with

1 the local Regional Council to see if I
2 couldn't get them to pay for those costs
3 first. So that's what -- that would be my
4 approach, to work with the local folks, who
5 you know, to understand what the cost
6 implications may be relative to system
7 impacts that would coincide with the
8 development of, as you mentioned, an inland
9 port.

10 ASSEMBLYWOMAN HUNTER: Right.

11 CHAIRMAN FARRELL: Thank you.

12 ASSEMBLYWOMAN HUNTER: Thank you,
13 Chairman.

14 CHAIRMAN FARRELL: Senator? Oh,
15 before that, we've been joined by Assemblyman
16 Phil Steck.

17 Senator?

18 CHAIRWOMAN YOUNG: Thank you,
19 Mr. Chairman.

20 Our next speaker is Senator Todd
21 Kaminsky.

22 SENATOR KAMINSKY: Thank you,
23 Chairwoman.

24 Good morning, Commissioner. How are

1 you?

2 COMMISSIONER DRISCOLL: Good morning.

3 Great.

4 SENATOR KAMINSKY: You and I have
5 spoken both publicly and privately about
6 Nassau Expressway, New York Route 878 in my
7 district, as a perennially flooded and
8 congested roadway, the source of a tremendous
9 amount of complaints for decades, frankly.
10 And I just want to follow up and see if you
11 have a plan to tackle that.

12 COMMISSIONER DRISCOLL: Well, we do.
13 And I'll say that your advocacy led to that
14 being included in the five-year capital plan.
15 And it is currently slated for 1920 {sic}.
16 So it's in the plan.

17 SENATOR KAMINSKY: Okay, that's great.
18 Okay. And are you able to say whether
19 there's a multi-million-dollar commitment to
20 serious overhaul of that roadway?

21 COMMISSIONER DRISCOLL: I'm here to
22 say that we're committed to the extreme
23 weather hardening program for that stretch of
24 highway that you've advocated for, yes.

1 SENATOR KAMINSKY: Do you know at what
2 point you will be in a position to announce
3 some of the specifics, whether it's raising
4 the road or sinking the lights, or whatever
5 it may be, along with the timeline involved
6 with that project?

7 COMMISSIONER DRISCOLL: You know, I
8 don't know now and I don't want to speculate.
9 I know that, you know, we have engineering
10 staff, DOT staff, going through evaluations
11 on that.

12 SENATOR KAMINSKY: Okay. I would love
13 to continue working with you on this and
14 invite you down to the district, certainly
15 whether it's the potholes now or the flooding
16 in the spring, or the flooding that actually
17 happens all the time. I would love to
18 continue talking with you about this.

19 But this is really great news. We've
20 been waiting for, you know, a commitment in
21 the capital plan for a long time. And I
22 think my constituents can be very happy.
23 Obviously waiting to hear the details, but I
24 am very much looking forward to the future

1 progress on this.

2 COMMISSIONER DRISCOLL: Absolutely.

3 SENATOR KAMINSKY: While I have you
4 here, I just want to ask you about the Diesel
5 Emissions Reduction Act, and if you could
6 tell us where we are with respect to its
7 implementation.

8 COMMISSIONER DRISCOLL: I'm sorry, I
9 couldn't hear that.

10 SENATOR KAMINSKY: DERA, Diesel
11 Emissions Reduction Act.

12 COMMISSIONER DRISCOLL: Diesel
13 emissions, right. Most of our fleet has been
14 turned over to accomplish that goal. So we
15 have -- you know, we've really moved along
16 reducing diesel emissions on DOT fleet.

17 SENATOR KAMINSKY: Okay. And are
18 we -- are we -- are you able to say what
19 percentage of state vehicles are now in
20 compliance with it?

21 COMMISSIONER DRISCOLL: I'm not, but I
22 can get that for you.

23 SENATOR KAMINSKY: Or is it fair to
24 say there's a dedicated effort toward getting

1 that done?

2 COMMISSIONER DRISCOLL: I can tell you
3 that there is a dedicated effort on those
4 conversions, absolutely.

5 SENATOR KAMINSKY: Okay. Well, thanks
6 for your time today. And just generally, in
7 Long Island we have a ton of road issues.
8 Your staff has, you know, been very
9 responsive, and I really appreciate that as
10 we continue to move Long Island forward. So
11 thanks for your time today.

12 COMMISSIONER DRISCOLL: Thank you.

13 CHAIRMAN FARRELL: Thank you.
14 Assemblyman Skoufis.

15 ASSEMBLYMAN SKOUFIS: Thank you,
16 Chairman.

17 Good morning, Commissioner.

18 COMMISSIONER DRISCOLL: Good morning.

19 ASSEMBLYMAN SKOUFIS: Good to see you.

20 COMMISSIONER DRISCOLL: Good to see
21 you again.

22 ASSEMBLYMAN SKOUFIS: I say this every
23 year, but it's worth repeating --

24 ASSEMBLYMAN OAKS: Microphone.

1 ASSEMBLYMAN SKOUFIS: It should be on.

2 CHAIRMAN FARRELL: That's the one that
3 doesn't work. Take one of the others.

4 ASSEMBLYMAN SKOUFIS: Okay, we're on.

5 Your Region 8 staff is exemplary.
6 It's always a pleasure working with them, and
7 so I thank you.

8 I also want to thank you personally
9 for your efforts in advancing the Exit 131
10 project. I've brought that up as well every
11 year at these hearings. We've personally
12 spoken about that, and I know that's been a
13 local very high priority for really almost
14 20 years. I come from the Woodbury Town
15 Board, and that's been a priority there, and
16 it's great to see that accelerated this year
17 to November.

18 I have a few questions. Route 17,
19 going through Orange County specifically,
20 there's a significant amount of development
21 that's slated for the coming years.
22 Certainly we have the casino further up into
23 Sullivan County. We have possibly Legoland
24 coming to Goshen in the district I represent.

1 And already, any summer Friday or Sunday,
2 it's a parking lot on Route 17.

3 There have been some discussions and I
4 believe a study funded with federal dollars
5 to explore how to increase capacity on
6 Route 17. I believe the study called for a
7 widening to three lanes in each direction. I
8 wanted to see if there's been any further
9 conversation on your end to that end,
10 especially in light of the planned
11 development.

12 COMMISSIONER DRISCOLL: Right. So we
13 continue to evaluate that particular corridor
14 because, as you point out, you've got the
15 casino and then potentially Legoland.

16 And you should know, and others should
17 know, that we are working with the developer
18 and the town on the potential of Legoland and
19 looking at improvements that can be made to
20 our system that will create a better flow of
21 traffic should Legoland potentially arrive.
22 Which, candidly, that's a nice problem to
23 have, right?

24 So we're hopeful that that does

1 happen. We are a partner in those
2 discussions. And the region is actively
3 engaged.

4 ASSEMBLYMAN SKOUFIS: Thank you. So
5 that happens to lead to my next question. I
6 know that as part of these Legoland
7 conversations, they're developing an
8 environmental impact statement and a concept
9 that I've supported that most people seem to
10 believe locally will help improve the traffic
11 flow on local roads, is shifting Exit 125 and
12 creating a flyover to the opposite side of
13 Route 17 where Legoland is slated to be.

14 My understanding -- and I know there
15 was a press release that went out from Merlin
16 Entertainment last week. My understanding is
17 that those conversations are moving in a
18 positive direction, I think it's fair to say.
19 Can you shed any light on where exactly we
20 are with a flyover, and how it impacts the
21 conversion of 17 to an interstate, which has
22 been long planned? And importantly, who is
23 paying for this flyover? Legoland, Merlin
24 Entertainment, has already been given

1 \$7.1 million in state taxpayer dollars
2 primarily from the REDC awards. They are
3 probably going to get a very significant
4 PILOT, which I have deep concerns with and
5 have come out and publicly opposed. I
6 hesitate to give any more public money to a
7 multi-multi-billion-dollar corporation to get
8 this park up and running.

9 So if you can answer that question
10 specifically and also touch on where exactly
11 we are with the flyover.

12 COMMISSIONER DRISCOLL: Well, I can
13 tell you that most developers want somebody
14 else to pay for things.

15 ASSEMBLYMAN SKOUFIS: Sure.

16 COMMISSIONER DRISCOLL: And that's the
17 way it works.

18 We're in discussions with them. They
19 still need to provide us analysis with
20 respect to the property, how they would build
21 it out, the exits -- all of the components
22 that would impact the mobility of the traffic
23 flow going in and out.

24 A flyover has been discussed. We're

1 not there. The town's not there. So there's
2 still a lot of discussion that has to go
3 forward.

4 ASSEMBLYMAN SKOUFIS: Okay. What
5 other alternatives would there be to a
6 flyover in terms of improving flow there?

7 COMMISSIONER DRISCOLL: That's going
8 to depend on the traffic analysis that they
9 provide, the continuum of information that we
10 request from them relative to the traffic
11 anticipation that they have, and as we factor
12 in existing traffic flows.

13 ASSEMBLYMAN SKOUFIS: Sure. Have you
14 had any conversations about who's paying for
15 this?

16 COMMISSIONER DRISCOLL: No.

17 ASSEMBLYMAN SKOUFIS: You have not,
18 okay.

19 COMMISSIONER DRISCOLL: No. I have
20 not been at that table yet. I'm having --
21 the region is working with the town and the
22 engineers on some of these evaluations.

23 ASSEMBLYMAN SKOUFIS: And lastly,
24 changing gears, late last year the -- or the

1 middle of last year, the Federal Highway
2 Administration came out and directed states,
3 or at least New York, to repurpose these old
4 congressional earmarks from 10-plus years ago
5 and actually use them or lose them. Can you
6 explain to me how that process worked
7 vis-a-vis the municipalities and working with
8 them? You know, I've got some concerns about
9 how this played out.

10 You know, one example, the Town of
11 Blooming Grove had a \$900,000 earmark from
12 former Congresswoman Sue Kelly to make some
13 significant improvements to a dangerous
14 intersection. The DOT -- and my
15 understanding is this was coordinated through
16 Albany, not through the regional offices --
17 the DOT came back and basically said, you
18 know, this costs a lot more than \$900,000,
19 we're going to move this.

20 And it got moved not even just to
21 somewhere else in the town or somewhere else
22 in the county, it got moved to Rockland
23 County -- which I also represent -- but to a
24 totally different county. And my

1 understanding is that there wasn't any
2 accommodation or offer to use the award for
3 another project in that municipality, it was
4 sort of just totally shifted away once it was
5 determined that that project couldn't be met.

6 So could you explain how that works
7 and what can be done in situations like that?

8 COMMISSIONER DRISCOLL: Well, I can
9 explain it, but not in the time allotment
10 that you have.

11 (Laughter.)

12 COMMISSIONER DRISCOLL: It's a very
13 complicated process. It's federally driven.
14 So when you cite that the project was moved
15 to Rockland, because the federal government
16 said that the project would need to be
17 shifted only within a 50-mile radius of the
18 original project.

19 Many of the projects across the board
20 hadn't gotten local support or funding. And
21 so the federal requirements of the orphan
22 earmarks were such that they could move to an
23 adjacent congressional district, if that was
24 a project that fit the criteria under their

1 guidelines.

2 So there's been a lot of discussion
3 and, candidly, a lot of confusion. I think
4 maybe people felt, and maybe rightfully so,
5 that DOT kind of drew up those rules, but in
6 fact we followed the federal process that's a
7 requirement.

8 ASSEMBLYMAN SKOUFIS: Thank you.

9 COMMISSIONER DRISCOLL: Okay?

10 CHAIRMAN FARRELL: Thank you.

11 Senator?

12 CHAIRWOMAN YOUNG: Thank you.

13 Our next speaker is Senator Kennedy.

14 SENATOR KENNEDY: Thank you,
15 Commissioner. Thank you for your service.
16 Thank you for your testimony today.

17 The second round of the Buffalo
18 Billion set aside \$5 million for the light
19 rail expansion to Amherst, \$20 million for
20 the DL&W terminal redevelopment, both
21 projects long overdue. Very appreciative of
22 that inclusion in this year's budget.

23 What's the time frame for the
24 redevelopment of the DL&W project?

1 COMMISSIONER DRISCOLL: You know, I
2 don't know it off the top of my head, to be
3 honest with you, Senator. But I think we're
4 probably looking to do that in the next year
5 to two. Lot of rail activity potentially in
6 the Buffalo/Western New York region.

7 SENATOR KENNEDY: And then in regard
8 to DL&W, how does the state envision
9 financing the actual construction of the
10 light rail extension?

11 COMMISSIONER DRISCOLL: You know,
12 again, that's a federal -- it's an FTA
13 program. So we'll look to our federal
14 partners, which is where we get the bulk of
15 our funding, of course, for rail
16 improvements. And we'll work with the
17 partners on that.

18 SENATOR KENNEDY: Okay. And the
19 Buffalo Billion funds are administered by
20 ESD, as you're well aware.

21 COMMISSIONER DRISCOLL: Right.

22 SENATOR KENNEDY: How much of a role
23 will the DOT play in the project development?

24 COMMISSIONER DRISCOLL: Well, I mean

1 certainly we're available to ESD so they have
2 an understanding, from our perspective -- you
3 know, for rail or any project that might be
4 transportation-related, we'll work with ESD
5 on that.

6 SENATOR KENNEDY: I want to switch
7 from the rail to the air. You and I have
8 spoken countless times about the Buffalo
9 Niagara International Airport. It is in my
10 district in its entirety. As you're aware,
11 the airport's undergoing much-needed
12 redevelopment. It serves roughly 5 million
13 passengers, 40 percent of which are from
14 Canada. The estimated economic impact is
15 about a billion dollars a year, supporting
16 15,000 jobs. So it's a major economic driver
17 in our community.

18 Is there any funding in the budget
19 proposal that would support this -- Buffalo
20 Niagara International Airport's planned
21 expansion and renovation?

22 COMMISSIONER DRISCOLL: Well, outside
23 of the regional upstate airport dollars that
24 are still available -- and there's some -- I

1 can't think of any off the top of my head.

2 As we did discuss, though, I would
3 encourage you to also work with the new award
4 through the URI to see if that's
5 another avenue. So I would chase all of
6 those.

7 SENATOR KENNEDY: So I encourage your
8 department to find funding for the airport.
9 I know we're investing heavily in upstate
10 airport redevelopment. It's a major piece of
11 this budget proposal. We have to make sure
12 we're investing in the Buffalo Niagara
13 International Airport because of its economic
14 impact on our community.

15 I want to switch gears again back to
16 the STOA funding. Now, I've heard and you've
17 heard today from all across the state STOA
18 funding has been a problem for years. It
19 seems like year after year we keep coming
20 back to the same problem. It was refreshing
21 for me to hear you say today that you
22 recognize that the formula is problematic,
23 for upstate especially and for Long Island.

24 But, you know, in my community, the

1 community that I represent, the City of
2 Buffalo, the Town of Cheektowaga, the city of
3 Lackawanna, there are many, many folks that
4 are dependent upon a robust transportation
5 system, a regional public transit system, the
6 NFTA. And, you know, the NFTA has been
7 hamstrung because of the lack of STOA funds,
8 based upon a formula that you admitted today
9 is problematic.

10 So, you know, I guess it has been year
11 after year of us coming back -- I'd like to
12 know what you and your department will do
13 differently. And will you commit today to
14 working with us to rectify this formula so
15 that next year we don't have to be back here?

16 First of all, I'd like to rectify the
17 budget to bring it up to speed so that we can
18 make the NFTA whole -- to which, quite
19 frankly, they're underfunded compared to the
20 rest of the state by millions of dollars.
21 There are routes that have been cut. There
22 are people in my district, particularly in
23 the First Ward of Lackawanna, that have to
24 walk over a mile to find the nearest bus --

1 if there's a bus running that day at all.
2 There is a contract dispute that's upwards of
3 eight years. So this lack of funding is
4 really bottoming out the ability for the NFTA
5 to function at a level that it needs.

6 And so this has become a major
7 problem. So can you just talk about your
8 commitment to rectifying this, both in this
9 budget and over the next year so we don't
10 have to be back here next year talking about
11 the same thing?

12 COMMISSIONER DRISCOLL: So -- and I
13 appreciate those remarks. I certainly am
14 aware of those challenges you cite, having
15 experienced them as well.

16 You know, the funding issue, as I
17 described earlier, there's just a structural
18 difference in the balancing of how funds are
19 utilized. Upstate does not have the built-in
20 mechanism for the tax structure to support
21 upstate transit.

22 I committed to this group last year,
23 and I'll do so again this year, that if you
24 want to hold meetings so we have time to plan

1 and work together, I will be at the table to
2 do that with you. I myself cannot solve that
3 challenge. That is also a discussion that is
4 between the Executive and the legislative.

5 But the Department of Transportation
6 will be at the table to explore all ideas and
7 options on how we can not only sustain but
8 enhance certainly operating funds in upstate
9 New York.

10 SENATOR KENNEDY: The Governor's
11 proposed budget greatly expands the
12 design-build. We've talked about it numerous
13 times; I won't belabor the point. In the
14 past, there has been -- and there's been a
15 lot of attention brought to this, which is I
16 think why we are hearing about it so much
17 from my colleagues here today.

18 In the past, the design-build -- that
19 is now proposed to expand -- has utilized
20 project labor agreements. Is that something
21 that you would revisit?

22 COMMISSIONER DRISCOLL: Typically the
23 practice has been that on design-build, yes,
24 we utilize a PLA.

1 SENATOR KENNEDY: You do, okay.

2 COMMISSIONER DRISCOLL: Yeah. We
3 have. But we have to quantify that, and
4 that's an important distinction. So we do
5 have, you know, a study done to evaluate
6 whether or not there are savings.

7 SENATOR KENNEDY: And finally, just
8 back to the CHIPS program funding, the
9 funding that's proposed at a flat level for
10 CHIPS. You know, as a former mayor in
11 upstate, how important this is to our aging
12 infrastructure. So how can we address the
13 road improvements across the state, and what
14 can we do with the CHIPS formula to make sure
15 that it's reflective of these needs in the
16 aging infrastructure, especially in the
17 cities that feel the brunt of these harsh
18 winters off Lake Ontario, off Lake Erie, like
19 Rochester, Buffalo, Syracuse?

20 COMMISSIONER DRISCOLL: Right. Right.
21 Well, look, again, I mean, that is a function
22 of the negotiation between the Senate, the
23 Assembly, and the Executive.

24 You know, I do want to go back to the

1 PAVE-NY program. While it doesn't fix
2 certainly everything, it does give local
3 communities additional funding, that they
4 determine where those funds go to address
5 their local road issues. And it does follow
6 the CHIPS formula.

7 But it is a larger conversation, and
8 it's one that's done certainly during the
9 negotiation.

10 SENATOR KENNEDY: Thank you.

11 SENATOR KRUEGER: Time. Thank you.

12 CHAIRMAN FARRELL: Assemblyman Oaks.

13 ASSEMBLYMAN OAKS: Yes, Commissioner,
14 hi.

15 COMMISSIONER DRISCOLL: Hi.

16 ASSEMBLYMAN OAKS: Senator Kennedy was
17 just talking about transit dollars. And I
18 know you haven't been able to give us a lot
19 of specifics on the ride-sharing proposal,
20 but in there there is a surcharge that would
21 go 5.5 percent. And a portion of that,
22 27-plus percent, would go to local transit
23 authorities.

24 Do we have any sense on dollars that

1 that might generate at this point?

2 COMMISSIONER DRISCOLL: I don't. I do
3 not.

4 ASSEMBLYMAN OAKS: And the only other
5 question was, do we know if those dollars --
6 I know DOT is going to have a role in that.
7 Are they going to go straight to the transit,
8 you know, authority or you?

9 COMMISSIONER DRISCOLL: Well, I think
10 that's certainly -- that's part of the
11 negotiation, I would imagine. I don't know
12 that answer either, how the structure would
13 be built out.

14 ASSEMBLYMAN OAKS: We'll hope that
15 those -- that might be a way to provide some
16 resources.

17 COMMISSIONER DRISCOLL: Sure.

18 ASSEMBLYMAN OAKS: Also you've had a
19 number of questions on the signage. Just a
20 couple of things.

21 You mentioned the number of signs you
22 put up. Do we know the -- and I can't
23 remember it, but you said it as part of your
24 testimony. Do we know the total cost of that

1 as well?

2 COMMISSIONER DRISCOLL: Right, I do.

3 So we -- DOT installed 374 signs. So the
4 materials, the signs, the materials
5 fabrication was \$3.1 million. The
6 installation was \$2.3 million. So a total of
7 \$5.4 million.

8 ASSEMBLYMAN OAKS: And I was going to
9 Buffalo -- not to see Senator Kennedy -- but
10 as I was traveling there the other day, I
11 noticed that these signs -- some of those
12 signs toward Buffalo -- I haven't seen it
13 other places -- were bent. Whether it was
14 from, you know, heavy winds or whatever.
15 Have there been -- those were on the Thruway,
16 so it's their problem, I guess.

17 Have you seen problems with the
18 materials that you had for those? I just saw
19 the posts, not the signs themselves, were
20 bent. And maybe Buffalo just has tougher
21 winds than other places, I don't know.

22 COMMISSIONER DRISCOLL: Yeah, I don't
23 know. I had heard, but I don't know the
24 answer to that. We've had no wind damage or

1 damage to the signs that DOT has installed.

2 ASSEMBLYMAN OAKS: And then just
3 finally, the PAVE-NY program. I know you've
4 talked about it and the formula of that
5 following CHIPS. But it's not the exact
6 formula of CHIPS, I think. And as we look at
7 that, I'm just saying -- you mentioned part
8 of the negotiations. But I guess I would say
9 it follows it percentagewise, but it doesn't
10 drive the total pot quite that way. And so
11 just if we might look at that to maybe more
12 closely follow CHIPS.

13 COMMISSIONER DRISCOLL: We had looked
14 at that in terms of the ratio on the formula.
15 But we'll go back and take a look at that.

16 ASSEMBLYMAN OAKS: Thank you very
17 much.

18 CHAIRMAN FARRELL: Thank you.

19 We've been joined by Assemblywoman
20 Hyndman.

21 Senator?

22 CHAIRWOMAN YOUNG: Thank you,
23 Mr. Chairman. And our next speaker is
24 Senator Savino.

1 SENATOR SAVINO: Thank you, Senator
2 Young.

3 Good morning -- is it still morning?
4 Yes. Good morning, Commissioner.

5 COMMISSIONER DRISCOLL: Good morning.

6 SENATOR SAVINO: I just want to -- I
7 actually have one question, but I also just
8 want to reiterate some of the concerns that
9 some of my other colleagues have about
10 design-build.

11 It just bears repeating that extending
12 it to all the agencies and SUNY and CUNY
13 permanently, I have some concerns about --
14 we've discussed this in the past,
15 particularly because of the fact that there
16 is no language that extends PLAs in these
17 projects, there's no protection for public
18 employees in the current Article VII
19 language. So that's an issue of great
20 concern to myself and I know others.

21 And particularly in the past,
22 design-build has always been subject to the
23 purview of the Legislature. So it's the
24 extension of it permanently that I think kind

1 of rankles some of us up here.

2 But I do understand the value of
3 design-build, and I think we all do. So I
4 think it just bears some more discussion
5 going forward.

6 But I want to talk about something
7 that the Governor has in his budget that is
8 a -- it's a pilot about these work zone
9 safety cameras. You may be aware that for
10 the past several years the Senate has passed
11 a bill that I carried, the Work Zone Safety
12 Act, which would increase the penalties for
13 and create the crimes of vehicular homicide,
14 intentionally intruding into a work zone.

15 Several years ago, when the
16 Legislature enacted increased penalties for
17 intrusion into a work zone with increased
18 fines, we hoped to see some changes in
19 behavior on the roadways, and unfortunately
20 that has not changed. So we're trying to
21 create an actual crime of intentional
22 intrusion into the work zone. The Senate has
23 passed the bill several times; the Assembly
24 has not quite gotten there yet.

1 But what I would hope is that if we go
2 forward with this pilot project, the data
3 that you capture, that you could share with
4 us, so we could convince people that what's
5 happening in our work zones is in fact
6 dangerous behavior by drivers who are not
7 affected at all by the increased penalties.
8 You know, we've not seen any change in their
9 behavior -- the intrusion into work zones,
10 endangering workers every day, the number of
11 incidents, the number of workers who are hit
12 and killed. Recently, on the Verrazano
13 Bridge, we had two workers who were knocked
14 off on the other side of the bridge. Thank
15 God, they survived.

16 But this is happening across many of
17 these projects. And as you know, with all of
18 the work and infrastructure work that we're
19 doing here in New York State, our workers are
20 in tremendous risk every day.

21 COMMISSIONER DRISCOLL: Right. And I
22 want to thank the legislature for your strong
23 focus on this. Certainly from the DOT's
24 perspective, but for emergency personnel

1 workers -- I'm sure Bill Finch will say the
2 same for the Thruways -- for everybody who's
3 working out there, it's important. Because
4 people, let's face it, aren't paying
5 attention to, you know, driving through work
6 zones.

7 Work zone safety is very important to
8 us. We discussed this a little earlier.
9 Enforcement I believe is a big part of this.
10 We need to have strong enforcement and hit
11 people where it counts, in their wallet or
12 their pocketbook, so that from an education
13 perspective people are going to recognize
14 they need to slow down when they go these
15 work zone areas.

16 And so --and I'm actually -- Bill
17 Finch and I have been talking a little bit
18 about how we might able to enhance that from
19 our ends as well, in addition to the good
20 work that the Legislature has done and
21 provided us.

22 The data will be used, I hope, in a
23 more efficient way so that we're able to
24 pinpoint where those higher-density areas

1 are, where the higher speed volumes are.

2 That way we can be more site-specific, right,
3 with where we ask our State Police and other
4 law enforcement agencies to be so that they
5 can do the proper enforcement.

6 But it's a great program -- frankly,
7 there's probably not much more important than
8 that to protect the health and safety of our
9 folks that are working on everybody's behalf
10 on the roadways.

11 SENATOR SAVINO: Thank you for the
12 efforts. And I hope that whatever data is
13 collected can be shared back with us so we
14 can continue to make the case that --

15 COMMISSIONER DRISCOLL: Sure.

16 SENATOR SAVINO: -- just increasing
17 the fine or issuing tickets is not enough.
18 We really need to make this a crime. We need
19 to change people's behavior in the work
20 zones.

21 COMMISSIONER DRISCOLL: Right.

22 SENATOR SAVINO: So I want to thank
23 you for your support on our efforts, and I
24 look forward to working with you on this.

1 Thank you.

2 COMMISSIONER DRISCOLL: Thank you,
3 Senator.

4 CHAIRWOMAN YOUNG: Thank you.

5 CHAIRMAN FARRELL: Thank you.

6 Assemblywoman Simon.

7 ASSEMBLYWOMAN SIMON: Thank you.

8 Thank you, Commissioner.

9 COMMISSIONER DRISCOLL: Good morning.

10 ASSEMBLYWOMAN SIMON: I have a couple
11 of questions with regard to the BQE triple
12 cantilever, which as you may know is an
13 extraordinarily critical link in the
14 interstate highway system through Brooklyn --
15 an extension of the BQE, the Gowanus
16 Expressway, and leads up to this wonderful
17 Kosciuszko Bridge that we're very pleased
18 with the way it's coming along.

19 But as you testified earlier, it's
20 part of the unbuilt system. I would like to
21 better understand where the -- how that is --
22 elements of the roadway are characterized as
23 built and unbuilt and why that, in your view,
24 precludes the state contributing to what is a

1 massive project that needs desperate help.

2 COMMISSIONER DRISCOLL: So the unbuilt
3 portions are the portions that the city owns.
4 And when the city builds up to state
5 standards, State DOT standards, that section
6 of roadway and it becomes built, we then take
7 ownership of it. Which means we then
8 maintain it going forward, forever. But the
9 process is for unbuilt sections, that's the
10 local responsibility.

11 Yes, it's a big project, no question
12 about it. We have many big projects across
13 the state. You know, we support the city in
14 a variety of ways. The K Bridge has been
15 mentioned a couple of times today. That's
16 just one example, you know, of the work that
17 we do throughout the city that supports the
18 city.

19 So you know, frankly, the resources
20 are not there for that triple cantilever
21 project that I've spoken to the commissioner
22 about, which is why I do say that I think
23 design-build -- and she has said to me --
24 would go a long way in helping address that.

1 For the city.

2 ASSEMBLYWOMAN SIMON: Yes, and I
3 support the design-build for the BQE. I know
4 that there's --

5 COMMISSIONER DRISCOLL: But I think my
6 point is is that goes a long way into
7 addressing the financial portion of that for
8 the city as well. They believe that that
9 will help them significantly.

10 ASSEMBLYWOMAN SIMON: So I guess is
11 one concern I have is when that was built,
12 why wasn't it built to state standards at
13 that time? I mean, I don't understand how
14 that didn't end up in the state system when
15 it was done in the first place. Because I
16 don't think it was done in the first place
17 not to state standards. I mean, the --

18 COMMISSIONER DRISCOLL: Well, I --
19 honestly, I can't answer that. It was built
20 probably 75 years ago.

21 ASSEMBLYWOMAN SIMON: The Gowanus, I
22 understand how that happened. But I don't
23 understand how this happened.

24 COMMISSIONER DRISCOLL: We've taken

1 over many sections of various roadways
2 through the city. Once they've come to state
3 standards, we take them, we own them. And
4 then remember, we own them going forward
5 forever on the maintenance end. So it really
6 does relieve the city of that burden.

7 I can't speak to why it was never, you
8 know, built that way initially.

9 ASSEMBLYWOMAN SIMON: And what about
10 the application of the BRIDGE NY program? I
11 understand that it's there to help support
12 the bridges and roadways. Is there some
13 reason why that money, any money from there
14 can't be used towards something like the BQE
15 cantilever?

16 COMMISSIONER DRISCOLL: Well, again,
17 it's a balance of needs. And it's bridges
18 and culverts only, not roadways. So it's
19 bridges and culverts.

20 It's a needs issue. You know, we
21 have -- there are needs all across the State
22 of New York, from Buffalo to Lake Placid to
23 Long Island. And so \$200 million, while it's
24 a lot of money to you and I, there's a lot of

1 need out there. And so we need to use those
2 funds to address local issues as well in
3 other parts of the state.

4 ASSEMBLYWOMAN SIMON: Well, I want to
5 express very clearly just how concerned I am
6 about the triple cantilever. It is -- it
7 does ring the third-largest commercial
8 business district -- the third-largest
9 business district in New York City, which is
10 probably the fourth-largest business district
11 in the state. And it is in perilous
12 condition. And it's not clear how it was
13 even built, to some extent.

14 And if something goes awry, this will
15 have a devastating economic effect, really
16 for the region. So I want to encourage the
17 state to find a way to help with that.

18 COMMISSIONER DRISCOLL: Okay.

19 ASSEMBLYWOMAN SIMON: Thank you.

20 COMMISSIONER DRISCOLL: Thank you.

21 CHAIRWOMAN YOUNG: Thank you. Our
22 next speaker is Senator Tedisco.

23 SENATOR TEDISCO: Thank you,
24 Commissioner. And thank you for being here

1 and giving us your testimony, and your
2 service, coming from mayor here to the
3 commissioner of DOT. And as a local elected
4 official at one time, you know what a lot of
5 our elected officials are going through as it
6 relates to our infrastructure.

7 COMMISSIONER DRISCOLL: Right.

8 SENATOR TEDISCO: And I know you
9 alluded to a short conversation we had before
10 your testimony, and we talked a little bit
11 about a holistic aspect of our
12 infrastructure. And we all know how
13 important our roads and our bridges are --
14 it's about public safety, getting our kids to
15 school, getting to the doctor's, getting to
16 our jobs. And most importantly, it's about
17 economic development. Who's going to want to
18 expand or put a business in New York State if
19 we're not maintaining our infrastructure?

20 But it also goes beyond the roads and
21 bridges. We need to put money into those
22 roads and bridges and maintain them. We need
23 a continuum.

24 But as we talked, we talked about a

1 lurking monster which is another part of our
2 infrastructure. And you remember the show
3 The Honeymooners, with Jackie Gleason?

4 COMMISSIONER DRISCOLL: I do. Sure.

5 SENATOR TEDISCO: Remember a guy named
6 Ed Norton?

7 COMMISSIONER DRISCOLL: Yeah.

8 SENATOR TEDISCO: He's too young to
9 know that, Kaminsky; I've got socks that are
10 older than him. He thought Ed Norton was
11 that young guy that is a good actor now.

12 (Laughter.)

13 SENATOR TEDISCO: But you can't cut a
14 ribbon on a road or -- or you can cut a
15 ribbon on roads and bridges, but only Ed
16 Norton could cut a ribbon on a sewer line,
17 because he worked in the sewers back in The
18 Honeymooners.

19 And the reason why I mention that is
20 myself and the good Assemblyman Phil Steck
21 down there, and several of our colleagues in
22 the Senate and the Assembly, understand that
23 fully here in the Capital Region. We've seen
24 what's happened in Rensselaer. An SUV went

1 into a sinkhole in Albany. In Montgomery
2 County, they still have sewer going into the
3 Mohawk because of our sublevel.

4 And you and I talked about it, our
5 sewer lines, our water lines, our sanitary
6 lines, our gas lines. That is the lurking
7 monster. And you mentioned -- and I know
8 about this, because when I was a city
9 councilman, I put together a program to
10 actually purchase TV cameras, put them
11 through the entire sewer system of the City
12 of Schenectady, and start a maintenance
13 system on the most dilapidated sublevel
14 sewer, water and gas lines, so we wouldn't
15 have the breaks that bring down those roads
16 and bridges, which cost two to three to four
17 to five times as much as if you put a system
18 in -- and they have a technology now to
19 actually seal those systems in many ways.

20 Many of those are a hundred years old.
21 They date back to the Civil War. And believe
22 it or not, like you said, in Syracuse there
23 was some wooden sewer lines. We had wooden
24 lines and we'd still today have wooden sewer

1 lines in the City of Schenectady, part of the
2 49th Senatorial District. And I think you
3 can go to any county and take a look at
4 those.

5 My colleagues in this region,
6 supervisors, highway superintendents -- in
7 fact, the Association of Towns has put on
8 their number-one level a program that
9 Assemblyman Steck and I are the sponsors of,
10 and have several others, called SWIAP, Safe
11 Water Infrastructure Action Program. What it
12 deals with is a sister program to CHIPS.

13 What's happening now, anecdotally from
14 some of my highway superintendents, they love
15 that CHIPS money. We've got to continue to
16 support it. It was \$445 million, I think,
17 last year, and I think it's in the budget
18 this year. They're putting down beautiful
19 roads. You know what's happening? They're
20 collapsing with their weight with the
21 sublevel that's so deteriorated. So we're
22 putting good money after bad.

23 We need a sister program, and we think
24 we have an idea to put that forth, called

1 Safe Water Infrastructure Action Plan. It's
2 not a Hunger Games. It wouldn't be
3 competition. It would be based on a formula
4 just like CHIPS.

5 I was wondering if you would support a
6 concept like that if we could maybe negotiate
7 that into the New York State budget, so
8 supervisors, mayors, villages, towns know --
9 not going to solve all the problems, but they
10 can start looking at the sublevel, that
11 lurking monster, before they put beautiful
12 roads down, and they collapse, and it's twice
13 as much money, throwing good money after bad.

14 COMMISSIONER DRISCOLL: Right. I
15 think it's a good idea. I mean, you're --
16 but the budget before you, you know, has a
17 \$2 billion proposal for the clean
18 water/drinking water program.

19 But I agree, you and I talked offline
20 a little before this, and I mentioned
21 previously what I had done. And I will say
22 to all of you, you know, New York is blessed
23 in the sense that we have a group of
24 individuals and organizations, the

1 Environmental Facilities Corporation, who are
2 very sophisticated in assisting communities
3 both in terms of grants and loans,
4 low-interest loans, now as low as zero
5 percent, to address their infrastructure
6 needs -- clean water, drinking water.

7 But I think your point is well-taken.
8 And I've always encouraged, since my arrival
9 here at New York State, when I speak to local
10 officials, when they look at or are going to
11 undertake a local road reconstruction
12 program, or they're going to fix some sewer
13 runs or replace a water line, to look at it
14 more holistically -- so that they fully
15 understand, below grade, the challenges, but
16 that they also leverage additional programs
17 like what the EFC offers with other programs
18 in New York State where they might be able to
19 reinvent their local community -- Main Street
20 programs, where you're not just going to
21 replace a sewer line and then put the road
22 back over it; maybe you look at how you green
23 it up, you add green infrastructure, you add
24 elements that enhance the beauty of the

1 community. And that is proven to attract and
2 further economic development.

3 So I think you're right, I think that
4 certainly as we look at these types of
5 challenges more holistically, and in a
6 smarter way, I think all communities will be
7 served.

8 But one thing is for sure, that
9 New York State is a very old state. The
10 Northeast is a very old place. And so
11 therefore our infrastructure is definitely
12 very old. But I do know, from my past
13 experience and what I'm doing now, that, you
14 know, we are -- and the Governor is putting
15 his best foot forward trying to tackle this
16 very large issue.

17 So I think that sounds like a very
18 good idea to me, and it's something that I
19 would encourage you to work forward on.

20 SENATOR TEDISCO: I know my time is
21 up, but just to close I'd say we appreciate
22 those grants, and they appreciate those
23 loans, but they're strapped for money. And
24 the longer we delay with that sublevel, the

1 more problems we're going to have on all
2 levels. Because those roads and bridges will
3 collapse with their weight under that
4 deteriorated sublevel infrastructure.

5 COMMISSIONER DRISCOLL: Just to add to
6 that, I think one benefit has been that in
7 large part much of the median household
8 income has been lowered, that threshold, so
9 more communities are qualifying for zero
10 percent loans, as an example. So while you
11 may take a loan, you certainly still have to
12 pay it back, but it's zero percent. There's
13 grant dollars that go with that. They've
14 done a terrific job continuing the momentum
15 of that program, and it continues to grow.
16 They're a great resource.

17 And I just remind all of the members
18 here today that that's another tool in the
19 belt when you work with your local
20 constituencies.

21 SENATOR TEDISCO: Thank you, and thank
22 you for the great job you do.

23 COMMISSIONER DRISCOLL: Thank you,
24 sir.

1 SENATOR TEDISCO: Thank you.

2 CHAIRMAN FARRELL: Senator?

3 CHAIRWOMAN YOUNG: Thank you.

4 Senator Liz Krueger.

5 SENATOR KRUEGER: Thank you,
6 Commissioner. So many questions have already
7 been asked.

8 In the Governor's briefing on your
9 agency, it included a statement that there's
10 \$1.2 billion in additional support for JFK
11 access and Woodbury Commons, et cetera, but
12 then there only appears to be about
13 \$749 million in additional DOT
14 appropriations. So where's the other money
15 coming from to get us to \$1.2 billion?

16 COMMISSIONER DRISCOLL: That will be
17 developed as we work forward next year.
18 There's \$564 million towards the Kew
19 Interchange, part of the JFK access. And the
20 other pot is the \$600 million in encumbrance
21 relief for federal funds that we'll use to
22 accelerate like the Woodbury Commons project.

23 SENATOR KRUEGER: But then is there
24 \$1.2 billion for Kennedy?

1 COMMISSIONER DRISCOLL: There is
2 \$564 million for Kennedy this year.

3 SENATOR KRUEGER: And then the other
4 \$600 million --

5 COMMISSIONER DRISCOLL: For the Kew
6 Gardens Interchange.

7 SENATOR KRUEGER: -- federal
8 acceleration for Woodbury.

9 COMMISSIONER DRISCOLL: Yes.

10 SENATOR KRUEGER: Is that how it
11 breaks out?

12 COMMISSIONER DRISCOLL: Among others,
13 yes.

14 SENATOR KRUEGER: Okay, among others.
15 There were a few other projects listed, okay.

16 How much of your budget currently
17 comes from revenue from gasoline taxes?

18 COMMISSIONER DRISCOLL: You know, I
19 don't know that answer, to be honest with
20 you.

21 SENATOR KRUEGER: Do you have a
22 percentage, approximately?

23 COMMISSIONER DRISCOLL: I don't know
24 that answer. I can get it.

1 SENATOR KRUEGER: The reason I ask is
2 because a few years ago a gallon of oil was
3 \$120, and now it's \$50. So by definition,
4 since the price of gas continues to go
5 down -- even though we all want to get us off
6 a gas-driven economy -- your revenues have to
7 be going down.

8 So I'm curious, how is that impacting
9 revenue for your projects, and what's your
10 projections going forward?

11 COMMISSIONER DRISCOLL: Well, it would
12 not -- it would -- if it's volume-based, it
13 wouldn't go down.

14 SENATOR KRUEGER: I thought our gas
15 taxes were driven in a formula related to
16 price.

17 COMMISSIONER DRISCOLL: Yeah, but that
18 doesn't mean people aren't still buying the
19 same amount.

20 SENATOR KRUEGER: Is it cents per
21 gallon, not percentage of the total value?
22 Is that how it works, all of them?

23 COMMISSIONER DRISCOLL: Yeah --

24 SENATOR KRUEGER: Yes?

1 COMMISSIONER DRISCOLL: Yes.

2 SENATOR KRUEGER: Okay.

3 COMMISSIONER DRISCOLL: And I don't
4 know the number. I can get it. But I don't
5 know it off the top of my head.

6 SENATOR KRUEGER: The energy and
7 environmental side of state government is
8 actually pushing a big effort towards
9 electric cars, vehicles. And we had lots of
10 back and forth on that during the EnCon
11 hearing Monday. How does that impact DOT,
12 and how are you planning for being able to
13 participate in ensuring we have a state that
14 is up to meeting the needs to move from
15 gas-driven vehicles to electric vehicles?

16 COMMISSIONER DRISCOLL: So we are
17 looking -- from a DOT perspective, we're
18 looking at how we can add charging stations,
19 including here on our main campus at Wolf
20 Road, and the purchase of electric vehicles
21 that we would use fleetwide.

22 There's some challenges with that, you
23 know. As an example, electric cars work
24 better in warm weather, so when we're in the

1 middle of winter, like now, they don't work
2 as well. But that's really a development of
3 the research and technology. They don't work
4 as well on steep grades, they work better in
5 flat areas, of course. But DOT is committed
6 to that.

7 We also just initiated some solar
8 installations in our Region 5 Buffalo area so
9 that we can reduce the cost of our footprint
10 there -- not only our footprint, but the cost
11 to us to run our facilities. And we're also
12 developing a broader statewide program for
13 that as well.

14 So we're very committed to
15 environmental issues in the State of
16 New York.

17 SENATOR KRUEGER: So I know that,
18 through discussions, that we have a little
19 problem with the federal government trying to
20 put electric car filling stations -- I'm
21 using the wrong terminology, but the plugs
22 for the electric cars -- into the Thruway
23 sites because of federal law. There's some
24 rules around whether we can actually put

1 electric car chargers -- chargers was the
2 word that was escaping my brain -- in the
3 Thruway stops.

4 But are we planning to put electric
5 car chargers in the state roads or the state
6 pull-overs and rest stops?

7 COMMISSIONER DRISCOLL: Yes, we are
8 working on a plan to do that. But we also
9 want to make smart decisions on where we
10 locate those. Right? So we want to use data
11 to the extent that we can to determine what
12 the best locations will be in doing so.

13 SENATOR KRUEGER: What kind of data
14 will you use, the basis of how many cars are
15 being sold in certain areas?

16 COMMISSIONER DRISCOLL: Yeah, you
17 know, maybe working with the Automobile
18 Association to understand, you know, where
19 registrations are, as an example, for
20 electric cars, trying to get a better handle
21 on where those sites are.

22 But I think in the long term, to your
23 point, it's incumbent upon the state to make
24 sure that we have a system that's built to

1 address that growing community. And that's
2 exactly what is happening. I don't want to
3 speak for the Thruway; I know that they have
4 a number of installations planned.

5 SENATOR KRUEGER: Right. And I know
6 that the Thruway is a separate issue and you
7 walk into some federal problems.

8 Changing topics, so as part of the
9 Governor's budget proposal, he announced his
10 plan to have light shows on various state
11 bridges and highways. I forget the name he
12 used to announce the light shows, and I think
13 there's even a reference to music to go along
14 with the light shows.

15 So at risk of being a real downer, in
16 New York City we actually have a lot of
17 concern about light and noise pollution at
18 night, and there's even a law that was passed
19 here at the state level, and other laws at
20 the city level, to prevent light and noise
21 pollution.

22 And I'm curious how the proposal
23 stacks up against many people's concerns
24 about not actually wanting to have a light

1 show coming in through their bedroom window
2 every night.

3 COMMISSIONER DRISCOLL: Right.
4 Understood. No, I understand that. And I
5 think as it continues to move forward, people
6 will have a better understanding on how it
7 would work.

8 As an example, LED technology would be
9 utilized, and it would be directional. In
10 other words, it wouldn't be shining into
11 somebody's bedroom window. In theory, you
12 would direct that LED so it could be skyward.
13 There's ways that you can lamppost, if you
14 will, lights.

15 But this is done all over the world.
16 And, you know, the idea behind it is to
17 showcase the spectacular New York bridges and
18 so forth. New York gets 50-plus million
19 visitors a year. The tourism industry is
20 huge in New York. But balancing it,
21 obviously, between people who live there and
22 people who visit there, but also to be able
23 to utilize it in, you know, days of
24 significance -- the Fourth of July, as an

1 example, how you celebrate our national
2 holiday. The Empire State Building does it
3 now. I'm not certain that there's a lot of
4 complaints generated from that.

5 But it would be coordinated, so there
6 would be kind of a central command, if you
7 will, that would coordinate how these lights
8 may work. And I have to tell you, I don't
9 know all those details. But I do know that
10 you can utilize lighting, in particular LED,
11 in different ways to minimize those impacts.
12 And I'm certain that all of that will be
13 considered.

14 SENATOR KRUEGER: And that will all be
15 under your authority at DOT?

16 COMMISSIONER DRISCOLL: No, it's
17 largely the MTA.

18 SENATOR KRUEGER: Largely it will be
19 in the MTA.

20 COMMISSIONER DRISCOLL: Now, on the --
21 I'll call it the K Bridge, because sometimes
22 I mangle it. The K Bridge, we are looking at
23 adding -- we have always had lighting as part
24 of that, that's what the community wanted.

1 So when we were doing the work on the
2 development of the K Bridge, one of the
3 things the community wanted was also how they
4 celebrate that new bridge. So the K Bridge
5 would also be lit in a similar fashion.

6 SENATOR KRUEGER: Thank you.

7 COMMISSIONER DRISCOLL: Thank you.

8 CHAIRWOMAN YOUNG: Thank you.

9 CHAIRMAN FARRELL: Thank you.

10 We have Mr. Steck, for one question,
11 to close on our side.

12 ASSEMBLYMAN STECK: So I am one of the
13 people who does have a substantially electric
14 vehicle. And I just wanted to note, I spent
15 some time in Syracuse on business recently,
16 and they have a lot of parking places where
17 you can charge. The problem is, it's
18 completely ineffectual, because in order to
19 charge an electric vehicle, you need to sit
20 there, at 240 volts, for about four hours.
21 If you're limited to two hours of parking,
22 that doesn't help you very much.

23 So I certainly, you know, would -- I
24 think in your testimony you did identify the

1 fact that it's probably not going to be
2 something you can do at classic gasoline
3 filling stations, or even on the Thruway. No
4 one's going to want to sit there.

5 COMMISSIONER DRISCOLL: Agreed.

6 ASSEMBLYMAN STECK: So I just wanted
7 to point that out. I can see that you're
8 aware of that. And sometimes the best of
9 intentions --

10 COMMISSIONER DRISCOLL: Well, right.
11 And I -- just to say, because I was there,
12 some of those installations took place back
13 in 2002 and 2003. And that was the
14 technology at that point.

15 In this field, you know, that
16 technology changes almost daily. And so, you
17 know, the advancement of research and
18 development in that area -- battery systems,
19 which is a big growing industry, and is
20 significant in the Binghamton area, those are
21 the types of research and development that
22 you need to utilize, and then the data on
23 where best to put the most modern, if you
24 will, stations.

1 I agree with you, who could sit there
2 for four hours, unless it's an overnight?

3 ASSEMBLYMAN STECK: Yes. And we
4 certainly appreciate everything you've been
5 able to accomplish in the 110th Assembly
6 District. And thank you very much,
7 Commissioner.

8 COMMISSIONER DRISCOLL: Thank you.

9 CHAIRWOMAN YOUNG: Thank you.
10 Senator Comrie.

11 CHAIRMAN FARRELL: To close?

12 CHAIRWOMAN YOUNG: To close.

13 SENATOR COMRIE: To close? All right.

14 CHAIRWOMAN YOUNG: You're the closer.

15 SENATOR COMRIE: Thank you,
16 Commissioner, for your service.

17 Can you -- I want to just echo my
18 colleagues' comments on design-build, and
19 hopefully that is negotiated without a
20 problem in the budget so that the city can
21 have it also.

22 I represent Queens, so I just wanted
23 to ask you about the Kew Gardens Interchange.
24 You said there's another \$564 million to be

1 invested in the Kew Gardens Interchange. Can
2 you tell me if that will finally resolve the
3 problem of the water that is continuing to
4 still pond when you go northbound on the Van
5 Wyck towards the Grand Central?

6 COMMISSIONER DRISCOLL: We think it's
7 going to make a significant impact. As I
8 mentioned, there will be an additional lane
9 in either direction, managed lane, which will
10 help. It's proven to work elsewhere.

11 But in combination, you know, with
12 way-finding signs and the work that's being
13 done at the airport as well -- there's a
14 traffic plan which we're not involved in, you
15 know, for the airport proper -- all of those
16 things should help the flows.

17 SENATOR COMRIE: Well, I meant there's
18 still a water flow problem from the high
19 water table in that area, and there's still
20 water that actually stays on the roadway.
21 And can you tell me --

22 COMMISSIONER DRISCOLL: Yeah, well
23 that -- and I -- I apologize.

24 SENATOR COMRIE: -- if that water is

1 being discharged? Have they figured it out
2 yet?

3 COMMISSIONER DRISCOLL: Sure.

4 Drainage is all part of the program as well,
5 and I neglected to mention that. Drainage is
6 part of the project with the road
7 reconstruction, adding the lanes.

8 There's another benefit that I didn't
9 mention that I want to. You know, we believe
10 that, as you know now, some of the
11 neighborhoods that are close to the highway,
12 if you will, are severely impacted with
13 traffic that goes right by their front door.

14 SENATOR COMRIE: Right.

15 COMMISSIONER DRISCOLL: So in terms
16 of, you know, air quality, emissions, kind of
17 a healthier environment for people, we
18 believe this is really going to help get
19 people back on that roadway where they should
20 be out of the -- away from people's front
21 doors and back on the highway.

22 But drainage is a big part of that
23 too, and of course that will help with some
24 of the ponding issues that I know are

1 experienced with some of the neighbors also.

2 SENATOR COMRIE: Okay. Well, there's
3 ponding issues on the streets. And I
4 appreciate the beautification that's being
5 done, especially along the Queens Boulevard
6 area, with creating a more open setting, and
7 hopefully they'll be putting a lot of trees
8 up there also.

9 COMMISSIONER DRISCOLL: Mm-hmm.

10 SENATOR COMRIE: But there's still
11 ponding on the actual Van Wyck roadway
12 itself. I know it's been a difficult
13 problem, it's been there for decades. I hope
14 that that discharge, that they can figure it
15 out, because it seems to be a real difficult
16 problem with the water that's there from
17 Flushing Meadow Park, and trying to figure
18 out how that ponding -- how that problem will
19 be significantly eradicated. I would hope
20 that the money is -- that we're not spending
21 all that money and we still have that ponding
22 at the end of the day.

23 So the Kew Gardens Interchange, and
24 also the access to the airport. Did you

1 mention, or did I miss it in your statement
2 that there was a feasibility study to see if
3 there will be another opportunity to develop
4 a one ride to the airport from Midtown
5 Manhattan?

6 COMMISSIONER DRISCOLL: I believe
7 that's with the Port Authority. The Port
8 Authority. That would not be DOT.

9 SENATOR COMRIE: Will DOT have a role
10 in that at all?

11 COMMISSIONER DRISCOLL: No.

12 SENATOR COMRIE: Okay. And then also
13 I wanted to ask you about the pavement, the
14 quality of the pavement. Because it seems
15 like every year that the roadway has to get
16 repaired, the Long Island Expressway and the
17 Van Wyck. I know it's two of the heaviest
18 roadways in the country as far as usage is
19 concerned, but it seems like every six months
20 it just falls apart right after the winter
21 season, or sometimes even during the season.

22 Has there been any materials that have
23 been developed that could make a better
24 pavement surface?

1 COMMISSIONER DRISCOLL: Yeah, we have
2 a laboratory -- we're mandated to have a
3 laboratory by the federal government, and
4 they're constantly looking for ways, short of
5 concrete, how we can have a better mix that
6 will hold up better, if you will.

7 The challenges simply are, you know,
8 you come from hot weather, you go to cold
9 weather, the freezing, thawing -- and then
10 the reality is there's just an enormous
11 amount of traffic that's almost 24/7 on those
12 roadways.

13 SENATOR COMRIE: Right. Right.

14 COMMISSIONER DRISCOLL: And it's a
15 constant battle, there's no doubt about it.

16 But yeah, the labs are always looking
17 at how we can improve, you know, kind of the
18 strength, if you will, of our asphalt mixes.
19 And other materials.

20 SENATOR COMRIE: Okay. But nothing's
21 been developed yet that you could say it's
22 going to be tested or brought into that area?

23 COMMISSIONER DRISCOLL: Not to my
24 knowledge.

1 One of the things that we're looking
2 at that I wouldn't recommend there, though,
3 would be kind of porous pavements. Those are
4 utilized better in different areas where we
5 can utilize the roadway to remove water away
6 from identified water bodies, so we're doing
7 that type of work. I wouldn't recommend it
8 there just by simply the volumes.

9 But no, is the honest answer. At this
10 point those are the materials that we're
11 using. But we're constantly looking to build
12 a better mousetrap.

13 SENATOR COMRIE: And you mentioned
14 earlier also that Diesel Emissions Reduction
15 Act. Are we fully ready to implement that
16 full plan, or will there need to be another
17 delay?

18 COMMISSIONER DRISCOLL: See-mac?

19 SENATOR COMRIE: No, the Diesel
20 Emissions Reduction act.

21 COMMISSIONER DRISCOLL: Oh. Not at
22 this time, but we are making great progress
23 in changing over our fleet. But I wouldn't
24 commit here today that, you know, we were

1 ready completely to be done with that.

2 SENATOR COMRIE: What about the
3 requirements that contractors and other
4 people that are working on state projects
5 also had their fleet upgraded? Where are we
6 with that process?

7 COMMISSIONER DRISCOLL: We continue to
8 work with the GCA, a number of different
9 construction industry professionals across
10 the board, for that as well.

11 SENATOR COMRIE: All right. Thank
12 you, Commissioner.

13 COMMISSIONER DRISCOLL: And I will
14 also follow up on the water issue for you,
15 and we'll get back to you.

16 SENATOR COMRIE: Yes, I'll follow up
17 on that, because that is part of my district
18 and I do get a lot of concerns. I've had two
19 residents in the last month that actually
20 spun out in that intersection, so --

21 COMMISSIONER DRISCOLL: Okay. I'm
22 happy to do that.

23 SENATOR COMRIE: All right. Thank
24 you. Thank you, Chairwoman.

1 CHAIRWOMAN YOUNG: Thank you, Senator.

2 Senator Kennedy wants to ask one quick
3 question.

4 SENATOR KENNEDY: Yeah, Commissioner,
5 just going back to the reconstruction of the
6 198 that you had brought up during your
7 testimony here today.

8 COMMISSIONER DRISCOLL: Yup.

9 SENATOR KENNEDY: First of all, thank
10 you for your intervention and your office's
11 work on this.

12 The Scajaquada Creek has been one of
13 the most polluted waterways in the state.
14 The state is addressing this issue. There's
15 another issue regarding, with the
16 reconstruction of the 198, pedestrian access
17 to Scajaquada Creek that's being addressed.

18 Is the environmental impact of the
19 reconstruction also being addressed as the
20 new redevelopment of the 198 moves forward,
21 the environmental impact on Scajaquada Creek
22 as this remediation is taking place?

23 COMMISSIONER DRISCOLL: Yes, it is.
24 And, you know, I think that also is -- you

1 know, there's the impacts to the park as
2 well. As you know, there's great debate in
3 Buffalo over the Scajaquada and, you know,
4 what's going to happen. You know, that
5 debate's gone on for 15 years -- for too
6 long, from my perspective. Which is why, you
7 know, when I came here I stepped in to say
8 we're going to get this done.

9 But we do analyze and evaluate all the
10 environmental impacts as well. So obviously
11 when you slow traffic down, you have air
12 quality -- or you could potentially have air
13 quality impacts also. But all of those are
14 analyzed, they are part of our process that
15 we go through. And so that's been a very
16 challenging project, as you know.

17 But yes, the environmental concerns
18 are all part of it as well.

19 SENATOR KENNEDY: Thank you,
20 Commissioner. Air quality, water quality
21 with the Scajaquada Creek, we would certainly
22 appreciate your continued efforts in that
23 regard to maintain and protect that. Thank
24 you.

1 COMMISSIONER DRISCOLL: Thank you,
2 Senator.

3 CHAIRMAN FARRELL: Thank you. Thank
4 you, Commissioner.

5 CHAIRWOMAN YOUNG: Thank you for all
6 that you do for the citizens of New York.

7 COMMISSIONER DRISCOLL: Thank you.

8 CHAIRMAN FARRELL: Have a good rest of
9 the day.

10 Assemblyman Buchwald, Assemblyman
11 Perry, and Assemblyman Otis have joined us.

12 Next we go to the 10:30 person,
13 Theresa Egan, executive deputy commissioner,
14 New York State Department of Motor Vehicles.

15 Good afternoon.

16 CHAIRWOMAN YOUNG: Welcome.

17 EX. DEP. COMMISSIONER EGAN: Good
18 afternoon.

19 Thank you, Chairperson Young,
20 Chairperson Farrell, Chairperson Robach, and
21 other members of the Legislature for inviting
22 me here today. I'm Terri Egan, the executive
23 deputy commissioner for the Department of
24 Motor Vehicles.

1 Governor Cuomo's Executive Budget plan
2 allows DMV to continue to build upon the
3 innovations and efficiencies achieved over
4 the past few years. The budget provides
5 \$342 million for DMV to support its main
6 office in Albany, 27 state-operated offices,
7 and 102 county-operated offices, and will
8 enable us to continue our efforts to improve
9 overall customer service, promote traffic
10 safety, and protect consumers. DMV will use
11 a \$16 million increase over our prior year's
12 funding and 107 new FTEs to accommodate
13 additional in-office customers as a result of
14 increasing license renewal volumes, to ensure
15 that New York State is compliant with the
16 REAL ID Act, and to oversee the safe
17 expansion of ride-sharing services to upstate
18 New York.

19 Our average wait times in the state
20 offices remain under 30 minutes, and these
21 additional funds and FTEs will allow us to,
22 at minimum, maintain this critical level of
23 customer service.

24 No later than October 1, 2020,

1 domestic air travelers will need a REAL
2 ID-compliant document or other acceptable
3 form of federal identification in order to
4 avoid secondary screening. It's estimated
5 that approximately 11 million New Yorkers
6 would seek a Real ID-compliant driver license
7 or non-driver ID, which can only be obtained
8 in an in-office visit. Due to the law's
9 increased identity verification and
10 documentation requirements, issuing a Real
11 ID-compliant document is a more
12 time-consuming transaction, requiring that
13 our employees be well-trained so that they
14 can adequately perform the necessary review.
15 The \$5.00 additional fee that's proposed
16 would cover the additional DMV personnel and
17 IT resources needed to serve customers
18 seeking these documents beginning in the fall
19 of this year.

20 In the fall, we enter into a peak
21 license renewal volume period, and we want to
22 leverage this period so that New Yorkers are
23 prepared when the act is fully implemented in
24 2020. Any delay in implementation will

1 necessitate customers to make repeat visits
2 to our offices, resulting in inconvenience to
3 our customers and in increased costs to the
4 state.

5 With continued enhancements to our
6 website, DMV constantly seeks to improve the
7 services we offer to our customers. DMV's
8 new, modern, dynamic, and easy-to-use website
9 is optimized for use on mobile devices. Our
10 website now receives more than 35 million
11 visits per year and offers more than 50
12 online transactions and services. In 2016,
13 customers performed more than 7.3 million
14 internet transactions, totaling nearly
15 \$500 million. Millions more accessed our
16 website to gather information or check the
17 status of their title or license, among other
18 free services.

19 In addition, last year more than
20 600,000 New Yorkers registered to vote
21 through the DMV website.

22 Along with the expanded use of the
23 website, we're fully embracing new
24 technologies such as electronic notifications

1 that allow us to reduce our environmental
2 footprint and decrease printing and mailing
3 costs. Currently more than 3.5 million
4 New Yorkers are enrolled in our electronic
5 registration renewal and inspection reminders
6 program, saving the state more than \$500,000
7 annually.

8 In total, these improvements have
9 helped us to move closer to achieving our
10 long-term goal of 50 percent of transactions
11 being completed using an alternative service
12 channel, including the web, mail and kiosks.
13 Currently, more than 47 percent of our
14 transactions are completed through an
15 alternative service channel.

16 The 2017-'18 Executive Budget also
17 looks to provide ride-sharing outside of
18 New York City by establishing a uniform
19 statewide regulatory framework that will be
20 overseen by the Department of Motor Vehicles.
21 By expanding ride-sharing outside of New York
22 City, we will be able to provide economic
23 opportunity to more people as well as to
24 provide a cost-effective transportation

1 alternative. DMV will provide licensing and
2 oversight of ride-share companies, including
3 broad auditing powers to ensure uniformity in
4 access for all New Yorkers and compliance
5 with all laws, rules, and regulations.

6 DMV is not only focused on improving
7 service to our customers, we also continue to
8 expand partnerships with other agencies to
9 create efficiencies and increase compliance.
10 In 2016, DMV investigators conducted sweeps
11 that resulted in the seizure of
12 862 fraudulent licenses and the arrest of
13 over 800 individuals for underage drinking,
14 both single-year records.

15 Through the year-round Operation
16 Prevent initiative, DMV investigators work
17 with the State Liquor Authority, state and
18 local law enforcement agencies, to conduct
19 underage drinking and fake ID sweeps at bars,
20 restaurants, and concert venues across
21 New York.

22 Partnering with 14 state agencies
23 through the Governor's Traffic Safety
24 Committee, DMV will continue its outstanding

1 work that has made New York's roadways among
2 the safest in the nation. GTSC distributes
3 in excess of \$30 million in federal funding
4 annually to support traffic safety
5 initiatives, including enforcement efforts by
6 state and local law enforcement agencies to
7 combat impaired driving and distracted
8 driving as well as other dangerous driving
9 behaviors.

10 In 2016, seat-belt usage remained at
11 an all-time high of 92 percent. And New York
12 State has become a national leader in an
13 innovative program aimed at detecting drugged
14 driving by training and certifying Drug
15 Recognition Experts across the state.

16 As a result of these efforts and many
17 others, fatality rates continue to drop.
18 Preliminary statistics show a decrease in
19 fatalities from 2015 to 2016 of approximately
20 7 percent, while the national trend this year
21 shows a significant increase.

22 To support our ongoing traffic safety
23 efforts, this year's budget includes
24 proposals to clarify the definition of a

1 drug, expand the scope of the written test
2 for purposes of bicycle and pedestrian
3 safety, require the revocation of a license
4 for driving while impaired by drugs, increase
5 license sanctions for refusing to submit to a
6 chemical test, prohibit the use of mobile
7 phones and portable electronic devices when a
8 vehicle is not in motion and by persons under
9 18, and also to require all passengers in a
10 motor vehicle to wear a seat belt.

11 All of these measures will result in
12 safer roads for traveling New Yorkers and
13 serve to prevent injury and loss of life.

14 Looking forward, DMV will continue its
15 commitment to improve traffic safety, protect
16 consumers, innovate and improve our
17 procedures, maintain a high level of customer
18 service, and provide convenient options for
19 our customers to complete transactions. We
20 remain strongly committed to our core mission
21 to serve the citizens of New York.

22 Once again, thank you for this
23 opportunity to speak with you today. I
24 welcome any questions you might have about

1 DMV and our plans for serving the people of
2 New York. Thank you.

3 CHAIRMAN FARRELL: Thank you.

4 First to question, Chairman Perry.

5 ASSEMBLYMAN PERRY: Thank you,
6 Mr. Chairman.

7 Good afternoon.

8 EX. DEP. COMMISSIONER EGAN: It is
9 afternoon.

10 ASSEMBLYMAN PERRY: Thank you for
11 taking the time to talk with us today and the
12 opportunity to ask a few questions. So I
13 want to ask about your driver's license
14 reciprocity program.

15 EX. DEP. COMMISSIONER EGAN: Yes.

16 ASSEMBLYMAN PERRY: And currently,
17 driver's licenses from all states offer
18 reciprocal programs where you can exchange
19 your license for a New York license, right?

20 EX. DEP. COMMISSIONER EGAN: That is
21 correct.

22 ASSEMBLYMAN PERRY: New York is a
23 major tourist destination. It's also a state
24 that has a very large immigration population

1 that increases every day. You have a
2 continuous flow of immigrants from all over
3 the world, with a significant amount coming
4 from the Caribbean Basin area, which is in
5 the backyard of the United States.

6 I understand that New York -- my
7 constituents have complained that if they
8 have a driver's license and have driven for
9 years in their former homeland, they can't
10 exchange their driver's license for a
11 New York license.

12 EX. DEP. COMMISSIONER EGAN: That is
13 correct. At this time we do not have a
14 reciprocity agreement with countries outside
15 of the state. There is provisions for them
16 to be able to drive temporarily within the
17 state, but then they would need to meet our
18 identification requirements here in the state
19 to obtain a New York State driving license.

20 ASSEMBLYMAN PERRY: Identification --
21 well, someone who had met the identification
22 requirement still cannot exchange their
23 license for a New York license. Is that so?

24 EX. DEP. COMMISSIONER EGAN: Once they

1 meet their identification requirements, we
2 would issue them the New York State license
3 if they could meet the New York State
4 identification requirements.

5 ASSEMBLYMAN PERRY: I understand that
6 they have to go through the whole process and
7 do a driving test. Why is that necessary?

8 EX. DEP. COMMISSIONER EGAN: Again, if
9 they are coming from a foreign country -- and
10 maybe I'm not understanding your question,
11 sir. If they're coming from a country not
12 one of our United States, they would need to
13 come in and they would need to be proved to
14 meet our identification requirements in order
15 to get a driver's permit, and then they would
16 need to take the five-hour course as well as
17 pass the actual written test.

18 ASSEMBLYMAN PERRY: Is that really
19 necessary, someone who has been a driver for
20 years, isn't that an unnecessary burden on a
21 new immigrant or someone who has -- who is
22 already established living here? You have to
23 go through a driving course, take a driver's
24 test? That seems to be an unnecessary burden

1 on immigrants. And New York State should be
2 doing something about it, don't you think so?

3 EX. DEP. COMMISSIONER EGAN: I
4 understand, and we can certainly consider it.
5 Again, we are in a position where we want to
6 be able to make sure that while somebody may
7 have been driving in different places, that
8 they are able to meet our standards here in
9 the state so that we can ensure the safety of
10 all the travelers here on the state's
11 highways.

12 ASSEMBLYMAN PERRY: Well, it must be
13 unnecessary because next door in New Jersey,
14 you can change your license if you came from
15 one of the Caribbean countries. I know if
16 you came from Jamaica, like I did, if I lived
17 in New Jersey, I could just change my license
18 for a driver's license in New Jersey. And
19 then if I have a New Jersey license and I
20 came to New York, I could change it for a
21 New York license.

22 So isn't this really an unnecessary
23 burden on immigrants that should be -- you
24 should visit that and fix it?

1 EX. DEP. COMMISSIONER EGAN: Well, we
2 can certainly take a look at it. Again, we
3 really try to uniformly apply our
4 identification requirements across the board.
5 But we understand --

6 ASSEMBLYMAN PERRY: But this is not an
7 identification issue. Because I assume that
8 to get a driver's license in New Jersey, that
9 they have similar requirements, or acceptable
10 requirements. So I would think that you
11 would -- it's not really an issue of
12 identification. The question is not about
13 meeting the identification requirements, it's
14 the policy or the unnecessary burden of
15 requiring a person who has driven for years,
16 and has a valid driver's license, to go
17 through the whole process of a driving test
18 to get the license exchanged in New York.
19 When the neighboring state finds it a simple
20 matter to do, it seems unnecessary. I
21 suggest that we revisit that and look at it.

22 EX. DEP. COMMISSIONER EGAN:
23 Understood, Assemblyman. We will talk with
24 New Jersey and consider. Thank you.

1 ASSEMBLYMAN PERRY: Thank you.

2 CHAIRMAN FARRELL: Senator?

3 CHAIRWOMAN YOUNG: Thank you,
4 Chairman.

5 Senator Robach.

6 SENATOR ROBACH: (Inaudible.)

7 ASSEMBLYMAN OAKS: Mic.

8 SENATOR ROBACH: -- a big job, as you
9 know. Just first, just for clarification,
10 you talked a little bit about the \$5 REAL ID.
11 But off of the merits of that -- I think my
12 colleague Tom Croci will probably talk about
13 that more. But what are the other, if any,
14 fees that the Governor has proposed, any
15 increases or anything else in the DMV budget,
16 and what would they be in the aggregate?

17 And I only say that because it seems
18 like every year, and I really try to read
19 this stuff, there's always some constituent
20 contact later who's identified something we
21 didn't know about that gets put on him.
22 Oftentimes, it seems like it's in DMV.

23 EX. DEP. COMMISSIONER EGAN: Sure. So
24 just so I understand the question, it's what

1 other fees are being proposed outside of REAL
2 ID?

3 SENATOR ROBACH: Any increases over
4 last year.

5 EX. DEP. COMMISSIONER EGAN: Okay. We
6 have -- I think the one that's the most
7 significant is the increased fee on having a
8 title issued. That one is -- currently the
9 fee is \$50. The proposal is to increase that
10 for originals to \$75. For duplicates, the
11 current is \$20, and the proposal is to
12 increase that to \$40.

13 These fees have not been changed since
14 2005. And as you may know, titles are
15 printed on secured paper. We've had
16 increasing costs with the document stock as
17 well as with mailing and printing and ITS
18 costs. So the proposal is to increase those
19 in those increments, which would net out --
20 the projection is about \$81 million for the
21 Dedicated Highway and Bridge Trust Fund.

22 In addition to that, there's a very
23 small increase proposed for those people
24 coming in from out of state looking to have

1 their license -- once they reapply and have
2 their license issued to them again, here in
3 New York, in order to do that, it's a
4 \$100 fee to receive your license -- you know,
5 to reapply after a revocation period. Those
6 coming from out of state currently, as it is,
7 only have to pay \$25. So the proposal is to
8 make it the same.

9 So we would increase that fee for
10 out-of-state people applying for their
11 license from \$25 to \$75. And I believe
12 that's a modest increase of about \$220,000, I
13 believe is projected. And I believe that's
14 for the General Fund.

15 And I think that was -- and then we
16 just have the general increase to the budget
17 to subsidize the full -- the additional FTE.
18 But no additional fees per se other than the
19 REAL ID item that we will speak to.

20 SENATOR ROBACH: Thank you.

21 Shifting gears real quick, we've
22 passed a bill now on TNCs and ride-sharing in
23 the Senate twice, and it looks like the
24 consensus very well may be that the task of

1 deciding what the criteria will be on
2 checking and vetting those drivers will fall
3 on to -- well, not you, but you in the
4 department. You know, I feel very strongly
5 that we should be using the fullest measures,
6 I will tip my hand.

7 I was wondering what your thoughts
8 are, what you think those recommendations
9 might be to best protect people and vet all
10 drivers as well as maybe level the playing
11 field, since we make one section of drivers
12 already go through established criteria. I
13 was wondering if you think those would be the
14 same, or what you would be recommending or
15 think would be likely to happen.

16 EX. DEP. COMMISSIONER EGAN: Sure,
17 Senator. I mean, and absolutely, we share
18 the concern. We want to make this a very
19 safe endeavor, certainly, as it rolls out.

20 As you may know, at least with the
21 Executive proposal, the department would have
22 30 days from the time of passage to prepare
23 regs that would set forth what that would be,
24 and that the -- we're being -- the method by

1 which is something that's going to have to be
2 developed over that time. Sitting here
3 today, I'm not sure what that's going to be.
4 We are engaging in conversation and doing
5 some research as to what may be the best way
6 to do that.

7 And certainly as we go through that,
8 again, it will be done through regulation.
9 It will be done very quickly after hopefully
10 passage of some legislation in this regard.

11 SENATOR ROBACH: Could I ask you, is
12 the current methodology used at least, you
13 know, in New York City -- would you be
14 entertaining that for the rest of the state,
15 a fingerprint check?

16 EX. DEP. COMMISSIONER EGAN: Again, we
17 would be looking at that as well as any other
18 identification. As you know, there's several
19 authorities throughout the state that deal
20 with taxi services, and we certainly have
21 experiences across the country that have been
22 dealing with ride-sharing companies. So we
23 would endeavor to take all that in and make a
24 recommendation through the regulation as to

1 how best to ensure that these drivers -- the
2 best way that the TNC companies can vet those
3 drivers to make sure we have safe
4 transportation alternatives.

5 SENATOR ROBACH: Thank you. Well, let
6 me make the request that I hope -- because
7 what we're trying to vet, obviously, is
8 anything bad or criminal happening. So I
9 hope that even your Motor Vehicles, if you
10 get that job, you will really listen to the
11 folks in law enforcement as to what's the
12 best way --

13 EX. DEP. COMMISSIONER EGAN:
14 Absolutely.

15 SENATOR ROBACH: -- not some of the
16 other anecdotal information that's out there.
17 Because -- now I'm wearing my father's hat,
18 not my Senator's hat, and I think it's very,
19 very important that we do the highest
20 protection. This is New York, and we sort of
21 already have a track record of what we've
22 established as to what is the best vetting.
23 I hope that will continue.

24 Just real quickly, too -- and I don't

1 even know if you'll have a role. I would
2 also love to see if there's some way for the
3 department to be involved as well as the
4 Legislature. I hope, if we go to
5 ride-sharing, and I think we are going down
6 that road, I was hoping there could be
7 something included to incentivize
8 transporting people with wheelchairs and
9 handicapped people as well. And that could
10 go even above and beyond just ride-sharing
11 companies, but everybody.

12 I've met with countless
13 constituencies, individual people, families
14 of loved ones -- I mean, there really is a
15 need there, not only in my community but
16 across this whole state. So I'm hopeful
17 we'll take full advantage of this
18 opportunity.

19 EX. DEP. COMMISSIONER EGAN:
20 Absolutely. And again, I think that the
21 creation of the task force to research and
22 evaluate the handicapped accessibility is
23 certainly a necessary component of this
24 legislation. As you said, there's a need.

1 We sitting here certainly don't know
2 what that need is, and I think upstate may be
3 different than downstate needs. And I think
4 we need to take that time and use the task
5 force to explore, with the advocates, with
6 people, experts in this area, as well as our
7 other state agencies, to be able to review
8 that data and then come up with
9 recommendations for that so that we can make
10 sure that all aspects of our communities are
11 being serviced.

12 SENATOR ROBACH: Thank you. Thank you
13 for being here today and the job you do every
14 day.

15 EX. DEP. COMMISSIONER EGAN: Thank
16 you, Senator.

17 CHAIRMAN FARRELL: Thank you. Thank
18 me.

19 Assemblyman Murray.

20 ASSEMBLYMAN MURRAY: Thank you,
21 Mr. Chairman.

22 And thank you for being here, Deputy
23 Commissioner.

24 I wanted to know, is the DMV still

1 engaging in the practice of selling personal
2 information of its clients, such as driving
3 records, addresses, makes of vehicles
4 registered, dates of birth, et cetera.

5 EX. DEP. COMMISSIONER EGAN: Let me be
6 clear with that, Assemblyman. The department
7 does not sell any license information in
8 bulk. We never sell a Social Security
9 number.

10 The sales of data that goes on,
11 there's particular VTL sections that
12 authorize that. And I will presume for a
13 moment you're talking about the bulk data
14 sales, because we do periodically hear about
15 that in the press.

16 That is specifically authorized in VTL
17 Section 202. It's done by contract, and the
18 purchasers have to comply with the DPPA. And
19 again, that is for license and registration
20 data -- I'm sorry, it is registration and
21 title data, not license data. And it never
22 contains a Social Security number.

23 ASSEMBLYMAN MURRAY: Not a Social
24 Security, but it does include things like

1 driver's records, addresses, what types of
2 vehicles are sold and registered, things of
3 that nature? And who is that information
4 sold to?

5 EX. DEP. COMMISSIONER EGAN: It does.
6 But it is not personal information. There's
7 an actual legal definition of what's personal
8 information, and that type of stuff is not.

9 And who purchases it. We have -- it's
10 an IFB process that we go through. Right now
11 it's an every-two-year process. We have two
12 contracts in place right now of purchasers of
13 that bulk data of the reg and title file.

14 ASSEMBLYMAN MURRAY: And how much do
15 you generally make or make on this on an
16 annual basis? The number I heard last was
17 about 60 million.

18 EX. DEP. COMMISSIONER EGAN: Yeah,
19 that's a little convoluted. Overall, for all
20 the data we sell, is about 60 million.
21 However, the contract data that I think
22 causes the most concern and certainly the
23 most press interest is about \$2.2 million out
24 of the 60. The balance is done on

1 over-the-counter sales, and that's about
2 \$3 million. And then really the bulk of the
3 sales is really a pay per search, and that's
4 done through an account with the Department
5 of Motor Vehicles and it's done by mostly
6 insurance companies that are checking, again,
7 driving records, employers that need to check
8 driving records before employment and things
9 like that. But that's where the bulk -- the
10 data sales, the bulk data sales that creates
11 the most concern really is about a \$2 million
12 piece.

13 ASSEMBLYMAN MURRAY: Being in
14 marketing myself in the private sector, I
15 get, you know, why and how this is going
16 about. But the concern is this. When a
17 story was run on Long Island, News 12 went
18 out on the street, they started interviewing
19 people and asked them, Are you aware of this
20 practice even happening? I'd say
21 99.9 percent of the people had absolutely no
22 idea this was happening and were a little bit
23 upset about it.

24 Is there a process for which they can

1 opt out? And how do we let the consumers
2 know that this practice is being engaged in
3 in the first place?

4 EX. DEP. COMMISSIONER EGAN: Sure.
5 Again, when this legislation was initially
6 passed, there was an opt-in, opt-out
7 provision. At the agency, we actually opted
8 everybody out, because we assumed most people
9 would not want their information sold. So we
10 do an opt-out.

11 The information that's actually being
12 sold pursuant to this section is done
13 pursuant to the statutory section. So we
14 try, as those articles come out, to let
15 people know we are not doing anything
16 different than what, you know, VTL and the
17 legislation tells us to do in regard to
18 selling the registration and the title
19 information. And there's a specific purpose
20 set forth in the contract. It has to do -- I
21 don't have the VTL section directly in front
22 of me, but some of it is for research
23 purposes, it is for recall information, and
24 things like that. It is not just general

1 marketing sales. And it's set forth pursuant
2 to the statute.

3 ASSEMBLYMAN MURRAY: Where does the
4 money that you get from this, where does that
5 go?

6 EX. DEP. COMMISSIONER EGAN: I do not
7 know. The answer to that is not to DMV. I
8 would guess the General Fund, but I can check
9 and we can get back to you on that.

10 ASSEMBLYMAN MURRAY: Okay, very good.
11 Thank you.

12 CHAIRMAN FARRELL: Thank you.

13 CHAIRWOMAN YOUNG: Thank you.

14 We've been joined by Senator Elaine
15 Phillips.

16 CHAIRMAN FARRELL: We've been joined
17 by Assemblyman Mosley.

18 CHAIRWOMAN YOUNG: Thank you.

19 And our next speaker is Senator Croci,
20 who is chair of the Homeland Security
21 Committee.

22 SENATOR CROCI: Deputy Commissioner,
23 thank you for joining us today.

24 EX. DEP. COMMISSIONER EGAN: Hi,

1 Senator, how are you?

2 SENATOR CROCI: I'm doing very well.

3 I read your testimony with regard to
4 REAL ID. So when this was passed in 2005 and
5 signed into law by the president, it was a
6 recommendation based on the 9/11 Commission
7 recognizing that New York suffered
8 disproportionately in the attacks of 9/11.
9 One would think that New York would have been
10 the leader in implementation of this very
11 important program designed to prevent
12 individuals who come to this country to do us
13 harm from conducting attacks on us.

14 So after over 12 years of this being
15 law -- Governor Cuomo has been governor for
16 seven years -- I would like to know why this
17 is the first budget we are seeing this in and
18 why, since the federal government gave us
19 money and all the states money for
20 compliance, why there's a need to pass on
21 this cost to residents when the money has
22 already been given for compliance.

23 EX. DEP. COMMISSIONER EGAN: Sure.

24 Certainly, Senator.

1 Again, as you pointed out, the federal
2 legislation was passed in 2005. And I would
3 say over the last several years the direction
4 that the states have received from the
5 federal government in regard to the REAL ID
6 Act has not been necessarily real clear.
7 Deadlines really weren't deadlines. It is
8 fairly recently, within the last year and a
9 half or two years, that in fact there has
10 been a very clear timeline set forth by the
11 federal Department of Homeland Security.

12 During that whole period of time we've
13 been engaged in conversation with the federal
14 DHS trying to ascertain what the most
15 cost-effective way was to meet the
16 requirements of the federal REAL ID Act. We
17 have -- as you aptly pointed out, there had
18 been REAL ID grants that have been provided
19 over time, and we took advantage of those and
20 in fact updated our systems in various parts
21 of that that were needed to be able to meet
22 the requirements of the federal REAL ID Act.

23 SENATOR CROCI: That took 10 years?

24 EX. DEP. COMMISSIONER EGAN: And those

1 have -- those have happened, and we continue
2 to work through this.

3 But as I pointed out, in addition to
4 improving our systems, which is an IT system,
5 and some proofing and processes there,
6 there's also the FTE, the in-office expense,
7 which is not something that's reimbursed by
8 the federal government. And based on our
9 projections -- and as you see, now that we
10 are prepared to put out a proposal as to how
11 we would roll this out, really the expense
12 now is for people in our offices. Because it
13 does require individuals to come into an
14 office for an in-office visit in order to
15 secure a REAL ID-compliant document.

16 The expense really on that is to be
17 able to staff our offices in such a way that
18 we can manage what we believe is the
19 projected volume of people coming in, and at
20 the same time be able to maintain our service
21 levels. Because I didn't want to have to be
22 here next year telling you why our lines are
23 back to three or four hours, so --

24 SENATOR CROCI: So you're saying it

1 was because DHS in Washington didn't produce
2 clear guidelines that New York wasn't
3 compliant. But 49 -- until 2015, when
4 New York finally requested a waiver, we were
5 one of three jurisdictions and one of one
6 state who had not been compliant. All of the
7 other states seemed to have been getting
8 clear enough guidance from the federal
9 government in order to implement this. We
10 were one of three: New York State, Guam and
11 American Samoa.

12 Now, I can understand why there may
13 not a sense of urgency for those two
14 jurisdictions. But for the Empire State, the
15 site of the 9/11 attacks, why were we not
16 able to decipher the same clear guidance that
17 49 other states did?

18 EX. DEP. COMMISSIONER EGAN: Again,
19 it's a little bit complicated, Senator. But
20 I would say that some of those states that
21 were on the extension or even the compliant
22 list ironically had statutes on the books
23 that kept them from being compliant. So it
24 was a little odd how that listing actually

1 was --

2 SENATOR CROCI: Which ones are we
3 referring to?

4 EX. DEP. COMMISSIONER EGAN: I can get
5 you that list --

6 SENATOR CROCI: Florida or Georgia?

7 EX. DEP. COMMISSIONER EGAN: I'm not
8 sure which ones were. But there were some
9 states that had received either compliant or
10 were in the extension bucket that really we
11 were much further ahead, when you look at our
12 overall license processes and how stringent
13 we are as to how we do that.

14 So we understand certainly the
15 concern. And, you know, as soon as we asked
16 for the waiver -- or the extension, really --
17 it was granted. I think the federal
18 government is certainly aware and
19 acknowledges the very strict guidelines that
20 we go through on a regular basis here in
21 New York. We do have one of the strictest
22 license processes in the country.

23 But it is -- the REAL ID Act is also a
24 very technical, complicated series of things

1 that we have to go through, and we have been
2 working through that and have provided a plan
3 to them that has allowed us to be on
4 extension now and waiting for full
5 compliance.

6 SENATOR CROCI: Thank you. So the
7 money that we received from the federal
8 government for compliance, what was that used
9 for?

10 EX. DEP. COMMISSIONER EGAN: It was
11 used for various things in order to be able
12 to have our process deemed compliant. Some
13 of it had to do with the way we display
14 addresses, how we display names on the
15 licenses. It was for IT changes.

16 SENATOR CROCI: How much did we
17 receive?

18 EX. DEP. COMMISSIONER EGAN: I can get
19 that to you. I think it was the realm of
20 \$7 million over several years.

21 SENATOR CROCI: Okay. So what the
22 Governor is proposing now is a three-tiered
23 system, correct?

24 EX. DEP. COMMISSIONER EGAN: That is

1 correct.

2 SENATOR CROCI: What's the difference
3 between the documentation required and the
4 verification between a standard license and a
5 REAL ID license, just so everybody
6 understands?

7 EX. DEP. COMMISSIONER EGAN: I will
8 try to do that, will try to do it as simply
9 as possible.

10 We are proposing three documents. The
11 EDL, which many of you are familiar with and
12 has been actually REAL ID-compliant since
13 2008, we will continue to offer that as a
14 document. Again, that has -- besides being
15 REAL ID-compliant, it also allows you the
16 ability to get back and forth across the
17 border with Canada, for example, so it has an
18 additional functionality.

19 We will be offering the REAL
20 ID-compliant document which will be in many
21 ways our -- what we call our default
22 document, and that will enable anyone to get
23 in and out of federal facilities, it will
24 enable one to fly.

1 And then the third document will be
2 marked "Not for Federal Purpose" document,
3 and that will be provided to -- you know, as
4 I said, I have family members who said, Hey,
5 we're 78, we don't want to have to go into an
6 office and get one of these fancy new
7 licenses. Those people can opt for a "not
8 for Federal Purpose" document. Someone that
9 cannot necessarily meet the standards for the
10 REAL ID or the EDL would also be eligible for
11 the "Not for Federal" document. And we
12 wanted to make sure that we offered a
13 document that would enable everyone to be
14 able to continue to drive that would be
15 otherwise eligible to drive.

16 SENATOR CROCI: You mentioned Canada.
17 So in awarding some of the contracts to
18 produce the new driver's license, the
19 Governor awarded CBN Secure Technologies, a
20 Canadian company, a contract for
21 \$88.5 million to produce licenses made of
22 polycarbonate. This was deemed by the
23 Comptroller to be 40 percent above the lowest
24 bidder. Can you explain why it was awarded?

1 EX. DEP. COMMISSIONER EGAN: Sure, a
2 couple of things with that. Actually, it's a
3 Virginia company. And they do produce the
4 licenses here in the State of New York. We
5 did not have any New York companies bidding
6 on the contract. And again, as a result of
7 our requirements to have a very strict,
8 fraudulent-free document, we felt the
9 additional security features that CBN was
10 able to provide to us made the value that we
11 were paying worth it.

12 SENATOR CROCI: Okay. And with regard
13 to these three classes of licenses, why would
14 DMV need to continue to offer just a standard
15 driver's license? And what populations
16 wouldn't be able to obtain a REAL ID?

17 EX. DEP. COMMISSIONER EGAN: Sure. A
18 couple of things. We want to make sure that
19 everyone has an ability to drive if they
20 otherwise can meet our identification and our
21 testing requirements.

22 To be eligible for the EDL, you have
23 to be a U.S. citizen. For the REAL ID, you
24 have to be a citizen or legally present.

1 There is a small body of people that are
2 otherwise eligible, currently, for the
3 New York State license that in addition to
4 making sure we wanted to be able to offer
5 others, if they didn't want to pay the
6 additional \$5 --

7 SENATOR CROCI: Well, why should they
8 have to pay the additional \$5 if New York has
9 been dragging its feet with compliance? I
10 don't see why that fee should be passed on to
11 our residents.

12 EX. DEP. COMMISSIONER EGAN: Well, the
13 "Not for Federal Purpose" ID will not carry
14 the additional \$5, it will only be the REAL
15 ID-compliant documents that will carry the
16 additional 5.

17 And as we've gone through the budget
18 process, we had hoped to be able to absorb
19 that cost into our budget, but as budget
20 discussions proceeded this year, it became
21 apparent that we could not. And we thought
22 that a \$5 cost over an eight-year license was
23 a modest cost to allow us to be able to make
24 sure we were compliant and make sure that our

1 citizens here in New York could get into
2 federal facilities and fly.

3 SENATOR CROCI: So the \$5 cost being
4 passed on to our residents to be compliant
5 with federal law is because we're doing it
6 this year and because for the past seven
7 budget cycles we sought not to address it.

8 EX. DEP. COMMISSIONER EGAN: I don't
9 think that's the case, sir. Because I think
10 the situation would still be, again, the
11 significant portion of this budget is a
12 result of the FTEs that we have to have in
13 our offices to be able to process all the
14 individuals coming in. So I don't believe it
15 is a result of just the timing on this.

16 SENATOR CROCI: But for seven years,
17 we could have been issuing renewed licenses
18 that were compliant. And now we're going to
19 a three-tiered system, which many other
20 states have found a way to comply with a
21 single license. Which I think you will agree
22 was the spirit of the law when passed by
23 Congress, when recommended by the 9/11
24 Commission, was that there would be a single

1 system in which an individual given that kind
2 of a government ID could be assured, as could
3 authorities, that there was verification of
4 every document that went into issuing that
5 license.

6 So what you're telling me is in our
7 new three-tiered system that's being proposed
8 in this budget, there will be individuals who
9 will be getting a driver's license that will
10 not be REAL ID-compliant, and we will have no
11 way of verifying if the documents they
12 provided to get that license are true.

13 EX. DEP. COMMISSIONER EGAN: No, I
14 disagree with that. All of the documents
15 that are even being provided for the third
16 document, the "Not for Federal ID Purpose,"
17 still are going to meet our stringent
18 identification requirements that we have
19 today.

20 SENATOR CROCI: Well, what does that
21 mean, ma'am? Because that means if it's a
22 birth certificate, you have to go back to the
23 issuing clerk who issued that birth
24 certificate to verify it was issued in that

1 jurisdiction. You're saying that's going to
2 occur even for the third class?

3 EX. DEP. COMMISSIONER EGAN: Again,
4 for the "Not for Federal Purpose," that
5 license -- you will get a license as you get
6 that today as long as you can meet those
7 requirements.

8 And again, the difference is that "Not
9 for Federal Purpose" document, because it
10 does not have the additional residency
11 requirements and some of the other
12 verifications that the REAL ID document
13 requires, as deemed by the federal law, those
14 people with a "Not for Federal Purpose"
15 document, unless they have a passport, for
16 example, the difference that they will have
17 as they go into an airport or a federal
18 building, they will have to go through
19 secondary screening.

20 But from a confidence perspective from
21 New York State, those people that are getting
22 the "Not for Federal Purpose" document will
23 be vetted as we vet people today, which is a
24 very stringent identification process.

1 SENATOR CROCI: Again, ma'am, my --
2 and I'm out of time. My frustration is
3 certainly not with you or the commissioner,
4 but with the fact that this could have been
5 addressed in seven other budget cycles, and
6 now it seems to me this cost is going to be
7 passed on to the residents of this state who,
8 through no fault of their own, are going
9 about their business and getting their
10 license, not recognizing that it's not
11 federal compliant, and they're going to get
12 on an airplane -- our local paper, Newsday,
13 and the reporter who covers this did an
14 excellent job of covering what this would
15 mean. And if you go into any of the
16 airports, you see the signs that say "You're
17 not going to be able to board with your ID."

18 I'm very frustrated that this is still
19 ongoing and we're still not compliant, and I
20 hope that we can expeditiously clean this up,
21 because it's been a mess.

22 EX. DEP. COMMISSIONER EGAN:
23 Understood, Senator. And just so we're
24 clear, though, as long as we -- in our

1 current status, between now and the time of
2 being fully compliant, all of New York
3 licenses will still get you on a plane
4 through October of 2020. So I just want to
5 make sure -- I know there's been a lot of
6 confusion out there --

7 SENATOR CROCI: Provided that federal
8 waiver remains in place.

9 EX. DEP. COMMISSIONER EGAN: That is
10 correct. But I have no reason to believe
11 that that will be anything other than
12 extended or us receiving a full compliance
13 determination shortly.

14 SENATOR CROCI: Well, I very much
15 appreciate your testimony here today. Thank
16 you, ma'am.

17 EX. DEP. COMMISSIONER EGAN: Thank
18 you.

19 CHAIRMAN FARRELL: Thank you.
20 Assemblyman Cusick.

21 ASSEMBLYMAN CUSICK: Thank you,
22 Mr. Chairman.

23 Commissioner, thank you. Thank you
24 for coming here today.

1 I just have a quick question. I'm
2 going to put on my Election Law chairman hat
3 here. I see in your testimony you tout that
4 last year there were over 600,000 people who
5 registered to vote on the DMV website. Is
6 that an increase from -- do you see more
7 people using it to register to vote?

8 EX. DEP. COMMISSIONER EGAN: Yes, the
9 short answer. Yes. And we had such a large
10 volume, in fact, during the primary year this
11 year, in addition to the myDMV site, we were
12 able to work with ITS and create an equally
13 secure but basically stand-alone enrollment
14 site to be able to accept applications that
15 were forwarded on to the boards of election.

16 ASSEMBLYMAN CUSICK: Well, that's --
17 you're segueing nicely into my next question.

18 Could you go through how it actually
19 works, without getting into the real
20 technicalities? Because I know that in the
21 budget proposal there's some language on
22 doing similar things with other agencies. I
23 know that our house and the Senate have been
24 looking at ideas to make it easier for people

1 to register. And it is easier for folks now
2 to go on a website and register to vote. So
3 right now DMV is the only agency that does
4 this, so DMV is used as an example.

5 So just quickly, I know -- I'm not
6 going to ask for technicalities, but for
7 folks that are listening, how would this
8 work?

9 EX. DEP. COMMISSIONER EGAN: Sure.
10 I'm glad it's not the technical part, because
11 I'd have to defer to someone else.

12 And it used to be where you had to
13 create a myDMV account, which there's various
14 levels of information that we ask for so that
15 we can validate your identity. We basically
16 took that and just mirrored it in a
17 stand-alone web service. So there's certain
18 information that an applicant would go to
19 fill in that we ping against our DMV database
20 so that we can verify the person actually
21 trying to sign up is the person they say that
22 they are.

23 They would fill out the application,
24 and then that electronic application -- and I

1 want to again emphasize it's an application,
2 which what we do is send it on to the boards
3 of election, and then it's the boards of
4 election that would actually register the
5 voters.

6 That's in essence what it is. And
7 it's a pretty quick fill-in-the-box, there's
8 a ping in the background to make sure that
9 you are who you say. And once we can do that
10 and you check the box that says I am who I
11 am, with some other validations and
12 authorizations, it goes off electronically to
13 the boards of election.

14 In regard to the proposal, you
15 mentioned the Governor's proposal, we are
16 working through that and we will be working
17 with the Board of Elections, and then I would
18 guess other agencies where this may be rolled
19 out to, depending on how the legislation
20 comes through. But we certainly stand ready,
21 willing and able to implement anything that's
22 passed.

23 ASSEMBLYMAN CUSICK: That's great.
24 And we had a hearing at the end of last year

1 on the Election Law with cybersecurity when
2 it comes to -- and the question I have for
3 you, were there any indications that people
4 were trying to corrupt the DMV website or
5 anything like that? Because specifically
6 with now using it for registering to vote,
7 we're looking at possible voter fraud or
8 registering, like you said, people who are
9 not the person they are making themselves out
10 to be, trying to register to vote. Were
11 there any indications of anybody trying to
12 corrupt the website?

13 EX. DEP. COMMISSIONER EGAN: A very
14 timely question. And no, there is none. I
15 would certainly defer to ITS when it comes to
16 the cybersecurity piece, because they're the
17 ones that actually take care of that from the
18 site. But no, we had no indication that
19 there was any problem with hacking or
20 cybersecurity.

21 ASSEMBLYMAN CUSICK: Okay. Thank you,
22 Commissioner.

23 Thank you, Mr. Chairman.

24 CHAIRMAN FARRELL: Thank you.

1 Senator?

2 CHAIRWOMAN YOUNG: Thank you very
3 much. Welcome. We're so happy to have you
4 here today. And thank you for your
5 service to the people of New York. And
6 obviously the DMV is a very vital agency
7 that people sometimes are very happy with
8 and sometimes get very frustrated with.
9 So thank you for everything you do.

10 But I did want to follow up on the
11 questions regarding the REAL ID program,
12 because didn't the DMV say that it would
13 issue REAL ID documents at the same cost as
14 regular licenses?

15 EX. DEP. COMMISSIONER EGAN: That was
16 a bit ago when we submitted our proposal to
17 DHS and we announced what we intended our
18 program to be.

19 We had hoped that we would be able to
20 absorb it within our budget. And as we went
21 through discussions, through the fall and
22 into -- before the Executive Budget was
23 proposed, it became apparent that we could
24 not.

1 And trying to balance all things being
2 considered, we had hoped that the Legislature
3 will agree that a \$5 fee -- and that's a \$5
4 additional fee for an eight-year license, so
5 it's really less than a dollar a year that
6 would be imposed for this -- would be
7 something that would be able to be supported
8 so that we could get this program implemented
9 starting October of '17.

10 CHAIRWOMAN YOUNG: Thank you.

11 I do think that a lot of people in
12 this state feel like they're taxed and fee'd
13 to death already. And I do have the press
14 release when you made the announcement that
15 said that there would not be an additional
16 cost. You've kind of referenced it, but you
17 haven't really, and I just wanted to ask
18 directly. Has the federal government
19 approved New York's plan to adopt the REAL ID
20 licenses?

21 EX. DEP. COMMISSIONER EGAN: It has
22 put us on extension. So the easy answer is
23 no, it's not a full compliance determination.

24 And the way they handle this is right

1 now, actually if you go to their website,
2 there's states that are compliant, there's
3 states that are on extension, there's states
4 that are on limited extension, and there's
5 states that are noncompliant. We are in the
6 bucket that are on extension. That extension
7 extends through October of '17. What DHS has
8 said to not only us but to all the other
9 states -- my understanding is all the other
10 states that are in the extension budget -- as
11 long as you continue to move towards full
12 compliance, we will continue to keep you on
13 extension. And there has been no indication
14 with our conversations on how we've been
15 moving forward with this that they would do
16 anything other than keep us on extension or
17 deem us compliant.

18 CHAIRWOMAN YOUNG: And when do you
19 think that full compliance will occur?

20 EX. DEP. COMMISSIONER EGAN: We would
21 hope when we issue our first document. I
22 think that DHS has taken the approach so far
23 that they want to see a document actually
24 produced, and then they will make a

1 determination.

2 CHAIRWOMAN YOUNG: And when will that
3 be?

4 EX. DEP. COMMISSIONER EGAN: If
5 everything goes well and this budget is
6 supported and passed, we hope it would be
7 fall, and hopefully early October.

8 CHAIRWOMAN YOUNG: Thank you.

9 Obviously this has an impact on our
10 local county clerks, who do a great job. You
11 said you've been in discussions with them.

12 EX. DEP. COMMISSIONER EGAN: With the
13 county clerks? The county clerks are
14 certainly aware of this program. It is a
15 situation -- and again, I'm sure many of you
16 know that our relationship with the county
17 clerks is that we have a revenue-sharing
18 agreement with them in regard to transactions
19 that are done in their offices.

20 As a result of -- you know, in the
21 event that this budget is passed, in addition
22 to what we are seeing as just the
23 natural-occurring license renewal volumes
24 returning next year, the revenue-sharing

1 piece for the county clerks, which was about
2 \$44 million or \$45 million this year, will
3 actually extend to \$55 million next year in
4 the event that this budget is actually
5 passed.

6 Their sharing piece, just if we were
7 to consider the increased license renewal
8 volumes alone, will go to almost \$50 million
9 next year, just with that piece. But with
10 the additional legislative increases that are
11 in the budget now, that piece would go to
12 almost \$55 million.

13 CHAIRWOMAN YOUNG: I think there's a
14 bit of concern out there regarding being
15 overwhelmed by people wanting to renew their
16 licenses and possibly having extensive
17 delays. What would you recommend to do to
18 address those types of situations?

19 EX. DEP. COMMISSIONER EGAN: In
20 general, or with the county clerks?

21 CHAIRWOMAN YOUNG: With the clerks.

22 EX. DEP. COMMISSIONER EGAN: With the
23 clerks, sure. I mean -- and again, while
24 they are our agents, we certainly do not tell

1 them how to manage their offices. As with
2 our offices and with budget situations,
3 sometimes we staff up and sometimes we staff
4 down, depending on where we are. And that's
5 something that we go through certainly on a
6 four-to-eight-year cycle because of what we
7 know about the license renewal volumes.

8 We certainly will continue to speak
9 with them. But again, I just want to be
10 clear that the revenue that they will be
11 receiving will be a significant increase
12 during this time period also.

13 CHAIRWOMAN YOUNG: Do you think people
14 will be able to make reservations at the
15 local offices, at least some of them?

16 EX. DEP. COMMISSIONER EGAN: Again, we
17 don't control what the county clerks do in
18 regard to reservations. Certainly at our
19 state-operated offices we do have reservation
20 systems available.

21 CHAIRWOMAN YOUNG: Okay, thank you.

22 Switching gears a little bit, although
23 the Legislature and the Governor have not
24 negotiated a final ride-sharing bill, could

1 you give me what DMV's vision would be of a
2 statewide ride-sharing program?

3 EX. DEP. COMMISSIONER EGAN: Sure. It
4 is my understanding, as the Executive has
5 envisioned it, that we would be the point
6 agency for this. We would be in charge of
7 providing the application that was necessary
8 for the ride-sharing companies to apply for
9 approval to operate in the area outside of
10 New York City. We would review that.

11 In the next -- in the 30 days
12 immediately subsequent to the passing of the
13 legislation, we would be preparing
14 regulations to advise the companies on the
15 method by which they would need to vet their
16 drivers, and then provide us information that
17 they had vetted those drivers.

18 In addition to that, it would be the
19 agency's role and responsibility to audit as
20 necessary and also to field complaints on
21 that.

22 And as you can see, I believe the
23 proposal is for an additional five FTE for
24 the budget for DMV, so that we can secure the

1 additional resources to make sure that we can
2 roll this out in the most efficient way we
3 can.

4 CHAIRWOMAN YOUNG: Thank you.

5 So as you point out, there's -- so the
6 Executive Budget provides \$34.24 million for
7 DMV, which includes a \$15.8 million or
8 4.8 percent increase over this past fiscal
9 year. Is that strictly for REAL ID, or is it
10 for other tasks?

11 EX. DEP. COMMISSIONER EGAN: No, it's
12 for everything. The \$16 million really --
13 very quickly, high level, about \$11 million
14 of that is for the additional 107 FTE. Then
15 it breaks down to about -- there's another
16 3 million or so for REAL ID and the increased
17 license renewal volume having to do with
18 documents, photocopying, IT costs and
19 postage. And then there's about \$520,000 for
20 contract increases, about \$950,000 for
21 kiosks, additional kiosks. And I believe
22 there was another \$500,000 for something
23 that's escaping me. But that's at high
24 level.

1 CHAIRWOMAN YOUNG: Okay, thank you.

2 Chairman?

3 CHAIRMAN FARRELL: Thank you.

4 We've been joined by Assemblywoman

5 Helene Weinstein.

6 And next, Assemblyman Buchwald.

7 ASSEMBLYMAN BUCHWALD: Thank you,

8 Mr. Chairman.

9 And thank you, Deputy Commissioner,

10 for your time this afternoon --

11 ASSEMBLYMAN OAKS: Mic.

12 ASSEMBLYMAN BUCHWALD: Thank you,

13 Mr. Chairman, and thank you, Deputy

14 Commissioner --

15 EX. DEP. COMMISSIONER EGAN: I could

16 hear you fine.

17 ASSEMBLYMAN BUCHWALD: I appreciate

18 that, thank you. But good for the folks at

19 home too.

20 Railroad crossings continue to be a

21 significant concern for many New Yorkers.

22 The Governor has rightly prioritized trying

23 to eliminate at-grade railroad crossings

24 around the state. But there's one area

1 that's very specifically under your
2 department's purview, which is the points
3 assigned for violations at railroad
4 crossings.

5 EX. DEP. COMMISSIONER EGAN: Correct.

6 ASSEMBLYMAN BUCHWALD: Right now
7 3 points are assigned, which is the same
8 level of infraction as speeding from one to
9 10 miles per hour over the speed limit.

10 It's my understanding, if you were to
11 talk with some of your colleagues in
12 government who deal with transportation --
13 for example, the MTA -- they would like to
14 see an increase in that point value. I
15 certainly would like to see it, as someone
16 who represents a district that contains many
17 railroad grade crossings.

18 And my sense of things is that given
19 that the state, both through its
20 infrastructure investments and through its
21 educational campaigns done, say, through the
22 MTA, are trying to convey to members of the
23 public how serious traffic infractions can be
24 when they're at railroad crossings. I would

1 be very interested in hearing your thoughts
2 on whether the DMV is considering increasing
3 that point threshold.

4 EX. DEP. COMMISSIONER EGAN: I think
5 the good news is you are omniscient, and we
6 did that in August of last year. That's
7 what I want to check to see.

8 ASSEMBLYMAN BUCHWALD: I'm going to
9 appreciate that, especially since it stands
10 in contrast to the department's response to
11 my request about a year prior.

12 EX. DEP. COMMISSIONER EGAN: In August
13 of 2016, we amended our regs to increase the
14 number of points from 3 to 5.

15 ASSEMBLYMAN BUCHWALD: That's
16 fantastic. I would then ask humbly if you
17 could update your website to also reflect
18 that.

19 EX. DEP. COMMISSIONER EGAN: You
20 absolutely can. It will be done before I get
21 back, I'm guessing.

22 ASSEMBLYMAN BUCHWALD: But also I
23 think some sort of public notification,
24 because I do think this is something that --

1 it's not as much about punishing misdeeds as
2 it is trying to prevent those infractions in
3 the first place.

4 EX. DEP. COMMISSIONER EGAN:

5 Absolutely. And one of the hats that I very
6 happily wear is being the current chair of
7 the Governor's Traffic Safety Committee. So
8 as visual as the Department of Motor Vehicles
9 is, I think saving lives certainly is my main
10 priority. And through the Governor's Traffic
11 Safety Committee, we work with Operation
12 Lifesaver and various others to try to do
13 grants for education. Because again, it's
14 very difficult to change behavior. I think
15 Commissioner Driscoll pointed that out
16 several times when they were talking about
17 the work zone safety cameras. And it really
18 is a combination of engineering, education,
19 and enforcement that actually gets us to
20 change those behaviors.

21 So we are absolutely with you on that,
22 Assemblyman, and we will continue to fund
23 those efforts to the extent we can through
24 grants. And we'll very quickly update our

1 website to reflect what we did back in
2 August.

3 ASSEMBLYMAN BUCHWALD: Thank you very
4 much.

5 EX. DEP. COMMISSIONER EGAN: Thank
6 you.

7 ASSEMBLYMAN BUCHWALD: And obviously
8 there are lots of other questions related to
9 the budget, but I'll let my colleagues get on
10 to those. So thank you.

11 EX. DEP. COMMISSIONER EGAN: Thank you
12 so much.

13 CHAIRMAN FARRELL: Senator?

14 CHAIRWOMAN YOUNG: Thank you.

15 Senator Dilan.

16 SENATOR DILAN: Good afternoon.

17 EX. DEP. COMMISSIONER EGAN: Good
18 afternoon, Senator.

19 SENATOR DILAN: Thank you.

20 In your testimony you mention your
21 enforcement efforts. Can you tell us, have
22 these enforcement efforts generated any
23 revenues, and how were they used?

24 EX. DEP. COMMISSIONER EGAN: The

1 Operation Prevent ones with the underage
2 drinking? Is that the ones you're talking
3 about?

4 SENATOR DILAN: Yes. And the sweeps
5 and fraudulent licenses.

6 EX. DEP. COMMISSIONER EGAN: Yeah,
7 sure. We work very closely with the State
8 Liquor Authority as well as state and local
9 law enforcement to identify areas that are
10 concerns. And often this time of year it
11 tends to be around college campuses. So they
12 do go and, as we do those sweeps, there are
13 administrative procedures that we take in
14 regard to suspending licenses.

15 And then depending on who actually
16 issues the tickets, there is some revenue. I
17 can track that down for you. I'm not exactly
18 sure what bucket that goes into.

19 SENATOR DILAN: Okay. Thank you.

20 And sticking with enforcement, I don't
21 know how you may be involved with Leandra's
22 Law. Can you give us any update on that?

23 EX. DEP. COMMISSIONER EGAN: Leandra's
24 Law?

1 SENATOR DILAN: Yes.

2 EX. DEP. COMMISSIONER EGAN:

3 Certainly. We continue -- again, this is
4 another one through the Governor's Traffic
5 Safety Committee. We work with all of our
6 safety partners throughout the state on that,
7 in trying to find ways to continue to use
8 that law and enforce it in a way that starts
9 to make a meaningful difference. So we
10 continue to work with the interlock program.
11 We work very closely with DCJS, Department of
12 Probation, in regard to ensuring as high a
13 compliance as we can get with the interlock
14 piece.

15 Certainly the legislation that was
16 passed in regard to more significant
17 penalties, the courts are continuing to
18 process and certainly prosecute those.

19 And what we are finding -- and again,
20 it's hard to do a definite correlation
21 between Leandra's Law and where we are. What
22 we are finding, though, in regard to our
23 crash fatality statistics, alcohol is
24 becoming less of a factor and drug-impaired

1 is becoming a larger factor.

2 So we are starting to affect I think
3 in a positive way the alcohol piece and I
4 think also, as I pointed out in our
5 testimony, to try to address the
6 drug-impaired piece. We have got a very
7 active drug recognition expert training
8 program here in the state that really is a
9 model nationally on how we are doing that to
10 again try to combat that impaired piece also.

11 SENATOR DILAN: Thank you.

12 With respect to the REAL ID --
13 hopefully a quick answer -- one, how are we
14 out of compliance with what the federal
15 government is expecting? And technically,
16 isn't our enhanced driver's license then
17 replacing or -- what's the comparison between
18 the REAL ID and the current enhanced, and how
19 are we out of compliance.

20 EX. DEP. COMMISSIONER EGAN:
21 Certainly. The proposal right now is not to
22 replace the EDL. We would continue to
23 provide that. Again, we do -- there's
24 probably about 800,000 people that have

1 purchased the EDL. And again, the added
2 functionality is it can be used at the
3 borders, to be able to cross the borders. So
4 we do not have a plan currently to replace
5 that.

6 And in regard to how we are out of
7 compliance now, it's very technical. We can
8 continue to have a conversation offline on
9 it. But we believe we have a plan with ITS,
10 as well as what we've proposed to the federal
11 government, that will have us fully
12 compliant.

13 SENATOR DILAN: But you can't explain
14 how we are out of compliance. Or you'll give
15 us that information?

16 EX. DEP. COMMISSIONER EGAN: It has to
17 do with -- really with a lot of security
18 things that I'd rather not have a public
19 conversation about.

20 SENATOR DILAN: With respect then to
21 ride-share, I understand that you're getting
22 107 new FTEs. Five of them will be for the
23 ride-share component. Exactly what will
24 these five people be doing? And is five

1 sufficient to really operate that operation?

2 And also, how long will it take you to
3 put together your regulations? And let me
4 just add another part to that, is I agree
5 with Senator Robach with respect to the ADA
6 compliance. So with your regulations
7 hopefully something can be written at the
8 very beginning with respect to that, safety
9 issues, and insurance.

10 So if you could discuss that. Thank
11 you.

12 EX. DEP. COMMISSIONER EGAN: Sure.
13 Great questions.

14 Again, ride-sharing in upstate is a
15 new program. We believe the five FTEs that
16 are being allocated in this particular budget
17 will be there to help draft, review the
18 applications themselves, as well as to be
19 there to field complaints that will start, as
20 well as the audit procedure.

21 We at DMV, we have a very robust
22 investigative group, our Division of Field
23 Investigation, so we believe we will be able
24 to absorb the other complaint investigation

1 audit piece within what we have in connection
2 with the five that we are given.

3 In regard to time frame, I believe the
4 legislation, at least in the Executive
5 proposal, requires us within the first 30
6 days after the legislation is imposed to have
7 at least the background regulations done. So
8 we certainly will comply with that. And then
9 I believe it's a 90-day, I think, for the
10 rest of the regs.

11 So we will certainly -- we're ready,
12 willing and able to meet those legislative
13 requirements.

14 SENATOR DILAN: Thank you.

15 CHAIRWOMAN YOUNG: Thank you, Senator.
16 Chairman?

17 CHAIRMAN FARRELL: Senator?

18 CHAIRWOMAN YOUNG: Okay, it's back to
19 us. So Senator Savino.

20 SENATOR SAVINO: Thank you, Senator
21 Young.

22 Thank you, Commissioner. I just have
23 a question. I want to talk a bit about the
24 expansion of ride-sharing upstate. I know

1 you've covered a lot of it.

2 So the DMV would be responsible for,
3 tasked with determining the method in which
4 background checks are conducted.

5 EX. DEP. COMMISSIONER EGAN: Correct.

6 SENATOR SAVINO: But it would be the
7 transportation networks that would do the
8 background checks?

9 EX. DEP. COMMISSIONER EGAN: That is
10 correct.

11 SENATOR SAVINO: Is there any reason
12 why the DMV wouldn't do them?

13 EX. DEP. COMMISSIONER EGAN: Quite
14 frankly, we have no idea what we'd be doing
15 with the background check. It really
16 could -- this is really more of a law
17 enforcement group. We certainly intended,
18 when we saw this legislation, part of what we
19 would be doing in the first 30 days
20 after this was passed would be consulting
21 very strongly and regularly with the Division
22 of Criminal Justice Services, who are -- who
23 is the group that's familiar with background
24 checks.

1 So -- and I do believe that in several
2 other states there is a methodology set up
3 within those states where it is not the
4 particular state agency that's overseeing it
5 that's done it, but there is requirements set
6 forth to the companies on how to do it, and
7 then they have to meet those certifications
8 and just certify to us that it's been
9 completed.

10 SENATOR SAVINO: Because I believe in
11 the Article VII language it says that the DMV
12 will approve -- let me see. The method must
13 be approved by the Department of Motor
14 Vehicles. So under what criteria would you
15 determine that it's approved?

16 EX. DEP. COMMISSIONER EGAN: That's a
17 good question. And I think that's what we're
18 going to have to be, you know, dealing with
19 as we create the regulations within the first
20 30 days of the legislation being passed.

21 I believe it would be we would set the
22 methodology as to what needed to be done, and
23 then we will have to work through on the regs
24 what proof we will be asking for from the

1 companies to give us a level of comfort that
2 that methodology was met.

3 SENATOR SAVINO: I know there's also
4 been some question about whether or not
5 fingerprinting should be a requirement. As
6 you know, in the City of New York the
7 ride-sharing programs are regulated by the
8 TLC, and so fingerprinting is done through
9 them, as it's a requirement of operation in
10 the City of New York.

11 Is there any reason why we should
12 expect that it wouldn't be part of any of the
13 TNCs that you -- and the background checks
14 that you would approve?

15 EX. DEP. COMMISSIONER EGAN: Yeah, I
16 think right now it's just a little premature.
17 I don't know that we can say we're going to
18 follow that exact same model.

19 Again, I think that model was
20 determined after negotiation and some MOUs
21 and some legal proceedings that are down
22 there.

23 I certainly know that other
24 ride-sharing companies operating in other

1 states do not necessarily operate that same
2 way. I'm not saying we won't, I'm just
3 saying at this point I think it's just a
4 little premature, that we will be looking
5 into all of that when we determine, you know,
6 within that first 30 days what that
7 methodology will be. And it will be
8 certainly in conjunction with our sister
9 agencies that have experience in this area.

10 SENATOR SAVINO: I just think it's
11 important that -- you know, by the way, other
12 states do things differently than New York --

13 EX. DEP. COMMISSIONER EGAN:
14 Absolutely.

15 SENATOR SAVINO: -- but we like to
16 consider ourselves a leader in many areas.
17 And I think it's important that there be
18 consistency across the industry. You know, I
19 understand the importance of ride-sharing. I
20 understand how there are parts of upstate
21 that are transportation deserts, and we do
22 need to find a way to expand ride-sharing
23 upstate.

24 But I also, you know, have said this

1 many times, a taxi is a taxi. If you pick
2 people up and drive them around and you
3 charge them money, you're a taxi. And I
4 think we should be concerned about having
5 this hodgepodge of an approach towards, you
6 know, what is essentially the transportation
7 industry. We don't want to have a scenario
8 where we have a highly regulated taxi
9 industry of black cars and base cars and
10 yellow cars or whatever they happen to be in
11 upstate New York, and then you have another
12 one that has some special status that
13 doesn't seem to -- they don't seem to jibe.

14 And most importantly, we want to make
15 sure that the people that are picked up,
16 driven around, and charged money are
17 protected at every step of the process.

18 EX. DEP. COMMISSIONER EGAN:

19 Absolutely.

20 SENATOR SAVINO: So I would hope that
21 that be part of the discussion and that we
22 make sure that whoever is in those cars
23 driving those people around are vetted, and
24 we know who they are, and that they are in

1 fact safe to pick people up and drive them
2 around.

3 (Applause from the audience.)

4 EX. DEP. COMMISSIONER EGAN: I
5 absolutely agree with you, Senator.

6 SENATOR SAVINO: Thank you.

7 EX. DEP. COMMISSIONER EGAN: Thanks.

8 CHAIRMAN FARRELL: Thank you.
9 Senator?

10 CHAIRWOMAN YOUNG: Thank you.

11 Our next speaker is Senator Liz
12 Krueger.

13 SENATOR KRUEGER: Good afternoon.

14 EX. DEP. COMMISSIONER EGAN: How are
15 you?

16 SENATOR KRUEGER: Fine, thank you.

17 So when Senator Croci was asking you
18 questions about the airports and the REAL ID,
19 he said that there were posters up that
20 apparently were providing incorrect
21 information, based on your answer that
22 because of the waiver, we are okay through
23 2020?

24 EX. DEP. COMMISSIONER EGAN: Yes. I

1 think what the posters -- and I actually
2 haven't been able to fly to see one. I think
3 the posters say starting on January 1st of
4 2018, REAL ID will be starting to be enforced
5 here at the airport, and your state either
6 needs to be on extension or compliant if we
7 are going to honor your state driver license.

8 So in our particular case, we are
9 good. Our state driver license will continue
10 to be honored at airports and in federal
11 buildings until October of 2020.

12 SENATOR KRUEGER: So are these FAA
13 federal posters that are going up?

14 EX. DEP. COMMISSIONER EGAN: Yeah,
15 it's -- I believe it's TSA is doing it.
16 Because again, they are trying to start their
17 education efforts about REAL ID. You know,
18 as the Senator pointed out, this has been a
19 program that's been long coming with a lot of
20 fits and starts. And I think they're trying
21 to underscore we are really doing it this
22 time.

23 SENATOR KRUEGER: So it's been
24 confusing enough recently at airports for

1 people. Is there a way for the State of
2 New York to put up its own posters right next
3 door to those posters saying "And we're okay
4 here in New York State till 2020, thank you."

5 EX. DEP. COMMISSIONER EGAN: We can
6 ask, but my guess would be that there's
7 different authorities that run, you know, the
8 airport, and I don't know whether the TSA
9 people would want us to be confused.

10 But we certainly will be engaging in
11 educational efforts through the department as
12 soon as we hopefully get approval for this
13 legislation that will hopefully start to
14 diffuse some of that confusion. And we will
15 certainly be as creative as we can to make
16 sure that New Yorkers are assured that we're
17 doing the best we can to make it as least
18 disruptive for them.

19 SENATOR KRUEGER: Thank you.

20 So DMV's primary role is making sure
21 that we have, you know, safe drivers and do
22 whatever we can to keep safe and decrease
23 accidents on our roads. In your testimony
24 you talk about our having very good

1 statistics, or statistics getting better.
2 But I was looking up that nationally, 2015
3 was the worst year in a decade for traffic
4 fatalities and traffic accidents. Are we out
5 of the curve, we're just doing better?

6 EX. DEP. COMMISSIONER EGAN: We are.
7 We are on the good side of that curve, I'm
8 happy to announce. Yes, we're -- nationally,
9 they are forecasting anywhere -- I've seen
10 numbers from 6 to 10 percent, depending on
11 where you are and what type of crash you're
12 involved with. But here in New York, our
13 preliminary numbers are not final yet, but it
14 looks like we're going to be between 6 and 7
15 percent down.

16 SENATOR KRUEGER: That's terrific for
17 New York.

18 EX. DEP COMMISSIONER EGAN: Yeah.
19 We're really pleased with that. A lot of
20 hard work has gone into that with all of our
21 partners.

22 SENATOR KRUEGER: There's also a study
23 that was released, I think possibly today, by
24 the AAA Foundation for Traffic Safety. And

1 the big finding of their study was that
2 millennials -- they define that as 19 to 24.
3 I'm so far from that age I never know what
4 the definition is, but they are saying 19 to
5 24 -- that a full 88 percent of motorists
6 aged 19 to 24 have committed one of the
7 primary road sins in the last month:
8 violating the speed limit, blowing through
9 red lights, texting.

10 And perhaps most disturbing is that
11 90 percent of these young drivers think that
12 it's okay. So it's both that they're doing
13 it and they think it's fine.

14 So what can we be doing to better
15 educate our millennial and young drivers
16 about the importance of road safety and that,
17 you know, it's great to be a disrupter --
18 that's a term everybody likes to use these
19 days -- but not actually if you're going to
20 end up killing yourself or others?

21 EX. DEP. COMMISSIONER EGAN: Agreed.

22 SENATOR KRUEGER: I'm curious what you
23 have found to be effective or what more we
24 can be doing.

1 EX. DEP. COMMISSIONER EGAN: Yeah,
2 agreed. And actually I have those
3 millennials at home that I fight with all the
4 time about being able to put the phone down
5 and no, you cannot multitask.

6 But it's a battle. And certainly one
7 of the things that we're trying to do, and
8 it's -- as I said before, and when it comes
9 to traffic safety and changing behavior, it's
10 not any one thing, it really is a combination
11 of engineering, education and enforcement.

12 But one of the pieces in our traffic
13 safety bill is really to totally disallow the
14 use of the mobile phone for anybody in a
15 vehicle that's under the age of 18. Those
16 are our most vulnerable drivers. They have
17 the least experience out there. And as you
18 aptly pointed out, I think they're the ones
19 that think they can do it all anyways.

20 So that's a piece of it. And we work
21 with all of our traffic safety partners, not
22 only state agencies but law enforcement, as
23 well as some of our not-for-profit groups out
24 there, to try to come up with new and

1 innovative ways to address these people.

2 So our communications group at the
3 Department of Motor Vehicles has gotten very
4 active, I would say, with Facebook and
5 Twitter. But I just did a multigenerational
6 meeting, you know, last week that said that's
7 even passe. So I'm not even sure what the
8 new one is yet, but our communications group
9 is there trying to figure out how we tap into
10 that.

11 So it's a good question. We continue
12 to explore it. We keep trying programs that
13 are going to address it, and we'll try to be
14 as vigilant as we can. But we certainly
15 understand the issue.

16 SENATOR KRUEGER: So a few years ago
17 there was back and forth about how you were
18 implementing driver's tests. I can't even
19 remember which year it was and which proposal
20 it was, but -- and there was some question
21 about changing the protocols for new-driver
22 training programs.

23 And I'm wondering whether the
24 department is taking a look at the new

1 research coming out that how you teach
2 millennials is actually very different than
3 how you taught people above the age of 50,
4 and that there's actually an entire different
5 model of what works in education for
6 millennials versus older people.

7 So I guess the question is, can you
8 explore whether there's better models or more
9 effective models for educating the next
10 generations of drivers coming up to know what
11 the laws are?

12 EX. DEP. COMMISSIONER EGAN:
13 Absolutely. I think it's a great point and,
14 as I said, very timely for us because we just
15 had this -- we had a very large management
16 meeting where we had someone come in to speak
17 to us about what is the difference between
18 these generational groups and really what --
19 as you point out, they learn differently,
20 they react differently, they expect different
21 levels of appreciation, you know, certain
22 things mean -- so yes, we are engaging --
23 very timely, we are engaging that and
24 hopefully we'll be making those changes.

1 SENATOR KRUEGER: Thank you.

2 CHAIRWOMAN YOUNG: Thank you.

3 We've been joined by Senator Brad
4 Hoylman, who would like to speak.

5 SENATOR HOYLMAN: Thank you. Nice to
6 see you this afternoon.

7 EX. DEP. COMMISSIONER EGAN: Hi,
8 Senator.

9 SENATOR HOYLMAN: In my district there
10 have been a number of high-profile cases over
11 the last five years in Manhattan -- and I
12 represent Times Square, Greenwich Village,
13 over to the East side -- involving
14 double-decker sightseeing tourist buses, a
15 number of high-profile crashes. A
16 constituent I recently met with nearly lost
17 his leg after being hit and dragged by a tour
18 bus in Greenwich Village.

19 And I looked into the issue about
20 double-decker sightseeing bus safety and
21 found a troubling loophole that I wanted to
22 share with you in state law that exempts
23 double-decker sightseeing buses in New York
24 City from the safety requirements in both the

1 Vehicle and Traffic Law, Article 109A, and
2 Transportation Law, Article 7. I was working
3 wondering if you had any awareness of that
4 loophole.

5 EX. DEP. COMMISSIONER EGAN: I do not,
6 senator. And I was going to say my first
7 inkling was this is really probably something
8 in the DOT province, because of the bus
9 aspect. But we'll certainly take it back and
10 we will consult with DOT, investigate it, and
11 certainly get back to you.

12 SENATOR HOYLMAN: Sure. And just to
13 follow up, the definition of "bus," for the
14 purposes of the special licensing
15 requirements for bus drivers in 19A of the
16 law is drafted in such a way that it doesn't
17 apply to New York City double-decker
18 sightseeing buses due to their exemption from
19 Article 7 of the Transportation Law.

20 So Article 19A requirements don't
21 apply to sightseeing bus operators or the
22 drivers, and that results in a host of
23 troubling implications, including things like
24 securing drivers' employment records,

1 requiring drivers to get biennial medical
2 examinations, and other aspects.

3 EX. DEP. COMMISSIONER EGAN: Yeah, our
4 normal 19A requirements, sure.

5 We will certainly talk to DOT, we'll
6 take a look at it, and circle back with you.

7 SENATOR HOYLMAN: Great. I'd love to
8 work with you on this issue on how we can
9 close the loophole.

10 EX. DEP. COMMISSIONER EGAN: Great.

11 SENATOR HOYLMAN: Thank you.

12 EX. DEP. COMMISSIONER EGAN: You're
13 welcome.

14 CHAIRWOMAN YOUNG: Thank you.

15 CHAIRMAN FARRELL: Thank you very
16 much.

17 EX. DEP. COMMISSIONER EGAN: Thank you
18 all. Have a good afternoon.

19 CHAIRWOMAN YOUNG: Appreciate you
20 being here.

21 CHAIRMAN FARRELL: Veronica {sic}
22 Hakim, interim executive director,
23 Metropolitan Transportation Authority;
24 Robert Foran, chief financial officer;

1 Craig Stewart, senior director, capital
2 programs.

3 Good afternoon.

4 INTERIM EX. DIRECTOR HAKIM: Good
5 afternoon.

6 CHAIRMAN FARRELL: Welcome. I messed
7 up your name a little there, I think.

8 INTERIM EX. DIRECTOR HAKIM: I knew
9 you were calling me.

10 CHAIRMAN FARRELL: I was close.

11 INTERIM EX. DIRECTOR HAKIM: Shall I
12 begin?

13 ASSEMBLYMAN OAKS: Yes, go ahead.

14 CHAIRMAN FARRELL: Yes, you can begin.

15 INTERIM EX. DIRECTOR HAKIM: Thank
16 you.

17 Good afternoon, Senator Young,
18 Assemblyman Farrell, and other members of the
19 Senate and the Assembly. Thank you for your
20 interest in the MTA's finances and for being
21 here today. I am Veronique Hakim. I am the
22 interim executive director of the
23 Metropolitan Transportation Authority. And
24 since this is Day 15 of my tenure as such,

1 I've asked Bob Foran, our CFO, and Craig
2 Stewart, our senior director of capital
3 programs, to join me in answering questions.

4 First, I'm gratified to note that the
5 Governor's Executive Budget again proposes a
6 year-over-year increase in state assistance,
7 providing nearly \$4.5 billion. In the past
8 five Executive Budgets, state operating aid
9 to the MTA has increased by a total of
10 \$450 million. The budget also continues to
11 reflect the enacted commitment of
12 \$8.3 billion in state resources for the MTA's
13 2015-'19 capital program, with a new
14 \$1.5 billion appropriation.

15 I expect that the coming year will be
16 both a challenging and an exciting one for
17 the MTA. Challenging because we are dealing
18 with the heaviest ridership we have
19 experienced since just after World War 2.
20 Exciting because we have plans to continue
21 successful efforts in four areas -- first, to
22 do everything necessary to assure safety as
23 our first priority; second, to keep our
24 operating costs down; third, to improve the

1 daily experience of our 8.5 million daily
2 customers; and fourth, to renew, enhance and
3 expand the system through our capital
4 program.

5 In the past seven years, we have cut
6 \$1.6 billion out of our recurring annual
7 operating costs. We will continue that
8 effort and by next year increase those annual
9 savings to \$1.8 billion. Like any business,
10 some elements of our budget will grow. But
11 this cost-cutting rigor has enabled us to
12 keep increases in our fares and tolls to a
13 minimum. The 2 percent per year increases
14 that will take effect in March are the
15 smallest in the past eight years, and less
16 than the projected rate of inflation.

17 And I also believe this cost
18 management, and our financial transparency,
19 are essential to the MTA's credibility among
20 its farepayers, taxpayers, and public
21 policymakers like yourselves. Our customers
22 are your constituents, and the service we
23 provide is absolutely essential. So we aim
24 to be the best stewards of public and

1 farepayer funds that we can possibly be.

2 Surely the MTA's biggest news of 2016
3 came when we opened service on the Second
4 Avenue Subway. New Second Avenue riders
5 frequently tell us that the line has changed
6 their lives. And in ways both large and
7 small, and oftentimes invisible to riders, we
8 will be working toward changing more riders'
9 lives in the coming year, and we'll do so in
10 several ways: By advancing important
11 projects, including those funded by the
12 2015-'19 capital program; by improving the
13 quality of our service; by continuing to
14 improve our business practices; and by
15 tackling the everyday work of keeping our
16 infrastructure, including those 100-year-old
17 portions of our subway system, in a state of
18 good repair so as to ensure safe and reliable
19 service.

20 I'd like to take a minute to list some
21 select major projects because they're
22 important and because we're making rapid
23 progress on them.

24 In the area of safety, we recently

1 launched the nation's first sleep apnea
2 screening program for our employees upon whom
3 the safety of our customers depends. This
4 will include 20,000 of them -- our subway and
5 railroad operators, conductors, bus drivers
6 and others. Those diagnosed will be required
7 to undergo and verify that they are receiving
8 treatment. This is in the best interest of
9 our riders and our employees, because sleep
10 apnea can affect quality of their lives.

11 The Long Island Railroad and
12 Metro-North Railroad had record ridership
13 last year. We no longer refer to these
14 systems as "commuter railroads" -- they have
15 become too integral to their service areas,
16 with new employment centers emerging and new
17 travel patterns both for work and leisure.
18 Instead, we are expanding and evolving their
19 services to meet growing needs.

20 For example, Metro-North and Long
21 Island riders now have a new e-TIX mobile
22 ticketing app that has taken us from
23 dependence on a ticket machine to a
24 user-friendly, anywhere/anytime way to

1 purchase tickets. Already, more than 280,000
2 e-TIX accounts have been opened.

3 Another user-friendly initiative is
4 our accelerated effort to install cashless
5 tolling at the MTA's bridges and tunnels. In
6 little more than a year, we will have gone
7 from one open road tolling pilot project to
8 cashless tolling at all nine of our
9 facilities to be completed this fall.
10 Meanwhile, new, more aggressive enforcement
11 is identifying violators, and penalties are
12 discouraging drivers from trying to avoid
13 paying tolls.

14 Just weeks ago, we opened a new Staten
15 Island Railway station at Arthur Kill. That
16 was the first new station to be opened on
17 that system in more than 20 years.

18 Modernizing the Long Island Railroad
19 facilities at Penn Station, Metro-North
20 access to Penn Station, with four new
21 stations in the Bronx, the complete
22 renovation of dozens of stations across the
23 subway and railroad systems, and many more
24 projects -- even the next phase of Second

1 Avenue -- are moving forward. So too is the
2 introduction of a fare payment system to
3 replace the MetroCard beginning next year,
4 two years ahead of schedule. And finally,
5 the Second Avenue line will continue to
6 reduce crowding and delays on the Lexington
7 Avenue line, very important.

8 All of these initiatives and their
9 timetables reflect the change that
10 Governor Cuomo has advocated in how the MTA
11 does business. And they also reflect the
12 support you have given us in our capital
13 programs. So I thank you for that support
14 and for your attention this afternoon, and
15 we're happy to answer your questions.

16 CHAIRMAN FARRELL: Thank you very
17 much.

18 Assemblyman Dinowitz, chair.

19 ASSEMBLYMAN DINOWITZ: Okay, thank
20 you. Good afternoon.

21 INTERIM EX. DIRECTOR HAKIM: Good
22 afternoon.

23 ASSEMBLYMAN DINOWITZ: Good to see you
24 again.

1 I have a whole bunch of questions, so I'll try
2 to make them short.

3 You mentioned Penn Station access, and
4 I think that is very exciting. It's
5 certainly going to be transformative for
6 parts of the Bronx, with the Co-Op City,
7 Morris Park, Parkchester, and Hunts Point
8 stations. One of the concerns I have is
9 maybe a little longer term, and that is Penn
10 Station access for the Hudson Line, which
11 includes a station in Riverdale plus
12 Westchester County. Do you see that being on
13 the horizon?

14 INTERIM EX. DIRECTOR HAKIM: I think
15 the first thing that's on our horizon is the
16 scope of the Penn Station Access Project as
17 we've currently defined it in the Bronx. In
18 terms of other capacity improvements and
19 other enhancements, that is a function of
20 what our capital program funding would be
21 able to provide.

22 ASSEMBLYMAN DINOWITZ: As you know,
23 the Governor is proposing to cut \$65 million
24 from the annual General Fund transfer that is

1 used to make up for the loss caused by
2 exemptions from the mobility tax. And
3 although I'm sure one could say, well, there
4 might be other sources of revenue that may go
5 up this year, sometimes they can also go
6 down. Any way you slice it, we're losing
7 \$65 million, at least as proposed by
8 Governor Cuomo.

9 Would you anticipate that this loss of
10 \$65 million would result in any service cuts?

11 INTERIM EX. DIRECTOR HAKIM: No, I
12 would not. The overall operating assistance
13 has actually increased by \$30 million. Our
14 financial plan, upon which the modest toll
15 and fare increase that I referred to was
16 based on, is certainly able to maintain
17 itself, based on this budget, without any
18 further service cuts or fare or toll
19 increases.

20 ASSEMBLYMAN DINOWITZ: Well, that's
21 great. But that would also mean, then, that
22 if we actually got the \$65 million, we would
23 get service enhancements. No?

24 INTERIM EX. DIRECTOR HAKIM: We do

1 everything that we can to provide the level
2 of service that's required to meet the demand
3 of our riders, to also -- and this is key --
4 to keep those operating costs down and be as
5 efficient as possible. So as I mentioned,
6 we've taken out \$1.6 billion and look to
7 increase those efficiencies up to 1.8 over
8 the next two years.

9 ASSEMBLYMAN DINOWITZ: It's my
10 understanding that the November financial
11 plan includes over a half a billion dollars
12 in unidentified savings over the plan period.
13 How is that going to be achieved?

14 MTA CFO FORAN: That is over the plan
15 period. We have a very strategic approach in
16 place. It's consolidations of procurement,
17 it's a consolidation of IT, it's
18 consolidation of treasury functions. That
19 we're trying to take five disparate groups,
20 five silos from the past that each had their
21 own departments, and bring them together to
22 try to operate more efficiently.

23 So that is savings that you have over
24 the four-year period. However, if we achieve

1 the savings targets for next year, that
2 reduces those costs for the next four years.
3 If we achieve the target for the second year,
4 that achieves savings for the next three
5 years. So it really isn't that large of an
6 amount.

7 The target that we will have going out
8 into 2020 is still well over \$200 million,
9 but that is roughly just a little over
10 1 percent of our budget expected at that
11 time. And so I think it's manageable, and I
12 think we can approach it and do it in an
13 efficient way.

14 ASSEMBLYMAN DINOWITZ: Almost like a
15 rounding error, huh?

16 Now, the MTA was able to find
17 \$566 million in debt service savings. Is
18 that savings going to be available to
19 partially restore the \$2.5 billion cut in the
20 original five-year plan? Because the
21 original five-year plan was -- hopefully
22 would have been greater than it turned out to
23 be.

24 MTA CFO FORAN: What we did is when we

1 went through and saw debt service savings, we
2 decided to bank them, because we weren't sure
3 what the future capital programs would be.
4 So as of this point in time, we have
5 identified \$566 million that we are saying is
6 committed to capital during the plan period,
7 and it will still be up to the board to make
8 a decision on how to utilize those funds for
9 the best of the region.

10 ASSEMBLYMAN DINOWITZ: When does the
11 MTA expect to submit a capital plan amendment
12 based on that to the CPRB so that all this
13 money could be spent properly?

14 INTERIM EX. DIRECTOR HAKIM: So we
15 have a process that I'm sure you're familiar
16 with in terms of working at submitting
17 amendments on our capital program. It's
18 something that we've done already four times
19 in this plan period -- I think in the last
20 plan period, excuse me.

21 But the process requires us to first
22 make some recommendations to our board, the
23 board would review and approve them, and then
24 we would be back to submit that proposed

1 amendment to the CPRB. Timing for that has
2 not been finalized.

3 ASSEMBLYMAN DINOWITZ: One of the
4 issues you had mentioned was the open
5 tolling. The bridge that's in my
6 neighborhood, the Henry Hudson Bridge,
7 already has that. I happen to think it's
8 good. Not everybody loves it, but I guess
9 there are enforcement issues.

10 Do you have any idea of how much
11 revenue has been lost by people who haven't
12 paid -- you know, if they don't have an
13 E-ZPass, they get a bill mailed to them. Is
14 there any record or indication as to how much
15 revenue has been lost by -- as a result of
16 that?

17 INTERIM EX. DIRECTOR HAKIM: So the
18 Henry Hudson, as you're noting, is the one
19 crossing that we've had the most experience
20 with, because it's been open cashless tolling
21 almost for a year.

22 We actually haven't lost any revenue
23 there. The E-ZPass rate of people who travel
24 using E-ZPass is very high, and that's true

1 systemwide. And between the sending out a
2 violation notice and receiving the violation
3 together with an applicable fine, we've
4 covered all of our costs. So that has turned
5 out to be an indicator of what we hope will
6 be very promising going forward.

7 ASSEMBLYMAN DINOWITZ: I know that
8 you're going to be attempting to try to take
9 measures to increase enforcement of the
10 tolls.

11 I should note that in my own
12 community, we've seen not only on the road,
13 but in the local streets, troopers and TBTA
14 police, whose cars look very much like the
15 state troopers'. Would you know if their
16 extraordinary presence in the neighborhood is
17 related to that? Because I must tell you
18 that people are very put off by it. You
19 know, if people think they're getting more
20 police presence in order to reduce crime,
21 they're happy. But if they think it's
22 because they're going to get a ticket for a
23 broken taillight, not so happy.

24 INTERIM EX. DIRECTOR HAKIM: The law

1 enforcement that we have in place, whether
2 it's working with State Police or Bridges and
3 Tunnels officers, they're at what, well, I'll
4 continue to refer to as toll plazas. And
5 that's where the enforcement takes place.

6 If you've seen a greater presence in
7 local streets, that's probably them coming
8 and going. They're not there to do any kind
9 of enforcement in the local jurisdictions
10 themselves.

11 INTERIM EX. DIRECTOR HAKIM: I mean,
12 it just seemed odd that they were -- they've
13 been seen all over the place, not just
14 immediate -- in close proximity to the
15 highway, but in the neighborhood. And
16 it's -- it's something which hasn't happened
17 in the past.

18 Now, recently there was a big story in
19 the Times regarding deterioration in service.
20 And you've claimed, and I would imagine it's
21 largely true, that overcrowding is the main
22 driver of subway delays. There's been an
23 extreme increase in the number of trips
24 taken. Why have the delays, though, in your

1 opinion, increased by so much in the past
2 couple of years? Because it would seem to
3 outstrip the increase in ridership.

4 INTERIM EX. DIRECTOR HAKIM: So the
5 issue of improving service is a challenging
6 one. You know, we have 6 million riders in
7 the subway system a day; we make 8,000 trips
8 every day; we travel through 472 stations.
9 It is a very large system, and it is a very
10 old system in many parts.

11 Delays come about for two basic
12 categories of things, either because of
13 specific incident -- a signal malfunction, a
14 sick customer, a water main break -- or an
15 operational constraint or an operational
16 disruption. Those are the things that we
17 have to really try to manage as effectively
18 as possible.

19 What can we do about that? We can
20 look at how we can make people move
21 effectively on a platform, on and off a
22 train. If you've been on the subway system,
23 you know that the amount of time a subway car
24 spends at a platform impacts the ability for

1 it to move quickly and efficiently up and
2 down the line. So we've installed a new type
3 of customer service person; we refer to them
4 as platform controllers. Currently we use
5 them in certain key locations in the a.m., in
6 the morning rush hour. We're increasing the
7 number of those agents, and we're increasing
8 including them in the afternoon rush hours as
9 well. We want to add more people to help
10 effectively manage the platforms. That's
11 step one.

12 Step two, there are at Grand Central,
13 as an example, "Don't Block the Box" boxes on
14 the platforms. They're there for a purpose,
15 to signal to people where the doors are that
16 are going to be opening, and to encourage our
17 customers to allow people to step aside, let
18 people come out, and then come in.

19 We also have to look at the
20 right-of-way and what we can do to increase
21 inspections. So we're increasing inspections
22 on our right-of-ways so that we can catch
23 conditions before they become a problem.
24 We've seen about an 8 percent reduction in

1 incidents because of that, the fact that we
2 are actually aggressively managing the
3 right-of-way. We're using our track geometry
4 car technology every single day to make sure
5 that our tracks are as safe and in as good
6 repair as possible.

7 We have also dispatched crews to known
8 problem locations so that we have people on
9 standby who can quickly try to fix a problem,
10 whether it's a signal or a power issue, to
11 try to address that as fast as possible.

12 And in addition, we want to watch what
13 our customers experience is. So our on-time
14 performance -- and by the way, the news
15 that's reporting the numbers? Those are our
16 numbers. We're very transparent with what
17 our service levels are. Every month we
18 measure ourselves and we publish those
19 numbers for the public.

20 You know, I'll take one example of the
21 No. 5 Line, which has been noted as one of
22 our worst performing lines, and it's true.
23 It's 25 miles long, it travels from Dyre
24 Avenue in the Bronx all the way down to

1 Flatbush in Brooklyn. The travel time, end
2 to end, is 95 minutes. Now, if we miss that
3 by five minutes, we ding ourselves as not
4 having met our on-time performance objective
5 there.

6 But the majority of our riders don't
7 ride the 5 from the Bronx all the way to
8 Flatbush in Brooklyn. The majority of our
9 riders ride the 5 for five-mile segments. So
10 what we really want to do is measure the
11 customer's experience on the platform, and
12 that measurement we call wait assessment,
13 which measures the reliability of a train
14 coming when we said it was going to come.

15 So on the 5, at Grand Central, in
16 the a.m. rush hour, we're supposed to provide
17 27 trains per hour running through there. On
18 average, we provide a little over 25 trains
19 per hour. So from a customer's perspective,
20 when they hit the platform, they have an
21 expectation that a train is going to arrive,
22 and it generally does arrive.

23 So again, we need to improve our
24 service, but there are other things that we

1 also need to improve. How we communicate
2 with our customers about their expectations:
3 Rolling out more countdown clocks, a huge
4 success on the numbered lines -- we need to
5 finish rolling them out on the lettered
6 lines -- and communicating using devices, the
7 wifi technology that we've just rolled out
8 systemwide. All of this will contribute to
9 giving our customers more information about
10 the level of service they can expect.

11 But I appreciate the question, and am
12 fully committed to working on improving our
13 customer service.

14 ASSEMBLYMAN DINOWITZ: Good. I know
15 my time is kind of up, but I banked a few
16 minutes from this morning. So I have two
17 very quick questions regarding bus service,
18 which as you know is very important to the
19 non-Manhattan boroughs.

20 One, transit signal priority can help
21 buses move more quickly by turning the light
22 green when the bus approaches. DOT, City
23 DOT, says that they've installed the
24 necessary equipment but that the buses aren't

1 ready. Do you have any idea how quickly we
2 might expect that to happen?

3 INTERIM EX. DIRECTOR HAKIM: Traffic
4 signal prioritization, and you point out
5 correctly, is something we do in conjunction
6 with the City, with DOT.

7 We are ready, willing and able to
8 further advance traffic signal
9 prioritization. We think that it is
10 important. I don't have a time frame for
11 that, sir, but we'll get back to you on that.

12 ASSEMBLYMAN DINOWITZ: Okay. And
13 really very last, all-door boarding of
14 buses, is that something that we can -- I
15 think there's some technological issues
16 involved, but is that something we can expect
17 in the near future to expedite bus stops?

18 INTERIM EX. DIRECTOR HAKIM: Where we
19 currently have deployed all-door boarding is
20 on the SBS lines, where we're providing
21 select bus service on 13 routes. And we have
22 just announced plans to expand that to two
23 more routes.

24 The issue of rear-door boarding on a

1 regular local bus presents some concerns
2 around fare evasion, so we would have to take
3 a look at that.

4 On the SBS routes, we have the benefit
5 of having an Eagle Team who enforce fare
6 collection for us.

7 ASSEMBLYMAN DINOWITZ: Okay, thank you
8 very much.

9 INTERIM EX. DIRECTOR HAKIM: Thank
10 you.

11 CHAIRMAN FARRELL: Thank you.
12 Senator?

13 CHAIRWOMAN YOUNG: Thank you,
14 Director, for taking on this new challenge,
15 and I wish you well.

16 I will be asking some questions, but
17 I'll defer at this time to my colleague
18 Senator Elaine Phillips, who has some
19 questions.

20 SENATOR PHILLIPS: Thank you, Senator.

21 And thank you for being here today,
22 you and your team.

23 So as you know, I represent the
24 7th Senate District, the Main Line, which

1 carries 40 percent of Long Island Railroad's
2 daily commuters. It runs right through the
3 heart of my district. I represent virtually
4 every one of those communities that will be
5 impacted by the third track. Without a
6 doubt, this project promises to be one of the
7 most ambitious, costly, and potentially
8 disruptive to the affected communities in the
9 MTA's history, probably since the line was
10 originally laid.

11 Unlike other large-scale construction
12 projects -- the Tappan Zee Bridge comes to
13 mind -- this construction is not taking place
14 over- or underwater, it truly is taking place
15 in the backyards of many of the residents on
16 Long Island. Years of disruption right in
17 the core of central business districts are
18 deeply concerning to me. And we still don't
19 know what we don't know about unanticipated
20 costs to local communities, construction
21 delays, impacts on businesses and the
22 environment, and so much more.

23 The residents of these communities, as
24 you know, deserve to have their questions

1 answered and their concerns addressed. I
2 want to compliment the efforts that the MTA
3 has made to engage the affected communities.
4 I know that your agency has conducted
5 countless meetings to gather input and
6 explain the project, in particular to
7 residents and to the village officials along
8 the Main Line corridor.

9 But the work isn't done. There remain
10 many questions to be answered, and it is my
11 job as the representative of these
12 communities, to make sure that their concerns
13 are addressed. So I have numerous questions.

14 First, on funding. I understand that
15 the MTA plans to pay for this project through
16 its capital fund. But are there any funds in
17 the Executive's budget or in the MTA's
18 operating budget that are to be expended on
19 the project, such as for preliminary work?

20 INTERIM EX. DIRECTOR HAKIM: The
21 existing MTA capital program, that '15 to '19
22 program, got us started on third track. And
23 so it was the vehicle by which we were able
24 to start the environmental review process,

1 put preliminary design-build documents
2 together, and as you noted, really begin a
3 very intensive community outreach and
4 interaction process.

5 In order to fully fund the third track
6 program, that will be the subject of a future
7 capital program amendment, and we'll be back.
8 We're in the midst of a procurement right now
9 for that design-build team, whoever that
10 design-build team will be. And in working
11 through the negotiations with that team, and
12 their approach to how they're going to do the
13 work and their approach to how they're going
14 to meet all of the commitments that we're
15 making about minimizing community impacts,
16 not taking any residential properties,
17 continuing that level of community outreach
18 and support, making sure that vehicles are
19 not interfering with the community's
20 transportation network -- those are all going
21 to be part of this contracting process.

22 And I will say that as we get further
23 down this path and we have more information
24 about how the project will be built, we're

1 fully committed to maintaining the level of
2 community information and outreach that we've
3 done up till now. So we will be out there,
4 we will be answering your questions and your
5 constituents' questions, absolutely.

6 SENATOR PHILLIPS: We're at a budget
7 hearing, so let me get to the obvious
8 question. What is the projected cost of the
9 project? I'm concerned, because as it was
10 originally proposed, it was estimated to cost
11 \$1 billion in a very short period of time.
12 That estimate has doubled to \$2 billion.
13 Some of that added cost, I understand, can be
14 attributed to the added amenities, like
15 station improvements and the like, in the
16 latest DEIS. But that's still a significant
17 increase before shovels are really even in
18 the ground.

19 We've also seen how unanticipated
20 problems and delays can lead to ballooning
21 costs. Is there a detailed accounting of the
22 costs, as well as future costs for ongoing
23 maintenance of the new infrastructure? Also,
24 what can you tell us about the MTA's effort

1 to identify federal funding?

2 INTERIM EX. DIRECTOR HAKIM: So the --
3 you noted correctly the overall current
4 budget is about \$2 billion. There are very
5 detailed estimates that build up to that
6 number. Because we are currently in the
7 procurement of what will be a very large
8 design-build contract, I hesitate to go
9 farther in terms of the details of what the
10 project estimates are, except to say that it
11 will be part and will be required to be part
12 of a further capital program amendment.

13 SENATOR PHILLIPS: And federal
14 funding?

15 INTERIM EX. DIRECTOR HAKIM: I don't
16 think that we're using federal funds in this
17 project.

18 MTA CFO FORAN: No. No, we're not.
19 We're not using federal dollars for this
20 project.

21 INTERIM EX. DIRECTOR HAKIM: Thank
22 you.

23 SENATOR PHILLIPS: And what about the
24 costs that are incurred by local governments,

1 such as traffic mitigation, fire, police,
2 et cetera? Is the MTA making provisions for
3 these costs to the local communities? And
4 has there been consideration or will there be
5 consideration about bonding to protect the
6 properties of residents and local
7 governments?

8 INTERIM EX. DIRECTOR HAKIM: The first
9 part of your question, in terms of supporting
10 costs associated with what I will call
11 directly related to the project, whether you
12 need additional policing or some additional
13 law enforcement, that's something that on a
14 project-by-project basis we take a look at.

15 In terms of the second part, bonding
16 -- I'm sorry, I missed the second part of the
17 question.

18 SENATOR PHILLIPS: Inevitably, we've
19 all been through projects where property
20 values can be impacted negatively in some
21 way. I guess the communities are asking,
22 what happens when we have to put police out
23 there? You know, it's the Nassau County
24 police force. Or what happens when a road

1 has to be closed down because a major piece
2 of construction is coming in? What happens
3 if something falls onto one of my trees in my
4 backyard and a branch breaks? How am I
5 going -- you know, how is the community
6 that's going to be affected impacted?

7 INTERIM EX. DIRECTOR HAKIM: Thank
8 you. We -- if we break it, we have to fix
9 it. We have to pay for it. If we create a
10 situation that requires additional local
11 support costs, that would be something that
12 would be funneled through the project.

13 We try to plan our work in a way so as
14 to minimize those impacts, and have been out
15 talking to the affected communities about how
16 to do that. As we get further through this
17 process and the final selection is made on
18 the design-build team and we have their
19 construction plans, we'll be back out to the
20 community to talk about what those plans are
21 and make sure that we've covered every
22 eventuality.

23 SENATOR PHILLIPS: I would -- we can
24 share with you that there are examples where

1 funds can be set aside -- you know, it comes
2 to my mind like FEMA, you expend money on a
3 local government for FEMA-related expenses,
4 then there's criteria, you submit it, and you
5 get reimbursed. Because I think there's
6 tremendous concern.

7 On property values, we know that a
8 project of this scope will have an impact on
9 property values, and removal of several
10 commercial properties from the tax rolls will
11 impact assessed values and property tax bills
12 in a number of areas. And in fact I believe
13 in one of the communities that have submitted
14 their comments, they're estimating that in
15 their district alone, \$400,000 on an
16 annualized basis.

17 So what is the MTA proposing to do for
18 those homeowners and landowners who will have
19 to pick up the slack in the form of higher
20 tax bills because these commercial properties
21 are coming off the tax roll?

22 INTERIM EX. DIRECTOR HAKIM: You know,
23 Senator, I'm going to defer and come back to
24 you on that, because I'm just trying to get

1 my hands around this very large project, as
2 you've aptly noted.

3 SENATOR PHILLIPS: On SEQR, I've had
4 the opportunity to review the scoping
5 documents and DEIS. I've also seen comments
6 from the communities, from Westbury to Floral
7 Park, concerning details of the project that
8 are not addressed in the document, from a
9 detailed timeline to traffic, visual and
10 environmental impacts of the project in
11 construction.

12 As you know, the requirements of SEQR
13 are very detailed and specific. How
14 confident are you that your analysis meets
15 the requirements that are set in law for
16 planning and mitigation?

17 INTERIM EX. DIRECTOR HAKIM: I think
18 we're very confident in the process that
19 we've undertaken, very robust. We have some
20 national experts working with us through the
21 environmental review process, including
22 making commitments through that process about
23 how we are going to mitigate construction and
24 project impacts.

1 And I'm a very big believer in that
2 phase of a big project, because I think it
3 gives everybody sort of an eyes-wide-open
4 review of what do we have to do and what are
5 the concerns of the communities that we're
6 crossing.

7 SENATOR PHILLIPS: On rail
8 crossings -- and I'm getting close to being
9 done -- it's clear that there is
10 near-unanimous agreement on the need to
11 eliminate grade crossings in these
12 communities, from local residents to the
13 agency to the Governor. I personally have
14 waited in traffic for over 10 minutes.

15 There's no doubt that these delays are
16 more than an inconvenience and affect the
17 economies of the downtown business districts.
18 But couldn't we eliminate these crossings at
19 a far lower cost and improve the safety
20 without the significant additional expense
21 and delay of adding a third track. Has the
22 analysis been done? And if it has been done,
23 has it been shared with the community or with
24 the public? And if not, why not?

1 INTERIM EX. DIRECTOR HAKIM: Let me
2 start with what I know. What I know is that
3 the third track project will eliminate seven
4 grade crossings, at-grade crossings, which
5 immediately infers an additional level of
6 safety in those communities. That's a very
7 good thing. Grade-crossing safety is
8 something that we all -- and you join us in
9 this -- you know, take very, very seriously.
10 And being able to eliminate a grade crossing
11 is an important element and an important part
12 of the third track project.

13 Whether there are alternatives to
14 that, I don't know. And what was studied
15 before, I don't yet know. But we will
16 certainly look into that and provide that
17 information to you.

18 SENATOR PHILLIPS: And I think the
19 community would like to see that --

20 INTERIM EX. DIRECTOR HAKIM:
21 Certainly.

22 SENATOR PHILLIPS: -- so you know what
23 the cost ...

24 So on freight, residents of a number

1 of communities have raised concerns about
2 increased freight traffic, including expanded
3 use of the line for household trash and even
4 hazardous waste. Your DEIS projects a
5 minimal increase in freight traffic on the
6 expanded line. Is that realistic, especially
7 considering the fact that we are closing
8 landfills on the East End of Long Island?

9 And I'd like to hear what is the
10 status of your contract with the Long Island
11 railroad's freight carrier, which was the
12 subject of a very concerning safety report by
13 federal regulators last year. I think in
14 November we found out an accident rate that
15 was three times higher than other freight
16 carriers.

17 INTERIM EX. DIRECTOR HAKIM:

18 Ultimately what comes out through the
19 environmental impact statement in terms of
20 freight volume expectations, those are things
21 that we absolutely stand behind and think
22 that they're accurate.

23 The New York & Atlantic freight
24 provider -- that we've had some issues with,

1 and the community has had some issues with,
2 and reports were recently issued -- you know,
3 that's an option that we have to take a hard
4 look at.

5 And I've heard just recently, having
6 just come on board on the Long Island front,
7 some very serious concerns about the way they
8 run their operation. I know they've changed
9 their management, I know that they've said
10 that they're making improvements and they're
11 going to commit that freight the way they're
12 supposed to run it, but it's an area that I'm
13 going to be looking into.

14 CHAIRWOMAN YOUNG: Senator Phillips, I
15 know this has the potential to be very
16 devastating to your local communities, and
17 it's a very, very important issue. So what I
18 will do is let the other members speak who
19 wanted to speak, and then I will allow you to
20 come back to ask more questions.

21 SENATOR PHILLIPS: Thank you. Thank
22 you very much.

23 CHAIRMAN FARRELL: Thank you.

24 Let's see, I think I want to ask some

1 questions and see how things are going. It's
2 been a while.

3 Let's see. I have three things I want
4 to talk to you about. One of them has to do
5 with the IRT-Independent on 168th Street, and
6 the other one I'd like to hear a little about
7 is the elimination of tollbooths, especially
8 the one that goes to the Bronx, the Henry
9 Hudson. And I would like to tell you some
10 things that I think you've done very good.

11 Over the years, we used to have a very
12 not-good bus terminal directly in back of my
13 office, and they were out in the street and
14 they were everywhere. People were always
15 complaining to me about it and everything
16 else. And you built a new building there,
17 the Mother Hale bus terminal, and it is
18 fantastic. I don't even know it is a bus
19 terminal. They sneak them in at night so you
20 don't see them --

21 INTERIM EX. DIRECTOR HAKIM: It's a
22 bus garage, yes.

23 CHAIRMAN FARRELL: -- and they sneak
24 them out. The good old days of them blocking

1 up the streets, taking all the parking
2 spaces, has gone. They have done a fantastic
3 job there.

4 But we then have the IRT and the
5 Independent on 168th. That station is the
6 station I used to go to school through. I
7 went to George Washington High School, and
8 I'd walk there, take the elevators, and go
9 down and go up to 191st Street, where I would
10 then take the elevators there and go up.

11 And in the years that I was there,
12 once or twice the elevators went out. I
13 never had all four of the elevators go. I
14 never lost it continuous. We -- once in a
15 while we'd have to walk, they'd make us walk
16 up, because we were young people, and there
17 was only one of the four elevators running.
18 But we never went without it.

19 Now you've had it -- in the last three
20 weeks, I think, it's gone out twice, all four
21 of them. And you also lost the -- what I
22 would call the street elevator, you lost that
23 once, which creates a major problem that you
24 had to stop people from getting off on the

1 station because they couldn't get on an
2 elevator and they couldn't walk those stairs.
3 If they're as bad as I remember them when I
4 was a kid, I know they wouldn't walk up those
5 stairs.

6 So I'd like to know, what are you
7 going to do to make sure that doesn't happen
8 again? And while you're doing that, tell me
9 what is going on in terms of work in that
10 location. Because up on the street, there
11 has been a fence next to the statue, and I
12 have always thought it was work you were
13 doing to put another elevator in or not. My
14 people went there on Monday, and they said
15 no, it's not that, it's just a pile of stuff.
16 And we couldn't see what that is.

17 So I don't know if you know that, if
18 someone could tell us what that is. And what
19 are you going to do so that doesn't happen
20 again?

21 INTERIM EX. DIRECTOR HAKIM: The
22 elevators at 168th Street need to be
23 replaced. They -- what we are doing in the
24 short term is seeing how to accelerate that

1 replacement. And so one of the contracting
2 methods that we're looking at is can we
3 include incentives for early completion in a
4 contract to replace those elevators, how can
5 we get the best possible contractor to work
6 as fast as possible replacing those
7 elevators.

8 In the very short term, though, what
9 we are doing is putting a SWAT team of
10 elevator maintainers there, because if
11 something happens, we want to have people on
12 the ground to be able to address those issues
13 as quickly as possible.

14 CHAIRMAN FARRELL: They're there now.

15 INTERIM EX. DIRECTOR HAKIM: Now, for
16 our rush-hour service, to make sure that we
17 can maintain service there.

18 CHAIRMAN FARRELL: Okay.

19 INTERIM EX. DIRECTOR HAKIM: Because
20 as you noted correctly, if we can't use those
21 elevators -- if one is out, that's one thing.
22 But if all four are out, that's just -- it's
23 an impossible, untenable situation for our
24 customers.

1 In terms of the work around the
2 station, I'm familiar with that. So we'll
3 look into that. And if we need to clean it
4 up, we'll need to clean it up.

5 CHAIRMAN FARRELL: There's a statue up
6 there, it's right in there, it's an area.
7 And I've always thought it's your work there.
8 It's been a while.

9 INTERIM EX. DIRECTOR HAKIM: I'll look
10 to see if that scaffolding is ours or not.

11 And then you asked also about cashless
12 tolling on the Henry Hudson --

13 CHAIRMAN FARRELL: No, I didn't finish
14 this one yet.

15 INTERIM EX. DIRECTOR HAKIM: Oh, I'm
16 sorry.

17 CHAIRMAN FARRELL: So there's one
18 other problem. When some of the elected
19 officials tried to get ahold of you, you were
20 not able -- you were not talking to them or
21 they were not hearing you or whatever it is.

22 I'd like to hear if you can give me a
23 commitment to come to a meeting at the 168th
24 Street location to tell people what's

1 happening and where you are at this point.

2 And is there -- and be able to tell us when
3 you think it will begin work, and when will
4 it end.

5 INTERIM EX. DIRECTOR HAKIM: I'm
6 unaware of anybody who tried to get in touch
7 with me that I wasn't able to speak to,
8 but --

9 CHAIRMAN FARRELL: I'll blame MTA.

10 INTERIM EX. DIRECTOR HAKIM: But I
11 will absolutely agree that we will come up
12 and update the community on the 168th Street
13 station and those elevators.

14 CHAIRMAN FARRELL: All right, we can
15 put something there. All right.

16 Yes, now we can go and talk about the
17 tollbooth.

18 INTERIM EX. DIRECTOR HAKIM: So this
19 is a very exciting time in terms of the
20 bridges and tunnel world that we live in.
21 Henry Hudson was the first pilot by which we
22 took down the tollbooths and the toll plazas
23 and the swinging arms and were able to
24 provide safe and environmentally friendly

1 passage through the -- what was the toll
2 plaza, through the tolling of E-ZPass tags as
3 well as cameras that read license plates.

4 And by reading those license plates,
5 we're able to then send people who don't have
6 an E-ZPass -- and 90 percent of the people
7 who travel that crossing do -- a bill for
8 their tolls.

9 CHAIRMAN FARRELL: I'm the 10 percent.
10 And I live two blocks away from it, actually,
11 and I -- the only question is, the Thruway
12 put in a better, I think, program than you
13 did. They allow me to go up there and get a
14 turn, or I can go through it by using
15 E-ZPass. I don't like E-ZPass, I'm one of
16 those people, old-fashioned people. So I
17 don't like the E-ZPass. And I just
18 understand why you don't have some mechanism
19 for grinchy old people like me to have a way
20 to do that, instead of getting the mail. The
21 mail doesn't bother me, I do it and I get it
22 and blah, blah, blah.

23 But I just wondered -- and the other
24 question, and I guess it becomes part of like

1 the road, that highway becomes like the
2 highway, because nobody will be able to stand
3 up there. One of the things that the
4 tollbooths did is it gave you an ability, if
5 something went wrong, to talk to somebody. I
6 guess now that you're going through --
7 because I go through it now with the overhead
8 lights, and it doesn't seem -- you know, I
9 would be afraid to have anybody get out of
10 there, because the cars move very quickly
11 through that now.

12 But as I said, the Thruway had a
13 program where you can pick which lane you go
14 to. And I'm surprised that they didn't do
15 something like that, because there's many
16 people from all over the world who go through
17 that thing. It'd be interesting to see the
18 amount of letters you have to send to China
19 or Japan or somewhere.

20 So anyway, that's just my position on
21 that. Let's see if I got everything in here
22 I'm supposed to do. Yes, yes, yes.

23 All right, thank you.

24 INTERIM EX. DIRECTOR HAKIM: Thank

1 you.

2 CHAIRMAN FARRELL: Thank you very
3 much.

4 Next?

5 CHAIRWOMAN YOUNG: Thank you,
6 Mr. Chairman.

7 I do have some questions. So first I
8 wanted to ask a little bit more about the
9 capital program, because I know Assemblyman
10 Dinowitz touched on it. But this year's
11 Executive Budget includes a \$1.5 billion
12 appropriation in support of the state's
13 \$8.3 billion commitment to the MTA, which was
14 part of the capital program, as you know, a
15 long-term commitment over five years. And
16 there was a billion that was included in the
17 MTA's 2015-2019 capital program in last
18 year's budget, in the 2016 enacted budget.

19 But the state hasn't specified on how
20 it will fund the additional \$7.3 billion
21 commitment to the MTA capital program. I
22 still didn't hear really what the answer to
23 that is. You're talking about future capital
24 programs, things like that. But how will the

1 state meet our commitment to the MTA? What's
2 the plan?

3 INTERIM EX. DIRECTOR HAKIM: So let me
4 start off with a little bit of a historical
5 perspective. While I'm very new to this
6 position, I actually spent nearly 24 years
7 working in capital construction for the
8 New York City Transit and the expansion
9 programs. And I've been around the MTA's
10 capital program through various
11 administrations. And every administration
12 has made its financial commitment when the
13 MTA needed the money, and I think that's
14 going to happen here also.

15 So we currently have projects well
16 underway in the '15-'19 program. We are
17 advancing our capital program and are not
18 slowing anything down. And to the extent
19 that tranches of money will be made available
20 by the state as that money is needed, I'm
21 fully confident in the MTA's ability to
22 receive that level of funding.

23 CHAIRWOMAN YOUNG: But there's no
24 specific plan.

1 INTERIM EX. DIRECTOR HAKIM: This year
2 I think there is a specific plan.

3 MTA CFO FORAN: Yeah, we have been --
4 if you look at the financing schedule and the
5 capital financing plan, I believe they have
6 \$683 million in there that is to fulfill
7 obligations for the '10-'14 capital program,
8 and also there's the first installment for
9 the '15-'19 capital program.

10 Our kind of agreement when we were
11 putting the capital program together was that
12 we would be using our monies -- our bond
13 proceeds, our pay-as-you-go capital, certain
14 asset sales -- first, to advance these
15 projects. And then as we needed the funds,
16 the state would make funds available.

17 We're really looking now that those
18 funds won't be necessary probably until the
19 '19 to '20 period. So there's time for the
20 Executive and the Legislature to get together
21 and decide what is the means they would fund.

22 But what we did ask and what the
23 response has been is we said if we do need
24 money, show us good faith by appropriating

1 early so that the monies will be
2 appropriated. So in '16, the state
3 appropriated the billion dollars that was
4 early on in the '15-'19 capital program.
5 Then it was another 1.9 billion that was done
6 in state fiscal year '17. And in the
7 Executive Budget this year, it's another
8 \$1.5 billion.

9 So we'll have appropriated roughly
10 \$3.4 billion dollars available to us. So as
11 we need funds in that future date, and the
12 funds are then identified, they'll be able to
13 be given to us.

14 CHAIRWOMAN YOUNG: So will you have to
15 increase fares and tolls?

16 MTA CFO FORAN: No. What we are
17 projecting is what we've built into our plan,
18 biennial fare and toll increases, trying to
19 keep it at the rate of inflation.

20 CHAIRWOMAN YOUNG: Now, it's my
21 understanding that with the capital plan you
22 will need 950 new subway cars and 1400 buses,
23 is that true?

24 INTERIM EX. DIRECTOR HAKIM: We're

1 actually buying, in the '15-'19 program, over
2 a thousand new subway cars, over a thousand
3 buses, as well as new railroad rolling stock.

4 CHAIRWOMAN YOUNG: And what is the MTA
5 doing to make sure that our manufacturers and
6 suppliers in New York State are able to
7 benefit from those new buses and those new
8 subway cars?

9 INTERIM EX. DIRECTOR HAKIM: We have
10 subway cars in construction right now that
11 will be delivered out of a plant in New York
12 State in Plattsburgh by the Bombardier
13 car-building team. The Nova Bus factory is
14 upstate, we buy Nova buses. So we feel good
15 in that we have -- we think we're actually a
16 market leader here in this state in terms of
17 providing opportunities for -- on the subway
18 building side and on the bus building side.

19 I'm familiar with the part of the
20 Executive Budget that proposes a "buy
21 American" requirement for the procurement of
22 goods over \$100,000. Clearly we would be
23 fully supportive of that as well.

24 CHAIRWOMAN YOUNG: Thank you. Thank

1 you.

2 Just switching to third track. And
3 Senator Phillips has been a great leader as
4 far as articulating the concerns of her
5 communities and standing up for her
6 communities. And there is a loss of tax
7 base, there is a disruption to businesses,
8 there is an impact on people's quality of
9 life, their property values. You talked
10 about the \$2 billion that would be necessary
11 to build the third track, and you also -- I
12 believe you said that there are no federal
13 funds that would be used for this. So this
14 is going to be totally borne by the taxpayers
15 of New York State?

16 INTERIM EX. DIRECTOR HAKIM: This will
17 be fully funded through the MTA's capital
18 program through some of the capital program
19 borrowing as well as through other state
20 funds.

21 CHAIRWOMAN YOUNG: So it will be borne
22 by the taxpayers of New York State fully.
23 And the ratepayers, the people who pay tolls.

24 INTERIM EX. DIRECTOR HAKIM: I think

1 -- I think it's a little premature to say
2 where all these funding sources will come
3 from. I think when we come back with a
4 proposed capital program amendment that
5 includes the full third track component to
6 it, that will be the time to see where the
7 funding sources have been identified. That's
8 still a work in progress.

9 CHAIRWOMAN YOUNG: But you're saying
10 that there will be no federal funds used
11 towards that.

12 INTERIM EX. DIRECTOR HAKIM: Correct.

13 CHAIRWOMAN YOUNG: So it's New York
14 State people who will pay for it. Correct?
15 I mean, I don't know where else you would get
16 the funding from.

17 So anyway, moving on --

18 INTERIM EX. DIRECTOR HAKIM: Yeah, I
19 think it will be a function of some of our
20 MTA and some of our capital program borrowing
21 and whatever other sources of funding that
22 are necessary or identified.

23 But we undertook the environmental
24 review process recognizing that we would not

1 use federal funds. So we did not proceed
2 through that federal NEPA process but rather
3 the SEQRA process, the state process for
4 environmental review.

5 CHAIRWOMAN YOUNG: Thank you. So the
6 people of New York will be footing the bill
7 on that.

8 Just switching again to subway and bus
9 fares, they've risen five times, or by
10 45 percent since 2007, at nearly three times
11 the inflation rate. And fares and tolls will
12 be increasing by 4 percent in March of 2017.
13 What is the MTA doing to control costs and
14 avoid these increases?

15 INTERIM EX. DIRECTOR HAKIM: On the
16 cost-control front, we have taken out of the
17 MTA's operating costs, over the last several
18 years, \$1.6 billion in expenses. How did we
19 do that? We went about a very hard review
20 of where there were opportunities for
21 efficiency, eliminating duplication between
22 MTA agencies, consolidating departments,
23 right-sizing departments as well, and
24 consolidating them, whether it's procurement,

1 whether it's accounts payable, whether it's
2 HR, our new business service center, all of
3 which gave us the opportunity to continue
4 those cost-control efforts.

5 That translated into our ability to
6 hold down any fares and toll increases to
7 about the rate of inflation. And that's
8 what's in the financial plan going forward as
9 well.

10 CHAIRWOMAN YOUNG: Okay, thank you.

11 SENATOR KRUEGER: Assembly?

12 CHAIRMAN FARRELL: Thank you.

13 Next, Assemblyman Cusick.

14 ASSEMBLYMAN CUSICK: Thank you. Thank
15 you Mr. Chairman.

16 Director, good to see you again.

17 INTERIM EX. DIRECTOR HAKIM: Thank
18 you.

19 ASSEMBLYMAN CUSICK: It was nice
20 meeting you yesterday. And many of the
21 things that I'll be discussing today we spoke
22 about yesterday, and I have assurances from
23 you and from staff that we will follow up on
24 many of this. But I wanted to just ask a few

1 questions in the five minutes that we have.

2 Many of my colleagues -- I know that
3 Chairman Dinowitz brought it up, and many of
4 my colleagues are concerned about the
5 proposal of the reduction of \$65 million from
6 the transfer from the General Fund. And I
7 know that you answered that you don't foresee
8 any service cuts due to that. But my
9 question is, is there a purpose for that \$65
10 million right now that something may occur
11 after there is a cut? Unfortunately, if
12 there is a cut of the \$65 million, will
13 something suffer in the MTA budget?

14 INTERIM EX. DIRECTOR HAKIM: We have a
15 multiyear financial plan upon which we base
16 our service and upon which we base what may
17 be required in terms of fare or toll
18 increases. There is no reason to anticipate
19 a service cut at all associated with this
20 change in funding level. And again, I
21 emphasize that overall the State Operating
22 Assistance to the MTA actually increased by
23 \$30 million.

24 ASSEMBLYMAN CUSICK: Okay. And you

1 talk about tolls and fare increases. And of
2 course it wouldn't be a budget hearing if I
3 didn't ask about the Verrazano Bridge and the
4 tolling there. We do have the Governor's
5 proposal of the permanent resident discount.
6 The Legislature every year, and the MTA and
7 the Governor, put forward a significant
8 resident discount.

9 But I just wanted to talk about the
10 increases that have occurred and ask about
11 the timeline of increases when it comes to
12 tolls. Tolls have increased since 2011. And
13 I think -- correct me if I'm wrong, I think
14 there are scheduled increases for tolls and
15 fares for 2017, which I believe is going to
16 be next month, right?

17 INTERIM EX. DIRECTOR HAKIM: Right.

18 ASSEMBLYMAN CUSICK: And then 2019.
19 But is there anything scheduled after 2019 at
20 this point, of toll increases?

21 INTERIM EX. DIRECTOR HAKIM: So the
22 financial plan that you're accurately
23 referring to talks about those biennial
24 2-percent-less-the-cost-of-inflation every

1 two years. You're correct, we're in the
2 process of implementing the most recent
3 increase next month, in March. Thereafter,
4 in two years again, holding it down. And
5 it's why it's so important for us to hold
6 down our operating expenses, so that we can
7 stay within the financial plan projections.

8 ASSEMBLYMAN CUSICK: So I guess the
9 short question is, as of today, 2019 is the
10 targeted last toll increase that you see
11 right now. I'm getting at, are there going
12 to be any other toll increases after 2019
13 that you foresee today, February 15, 2017?

14 MTA CFO FORAN: You know, I would have
15 to say that we've committed to biennial fare
16 and toll increases. That means the next time
17 that we present our financial plan, we'll be
18 adding another year to it. So in 2021, we
19 would be, as a matter of forecasting -- and I
20 have to say that, as a matter of forecasting,
21 because we do have to make projections -- we
22 would probably put some type of increase in.

23 Now, that doesn't mean it will happen
24 and it doesn't mean that it will happen in

1 the dollar amount. But just for our planning
2 purposes, and so that the investment
3 community can see that we're trying to
4 balance within an envelope, we do need to
5 show that.

6 But before we can put any fare and
7 toll increase in place, it's got to be
8 subject to public hearings, and it then,
9 after the public hearing, it needs to go to
10 the board.

11 ASSEMBLYMAN CUSICK: Well, that will
12 be a whole other hearing, is the public
13 hearings and discussing how we get people to
14 go to them, because I know they're -- the
15 attendance isn't the greatest.

16 But I would like to, you know, just
17 urge you -- again, it wouldn't be a hearing
18 if I didn't do this -- urge you when it gets
19 to that point that we don't look at
20 increasing the tolls. At this point we're at
21 \$17, I believe, and it will be almost \$20 if
22 we keep doing this. And it will price people
23 out of the city and the region.

24 I just want to -- my time is running

1 out, so I just want to -- I don't want to be
2 rude, but I just want to get to the West
3 Shore light rail study. Last year at this
4 hearing I had asked Chairman Prendergast
5 about the possibility of a West Shore light
6 rail study. He had said at the time that
7 that would be something the MTA would do.
8 When he was asked what agency would do it, he
9 said the MTA would do this. Then it was up
10 to us to figure out how to get funding for
11 this study and work with you for that.

12 During the budget process last year,
13 there was a commitment by the Governor's
14 office and the MTA to go forward with a
15 study, an alternative needs study, analysis,
16 a study to see whether it's feasible to do a
17 light rail on the West Shore towards the
18 Bayonne Bridge. Could you just -- we spoke
19 about this yesterday, Director. I just
20 wanted to follow up and just urge that we
21 continue these discussions. I know that
22 there's been some confusion on what the study
23 will be or what it will do. But this is
24 urgent, and this is something that the people

1 in the region, not just Staten Island, would
2 benefit from.

3 And I just would like to again urge
4 the MTA to work with us to come up with -- I
5 know there's funding involved, and we'd like
6 to work with you to come up with that
7 funding. But is there an update right now on
8 where we are with it?

9 INTERIM EX. DIRECTOR HAKIM: As you
10 know, we have undertaken -- and in the
11 capital program, funded -- the North Shore
12 busway environmental analysis and preliminary
13 engineering phase, and that's going on.
14 The -- how we figure out how to also
15 undertake a further review of the West Shore
16 for light rail or an alternative is something
17 that we can absolutely continue to work
18 together on.

19 ASSEMBLYMAN CUSICK: And I know that
20 funding is the issue.

21 INTERIM EX. DIRECTOR HAKIM: It is.

22 ASSEMBLYMAN CUSICK: And I know that
23 the number \$4 million has been put out there
24 for an alternative analysis study, which is

1 what I've been told needs to be done. And we
2 will work to help find that money.

3 And I'm sure -- this segues a little
4 bit into a question I want to follow up that
5 Chairman Dinowitz had asked. He had asked
6 about a capital plan amendment, and he asked
7 is there a plan to put an amendment forward.
8 And I know the answer was that there was a
9 process that the MTA goes through.

10 Could you just give me a ballpark
11 figure -- are we talking within a year, are
12 we talking months, are we talking years -- as
13 to when an amendment may be put forward?

14 INTERIM EX. DIRECTOR HAKIM: We're
15 working on that amendment. But before we
16 come back to Albany with the amendment, we
17 first have to go and brief our board and get
18 their review and approval of it.

19 ASSEMBLYMAN CUSICK: Okay. And also
20 with that, with the funding, just to go back
21 quickly to the West Shore light rail, with
22 funding, I know that this will take
23 partnership with New Jersey and some sort of
24 buy-in with New Jersey. And I urge that we

1 work with the Port Authority, not have them
2 dismiss it right away, but let's try to work
3 with them. Maybe we could share the expenses
4 somehow that way also.

5 Thank you, Mr. Chairman. Appreciate
6 it.

7 CHAIRMAN FARRELL: Thank you. Thank
8 you.

9 CHAIRWOMAN YOUNG: Thank you.

10 We've been joined by Senator Roxanne
11 Persaud.

12 And our next speaker is Senator Marty
13 Dilan.

14 SENATOR DILAN: Thank you.

15 INTERIM EX. DIRECTOR HAKIM: Senator.

16 SENATOR DILAN: Hi.

17 I have a question regarding the MTA
18 operating budget and the sweeps and transfers
19 therein, and also on the issue of parity.

20 I note that the MTA is getting a
21 1 percent -- about a 1 percent increase,
22 which you mentioned was about \$30 million, in
23 the current proposed budget. However, in the
24 same breath we're losing \$65 million in

1 capital funds and then another \$121.5 million
2 that's going into the State General Fund. So
3 I see more money going out than coming in.

4 So respectfully, can someone on the
5 panel explain to me what kind of accounting
6 methods we're using? Because the numbers
7 don't seem to add up. And I had like a
8 difficult time explaining this to my
9 conference, how we have \$30 million going out
10 and much more going out. So I need an
11 explanation, because many people are
12 confused.

13 INTERIM EX. DIRECTOR HAKIM: Thank
14 you. Before I turn it over to our CFO, let
15 me just start by saying that you're correct,
16 we are seeing an overall increase in
17 operating assistance by \$30 million. The
18 state is committing \$4.5 billion in operating
19 assistance to the MTA. That's complementary
20 to their \$8.3 billion capital program
21 commitment as well.

22 SENATOR DILAN: Can -- can I interrupt
23 you just one second? With respect to the
24 \$8.3 billion, the gentleman made reference to

1 it. One, he said that you leverage your own
2 bonding to support your capital budget. So
3 that's your assets that are being used to
4 leverage that money. He talked about getting
5 \$8.3 billion in the outyears, but I know that
6 there's a caveat to that, and that is you
7 don't get the 8.3 unless you exhaust all your
8 resources. So if you don't exhaust the
9 resources, you'll never see that 8.3.

10 With respect to the issue of parity, I
11 know that there's \$600 million from the
12 federal government going into DOT for roads
13 and bridges around the entire state. Then
14 there's an additional \$600 million from DOB
15 going into DOT. MTA is not getting that \$1.1
16 or \$1.2 billion. So where is the parity
17 there? I'm sure you could do a lot of things
18 with \$600 million. But still someone needs
19 to explain to me where are the real dollars
20 that are going to the MTA. And I don't mean
21 to put anyone on the spot, but this is a
22 question I've asked year after year, and I
23 don't think we ever got a satisfactory
24 answer. And I think it's time that people

1 start answering those questions.

2 INTERIM EX. DIRECTOR HAKIM: On the
3 parity issue, I'm not an expert on overall
4 statewide transportation funding. It does
5 seem like there are a lot of ambitious
6 programs across the state in the
7 transportation space. That inures to the
8 benefit of the whole state.

9 You know, I'm very focused on the
10 MTA's capital program and the MTA's operating
11 budget and our maintenance of our state of
12 good repair and our expansion program.

13 Bob?

14 MTA CFO FORAN: You know, we put
15 together our budget beginning in October and
16 in November. The state puts its budget
17 together, the Executive Budget, you know, in
18 December and it comes out in January. We
19 both make estimates, we both forecast as best
20 we can. We're not always going to be
21 exactly, you know, forecasting the same
22 numbers.

23 And I think that is a little bit of
24 what people are saying is a reduction in

1 funds. We are, as the executive director
2 mentioned, receiving more funds this year
3 than before. But when we put a budget
4 together, I have to put a budget together
5 that isn't so tight that if one thing goes
6 wrong, suddenly we're out of kilter.

7 So within any budget, as any good
8 budget person would do, you try to make sure
9 you've got enough flexibility that you could
10 handle something that just comes up
11 unexpectedly.

12 And that's why we're saying with the
13 funding that we're receiving, we're very
14 comfortable at this funding level that we're
15 going to be able to continue through our
16 four-year financial plan period without
17 having to adjust fares or tolls or without
18 having to adjust service levels, that we can
19 accommodate where it is.

20 I'd have to say, I have to be honest,
21 I'd love to have all the money in the world.
22 I'd love to have a lot more money. But right
23 now we also recognize that the MTA is part of
24 the state government, and there are spending

1 caps that the state is operating under. And
2 we can't expect to be totally exempt from
3 limitations there.

4 So what is really happening is we're
5 getting more money. We are getting more
6 money. We're not getting as much growth,
7 perhaps, as we might like, but that's just
8 the situation with a cap. And so we can live
9 with that.

10 SENATOR DILAN: I am not going to
11 belabor that here. I hope that down the road
12 you can document to me how you're figuring
13 this out, and we will share that with the
14 public.

15 INTERIM EX. DIRECTOR HAKIM:
16 Certainly.

17 SENATOR DILAN: But a few more quick
18 questions, if I may.

19 With respect to your additional
20 ridership, how is that impacting your system
21 with respect to your assets that you have to
22 put out and the financial impact?

23 Also, I wanted to ask about -- very
24 quickly -- about the status of the M train.

1 And lastly, last year I requested a
2 list of closed exits throughout the City of
3 New York. Thank you, you did provide that
4 information to me. And I believe that you
5 also have a proposal in regard to opening
6 some of those exits in view of the additional
7 ridership.

8 Thank you.

9 INTERIM EX. DIRECTOR HAKIM: On the --
10 as you know, because you've shown great
11 partnership with us trying to do community
12 outreach on both the M project and the
13 project on the Canarsie Tunnel, the M project
14 is proceeding. We are -- we've awarded that
15 contract and will be proceeding in the time
16 frame that we've been discussing, which
17 has us starting construction out there as
18 well as up by Metropolitan Avenue, so it's
19 Bushwick and up by Metropolitan Avenue.

20 And we will continue, by the way, our
21 community outreach that we've been doing and
22 that you've also participated in. And we
23 appreciate your support.

24 SENATOR DILAN: Additional ridership?

1 INTERIM EX. DIRECTOR HAKIM: Oh, thank
2 you. In terms of additional ridership, you
3 know, 6 million riders a day stresses a
4 system. And it dovetails with how critically
5 important our capital program is, because we
6 have to continue to invest in our signal
7 system, in our rolling stock, having new
8 subway cars come onto the property. All of
9 that contributes to improving service and
10 improving the reliability of the system.

11 So the ridership is there. We saw
12 that on the Second Avenue Subway; when we
13 opened the new line, it was immediately
14 well-received in the community.

15 But we need to continue looking for
16 opportunities through the capital program
17 investments that we're making to be able to
18 handle the ridership. Fourteen of our 20
19 subway lines are at track capacity today.
20 That means that we couldn't put more subway
21 cars on them unless we do more in terms of
22 communications-based train control, in terms
23 of changing the signaling system. And that's
24 why it's such an important part of our

1 capital program investment.

2 You know, 30 percent of our signal
3 system, which is how we move trains on the
4 tracks -- 30 percent of that system was
5 installed when I was 5 years old. So it
6 definitely needs further investment.

7 SENATOR DILAN: Just also with the
8 yellow cabs, there's a 50-cent additional tax
9 on black cars that would normally go into the
10 MTA budget. With the advent of Uber,
11 et cetera, what kind of revenue losses is
12 being impacted?

13 MTA CFO FORAN: Our estimate of what
14 Uber and Lyft and the other app-based
15 carriers have done is about \$12 million in
16 loss. And we estimated that, and we've seen
17 it happen over the next years. Now, what
18 continues to go on, I don't know. But it's
19 been kind of two years running, about a
20 \$12 million reduction. And we built that
21 into our forecast and into our financial
22 plan.

23 SENATOR DILAN: Thank you.

24 SENATOR KRUEGER: Assembly?

1 CHAIRMAN FARRELL: Assemblyman Ra.

2 ASSEMBLYMAN RA: Thank you, Chairman.

3 So I want to go back to the
4 third-track project. And I know you -- in
5 response to Senator Phillips and Senator
6 Young, you did talk, you know, a little bit
7 about an amendment to the capital program
8 that's being presented. But can we delve a
9 little bit more into that?

10 There's obviously -- this is a large
11 project. And, you know, you may not have the
12 full level of detail, but at this juncture
13 we're at the end of the common period for the
14 DEIS. There's construction proposed to start
15 taking place this year. Can -- you know, is
16 there some level of detail -- and I don't
17 expect you to just, you know, pull it out and
18 state it all here, but is there some further
19 level of detail that can be given as to where
20 this money is proposed to come from and what
21 that means to the capital plan, both within
22 the Long Island Railroad and the MTA capital
23 plan?

24 Because obviously this is a big sum of

1 money, and that amendment has to mean that
2 something else that was prioritized in this
3 capital program isn't going to get done.

4 INTERIM EX. DIRECTOR HAKIM: So we've
5 discussed sort of the overall budget for the
6 third track as being \$2 billion. We are,
7 though, currently right now negotiating what
8 will be the design-build contract to advance
9 that project. And we'll certainly know a lot
10 more through the period of negotiations that
11 we're in.

12 We will be putting -- and that will
13 inform the plan amendment and what we think
14 will be required in order to award that
15 contract. And the award of the contract
16 would come sometime later this summer, I
17 think.

18 In terms of the funding sources --

19 MTA SENIOR DIR. STEWART: In terms of
20 the funding sources, we'll be looking for
21 efficiencies throughout the entire program to
22 fund this. We're not using federal dollars.
23 Federal dollars usually make up about
24 25 percent of our total program, and we

1 usually look for larger projects to fund
2 those, like Second Avenue and East Side
3 Access.

4 So we'll be looking for savings
5 throughout not only this program, but
6 previous programs that are wrapping up right
7 now that may provide us with some surplus.

8 ASSEMBLYMAN RA: Okay. And just, you
9 know, with regard to that, there's been --
10 and I certainly will commend the agency and
11 other people that are working on this program
12 in terms of their outreach to the
13 communities. There are a lot of incorporated
14 villages and other unincorporated areas along
15 there, and I know there's been extensive
16 dialogue.

17 But looking at it from being a
18 representative of that area, there's a lot of
19 different things that have been proposed and
20 added to this. And I'm very aware that that
21 increases the cost. But to try to help
22 address the concern of those communities --
23 and until we see a full financial picture, I
24 think it's hard to just look at that and say,

1 okay, these are all the benefits the
2 community is getting and this is what they're
3 going to deal with. Because, you know, I
4 guess you don't really know, until you know
5 the full financial picture, that the money is
6 going to be there to do those things that the
7 communities are asking for.

8 So I hope that looking into the
9 financial side of it, you know, will be a
10 very transparent process and you continue
11 that extensive dialogue both with local
12 governments and with, you know, other
13 community groups to make sure that
14 information is disseminated to the public,
15 because we -- I mean myself, I know Senator
16 Phillips, Senator Hannon -- continue to hear
17 from constituents who are very concerned with
18 this, because it truly is construction in a
19 lot of places that is going to be going on
20 directly behind residents' houses.

21 INTERIM EX. DIRECTOR HAKIM:
22 Absolutely agree. And frankly, the EIS
23 process under SEQRA demands that we do that.
24 And it informs the scope of the project and

1 the ultimately selected mitigation strategies
2 that are committed to through that process
3 and therefore have to be part of our funding
4 envelope.

5 ASSEMBLYMAN RA: And I guess lastly
6 I'll just reiterate something that Senator
7 Phillips mentioned, and that's, you know, a
8 lot of these communities have looked at those
9 grade crossings for a very long time as a
10 safety concern. I think everybody agrees
11 it's a safety concern. And one of the things
12 we continue to hear from our constituents is
13 if it's a safety concern -- just like
14 10 years ago, we're again hearing now,
15 basically, it's a safety concern, but we'll
16 address it as long as we do it as part of
17 this third-track project. So, you know, it's
18 a kind of carrot-and-stick approach. It
19 ended up, you know, all falling by the
20 wayside 10 years ago, and we're back there
21 again.

22 But I think for a lack of a better way
23 of saying it, safety should stand for
24 safety's sake, and not necessarily have to be

1 tied to any other initiative.

2 But I thank you for your time tonight.

3 INTERIM EX. DIRECTOR HAKIM: Thank
4 you.

5 CHAIRWOMAN YOUNG: Thank you,
6 Assemblyman.

7 Our next speaker is Senator Kaminsky.

8 SENATOR KAMINSKY: Good afternoon,
9 Director. How are you?

10 INTERIM EX. DIRECTOR HAKIM: Good,
11 thank you.

12 I know you're new, but I'm just going
13 to come right out with it. My constituents
14 are just describing and living through
15 atrocious service by the Long Island
16 Railroad. It seems like every week there's a
17 different delay, cancellation. And they are
18 just wondering what is happening. Instead of
19 us going in a direction where things are
20 getting better, it seems like we're slipping
21 backwards.

22 And I just -- I get emails about this
23 almost every day. And I'm going to read one
24 in particular, it's actually one of the more

1 polite ones, about the issue. There's
2 obviously some with a lot more expletives in
3 them. But I'll read this from Scott, in
4 Malverne.

5 "Dear Senator Kaminsky, as one of your
6 constituents, I'd appreciate it if you would
7 be mindful of the service or lack thereof
8 that the Long Island Railroad has been
9 providing of late. Yesterday evening, on
10 February 7th, the entire signal system at
11 Atlantic Terminal went down, forcing all
12 commuters to go to Penn Station and
13 overcrowding those trains. This morning,
14 some derailment occurred near Jamaica,
15 interfering with the morning rush, with
16 delays and cancellations.

17 "What is happening with the
18 infrastructure as MTA continues to raise
19 fares? Perhaps this is one of those
20 bipartisan topics that all Long Island Bay
21 Senators can address. Thank you."

22 What do I tell Scott and thousands of
23 people like him?

24 INTERIM EX. DIRECTOR HAKIM: I think

1 the message back to your constituents, who
2 are our Long Island Railroad customers, is,
3 number one, we hear you. Number two, we are
4 working to steadily improve.

5 Those improvements happen over a
6 period of time. Many of them are in fact
7 tied to the capital program and the
8 investments that we're making there. We've
9 talked this morning about third track and the
10 importance to that area. Double track
11 between Farmingdale and Ronkonkoma will also
12 be an important feature that will improve the
13 reliability of the railroad.

14 Improving the station environs is
15 going to be a critical part of the capital
16 program now, so that your constituents will
17 have a station environment, a platform
18 environment that is better than the condition
19 of the platforms that they're on today.

20 We are including the additional
21 purchase of new M9s that will have all the
22 features that a Long Island Railroad commuter
23 wants.

24 We've talked briefly this afternoon

1 about the mobile ticketing and trying to make
2 that a customer service amenity.

3 You know, all of the work that we're
4 doing is intended to make the railroad better
5 and make it more reliable, as well as improve
6 the way we communicate with your
7 constituents, and through better customer
8 service.

9 SENATOR KAMINSKY: I appreciate that.
10 I know Long Islanders feel that in light of
11 the taxes they pay and the fares they pay,
12 that they deserve that attention and more.
13 And I would love to see the Long Island
14 Railroad come up with a Marshall plan or the
15 MTA come up with a Marshall-plan-type attack
16 for the Long Island Railroad. I know it's a
17 big area you have, but it seems that we're
18 taking steps backwards.

19 And while you brought up platforms, I
20 just want to highlight two of mine. I do
21 appreciate in the budget that Baldwin and
22 Valley Stream are going to get upgrades, but
23 Lynbrook and Rockville Centre do need help.
24 So I'm going to just show you a picture of

1 the station at Lynbrook -- I'm going to show
2 you two pictures of the Lynbrook Station here
3 so you can see how much it's crumbling, and
4 there's big ice that freezes over in craters,
5 and rust everywhere. And people are very
6 worried by the state of the station.

7 And these are the steps in Rockville
8 Centre, which obviously have people
9 concerned.

10 So I would love to work with you on
11 those particular two stations. And if you or
12 members of your staff would like to come out
13 and tour them with me, I'd love them to get
14 the attention that I think they deserve.

15 INTERIM EX. DIRECTOR HAKIM:
16 Absolutely. We look forward to working
17 together.

18 I will note that the Long Island has
19 also been seeing record ridership. We've
20 talked a lot about how the increase in
21 ridership stresses the system. But the
22 Long Island has also seen a commensurate
23 improvement in on-time performance. So the
24 on-time performance now for 2016 was

1 92.7 percent. That's 1.1 percent higher than
2 the prior year.

3 So they are trying and they are making
4 some improvements, but absolutely we'll come
5 out and take a look at those stations.

6 SENATOR KAMINSKY: I appreciate it.
7 And we've got a long way to go, but I do
8 appreciate your attention toward the issue.

9 Lastly, after a terrorist attack and
10 an attempted attack last year in Chelsea in
11 New Jersey, a number of us called for having
12 cameras on trains and platforms, the Long
13 Island Railroad response in a letter to me
14 was, "We are doing that, it is being rolled
15 out, it is just something that will take
16 time."

17 Can you update us on where we are with
18 the camera program? Because I think it's
19 certainly targets for would-be terrorists.
20 And God forbid we have to consider that; this
21 is the age we live in. And I think people
22 want to know that if a package is left on a
23 platform or on a train that there's somebody
24 who's going to be monitoring and picking that

1 up.

2 INTERIM EX. DIRECTOR HAKIM: The Long
3 Island's plan has cameras being installed in
4 all of its stations, all 124 of its stations,
5 by 2019.

6 In addition, all of the new M9 fleet
7 will include cameras as well. And every
8 grade crossing modification will include
9 cameras as well. Cameras are an integral
10 part of what is really a multilayered
11 security program that is both at the railroad
12 and other areas of the MTA network.

13 SENATOR KAMINSKY: Okay. And just
14 finally, what about inside the train cars
15 themselves?

16 INTERIM EX. DIRECTOR HAKIM: Inside
17 the cars. The new ones come with cameras,
18 and the railroad will be working on a plan to
19 retrofit the older railcars.

20 SENATOR KAMINSKY: Okay, I think
21 that's great. I'm looking forward to working
22 with you on that, and thank you for your time
23 today.

24 INTERIM EX. DIRECTOR HAKIM: Thank

1 you.

2 SENATOR KAMINSKY: Thank you,
3 Chairwoman.

4 CHAIRWOMAN YOUNG: Thank you.

5 CHAIRMAN FARRELL: Thank you.
6 Assemblyman Otis.

7 ASSEMBLYMAN OTIS: Thank you,
8 Mr. Chairman.

9 Welcome. I want to talk to you about
10 Metro-North and particularly the New Haven
11 Line. And I know you have experienced record
12 ridership on all three lines. The New Haven
13 Line is your busiest line, but there has been
14 for a long time now a large congestion
15 problem, which it's not easy to solve, and we
16 understand there are capacity issues and size
17 of train issues and Connecticut issues.

18 But the frustration of riders,
19 especially during commuting hours, is
20 significant in that it is a daily occurrence
21 where a significant number of people do not
22 have seats, are standing. And we need more
23 cars, we need more trains, we need to figure
24 out a way, given the space, time and

1 platform-length issues, to still try and
2 address this serious need. It is not going
3 to go away; the ridership continues to grow.

4 So -- and I know, 15 days on the job,
5 you're not going to have all the answers.
6 I'd be a little harder if we were at 20 days,
7 but --

8 (Laughter.)

9 ASSEMBLYMAN OTIS: So whatever you can
10 share now, and then -- and more follow-up
11 after. But not a new issue and something
12 that we really need to address.

13 INTERIM EX. DIRECTOR HAKIM: And let
14 me start off by saying that I look forward to
15 working together on some of these issues.

16 The New Haven Line's on-time
17 performance is at about 92.1 percent. You're
18 right -- increasing ridership, peak-hour
19 scheduling is something that we have to take
20 a look at. There are limits to how many
21 trains we can run through this corridor. And
22 so the Metro-North operations planning folks
23 do look to see where they can move rolling
24 stock and try to provide an additional train,

1 but we're constrained by that, by the fact
2 that all of the lines, you know, need
3 additional rolling stock.

4 There are procurements underway to
5 have some new cars delivered, but it takes
6 time.

7 So part of it is going to be a
8 function of looking at schedules and looking
9 at ridership trends and seeing whether there
10 are opportunities to adjust those schedules
11 in order to better meet ridership. But the
12 New Haven Line, I've been on it, it's
13 crowded. I recognize that.

14 ASSEMBLYMAN OTIS: Well, and I think
15 that the -- while you've had ridership
16 increases on the other lines, but there's a
17 much -- there's a lot more space and a lot
18 more seats on the Harlem and Hudson lines,
19 and so while their ridership has gone up,
20 they don't have as significant congestion
21 issues or congestion issues at all if you
22 just look at the comparables.

23 So we really need to figure out a way
24 to do it. Some of it is maybe technology,

1 because it's hard to tie more trains in a
2 limited space, I get that. But we have to
3 come up with a better solution for our
4 customers.

5 So thank you for the help on that, and
6 appreciate always the good help -- and we've
7 had great cooperation from MTA and
8 Metro-North, and we say thank you for that.

9 INTERIM EX. DIRECTOR HAKIM: Thank
10 you.

11 CHAIRWOMAN YOUNG: Thank you.

12 CHAIRMAN FARRELL: Thank you.

13 CHAIRWOMAN YOUNG: Okay, so it's our
14 turn. And that would be Senator Hoylman.

15 SENATOR HOYLMAN: Thank you, Madam
16 Chair.

17 Very nice to see you this afternoon.

18 INTERIM EX. DIRECTOR HAKIM: Thanks.

19 SENATOR HOYLMAN: Congratulations. I
20 guess when they say you have big shoes to
21 fill, that's literally and figuratively. And
22 congratulations on being the first woman to
23 head the largest transportation system in the
24 country.

1 INTERIM EX. DIRECTOR HAKIM: Thank
2 you.

3 SENATOR HOYLMAN: I am a little
4 despondent about the \$65 million cut, mainly
5 because transportation experts say for every
6 dollar we spend in mass transit, there's a \$4
7 economic return.

8 That said, I do appreciate the
9 outreach you've made with my community --
10 which is Manhattan -- around 14th Street on
11 the coming L train shutdown. As you know,
12 60,000 riders take the L from river to river
13 in Manhattan alone. So that's a big concern
14 to my constituents.

15 One of the things they're concerned
16 about is what happens during that 18-month
17 period aboveground when we may use that space
18 for express buses, for example, or greater
19 pedestrian access -- all good things, but
20 we're concerned about the side streets and
21 additional traffic. Because as you know,
22 14th Street is such an important artery for
23 Manhattan.

24 We're trying to get the MTA to commit

1 to public meetings -- and there's one
2 actually next week, which is a very positive
3 step. But we're concerned about actually the
4 study to look at traffic patterns on
5 14th Street and making sure that my
6 constituents have a role in not just
7 examining the results of the study, but
8 participating in its design. And
9 understanding when that study is going to
10 take place, what the parameters of it will
11 be, and its methodology, even.

12 Could I get a commitment from you that
13 you will meet with the local community
14 specifically on the study to help design what
15 it might look like and, you know, when we're
16 prepared to move forward?

17 INTERIM EX. DIRECTOR HAKIM: Why don't
18 we do this. A lot of this work is already
19 underway, because we're -- as we've
20 discussed, and being out in the communities,
21 we want to be back out into the community
22 with some further information about the
23 alternatives that we're looking at. And
24 again, nothing's been decided yet.

1 Perhaps a good way to do it would be
2 to come out, talk to the community about what
3 we're doing, and hear back any other further
4 ideas or things they think we should be
5 looking at.

6 SENATOR HOYLMAN: Well, I guess part
7 of that is going to happen next week, and a
8 lot of my constituents will be there to
9 discuss that. They just want a seat at the
10 table to make sure that you hear their
11 concerns. And again, I think you've been
12 doing a terrific job up to now, but we have
13 to make sure that that work continues.

14 INTERIM EX. DIRECTOR HAKIM: We'll
15 continue to do that. Thank you.

16 SENATOR HOYLMAN: Thank you.

17 And in connection with the L train
18 shutdown, the MTA has made a commitment for
19 ADA accessibility and a second entrance at
20 1st Avenue. And that's a great legacy
21 project, I think, that will come from your
22 work on the L. But beyond that, what about
23 8th Avenue, 6th Avenue, Union Square,
24 3rd Avenue, or the 1st Avenue stops? Are you

1 going to be looking at ADA accessibility for
2 those stops as well?

3 INTERIM EX. DIRECTOR HAKIM: There are
4 some parts of our capital program that
5 include some ADA improvements. But as part
6 of the L, I don't think beyond what we've
7 said is included in the project already,
8 which is the ADA accessibility at Avenue A
9 for the 1st Avenue station on the Manhattan
10 side and another ADA accessible station in
11 Brooklyn at Bedford Avenue.

12 I think the other improvements that we
13 would be looking to make would be other
14 improvements but not elevators specifically
15 along the L Line as part of the L project
16 itself.

17 SENATOR HOYLMAN: Could -- I mean, I
18 would urge you to reconsider that approach.
19 And I was talking to my colleague from the
20 Assembly who represents part of the district
21 on the Lower East Side. For example, the F
22 train itself needs desperately elevator
23 access for seniors. What is the plan overall
24 looking at ADA accessibility, and why isn't

1 that like at the top of your agenda, given
2 the federal requirements?

3 INTERIM EX. DIRECTOR HAKIM: We have
4 an ADA program that we've been working on
5 quite diligently. We have a commitment to
6 complete 100 stations of that -- I've
7 forgotten the precise number, but we'll get
8 back to you with the precise number. But the
9 majority of that work is already completed,
10 and then the other two projects I think
11 remaining are in design already and will be
12 advanced as part of this program.

13 Aside from that, we've also advanced
14 ADA accessibility beyond just the key station
15 program as well. So we have been looking for
16 opportunities to pursue accessibility in the
17 system.

18 SENATOR HOYLMAN: Thank you. And just
19 three quick lightning-round questions.

20 One, a constituent who's concerned
21 that -- they wish there was another way to
22 get a refund on a card than just using snail
23 mail. Is there any thought to making that
24 process more seamless and not having to mail

1 in a request for a refund?

2 INTERIM EX. DIRECTOR HAKIM: We have a
3 customer service center on Stone Street, and
4 that would be an opportunity for them.

5 SENATOR HOYLMAN: Okay. I would urge
6 you to look at that.

7 And then the issue of odd balances
8 left on MTA cards. I get that question a
9 lot. Will the fare increase address that?
10 Will you still have to use those -- you know,
11 those three kind of preset buttons that kind
12 of result in you having five cents left on a
13 card?

14 It seems that it's almost a scheme by
15 the MTA to get some extra revenue. I could
16 be wrong. But on that note, do you have any
17 idea what the revenue totals are in terms of
18 remaining balances on MTA cards, unused MTA
19 cards?

20 INTERIM EX. DIRECTOR HAKIM: I don't.

21 MTA CFO FORAN: No, I don't know
22 specifically on those cards.

23 SENATOR HOYLMAN: I'd be very
24 interested to know that, if you could get

1 back to me.

2 INTERIM EX. DIRECTOR HAKIM: We can
3 get that information back to you, sir.

4 SENATOR HOYLMAN: That would be a real
5 step, I think, in customer service, to
6 eliminate those fare balances on MetroCards.
7 That's my two cents, so to speak.

8 INTERIM EX. DIRECTOR HAKIM: No, I
9 appreciate that.

10 One of the things that we've been
11 discussing is and -- and rolling it out
12 coincident with the upcoming fare increase is
13 how to best educate our customer about what's
14 the package of MetroCard purchase that works
15 the best for them. You know, should you buy
16 that single ticket, should you look at buying
17 a seven-day unlimited card, where are you
18 traveling and what's the frequency of your
19 travel.

20 So we have some folks thinking about
21 how can we go out there and educate our
22 customers about how to avoid exactly the
23 issue that you're talking about.

24 SENATOR HOYLMAN: And then finally, do

1 you have a ballpark figure of what your cost
2 overruns are on an annual basis, or what they
3 were in the last calendar year?

4 INTERIM EX. DIRECTOR HAKIM: We've
5 actually brought our costs down.

6 SENATOR HOYLMAN: I'm sorry,
7 construction overruns is what the constituent
8 was referring to.

9 INTERIM EX. DIRECTOR HAKIM: I don't
10 have that figure handy, no. We'll provide
11 it.

12 SENATOR HOYLMAN: Thank you very much.
13 I appreciate it.

14 CHAIRMAN FARRELL: Thank you.
15 Assemblywoman Wright.

16 ASSEMBLYWOMAN WRIGHT: Good afternoon.
17 Thank you for your answers and your comments
18 earlier regarding your commitment to
19 improving service and train reliability. I
20 live in a district that is serviced -- I
21 share a border with Senator Dilan, so we have
22 the J, the A and the C, the 3 and the 4 Lines
23 as well as two of the SBS buses. And I ride
24 mass transit, I don't drive. So I'm very

1 familiar with the service and/or the lack
2 thereof in our community.

3 And one of the biggest concerns, which
4 Senator Dilan brought up, is that we have
5 stations with only one exit that are
6 servicing over 30,000 people a day. This is
7 out of one exit, and this is only the normal
8 flow of traffic of people getting off at that
9 station. And it's particularly dangerous in
10 this climate that we live in.

11 So I wanted to know are -- and so
12 that's both on the J Line and on the A/C,
13 particularly at the Nostrand Avenue station,
14 where we have a closed exit at the Bedford
15 end. We would really appreciate if you could
16 add that to your amended capital budget.

17 And also on the J Line we have
18 numerous exits that are closed, and so it
19 leaves patrons usually having about a
20 four-minute process to actually exit a train
21 station, and that means no flow of traffic
22 can come onto the platform at that time. And
23 that's in both of those stations.

24 So I would like to know from you if

1 that could be added to the commitment to open
2 up those additional exits.

3 And then I notice you mentioned a
4 thousand new subway cars. And I'm hoping
5 that that's going to result in additional
6 cars on the line. So I noted you said that
7 you have to adjust the train controls. Can
8 you please let me know if any of those
9 investments on the train control are going to
10 happen on the A/C Line, and if it will result
11 in additional cars -- trains on that line.

12 INTERIM EX. DIRECTOR HAKIM: Yeah, so
13 a couple of points.

14 We actually are undertaking an
15 inventory of some of our closed entrances
16 along the lines that you're just talking
17 about to see where there are opportunities to
18 open those entrances. And we'll undertake to
19 complete that inventory and be out with any
20 results around that. That's first.

21 In terms of capacity improvements, one
22 of the things that we're looking at as we are
23 receiving some new subway cars is trying to
24 increase a little capacity on the A and the

1 C. One of the things we've been talking
2 about in light of the fact that we will have
3 the Canarsie Tunnel shutdown on the L, we
4 know that people will be diverting to
5 different train lines, and how to increase
6 what cars we have available -- using some of
7 those cars, by the way, on those different
8 lines.

9 So as we start to talking about what
10 alternative service strategies we can unroll,
11 I think this would be an opportune time to
12 further that conversation with you.

13 ASSEMBLYWOMAN WRIGHT: Okay, great.
14 Because I know whenever I leave between the
15 hours of 7:00 and 8:00, I have to let at
16 least one train pass me at the Utica Avenue
17 Station. So it's extremely crowded. And
18 we're like the five -- people are riding four
19 stops, and then we get another load and then
20 riding four to six more stops.

21 Along the rollout of the SBS buses,
22 the B46 -- I appreciate the service that it
23 provides to our southern Brooklyn neighbors.
24 However, it is a congestion nightmare in our

1 district. So north of Fulton Street, it
2 backs up, they arrive three at a time. And I
3 just feel like it needs some attention.

4 I know that you're trying to reduce
5 operating costs, and that has resulted in us
6 losing our token booth clerks.
7 Unfortunately, that is particularly dangerous
8 along our C Line, where people enter into
9 train stations, no one's down there, and
10 oftentimes the MetroCard machines do not
11 work. So not only are they in a space that
12 has no other human there, or no authorized
13 human there, they're in a space where they
14 can't even get access onto the platform where
15 they might be able to have the company of
16 other patrons.

17 So I don't know if there's any way you
18 could bring them back, especially on local
19 stations where there's no crossover between
20 the two lines. It's just dangerous.

21 INTERIM EX. DIRECTOR HAKIM: The
22 challenge for us is balancing where to put
23 those resources.

24 The one thing that we have done and

1 want to continue is the rollout of the help
2 points, which provide emergency intercom
3 access at every platform. And so that is
4 available, it is a safety feature.

5 But I will take a look at the C
6 Stations.

7 ASSEMBLYWOMAN WRIGHT: And if the
8 MetroCard machines are not working, therefore
9 patrons who -- God forbid if they have
10 trouble walking up and down stairs. They
11 have to walk down, walk back up, go across
12 the street, walk down, walk up, and then come
13 across and walk back down. And that's
14 happened to me several times at the -- I want
15 to say at the -- again, at the Nostrand
16 Avenue Station. And it's really -- that
17 kills someone's experience, even if they
18 normally have generally good experiences on
19 the MTA.

20 INTERIM EX. DIRECTOR HAKIM: I'll take
21 a look at that.

22 ASSEMBLYWOMAN WRIGHT: Thank you very
23 much. Those are the concerns.

24 INTERIM EX. DIRECTOR HAKIM: Thank

1 you.

2 CHAIRWOMAN YOUNG: Thank you. We've
3 been joined by Senator Leroy Comrie.

4 And I want to give the members a sense
5 of what the batting lineup is. Next we have
6 Senator Liz Krueger, then Senator Diane
7 Savino, Senator Roxanne Persaud, Senator
8 Elaine Phillips, and then, finally, Senator
9 Leroy Comrie.

10 SENATOR KRUEGER: Thank you.

11 Well, we had a chance to speak earlier
12 today, so an hour's worth of my questions we
13 already covered. And many people covered
14 many other questions.

15 But I do want to ask just two that
16 weren't brought up today. So with East Side
17 Access, which will start or end in my
18 district -- I don't know how you define, one
19 way or the other, Grand Central -- the
20 eastbound rerouting project within that
21 project had an appropriation increased almost
22 10 times the original cost in the -- from the
23 2014 draft plan. So can you tell me what
24 happened that would increase the cost by

1 10 times?

2 INTERIM EX. DIRECTOR HAKIM: I don't
3 know the starting figures. The current cost
4 for East Side Access I think is hovering at
5 about \$10 billion. The things that have
6 driven up costs on that, including some
7 construction contingencies that occurred
8 during the course -- increased costs for
9 support by Amtrak. As you know, a tremendous
10 amount of that work is performed by Amtrak
11 forces, and we have to pay for that.
12 Increasing costs with the finishes and the
13 systems contracts that are underway right
14 now.

15 I don't know, Craig, if you have any
16 additional information on the --

17 SENATOR KRUEGER: Because I think this
18 was a 10 times increase just since 2014. I
19 mean, the East Side Access cost has just been
20 skyrocketing since the beginning, right? I
21 mean, so much going on in Queens that costs
22 so much more. But this was a really big
23 jump, and this just --

24 INTERIM EX. DIRECTOR HAKIM: The jump

1 that I'm aware of is from 8.2 to 10.

2 MTA SENIOR DIR. STEWART: Yeah. It's
3 also associated with the additional schedule.
4 The schedule fell behind, so we added more
5 money for the number of years that were
6 slipped on the schedule.

7 SENATOR KRUEGER: Okay. And the fact
8 that it was specific to the eastbound
9 reroute as opposed to the entire project
10 doesn't trigger any other information for
11 you?

12 INTERIM EX. DIRECTOR HAKIM: No, but
13 we'll go back and look at that and send you
14 some information on that.

15 SENATOR KRUEGER: Okay, thank you.

16 And then I asked this question of DOT
17 earlier, but in fact they were right that I
18 should be asking you, with the -- at least
19 specific for downstate. With the Governor's
20 proposal -- sorry, just to get the name right
21 for his -- give me one more second -- for his
22 electronic LED bridge and tunnel lighting
23 plan, how do we deal with the fact that
24 research is showing, including from the

1 American Medical Association, that there are
2 health impacts related to LED lighting,
3 particularly in relationship to sleep
4 effects? And constituents complain -- at
5 least in the City of New York tend to
6 complain about light pollution and noise
7 pollution particularly coming into their
8 bedrooms. And that in fact in 2014, we
9 passed a law called Dark Skies, which
10 requires shielding of roadway lights and
11 strict limits on decorative lighting
12 strength.

13 So how are we going to mesh the
14 Governor's current proposal with the law that
15 we recently passed for, I think, some good
16 reasons?

17 INTERIM EX. DIRECTOR HAKIM: So let me
18 start off with the punch line, which is that
19 this project, the illumination project, will
20 be fully compliant with the Dark Skies Law.
21 And so to the extent that that requires
22 shielding fixtures, low-wattage LED fixtures,
23 all of that will be part of this project and
24 engineered in.

1 This is an exciting program in terms
2 of the appearance of bridges, but we need to
3 be mindful and address all of the concerns
4 that were the genesis of the Dark Skies Law,
5 and we'll be compliant with that.

6 SENATOR KRUEGER: So MTA is not exempt
7 from the Dark Skies law, as far as you know.

8 INTERIM EX. DIRECTOR HAKIM: Correct.
9 If we are exempt, we're not taking advantage
10 of that. We are complying with it.

11 SENATOR KRUEGER: And you mentioned in
12 your testimony that you're going to be
13 rolling out your plan for contactless fare
14 payments earlier than originally planned. Is
15 that going to come in a phased-in process?
16 Do you have a plan for where you're piloting?

17 INTERIM EX. DIRECTOR HAKIM: Yes, it
18 will be phased in. The initial -- one could
19 say that the initial new fare payment has
20 already begun, with the mobile eTickets that
21 the railroads are now rolling out.

22 But our program will start off in a
23 phased approach beginning in 2018. And so we
24 still will be using the MetroCard for some

1 time but ultimately think that it's a great
2 advantage to have an open payment system
3 where whatever you choose to carry, whether
4 it's a phone, whether it's a credit card with
5 a chip, whether it's a fare card -- anything
6 that will be able to open the fare gate
7 contactlessly.

8 SENATOR KRUEGER: And are you assuming
9 you start on subways versus buses?

10 INTERIM EX. DIRECTOR HAKIM: We'll be
11 starting on a limited number of subway
12 stations, first with people that will have a
13 joint ticket with the Long Island Railroad
14 and also use the subway system. So we'll
15 target a few subway stations in the
16 beginning.

17 SENATOR KRUEGER: Thank you.

18 Thank you.

19 CHAIRWOMAN YOUNG: Thank you.

20 CHAIRMAN FARRELL: Thank you.

21 Assemblywoman Hyndman.

22 ASSEMBLYWOMAN HYNDMAN: Good
23 afternoon, and congratulations.

24 INTERIM EX. DIRECTOR HAKIM: Thank

1 you.

2 ASSEMBLYWOMAN HYNDMAN: I represent an
3 area of Queens where the commute from door to
4 door from my door to Midtown Manhattan can
5 take approximately an hour and 50 minutes,
6 and that's on a good day. So a lot of our
7 residents choose to take the Long Island
8 Railroad to cut down on their travel time.
9 And I know City Council is looking at what's
10 called a Freedom Ticket.

11 But not to say it has to be the same
12 price, but I have four Long Island Railroad
13 stations in my district, and I know you've
14 talked about increased ridership. We're
15 right on the borderline of Nassau County, so
16 a lot of our residents choose to take the
17 railroad. What if any parity could be given
18 to residents who live in New York City,
19 especially in Queens? I believe Queens has
20 about 21 Long Island Railroad stations. And
21 I know other members in the Assembly, we have
22 discussed making it fair for our constituents
23 to also take the Long Island Railroad at a
24 reduced cost.

1 INTERIM EX. DIRECTOR HAKIM: When our
2 board recently considered the subject of
3 fares, they also considered this issue. And
4 the direction that we got was to implement a
5 field study for the city zone area of the
6 Long Island Railroad, where we would
7 establish a ticket that would be somewhere
8 between a MetroCard ticket price and a
9 Long Island Railroad ticket price, but at a
10 reduction. We haven't determined what
11 exactly that ticket price is going to be yet.
12 But it is consistent to be able to bring
13 people on the Long Island Railroad from that
14 area of Queens and then over to the Atlantic
15 Terminal, where there are then further
16 opportunities for transfer.

17 ASSEMBLYWOMAN HYNDMAN: So not to
18 Penn Station?

19 INTERIM EX. DIRECTOR HAKIM: The first
20 part of the field study is to Atlantic
21 Terminal, because that's where we have the
22 capacity to take on additional ridership.

23 ASSEMBLYWOMAN HYNDMAN: You mentioned
24 the new buses. About how many did you say,

1 900 new buses?

2 INTERIM EX. DIRECTOR HAKIM: Thirteen
3 hundred.

4 ASSEMBLYWOMAN HYNDMAN: Thirteen
5 hundred. How do you prioritize that?
6 Because a lot of our constituents, especially
7 the seniors, talk about the quality of buses
8 that we have. How do you prioritize what
9 areas of the city get --

10 INTERIM EX. DIRECTOR HAKIM: We've
11 actually recently deployed I think nearly 70
12 new buses in Queens.

13 ASSEMBLYWOMAN HYNDMAN: In southeast
14 Queens?

15 INTERIM EX. DIRECTOR HAKIM: Yes.

16 ASSEMBLYWOMAN HYNDMAN: Okay. And my
17 last question also goes to my colleagues in
18 Nassau with this third rail. It would --
19 downtown Jamaica is about to experience or is
20 experiencing tremendous growth, and building
21 is going on. How would this third rail
22 affect Queens -- Jamaica, Queens, especially?

23 INTERIM EX. DIRECTOR HAKIM: I don't
24 think the third track in and of itself will

1 have a further exacerbating impact on
2 Jamaica. Jamaica, you're right, it's an area
3 of large growth. We are looking at our
4 capital program for both the Long Island
5 Railroad improvements at Jamaica as well as
6 New York City Transit improvements at Jamaica
7 to see what we can do there.

8 ASSEMBLYWOMAN HYNDMAN: And do you
9 have a start date? There's a bus depot --
10 it's fully funded, I believe, by the MTA --
11 on Merrick Boulevard. Is there a start date
12 for that bus depot which would tremendously
13 help southeast Queens?

14 INTERIM EX. DIRECTOR HAKIM: I don't
15 know the start date, but we'll get that
16 information to you.

17 ASSEMBLYWOMAN HYNDMAN: Okay. Thank
18 you.

19 INTERIM EX. DIRECTOR HAKIM: Thank
20 you.

21 CHAIRMAN FARRELL: Senator?

22 CHAIRWOMAN YOUNG: So we'll go with
23 Senator Phillips.

24 SENATOR PHILLIPS: Thank you again.

1 And I'll be quick. So as someone who used
2 the Long Island Railroad for years and as a
3 working mother was extremely dependent on the
4 reliability and the on-time performance,
5 thank you for continuing to focus on that.

6 But I will say -- Senator Kaminsky
7 brought it up -- it is very hard for
8 residents that on Long Island, where
9 affordability is so key, to embrace spending
10 and paying, because there are no federal
11 dollars that are being looked at -- even
12 though I'm hoping we have a president that
13 would make a commitment to this -- to absorb
14 these additional costs, when the existing
15 infrastructure -- like Senator Kaminsky's
16 Valley Stream -- I'll use an example,
17 Floral Park, who's had an elevator that has
18 not worked, I'm told, for over a decade. So
19 it is very difficult for people to say they
20 want additional tax dollars to go to new
21 things when the current infrastructure isn't
22 being maintained.

23 So is there a commitment by the MTA to
24 maintain the existing and then, if funding

1 becomes available, for new infrastructure?

2 And what's the plan?

3 INTERIM EX. DIRECTOR HAKIM: So in the
4 Long Island Railroad's existing capital
5 program of \$2.8 billion, a portion of that
6 does goes go to station improvements. In
7 addition, we are looking to see what other
8 station improvements can be done to make the
9 environment better, as safe as it possibly
10 can be.

11 We spoke about a little bit about
12 on-time performance increasing. I should
13 also mention that the fleet reliability has
14 been steadily increasing as well. All of
15 those things help -- help -- the commuter
16 recognize that the reliability of their
17 service is improving.

18 SENATOR PHILLIPS: Okay, if you can
19 focus on some of the stations.

20 So I'd like to go back to the third
21 track and the DEIS. So the MTA concedes that
22 this project will result in moving a lot of
23 soil and lots of excavation of soil that's
24 been used, in the past, in heavily industrial

1 areas. There is some concern, I know, over
2 in Greenridge on some soil testings that are
3 being done there.

4 And I'd like to just emphasize that,
5 you know, Long Island's number-one resource
6 is our water. We drink our groundwater. So
7 what is the plan, I guess, for -- to test?
8 Will the testing results be made public? And
9 is there a commitment, again, to make sure
10 mitigation is done before a shovel gets into
11 the soil?

12 INTERIM EX. DIRECTOR HAKIM: The way
13 the process works, as we identify
14 environmental risks and impacts, we have to
15 come up with a plan for mitigating them.
16 That has to be part of what will ultimately
17 be a final environmental impact statement.
18 And that becomes a contract, if you will,
19 with the public about how we're going to
20 build this project and what we're going to do
21 to ensure the environmental protections that
22 you're exactly referring to.

23 I don't know what the specifics are
24 yet about what they've studied so far and

1 what has or hasn't been made available. But
2 I think in all of the community outreach that
3 we're doing and will continue to do, we
4 certainly can put that on the agenda of
5 something to discuss.

6 SENATOR PHILLIPS: That's a big
7 concern.

8 So I would just like to reiterate my
9 thanks to you and the MTA for your efforts to
10 engage the community during the scoping
11 process, and you have my commitment to work
12 with you. But I will say there is much more
13 work to be done.

14 And I'd like to get your commitment
15 today that you will continue to hear the
16 concerns of the communities and the people
17 whose lives will be most disrupted by this
18 mammoth project, that you'll make it a
19 priority to see that their questions are
20 answered and, as importantly, that there will
21 be a continued engagement, should this
22 project move forward, throughout the
23 construction phase and afterwards.

24 I'd like to thank the chairmen and my

1 colleagues for allowing me this additional
2 time to raise these important issues, and I'd
3 like to thank you and congratulate you and
4 your team for being here to speak with us
5 today.

6 INTERIM EX. DIRECTOR HAKIM: Thank
7 you. And you have our commitment that we
8 will continue working together with the
9 community.

10 SENATOR PHILLIPS: Thank you.

11 CHAIRWOMAN YOUNG: Thank you.

12 CHAIRMAN FARRELL: Assemblywoman
13 Simon.

14 ASSEMBLYWOMAN SIMON: Thank you.

15 And congratulations. Always good to
16 see a woman running a big operation.

17 INTERIM EX. DIRECTOR HAKIM: Thank
18 you.

19 ASSEMBLYWOMAN SIMON: I have a number
20 of questions, so I'll kind of list them and
21 then you can take them.

22 Number one is one of my colleagues
23 asked about the L train. And I'm in downtown
24 Brooklyn -- Cobble Hill, Carroll Gardens --

1 where I have four or five stations in my
2 district that are affected by the F
3 non-express. And it is where the greatest
4 ridership is, and where we are going to have
5 a 50 percent reduction in service.

6 There is a separate train track
7 underneath that I understand that hasn't been
8 restored because of a fire at Bergen
9 Street -- which was probably 25 years ago. I
10 remember that happening.

11 But with the L train going out, that's
12 also the G, and that's going to put greater
13 reliance on the G train. And of course the
14 greater ridership for all of those is up to
15 Church Avenue.

16 So we have been trying to get a
17 meeting with MTA people for months and months
18 and months and haven't been able to do that.
19 But the elected officials in the area are all
20 very concerned. And so I (a) would like to
21 know what can be done, if we can, to
22 alleviate that, what I think is going to be
23 kind of a perfect storm on the F train, and
24 those impacts.

1 My other issue is ADA accessibility.

2 You know, when they redid 9th Street, Smith

3 and 9th, it's the highest station in the

4 system, they didn't put in any elevators.

5 Which was really a shame to do that. It

6 wasn't on the list. But you know, that list

7 of key stations, some of those stations

8 aren't key anymore and other stations are.

9 Because I know people who were involved with

10 that case when it was settled, and it's been

11 a long, long time to bring that up.

12 But also the elevators not working,

13 and escalators. And for people with mobility

14 impairments that are not wheelchair users,

15 people with heart conditions, escalators are

16 extraordinarily important. And that's a real

17 problem. And it's a real problem at Smith

18 and 9th.

19 The other issues also on the F is the

20 York Street Station, which is one of those

21 stations with only one exit, and it's in

22 Dumbo. And it's got increased -- it serves

23 Dumbo and Vinegar Hill, which has increased

24 population and more and more building every

1 day in that area. And what can be done to
2 look at the capital costs of adding an exit
3 to the York Street Station.

4 And then the B71 bus, which we have
5 actually plotted out a smoothed route, which
6 had been cut years ago and really has hurt
7 seniors and schoolchildren the most. But we
8 actually have a proposal for it, done by
9 colleagues who are transit professionals,
10 which I think I would really like to have
11 that looked at.

12 That was that long list, I'm sorry.
13 Thank you.

14 INTERIM EX. DIRECTOR HAKIM: No, I
15 appreciate that. And you've touched on a
16 number of issues. The first -- let me start
17 off with how much work we're doing on the F
18 right now. We have work going on both -- you
19 know, and it affects our weekday service and
20 our weekend service, along the Culver Line.
21 And you're aware of that and the impacts
22 that's been having.

23 We've been out trying to talk to
24 customers and educate them about how best to

1 travel through that corridor, recognizing
2 that we need to get that work done and we
3 need to get it done as quickly as possible.
4 And the early looks that I've gotten, they're
5 great. The station improvement work is
6 really coming along nicely. But that, in and
7 of itself, has caused a change in service on
8 the F. And so we're not able to implement
9 further changes on the F, because we have to
10 get this capital program done.

11 And then you mentioned the L Line, and
12 the L work is going to start in the first
13 quarter of 2019. And that's going to, you're
14 right, have further cascading impacts, even
15 though we don't know quite yet what the
16 alternate service plans are. But we think
17 that people are going to go to other subways.

18 We're going to look at opening exits
19 that are currently closed. We'll look at
20 what we can do at Church Avenue. But all of
21 which means that whatever had been previously
22 studied in terms of an F Express, we really
23 have to get all this other work underway
24 before we could take another look at that

1 report.

2 So from my own perspective, you know,
3 glad to talk with you about it further, but
4 we really need to stay focused on the work
5 that we have on our plate, because it's a
6 lot. It's a very large plate.

7 ASSEMBLYWOMAN SIMON: Well, we've been
8 told that the F Express, which would improve
9 times further out in Brooklyn by four or five
10 minutes, but then really curtail the
11 experience from Church Avenue to where my
12 route would end in York Street just before it
13 goes into Manhattan, we would have a
14 50 percent reduction, because it would stop
15 every other train.

16 We are told that that will go into
17 effect in the summer. Which is of great
18 concern to people because we haven't been
19 able to have this looked at by talking with
20 the MTA about it, and it seems to us kind of
21 precipitous given those other issues that you
22 just mentioned in terms of the work.

23 INTERIM EX. DIRECTOR HAKIM: I think,
24 you know, the new news for us is that we are

1 doing all of this work and we will be having
2 the Canarsie shutdown. And we know that the
3 F is going to be impacted because of the
4 Canarsie shutdown because it shares tracks
5 with the M and the G, and we know we have to
6 increase some capacity on those lines.

7 So I think we should talk further
8 about what the service strategies are, but a
9 lot of work has to happen -- and a lot of
10 work is underway already -- before we would
11 revisit that issue.

12 ASSEMBLYWOMAN SIMON: Okay. Thank you
13 very much.

14 INTERIM EX. DIRECTOR HAKIM: Thank
15 you.

16 ASSEMBLYMAN OAKS: Senator.

17 CHAIRWOMAN YOUNG: Senator Savino is
18 next, then Senator Persaud, then Senator
19 Comrie.

20 SENATOR SAVINO: Thank you, Senator
21 Young.

22 Thank you, Director Hakim. I know
23 you've been here for quite a while --

24 INTERIM EX. DIRECTOR HAKIM: Thank

1 you.

2 SENATOR SAVINO: So I know my good
3 colleague from Staten Island addressed most
4 of the Staten Island-based issues, so I won't
5 go over them again, and I'm going to try and
6 stay within the five-minute questioning
7 period.

8 I want to talk a bit about south
9 Brooklyn, though. We were very happy to see
10 the extension of the F Express service coming
11 out to Coney Island. It's going to be a big
12 help to the people on the south end of
13 Brooklyn. And as you know, in 2010 when
14 those big service reductions were put in
15 place, we lost a lot of express bus service,
16 which the people of south Brooklyn really
17 depend upon. Some of it's been restored, but
18 not a lot of it, and there are some real
19 service gaps in south Brooklyn.

20 And part of the problem is we also
21 have a large senior population around, you
22 know, the Warbasse Houses and Trump Village
23 and Luna Park. And those seniors depended on
24 some of those express buses; they're not

1 there now, and they now have to rely on the
2 trains and the subway, which is an elevated
3 line at Neptune Avenue. And there's no
4 elevator there for them. It has become a
5 real problem for people accessing the subway
6 there.

7 And we're hoping that in the capital
8 budget going forward, that there's a way that
9 your agency can find to build an elevator for
10 the Neptune Avenue Station. It's critically
11 important. It's not only a NORC, it's also a
12 designated evacuation area. And we saw what
13 happened after Hurricane Sandy, where
14 thousands of residents of Warbasse and Trump
15 and Luna Park were stranded in their homes
16 for days, and had we had to evacuate them,
17 there would have been no way for us to get
18 them onto the subway. They just physically
19 are incapable of doing so.

20 So we would hope -- you know, we've
21 written to the agency, we've had many
22 conversations with Tom, your predecessor, in
23 the past, and we know, you know, the
24 difficulties of allocating capital funding.

1 But, you know, in this huge capital budget we
2 really hope that you will find a way to add
3 elevator service to the Neptune Avenue
4 Station.

5 INTERIM EX. DIRECTOR HAKIM: I'll take
6 a look at that.

7 SENATOR SAVINO: Thank you. And on
8 that note, I am done.

9 ASSEMBLYMAN OAKS: Senator?

10 SENATOR KRUEGER: Thank you.

11 Next is Senator Roxanne Persaud.

12 SENATOR PERSAUD: Good afternoon.

13 Thank you very much for being here, Madam
14 Director.

15 You know, my colleagues have been
16 asking about the L train, and I happen to
17 represent Canarsie. And I think first we
18 have to change the -- when we speak of the
19 L train, we have to let people know that it's
20 not a shutdown in Canarsie, because everyone
21 is panicking when you say "the L train
22 shutdown." We have to change the messaging
23 when we're talking about the train.

24 That being said, last year we had a

1 hearing in Canarsie, with everyone coming to
2 talk about what to expect and ask for
3 suggestions and all of that. And many people
4 asked about ferry service leaving from the
5 Canarsie Pier, and we were told that a study
6 was going to be commenced and we would hear
7 something about it.

8 We were also told that, you know,
9 Canarsians can transfer at Broadway Junction.
10 The problem at Broadway Junction that
11 everyone is talking about, it's not
12 ADA-accessible. If you travel the L train
13 and you're coming from Rockaway Parkway and
14 you're transferring to the A, the C, the J,
15 the M, any of those trains there, there's no
16 way for people who are physically challenged
17 to go anywhere. And so that's their main
18 transfer point.

19 We asked about having a study done
20 about fixing that station. Can you tell us
21 where it is? Has anything been done?

22 INTERIM EX. DIRECTOR HAKIM: So we're
23 in the planning stage right now of gathering
24 information, getting a lot of feedback from

1 the communities that we've been out and doing
2 outreach in, understanding what different
3 paths of travel are and what the potential
4 alternative service plans can be.

5 What we were planning on is coming
6 back out to the communities in the summer
7 time frame when we have more information
8 about what we think makes sense for an
9 alternate service plan, to again get some
10 feedback about whether our plans will meet
11 the communities' needs. And we'll do that.

12 In terms of the ferry at Canarsie, I
13 don't remember a study being undertaken, but
14 I'll take that back and we'll work with DOT,
15 because they franchise the ferry service for
16 the city and they would be part of our
17 partnership in terms of increasing ferries as
18 part of this alternative service plan during
19 the limited shutdown of the Canarsie Tube
20 from Bedford Avenue to 8th Avenue in
21 Manhattan.

22 Thank you for correcting me, because
23 you're correct, for the 200,000 people that
24 travel on the L from Canarsie into

1 Williamsburg, that travel will continue to be
2 the case.

3 SENATOR PERSAUD: I'll explain that to
4 my colleague. Senator Dilan also wanted to
5 make sure everyone knew that.

6 In terms of -- we were talking about
7 ADA. I have all of the elevated train
8 stations across the East New York end of my
9 district. Lots of seniors. There's no way
10 for them to get up and down those stairs.
11 Maybe someone from MTA should try walking
12 those stairs on a daily basis to see what the
13 seniors have to go through. We have to do
14 something about people getting up and down,
15 so they can access the trains.

16 Whether it's the New Lots Station,
17 Pennsylvania Avenue Station, every one of the
18 elevated stations, there is no way for
19 physically challenged people to get up there.

20 Transportation around there is also
21 limited. So you have people -- I've stood
22 there by the New Lots Station, and they're
23 taking taxis from New Lots to get to other
24 stations, to the train, which is costing them

1 additional funding just to be able to take an
2 elevator to get to a train. That should not
3 be. We have to look at the way we are
4 offering transportation services to the
5 people in the eastern part of Brooklyn.

6 Then we're looking at -- I'll talk
7 about all my train stations -- Rockaway
8 Parkway Station. You know, the L train
9 begins and ends there, right? For many years
10 we've been asking about the renovation of
11 that station. The Rockaway Parkway Station,
12 if you're standing there and there's a
13 rainstorm, it's like you may as well be
14 standing on the street in the rain. When is
15 that station going to be fixed? The
16 turnstile -- it's congested. Coming from the
17 turnstile, the wait area -- it's not a
18 waiting area, and people are crammed there.
19 It's filthy. It's the -- it's -- just
20 everything about that station has to be
21 looked at.

22 There are many buses also that are
23 leaving from that station. The congestion,
24 it's an accident waiting to happen again. We

1 have to look at that Rockaway Parkway
2 Station.

3 INTERIM EX. DIRECTOR HAKIM: I agree
4 with you. I've been out there.

5 SENATOR PERSAUD: Let me finish with
6 the L train stations.

7 INTERIM EX. DIRECTOR HAKIM: I agree
8 with you.

9 SENATOR PERSAUD: And then the
10 108th Station, we have to look at that.
11 That, there's only one entrance, one exit.
12 You have to go up multiple stairs to go up
13 and then to come down to get the train. And
14 everyone is doing this (gesturing) to get
15 around each other.

16 It's desolate. And if you know where
17 that station is, it's behind everything else.
18 There was an open landfill that now we're
19 using it for a construction project, which
20 now has brought some light to the area. But
21 other than that, it's a desolate area.

22 The lighting at the station itself is
23 poor. We have a methadone clinic next door
24 to that station. We have people using that

1 station -- and I'm constantly calling the
2 police department, because no one is
3 controlling it -- we have people using that
4 station for their drug activity. We have to
5 do something with the East 108th Station,
6 because I do not want another constituent of
7 mine to be hurt at the 108th Station.

8 Thank you.

9 INTERIM EX. DIRECTOR HAKIM: Thank
10 you. Let me start with Rockaway Parkway,
11 because I agree with you that the station
12 itself needs work.

13 The intermodal transfer between the
14 bus and the station is something that has to
15 be reconfigured. And so I'm asking our
16 engineers to take a look at that in the
17 context of while we're doing all this other
18 work on the L, what we can do for the
19 Rockaway Parkway Station. And we'll take a
20 look at that.

21 And the other points you're raising,
22 I'll take them back and be glad to come out
23 and meet with you about them.

24 SENATOR PERSAUD: Okay. We didn't --

1 we called your office trying to schedule
2 something, and they're just like, Oh -- no
3 one really wants to commit to anything. So
4 could you please ask your staff to commit to
5 something.

6 INTERIM EX. DIRECTOR HAKIM: I will.

7 Thank you.

8 SENATOR PERSAUD: Thank you very much.

9 SENATOR KRUEGER: Assembly?

10 CHAIRMAN FARRELL: Thank you.

11 No?

12 ASSEMBLYMAN OAKS: All set.

13 CHAIRMAN FARRELL: Anyone else?

14 ASSEMBLYMAN OAKS: Senate?

15 SENATOR KRUEGER: Oh, sorry, then we
16 have an additional Senator, Senator Leroy
17 Comrie, from Queens.

18 SENATOR COMRIE: Good afternoon.

19 INTERIM EX. DIRECTOR HAKIM: Good
20 afternoon.

21 SENATOR COMRIE: Thank you for being
22 here and taking all these --

23 SENATOR KRUEGER: Microphone?

24 SENATOR COMRIE: I thought it was on.

1 SENATOR KRUEGER: Okay. A little
2 closer, thank you.

3 SENATOR COMRIE: Okay. I'll try to
4 talk louder.

5 Thank you for being here and taking
6 all of these it seems like complaints. I
7 might as well add my mine in also.

8 I wanted to just emphasize the -- I
9 understand the Freedom Ticket pilot is
10 launching. I would hope that we have a
11 chance to review opportunities to do
12 increased stops in the 14th Senate District,
13 including especially the Hollis Station, the
14 St. Albans Station.

15 The desire for ridership is up, the
16 desire to save seven hours a week in
17 transportation back and forth to Manhattan is
18 there. I understand that there is available
19 ridership now that could be taken at both the
20 St. Albans Station, the Hollis Station, and
21 the Laurelton Station, because you have cars
22 that are coming into those stations that have
23 room in the morning rush and in the p.m.
24 rush. So I would hope that we can take

1 advantage of that right now.

2 I want to thank Hector Garcia, he's
3 Queens rep for the Long Island Railroad. He
4 has been responsive to a degree to making
5 sure that we can get at least some responses
6 to the maintenance repairs that need to be
7 done at the Laurelton Station, the St. Albans
8 Station. He has come out to meetings with
9 the community groups that are involved with
10 it, and we want to make sure that that
11 continues and there's some follow-up.

12 I wanted to talk to you about two
13 major items, which is Belmont Park. Belmont
14 Park touches my district and Senator
15 Phillips' district. We see that there would
16 be a great opportunity there if we could get
17 a 24-hour station there where people could
18 stop -- you know, as you know, Belmont Park
19 has a major parking lot. It would take in a
20 lot of residents from my district, the
21 Queens Village-Bellerose-Hollis-Laurelton
22 area, and a lot of folks from the
23 Valley Stream-Elmont area. There's no reason
24 not to open Belmont Park. When it's open for

1 the Belmont Stakes, it has a heavy ridership.
2 And it would be able to sustain that
3 ridership if we could open that up as a
4 full-time Long Island Railroad station.

5 And I haven't heard about that in the
6 capital plan. I would hope that we could do
7 something to make that happen. As you know,
8 there are a lot of opportunities at Belmont
9 Park, and there's a lot of traffic that goes
10 up and down the Cross Island Parkway now.

11 The main thing that I would want to
12 ask you about is the Holban Rail Yards. I'm
13 still getting complaints about the station
14 idling and the trains, for whatever reason,
15 all night they're hitting their sirens or
16 their --

17 INTERIM EX. DIRECTOR HAKIM: Which
18 yard is that, I'm sorry?

19 SENATOR COMRIE: Holban Rail Yard.
20 It's along Liberty Avenue in my district.
21 It's your main repair station for your
22 trains. It has both an indoor facility and
23 an outdoor facility. But primarily the
24 outdoor facility, which runs along Dunkirk

1 Street on one side, and 180th Street on the
2 other side, is an outdoor facility where they
3 repair the trains. And for whatever reason,
4 all night they're both idling, which is a
5 problem for the area, because we already have
6 high asthma in that area.

7 And the other thing is that when I
8 open my window -- and I'm 20 blocks away from
9 the system -- at night I can hear the -- I
10 guess it's the siren or the train whistle or
11 whatever they want to call it. There's
12 constant train whistles going on even, at
13 4 o'clock or 3 o'clock in the morning when
14 the yard should be empty.

15 So if you could have someone get back
16 to us on that --

17 INTERIM EX. DIRECTOR HAKIM:
18 Absolutely.

19 SENATOR COMRIE: -- and try to figure
20 out exactly what's going on there. You know,
21 because that's been a problem for some time.
22 And again especially the piece that's going
23 on between Dunkirk on one side, 180th Street
24 on the other side, bounded by Liberty and

1 Farmers Boulevard on the north and south.

2 It's been irritating my constituents
3 for a while. That's a historic district in
4 Addisleigh Park over there, and they're kind
5 of fed up with it.

6 I appreciate, as I said, everything
7 that has been getting done. Hector Garcia
8 has been responsive as far as getting back to
9 us. But on the details on idling, it's a
10 major problem.

11 And if we could get Belmont up and
12 running, I think that the Long Island
13 Railroad would be pleased at the amount of
14 income that would be coming from there as
15 well. So with that --

16 INTERIM EX. DIRECTOR HAKIM: I'll take
17 those issues back.

18 SENATOR COMRIE: That's my partial
19 list. And again, I want to thank Hector for
20 being responsive and I hope that at the end
21 of the day we can get all these problems
22 resolved.

23 Thank you.

24 INTERIM EX. DIRECTOR HAKIM: Thank

1 you, Senator.

2 SENATOR COMRIE: Thank you for wanting
3 to serve. I know it cannot be easy to get
4 complaints all day, and I appreciate you
5 wanting to stay in service in this way.
6 Thank you.

7 INTERIM EX. DIRECTOR HAKIM: Thank
8 you.

9 SENATOR KRUEGER: Thank you.

10 CHAIRWOMAN YOUNG: We're all set.
11 Thank you so much for being here today.

12 INTERIM EX. DIRECTOR HAKIM: Thank
13 you. Thank you very much.

14 SENATOR KRUEGER: Truly appreciate
15 your testimony.

16 CHAIRMAN FARRELL: Thank you.

17 SENATOR KRUEGER: Thank you.

18 CHAIRMAN FARRELL: Next, the New York
19 State Thruway Authority, Bill Finch, acting
20 executive director.

21 Good afternoon.

22 ACTING EX. DIR. FINCH: Good
23 afternoon.

24 CHAIRMAN FARRELL: And welcome.

1 ACTING EX. DIR. FINCH: Chairperson
2 Young and Chairperson Farrell and members of
3 the Senate and Assembly fiscal and
4 transportation committees, thank you for
5 having me here today. My name is Bill Finch,
6 I'm acting executive director for the
7 New York State Thruway Authority.

8 The Governor Thomas E. Dewey Thruway
9 is a 570-mile superhighway crossing New York
10 State, and is one of the longest toll
11 superhighway systems in the United States.
12 Approximately 250 million vehicles travel
13 more than 8 billion miles on the Thruway each
14 year. In addition to being the principal
15 artery of travel and commerce within New York
16 connecting many of the state's principal
17 cities, the Thruway is a vital link to long
18 distance interstate travel. In addition, the
19 Thruway provides the major route of access
20 for visitors to the state's tourism anchors,
21 including Niagara Falls, the Finger Lakes,
22 the Adirondacks, the Catskills and New York
23 City.

24 I want to begin by recognizing that

1 the New NY Bridge project, one of the largest
2 and safest bridge projects in the nation, has
3 been and continues to be a national model of
4 design-build construction. I am happy to
5 report that it is on track to open in 2018
6 and is currently on budget at \$3.98 billion.

7 In December 2016, Governor Cuomo
8 celebrated the topping off of the eight
9 iconic main towers, a milestone moment. As
10 of January 2017, more than 1,000 piles have
11 been installed in the Hudson River and
12 approximately 90 percent of all the support
13 structures have been put in place. That
14 includes 126 of the massive steel girder
15 assemblies.

16 The 2018 Executive Budget includes a
17 reappropriation of nearly 2 billion from the
18 Special Infrastructure Account for the
19 Thruway Stabilization program. This money
20 will continue to support capital investments
21 including the New NY Bridge and other capital
22 projects throughout the system. We are
23 grateful for this continuing support of the
24 New NY Bridge project and the recognition of

1 our system-wide capital needs. This support
2 enables tolls to remain frozen at current
3 levels until at least 2020.

4 The Executive Budget also includes
5 making permanent the Infrastructure
6 Investment Act that is set to expire this
7 year. This proposal will enable the Thruway
8 Authority to continue using design-build
9 contracting, which is a driving force behind
10 the New NY Bridge project.

11 The Executive Budget, in order to
12 ensure that all motorists using the Thruway
13 pay their fair share, includes making the
14 intentional non-payment of tolls "theft of
15 services." It allows DMV to enter into
16 reciprocity agreements with other states and
17 provinces to go after toll scofflaws, and it
18 increases the penalties for obscuring license
19 plates -- a tactic frequently used by toll
20 evaders.

21 The overall 2017 Thruway Authority
22 budget represents a total financial
23 commitment of \$1.8 billion. It is a budget
24 that is balanced, provides the necessary

1 resources to keep our patrons safe, and
2 maintains our facilities and assets. It
3 maximizes funding for critical infrastructure
4 projects of the Authority's multi-year
5 capital campaign and our comprehensive
6 efforts will improve operations. This budget
7 reflects our long-term commitment to keep the
8 Thruway Authority on a sound fiscal footing.

9 In closing, let me take this
10 opportunity to acknowledge our employees'
11 hard work and dedication and ongoing
12 commitment to the highest standards of safety
13 and reliability in every area of our
14 operation. I'd like to extend special thanks
15 to Canal Corporation Director Brian Stratton,
16 and New York Power Authority President and
17 CEO Gil Quiniones and all of the Canal and
18 Thruway Authority and NYPA employees for
19 working tirelessly to ensure the smooth and
20 efficient transfer of the Canal Corporation.

21 Thanks for your time, and I'd be happy
22 to answer any questions you might have.

23 CHAIRMAN FARRELL: Thank you.

24 CHAIRWOMAN YOUNG: Thank you, Director

1 Finch, for being here.

2 And as a frequent user of the Thruway
3 and as someone who has the Thruway going
4 through my district in Chautauqua County, I
5 just want to say, number one, thank you, to
6 you and everyone who works for the authority,
7 for everything that you do.

8 I was happy to hear that you
9 referenced the \$2 billion that we have passed
10 in the last two budgets, and there's a
11 reapprop this year by the Governor. But --
12 and you reference, I'm all happy to hear you
13 say this, that there's not going to be a toll
14 increase until at least 2020.

15 Does that take into consideration the
16 Tappan Zee Bridge? Because there's a lot of
17 fear around the state that because of the
18 costs related to the Tappan Zee Bridge, that
19 there could be a systemwide toll increase at
20 some point in the near future. You're saying
21 definitively today that that won't happen?

22 ACTING EX. DIR. FINCH: That will not
23 happen.

24 CHAIRWOMAN YOUNG: Okay. Thank you.

1 When do you think the Thruway
2 Authority will release a financial plan for
3 the new Tappan Zee Bridge project? Including
4 how much bridge tolls might need to increase
5 and when they would increase.

6 ACTING EX. DIR. FINCH: Well,
7 currently we have the \$1.6 billion of the
8 TIFIA loan, \$1.2 billion from the
9 stabilization loan, and \$850 million from our
10 own debt, our own borrowing -- which is
11 \$3.65 billion on a budget of 3.98. So the
12 shortfall is about \$330 million, and we'll be
13 looking at all the traditional sources to
14 fill that gap.

15 In terms of the tolls, Senator,
16 they're frozen until 2020. We have the
17 fiscal ability to handle our expenses, and
18 we're pretty excited about that and the
19 opportunities that it affords our patrons.

20 CHAIRWOMAN YOUNG: Thank you.

21 Is there a financing that's overdue
22 right now for that project?

23 ACTING EX. DIR. FINCH: Overdue
24 financing?

1 CHAIRWOMAN YOUNG: Yes. Is it
2 overdue? Was there supposed to be another
3 financing, and is it overdue right at the
4 moment?

5 ACTING EX. DIR. FINCH: Not that I'm
6 aware of. We do have the gap of
7 \$330 million, and we'll be looking at
8 traditional borrowing sources to fill that
9 gap.

10 CHAIRWOMAN YOUNG: Okay. Thank you.
11 What is the status of the New NY
12 Bridge Toll Advisory Task Force that was
13 announced when the Governor brought it
14 forward in late 2015?

15 ACTING EX. DIR. FINCH: The toll
16 advisory task force has not met, and we don't
17 plan on it meeting since tolls are frozen
18 until 2020. It would be closer to that time
19 that it would meet.

20 CHAIRWOMAN YOUNG: So -- okay, so
21 you're just saying because the tolls are
22 frozen that there's no need for the task
23 force. I see. Could they talk about,
24 potentially, resident and computer discount

1 toll programs, though?

2 ACTING EX. DIR. FINCH: Well, I don't
3 think there's anything off-limits to the
4 Thruway Toll Commission when it convenes.

5 CHAIRWOMAN YOUNG: Okay. Well, thank
6 you. But you're saying it won't convene
7 until 2020? Okay, so we won't see any
8 discounts before then either.

9 Please comment on the operational
10 savings and financial improvements that have
11 taken place at the Thruway over the past few
12 years.

13 ACTING EX. DIR. FINCH: Well, we were
14 encouraged by the Comptroller's study that
15 showed that we had taken some pretty good
16 cost savings, and I think the easiest way to
17 think of this at the Thruway is since 2010,
18 every year our costs have been under a
19 1 percent increase in terms of our cost of
20 operations. So we've been tightening the
21 belt, we've been frugal, and we're going to
22 continue to do that.

23 CHAIRWOMAN YOUNG: Great. Is your
24 fiscal condition stronger today than it was?

1 ACTING EX. DIR. FINCH: I would say
2 yes. Our revenues are up. We're really
3 excited about the fact that people are
4 choosing the Thruway as this wonderful, safe
5 alternative and our employees are very proud
6 to present that product each and every day.

7 CHAIRWOMAN YOUNG: Thank you,
8 Director. What's the opinion of the bond
9 rating agencies of the Thruway Authority?

10 ACTING EX. DIR. FINCH: Well, we
11 haven't been to the market in a little while.
12 The last time we did very well. I do believe
13 there's a minor suggestion in the budget to
14 change the way that we bond that would make
15 it even easier for us to bond. That's in the
16 budget proposal.

17 But the bond rating agencies seem to
18 like us. They seem to like user-driven
19 facilities, user-fee-driven facilities.

20 CHAIRWOMAN YOUNG: Now, you've been
21 using cashless tolling at the Tappan Zee,
22 right?

23 ACTING EX. DIR. FINCH: Yes.

24 CHAIRWOMAN YOUNG: What's your

1 experience there in using that?

2 ACTING EX. DIR. FINCH: Well, you
3 know, it's new and it took us a while to get
4 used to it. But the social benefits are
5 enormous. People aren't struggling for
6 change, they're not changing lanes -- we have
7 a 60 percent drop, every time toll roads take
8 out a tollbooth, in rear-end collisions.

9 We have a tremendous savings of air
10 pollution, 7800 tons a day of greenhouse
11 gases that we're no longer pumping into the
12 environment. And wait times are about -- 800
13 hours, depending on the size of the toll and
14 the traffic in them, but -- the average
15 tollbooth saves about 800 hours to the
16 patrons.

17 So convenience and everything else has
18 been -- the social benefits have been
19 enormous.

20 CHAIRWOMAN YOUNG: What are the
21 authority's plans for going to cashless
22 tolling systemwide?

23 ACTING EX. DIR. FINCH: You know, I
24 think it's certainly part of the future

1 that's coming everywhere on toll roads. But
2 we've looked at it, and we have no plans
3 right at the moment. We have that at the
4 Tappan Zee.

5 CHAIRWOMAN YOUNG: Okay. Thank you.

6 ASSEMBLYMAN OAKS: Hi. I just would
7 like to ask -- I asked the Transportation
8 commissioner about the I Love NY signs and
9 the numbers that have been installed, and he
10 shared with us the numbers and the cost of
11 that. Do you have the numbers along the
12 Thruway and the cost of those as well?

13 ACTING EX. DIR. FINCH: I do.

14 And first let me say how excited we
15 were, and our employees were, to participate.
16 You know, everybody at the Thruway is proud
17 of their job, but they're even prouder of the
18 fact that they can help in such a statewide
19 effort where 900,000 jobs of our brothers,
20 sisters, aunts, and uncles are at stake in
21 the tourism industry and where we know that
22 \$8 billion of state and local tax revenues
23 comes in. So we were very excited to
24 participate.

1 We put 140 signs up. We spent about a
2 half a million dollars on the materials, and
3 the total cost of the project, with
4 installation, labor, excavation and the like,
5 was \$2.7 million.

6 ASSEMBLYMAN OAKS: Thank you for that.

7 And I mentioned I happened to be going
8 to Buffalo recently, and I noticed that the
9 posts, not the signs, seemed to be bent or
10 whatever. Have you had a problem with some
11 of those? And is that something -- has that
12 been systemwide, or did it just happen to be
13 those? And is that being corrected or --

14 ACTING EX. DIR. FINCH: It is being
15 corrected, yes. We had two different types
16 of posts, and it appears to be some kind of a
17 defect with one of the types of posts. But
18 we're on top of it. We're working with the
19 manufacturer, and I think it should be
20 corrected shortly.

21 ASSEMBLYMAN OAKS: Thank you.

22 The Governor announced in his State of
23 the State that there were going to be a
24 number, I believe 69, of new plug-in electric

1 vehicle charging stations along the Thruway.
2 Do you have plans on doing this? And how is
3 that going to be paid for? And is that going
4 to be a public/private cooperative effort
5 or ...

6 ACTING EX. DIR. FINCH: Well, we're --
7 again, we're really excited about this.
8 Sixty-nine electrical vehicle charging
9 stations will be either at commuter lots or
10 at one of our -- some of our -- all of our 27
11 travel plazas. People pay to fill up, so
12 they pay for the electricity they use to
13 charge up.

14 And currently we're in negotiations
15 with those who do the gas -- they're
16 currently doing the administration of those.
17 We don't actually administer them; we install
18 them, and they manage them. But it will be
19 in our travel plazas and in our commuter
20 lots.

21 ASSEMBLYMAN OAKS: If you got an
22 updated safety record -- you mentioned about
23 the number of miles and vehicles. Do we have
24 a safety record that's improving, about the

1 same, or greater risk recently?

2 ACTING EX. DIR. FINCH: Well, I know
3 this year was one of our lowest fatality
4 years, but I can certainly get you
5 year-to-year numbers about accidents. But in
6 terms of fatalities, this was one of our
7 lowest.

8 ASSEMBLYMAN OAKS: You mentioned the
9 canal and the changeover. I'd just like to
10 add my thoughts, as the people who I've
11 spoken with have been very positive about the
12 way that transition that gone.

13 Still -- always challenges with the
14 canal, but as someone who has that going
15 through my district a significant number of
16 miles, again, I appreciate the years that the
17 Thruway ran it. I'm sure your shoulders are
18 higher today maybe that you don't have all
19 that responsibility going forward.

20 But my last comment or question would
21 be -- you've talked about the Tappan Zee and
22 a lot of people entering or going across the
23 Thruway there. At the other end of the
24 Thruway, near the whole area around Buffalo,

1 and the fact that we go through tolls, out of
2 that, back into tolls -- and the backups
3 there, plans for Exit 50 or 54 or 55 or
4 whatever it is at the southern end -- are
5 there plans there to help in traffic flow,
6 whether it's cashless, whether it's at-speed
7 lanes or whatever, to help the Western
8 New York traffic?

9 ACTING EX. DIR. FINCH: As I mentioned
10 to Senator Young, we are looking to the
11 future in terms of tolling, and that is
12 certainly an area that I think would benefit
13 from cashless tolling.

14 It's interesting how many different
15 transitions the Thruway goes through from
16 places like New Rochelle and Yonkers, where
17 it's one point and a fixed charge, to the
18 ticketed system where it's an accumulated fee
19 depending on where and when you exit. And
20 then you go into the free section, then back
21 into a toll section. So that presents a
22 little bit of a difficulty with all those
23 transitions between kinds of systems.

24 But I've been spending a lot of time

1 up in that area, it's beautiful, and I hope
2 to keep going back there many times to listen
3 to the local communities. We've met with
4 some of the mayors up there and have had
5 their input and want to continue to listen
6 and learn and see what we can do to help.

7 ASSEMBLYMAN OAKS: Thank you very
8 much.

9 CHAIRWOMAN YOUNG: Thank you.
10 Senator Savino.

11 SENATOR SAVINO: Thank you,
12 Senator Young.

13 I want to -- I just want to ask a
14 question again -- I know Senator Young
15 touched on it, but I'm just not sure I quite
16 understand the answer.

17 In the 2016-'17 budget, we had a side
18 letter that negotiated regarding the Thruway
19 Toll Advisory Task Force, and the side letter
20 stipulated that, among other things, the task
21 force would convene following the enactment
22 of the 2016-'17 budget as well as seek public
23 input and report findings by the end of 2016.
24 And to date, that hasn't happened.

1 So the reason, if I understood you
2 correctly in your response to Senator Young,
3 the reason that hasn't happened is because
4 the tolls were frozen, so there's nothing to
5 report.

6 ACTING EX. DIR. FINCH: Exactly.

7 SENATOR SAVINO: But did we in fact
8 convene the task force and they just said
9 there's nothing to report? Did any of the
10 action actually happen? I think that's what
11 I'm trying to say.

12 ACTING EX. DIR. FINCH: The task force
13 never convened.

14 SENATOR SAVINO: Excuse me?

15 ACTING EX. DIR. FINCH: The task force
16 never convened.

17 SENATOR SAVINO: Oh. Was the task
18 force appointed, though?

19 ACTING EX. DIR. FINCH: There were
20 members appointed, I believe there were a
21 couple of people who left the task force.
22 Unfortunately, I believe one or two of the
23 members passed away.

24 SENATOR SAVINO: Oh, that's awful.

1 ACTING EX. DIR. FINCH: So it never
2 was convened.

3 SENATOR SAVINO: Okay. And then on
4 the -- so maybe you can help with this. Even
5 though the Thruway Authority doesn't have --
6 the Thruway doesn't have cashless tolls, you
7 do have high-speed tolls where people can
8 speed through and they don't have to -- and
9 you also don't have arms on your tollbooths,
10 so you have people who go through with
11 E-ZPass.

12 Do you experience a problem with
13 people going through E-ZPass -- going through
14 the high-speed E-ZPass lanes and not paying,
15 and then having to chase them down through
16 third-party collections?

17 ACTING EX. DIR. FINCH: You know, some
18 people, for their own personal reasons, have
19 always tried to evade paying their fair
20 share. And one of the things I hope you take
21 away from my testimony is we're focused
22 really on two things: safety and fairness.
23 We've got to keep our workers safe, we've got
24 to keep our patrons safe, and we've got to be

1 fair.

2 When someone doesn't pay their fair
3 share, then the rest of us have to make up
4 the difference.

5 SENATOR SAVINO: Right.

6 ACTING EX. DIR. FINCH: So we're
7 focused on that.

8 One of the things in the budget that
9 we're asking for your support is negotiating
10 reciprocity agreements between states and
11 provinces. Because there are people who will
12 try to not pay their fine, and those are the
13 people who didn't have E-ZPass.

14 SENATOR SAVINO: Mm-hmm.

15 ACTING EX. DIR. FINCH: We do have
16 cashless tolls -- just to correct one thing
17 you said, we do have cashless tolls at the
18 Tappan Zee. And it's working very well.

19 SENATOR SAVINO: Yeah. The reason I
20 ask is, as you know, we're moving to cashless
21 tolling at all of the MTA bridges and
22 tunnels, and they've implemented them now at
23 the Battery Tunnel, the Midtown Tunnel,
24 they've been moving to the Verrazano Bridge.

1 But we're seeing high-profile arrests
2 of people who have not paid their tolls
3 coming across the Port Authority bridges. A
4 woman was caught recently, she had run up
5 \$90,000 worth of unpaid tolls at various
6 bridges and tunnels. And I just wonder, how
7 does a person get to that level where they
8 owe \$90,000 in tolls?

9 You know, is it -- so I'm going
10 through the tollbooths, I'm not paying, and
11 then what happens? I get a letter in the
12 mail, and then I get another one and another
13 one? Does anybody ever come and attempt to
14 collect that money?

15 So I have this terrible fear that
16 people -- they'll read those stories in the
17 newspaper and say, Well, why should I pay the
18 toll at all? And especially if there's no
19 barriers, I'm just going to drive through,
20 and maybe they'll catch me and maybe they
21 won't. And when they do, I might owe
22 \$200,000 worth of tolls.

23 If there's no mechanism to collect it,
24 what are we doing?

1 ACTING EX. DIR. FINCH: There is a
2 very aggressive method to collect it. And
3 sometimes the stories we hear in the media
4 are the outliers.

5 SENATOR SAVINO: Ninety thousand
6 dollars is a bit of the outlier.

7 ACTING EX. DIR. FINCH: It is. It's a
8 big outlier.

9 Thankfully most of the people pay
10 their tolls right up front. And we're
11 thankful they do that, because as a
12 user-fee-supported facility that doesn't have
13 to be paid for by taxes in the budget, we're
14 all thankful of that, because it's good to
15 keep that from the budget.

16 But we operate with a collection
17 agency. We have now the threat of
18 registration suspension, which really gets
19 people's attention. That's a good thing, and
20 we appreciate that. And we hope that that's
21 part of the Executive Budget, and we hope
22 that you'll approve.

23 And then reciprocity. Many of the
24 times the people we're talking about are not

1 New Yorkers, and we want to make sure that
2 people from other states and other provinces
3 pay their fair share. So reciprocity
4 agreements will help to effect exactly what
5 you're talking about.

6 SENATOR SAVINO: Thank you.

7 CHAIRWOMAN YOUNG: Senator Krueger,
8 and then I have a few more questions.

9 SENATOR KRUEGER: Thank you.

10 Good afternoon.

11 ACTING EX. DIR. FINCH: Good
12 afternoon, Senator.

13 SENATOR KRUEGER: So we're not putting
14 any more general funds into your budget this
15 year, correct?

16 ACTING EX. DIR. FINCH: Correct.

17 SENATOR KRUEGER: So that's good news.
18 We did take \$2 billion of bank settlement
19 dollars and apply that to the Thruway
20 Authority. So I suppose for the future we
21 can hope the banks continue to violate the
22 law and owe us lots of settlement money, and
23 that would help with our Thruway Authority.

24 ACTING EX. DIR. FINCH: We certainly

1 weren't complaining about the money, thank
2 you.

3 SENATOR KRUEGER: Would you remind me
4 of a statistic that I think was in last
5 year's testimony? Because it was quite
6 surprising to me at the time of how our
7 cost-per-mile on our Thruway is actually
8 dramatically less than most other areas,
9 either in the same region or around the
10 country.

11 ACTING EX. DIR. FINCH: We're some of
12 the lowest in the country, at 5 cents per
13 mile for a passenger vehicle and 20 cents for
14 a commercial vehicle.

15 And as I said to Senator Young, we are
16 fiscally conservative in trying our darndest
17 to make sure that our costs don't go up. And
18 since 2010, our costs have risen less than
19 1 percent.

20 SENATOR KRUEGER: How have you done
21 that, only -- less than 1 percent in seven
22 years?

23 ACTING EX. DIR. FINCH: We have a very
24 dedicated workforce.

1 SENATOR KRUEGER: So it's not that we
2 found the other money from other places, that
3 your actual cost for doing your work --

4 ACTING EX. DIR. FINCH: Exactly.

5 SENATOR KRUEGER: -- only went up
6 1 percent in seven years.

7 ACTING EX. DIR. FINCH: Mm-hmm.

8 SENATOR KRUEGER: I'm impressed. Good
9 for you.

10 ACTING EX. DIR. FINCH: We like to
11 surprise you.

12 SENATOR KRUEGER: Thank you very much.

13 CHAIRWOMAN YOUNG: Director Finch, I
14 had a couple more questions.

15 I was just looking at a Comptroller
16 report from November, and in that report
17 Comptroller DiNapoli recommended that you
18 develop and implement a long-term capital
19 plan, given that the Thruway Authority's
20 current revenue structure may not be
21 sufficient to cover ongoing and future
22 capital needs.

23 So you said that the position of the
24 Thruway Authority is very strong right now,

1 but do you have an operating deficit right
2 now?

3 ACTING EX. DIR. FINCH: No, we do not.

4 CHAIRWOMAN YOUNG: You don't. That
5 went away because it was a loss of
6 \$227 million in '14, and that was increased
7 from 2010. So you're totally in the black
8 right now?

9 ACTING EX. DIR. FINCH: Yes, we are.

10 CHAIRWOMAN YOUNG: Okay, good.

11 Have you begun developing a long-term
12 capital plan? Because everybody is talking
13 about the Tappan Zee Bridge because that's
14 the big project going on right now, but I can
15 attest to talk about the Thruway going
16 through my district. There are a lot of
17 capital needs, and my office does hear about
18 those from travelers and my constituents.

19 So when you look at the Thruway and
20 its bridges, many of them are over 60 years
21 old, they're probably at the end of their
22 lifespan, and the authority itself estimates
23 that only about 10 percent of the roads and
24 20 percent of the bridges have been replaced

1 or thoroughly reconditioned.

2 So -- I think it's your estimate it
3 would cost \$13 billion to do all the work
4 that needs to be done just on current needs.
5 And so what's your plan for implementing
6 these projects?

7 ACTING EX. DIR. FINCH: Well, first
8 off, thank you for the question. What we do
9 is we drill right down to the pavement, and
10 we have an asset management program which is
11 something I am very impressed with. As you
12 know, I'm relatively new and have had a long
13 public service career, but this asset
14 management program at the Thruway Authority
15 gets down to the granular level like I have
16 rarely ever seen before.

17 So we know every inch of our pavement
18 and what condition it's in, and now we're
19 working on the bridge conditions. And you're
20 right to point out that we have an aging
21 infrastructure with roads as old as I am, so
22 we're starting to show wrinkles around the
23 eyes.

24 But we do have good data and we do

1 have, I think, a clear vision for the future.
2 That's not to say that it won't be
3 challenging, because I think when Thomas
4 Dewey first had the vision of the bridge --
5 the highway, the Thruway, it was just as
6 daunting. And now we're reaching its useful
7 life, and we're going to have to replace it.
8 So I think you're right to point that out.

9 We're looking at it every day, and I
10 think as time progresses we'll be able to
11 give you a clearer picture of what the future
12 is going to look like. But we do know what
13 our asset situation is, and we'd love to
14 share that with any of you that would like to
15 know more about it, because I think it's
16 something really to be proud of.

17 CHAIRWOMAN YOUNG: Thank you,
18 Director.

19 And I know that the Legislature would
20 be very interested in seeing a plan, a
21 timeline, how these projects would be funded,
22 what your proposal would be. So we look
23 forward to that. Hopefully it's sometime in
24 the near future.

1 ACTING EX. DIR. FINCH: Thank you,
2 Senator.

3 CHAIRWOMAN YOUNG: Thank you.

4 CHAIRMAN FARRELL: Just a few
5 questions.

6 You may have heard me earlier talking
7 about toll elimination. I happen to like the
8 one you have now, I think it's much better.
9 You don't have the problem of people coming
10 from everywhere.

11 But how many of those have you put in,
12 or are you putting in any more than the one
13 you have that I go through coming up from
14 Manhattan?

15 ACTING EX. DIR. FINCH: Just the
16 Tappan Zee Bridge.

17 CHAIRMAN FARRELL: It's just that
18 you've done?

19 ACTING EX. DIR. FINCH: That's it.

20 CHAIRMAN FARRELL: And you haven't
21 done any others?

22 ACTING EX. DIR. FINCH: No.

23 CHAIRMAN FARRELL: Are you going to do
24 others?

1 ACTING EX. DIR. FINCH: Well, we don't
2 have a specific plan to do it. But as I
3 mentioned, with the great social benefits
4 that it has -- it's sort of the wave of the
5 future. I think in the not too distant
6 future you'll see more electronic tolling,
7 cashless tolling.

8 But I do have a confession to make; I
9 never had an E-ZPass until I took this job.
10 But I, like you, liked to go and talk to a
11 toll collector. So even though I have an
12 E-ZPass, many times I go to talk to the toll
13 collector because that's how I find out
14 what's going on on the Thruway.

15 CHAIRMAN FARRELL: Careful. Our
16 grandchildren will say we don't know what's
17 happening, as my daughter tells me every
18 time.

19 ACTING EX. DIR. FINCH: I went to look
20 at what time it was and -- we don't wear
21 watches anymore, I had to find my cellphone.

22 (Laughter.)

23 CHAIRMAN FARRELL: That's it?

24 Thank you very much.

1 ACTING EX. DIR. FINCH: Thank you very
2 much --

3 CHAIRWOMAN YOUNG: Thank you.

4 ACTING EX. DIR. FINCH: --
5 Assemblymen, senators.

6 (Discussion off the record.)

7 CHAIRMAN FARRELL: New York State
8 Association of Town Superintendents of
9 Highways, Michael Boesel, president, 1:30.
10 And also New York State County Highway
11 Superintendents Association, Wayne Bonesteel,
12 Rensselaer County Engineer.

13 And following that will be William
14 Carpenter, then AAA, then PEF. Would you
15 please come down, if you're going to speak to
16 us? Because it takes you 10 minutes to get
17 here, and we could get it faster. Because
18 we're only three hours behind time, not much.

19 Thank you. Good afternoon.

20 MR. MEYER: All right. Good
21 afternoon.

22 Senator Young, Assemblyman Farrell,
23 first of all, I'd like to extend an apology
24 from Michael Boesel, who had a family matter

1 that he had to attend to and therefore is
2 unable to be here to present this testimony.

3 However, I am Bernie Meyer, the first
4 vice president of the New York State
5 Association of Town Superintendents of
6 Highways, and I'm from the Town of Canaan.
7 And when the Thruway gave their testimony,
8 they didn't say that the Thruway actually
9 goes into the Massachusetts Turnpike, and
10 that's where we are from, in Canaan. We're a
11 borderline case, that's what I call it.

12 Anyway, with me, representing the
13 New York State County Highway Superintendents
14 Association, is their legislative cochair,
15 Rensselaer County Engineer Wayne E.
16 Bonesteel, P.E., sitting here to my right.

17 We appreciate this opportunity to
18 submit testimony for your consideration as
19 you review the Governor's 2017-2018 Executive
20 Budget. As you know, our collective
21 membership is responsible for ensuring the
22 safe operation of 87 percent of the state's
23 public roads. Let me say that again --
24 87 percent. Mileage numbers, you're probably

1 looking around 100,000 miles. Half of it's
2 bridges and plowing, not only our huge
3 system, but also over a quarter of New York
4 State Department of Transportation DOT roads,
5 and that's around another 4,000. So every
6 time there's a winter event, the hardworking
7 men and, I stress, women -- which there are a
8 number of, and doing a great job on our local
9 crews -- ensure New York's drivers get to and
10 from work, home, schools, hospitals, and
11 other destinations safely.

12 We'd like to begin by thanking you and
13 the members of the Legislature for your
14 steadfast support of local roads, bridges,
15 and culverts. And I stress culverts because
16 that's something that's been ignored for a
17 long time. And you were able to get that
18 into the program, so we're very pleased with
19 that, and thanks again.

20 We're pleased that the state adopted a
21 five-year DOT capital plan which included two
22 new programs, PAVE-NY and BRIDGE NY. We
23 understand nearly 500 applications for
24 funding for bridge and culvert projects under

1 BRIDGE NY were submitted by the counties,
2 towns, cities, and villages throughout the
3 state.

4 In the Hudson Valley, the value of
5 project applications is five times the
6 \$19.5 million available. Upstate aggregate
7 bridge requests came in at more than two
8 times the available \$108.7 million, while
9 upstate culvert requests totaled six times
10 the amount available, \$20 million statewide.

11 Based on these numbers, the need for
12 additional bridge and culvert funding is
13 justified. The Executive Budget -- we're
14 pleased to see Governor Cuomo's 2017-2018
15 budget funds PAVE-NY at \$100 million for the
16 local share of the program. The Executive
17 Budget holds for the fifth year the
18 Consolidated Highway Improvement Program,
19 which is known as CHIPS, base level at
20 \$438 million. In 2013, the Legislature
21 championed the last increase of \$75 million.
22 CHIPS, as you all know by now, is the
23 financial lifeblood of the local highway
24 department, distributing vital and

1 reoccurring state funding, through a formula,
2 to every local government in the state.
3 While providing a reliable base amount of
4 state funding for local roads and bridges,
5 CHIPS funds fall short of what is needed to
6 keep the locally owned ailing and aging
7 transportation system from falling farther
8 into a state of disrepair. The New York
9 State DOT capital plan and Executive Budget
10 freezes the base level for CHIPS at
11 \$438 million, and \$39.7 million for the
12 Marchiselli portion.

13 While funding for local roads and
14 bridges remains flat in the Governor's
15 Executive Budget, it's imperative to note
16 that the Governor proposes increasing the
17 DOT's capital program spending this fiscal
18 year by \$1.16 billion. His budget directs
19 \$855 million -- nearly three-quarters of
20 these new funds -- to be spent on three
21 projects in New York City. These three
22 projects will receive more funding in the
23 coming fiscal year than the PAVE-NY and
24 BRIDGE NY programs will distribute to

1 87 percent of the state's roads and
2 50 percent of its bridges over four years.

3 We're not here to create a rivalry
4 between different parts of the state, but
5 instead we ask our legislators what basis the
6 state is using to determine how highway and
7 bridge funding are being distributed. Eight
8 percent of DOT's bridges and less than
9 1 percent of its roads are in New York City,
10 yet this year the Executive Budget recommends
11 spending nearly as much in the city as the
12 department would spend on Long Island, the
13 Hudson Valley, and upstate combined.

14 The next segment deals with bridges,
15 and I would like to turn that over to
16 Mr. Bonesteel.

17 MR. BONESTEEL: Thank you, Bernie.

18 According to the DOT's latest annual
19 Highway Pavement and Bridge Condition Report,
20 between 2013 and 2015 an additional 360
21 bridges became deficient, as the number of
22 deficient bridges jumped from 5,542 to 5,902.
23 To be clear, pavement and bridge conditions
24 in our state are getting worse. Every single

1 region in this state saw an increase in
2 poorly rated bridges over the last two years.
3 DOT Commissioner Driscoll's home region,
4 Central New York and Region 3, had an
5 additional 48 bridges move from the "good or
6 excellent" to "fair or poor" condition.

7 Bernie has a map here that was taken
8 out of a national publication called Roads
9 and Bridges. It shows the condition of
10 bridges in every state in the United States.
11 And New York, which is orange, is one of the
12 worst states as far as bridge condition
13 ratings.

14 MR. MEYER: We'd be more than happy to
15 pass this around if you'd like to see it in
16 person.

17 It's interesting -- if I may, for a
18 minute -- that even California is in better
19 condition than we are. You do not want to be
20 orange. And you do definitely not want to be
21 red -- that's Massachusetts, they're up to
22 41 percent deficiencies. So New York State,
23 just so you know, ranks between 31 and
24 40 percent in deficiencies in bridges at this

1 point.

2 Thank you.

3 MR. BONESTEEL: Again, we ask the
4 Legislature and the Executive to help us
5 better understand the basis for distributing
6 road and bridge maintenance funds.

7 Last year, PAVE-NY was initially
8 thought to be distributed in the same manner
9 as CHIPS, which is formula-driven based on a
10 community's roads, miles, and traffic
11 volumes. The final budget did not follow the
12 CHIPS funding formula for PAVE-NY. The
13 state's 932 towns, which maintain 70 percent
14 of the pavement, received only 29 percent of
15 the PAVE-NY funds, or nearly \$32 million less
16 than they would have had the CHIPS formula
17 been used.

18 We request that the Legislature work
19 with the Executive to increase CHIPS by
20 \$150 million to an annual appropriation of
21 \$588 million. We're also calling for an
22 additional \$50 million per year in local
23 funding for BRIDGE NY and a greater amount of
24 the total funding to be allocated to

1 culverts. We also request PAVE-NY funds be
2 distributed by a lane mile per-vehicle volume
3 formula.

4 Local systems' needs are great. We
5 have conducted our own needs study of the
6 local transportation system. The analysis
7 determined that, on average, local
8 governments -- excluding New York City --
9 should be spending \$2.32 billion annually on
10 their highways and bridges. Currently these
11 municipalities spend about \$1 billion
12 annually on these facilities, leaving an
13 annual shortfall of \$1.32 billion.

14 And let me conclude by saying that in
15 previous years, even in tough economic times,
16 the Legislature has responded to the dire
17 conditions of the state's transportation
18 systems and augmented CHIPS and other local
19 transportation funding. But more is required
20 to reverse the deteriorating conditions of
21 our local transportation systems and make
22 significant progress in its rehabilitation.

23 We are urging support for a
24 significant increase for the CHIPS program to

1 help all municipalities in the state extend
2 the life of our assets and maintain our vast
3 system in an adequately funded BRIDGE NY
4 program that could continue to provide direct
5 funding to local governments and add
6 flexibility needed to address local
7 conditions.

8 Our associations and the mutual
9 constituencies and communities we serve
10 appreciate the support of our state elected
11 officials who partner with us to ensure that
12 we all get the job done when it comes to
13 providing the public with a safe and
14 functional statewide transportation system,
15 one that supports jobs and economic growth
16 for our communities.

17 We look forward to continuing working
18 with you to make more state funding and
19 resources available to meet the critical
20 needs of our local transportation systems.

21 Thank you. Are there any questions?

22 CHAIRMAN FARRELL: Senator?

23 Assemblyman.

24 ASSEMBLYMAN OAKS: Yes. First of all,

1 thank you for your testimony and for the work
2 that you and your members do to keep the
3 roads that we travel on, those local roads,
4 safe and in the best condition that they can
5 be.

6 You pointed out a number of things.
7 Actually, I did -- you mentioned the issue of
8 the PAVE-NY money and how that is
9 distributed. I actually did bring that up to
10 the commissioner this morning, and he did
11 respond that they would take a look at it.

12 Of course, that is developed in
13 conjunction with negotiations as well as -- I
14 believe -- so thank you for pointing that
15 out. And hopefully they will take that to
16 heart as we go forward in figuring out how
17 those funds are distributed.

18 The information that you gave
19 concerning the number of bridges, that we're
20 falling further behind -- in the description,
21 as we could see in the map -- obviously is of
22 concern. And I think we're pleased that at
23 least there is an effort toward the BRIDGE NY
24 program and in other efforts, but I think

1 pointing that out just shows that current
2 efforts are appreciated, but we continue to
3 have more required.

4 But again, thank you for your efforts
5 and your testimony today.

6 MR. MEYER: Thank you.

7 MR. BONESTEEL: Thank you.

8 CHAIRMAN FARRELL: Senator?

9 CHAIRWOMAN YOUNG: Thank you,
10 gentlemen, for being here.

11 And I have to echo something
12 Assemblywoman -- Assemblyman, sorry. It's
13 been a long day. Denny says I'm sitting near
14 him too much.

15 But I did want to first of all say how
16 grateful we are to the highway
17 superintendents for all the great work that
18 you do. I know that you're on call 24/7
19 during all kinds of weather, and also I know
20 that you perform miracles with the money that
21 you get, because you have to really stretch
22 budgets. So we truly are very, very thankful
23 for everything that you do.

24 But I'm just curious, because the

1 language in the final budget and the Senate
2 push for this had PAVE-NY funding going out
3 as the same formula as CHIPS. So why do you
4 not believe -- because we verified it before
5 the hearing today, that that's what happened.
6 But why do you feel that that did not happen?
7 It's BRIDGE NY that you couldn't get the
8 formula on, but PAVE-NY is on the same
9 formula as the CHIPS program.

10 MR. BONESTEEL: My understanding is
11 that PAVE-NY funds is being distributed
12 through CHIPS but not using the CHIPS
13 formula. Basically, when they took that
14 allocation of \$100 million, they took a
15 percentage based on how much of each
16 municipality gets in CHIPS and then just used
17 that percentage to figure their PAVE-NY
18 allotment.

19 CHAIRWOMAN YOUNG: So my analyst sits
20 behind me, and she said that it was based on
21 the formula. Because whatever percentage you
22 got out of the 438, then you got that same
23 percentage out of the \$100 million. So
24 you're saying that's an issue?

1 MR. BONESTEEL: It was mostly an issue
2 with the towns and their distribution of
3 PAVE-NY funds. Because they just used a
4 percentage, just used the percentage of what
5 they got in CHIPS compared to the entire
6 CHIPS pot, and then just applied that to the
7 \$100 million for PAVE-NY.

8 MR. MEYER: The fair, equitable way to
9 distribute any money throughout the entire
10 state is by using the CHIPS formula. It's a
11 very complicated formula -- and it seems to
12 work, though. So the thing is, you have to
13 give it a lot of credit. And as long as
14 something works, why don't we just use it for
15 the distribution of these funds.

16 There was quite an anxious time in the
17 beginning when PAVE-NY was even to begin.
18 There was no way to find out how it was going
19 to be paid, what the criteria was for
20 proceeding with the, shall we say,
21 reimbursable money, for the simple reason
22 that CHIPS also has a very onerous
23 reimbursement segment to it, where you have
24 to prove where you get the materials, how it

1 was paid for, how it was delivered -- who,
2 what, when, where, cancelled checks, the
3 whole nine yards. I mean, it's a very
4 onerous program.

5 But it's a fair program. So that's
6 why we wanted it to make sure that it goes
7 through CHIPS channels, if you will, and
8 follows the same protocol.

9 CHAIRWOMAN YOUNG: So again -- and
10 maybe we need to talk offline about this --
11 but if the funding percentages are based on
12 the amounts that you get through CHIPS, how
13 is that different for PAVE-NY? If all the
14 formula is gone through -- and as you said,
15 it's very rigorous and has a lot of
16 details -- if you get a certain percentage of
17 funding from the CHIPS program, and let's say
18 it's whatever it is, but you get the same
19 amount from the PAVE-NY program using the
20 same criteria -- I guess I'm not
21 understanding why you believe that you didn't
22 get the same funding percentages as the CHIPS
23 program.

24 MR. BONESTEEL: Because, like Bernie

1 said, the CHIPS formula itself is a
2 complicated formula that's more than just
3 based on how many roads you have. There's
4 other factors involved.

5 CHAIRWOMAN YOUNG: Right.

6 MR. BONESTEEL: And if you just go
7 with a straight percentage, you're not
8 putting all the factors into the formula for
9 each municipality, and the numbers come up
10 different.

11 CHAIRWOMAN YOUNG: Well, we'll be glad
12 to look into that for you, okay?

13 MR. BONESTEEL: Okay.

14 CHAIRWOMAN YOUNG: So thank you for
15 your testimony.

16 CHAIRMAN FARRELL: Thank you.

17 MR. BONESTEEL: Thank you.

18 MR. MEYER: Thank you very much.

19 CHAIRMAN FARRELL: New York Public
20 Transit Association, William Carpenter,
21 president and CEO, Regional Transit Services.

22 After that will be AAA, Alec Slatky.
23 And after, Paul Gendron and Karen Patterson.

24 MR. CARPENTER: Thank you, Chairman

1 Farrell and Chairwoman Young, for giving the
2 New York Public Transit Association the
3 opportunity to testify today on Governor
4 Cuomo's 2017-'18 Executive Budget.

5 My name is Bill Carpenter. I am the
6 chief executive officer for the
7 Rochester-Genesee Regional Transportation
8 Authority and the president of the state
9 association.

10 It's clear, listening to the questions
11 you gave others who came here before me, that
12 you understand the public transit needs;
13 therefore, I'll provide a summary of my
14 testimony.

15 I want to begin by expressing my
16 sincere appreciation from all of us in the
17 transit industry for your support of public
18 transportation and the unprecedented level of
19 funding included in the five-year capital
20 programs approved last year for the MTA and
21 for all the other transit systems. The good
22 news for us is that the Governor's 2017-'18
23 Executive Budget has that provided, and we're
24 grateful.

1 But the budget provides no increase in
2 state operating aid. Flat operating aid,
3 quite frankly, is really a cut, because wage
4 and health benefit costs do increase for our
5 employees. The lack of growth in state aid
6 will cause many systems to divert funding
7 that was intended for capital in order to
8 cover operating expenses, and that is not a
9 sustainable strategy for the future. It will
10 deprive systems of badly needed
11 infrastructure funding and negate the
12 benefits of the capital improvements
13 anticipated from the five-year plan.
14 Predictable growth in operating support is
15 necessary for transit systems to continue
16 essential services that are so important to
17 millions of New Yorkers.

18 NYPTA is requesting that a 2 percent
19 across-the-board increase in STOA to help
20 preserve existing transit services be
21 considered by the Legislature. At the same
22 time the Executive Budget proposes flat
23 operating aid, transit ridership is rising in
24 many areas of the state and both the public

1 and businesses are demanding more and better
2 service. The reviving economy, growth in
3 ridership, and changing travel markets are
4 placing new demands on transit to access new
5 job locations, address changing travel
6 patterns, and meet the travel needs of
7 millennials and a growing senior population.

8 Communities across upstate and
9 downstate have demands for more services that
10 cannot be met with existing resources. We've
11 compiled a list of these increased demands in
12 our brochure, Grow NY Transit.

13 For example, in my home area of
14 Rochester, more service is needed to support
15 the growth in our local community college,
16 MCC. RIT. An employer like Maximus, with
17 2500 employees on a transit line that's
18 requiring us to add more and more service
19 Saturdays, Sundays, and holidays in order to
20 meet the needs for a growing economy. But we
21 don't have the additional funding to support
22 it.

23 Therefore, we're asking for an
24 additional investment of \$15 million in state

1 operating aid for upstate and downstate
2 suburban systems be added to support the
3 economic expansion our state is seeing.
4 There are sufficient balances and
5 transit-dedicated funds to allow increases in
6 state mass transit operating aid.

7 On another topic, many of our rural
8 and small city transit systems are struggling
9 to maintain basic services as a result of the
10 state's change in the way Medicaid
11 transportation is arranged. The impact of
12 lost Medicaid ridership and revenue has
13 resulted in service reductions to the public
14 and is threatening the viability of
15 transportation to those who need it most.

16 NYPTA recommends continuation of
17 transition aid from the Department of Health
18 that last year was at \$4 million -- but with
19 additional counties now impacted, we ask that
20 \$5 million be included for transitional aid.
21 We also ask that New York State DOT and
22 New York State Department of Health study the
23 full financial and service impacts on rural
24 transit systems of the state's Medicaid

1 changes and prepare recommendations to
2 preserve vital rural transit services.

3 Regarding transportation network
4 companies, NYPTA supports legislation to
5 allow TNCs to operate outside New York City,
6 with proper safeguards, and dedicate a
7 portion of any new state revenues to support
8 transit in the local area. We also recommend
9 that any new transit revenues be allocated to
10 transit systems by formula.

11 Increased investment in transit will
12 result in better service, more cost-effective
13 delivery, and support thousands of jobs for
14 the state's transit manufacturers and
15 suppliers.

16 The growing popularity of transit
17 across the state is why we are asking for an
18 appropriate state investment. NYPTA is
19 committed to working alongside the Governor
20 and the Legislature to ensure that New York
21 State transit systems can meet the demands
22 for service and support sustainable economic
23 growth in our communities.

24 Thank you.

1 CHAIRWOMAN YOUNG: Thank you.

2 CHAIRMAN FARRELL: Thank you.

3 CHAIRWOMAN YOUNG: Are you testifying
4 also?

5 MR. CARPENTER: This is our New York
6 Public Transit Association policy analyst,
7 Bob Zerillo, and all the tough questions go
8 to him.

9 CHAIRWOMAN YOUNG: Do you have
10 questions?

11 Well, thank you, Mr. Carpenter, for
12 being here today. We truly appreciate it --
13 and both of you.

14 And as you know, Bill, my district
15 stretches from about 10 miles outside of
16 Erie, Pennsylvania, to the borders of Monroe
17 County, and so this is an issue that's of
18 very great importance to some of my
19 constituents, and certainly to people in
20 Buffalo, Rochester, Syracuse, and so on.

21 You heard me, I believe, speak to the
22 commissioner of DOT today about your issues,
23 and I asked him if there were structural
24 imbalances regarding your systems versus the

1 rest of the transit systems around the state,
2 and he admitted that there was. Did you hear
3 what he said in response to that? He said
4 that mistakes were made when you were set up.
5 So could you address what he said?

6 PRESIDENT CARPENTER: What the state
7 association feels needs to be done is the
8 underlying funding sources do not generate
9 the revenues today based on changing
10 industries and the economics of those
11 industries, so that the funding that was
12 dedicated for non-MTA transit systems is
13 virtually stagnant over the last number of
14 years. Those funds are then distributed
15 through a state operating aid formula without
16 General Fund support.

17 We're not able to grow the systems
18 across the state. Last year the Legislature
19 worked with the Executive and found
20 additional General Fund money. This year
21 they're using state dedicated funds,
22 displacing \$5 million from the General Fund.
23 That \$5 million in the General Fund, if it
24 was put back into funding for us, would

1 represent a 1 percent increase for non-MTA
2 transit systems, essentially half of what our
3 ask is if the General Fund investment was
4 left the same as last year.

5 But overall, the underlying revenues
6 need to be reviewed. I believe the
7 Legislature asked for that last year. I
8 heard the commissioner say he would be
9 willing to come to the table, and certainly
10 the state association would be willing to
11 work together to find something that works
12 for all New Yorkers.

13 CHAIRWOMAN YOUNG: I think we should
14 do that. I think we should follow up on that
15 and try to get everybody at the table
16 because, as I said, we need partners and the
17 Legislature did push hard last year.

18 So your ask for this year is
19 \$10 million, which would be equivalent to a
20 2 percent increase.

21 MR. CARPENTER: That's correct.

22 CHAIRWOMAN YOUNG: Thank you.

23 CHAIRMAN FARRELL: Thank you.

24 CHAIRWOMAN YOUNG: Thank you for being

1 here.

2 MR. CARPENTER: Thank you very much.

3 CHAIRMAN FARRELL: Alec Slatky, policy
4 analyst, AAA.

5 MR. SLATKY: Good afternoon, everyone.
6 My name is Alec Slatky. I'm here testifying
7 on behalf of AAA New York State, which is an
8 association of the four independent AAA clubs
9 in New York collectively serving over
10 2.7 million members.

11 I want to thank all the Senators and
12 Assemblymembers who are sticking around and,
13 of course, all the staff who made this
14 possible.

15 And I wanted to submit this testimony
16 in support of a couple of provisions for
17 traffic safety in Part L of the TED bill
18 particularly relating to seat belts, drunk
19 driving, and distracted driving. And I just
20 want to turn our attention for a minute to
21 seat belts.

22 So this provision that's in the budget
23 would amend the VTL to require adults 16 and
24 over in the back seat of a motor vehicle to

1 wear seat belts. Currently that's not the
2 case.

3 And we were once a leader in occupant
4 protection. Back in 1984, New York passed
5 the first seat belt law in the country, and
6 it's been one of the biggest public health
7 successes in the 20th century, I would say.
8 Over 330,000 lives have been saved by seat
9 belts since then. And today 28 states and
10 the District of Columbia require back-seat
11 passengers who are over 16 to wear seat
12 belts, but not New York.

13 And obviously we'd like to change
14 that, because we know proper restraints
15 improve safety outcomes for all vehicle
16 occupants, regardless of age, regardless of
17 seating position. If you're not belted in,
18 you're three times more likely to be killed,
19 eight times more likely to be seriously
20 injured. And we've seen great campaigns from
21 state agencies and local police departments
22 that have helped bring our front seat belt
23 use up to an all-time high. But in the back
24 seat, we actually lag behind the nationwide

1 average.

2 And last year, AAA in New York State
3 released a report that analyzed fatal crashes
4 in New York between 1995 and 2014 -- that was
5 what was available online -- but it's a
6 20-year period. And in that 20 years, there
7 were 886 fatalities to adults in the back
8 seat, 16 and over, who were not buckled in.
9 That's 44 per year. And at least one such
10 fatality occurred in each of New York's 62
11 counties.

12 And I want to turn your attention just
13 for a moment to the first chart on page 3, if
14 you would. To the folks in the audience, I
15 guess you'll have to play along.

16 What's clear from this chart is that
17 the fatalities and the danger is concentrated
18 among the youngest adults and the oldest
19 teenagers -- I guess it depends on which way
20 you look at it. There's a huge spike right
21 at 16 years old in the number of fatalities
22 in the back for unrestrained passengers, and
23 that's due to the lower restraint use among
24 that population. And that's all

1 crystal-clear in the data, and you can really
2 see it especially right at the age of 16.

3 If you take 13-to-15-year-olds, they
4 had 57 fatalities over the 20-year period;
5 16-to-18-year-olds had 221. That's a quarter
6 of all of the fatalities for adults 16 and
7 over, suffered just by that three-year
8 period. And it doesn't make sense that the
9 age when children are least likely to wear a
10 seat belt, most likely to be injured as a
11 result, would be the age when we remove that
12 seat belt requirement.

13 But it's not just the teenagers that
14 are at risk. We had a couple of tragic
15 incidents within the past few years. Bob
16 Simon, the 60 Minutes correspondent, was
17 killed in the back seat of a vehicle; he
18 wasn't wearing a seat belt. John Nash and
19 his wife -- John Nash, the famous math
20 professor from "A Beautiful Mind," he was
21 also killed in the back seat of a vehicle --
22 not in New York, on the Jersey Turnpike
23 nearby -- and he was not wearing a seat belt
24 either.

1 So these are preventable injuries.

2 And it's not just a danger to the people who
3 are not wearing a seat belt, it's a danger to
4 everyone else in the car and everyone else on
5 the road -- because if you're not wearing a
6 seat belt in the back, you're twice as likely
7 to become a projectile, kill someone in the
8 front.

9 I like to say, you know, if you have a
10 15-pound bowling ball, you're returning from
11 the alley, don't put it in the middle of the
12 back seat. Because if you slam on the
13 brakes, that's going to come up with a lot of
14 momentum. I mean, I don't remember my high
15 school physics, but it's going to be a lot.
16 It's better to put it in the trunk or below
17 the seat.

18 Now, take that 15-pound bowling ball,
19 it's now a 150-pound human -- obviously, a
20 lot more dangerous.

21 And it's dangerous to everyone else on
22 the road, because 44 percent of those
23 fatalities were either full or partial
24 ejections. That poses obvious risks to other

1 road users. And we know states with belt
2 laws have consistently higher rates of usage
3 in the back seat.

4 And just one last thing -- I'll focus
5 only on the seat belts then -- we did a poll
6 of about 800 drivers in New York, both AAA
7 members and nonmembers, and over two-thirds
8 supported extending the seat belt requirement
9 to adults in the back seat, 16 and over.
10 That was true across demographic lines, that
11 was true across geographic lines,
12 upstate/downstate -- I used MTA counties to
13 define my upstate and downstate, I know
14 sometimes that's a point of contention.
15 There was over two-thirds support in each of
16 those cases.

17 So I would certainly urge everyone up
18 here and the rest of the legislators to
19 support a rear-seat belt law for adults.

20 Thank you.

21 CHAIRMAN FARRELL: Thank you.

22 Questions?

23 SENATOR KRUEGER: Thank you.

24 I'm sorry, I had to walk out for a few

1 minutes, but I had referenced a AAA report
2 earlier today --

3 MR. SLATKY: Yeah, I saw that. I
4 appreciated that.

5 SENATOR KRUEGER: -- with the DMV
6 commissioner. And I'm just curious, so one
7 of my questions to her was are there models
8 to do better education of millennials about
9 both what the rules of the road are and
10 actually how to get through to them that -- I
11 think the most disturbing thing I saw from
12 your report was that 90 percent don't care
13 that they're breaking the law. That they
14 know it, they don't care. So these are
15 really very dangerous violations that they're
16 committing.

17 MR. SLATKY: Yeah, I mean in terms of
18 education, I think there's lots that can be
19 done. I know the state is working on a task
20 force to develop a standardized curriculum
21 for driver's education throughout the state,
22 of which I'm a part. So that work continues.

23 But I think ultimately, a lot of
24 times, like you said, it comes down to

1 enforcement. Because if you know it's bad
2 and you don't care and you do it -- you can
3 educate all you want, but at a certain point
4 you need that disincentive of a ticket to
5 really make you change your behavior, I
6 think, more than anything else.

7 SENATOR KRUEGER: What's AAA's
8 position on red-light cameras and speed
9 cameras?

10 MR. SLATKY: We have always supported
11 red-light cameras throughout the state. And
12 they can be operated well, they can be
13 operated not so well, but in general we
14 support them provided that you have adequate
15 protections to ensure that it's operating
16 fairly and that it's operating transparently.
17 And of course, most importantly, that it's
18 actually reducing crashes.

19 And I think the same goes for the
20 schools' own speed cameras that we have in
21 New York City. Obviously, in Nassau County
22 it didn't work out so well, because it seemed
23 like it was being used mostly for revenue
24 generation.

1 But, you know, we wrote on the law a
2 couple of years ago when it was being
3 expanded, and we said we generally support
4 it, we would have liked to see a couple more
5 transparency provisions in the law. I know
6 there's a mandatory report that I think
7 didn't have a due date.

8 But overall, we support both of those.

9 SENATOR KRUEGER: And the task force
10 you're on for improved driver safety
11 training, does that task force actually exist
12 and meet? Because a bunch of the others
13 didn't --

14 MR. SLATKY: Yeah. Oh, I've been
15 there.

16 SENATOR KRUEGER: Oh, okay.

17 MR. SLATKY: Yes, it does exist.

18 SENATOR KRUEGER: Thank you.

19 Thank you.

20 MR. SLATKY: Driver Education Resource
21 Innovation Center. DERIC, D-E-R-I-C. I
22 forget the acronym sometimes.

23 CHAIRWOMAN YOUNG: Senator Savino.

24 SENATOR SAVINO: Thank you,

1 Senator Young.

2 I want to follow up on the distracted
3 driving issue that Senator Krueger was
4 talking about, particularly texting. I have
5 serious concerns about it. I think texting
6 while driving is more dangerous than drunk
7 driving, because at least if you're drunk
8 you're still looking at the road. Texting,
9 you're not.

10 But I know the Governor has a proposal
11 to add texting while you're stopped at a red
12 light. I'm just somewhat concerned about
13 enforcement on that. But I was wondering,
14 has AAA looked at that as one of -- I believe
15 one of the things that's contributing to
16 traffic congestion and delayed traffic,
17 particularly at lights, is people, when they
18 stop at a light, pick up their phone
19 automatically, and they start texting. And
20 they don't notice that the light changes.

21 SENATOR KRUEGER: Mm-hmm.

22 SENATOR SAVINO: And that has a
23 chain -- she's mm-hmming behind me -- it's
24 actually having a chain reaction behind -- so

1 you have the first aggressive behavior from
2 drivers who then hit their horn to let you
3 know, but it's also slowing down traffic and
4 we're seeing increased congestion as a result
5 of it.

6 Has AAA looked at the effect of
7 texting at stoplights and stop signs, and the
8 effect that it's having on the flow of
9 traffic?

10 MR. SLATKY: I don't know if we've
11 looked at the congestion in a rigorous
12 fashion. I mean, obviously you're so right
13 about texting. We know it's pretty much the
14 worst distraction. It's really the trifecta
15 because your eyes are off the road, your
16 hands are off the wheel, and your mind is off
17 the driving task.

18 But -- I didn't get to it, it's also
19 in the testimony -- we do support prohibiting
20 texting at red lights, which is in the
21 Governor's budget. And I think that's one of
22 the reasons that we do so. Not even just
23 because of the congestion, but -- and I'm
24 sure everyone here sees it -- when someone is

1 texting, the guy behind them sees the green
2 light, toots the horn -- at least that's how
3 it is in New York City and Long Island, where
4 I'm from. Maybe upstate people are a little
5 bit friendlier.

6 But as soon as that light turns green,
7 people honk the horn and then the person who
8 has the phone in their hand, they just drop
9 it and go, without actually looking to see if
10 there's a car there or if there's a
11 pedestrian that's still there.

12 So I think there are multiple reasons
13 why we support it. The analysis that we've
14 done in terms of our AAA Foundation for
15 Traffic Safety shows that the distraction
16 doesn't actually end when you put the phone
17 down. Your reaction time is actually
18 inhibited for up to 27 seconds after the
19 distracting behavior ends. So even if you do
20 pick the phone up at a red light and put it
21 down before the light turns green, your mind
22 is still not quite recovered from that
23 distracting behavior.

24 SENATOR SAVINO: What about, you know,

1 the newer cars -- I have a 2014 Equinox and
2 so, you know, I have Bluetooth compatibility
3 and my phone connects to it, the minute I get
4 anywhere near the car. But my text messages
5 come up on the screen. And you press a
6 button, and it reads to you. So this woman
7 in my car reads me a text message. And
8 there's preselected replies, you can press
9 "Reply" -- "I'm driving, I can't speak,"
10 "Call me," et cetera.

11 Have you guys looked at that, the
12 effect of that on distracted driving? Or is
13 there any push to get more manufacturers to
14 have that available in their cars so that
15 people don't text? You have that -- you
16 know, you can just press that button and let
17 someone know that you're driving and that you
18 can't engage in a text discussion, that they
19 should call you. Or that you don't want to
20 have a conversation with them. Do we see
21 that maybe that will become the solution as
22 more vehicles become equipped this way?

23 MR. SLATKY: We have done studies on
24 this, and I will say that what you're talking

1 about is kind of a double-edged sword.
2 Because it's certainly good to get people's
3 heads up and not in their laps on the phone.

4 SENATOR SAVINO: Right.

5 MR. SLATKY: At the same time, the
6 research that we've done, our Foundation for
7 Traffic Safety, in conjunction with Dr. David
8 Strayer at the University of Utah, it
9 basically finds that hands-free is not
10 risk-free.

11 So the cognitive distraction is pretty
12 much the same -- let's say you're talking on
13 a hand-held phone or you're talking on a
14 hands-free phone, Bluetooth or through the
15 car's infotainment system. That is going to
16 distract you either way.

17 And so our message to people is
18 always: Put the phone down, a hundred
19 percent of the time. Of course, it's hard,
20 you can't enforce a hands-free ban --

21 SENATOR SAVINO: I think the horse is
22 out of that barn.

23 MR. SLATKY: Yeah.

24 SENATOR SAVINO: I don't think we're

1 going to get people to ever go back to the
2 point where they don't use a phone while
3 they're driving. So I think to the extent
4 that we can keep them with their hands on the
5 wheel -- and not on the phone, and not doing
6 something with the other hand, and not having
7 to look at it -- is probably the best that
8 we're going to accomplish.

9 MR. SLATKY: Yes.

10 SENATOR SAVINO: I just -- my own -- I
11 just can't see us going back to the days
12 where you have to pull over to make a phone
13 call. I just -- I think that's -- we're
14 beyond that.

15 MR. SLATKY: I mean, I think that the
16 numbers from our Traffic Safety Culture Index
17 kind of show that, that 70 percent of people
18 report making a phone call within the last
19 30 days.

20 Obviously, you know, we still want to
21 be there as the ones to say it's still not
22 safe. But in fairness, what we've done is,
23 in conjunction with those studies, we've
24 talked to some of the manufacturers to look

1 at the way their infotainment system is set
2 up, because there are different systems.
3 Like let's say you want to change your radio
4 station. And I would say I want to turn to
5 104.3, the classic rock station back in
6 New York. That might not be accepted under
7 some systems, and it might under other
8 systems. Some might say you have to say
9 "Q-1-0-4 point 3," and that's the only way it
10 works. And some have a little bit more
11 leeway.

12 And when there's more leeway, there's
13 less distraction, because there's less
14 frustration with mistakes or, you know,
15 failure to understand what you're saying. So
16 we've worked with the manufacturers to try to
17 get them to design those systems in a manner
18 that will reduce distractions as much as
19 possible.

20 SENATOR SAVINO: Thank you.

21 MR. SLATKY: Thanks.

22 CHAIRMAN FARRELL: Thank you.

23 CHAIRWOMAN YOUNG: Thank you so much
24 for being here.

1 MR. SLATKY: Thank you for having me.

2 CHAIRMAN FARRELL: Paul Gendron,
3 professional engineer, PEF. And Karen
4 Patterson, assistant engineer.

5 MR. GENDRON: Good afternoon. My name
6 is Paul Gendron, of the New York State Public
7 Employees Federation. I'm an executive board
8 member from Binghamton and the chairman of
9 our statewide Department of Transportation
10 Labor Management Committee. I have over 23
11 years of experience at DOT, including 17
12 years as a professional engineer.

13 With me today is Karen Patterson, from
14 Hornell. Karen is the vice chairman of our
15 statewide DOT Labor Management Committee and
16 has 27 years of experience in the
17 construction, design, and operations groups.

18 I want to thank you for the
19 opportunity to address DOT issues in the
20 2017-2018 proposed budget. PEF represents
21 over 3800 employees in the DOT. Their
22 primary responsibility is to keep the
23 infrastructure safe for the traveling public.

24 DOT funding is increased in the

1 proposed budget. All funds have increased by
2 \$750 million, about 6.6 percent of all funds.
3 Since PEF members are on the front line in
4 determining transportation needs and spending
5 these funds wisely, we applaud this
6 commitment to an increased capital program.

7 At the federal level, an additional
8 future 10-year investment of \$1 trillion
9 nationwide is being considered on top of an
10 approved federal authorization through
11 federal fiscal year 2020. An influx of
12 federal money will also require additional
13 administration by experienced state
14 employees.

15 While increases in funding is a
16 welcome relief, utilization of these funds
17 needs to be carefully monitored. Multiple
18 studies have shown in-house, experienced DOT
19 employees produce better projects for lower
20 cost.

21 I'd like to talk a little bit about
22 design-build. Two alternative methods for
23 funding capital projects for the public
24 sector have been touted in recent years, but

1 both design-build and public-private
2 partnerships have a checkered history in our
3 country.

4 In Part P of the Transportation
5 Article VII legislation, design-build is
6 proposed to be made permanent and expanded to
7 all agencies and authorities. This would
8 expand the current two-year pilot program
9 that was created under Chapter 60 of the Laws
10 of 2015. The current legislation allows
11 design-build procurement for five agencies.

12 PEF has multiple concerns.
13 Design-build allows one contractor to design,
14 construct, and inspect the entire project
15 instead of the traditional design-bid-build
16 procurement method, which allows for a
17 separation between designer and builder.
18 This results, among other things, in the loss
19 of checks and balances and the continued
20 erosion of professional public employees'
21 skills and knowledge. It puts the public at
22 risk, bypassing competitive bidding laws,
23 labor protection and other safeguards that
24 ensure transparency, fairness, and impartial

1 oversight.

2 When a design-build contract is let,
3 only 30 percent of the design phase has been
4 completed. With greater risk to the
5 design-build contractor comes greater cost.
6 Also increasing costs are procurement
7 procedures and additional administrative
8 oversight. In design-bid-build procurement,
9 this cost would not be expended with in-house
10 design.

11 DOT is the infrastructure owner and
12 has a greater stake in a quality product. It
13 is important that DOT employees inspect these
14 projects to ensure proper quality of
15 construction and safety of the construction
16 workforce and the public. DOT employees live
17 in the areas where they work. They have not
18 only an ownership stake due to their
19 employment with DOT, but they are also
20 taxpaying citizens in the areas in which
21 these projects are built. They probably have
22 family members who travel on those same roads
23 and bridges.

24 Consultant inspection firms for

1 design-build projects typically employ people
2 who live far away from the finished product
3 and have no local accountability.

4 Non-conformance reports prepared by DOT
5 quality assurance staff on projects are not
6 treated seriously. There have been reports
7 of inspectors hired by these consultant firms
8 telling state forces they work for the
9 contractor, not the state, when the single
10 state engineer assigned to quality assurance
11 would question compliance with standards or
12 specifications.

13 One pro-design-build claim is that the
14 contractor can use innovation to save money.
15 But the DOT has used this procurement method
16 for routine, non-emergency projects, rather
17 than for innovative or immediate need
18 projects. When multiple small work sites are
19 bundled -- for example, deck replacements or
20 bridge superstructure replacements, where the
21 only feasible option is to replace in-kind --
22 there is no opportunity for innovation, thus
23 creating added cost with no added benefit.

24 Examples of this include two bridges,

1 one that was measured 35 foot long that had a
2 superstructure replaced, and another 20 foot
3 long that was replaced in its entirety under
4 a design-build process.

5 Larger, bundled design-build projects
6 also hurt local economies. Both of the
7 bridges would traditionally have been simple
8 design-bid-build contracts. These contracts
9 would have employed local contractors and
10 used existing DOT engineering staff to design
11 and inspect the construction. But the
12 design-build process makes it impossible for
13 smaller, local companies to bid. Typically
14 these contracts are awarded to larger,
15 out-of-state firms.

16 Lastly, the proposed minimum threshold
17 in this year's budget to allow design-build
18 of \$1.2 million is unrealistic. This low
19 threshold is what has allowed design-build
20 projects to be built with minimal opportunity
21 for innovative cost savings.

22 A design-build report was produced in
23 the fall of 2015 by the Empire State
24 Development Corporation summarizing the five

1 projects progressed under Chapter 60 of the
2 Laws of 2015. None of the five projects have
3 been completed yet. In fact, three of the
4 five projects have a "to be determined"
5 best-value cost.

6 No permanent law should be in place
7 until a complete review of design-build
8 projects under the Laws of 2015 can be
9 completed. Such a review should be conducted
10 by the State Comptroller, as has been done in
11 the past by previous comptrollers.

12 Also, it was recently announced the
13 replacement of the Tappan Zee Bridge will be
14 completed in 2018. Waiting until a full
15 accounting of this first New York
16 mega-project before making final decisions is
17 a prudent course.

18 I just want to mention public-private
19 partnerships briefly. P3s have been
20 discussed as funding mechanisms at the
21 federal level. These projects also have a
22 checkered history in our country. The
23 disastrous Chicago Parking Meters, Chicago
24 Skyway, Indiana I-90, and Pocahontas Parkway

1 in Virginia are just some of the examples of
2 P3s that have negative and long-lasting
3 effects on public transportation. They
4 provide taxpayer subsidies in the form of
5 guaranteed profits for corporations that have
6 failed to deliver positive results of reduced
7 costs to the public.

8 When for-profit investors take over
9 public service facilities, it must be
10 remembered that every dollar that is put into
11 a private corporation's balance sheet is a
12 dollar that can't be spent on additional
13 public service or safety.

14 DOT staffing. The most cost-effective
15 highway and bridge design, bridge inspection,
16 and construction inspection services are
17 provided by the in-house DOT professionals.
18 Additional valuable services are bus and
19 truck inspections and other safety sensitive
20 work.

21 This year's budget calls for increases
22 in the design and construction program of
23 86 full-time-equivalents, for a proposed
24 total of 2,594, while maintaining all other

1 program levels at their current amount. This
2 is a positive but partial first step in
3 replacing the many hundreds of engineering
4 staff lost over the last 10 years. In the
5 proposed 2007-2008 budget, the proposed
6 number of design and construction program
7 FTEs was approximately 3800, a difference of
8 nearly 1200 positions. In our construction
9 inspection program alone, more than one-third
10 of in-house jobs have been lost over this
11 last seven or eight years.

12 At the time, the capital program in
13 2008 was approximately \$2 billion and the
14 total funding for the capital projects
15 category was \$4.3 billion. In this year's
16 proposed budget, the capital program is
17 approximately \$2.7 billion, and the total
18 funding for the capital projects category is
19 \$6.4 billion. Increases in staffing in all
20 program areas, and further increases in the
21 design and construction program, will lead to
22 efficiency, better quality, and less overtime
23 costs.

24 Consultant engineers still make up too

1 great of a portion of DOT's engineering
2 staff. Under the proposed budget, DOT will
3 see an increase in consultant staff
4 of 46 FTEs. This will bring the estimated
5 disbursement for consultant service contracts
6 to \$168 million for fiscal year 2018.

7 Our studies have shown that consultant
8 civil engineers cost New York State taxpayers
9 an average of 87 percent more than civil
10 engineers permanently hired by DOT. In one
11 case for a consulting bridge inspection
12 contract, the billable rate for a consultant
13 engineer bridge inspector was 32 percent more
14 than the NYSDOT commissioner's hourly rate.

15 Also troubling is the fact that many
16 of these consultant engineering service
17 contracts originated decades ago and are
18 simply renewed as needed. So for all intents
19 and purposes, DOT is paying exorbitant
20 consultant costs for de facto permanent
21 employees.

22 As long-term stewards of public money,
23 these facts should trouble all of us greatly.
24 One additional staffing concern relates to

1 Part LL of the Transportation Article VII
2 Legislation. PEF is concerned that shared
3 service agreements between DOT, the Power
4 Authority, and the Canal Corporation could
5 lead to a blurring of the lines of functions
6 and responsibilities between state agencies
7 and public authorities. It could further
8 reduce transparency, accountability and
9 oversight if not clearly defined.

10 A continuing priority for PEF is the
11 inclusion of cost/benefit legislation that
12 would require an analysis before entering
13 into consultant contractual services. This
14 would be valuable in many fields, including
15 engineering. Requiring this analysis allows
16 for documentation to reinforce decision
17 making.

18 As stated by everyone, investment in
19 our infrastructure is vital for economic
20 development. We believe through strong
21 financial decision-making, cost/benefit
22 analysis, and having a steady, educated
23 workforce, transportation funds can be used
24 most efficiently.

1 The DOT already makes efforts to
2 create five-year capital programs and other
3 long term planning tools. If proper staffing
4 and steady funding were available, there
5 would be less need for emergency projects as
6 well as less efficient and costly procurement
7 methods such as design-build.

8 Thank you for your time and the
9 opportunity to speak with you today.

10 CHAIRMAN FARRELL: Thank you.

11 Questions?

12 CHAIRWOMAN YOUNG: Thank you.

13 Thank you for coming from Hornell.

14 MS. PATTERSON: We're not driving back
15 tonight. You guys ran late.

16 (Laughter.)

17 CHAIRWOMAN YOUNG: That's good.

18 CHAIRMAN FARRELL: Do you have the
19 same mayor?

20 MS. PATTERSON: Pardon me?

21 CHAIRMAN FARRELL: Does Hornell have
22 the same mayor?

23 CHAIRWOMAN YOUNG: Shawn Hogan.

24 MS. PATTERSON: Shawn Hogan? He

1 certainly is still there, yes, he is.

2 CHAIRWOMAN YOUNG: Yes, he is.

3 CHAIRMAN FARRELL: Tell him Denny said
4 hello.

5 CHAIRWOMAN YOUNG: Thank you.

6 MS. PATTERSON: Thank you.

7 CHAIRMAN FARRELL: Scott Wigger,
8 executive director, Railroads of New York,
9 Incorporated.

10 Oh. This amount of paper gets me very
11 nervous.

12 MR. WIGGER: Yeah. I know. You know,
13 in the interests of time, I'm summarizing my
14 testimony here, unless that's a specific
15 request to go through it.

16 Good afternoon. My name is Scott
17 Wigger. I'm the executive director for
18 Railroads of New York, and I want to thank
19 you all for the opportunity here to testify
20 before you today.

21 RONY represents the freight rail
22 industry here in New York State comprised of
23 four Class I railroads -- CSX, Canadian
24 National, Canadian Pacific, and Norfolk

1 Southern -- and 36 short-line and regional
2 railroads. Together they employ a little
3 over 3700 employees here in New York State
4 and allow all of our industrial,
5 agricultural, and commercial customers access
6 to the nation's freight rail network.

7 As it relates to the statewide
8 infrastructure, the capital program for
9 freight rail included the Governor's budget
10 proposal is \$27.5 million, broken down into
11 \$17.5 million for freight rail projects and a
12 separate allocation of \$10 million for a mix
13 of freight, passenger rail, and port-related
14 projects.

15 We certainly wish to express our
16 thanks for including these funds in the
17 budget proposal. It's a very important
18 funding source for many of our state's
19 freight rail operators to maintain their
20 systems in a state of good repair and to
21 allow for economic development expansion
22 efforts.

23 We'd like to request that we continue
24 to build this program up to a \$50 million

1 annual level. This is the level that this
2 program was funded at during the 2005-2010
3 bond act years. We feel that this is the
4 appropriate level for this program and allows
5 many essential projects to get underway.

6 Just for a little reference there,
7 when the bond act funds were done in 2010 --
8 for the next three years, this essential
9 program was zeroed out for freight rail, as
10 all funding was directed towards high-speed
11 rail projects. So in the years after that,
12 with your support and the Governor's office,
13 we've been able to essentially bring this
14 program back from the dead. Really, we are
15 very appreciative of this, and we're slowly
16 building it back up. Last year \$27.5 million
17 was included in the enacted budget, which is
18 what the Governor is proposing this year as
19 well.

20 Just to give a sense of the needs in
21 the system, the last time DOT had a rail plan
22 in 2009, they put the needs at about
23 \$390 million per year over a five-year period
24 in the whole network. And about half those

1 needs are for state of good repair
2 activities. And then we did our own informal
3 survey, which is that gigantic attachment
4 that you see to my testimony there. So
5 there's about \$230 million worth of projects
6 listed in there, and it covers all areas of
7 the state. As you'll see, it's broken down
8 by region as well.

9 So you can see there's the needs of
10 the system, and then we'd like to continue to
11 build up this funding program to a
12 \$50 million level with your support.

13 Aside from that, I wish to address the
14 Governor's railroad safety program bill that
15 was signed into law last year. It passed
16 right at the end of session, signed into law
17 there.

18 I just want to start by saying safety
19 always has been and always will be the
20 number-one priority for the freight rail
21 industry, and we support any efforts to help
22 further increase safety on our state's rail
23 system there.

24 However, in this bill that passed

1 there were some elements that, technical in
2 nature, are still problematic for our members
3 which we'd like to address in this budget
4 process, specifically as relates to the
5 highway rail at-grade crossing inspection
6 program there. We'd like to maintain the
7 railroads' exclusive responsibility for
8 maintenance and access to these systems.
9 This will leave the entire inspection program
10 completely intact, and we support those
11 efforts for that.

12 The next change deals with the bridge
13 inspection requirements there. Back in
14 December 2015, President Obama signed into
15 law the federal FAST Act, which addressed,
16 among many other things, railroad bridge
17 inspection procedures and reporting
18 requirements. Included in this is a system
19 where basically the feds maintain the central
20 repository of all these bridge inspection
21 reports that any state can get on demand at
22 any time. So the corrections we would
23 suggest to make is basically just to marry up
24 the state law with the federal law in this

1 respect.

2 And then, lastly, we seek to
3 reestablish the state's general
4 jurisdictional authority over the state's
5 public highway rail crossings only, and not
6 the private ones, which there's hundreds of
7 these throughout the state on farms, private
8 lands, and whatnot.

9 So -- and just one last note on that.
10 When the Governor signed this bill into law
11 last year, he indicated in his approval memo
12 his willingness to work with us and the
13 Legislature to address these technical
14 concerns.

15 So in summation, we respectfully
16 request your support to get the program up to
17 the \$50 million annual level and for
18 including those technical amendments in the
19 budget language.

20 Thank you very much, and I'll take
21 your questions.

22 CHAIRMAN FARRELL: Thank you.

23 Any questions? Mr. Oaks.

24 ASSEMBLYMAN OAKS: Just quickly. Rail

1 use, how does New York State compare in
2 commercial hauling, compared to the nation as
3 a whole? Are we, percentagewise, up there
4 with other areas or not?

5 MR. WIGGER: We're certainly up there,
6 around that. In terms of mileage, it's
7 certainly up toward the top. And in addition
8 to, you know, the main centers we have
9 here -- you know, Buffalo to New York through
10 Albany -- we're also a big pass-through state
11 for goods going from Chicago to Boston.

12 ASSEMBLYMAN OAKS: And Long Island
13 area versus upstate? Is Long Island a lesser
14 use or greater or --

15 EXEC. DIR. WIGGER: Yeah, there's only
16 one freight rail operator on Long Island,
17 that's the New York & Atlantic Railway. The
18 rest of our short-line and regional railroads
19 are mostly located upstate.

20 ASSEMBLYMAN OAKS: Is there anything
21 being done to -- I know you went through a
22 lot of investment in existing rail and safety
23 and whatever -- anything being done to try to
24 push higher use on rail versus -- you know,

1 as it impacts perhaps truck traffic or road
2 safety?

3 MR. WIGGER: I would certainly -- you
4 know, from a business perspective, we're
5 always looking to grow our systems. You
6 know, reaching customers, supporting economic
7 development to agricultural, commercial and
8 industrial sectors. We do realize the need
9 for trucks, especially for intermodal
10 shipments and getting to the last mile, so to
11 speak.

12 But when it comes to hauling freight
13 over long distances, we actually -- we're the
14 tops in that respect as far as, you know,
15 efficiency, safety, environmental benefits,
16 and what have you there. So it's just, in
17 general, we're always looking to expand our
18 system to support any economic development
19 benefits.

20 ASSEMBLYMAN OAKS: Good.

21 CHAIRWOMAN YOUNG: Thank you,
22 Mr. Wigger. Thank you for being here today.

23 Just real quickly, with the technical
24 amendments to the railroad safety bill that

1 was signed into law last year -- you brought
2 that up -- have you shared your concerns with
3 the Governor's office?

4 MR. WIGGER: Yes, we have. And we
5 worked with them on a draft language that
6 they have indicated that they are supportive
7 of and -- supportive of, including in the
8 budget process here as we go along.

9 CHAIRWOMAN YOUNG: Okay. Have you
10 shared that language with our counsel's
11 office, or any other legislators or Senators?

12 MR. WIGGER: Yes, we've been sharing
13 this language, and I understand that your
14 staffs are reviewing this still.

15 CHAIRWOMAN YOUNG: Okay, good. Thank
16 you.

17 CHAIRMAN FARRELL: Thank you.

18 MR. WIGGER: Thank you.

19 CHAIRMAN FARRELL: John DelBalso,
20 New York Aviation Management Association.

21 And after that will be John Tomassi
22 and John Scott and Greg Beratan.

23 MR. DELBALSO: Okay. Thank you,
24 Chairwoman Young, Chairman Farrell, and

1 members of the Legislature.

2 I am John DelBalso, president of the
3 New York Aviation Management Association,
4 known as NYAMA. NYAMA appreciates this
5 opportunity to testify on the 2017-2018
6 Executive Budget as it relates to the support
7 of airports and the aviation industry in
8 New York.

9 NYAMA represents over 13,000 members
10 and affiliate members, 120 commercial service
11 and general aviation airports, fixed-base
12 operators, consultants, engineers, and other
13 aviation industries and professionals who
14 believe that serious economic development
15 efforts at the state and regional level
16 necessitates strong public investment in our
17 aviation assets and facilities.

18 I would like to take this moment to
19 thank you and all the members of the
20 Legislature for enacting significant
21 initiatives as part of the 2016-2017 State
22 Budget to bolster state investments in
23 airports. The additional Aviation Capital
24 Grant Program funding and the Upstate Airport

1 Economic Development and Revitalization

2 Competition represent a significant increase
3 in the state's commitment to addressing the
4 critical maintenance and modernization needs
5 of many of our smaller and medium-size
6 airports throughout the State.

7 Airports are economic engines fueling
8 growth in the communities they serve.
9 According to data from the New York State
10 Department of Transportation and updated
11 figures from the Port Authority of
12 New York-New Jersey, the aviation industry
13 contributes over \$68 billion in annual
14 economic activity in New York State, and more
15 than 490,000 state residents work in aviation
16 or aviation-related industries.

17 The economic benefits of New York
18 State airports are impressive. As a whole,
19 aviation generates \$24 billion in payroll and
20 \$6 billion in state and local tax revenue
21 annually.

22 A strong and steady commitment to
23 state infrastructure investment in airports
24 is helping to power this aviation-led

1 economic engine for the benefit of New York's
2 citizens, even in the face of stiff
3 competition from other states. The Executive
4 Budget funds the state's Aviation Capital
5 Grant Program at \$12.5 million annually for
6 the next three years.

7 While this funding level will provide
8 valuable financial assistance for vital
9 infrastructure projects at airports across
10 New York -- for example, funding airport
11 security improvements, repair of existing
12 facilities, safety enhancements, et cetera --
13 it is important to note that over 130
14 public-use airports across the state compete
15 for a portion of this funding.

16 Based on the analysis of FAA-approved
17 documents such as Airport Capital Improvement
18 Plans, Airport Master Plans and Airport
19 Layout Plans, the New York State Department
20 of Transportation has estimated that the
21 state will need \$4.3 billion to support its
22 aviation goals for the 20-year period between
23 2010 and 2030, an average of \$215 million per
24 year. This investment is necessary to

1 properly maintain the system and allow
2 airports to attract passenger, cargo, and
3 general aviation services, therefore
4 supporting the Governor's economic
5 development goals.

6 Consequently, NYAMA estimates that the
7 appropriate level of funding for the State
8 Aviation Capital Grant program to be
9 \$40 million annually. In 2015, the New York
10 State Department of Transportation received a
11 total of \$34.4 million in funding requests by
12 84 airports for critical projects. Out of
13 these 84 applications, only 20 were awarded a
14 total of \$10 million under the State Aviation
15 Capital Grant Program. This demonstrates the
16 sizable gap between what is required for
17 airport development projects and what is
18 ultimately available through the state
19 budget.

20 As a result of the small number of
21 projects funded under the program, we know
22 the number of funding applications submitted
23 is artificially low. Many airports cannot
24 devote scarce resources to design and

1 engineer projects and go through the expense
2 of the application process if there is little
3 chance that they will be awarded due to the
4 lack of significant program funding.

5 It is important to note that the
6 funding level that you appropriate each year
7 for the State Aviation Capital Grant Program
8 is discounted due to the underfunding of the
9 state matching program, or AIP, for federal
10 airport capital improvement dollars.

11 The FAA's Airport Capital Improvement
12 Program typically funded 95 percent of all
13 eligible projects. A change in the program a
14 few years ago now provides only 90 percent
15 federal funding to most airports that are
16 awarded grants. What this means is that the
17 amount required for the state match for the
18 grant has doubled, but the budget
19 appropriation for AIP remains the same at
20 \$4 million.

21 The federal funding that is received
22 by New York airports varies, but it is
23 typically between \$80 million to \$100 million
24 annually. Based on experience and recent

1 program data, it is known that the \$4 million
2 budget allocation by the state to cover its
3 share of federally funded airport projects
4 will be insufficient again this year. This
5 creates an uncertainty that all available
6 federal funding will be utilized by New York
7 going forward.

8 For the past several fiscal years, an
9 additional \$1 million to \$3 million has been
10 necessary to meet the state share match.
11 Regrettably, this AIP funding shortfall has
12 been made up by reducing the capital funds
13 available through the State Aviation Capital
14 Grant Program. Unless AIP is fully funded,
15 the funding gap will continue into the next
16 fiscal year and beyond, siphoning millions of
17 scarce dollars from an undersized state
18 airport capital funding program.

19 NYAMA urges the Legislature to fully
20 fund the airport improvement program match at
21 a minimum of \$6 million in the 2017-2018
22 budget. This will ensure that the full
23 amount of funding appropriated to the State
24 Aviation Capital Grant Program can be used

1 for the important purposes of that program
2 and not be transferred to make up the
3 shortfall in the AIP state-federal match
4 program.

5 ASSEMBLYMAN OAKS: If you could just
6 summarize the last two points, because we are
7 beyond your time, that would be appreciated.
8 We have your testimony to take in.

9 MR. DELBALSO: Okay.

10 I just want to touch on TNCs really
11 quickly. NYAMA and its member airports are
12 concerned with TNC company language as
13 proposed in the Governor's Budget. The
14 budget language appears to limit local
15 governments' abilities to regulate TNCs.
16 This could have the unintended effect of
17 stripping away airports' authority to manage
18 TNC activity in and around its facilities,
19 since many public-use airports are owned or
20 controlled by local governments.

21 TNCs like Uber and Lyft operate at
22 numerous airports through agreements that
23 allow TNC operation in accordance with
24 airport ground transportation regulations,

1 and appear to be standard industry practice.
2 NYAMA is seeking the same regulatory model
3 for New York airports for the safety and well
4 being of its passengers.

5 And just in conclusion, really
6 quickly, NYAMA and its members across
7 New York State support your efforts to ensure
8 that the state pursues policies that are
9 pro-growth and pro-job creation. Strong
10 state investment in our airports is one of
11 these winning strategies.

12 NYAMA also urges that our concerns
13 about TNC operations at airports be addressed
14 in the budget or in any finally agreed-to
15 bill this session.

16 We look forward to continuing to work
17 with you and all our state elected officials
18 to enhance our airports and aviation assets
19 in ways that create new jobs, increase
20 economic development, and improve airport
21 services so that all regions of New York can
22 compete effectively with other states for
23 business aviation and scheduled commercial
24 service for the benefit of all New York's

1 citizens. Thank you.

2 CHAIRWOMAN YOUNG: Thank you.

3 ASSEMBLYMAN OAKS: Questions?

4 Thank you. I did see the part you
5 didn't mention was about all airports need
6 this support, not just a few.

7 MR. DELBALSO: Yes.

8 ASSEMBLYMAN OAKS: So thank you for
9 your testimony.

10 The next group up is Upstate
11 Transportation Association. Upstate
12 Transportation Association, John Tomassi,
13 president. And you're also being joined --

14 MR. TOMASSI: Yeah, we're being
15 joined --

16 ASSEMBLYMAN OAKS: -- by the Center
17 for Disability Rights?

18 MR. TOMASSI: Correct.

19 ASSEMBLYMAN OAKS: Gregg Beratan.

20 MR. BERATAN: Beratan.

21 ASSEMBLYMAN OAKS: Beratan.

22 And then John Scott, owner of Safety
23 Schools. Thank you.

24 MR. TOMASSI: Thank you, members of

1 the Assembly and Senate, for the opportunity
2 to comment on the Governor's proposed
3 Executive Budget. My name's John Tomassi,
4 I'm the president of the Upstate
5 Transportation Association. To my right is
6 Mark Ilacqua -- Mark is director of
7 communications for the association -- and to
8 my left is Gregg Beratan, who is a policy
9 analyst for the Center for Disability Rights.

10 Just one comment: We agree with the
11 Governor's expressed statement that upstate
12 New York should have the same level of
13 service that exists in New York City. That
14 same fairness of service that exists should
15 include the same standards of regulation,
16 including commercial liability insurance,
17 workers' compensation insurance, drivers who
18 are fingerprinted, background checks, drug
19 testing, and medically cleared. All those
20 items exist today in New York City under the
21 auspices of the Taxi and Limousine
22 Commission.

23 ASSEMBLYMAN OAKS: You're really soft.
24 If you could pull that closer.

1 MR. TOMASSI: Yup. Sure.

2 The only reason that ride-sharing
3 companies do not operate in New York outside
4 of New York City today is their aversion to
5 complying with existing rules. They wish to
6 enter upstate New York based on their own set
7 of rules, different than the rules that
8 govern taxis. In our thinking, a taxi is a
9 taxi, no matter how you call it. It's still
10 a taxi when you get in it.

11 Ground transportation has been
12 regulated in New York for good reasons, and
13 these regulations that exist in our towns and
14 counties have developed over time to protect
15 both the public and our drivers.
16 Transportation network companies do the exact
17 same thing as licensed professional
18 transportation operators in New York and
19 should not be regulated any differently. We
20 do not believe that there should be any
21 sweetheart deals on safety, insurance rates,
22 tolls and taxes for multinational companies
23 to cut their own operating costs.

24 We are here today to raise several

1 issues that we do not believe are currently
2 covered adequately in the Governor's proposal
3 or in any current ride-share legislation, and
4 also to suggest that the state budget include
5 adequate funding through licensing fees to
6 cover the cost of providing real regulation
7 for these transportation network companies.

8 First, we do not agree that the state
9 should create a special insurance product for
10 ride-share companies, which product has
11 already proven in other jurisdictions to be
12 dangerous and costly for everyone -- except
13 for the TNC companies -- by creating major
14 gaps in insurance policies. These special
15 insurance products offer no guarantee that
16 any person who is injured in any ride-share
17 vehicle will ever see compensation.

18 As an example, an Uber driver in San
19 Francisco struck a mother and her two young
20 children, one of who tragically passed away,
21 while the driver was in between trips but
22 actively seeking to pick up a passenger.
23 That type of situation would not be covered
24 under the policy proposed by Uber. Uber

1 immediately denied any liability in the case,
2 and as a result the family had to sue for
3 hundreds of thousands of dollars.

4 Background checks. Background
5 fingerprinting checks. We have seen in
6 jurisdiction after jurisdiction across our
7 country that Uber and Lyft's own background
8 checks are inadequate in preventing
9 individuals with prior violent criminal
10 histories from becoming drivers and having
11 subsequently committed violent crimes against
12 their own passengers.

13 Transportation drivers in New York,
14 including ride-share drivers, should be
15 fingerprinted. If Uber and Lyft are claiming
16 that fingerprinting and criminal background
17 checks are not the gold standard, then the
18 Legislature should cease fingerprinting all
19 childcare workers. If you're -- the
20 background check just is clearly not
21 sufficient.

22 Next, we understand that the
23 Legislature has raised the lack of
24 transportation services in some communities.

1 However, there is nothing in any version of
2 the ride-share legislation that will ensure
3 that any ride-share vehicle, in actuality,
4 will operate in these underserved areas. It
5 is more likely that these TNCs will
6 congregate in the bigger cities and
7 population centers.

8 Another major concern that the
9 Legislature should be aware of, in particular
10 if regulations are imbalanced and varied in
11 the state, is that nothing in the Governor's
12 proposal could physically stop a TNC driver
13 from registering a vehicle in one
14 jurisdiction but deploying that vehicle in
15 another jurisdiction. For example, a TNC
16 driver could register in Rockland County,
17 where registrations are theoretically easier
18 and less expensive, and then turn around and
19 operate in New York City, which has a higher
20 {inaudible} standard.

21 Next, there is no language in the
22 proposal that addresses the environmental
23 impact of adding hundreds, if not thousands,
24 of new vehicles to our roads. As these

1 ride-share operations grow, we need the
2 ability to assess the impact that these added
3 vehicles will have on our streets, and we
4 need to ensure that the environment is not
5 negatively impacted in communities where
6 these vehicles congregate. We urge this
7 Legislature to ensure that an environmental
8 impact study is part of the ride-share
9 proposal.

10 Finally, we urge this Legislature to
11 seriously consider and publicly address the
12 full-time jobs with full-time benefits -- the
13 number of full-time jobs and full-time
14 benefits they are putting at risk and that
15 will never be replaced in upstate New York or
16 Long Island. One report states that as many
17 as 11,150 full-time nondriver jobs within the
18 taxi industry will be eliminated if
19 ride-share companies expand as quickly as
20 their models predict. The jobs that
21 ride-share companies claim to create are
22 part-time gig work with no benefits or
23 protections for the drivers.

24 In conclusion, the promise of

1 technology does not mean that we must also
2 import the problems and unfortunate tragedies
3 that we have learned along the way. Our
4 New York State Legislature and our Governor
5 needs to show the rest of our country and the
6 world how to make deployment of ride-share
7 vehicles safe, equitable, and fair for all
8 New Yorkers.

9 Thank you for your time and
10 consideration.

11 ASSEMBLYMAN OAKS: Thank you.

12 MR. BERATAN: Thank you to the chairs.
13 My name is Gregg Beratan, I'm from the Center
14 for Disability Rights.

15 And also I wanted to thank the other
16 members of the committee who earlier pressed
17 the MTA on accessibility issues, because its
18 record is appalling now. And I urge you to
19 keep at them about it, because it really
20 needs to improve.

21 But my primary focus here today is
22 also to talk about ride sharing, although our
23 testimony contains much more. The Center for
24 Disability Rights is deeply concerned about

1 the state's proposed ride-sharing initiative.
2 The fact is that as a state we have enough
3 inaccessible forms of transport. Disabled
4 people need more options. We would love to
5 be able to support ride sharing if it were
6 accessible, but so far these companies have
7 at every turn resisted any attempts to force
8 them to be accessible, and the proposal that
9 the state is making is less adequate than
10 most.

11 Unless the state actively forces them
12 to keep a percentage of their fleets that are
13 accessible, they have argued that they're
14 exempt from any anti-discrimination laws that
15 exist and therefore are -- you know, have not
16 adhered to them. And unfortunately, both the
17 state and federal governments have shown an
18 unwillingness to prosecute this. Adequately,
19 at least.

20 I was also -- and I know this isn't
21 the responsibility of the members here, but
22 also quite disturbed to open the Senate's
23 webpage today and see "Bringing Ride Sharing
24 to all New Yorkers." Unless you ensure that

1 disabled New Yorkers are included in that
2 group, there will be no -- that will not
3 apply. You are lying.

4 And so "all" means all. Keep that in
5 mind. You know, if you don't include
6 disabled people -- we are part of New York.

7 Thank you.

8 ASSEMBLYMAN OAKS: Thank you very
9 much.

10 Questions?

11 CHAIRMAN FARRELL: Thank you.

12 MR. TOMASSI: Thank you for your time.

13 (Scattered applause from audience.)

14 CHAIRMAN FARRELL: John Scott, owner
15 of Safety School.

16 (Discussion off the record.)

17 CHAIRMAN FARRELL: Empire State
18 Council.

19 Then Committee on Taxi Safety, Spyros
20 Messados, representative.

21 Empire State Council, are you here?

22 MR. SCOTT: Yes. My name is John
23 Scott.

24 CHAIRMAN FARRELL: And you are John

1 Scott.

2 MR. SCOTT: Right.

3 CHAIRMAN FARRELL: All right. And
4 you've replaced Mr. Bonds.

5 MR. SCOTT: Well, yes, I was --

6 CHAIRMAN FARRELL: David Bonds.

7 MR. SCOTT: -- having a call yesterday
8 from him, Bill Bonds, William Bonds, in
9 Florida. He unfortunately had surgery and
10 was recuperating and would have had to fly up
11 and didn't feel ready to do that yet.

12 I have been, myself, a delivery agent
13 and an owner-operator of Excelsior Driving
14 School d/b/a since 1997. Prior to 1997, I
15 also did the five-hour course as well as
16 in-car driving. I've been associated with
17 the Empire Safety Council since at least 10
18 years prior.

19 I have a statement, somewhat lengthy,
20 from Mr. Bonds that was faxed to me this
21 morning, and I'd like to be able to read it.
22 Hopefully I can get through it. If not, you
23 can stop me and then I'll do a conclusion --
24 but I'm hoping I can get through the whole

1 statement.

2 CHAIRMAN FARRELL: The clock is
3 running on you now. Okay.

4 MR. SCOTT: Okay?

5 Mr. Bonds, President of the Empire
6 Safety Council, is calling for the immediate
7 termination of the Point and Insurance
8 Reduction Program, also known IPIRP. He is
9 also advocating that criminal charges should
10 be brought for state official misconduct for
11 scheming to continue ineffective driver
12 safety programs by facilitating scientific
13 research, defrauding the public and
14 compromising public safety.

15 The statement is as follows: Thank
16 you Chairman Young, Chairman Farrell, and
17 members of the Legislature. I am William
18 Bonds, president of the Empire Safety
19 Council.

20 The Empire Safety Council, a
21 New York-based and approved accident
22 prevention course sponsor, is all about
23 highway safety and improving the skills of
24 New York drivers. This is why we are calling

1 for the immediate termination of the Internet
2 Point Insurance Reduction Program in this
3 state due to the scheme backed by willfully
4 fraudulent studies conducted by the New York
5 State Department of Motor Vehicles, DMV,
6 officials that were the basis of
7 recommendations to the commissioner and to
8 the Legislature to extend the IPIRP program
9 beyond the previously scheduled expiration
10 date of 2014.

11 The effectiveness of the IPIRP program
12 is supposed to be evaluated by means of
13 independent statistical analysis by DMV of
14 driver improvement. After reviewing the
15 damning evidence contained herein, I'm sure
16 you will agree that New York's analysis is
17 fraudulent, its evaluations scientifically
18 worthless, and that certain state officials
19 should be prosecuted for fraud, misleading
20 the Legislature and the Executive, and
21 violating the public trust.

22 DMV officials deliberately schemed to
23 mislead the commissioner, Legislature and the
24 public. Why would DMV officials do this?

1 The answer can be found in language of the
2 DMV-ITSMR contract, which is the Institute
3 for Traffic Safety, Management, and Research.
4 The contract itself: "Without this study and
5 recommendations to the Governor and the
6 Legislature, the law authorizing IPIRP will
7 sunset in May, 2014, eliminating an
8 increasingly popular customer alternative to
9 the classroom courses. In addition, since
10 the sponsor fee to New York State for
11 completers of IPIRP is \$8 per student versus
12 \$2 for the classroom course, elimination of
13 IPIRP would also represent a substantial
14 revenue loss to New York State."

15 The institutional bias in ensuring
16 that IPIRP was extended is glaring. DMV
17 telegraphed what they needed the study's
18 conclusions to be to avoid the revenue loss
19 upwards of \$3 million and the end of a
20 popular program. By diverting more and more
21 students each year away from the classroom
22 course and onto the internet, the state reaps
23 four times the revenue per student. The push
24 to favor the internet for motor vehicle-

1 related transactions is also promoted by DMV
2 as a way to accomplish the administration's
3 desire for the state to employ more
4 technology and, in DMV's case, to reduce
5 lines at its local offices.

6 It is a scandal that driver safety has
7 been compromised by the very agency that is
8 charged with making vehicle travel safer by
9 rigging the study and its conclusions and
10 making state revenue a priority.

11 Study written by DMV ghostwriter, not
12 written by ITSMR researchers. The
13 information about the research done under
14 contracts awarded by DMV to the Institute for
15 Traffic Safety Management and Research was
16 the subject of extensive FOIL requests ESC
17 made to DMV, ITSMR, and the State
18 Comptroller's office seeking proof that the
19 research contracted by DMV to be conducted by
20 ITSMR actually was done by ITSMR. These
21 contracts verify that ITSMR's scope of work
22 included the responsibility for ITSMR to
23 conduct these studies and provide other
24 deliverables, but discussions with ITSMR

1 officials contradicted this claim.

2 However, after ESC's inquiry -- which
3 is Empire Safety Council's inquiry -- with
4 the Office of Research Misconduct and Ethics
5 for the institute, it was made clear that
6 ITSMR did not actually conduct the research
7 for which it is credited and for which it has
8 been paid by the DMV.

9 When I asked the vice president of
10 research about what appeared to be obvious
11 omissions in the analysis and evaluation that
12 the institute provided, I was told that since
13 the institute denies that the research is
14 their work product, the DMV may change the
15 document and omit any analysis and evaluation
16 made by the institute, since it is
17 exclusively the department's own research,
18 however misleading the cover page -- stating
19 that the study was "conducted by the
20 Institute for Traffic Safety Management and
21 Research, University at Albany, Research
22 Foundation of SUNY" -- may be.

23 Further, in correspondence to ESC in
24 response to a FOIL appeal, the vice

1 chancellor for policy and chief of staff,
2 FOIL appeals, for SUNY wrote: "This
3 evaluation was conducted by the New York
4 State Department of Motor Vehicles, not the
5 University at Albany."

6 The IRP study does not even list any
7 authors or staff at either agency who worked
8 on the contradicted study.

9 Clear evidence of fraud -- the DMV
10 study of the IPIRP pilot is exposed as
11 intentional scientific misconduct, knowing
12 that the validity of the methods does not
13 meet ethical standards. To be clear, the
14 2007 study methodology comments by the author
15 on page 29 states: "In sum, the findings
16 from the pilot study indicate that the
17 prescribed design may not be viable for use
18 in assessing PIRP effectiveness."

19 Subsequently, the author has left this
20 statement out of the 2013 study
21 intentionally. This fraudulent and flawed
22 study diminishes the negative impact of a
23 program that is bad public policy by
24 knowingly using invalid methods.

1 Furthermore, it was related to me by
2 department officials in 2008 that the 2007
3 study results confirmed that PIRP had "nearly
4 zero" effectiveness, and that therefore, as a
5 result, there was no reason for PIRP
6 applicants to submit research documentation
7 of effectiveness prior to approval in
8 contemplation of Section 2336 of the
9 Insurance Law.

10 In other words, these PIRP applicants
11 had no verifiable research documentation that
12 their courses were effective. So DMV did an
13 obviously flawed study by a fraudulent author
14 to get the PIRP program off the ground. All
15 applicant courses were approved without a
16 study of effectiveness, in violation of the
17 law.

18 CHAIRMAN FARRELL: Can you come to
19 a -- can you shorten this?

20 MR. SCOTT: Okay.

21 ASSEMBLYMAN OAKS: You're already
22 3½ minutes over your time.

23 MR. SCOTT: Okay. Well, I'd like to
24 just make the conclusion at the bottom of the

1 study --

2 ASSEMBLYMAN OAKS: Summarize.

3 MR. SCOTT: -- and if you have any
4 quick questions, I could answer them.

5 CHAIRMAN FARRELL: Yeah.

6 MR. SCOTT: Of my personal knowledge.

7 CHAIRMAN FARRELL: Yeah. Go, go, go,
8 go, go.

9 MR. SCOTT: What should be done? The
10 Legislature and the Governor have the power
11 to end the PIRP program immediately and
12 demonstrate to New Yorkers that the state is
13 committed to endorsing only driver safety
14 programs that are proven to work as
15 advertised. In light of the descriptions
16 involved in the DMV-ITSMR research contracts
17 and the resulting threat to public safety,
18 Empire Safety Council is urging that your
19 budget be amended to terminate the IPIRP
20 program. You should also call for
21 prosecuting state officials that were
22 involved in this fraud.

23 Thank you for this opportunity to
24 bring this issue to your attention.

1 Mr. Bonds says he's willing to meet with you
2 to demonstrate the evidence he has supported
3 for these claims.

4 CHAIRMAN FARRELL: Thank you very
5 much.

6 Yes. Any questions?

7 SENATOR KRUEGER: Yes, just one,
8 quickly.

9 CHAIRMAN FARRELL: Yes, surely,
10 Senator.

11 SENATOR KRUEGER: Thank you very much.

12 So have you brought this complaint
13 either to an inspector general who oversees
14 DMV and/or to the State Comptroller for an
15 audit?

16 MR. SCOTT: It says that in the
17 statement, at least to the inspector general.
18 I don't recall in the statement, until I've
19 read it again, if it was also the State
20 Comptroller. But I'm quite sure that
21 Mr. Bonds is very thorough when he's looking
22 into it.

23 Empire Safety Council, it's my
24 understanding, is now the largest 6-point

1 insurance program in the State of New York.
2 The largest, okay? In each course we mention
3 that over 50 percent of all accidents and
4 collisions in New York State derive from
5 alcohol abuse alone. That does not include
6 other types of drugs or drowsy driving or
7 whatever -- even texting, which was brought
8 up by another Senator here just previously.

9 There is a part of this Empire course,
10 and I'm sure in most other courses, that is
11 approved by the State of New York that
12 specifically talks about drowsy driving as
13 well as texting. So it's very important that
14 the students who take the course actually
15 take it, get a certificate, and are
16 encouraged to take it again and expand it to
17 their friends and family. Because it is a
18 very effective course.

19 SENATOR KRUEGER: Thank you very much
20 for your testimony.

21 CHAIRMAN FARRELL: Thank you.

22 MR. SCOTT: It's been a pleasure.

23 CHAIRMAN FARRELL: Committee for Taxi
24 Safety, Spyros Messados, representative. And

1 then after that will be Kevin Barwell,
2 Limousine and Bus and Taxi Operators.

3 MR. MESSADOS: Good afternoon, good
4 evening, wherever we are now. Thank you very
5 much, Chairperson Young, Chairperson Farrell,
6 members of the Senate and the Assembly for
7 the opportunity to submit testimony on the
8 Governor's proposed Executive Budget.

9 SENATOR KRUEGER: Could you move the
10 mic a little closer?

11 MR. MESSADOS: Absolutely.

12 SENATOR KRUEGER: That one is --

13 MR. MESSADOS: Is that better?

14 SENATOR KRUEGER: Yes.

15 MR. MESSADOS: All right. Good.

16 I tend to speak loudly, so I was
17 actually going for the opposite effect.

18 My name is Spyros Messados. I'm a
19 representative for the Committee for Taxi
20 Safety; we represent about 20 percent of
21 New York City's TLC licensed Yellow Cabs.
22 And I am also an operator. I am at the
23 driver level every single day, and I'm
24 actually TLC-licensed as well. So I have

1 kind of a breadth of knowledge on this topic,
2 particularly when it comes to our drivers.

3 And contrary to how this issue is
4 being presented by transportation network
5 companies, the New York City taxi industry
6 does not oppose the expansion of ride share
7 and TNC service outside of New York City.
8 Rather, we actually support it, and we
9 support the expansion of the rules that
10 currently are in place to protect both the
11 public and our drivers in New York City.

12 These are common-sense regulations.
13 And despite the complaining and the threats
14 to not provide service, transportation
15 network companies like Uber and Lyft do
16 provide this service and they do meet these
17 requirements in New York City. There are
18 many of them, and they've allowed all of this
19 to happen, and they've signed up 46,000
20 drivers -- actually, more -- under these
21 requirements. So there's obviously not too
22 much impeding them from actually meeting and
23 going through with these requirements.

24 Today I'll outline some of the

1 regulation in New York City that we have in
2 place to protect the public and our drivers,
3 I'll outline the effects that ride share has
4 had over the last few years, and I'll end
5 with some takeaways, particularly some
6 important lessons learned about enforcement.

7 So first and foremost, what we have in
8 New York City is an independent licensing
9 process. The keystone to this process is
10 fingerprinting. Fingerprinting is
11 comprehensive, it's unbiased, and it's
12 really -- it's very immune to human error.
13 We believe that this is something that should
14 be expanded throughout the state. And
15 although Uber is perfectly fine, and Lyft as
16 well, with fingerprinting every single driver
17 in New York City, they refuse to do so across
18 the rest of the state.

19 This is where we ask the question of
20 why a citizen in any other part of the state
21 should be -- have the right to any less
22 protections than are citizens in New York
23 City from drivers, from dangerous individuals
24 getting into their cars.

1 We also have a full licensing program
2 behind this, which brings what we determine
3 as a clean driver through fingerprinting and
4 DMV background checks, and we elevate that
5 clean driver to a level of competence where
6 they can earn money in New York City. We
7 have driver training both in an education
8 form, to teach them courtesy, and in
9 defensive driving courses to, teach them how
10 to be safe. They have to pass a test. The
11 have to pass wheelchair accessibility
12 training and sensitivity training to a
13 multitude of different disabilities, not only
14 individuals who need wheelchair assistance.
15 So our drivers are elevated to a level of
16 professionalism.

17 And these regulations are really
18 important, because they determine the nature
19 of the driver pool that you'll have once you
20 allow ride share to come into upstate. And
21 this is where I want to get to the effects of
22 ride share and how those lessons can be
23 applied upstate.

24 So what's happened in New York City is

1 TNC vehicles -- I'll use Uber as an
2 example -- they outnumber yellows more than
3 three to one. And kind of as example, you
4 can see in the amount of rides they're doing
5 the effect this is having on driver incomes.
6 With 46,000 vehicles, Uber alone does 226,000
7 rides. Yellow Taxi are in numbers about
8 13,500, we do 336,000 rides -- 110,000 rides
9 more, with less than one-third the drivers.
10 This comes out to your average car doing
11 about five rides a day in Uber and about
12 24 rides a day in Yellow Cabs.

13 This math very well plays out what
14 I've seen at the ground level, which is that
15 what we're doing is taking full-time jobs in
16 Yellow Cabs and we're splitting each one up
17 into about five part-time jobs on ride-share
18 platforms.

19 And this is why every single driver in
20 New York City, including the TNC drivers --
21 probably most importantly the TNC drivers,
22 from my conversations with them -- are
23 suffering to make an income. They're each
24 competing for a smaller and smaller piece of

1 the pie. This gets back to the reason why
2 the Haas Act was introduced in the first
3 place in the depression-stricken 1930s, when
4 you had thousands of people who were looking
5 for a job, and so they drove cabs, and not
6 enough passengers out there to actually
7 sustain a living.

8 This is when they decided that the
9 supply had to be controlled, in a sense, to
10 allow each one of these individuals to have a
11 living, to be able to support families -- and
12 in a lot of ways, this is the only way a lot
13 of low-income and marginalized families have
14 a way to get work. In fact, it's the only
15 reason why my family is in this country, it's
16 because my father was able to come here and
17 drive a cab and get us in a position where I
18 can sit here in front of you.

19 And so what we're hoping for is a
20 drill-down on public safety. And taking
21 these lessons from New York, seeing that
22 drivers competing in this hypercompetitive
23 environment is unhealthy -- it leads to the
24 additional issues that we've seen like

1 drivers using three, four cellphones on a
2 dashboard to try to catch the first ride,
3 whether it comes through Lyft via Gett or
4 Uber.

5 Fatigued-driving rules have had to be
6 put in place in New York City now, because
7 drivers are driving 19 hours on a shift just
8 to make a living. Drivers are sleeping in
9 their cars. And this goes across all
10 segments -- it's not just TNCs, it's not just
11 Yellows, it's every single driver on our
12 streets.

13 Accessibility is a huge issue, as was
14 mentioned before by the Upstate
15 Transportation Association and the Center for
16 Disability Rights. Uber has 46,000 cars, and
17 not a single one is accessible, in New York
18 City. And when this segment of TNCs is
19 pretty much the only segment that's growing
20 in number of vehicles, them using the excuse
21 that they dispatch existing rides to existing
22 wheelchair providers is not really a
23 solution, because it's not increasing the
24 number of accessible vehicles and therefore

1 the availability for our citizens with
2 disabilities.

3 And lastly, I'd like to just talk
4 about enforcement really quickly -- I know
5 I'm over my time, and I apologize. But the
6 introduction of TNCs has created an
7 enforcement nightmare at our airports, on our
8 streets, at our hotels. It's near impossible
9 to distinguish a straight plate, an
10 unlicensed driver from a TNC vehicle. Even
11 with our TLC-issued plates in New York, we do
12 have different plates, and still it's near
13 impossible to differentiate what is an
14 illegal hail and an illegal pickup and what
15 is even an illegal taxi from a legitimate car
16 outside of our Yellow Cabs.

17 And so we are recommending just that
18 the Legislature give all these issues some
19 really deep thought, and not to rush to a
20 decision here, because we are reeling from
21 the effects in post and realizing how nice it
22 would have been to be in your position and
23 know those lessons from the outset.

24 So one of the things we're

1 recommending is branding on the vehicles or
2 branding on the license plates to make sure
3 that that pops, to make sure it's easy for
4 your enforcement officials, and also similar
5 empowerment of your individual municipalities
6 to prevent drivers either coming in from
7 New York City or licensing themselves in
8 those jurisdictions and then coming into
9 New York City.

10 Thank you very much for your time. I
11 hope you give this some very good thought.
12 Thank you.

13 CHAIRMAN FARRELL: Thank you.

14 SENATOR KRUEGER: Thank you.

15 Can I ask one question -- I'm sorry.
16 Diane Savino.

17 SENATOR SAVINO: Thank you.

18 So I just wanted to ask one question
19 because, you know, the issue of the
20 background checks has become a bone of
21 contention in this expansion of ride sharing
22 to upstate. And I just -- I just want to say
23 again -- so in New York City, where we have
24 ride sharing, where Uber and Lyft already

1 exist, all of the -- all of the whoever is
2 driving is treated the same way, whether
3 they're an Uber driver, a Lyft driver, or a
4 Yellow Cab driver, a black car driver.
5 They're all cleared, they all have
6 fingerprints -- they're all fingerprinted,
7 they're all background-checked. Correct?

8 MR. MESSADOS: Yes. As of -- since
9 April, the TLC brought that, licensed --
10 yeah.

11 SENATOR SAVINO: So Uber and Lyft are
12 able to operate in New York City with
13 background checks and fingerprinting done
14 by TLC?

15 MR. MESSADOS: It's done by the TLC.

16 SENATOR SAVINO: By the TLC. Okay,
17 thank you.

18 MR. MESSADOS: And they work with
19 Identogo, which does the fingerprinting.
20 This is the same company that actually does
21 all the fingerprinting for our school's
22 education systems. And similar to why it's
23 important there, these individuals are
24 transporting people that we care about.

1 They're in charge of the well-being of our
2 loved ones.

3 SENATOR SAVINO: And the insurance --

4 MR. MESSADOS: That's why we think
5 it's very important.

6 SENATOR SAVINO: The insurance
7 levels are the same regardless of the type of
8 vehicle that you're operating?

9 MR. MESSADOS: I'm not too well
10 versed, so I don't want to say something
11 that's incorrect there. But I do know that
12 the New York City TLC did figure out a
13 solution on the insurance side. But again, I
14 don't want to say something that might be
15 incorrect.

16 SENATOR SAVINO: And do you have any
17 explanation -- and they're not here, I know
18 that they submitted testimony, so I'll read
19 their testimony when I have an opportunity.
20 But what is the issue with submitting to
21 fingerprinting by an official organization,
22 by a state agency or a local agency?

23 MR. MESSADOS: So fingerprinting
24 basically takes a lot of the human parts out

1 of it. So to get to a background check,
2 you're either going to take someone's name,
3 their Social Security number, their
4 identification -- you take all those things,
5 you match up that this person is who they say
6 they are, you find out what kind of criminal
7 background they have -- not just stuff that's
8 on the record, you can find dispositions for
9 everything.

10 And so with a fingerprint, you get
11 about 100 percent. You can't fake a
12 fingerprint, there's no forgetting a file of
13 a fingerprint on a table.

14 SENATOR SAVINO: Mm-hmm.

15 MR. MESSADOS: That -- you plug it in,
16 it's keyed in. And this was actually
17 commented on by some former FBI agents about
18 the New Jersey law that was just passed,
19 where they do have background checks but they
20 don't have fingerprinting, which creates a
21 very slippery slope when you're putting a
22 TNC -- in essence, you're allowing the TNC to
23 do the background checks themselves.

24 When TNCs have an outright

1 incentive -- it's actually their biggest
2 incentive, to grow in size. So they don't
3 want to inhibit their drivers, because size
4 lets them compete against other TNCs by
5 having better wait times, attract more
6 drivers, make better earnings. It also lets
7 them compete with us by taking more rides
8 away from the street hail. So growing in
9 size allows them to kind of inch out the
10 market.

11 So putting them in charge of the one
12 thing that gives them a competitive advantage
13 is very dangerous.

14 SENATOR SAVINO: Thank you.

15 MR. MESSADOS: Thank you.

16 SENATOR KRUEGER: Thank you.

17 Just a question. I'm also a Senator
18 from New York City, Manhattan.

19 MR. MESSADOS: Gotcha. Nice to meet
20 you, Senator Krueger.

21 SENATOR KRUEGER: So I had one
22 question which was, I think, the same as
23 Diane's about insurance. And you're saying
24 that you think that New York City figured it

1 out correctly.

2 MR. MESSADOS: Well, I know that they
3 worked out a deal where it can operate, and I
4 know that obviously we deal with a lot of
5 insurance claims all over the place. We do
6 also have a brokerage, they insure some black
7 cars -- so I have experience everywhere.

8 I drill down on the driver's side, so
9 like I said, I don't want to say something
10 that I don't know is absolutely correct. But
11 from what I understand is that the incidents
12 in New York City have not been these huge
13 incidents like the one in California where
14 you have these fatalities and these huge,
15 huge issues that end up not even being
16 covered. A lot of that also just has to do
17 with getting these vetted drivers into cars
18 so they don't happen in the first place.

19 SENATOR KRUEGER: And Yellow Cabs in
20 New York City have created their own app, or
21 the TLC, whoever has. There is an app so
22 that it's to some degree a sort of a blending
23 from both directions of how everybody is
24 handling this new world.

1 MR. MESSADOS: Exactly.

2 SENATOR KRUEGER: So in your
3 experience, how is the app working for
4 Yellow Cabs?

5 MR. MESSADOS: So that's where we kind
6 of get back to the network and the sizing
7 issues as well. So every single Yellow Cab
8 in New York City is e-hail enabled. You can
9 e-hail every single cab on one of two
10 platforms, and both platforms are keyed into
11 the entire supply of Yellow Cabs in New York
12 City. So you do have all 13,500 cabs always
13 enabled on an e-hail platform.

14 But when you don't have enough riders
15 on an e-hail platform, you create an
16 imbalance into -- for the driver: Is this
17 worth it for me to use? And for the
18 passenger, if I'm going to wait longer
19 because there aren't enough drivers on this
20 platform, why do I care?

21 This is where Uber has such power in
22 this. As you can see, Lyft is barely keeping
23 up. But because they have size, they can
24 double down on the power they have in the

1 market -- that's why growing the amount of
2 drivers is so important.

3 And so our apps, they work very well,
4 they've actually been tested in the media a
5 few times. Their wait times are very
6 similar. It's just a marketing game. Yellow
7 Taxi doesn't have any venture capital
8 funding, we don't have millions of dollars in
9 the bank, and we can't run \$1.6 billion
10 losses over the first half of the year. So
11 we are limited in what we can do.

12 But we know the power of the full-time
13 driver, and we know the power that giving a
14 full-time driver an income does -- like I
15 said, I wouldn't be sitting here if it wasn't
16 the case.

17 SENATOR KRUEGER: And you have a
18 section of your testimony referencing fake
19 Uber or TNCs, fake drivers or fake --

20 MR. MESSADOS: Yes.

21 SENATOR KRUEGER: So if you're getting
22 into a vehicle that in theory you've ordered
23 through an app, you pay them through the app.
24 So how do these fake vehicles get payments?

1 I'm confused.

2 MR. MESSADOS: Because -- so this
3 actually comes down to, also, the flood of
4 drivers onto the streets. Our streets and
5 particularly our hotels are mayhem. And so
6 when passengers are trying to get into a car,
7 you have these straight plates, non-TLC
8 regulated vehicle, and they put an Uber sign
9 in their window, and when you have this -- I
10 would love to just take you on a tour of JFK
11 at rush hour. It's a nightmare.

12 SENATOR KRUEGER: Oh, I'm from
13 New York City. I know JFK at rush hour.

14 MR. MESSADOS: So Uber's process --
15 I'll use Uber as an example, because they're
16 the one I'm the most familiar with -- is you
17 have the driver's name and you have his
18 license plate number. So you can go and do a
19 three-point check, and then check.

20 But too often the drivers say, "Oh,
21 the app's not working." This stuff does
22 happen on the app legitimately as well -- the
23 app doesn't work, you email customer service,
24 and you figure it out. But these drivers

1 instead use Square readers, or they say "Just
2 give me \$30 in cash." And when you get
3 there, it's a \$70 fare and a fight with a
4 driver who was never licensed and vetted in
5 the first place.

6 So that's a huge issue. And the
7 bigger problem is that we can't even fix it
8 because it's so difficult to identify where
9 these problem cars are.

10 SENATOR KRUEGER: So they claim
11 they're a driver for X company to get you in
12 the car. Then they're not part of the app
13 system --

14 MR. MESSADOS: Yup.

15 SENATOR KRUEGER: Hence you don't pay
16 them through the app. They say it will be
17 \$30, and then how do they charge you 70?
18 They made a verbal deal.

19 MR. MESSADOS: They use a Square
20 reader, which you can get for free, and you
21 just link it to your bank account and plug it
22 into your phone.

23 SENATOR KRUEGER: And so people just
24 get suckered into paying the same way as for

1 years people got suckered into paying above
2 the meter when they were using Yellow Cabs at
3 the airport.

4 MR. MESSADOS: Exactly. The
5 difference is at least the Yellow Cab driver
6 was vetted and he was safe and that he just
7 charged you money.

8 You don't know what's going to
9 happen -- and that's actually why, in my
10 testimony, I put that in quotations. Just
11 type that three-word phrase, "fake Uber car"
12 and "news," you will see how many times this
13 happens and how slippery of a slope it is
14 from allowing ride share to allowing chaos.

15 Which my job right now is to fix
16 chaos, and I'm just hoping that you can avoid
17 chaos completely with the bill you're working
18 on now.

19 SENATOR KRUEGER: Thank you for your
20 testimony.

21 MR. MESSADOS: Thank you for the time.

22 CHAIRMAN FARRELL: Thank you.

23 Kevin Barwell, president of Limousine,
24 Bus, Taxi Operators of Upstate New York.

1 MR. BARWELL: Thank you. Thank you,
2 Chairman, and members of the Senate and
3 Assembly, for allowing me the opportunity to
4 speak here before you today.

5 My name is Kevin Barwell. I'm an
6 owner of three transportation companies
7 located in Rochester, Buffalo, and Mayville,
8 New York. I'm also the president of the
9 Limousine, Bus, and Taxi Operators of Upstate
10 New York. We are a trade organization
11 representing roughly 60 to 70 companies and
12 small businesses throughout the upstate area
13 in all the major cities such as Buffalo,
14 Rochester, Syracuse, Albany, Jamestown,
15 Elmira, and Binghamton.

16 Our members are part of an industry
17 that employs over 80,000 individuals
18 statewide. We live in New York State and
19 spend the money in New York State and pay
20 taxes in New York State and in the local
21 economies. Our member companies contribute
22 to their local economy buying vehicles,
23 services, and other goods which generate tax
24 revenue for the municipalities and State of

1 New York. Many of our members help
2 contribute towards the \$25 million that's
3 collected annually for sales tax on
4 transportation services. Our members have
5 helped spur economic activity in New York
6 State since 1986.

7 Many of the elected officials have
8 called for the enactment of the laws allowing
9 the so-called Transportation Network
10 Companies or ride-sharing companies, such as
11 Uber and Lyft, to operate in upstate
12 New York. Many of the elected officials and
13 members of chambers of commerces and tourism
14 organizations have been misled into believing
15 that Uber and Lyft are allowed to operate in
16 New York City, but not in upstate New York.

17 However, there is no special laws in
18 New York City for TNCs. Uber and Lyft and
19 many other companies, ride-sharing companies,
20 currently abide by all of the same New York
21 City laws as for-hire vehicles presently are.

22 Like in New York City, there is
23 nothing that prohibits Uber and Lyft from
24 operating now in upstate New York if they

1 choose to comply with the laws. These are
2 very simple things that they could operate
3 presently. And for the amount of money that
4 they've spent just basically on lobbying to
5 try and change the laws, they could already
6 presently have roughly 40 cars running in
7 every major city in upstate New York
8 presently.

9 The TNCs provide the exact same
10 for-hire services as limousines and taxis.
11 The only difference is that TNCs are
12 dispatched by an app, which does not change
13 the nature of the service -- and many, in
14 fact, many limousines and taxi companies now
15 are dispatching and operating through apps as
16 well.

17 And ironically, it's interesting that
18 we're sitting here and talking about this
19 subject, as for decades now, limousines and
20 taxis have been pooled together to operate
21 under the same for-hire laws. Which taxis
22 and limousines operate differently, as taxis
23 operate on a mileage basis and limousines
24 basically operate on an hourly basis, yet the

1 TNCs are being considered different than
2 them, and they operate very similarly to
3 taxis.

4 So again, they're trying to say that
5 they are different than the other -- than the
6 rest of us. But again, the taxis and
7 limousines are being put through the gamut of
8 saying that they are different and
9 shouldn't -- and the TNCs are different than
10 them and shouldn't be following the same
11 practice.

12 While we believe that the TNCs can
13 operate under existing laws, we realize that
14 special laws for TNCs are being proposed by
15 the Governor. If the TNC laws are enacted,
16 we believe that certain provisions and
17 protections must be in whichever law is
18 enacted, to protect and ensure the fairness
19 to the people of New York State and to the
20 existing for-hire vehicle companies and
21 drivers.

22 These provisions are, number one,
23 background checks -- background checks are
24 very important, and it seems that the TNCs

1 have been avoiding this pretty aggressively.
2 While many of the existing laws require taxi
3 and limousine drivers to undergo
4 fingerprinting, biometric background checks,
5 drug and alcohol testing, criminal and civil
6 background -- also medical physicals -- the
7 proposed laws would allow TNCs to use
8 name-based checks, which are not as reliable,
9 as some of my predecessors that have come up
10 here have already explained.

11 In New York City, every Uber and Lyft
12 driver has to undergo a fingerprint-based
13 background check. People in upstate New York
14 deserve the same type of protection.

15 We need to have a statewide standard
16 which protects all of the people of New York
17 State. People should have the same
18 protection under -- with background checks,
19 with fingerprinting. As well as the drivers
20 that are driving, they should also have the
21 same protection with workers' compensation,
22 overtime wages. They should also be able to
23 at least get minimum wage, where in many
24 cases many of these drivers do not get

1 minimum wage. And also unemployment taxes as
2 well should be employed on that as well.

3 Our organization spent thousands of
4 dollars to do a poll in upstate New York in
5 all the major cities, which you can see in
6 the packet we have given you -- in the back
7 there is the polls. What'll you see is that
8 though many people do -- and these polls were
9 done with all people of different
10 backgrounds, different social levels,
11 different political parties. You'll see that
12 however many people do favor ride sharing --
13 and we aren't opposed, as long as there's a
14 fair playing field and there is protection
15 for all the citizens -- you'll find that
16 66 percent of the people favored ride
17 sharing. However, many people -- I mean, an
18 overwhelming majority of the voters say that
19 the same ride-sharing rules should apply to
20 the whole state.

21 After being informed that Uber and
22 Lyft drivers are required to be fingerprinted
23 in New York City, an overwhelming 86 percent
24 majority of voters say the same rules should

1 apply for ride-sharing services in the whole
2 state. This sentiment is intensely held
3 across demographics, including ideology,
4 party, and geography. Also, it's important
5 to note that 86 percent of the parents say
6 the same rules should apply across the state.

7 Secondly, we also think things that
8 should be applied as well is the regulations
9 for for-hires in all municipalities. We are
10 a home-rule state, and it's important that
11 all of the municipalities have the same
12 opportunities to regulate in their
13 communities. We are not all the same across
14 the state. New York City is different than
15 Buffalo, as Jamestown is different than
16 Rochester. People operate differently, and
17 those communities should have the ability to
18 do the same regulations.

19 The regulation of for-hire vehicles
20 have traditionally been exercised by local
21 municipalities under their police powers.
22 Local officials have the best perspective
23 about types and numbers of for-hire vehicles
24 that they need and are in the best position

1 to determine the type of protection they want
2 to protect their riders through background
3 checks.

4 Many TNC proposals would create one
5 standard in the state where municipalities
6 have populations ranging from several hundred
7 to millions. This makes no sense, and the
8 state should respect the authority of the
9 local municipalities to exercise these
10 powers.

11 And also in -- we do require that the
12 bus, taxis, and limosine provided -- also
13 that each one of those areas should make
14 exceptions for disabilities as well. Because
15 in the present proposal from the Governor,
16 this is not in there.

17 Next, sales tax. Depending on the
18 types of for-hire vehicles, the for-hire
19 vehicles may pay sales tax or an MTA
20 surcharge. The TNCs will add thousands of
21 new vehicles that will make millions and
22 millions of trips across New York State's
23 roads. The TNCs should pay their fair share
24 to help pay for the roads and the

1 infrastructure.

2 Right now with the for-hires we are
3 collecting \$25 million in sales tax. The
4 present budget -- the present proposal from
5 the Governor asks for a 5.5 percent
6 assessment fee. The Senate passed one with a
7 2.5 percent assessment fee, and with this
8 none of the municipalities will be allowed to
9 charge sales tax and it will be -- none of
10 that money is going to those municipalities.

11 Which right now, our operators are
12 collecting sales tax in our communities, and
13 those -- part of that sales tax does go back
14 to the community, whether it's in, you know,
15 in each one of those municipalities. Like
16 presently, in Buffalo, we're collecting
17 8.75 percent, with portions of that going to
18 the local communities. The same thing in
19 Mayville, Jamestown area, and in Rochester.

20 And then finally, one of the largest
21 expenses for existing for-hire vehicle owners
22 is insurance. For-hire vehicle owners are
23 often required to obtain expensive commercial
24 insurance which is in effect 24/7. Under

1 proposed TNC laws, TNC vehicle owners would
2 be able to opt in and opt out of the
3 insurance to supplement their personal
4 insurance. We have seen this time and time
5 again as our predecessors again have said
6 that at times this option does not work
7 because operators -- people are going to be
8 picking up people and going from one job to
9 the next job, they aren't covered. And that
10 again is not covering the driver. If that's
11 not covering the driver through the
12 insurance, we're not covering them through
13 worker's compensation. So if they do get in
14 an accident, they do not have worker's
15 compensation, they do not have unemployment,
16 they do not have any insurance. So who is
17 going to take care of these people if they
18 are injured and disabled now from an
19 accident?

20 And finally, it is imperative that we
21 protect the riders and drivers with
22 protection through background fingerprint
23 checking, drug and alcohol and criminal
24 background checks, to ensure that they have

1 the protection and the proper wages,
2 insurance, hours of operation, and medical
3 and compensation protection, and that all the
4 companies in New York State operate fairly at
5 an even competition.

6 Thank you.

7 CHAIRMAN FARRELL: Questions?

8 SENATOR KRUEGER: Thank you.

9 CHAIRMAN FARRELL: Thank you.

10 MR. BARWELL: Thank you.

11 CHAIRMAN FARRELL: Berj Haroutunian,
12 president, Vital Transportation Inc., and Ira
13 Goldstein, executive director, Black Car
14 Fund. Together.

15 MR. HAROUTUNIAN: I guess by now it's
16 good evening.

17 My name is Berj Haroutunian. I'm the
18 president of the Black Car Assistance
19 Corporation, which is the BCAC. The BCAC is
20 the largest and oldest black car and limo
21 operator trade organization in the New York
22 metro area. Thank you for giving me the
23 opportunity to testify before this esteemed
24 committee.

1 I am also the president of Vital
2 Transportation, a 34-year-old cooperative
3 owned by the drivers. Vital has
4 approximately 290 drivers, each of whom is a
5 small business owner, and we provide
6 approximately 340,000 rides per year to our
7 600-plus clients.

8 At the outset, I think it is important
9 to note that the BCAC -- right away, the
10 BCAC, which represents over 10,000 cars, is
11 not against ride hailing or what are commonly
12 referred to as transportation network
13 companies, or TNCs. However, we do believe
14 that the public and long-time existing
15 businesses do deserve a level playing field
16 with respect to safety and competition.

17 Many articles quote politicians and
18 the public as saying that upstate New York
19 deserves ride-hailing services just like
20 downstate New York. I could not agree more,
21 with one important caveat. TNCs, or what is
22 commonly referred to by the misnomer "ride
23 sharing," do not exist in New York City. All
24 these so-called TNCs are fully licensed and

1 regulated as black car bases.

2 What does this mean? It means that
3 the businesses are subject to all local
4 regulations on the same basis as any other
5 business. It means drivers undergo
6 fingerprints, background checks, and vehicles
7 are inspected three times a year. Vehicles
8 are clearly marked as for-hire vehicles in
9 their license plates and registration
10 stickers. All vehicles must have
11 \$100,000/\$300,000 in insurance. All for-hire
12 vehicle bases are subject to a point
13 violation systems where a base can lose its
14 license for serious violations of the Taxi
15 and Limousine Commission's rules.

16 Drivers are also held to a lower
17 threshold of DMV points before they are
18 subject to a suspension or revocation of
19 their TLC driver's license than a
20 noncommercial driver.

21 So I ask you, should upstate and
22 Long Island passengers be subjected to
23 sub-standard safety requirements?

24 Local municipalities should be allowed

1 to regulate the TNCs. While there is a
2 carve-out for New York City, there are other
3 circumstances which would warrant enlarging
4 the carve-out to the Metropolitan Commuter
5 Transportation District, MCTD. A majority of
6 the MCTD already have taxi and limousine
7 commissions with reciprocity agreements under
8 state law. Border counties to New York City
9 need to be able to regulate the TNCs, not
10 only because they tend to be denser
11 populations that cause safety concerns that
12 the local municipality would know best how to
13 handle, but to also prevent the TNC companies
14 from registering their vehicles just outside
15 of New York City and coming in and poaching
16 city business.

17 Illegal street hails are already
18 rampant during peak hours, and at least one
19 ride-hail company is operating in a
20 neighboring county to New York City. With
21 the new TNCs having personal vehicle plates
22 and removable dress code or signage, it would
23 be virtually impossible for any TLC to
24 enforce against illegal activity.

1 Other major cities should also have
2 local ability to regulate the TNCs. One size
3 does not fit all when you are comparing urban
4 areas to rural areas of New York.

5 Other issues include the creation of a
6 new category of FHV, as previously
7 mentioned, called TNCs -- except some
8 language explicitly excludes them from being
9 considered a subset of the FHV category. All
10 FHV black cars, limos, liveries and TNCs
11 should be considered FHV. They all
12 transport passengers for money. Various
13 versions of TNC bills treat the TNCs
14 differently for tax purposes.

15 It is time to remove the different
16 treatment of FHV and achieve parity between
17 the different categories. If one category of
18 FHV pays sales tax, then all categories
19 should. Tax incentives motivate business
20 decisions. Treating the various FHV
21 categories differently again creates
22 competitive inequities and will artificially
23 drive the market to otherwise unwarranted
24 change.

1 Thank you. Thank you for your time.

2 SENATOR KRUEGER: Thank you.

3 MR. PALUMBO: Thank you for the
4 committee, joint committee, to allow me to
5 testify today.

6 My name is Guy Palumbo. I am the
7 director of driver education for the Black
8 Car Fund. I am testifying in place of
9 Ira Goldstein -- some of you know him, I
10 believe -- who unfortunately has a very bad
11 sore throat and couldn't make it up to you
12 today.

13 The New York Black Car Operators'
14 Injury Compensation Fund was created by
15 statute back in 1999 to provide workers'
16 compensation coverage and other benefits for
17 the black car operators in the State of
18 New York. The statute was signed into law by
19 Governor Pataki in May 1999. In October of
20 1999 the billing, collecting, and remitting
21 portion of the statute took effect. In
22 January of 2000, workers' compensation
23 coverage for drivers affiliated with member
24 bases took effect.

1 In later years, the Black Car Fund
2 adopted a shorter title from the full one I
3 mentioned before which was the -- I guess
4 that's the other one, that was -- known
5 simply as the Black Car Fund.

6 The statute covers all drivers of the
7 Black Car Fund member bases in the State of
8 New York, although 98 percent of our
9 companies are based in the greater New York
10 area -- and then, I should say the New York
11 area, the New York City metropolitan area --
12 yes, it is. The bases must become members of
13 the Black Car Fund if they meet the criteria.
14 The criteria state that it must be -- they
15 must -- they cannot own more than 50 percent
16 of their vehicles, and 90 percent of their
17 income must be noncash basis.

18 The Fund derives its income from a
19 2.5 percent surcharge which is billed and
20 collected by its member bases from their
21 clients and then remitted to the fund.

22 Today the fund has over 300 members,
23 and collectively there are 50,000 affiliated
24 vehicles. The fund is a not-for-profit

1 corporation, and it's fiscally responsible.
2 In its 17-year history, the fund has had to
3 raise the surcharge only once, and that was
4 during the recession in 2007. As stated
5 previously, the surcharge is not paid by
6 members of the base or the drivers, it is
7 paid by the consumers.

8 Over time, the fund became self-funded
9 and self-administered. The fund has paid its
10 own claims and has its own in-house adjusters
11 and claims staff. As such, the fund is
12 ideally suited to provide the same
13 exceptional service to the transportation
14 network companies throughout the state at a
15 significantly lower rate than forming a new
16 workers' compensation fund.

17 As a point of information, I wanted to
18 clarify -- and I think you've heard it here
19 before a couple of times -- that New York
20 City does not have TNCs. They are all
21 regulated by the Taxi and Limosine
22 Commission. They may call themselves TNCs,
23 but they are regulated in a full way by the
24 Taxi and Limosine Commission of New York.

1 And by definition, there is no ride sharing
2 in New York -- I'm saying New York City.

3 As the fund achieved financial
4 stability through all of the efficient claims
5 management, it offered more and more benefits
6 for the drivers. The fund is always
7 interested in promoting safety. Instead of
8 charging drivers to attend required defensive
9 driving courses, the fund pays for it, for
10 the defensive driving course, and in addition
11 pays the drivers \$300 to attend that course.

12 We also have a wellness class, which
13 is half the time frame, and that course also
14 pays the driver, in this case \$150. The
15 wellness class includes CPR, AMBER Alerts,
16 and supplemental driver safety training. And
17 this is something that we're very, very proud
18 of.

19 Just yesterday we announced a new
20 \$50,000 death benefit for the drivers, and it
21 was awarded to a family retroactively
22 yesterday. This is a benefit that's being
23 added, and I believe the Councilman -- not
24 the Councilman, forgive me -- Assemblyman

1 Farrell, back when he was driving, that
2 \$50,000 wasn't available.

3 CHAIRMAN FARRELL: It was 60 years ago
4 that I was driving.

5 MR. PALUMBO: There was no TLC.

6 CHAIRMAN FARRELL: Yeah. There was no
7 TLC.

8 MR. PALUMBO: Drivers who work in a
9 high-risk condition deserve some peace of
10 mind. And that is in the event of a tragedy,
11 which we took care of with the family's
12 50,000. And like you said, it was just
13 yesterday, and you should probably be
14 receiving it in an email blast.

15 Safety isn't just about drivers, it's
16 also about riders. New York City riders know
17 that when they get in a black car that their
18 driver is responsible, safe, and committed.
19 And in fact, that's past the required
20 fingerprint check.

21 We are proud to say the Black Car
22 Fund, which has honed its business model for
23 17 years, provides an ideal benefit model for
24 the modern workforce and the emerging gig

1 economy. As a society, the country is
2 looking for solutions for how workers in the
3 gig economy can obtain portable benefits. In
4 New York City, drivers may work for multiple
5 companies in any given day, and their workers
6 compensation does in fact go with them.
7 Coverage remains intact and in effect without
8 interruption.

9 As the fund model becomes better
10 known, we have been contacted by many think
11 tanks, such as the Aspen Institute, and other
12 municipalities who are seeking ways to
13 provide traditional protections to
14 nontraditional workers, i.e., portable
15 benefits.

16 Thank you for giving me the
17 opportunity, and I'd be happy to answer any
18 questions that you may have.

19 CHAIRMAN FARRELL: Thank you very
20 much.

21 Any questions?

22 SENATOR KRUEGER: We appreciate it.

23 CHAIRWOMAN YOUNG: Thank you for being
24 here today. Thank you for waiting so long,

1 too.

2 CHAIRMAN FARRELL: Thank you.

3 Carley Hill, executive director,
4 The FAIR Committee, to close.

5 MS. HILL: "To close." Those are
6 probably your favorite words today.

7 This has been an education for me, and
8 I really admire the staying power -- this is
9 quite the marathon -- that you guys put forth
10 on behalf of the people of New York State.

11 And as I sat here today, I realized
12 how many diverse concerns there are that come
13 to Albany, and I really appreciate all the
14 attention.

15 I'd like to thank you for the
16 opportunity to hear this testimony. I'm the
17 chairwoman for an organization in Western
18 New York. We have a 35-year history of
19 voicing the concerns of labor suppliers,
20 engineers, and the contracting community. We
21 advocate for the needs-based allocation of
22 infrastructure funding, primarily for the
23 road, bridge, and transportation systems of
24 our community.

1 As the chairwoman of the organization,
2 as well as an employee of a heavy highway
3 family-owned construction firm, I come to ask
4 for your help and leadership with some
5 concerns that are facing our industry.

6 And I'll be blunt, this is the first
7 time that I've done this, and some of the
8 color in my commentary may not -- I hope you
9 don't take it personally, but in Western
10 New York we have some grave concerns about
11 some rose-colored glasses that seem to be on
12 when it comes to some of the funding
13 structures. I think you could hear it in
14 some of the testimony before me.

15 The flat fiscal funding that a lot of
16 the agencies are honorably bringing forth for
17 your review -- but what that's costing is not
18 only the brain drain in the engineering
19 communities, but also the sustainability of
20 our systems. And then the obvious fact that
21 there are always additional regulatory
22 requests that cause a greater drain on our
23 funding structure.

24 So I'm purely speaking from the men

1 and women who build the roads and bridges and
2 their perspective today.

3 The first point I have to share is
4 unfunded mandates. In New York State we have
5 one of the highest MWBE goal ambitions in the
6 country. The pressure this program puts on
7 the agencies as well as the entire
8 contracting community to achieve these goals
9 is unrealistic and outdated.

10 This program has been active for
11 30 years, and we have been waiting for a
12 disparity study that has yet to be released
13 on the results of the program. We are
14 beginning to wonder, what's the holdup? I am
15 routinely told by certified firms they cannot
16 bid our projects. The work is out of their
17 scope or they are already overly promising
18 their services.

19 I regularly am informed by agencies
20 that they are fearful of audits, that if we
21 can't get to the goal, they will be held
22 accountable with some form or another of
23 liquidated damages or a withdrawal of
24 funding. I have to remind them, paving

1 mainline highways is not like renovating post
2 offices, and the risk is entirely on the
3 contractor.

4 It took our company 65 years to earn
5 the reputation we have with agencies and the
6 public. To create true opportunity, we
7 recommend allowing firms such as ourselves
8 the opportunity to participate in a certified
9 mentoring and education program, perhaps,
10 designed to improve the abilities of up and
11 coming generations at managing a business,
12 keeping grade in the field, upholding
13 traffic-control methods.

14 This could have great impact. It is
15 definitely needed and would be a
16 forward-thinking, alternative approach to
17 instituting and attaining the goals of the
18 MWBE program which we honorably do our best
19 effort to get to. But in the horizontal
20 highway industry, it is absolutely
21 impossible. And the administrative burden
22 and the elevated cost of construction and
23 getting there is only being passed on to the
24 taxpayer, with no accountability for the

1 program's success. And we ask respectfully
2 that the Legislature demand that.

3 Safety improvements are vital to all
4 motorists in Western New York. We are
5 especially concerned with the lack of funding
6 for the upgrade of Route 219. Just last
7 month -- this is a very local issue, so
8 you'll have to pardon me -- a mother and her
9 three boys were in a --

10 CHAIRWOMAN YOUNG: No, we want to hear
11 all about it, Carley.

12 MS. HILL: Okay. That's true,
13 Senator. So you -- I'm speaking to your
14 heart on this. This is a member of your
15 community.

16 A mother and her three boys were in a
17 two-car accident when another vehicle ran the
18 stop sign at the absolutely deficient and
19 poorly designed 219 Peters Road exchange.
20 This mother has been in critical condition
21 for five weeks with over 15 fractured bones,
22 serious head injuries, and her children are
23 suffering from whiplash and damages.

24 If you haven't experienced it

1 yourself, this interchange yourself, let me
2 describe it for you. This incomplete,
3 slapdash intersection forces all traffic --
4 commercial, heavy trucks, tourists visiting
5 the regional destinations, buses -- to make a
6 non-intuitive transition from highway driving
7 to rural road maneuvering. This cluster
8 point puts rural motorists, Amish families,
9 as well as heavy truck traffic, in the
10 position of navigating swift reductions in
11 highway speeds to hard turns and deceleration
12 without any adequate transition.

13 There have been multiple accidents and
14 deaths along this sorely outdated trade and
15 tourism corridor. The FAIR Committee urges
16 the Legislature to demand that DOT follow
17 through on their financial commitment to the
18 EIS and do something about this before
19 someone else is killed. A properly funded,
20 phased upgrade is our recommendation.

21 Electronic toll collection. Although
22 the 21st-century system of electronic toll
23 collection has been embraced in cities and
24 countries around the world from Brazil,

1 London, Rome, Milan, Australia, Singapore to
2 Pakistan and France, it has yet to happen in
3 New York State. Other states which have
4 evolved include -- but are not limited to --
5 New Jersey, Pennsylvania, Delaware,
6 California, Florida, Texas. Eighty percent,
7 1.4 million drivers, in Illinois alone use
8 these systems. It mitigates congestion,
9 creates job opportunities in technology
10 positions, provides efficiencies for trade
11 and trucking routes that are sorely needed in
12 our state.

13 How many people are sitting here with
14 a smartphone in their pocket right now? The
15 thought that the modernization of our
16 transportation system threatens our privacy
17 is completely unsubstantiated in the society
18 we live in today. The privacy concerns are
19 outdated alternative facts. Between e-cash
20 and modern cryptography methods, all the
21 consumer protections anyone would need is
22 more than sufficiently available.

23 Although -- and this is what I'd like
24 to stress, because this is something that I

1 know wasn't testified about today -- but
2 there now are thoughts of cutting the
3 New York State Thruway Authority's capital
4 program to establish these high-speed
5 electronic toll collection systems. And it
6 is real and it is foolhardy and it is
7 absolutely misguided.

8 The unfunded ambition will have an
9 especially devastating affect on labor in
10 Western New York. Due to the stagnant DOT
11 program, which honestly is a stagnant program
12 regardless of all the hard-won successes that
13 the Legislature has brought forward
14 recently -- due to that stagnated system,
15 regardless of our highly degraded Thruway
16 lane miles, Region 5 is counting on the
17 capital program of the New York State Thruway
18 Authority to keep our workforce and economy
19 going for the next several years. We plan
20 years in advance with our purchases and our
21 allocations of skilled labor.

22 For your reference, I'm just going to
23 point this out, if you ever do hear about
24 capital cuts. One \$60 million capital

1 program cut for a project, just \$60 million,
2 will eliminate roughly 200,000 tradesman and
3 trucking hours from the region with no
4 replacement. That's not to mention site
5 suppliers, management, support staff,
6 inspectors, food service, fuel deliveries --
7 and the list of economic drivers from these
8 capital projects just goes on.

9 And I just was looking through one of
10 our projects, and I realized that Union
11 Concrete had 120,000 man hours for one
12 \$60 million project. Our subcontractors had
13 70,000 man hours. And of that, over
14 20 different firms were put to work. Of
15 that, 15 firms were either certified or
16 minority-owned. These are real numbers. And
17 what happens to the economy when capital
18 programs are cut is untenable.

19 If the capital programs cuts are to
20 happen, the leadership will be closing the
21 door on 200 jobs -- just a \$60 million cut
22 alone -- that are desperately needed in this
23 horizontal construction field of Western
24 New York. We would like to highlight

1 high-speed toll collection is largely done by
2 out-of-state technology firms and does not
3 address the lane construction or bridge
4 improvements that are so needed.

5 These lane mile and overpass
6 improvements have been committed to by the
7 board of the New York State Thruway
8 Authority, and our community expects them to
9 honor these commitments. We are asking the
10 leadership to face reality, stop passing the
11 buck in increased idle times. Do not gut our
12 workforce, do not put off addressing the
13 safety risks, and really deal with the fact
14 that we have not been funding the true
15 reconstruction of an aging system. Our
16 preventative maintenance program is failing
17 us.

18 I can tell you honestly that we are
19 tired of sound bites and camera-ready moments
20 that fade and dim in the truth of inaction,
21 restrictive bureaucratic red tape, and the
22 lack of real delivery. The BRIDGE NY program
23 is burying the locals in administrative
24 redundancies as well as unnecessary

1 legislative approvals in the post-selection
2 delivery phase. Issues of getting DOT
3 agreement approvals, budget, design,
4 right-of-way, and construction agreements in
5 place will delay and drag this program out.
6 We have yet to see one successful program
7 delivered through that.

8 We respectfully ask the Legislature
9 and the DOT to take the shackles off of the
10 locals by reducing these overarching and
11 controlling measures. Trust the people who
12 you selected, or we fear that everyone will
13 be looking at two years of a program that has
14 nothing to show for itself.

15 My final comments are with regard to
16 the significant concerns we have with the
17 deep divisions between the state and the
18 Nation. Specifically, in Western New York, I
19 am referring to the Great Seneca Nation.

20 Someone here needs to put on some big
21 boy pants -- or girl pants, we'll take them.
22 Whatever it is, we need something to happen.
23 There's a wall, and it seems as though it's
24 us versus them, and no one can get over it.

1 Such a level of maturity and cooperation does
2 not appear to be forthcoming from any of the
3 leadership any time soon with anyone we speak
4 to.

5 Agencies ask us for help. There's a
6 real problem of getting through that.
7 Bridges have been closed for years. The
8 Thruway is deteriorating beyond belief --
9 the Thruway, actually the speed zone has been
10 dropped to 45 in that area. And the other
11 thing is that -- and this is harder to prove,
12 but the fact of it is is that the economy of
13 this furthest region of New York State, due
14 to the inability to deal with this
15 relationship challenge, is starting to really
16 stagnate. It's starting to really show the
17 effects of that frayed relationship.

18 We employ many tradespeople from the
19 Nation, we look forward to working with them
20 as a stakeholder. In the past, we've had
21 great relationships. There's benefits for
22 all. But we are frustrated with the
23 inability of appointed or elected officials
24 locally to find a path through this

1 challenging course. It is doing severe
2 damage to the western edge of the state's
3 trade corridor, and all the investment that
4 has been made from points east and west of
5 the Nation's territories will suffer along
6 with it.

7 Our collective progress is the key to
8 our growth, and we beseech you to look within
9 your own strengths and bring that to the
10 table and respect the voice of others without
11 losing your own and show us how leadership,
12 vision and cooperation can really work.

13 In Western New York, this system is
14 failing us, and we are struggling in the
15 heavy highway industry to stay afloat, much
16 less grow. I'm a third generation, and I can
17 tell you right now there's not growth
18 happening in our company -- not for me, and
19 not for my employees. It is so uninspiring
20 and disappointing to see the potential and
21 our history as the greatest state in the
22 nation squandered. I don't know what to say
23 when our employees ask why there aren't more
24 hours, or how will we keep the pensions

1 alive, or should they get that new car or
2 make that home improvement this year.

3 You don't repair the first and second
4 floor of your home without fixing the stairs,
5 and I can tell you the treads on the
6 transportation stairs are worn out and there
7 are people already falling through the
8 cracks.

9 As much as there's pomp and
10 circumstance on delivery notifications about
11 opportunities, we're really not feeling it in
12 Western New York.

13 And I really appreciate the
14 opportunity to address that. Thank you.

15 CHAIRMAN FARRELL: Thank you very
16 much.

17 That's it.

18 MS. HILL: No questions?

19 CHAIRMAN FARRELL: Tomorrow at 9:30,
20 we start again.

21 (Whereupon, the budget hearing concluded
22 at 6:29 p.m.)

23

24