

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 2018-2019 EXECUTIVE BUDGET
6 ON TRANSPORTATION

6 -----

7
8 Hearing Room B
9 Legislative Office Building
10 Albany, New York

11
12 January 25, 2018
13 9:37 a.m.

11

12 PRESIDING:

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

15 Assemblywoman Helene E. Weinstein
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

23

24

1 2018-2019 Executive Budget
Transportation
2 1-25-18

3 PRESENT: (Continued)

4 Assemblywoman Amy Paulin
Chair, Assembly Committee on Corporations,
5 Authorities & Commissions

6 Assemblyman Phil Steck

7 Assemblyman James Skoufis

8 Senator Timothy Kennedy

9 Assemblyman Steven Otis

10 Senator Martin Malave Dilan

11 Assemblywoman Vivian E. Cook

12 Assemblywoman Nily Rozic

13 Assemblyman David G. McDonough

14 Senator Gustavo Rivera

15 Assemblywoman Pamela J. Hunter

16 Assemblywoman Alicia Hyndman

17 Senator Leroy Comrie

18 Assemblywoman Nicole Malliotakis

19 Senator Todd Kaminsky

20 Assemblyman Robert C. Carroll

21 Assemblywoman Earlene Hooper

22 Assemblyman Kevin Byrne

23 Assemblyman John T. McDonald III

24 Assemblywoman Jaime R. Williams

1 2018-2019 Executive Budget
 Transportation
 2 1-25-18

3 PRESENT: (Continued)

4 Assemblywoman Jo Anne Simon

5 Assemblyman David Buchwald

6 Assemblyman Félix W. Ortiz

7

8 LIST OF SPEAKERS

9 STATEMENT QUESTIONS

10

Joseph J. Lhota

11 Chairman

Veronique Hakim

12 Managing Director

Robert Foran

13 Chief Financial Officer

Donald Spero

14 Deputy CFO

Phillip Eng

15 Chief Operating Officer

Metropolitan Transportation

16 Authority (MTA)

8

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17 Paul Karas

Acting Commissioner

18 New York State Department

of Transportation

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Theresa Egan

20 Executive Deputy Commissioner

New York State Department

21 of Motor Vehicles

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22 Matthew J. Driscoll

Acting Executive Director

23 NYS Thruway Authority

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1 2018-2019 Executive Budget
 Transportation
 2 1-25-18

3 LIST OF SPEAKERS, Continued

4 STATEMENT QUESTIONS

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	Canaan Supt. of Highways		
6	President		
	NYS Association of Town		
7	Superintendents of Highways		
	-and-		
8	Wayne E. Bonesteel		
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1 CHAIRWOMAN WEINSTEIN: Good morning.

2 I am Helene Weinstein, chair of the
3 New York State Assembly's Ways and Means
4 Committee, cochair of today's hearing.

5 Today we begin the fourth in a
6 series of hearings conducted by the joint
7 fiscal committees regarding the Governor's
8 proposed budget for fiscal year 2018-2019.
9 The hearings are conducted pursuant to the
10 New York State Constitution and the
11 Legislative Law.

12 Today the Assembly Ways and Means
13 Committee and the Senate Finance Committee
14 will hear testimony concerning the
15 Governor's budget proposal for
16 transportation.

17 I'll now introduce the members of
18 the Assembly who are here, and Senator
19 Young, chair of the Senate Finance
20 Committee, will introduce members from the
21 Senate. In addition, our ranking member of
22 Ways and Means, Bob Oaks, will introduce
23 members from his conference.

24 So we have with us Assemblywoman

1 Hunter, Assemblyman Carroll, Assemblywoman
2 Cook, Assemblywoman Rozic, our chair of our
3 Corporations Committee, Assemblywoman
4 Paulin.

5 Mr. Oaks?

6 ASSEMBLYMAN OAKS: Yes, and we're
7 also joined by Assemblywoman Malliotakis.

8 CHAIRWOMAN YOUNG: Good morning,
9 everyone. I'm Senator Catharine Young, and
10 I'm chair of the Senate Standing Committee
11 on Finance. Very pleased to be here today,
12 and I'd like to welcome my colleagues. We
13 have Senator Diane Savino, who is vice
14 chair of the Finance Committee; Senator Liz
15 Krueger, who is ranking member; Senator
16 Marty Dilan, who is ranker on the
17 Transportation Committee; Senator Todd
18 Kaminsky; and Senator Gustavo Rivera.

19 CHAIRWOMAN WEINSTEIN: Assemblywoman
20 Hyndman is also with us.

21 Before introducing the first
22 witness, I'd like to remind all of the
23 witnesses testifying today to keep your
24 statements within your allotted time limit

1 so that everyone can be afforded the
2 opportunity to speak. Witnesses are
3 reminded that the testimony which has been
4 submitted in writing will be made a part of
5 this hearing's official transcript, thus
6 there's no need to read your testimony
7 verbatim. In fact, we would prefer a
8 concise summary of the highlights of the
9 testimony, to allow members' questions to
10 be more focused and productive.

11 And the witnesses are also reminded
12 that their remarks should be limited to the
13 time remaining on the countdown clocks here
14 in the hearing room. It's important so
15 that the witnesses later on have an
16 opportunity to testify also.

17 Likewise, I just want to remind our
18 members to keep an eye on the countdown
19 clocks, and that the time frames are both
20 for questions and answers. So don't try to
21 sneak in a question as the clock goes to
22 zero.

23 Right now we'd like to thank
24 everyone in advance for adhering to these

1 guidelines.

2 Cathy, do you have any opening
3 remarks before we call the first witness?

4 CHAIRWOMAN YOUNG: No, I'm looking
5 forward to hearing the testimony.

6 CHAIRWOMAN WEINSTEIN: So now we
7 will call our first witness. At the table
8 is MTA Chairman Joseph Lhota and -- I have
9 two other people, and maybe you can
10 introduce who's with you perhaps before you
11 start.

12 MTA CHAIRMAN LHOTA: I will, Madam
13 Chair. Thank you.

14 And good morning, Senator Young,
15 Assemblymember Weinstein, and members of
16 the Senate and Assembly who are here this
17 morning. As was mentioned, I'm Joe Lhota,
18 I'm chairman of the Metropolitan
19 Transportation Authority.

20 With me today to my left, your
21 right, is Ronnie Hakim, the managing
22 director of the MTA. To my right, your
23 left, is Bob Foran; he is our chief
24 financial officer. Next to Bob, right next

1 to Bob, is Don Spero; he's the deputy chief
2 financial officer. And over on my far left
3 is Phil Eng, who is the chief operating
4 officer of the MTA.

5 First let me say how pleased we are
6 to be here and also how pleased we are that
7 the Governor's proposed budget includes a
8 year-to-year increase in our operating
9 funds. The MTA will receive more than
10 \$4.8 billion from all state sources, an
11 increase of \$334 million over the fiscal
12 year '18 enacted budget.

13 The Governor has increased state
14 support to the MTA in all eight of his
15 budgets. As a result, annual operating
16 support from New York State to the MTA has
17 increased by \$1.1 billion over the past
18 nine years.

19 The Governor's leadership was
20 instrumental in securing the 2015-2019
21 capital program. At nearly \$30 billion, it
22 is the single largest investment ever in
23 infrastructure at the MTA. New York
24 State's contribution, \$8.6 billion, is many

1 times greater than under any other previous
2 capital program.

3 The Executive Budget includes
4 capital and operating support to fully fund
5 the state's half of the \$836 million Subway
6 Action Plan. We introduced this plan in
7 July to stabilize and then modernize our
8 subway system, and we're implementing the
9 plan and we're in the first phase.

10 It includes the most aggressive and
11 concentrated preventive maintenance program
12 in the MTA's history. And thanks to all of
13 our transit workers, it is starting to show
14 better results. Last year, major
15 incidents, which delay 50 or more trains,
16 went from 81 in June, when we began to
17 implement the plan, to 50 in December.
18 That's a 38 percent improvement. Comparing
19 this same time frame, major signal
20 incidents went down from 25 to 23, which is
21 an 8 percent improvement, and major track
22 incidents went from 19 to 7, a 63 percent
23 improvement.

24 Although we're seeing signs of

1 stabilization on the subway system, the
2 Long Island Railroad, however, I believe is
3 off to a poor start this year -- as I'm
4 sure all of you know, and I'm sure I will
5 get questions about that. And as I've said
6 publicly and I will state here, I'm not
7 happy about it. The status quo there
8 absolutely cannot continue, which is why
9 we're in the process of taking corrective
10 steps at the LIRR.

11 Not many people know this, but the
12 MTA is in the midst of the most aggressive
13 cost-cutting program in its history. We've
14 cut \$1.7 billion out of our operating
15 budget, through massive consolidations and
16 internal efficiencies, and we expect that
17 number to grow to \$2.3 billion by the year
18 2021. That's more than \$2 billion a year,
19 every year, that we will use to add or
20 improve service and keep fares low.

21 Despite these efforts, funding the
22 MTA operations is a constant challenge.
23 Fare and toll revenue makes up only a
24 portion of the costs needed to run the

1 system. In our case, it's about 50
2 percent, which means on average the
3 customer's fare covers less than half the
4 cost of their ride. That's why the MTA
5 needs a steady income stream to continue to
6 maintain a state of good repair while at
7 the same time upgrading and expanding the
8 system. Put plainly, we need a sustainable
9 financial model.

10 In that regard, we're encouraged by
11 the recently released Fix NYC report, which
12 recommends providing additional funding to
13 the MTA by defining a geographic "pricing
14 zone" for cars and trucks entering certain
15 parts of New York City, installing
16 technology around the zone, and
17 establishing fees and hours.

18 Madam Chairs, we appreciate the
19 support you've given to the MTA in the
20 past, and thank all of the members for your
21 continuing support. Thank you for your
22 time today, and we're now happy to answer
23 any and all questions that you have.

24 CHAIRWOMAN WEINSTEIN: Thank you for

1 your brevity. I'm sure there are a number
2 of members who have questions.

3 First we go to our Corporations
4 chair, Amy Paulin. Before we do that, I
5 just want to acknowledge we've also been
6 joined by Assemblyman Gantt, the chair of
7 our Transportation Committee.

8 ASSEMBLYMAN OAKS: And Assemblyman
9 Byrne has joined us.

10 CHAIRWOMAN WEINSTEIN: Ms. Paulin.

11 ASSEMBLYWOMAN PAULIN: Thank you so
12 much.

13 I have several questions, the first
14 on the Subway Action Plan which we've heard
15 so much about. I wonder if you could
16 describe in a little more detail about how
17 many people you intend to hire, the
18 specific work that will be performed, the
19 timeline, and how you will measure the
20 success of the program. When will you deem
21 the Subway Action Plan a success?

22 MTA CHAIRMAN LHOTA: Assemblymember,
23 thank you for the question. The Subway
24 Action Plan, which we rolled out in the

1 last week of July, one month after I came
2 back to the MTA, includes hiring up to
3 1,000 more workers at the MTA.

4 And why? If you go back to
5 2009-2010, when we had a fiscal crisis
6 throughout the State of New York due to the
7 general economic conditions, we had severe
8 budget cuts that were implemented as well
9 as service cuts, many of whom that have
10 come back. One of the things that didn't
11 come back were the workers, who when they
12 either retired or attrited, we never
13 replaced them. And by not replacing them,
14 maintenance and continual upkeep of the
15 system was stretched out. Something that
16 needed to be maintained on a six-month
17 basis may have been pushed out to nine
18 months or 12 months.

19 And it took seven years, and then
20 all of a sudden that lack of maintenance,
21 that care, and especially for a system many
22 parts of which are older than a hundred
23 years old, not having that maintenance kept
24 up to speed, things started to fall apart.

1 With that, the Subway Action Plan is
2 a plan that is focused on the core
3 important things that need to happen. We
4 need to make sure that the rail is in a
5 state of good repair, we need to make sure
6 that all of our signals are up and running
7 and working properly, as well as the
8 switches. But also, combined with that,
9 making sure that our transit workers are
10 deployed, those who work on the system, who
11 repair the system, are deployed closer to
12 where problems may happen. So that we've
13 started to redeploy folks in various
14 different parts all over the city so that
15 they can get there quickly.

16 A perfect example of that is, you
17 know, if we have a signal-related problem
18 in Lower Manhattan, we want somebody there
19 within 10 minutes, and they can either
20 serve from Midtown to down to the Wall
21 Street area very, very quickly, instead of
22 having to come from Brooklyn or the Bronx
23 at the end of the lines. So it's a very
24 simple concept.

1 Now, we put together statistics,
2 data, metrics every month, we put them
3 online, we provide them to our board, about
4 all of the problems -- how many delays have
5 there been, where does it compare to what
6 it was the month before, the year before,
7 and all a period of time --

8 ASSEMBLYWOMAN PAULIN: No,
9 understand -- understanding that we're
10 doing better, I get that. I'm just
11 wondering about how will you deem the
12 program a success. And also there's a
13 capital component of \$348 million, so how
14 does that fit into the plan?

15 MTA CHAIRMAN LHOTA: So to determine
16 success, obviously I would love to be able
17 to see Twitter feeds be a little bit more
18 positive than they are. It seems every
19 time someone is delayed, everybody on
20 board -- and we give them the opportunity
21 to do that, since most of the trains now
22 have wifi, the subways do.

23 But in any event, what we need to do
24 is get to a situation where there are

1 minimal to no delays. In my entire life
2 being on the subway and being a New York
3 City resident going way back when, I can
4 tell you there have always been delays on
5 the system, but I don't want it anywhere
6 near what it experienced this past spring.
7 Which is why I decided to come back,
8 because it needs to get fixed and I'd like
9 the opportunity to do that.

10 The capital component, the capital
11 component is mostly about laying new rail.
12 We are in the process of putting new rail
13 throughout the entire system, the entire
14 830 miles of the system. And we're about
15 halfway done. We will be finished by the
16 end of 2018.

17 And the seamless rail system -- for
18 those who have been on the subway recently,
19 if you recall, many years ago there would
20 be a bumpy ride, there would also be
21 various different points in which the car
22 would go dark for a few seconds. Because
23 of the way the rail worked and its
24 connection to the third rail, there was a

1 slight disconnect. We're starting to see
2 less and less of that, and that welded rail
3 is most of the capital program.

4 Ronnie, do you want to --

5 MTA MANAGING DIRECTOR HAKIM: Yeah,
6 I'll just add that as part of the capital
7 program, transit has a \$16.7 billion
8 capital program. The track program that
9 the chairman was just referring to is
10 almost \$2 billion of that program. And the
11 Subway Action Plan has a large operating
12 budget component as well.

13 You asked about the additional
14 resources. We've hired, since the
15 beginning of the Subway Action Plan, about
16 a thousand more manpower and womanpower,
17 and we're going to, depending on our
18 available funding, add another thousand
19 heads into 2018 as well, to bring those
20 maintenance resources up.

21 ASSEMBLYWOMAN PAULIN: Thank you.

22 The next question has to do with
23 funding. The state in fact cut, in last
24 year's budget, \$65 million, which would

1 have been -- which we were supposed to give
2 to offset the library component of the
3 payroll tax. And we didn't restore that
4 money. I know that you budgeted for the
5 \$65 million and the increased growth from
6 the payroll tax, which is what you were
7 alluding to before.

8 So what kind of accommodation are
9 you going to make with that severe budget
10 cut?

11 MTA CHAIRMAN LHOTA: So last year,
12 as I think you mentioned, the \$65 million
13 was restored during the negotiation with
14 the Legislature.

15 ASSEMBLYWOMAN PAULIN: Well, it was
16 only restored for capital. It wasn't
17 restored for operating.

18 MTA CHAIRMAN LHOTA: It was restored
19 for capital, and we had pay-as-you-go
20 capital in our operating budget. We just
21 switched it around so that we could use it
22 for operating purposes.

23 ASSEMBLYWOMAN PAULIN: And this
24 year?

1 MTA CHAIRMAN LHOTA: And this year
2 we are -- I'm working with the current
3 budget director to have that \$65 million
4 restored, and we're in the process of
5 discussing that during this 30-day
6 amendment period.

7 ASSEMBLYWOMAN PAULIN: Thank you.

8 The next question has to do with --
9 you know, I think we all read the Daily
10 News article the other day. And I did
11 watch the committee meeting where one of
12 the board members asked you about that
13 article, and you responded that it was --
14 the information was prepared for a press
15 conference.

16 I'm really not -- you know, he then
17 went on to ask why those -- if there was
18 severe power outages, why that wasn't
19 included in the information given to the
20 board. And I didn't really understand your
21 response. And I just wonder if you could
22 elaborate why those numbers aren't included
23 in the documents that are given to the
24 board, and therefore the public.

1 MTA CHAIRMAN LHOTA: Sure. What's
2 given to the board, based on the Subway
3 Action Plan, are breakages or problems
4 related to very, very specific issues.

5 So let's say, for example, we have
6 switch-related problems, we may have
7 door-related problems, we may have a whole
8 array of different problems. And
9 everything is categories in that area. In
10 the switch area, it could be power or it
11 could be something else. But it's a subset
12 of that.

13 Power across the board -- power --
14 the whole issue of Con Edison and power is
15 separate from the Subway Action Plan. Back
16 in April, there was a major power outage
17 throughout the system, hundreds of
18 thousands of our customers were impacted at
19 one time. That began an investigation
20 separate from the MTA, with the Public
21 Service Commission. So it started long
22 before that.

23 The Subway Action Plan was not to
24 deal with Con Ed. So all the data that we

1 collect is all about what is going on in
2 the system across the board.

3 The chamber was looking to do a
4 press conference sometime in August, in
5 early August, and they were interested in
6 all power-related issues relating to delays
7 and service disruptions. And the number
8 that was originally given to them was just
9 purely a power number, but it didn't
10 include service disruptions, it didn't
11 include all of the delays. And so what
12 we're able to do is to take each one of the
13 components and break them down and then be
14 able to put all power-related issues
15 together in one place.

16 And the board actually does have the
17 data where it was able to show Commissioner
18 Weisbrod, who was asking that question of
19 me during the hearing, where it was in the
20 32 pages of metrics that we give out at
21 every board meeting.

22 Nonetheless, in the process of
23 putting all of that together, I want to
24 also discuss what service disruptions mean.

1 If we have a power surge and the power
2 surge has an impact on a MetroCard machine
3 and the MetroCard machine can't issue
4 MetroCards, I consider that a service
5 disruption. The same thing will happen
6 with an elevator or an escalator. And
7 we're working very hard to get as many
8 elevators and escalators working.

9 But if the quality of the power
10 coming down either dips too low or dips too
11 high, it trips the elevator, in which case
12 we've got to go and we've got to set it
13 again. That, to me, is a service
14 disruption if someone can't do it.

15 So it was all added together.

16 ASSEMBLYWOMAN PAULIN: I understand
17 what you're saying. You know, I wonder,
18 then -- you know, the Public Service
19 Commission on January 18th published the
20 report that the MTA and Con Edison did
21 together, you know, following the disrupted
22 power that you mentioned. And there were
23 198 events, 11 of which were outside the
24 MTA/Con Edison region, they were in the

1 Rockaways, LIRR, you know, the -- not the
2 LI -- yeah, well, the Long Island Power
3 Authority. Three were due to MTA equipment
4 issues, 56 were unfounded, never reported
5 to Con Edison, leaving only 128, 75 percent
6 of which were blips -- you know, when you
7 see lights blink -- so they were seconds.

8 So there were only 32 events that
9 Con Edison would consider, and you
10 considered with them, power outages over a
11 two and-a-half-year period.

12 So what I don't understand is how
13 32 power outages, which were agreed to by
14 Con Edison and the MTA going over that data
15 together, could lead to a number like
16 32,000. You know, the extra three zeros
17 just don't make any sense to me. I get
18 that there may be a different way of doing
19 the math, but the impression that it gave
20 to the larger community was that Con Edison
21 was at fault, that power was at fault.

22 And what it does is it creates a
23 distrust. And it's unfortunate, you know,
24 that it was done at a press conference

1 where the public, the Governor, the
2 Legislature and your own board would be
3 under a misunderstanding of what really the
4 information is out there.

5 So I just -- you know, I'm really
6 not asking, I just think that in the future
7 that we should be a lot more careful on how
8 we give out information to create a trust
9 if we expect the public to give their
10 hard-earned dollars to fix a system which
11 we know needs to be fixed.

12 MTA CHAIRMAN LHOTA: If I may, when
13 you have any -- what you described might be
14 a blip or a shortage, and that particular
15 outage affects 100 trains, all of which
16 could have hundreds of thousands of people
17 on it and that -- so it becomes a question,
18 you know, do you count -- from my point of
19 view, how many trains were delayed? Was it
20 one or is it a hundred?

21 I realize -- and I don't mean to
22 stretch things out. And I also would like
23 to state that most of -- almost everything
24 I'm doing in the Subway Action Plan has not

1 anything to do with power, it has
2 everything to do with what I can control
3 within the subway system. In fact, the
4 Subway Action Plan and power are two very,
5 very different things. Power is not
6 included.

7 ASSEMBLYWOMAN PAULIN: I understand.
8 But I just think there was a
9 misunderstanding in terms of how the
10 information -- because when people hear
11 32,000, they think 32,000 separate events.
12 And in fact there were 32 events over a
13 two and-a-half-year period, not an annual
14 period, and it's very misleading.

15 MTA CHAIRMAN LHOTA: Fair enough.
16 We'll make sure it's clarified.

17 ASSEMBLYWOMAN PAULIN: Thank you.

18 CHAIRWOMAN WEINSTEIN: Before we
19 turn to the Senate, I just wanted to
20 acknowledge that we've been joined by
21 several new members from the Assembly:
22 Assemblyman Skoufis, Assemblyman Buchwald,
23 and Assemblyman Steck.

24 CHAIRWOMAN YOUNG: Thank you.

1 Thank you, Chairman Lhota, for being
2 here today. We truly appreciate it. And I
3 do have several questions and may have to
4 come back for a second round.

5 But we're asking the public to
6 invest billions of dollars into the system,
7 and there's no doubt, there's no doubt that
8 the system is falling apart, literally. We
9 heard about the Summer of Hell, we've heard
10 about all the breakdowns and all the
11 different problems that have plagued the
12 subways.

13 I was interested to come across a
14 New York Times article dated December 28,
15 2017, and it's "The Most Expensive Mile of
16 Subway Track on Earth." And it talks about
17 the fact that the average cost for one mile
18 of subway track in the U.S. and across the
19 world is \$500 million per track mile, and
20 in New York City the cost is seven times
21 that.

22 And I'll read you a little bit
23 about -- just a bit of the article. "An
24 accountant discovered the discrepancy while

1 reviewing the budget for new train
2 platforms under Grand Central Terminal in
3 Manhattan.

4 "The budget showed that 900 workers
5 were being paid to dig caverns for the
6 platforms as part of a 3.5-mile tunnel
7 connecting the historic station to the Long
8 Island Rail Road. But the accountant could
9 only identify about 700 jobs that needed to
10 be done, according to three project
11 supervisors. Officials could not find any
12 reason for the other 200 people to be
13 there.

14 "'Nobody knew what those people were
15 doing, if they were doing anything,' said
16 Michael Horodniceanu, who was then the head
17 of construction at the Metropolitan
18 Transportation Authority, which runs
19 transit in New York. The workers were laid
20 off, Mr. Horodniceanu said, but no one
21 figured out how long they had been
22 employed. 'All we knew is they were each
23 being paid about \$1,000 every day.'"

24 So there were 200 people on the job

1 site being paid \$1,000 a day, and nobody
2 knew what they were doing.

3 "The estimated cost of the Long
4 Island Railroad project, known as 'East
5 Side Access,' has ballooned to \$12 million
6 or nearly \$3.5 billion for each new mile of
7 track" -- as I said, seven times the
8 average elsewhere in the world. "The
9 recently completed Second Avenue subway on
10 Manhattan's Upper East Side and the
11 extension of the No. 7 line to Hudson Yards
12 also cost far above average, at \$2.5
13 billion and \$1.5 billion per mile,
14 respectively."

15 So how can we ask people in New York
16 State to give up their hard-earned money
17 for expansion and billions of dollars of
18 repairs to the system when it looks like
19 nobody's watching the ship, when it looks
20 like you're not watching costs and there's
21 a lot of waste in the system? And if we
22 got our costs more in line with the
23 national average, we could do so much more
24 work. So I'd like for you to address that,

1 if you could, Mr. Chairman.

2 MTA CHAIRMAN LHOTA: Senator, thank
3 you.

4 I too expressed the same sentiments
5 that you have. When I came back to the
6 MTA, I wanted to find a way to make it more
7 efficient and more effective. And we
8 worked very closely with the New York Times
9 in providing them the information for that
10 article, because what we need to do -- and
11 I started when I first got there putting
12 together a task force on how to deal with
13 these large projects, also to deal with
14 procurement reform. Also, as part of
15 dealing with the large projects, trying to
16 get more competition. Not as many people
17 bid on our large projects. The number of
18 bidders that we get, and working with the
19 unions -- you know, we don't build the
20 subways. So when one of our guys went down
21 and asked a question, Why are these people
22 all here? And the question {sic} is we
23 need to be a whole heck of a lot more
24 vigilant in how we go about doing that,

1 working with the labor, working with the
2 construction trades, putting together
3 project labor agreements where we are on
4 top of every single penny that goes into
5 that.

6 I don't want to be at an agency
7 that, you know, looks like it's the most
8 expensive to do business. We are in the
9 process of changing the way the MTA
10 operates. Part of the Fix NYC report
11 references that it's in three phases, but
12 the first thing that has to happen is that
13 the MTA has to get its act together. I
14 totally agree, it's now -- one of the
15 reasons I came back is because I know how
16 important the subway system is for the
17 city, and how it works -- as well as the
18 commuter rail lines -- they're for the
19 entire region. And if it works, the entire
20 economy of the general New York area as
21 well as the whole State of New York works.

22 It's our job to fix it. And you now
23 can hold me accountable, from this point
24 forward, to doing it. Or from when I

1 started in early July. It needs to get
2 fixed, and we're in the process of doing
3 it.

4 CHAIRWOMAN YOUNG: Well, thank you,
5 Mr. Chairman. With all due respect, that
6 article is about three weeks old. So --
7 and as you pointed out, you've been in
8 since July. So when do you think that
9 these cost containments will start to take
10 effect?

11 MTA CHAIRMAN LHOTA: The cost
12 containments have started to take effect.
13 The article is all referenced items
14 that were even older than that, and all
15 things that happened prior to me coming
16 back.

17 But be that as it may, it's not
18 about pointing fingers. What we've done,
19 Janno Lieber is now the head of capital
20 construction and the chief development
21 officer. Tremendous experience in the
22 private sector. He was the one who led the
23 private sector forces that rebuilt the
24 World Trade Center.

1 We're in the process of expanding
2 our -- the folks who will bid on our
3 business. We're being very, very specific
4 about what it is we're requesting so that
5 we can prevent any change orders going
6 forward, or a numerous number of change
7 orders going forward.

8 And we are -- you know, another
9 example that we have seen right now started
10 this past summer. We shut down a couple of
11 stations for repair in Brooklyn, and they
12 opened up early and under budget. That's
13 what I want to hear about the MTA going
14 forward: Early, getting it done quicker,
15 and getting it under budget.

16 The same thing happened with the
17 tunnel, the Montague Street Tunnel. It was
18 a project that actually was done three
19 months early and actually came in under
20 budget; the exact dollar amount I can give
21 you at another time.

22 Right, and it's a combination --
23 it's also -- they're all design-build. The
24 more we do with design-build, the better

1 we're going to be in efficiently spending
2 taxpayer dollars.

3 CHAIRWOMAN YOUNG: Thank you,
4 Chairman.

5 Following up on that, there's a
6 section of the Governor's budget that would
7 create tax increment financing districts to
8 pay for the costs of the subway
9 improvements. And I have several questions
10 about that proposal, because I find it to
11 be troubling and even problematic. Because
12 one of the questions I have, has an
13 authority over municipalities' property tax
14 ever been provided to an unelected board,
15 as you are doing here?

16 MTA CHAIRMAN LHOTA: I don't know
17 the answer to that specific question about
18 whether the authority has. It's happened
19 in other states in the United States. But
20 whether it's happened in New York or not, I
21 don't have that level of understanding of
22 history.

23 But it's also -- if I may describe
24 what was included in the budget --

1 CHAIRWOMAN YOUNG: Sure. Sure.

2 MTA CHAIRMAN LHOTA: -- with value
3 capture. And I'll give one or two examples
4 of what's going on.

5 We've spent billions and billions of
6 dollars putting in the Second Avenue
7 subway, and in the process of putting the
8 disinvestment in the ground, we're not
9 receiving any return on investment. If you
10 look at the reports that have come out from
11 the real estate companies in New York,
12 while the rest of New York City has been
13 pretty constant in the value of the real
14 estate, in and around the Yorkville area as
15 well as other areas where the Second Avenue
16 subway goes, there's been significant
17 appreciation. So in comparison to the
18 comparison to the rest of the market, which
19 has been flat, there is an appreciation in
20 value.

21 And when there's that appreciation
22 in value in other parts of the country and
23 other parts of the world when large
24 investments are made that enhances the

1 value of the property, a portion of the
2 increment above the current property tax --
3 we're not talking about reaching down into
4 the current property tax -- you create a
5 base, and then any amount that's achieved
6 above that which is derived, tied directly
7 to the appreciated value tied directly to
8 the investment in the ground, should be
9 shared between the municipality and the
10 organization that's putting up the funds.

11 In which case the proceeds would
12 then be used to, you know, keep fares and
13 tolls down so there wouldn't need to be an
14 increase in fare and tolls. Not
15 necessarily to put it back into just
16 capital programs, but also to keep control
17 of fare and toll increases.

18 CHAIRWOMAN YOUNG: Mr. Chairman, you
19 said it's been done in other states, but
20 you may be aware of the fact that New York
21 State is a home rule state. So has anyone
22 checked as to whether such a scheme would
23 violate the principle of home rule?

24 MTA CHAIRMAN LHOTA: I'm not an

1 attorney, so I will ask someone else to be
2 able to look at that for you. But my
3 understanding is that -- in my experience
4 when I was deputy mayor of New York, even
5 though you think things are home rule, they
6 tend not to be if it's meant to be, you
7 know, done under state auspices.

8 CHAIRWOMAN YOUNG: Again, I would
9 stress that this is an unelected board.
10 But shouldn't the TIF districts sunset once
11 the MTA recoups the investment in the
12 \$100 million-plus capital project?

13 MTA CHAIRMAN LHOTA: I'm sorry?

14 CHAIRWOMAN YOUNG: Shouldn't the TIF
15 districts sunset once you recoup the
16 investment in the \$100 million-plus capital
17 project?

18 MTA CHAIRMAN LHOTA: Well, you know,
19 it depends how you define return on
20 investment. I think, you know, the subway
21 system that was put in place on
22 Lexington Avenue a hundred years ago
23 continues to provide value there. And
24 shouldn't that help the riders at that

1 time, shouldn't that money be used to
2 maintain the system? So I'm not sure it
3 should just be limited to the return on
4 investment.

5 That being said, I'd like to return
6 to this board, unelected board. As was
7 mentioned, all of the projects that would
8 go through here -- and I think there was a
9 dollar amount -- all of which would go
10 through the Capital Program Review Board,
11 of which there are representatives of the
12 Governor, the Assembly, the Senate, and in
13 the case of New York City, the mayor, all
14 of whom have veto power.

15 And as part of going through the
16 Capital Program Review Board, the question
17 would be, is there going to be a value
18 capture approach? And if any one of the
19 members has an issue with it or doesn't
20 like the way it's structured, the Capital
21 Program Review board has an opportunity to
22 review that.

23 CHAIRWOMAN YOUNG: But they're
24 unelected.

1 MTA CHAIRMAN LHOTA: The capital
2 Program Review Board is a -- I'm sorry, is
3 elected. It's the Governor, it's the
4 Senate Majority Leader, it's the Speaker
5 and the Mayor of New York.

6 CHAIRWOMAN YOUNG: No, the board
7 itself is an unelected board. You may have
8 representatives on it from different
9 elected officials, but it's an unelected
10 board. So ...

11 MTA CHAIRMAN LHOTA: Okay. I've
12 always worked on the assumption that they
13 follow the direction of the person who has
14 named -- not, you know --

15 CHAIRWOMAN YOUNG: No. Would -- one
16 of the questions that I have also regarding
17 this is would you seek to extend this
18 authority? Because right now it's for
19 subdistricts strictly in New York City, I
20 believe. But would you seek to extend this
21 authority to the rest of the MTA region in
22 the event it proves effective in New York
23 City?

24 MTA CHAIRMAN LHOTA: We have, under

1 existing statute, the ability to do value
2 capture anywhere in the MTA region. And
3 there's unanimity amongst the entire MTA
4 board that they would -- if we're going to
5 be using taxpayer dollars, we should try to
6 recoup some of that from any value that's
7 enhanced, wherever it may be.

8 We would negotiate that directly
9 with the local communities who were
10 involved anywhere in the region.

11 CHAIRWOMAN YOUNG: So you would look
12 to extend this, possibly, this taxing
13 authority by an unelected board, in other
14 areas of the state.

15 Okay, thank you. I'll come back.

16 CHAIRWOMAN WEINSTEIN: I want to
17 mention that we've been joined by
18 Assemblywoman Jaime Williams and Jo Anne
19 Simon.

20 Normally I would let some of the
21 members go first, but I want to pursue the
22 line of questioning, the subject matter
23 that Senator Young has been pursuing.

24 Has this proposal that's in the

1 Governor's budget for the value capture in
2 New York City been discussed, negotiated
3 with New York City?

4 MTA CHAIRMAN LHOTA: You know, the
5 value capture, I've had discussions with
6 the members of the New York City -- who are
7 on the board of the MTA. But I don't know
8 if there have been any discussions between
9 the executive branch and the administration
10 in the city.

11 CHAIRWOMAN WEINSTEIN: So are -- I'm
12 not sure, since you weren't there, but were
13 you aware that when this value capture
14 concept was last put in place in New York
15 City for the Hudson Rail Yards, that was a
16 negotiated, agreed-to proposal that both
17 the city, state, and the MTA board worked
18 out? And that was also looking at
19 properties that were not yet developed, and
20 there was clearly much more of a nexus
21 between the extension of the 7 Line than
22 this sort of open-ended situation here.

23 In terms of the other proposals, as
24 Senator Young said, the proposal for the

1 East Side -- or, rather, the Long Island
2 Rail, the third rail, there's nothing in
3 this budget that talks about value capture
4 for that proposal; there isn't for the
5 Metro-North stations that are beyond
6 New York City. Is there a reason why those
7 aren't included?

8 MTA CHAIRMAN LHOTA: In answer to
9 the -- there are two questions, I think.
10 And the first one, if I may address you,
11 brought up the Hudson Yards example. And
12 at the time it was the City of New York who
13 came up with the funding for the building
14 of the extension of the No. 7 train. And
15 it -- all of the funding for that came from
16 the City of New York.

17 And there was talk prior to that of
18 actually coming to the Legislature to
19 create the separate fund, and it was
20 determined let's just let the city put up
21 the money and then move forward with it.

22 On the issue of out -- you know, the
23 existing programs that are there, from my
24 point of view we're talking about programs

1 going forward. We're not, you know -- if
2 you go to in reverse to projects, you know,
3 it -- we can only talk about going forward
4 in the future.

5 CHAIRWOMAN WEINSTEIN: And were any
6 of the -- talking about going forward, in
7 terms of going backwards, for many years
8 the -- during construction of the
9 Second Avenue subway, there were
10 diminishment of value of those properties
11 because of the construction. Were those
12 property owners given any subsidies by the
13 MTA for the cause of the -- for the
14 reduction of their value?

15 MTA CHAIRMAN LHOTA: There was a
16 very large community program dealing with
17 businesses, especially those where the
18 fronts were covered for a period of time.
19 We had ombudsmen there, we spent money on
20 advertising for them in helping them
21 sustain their business during that period
22 of time.

23 You know, we did everything we can
24 to work with the communities, as we've

1 already started to as we continue the
2 extension of the Second Avenue subway up to
3 125th Street in its next phase, to work
4 with the communities going up and above.

5 As far as the -- you know, to my
6 knowledge, any diminishment in value was
7 adjusted through the assessed value during
8 that period of time. So if their assessed
9 values went down, the amount of their tax
10 paid would have also gone down.

11 CHAIRWOMAN WEINSTEIN: So even if we
12 were to say that it was okay to do value
13 capture without the city's approval, as the
14 Senator said, without the city's home rule
15 on this legislation, you'd end up with a
16 situation where the values went down
17 because of construction in terms of the
18 immediate area, so then the increase in
19 value is in some way just getting back to
20 where things were. And then your -- so it
21 would tax the value of the increase because
22 of the decrease of all the years of
23 construction, and then be taxing property
24 values that are in fact -- can have very

1 little relationship to the subway.

2 I just want to move on to the MTA
3 capital plan. Could you give us a brief
4 update on where we are with the four
5 projects that you cite, East Side access,
6 Penn Station access, Second Avenue subway
7 Phase 2, and the Long Island Railroad third
8 track? And are we on time, are we on
9 budget?

10 MTA CHAIRMAN LHOTA: So the specific
11 projects that you spoke about, we'll start
12 with East Side access. East Side access,
13 it's our expectation that it will open up
14 in 2022. It's on budget for its current --
15 you know, in its current value at this
16 time.

17 And I encourage any members who
18 would like to go down and see the tunnel
19 that has been burrowed and the amount of
20 work that's going on building out the
21 platforms -- we recently had the new county
22 executive from Nassau County, as well as
23 Steve Bellone from Suffolk County, down
24 there last week to see it, and I'll extend

1 that offer to any member of the Legislature
2 as well to actually look at that program,
3 which will now allow the ability for folks
4 who come in from Long Island to go to the
5 Grand Central area.

6 And it will have, I believe, an
7 enormously great impact to the economy of
8 Long Island in that those folks who live
9 around the Grand Central Terminal area who
10 decide -- why they would want to do this is
11 a different issue -- but if they want to
12 decide to move to suburbia instead of, you
13 know, here in Grand Central -- now you look
14 North, with the ability of the Long Island
15 Railroad coming into Grand Central, you
16 also have the ability to look to the east.
17 And I think that kind of level of
18 competition will be helpful.

19 Which is also part and parcel of the
20 third track, why it's important to build
21 both second track and third track. Right
22 now we are almost -- we are at volume
23 capacity on the Long Island Railroad with
24 having two tracks. Basically all the

1 trains go in in the morning on both sides,
2 going in in the morning, and we need to
3 have a third track so that we can start
4 having more reverse commutes. We're having
5 a significant problem, we're finding more
6 and more people are actually in the City of
7 New York but are working in Nassau County.
8 Nassau County is finding that as well. So
9 that's a reason why we need to do that.

10 Second track, it's pretty obvious.
11 If you only have one track, you can only
12 have one train going on it in one
13 direction. And the Long Island Railroad
14 needs to be a lot more robust to get as
15 many cars off the road as possible.

16 Penn Station access, is that one of
17 the ones you asked about?

18 CHAIRWOMAN WEINSTEIN: Right, the
19 Penn Station access and the extension of
20 the Second Avenue subway to 125th.

21 MTA CHAIRMAN LHOTA: So Penn Station
22 access, some preliminary work has begun.
23 This is going to allow the New Haven Line,
24 as it goes through the Bronx, to have four

1 separate stops in the Bronx, which will
2 allow people in the part of the Bronx that
3 are in what I would call a transit desert
4 in getting into the central business
5 district of New York City, would allow them
6 to be able to get in.

7 The rail line there is owned by
8 Amtrak. The stations, you know, we're
9 working with them and negotiating with
10 them. We're also working with the city and
11 city planning about where it would exactly
12 be. So that is in -- it's in its formative
13 stages and it's continuing to move forward.
14 It's important for that eastern part of the
15 Bronx to be able to have better transit.

16 And --

17 CHAIRWOMAN WEINSTEIN: The second
18 avenue subway from 96th to --

19 MTA CHAIRMAN LHOTA: The
20 Second Avenue subway. So we're moving
21 forward with that right now, moving forward
22 with the Second Avenue subway Phase 2.
23 We've got about \$1.7 billion in there. The
24 planning is going on, the working in the

1 community. It will go from 96th Street to
2 125th street. It will curve off of
3 Second Avenue to go to where it will
4 connect with the 4 and the 5, the IRT, on
5 the East Side, as well as where a
6 Metro-North station is at 125th Street. We
7 are moving forward with that.

8 We are also -- there are some parts
9 of the tunnel that were built, quite
10 honestly, 50 or so years ago, and we're
11 looking at how to be able to incorporate
12 that in so we can save money as we build
13 the second tranche or the second phase of
14 the Second Avenue subway.

15 CHAIRWOMAN WEINSTEIN: And at some
16 point can you, after this hearing, provide
17 the committee with the timeline and whether
18 those projects are going to be within
19 budget?

20 MTA CHAIRMAN LHOTA: Yes. So the --
21 we will provide that. But the major
22 component of the funding of that guideline
23 will be working with the federal government
24 in getting -- you know, putting together a

1 full funding grant agreement with the
2 Department of Transportation. That is a
3 major, major component. They will have a
4 vested interest in that. And we'll work
5 with -- there's a -- you know, the new
6 folks that are part of the administration
7 in Washington.

8 CHAIRWOMAN WEINSTEIN: Thank you.
9 Senator Young?

10 CHAIRWOMAN YOUNG: Thank you.
11 We've been joined by Senator Leroy
12 Comrie.

13 And our next speaker is Senator
14 Marty Dilan.

15 SENATOR DILAN: Good morning. Thank
16 you, Madam Chairperson.

17 Good morning, Mr. Lhota.

18 MTA CHAIRMAN LHOTA: Good morning.

19 SENATOR DILAN: The Executive Budget
20 proposes loosening procurement rules for
21 MTA and to expedite the authority's
22 procurement procedures. And the
23 Executive's budget would eliminate the
24 15-day waiting period for public

1 authorities after notifying the Empire
2 State Development of contracts of
3 \$1 million or more with foreign entities.
4 It would also eliminate the sealed bidding
5 process and approval of your board for
6 contracts under \$1 million. It would also
7 eliminate the board's approval for the
8 Triborough Bridge Authority contracts under
9 a million. It would authorize the MTA
10 board to terminate or modify any service or
11 funding agreement that does not have a
12 defined duration or term longer than
13 20 years.

14 It is my understanding that the MTA
15 already has a hard time keeping costs down
16 on their capital projects. How will you be
17 able to improve control if you're not
18 required to comply with sealed bidding or
19 board approval?

20 MTA CHAIRMAN LHOTA: So, you know,
21 we're in the process right now, you know,
22 in conjunction with the Subway Access Plan,
23 we are using many of these expedited
24 procurement approaches. We then go to our

1 board and inform them of what it is. And
2 from my point of view, it's working very,
3 very efficiently and I'm making sure that
4 we spend each and every one of those
5 dollars appropriately.

6 You know, the threshold amount for
7 sealed bids -- you know, a sealed bid is
8 one -- it's a very competitive environment.
9 It's not one in which it gets negotiated
10 after the fact. You know, raising it from
11 \$100,000 to \$1 million, you know, over time
12 it's become a situation where it will
13 reduce the amount of what's there.

14 We always report directly to our
15 board what it is that we are doing both --
16 on an open basis. We don't do it without
17 informing them. We will continue to inform
18 them.

19 And the 15-day notice period, it's
20 not clear that ESDC or the Department of
21 Economic Development -- you know, there's
22 nothing that happens during that 15-day
23 waiting period. So at that point I just
24 want to really fully understand and truly

1 understand exactly what it is and why is it
2 absolutely needed. It just extends out.

3 If we're in an emergency situation,
4 those 15 days can be quite significant.
5 That's two weeks.

6 SENATOR DILAN: Approximately how
7 many contracts fall under the \$1 million
8 threshold?

9 MTA CHAIRMAN LHOTA: That's a good
10 question.

11 MTA MANAGING DIRECTOR HAKIM: Six
12 percent. The raising of the threshold,
13 Senator, would impact about 6 percent of
14 the money that we buy. We have so many
15 transactions, the vast majority of our
16 transactions are all competitively bid
17 through this sealed bid process. And those
18 that are not are then brought to our board
19 for formal authorization and approval.

20 So this would really impact just a
21 fraction of the amount of money that we
22 spend on an annual basis.

23 SENATOR DILAN: How will these
24 changes affect the MWBE contracting with

1 the MTA?

2 MTA MANAGING DIRECTOR HAKIM: I
3 didn't quite hear the question.

4 SENATOR DILAN: The question was how
5 will these changes affect the MWBE program
6 in contracts with your --

7 MTA MANAGING DIRECTOR HAKIM: It
8 would not. It would not impact the goals
9 and the substantial work and investment
10 that we make with our MW and disadvantaged
11 business communities.

12 SENATOR DILAN: So overall, what is
13 the benefit of this proposal?

14 MTA CHAIRMAN LHOTA: The benefit of
15 the proposal is to expedite the -- it's
16 time, being able to be able to expedite as
17 quickly as possible. In our system, time
18 is important because if we need to do
19 something, you know, it would be much
20 better to do it in a much faster way.

21 SENATOR DILAN: Okay, thank you,
22 Madam Chair, and I'll come back later.

23 CHAIRWOMAN YOUNG: Thank you very
24 much, Senator.

1 CHAIRWOMAN WEINSTEIN: Assemblywoman
2 Rozic.

3 ASSEMBLYWOMAN ROZIC: Thank you,
4 Madam Chair.

5 It's good to see you again,
6 Mr. Chairman. I'm going to move slightly
7 away from subways and talk about buses.

8 When London enacted congestion
9 pricing, Transport for London added 300 new
10 buses, new routes, increased reliability.
11 If the FIX NYC plan is to become a reality
12 in New York, we will at minimum need
13 significant improvements to bus service,
14 especially in my district. As you know, I
15 don't have a single subway or train
16 station.

17 So what is your plan, or the MTA's
18 plan, to make rapid improvements to bus
19 service in order to convince us in the
20 Legislature that we should be in favor of
21 the Fix NYC plan?

22 MTA CHAIRMAN LHOTA: So,
23 Assemblymember, thank you for that
24 question. I am personally committed to

1 reversing the trend in bus ridership. I
2 believe bus ridership is down due directly
3 to congestion. Buses are slowed down not
4 just in the central business district, but
5 throughout the entire city.

6 And I think it's important, as the
7 Fix NYC panel put together its first
8 phase -- the first phase is basically, one,
9 MTA contract together, phase 2 is also part
10 of that. Before you get to phase 2, it's
11 also we need to have the laws enforced, we
12 need to get the traffic moving as best we
13 possibly can in doing that.

14 We have gone out, we've awarded,
15 knowing full well that buses need to be
16 expanded and newer buses -- we have
17 actually a photograph over here of a new
18 electric, 100 percent electric bus so that
19 as we go forward to acquire new buses,
20 they're going to be environmentally safe
21 and sound. And in this particular case,
22 they are extraordinarily all electric. And
23 we're testing them out now, and we're going
24 to expand that proposal later this year.

1 The reason why we're testing it is
2 we want to make sure how the batteries
3 operate in the weather that we have in
4 New York, the peaks and valleys. Batteries
5 have a unique ability to drain themselves
6 when it's much colder. And so we're
7 working with them now, and to date they
8 have been working very, very successfully.

9 As far as routes are concerned, I'll
10 work with you, I'll work with your office
11 about what routes need to be changed.
12 Because, you know, over time the
13 demographics throughout the New York
14 metropolitan area are changing. And with
15 that, also routes need to change. Where
16 are the people living? Where do routes
17 need to be expanded, where do routes need
18 to be -- and in some cases may not be
19 needed any longer, and where can we re-look
20 at them? We do need to do that. We do
21 that in conjunction with New York City.
22 New York City Department of Transportation
23 and the MTA work very closely on where the
24 buses will be, both the regular buses that

1 will stay within the boroughs as well as
2 the long-distance buses that will come in
3 in the morning during the commutes and the
4 evening during the peak hours.

5 You know, I believe that buses are
6 going to be a significant part of the
7 result of congestion pricing.

8 ASSEMBLYWOMAN ROZIC: So do you --
9 sorry, because I'm running out of time. Do
10 you see the bus action plan happening this
11 year, being released this year? How are
12 you identifying those outer borough
13 projects that need to happen? And is there
14 funding in this budget or do you expect it
15 in the 21-day, 30-day amendments in order
16 to make those improvements?

17 MTA CHAIRMAN LHOTA: So if I may,
18 you used the term "bus access plan." And
19 I'm trying to avoid as many action plans as
20 possible from the point of view that I
21 don't -- I also want to find the best way
22 to be, as I said, efficient and effective.

23 But be that as it may --

24 ASSEMBLYWOMAN ROZIC: They're not my

1 words, they're Andy Byford's words, so.

2 MTA CHAIRMAN LHOTA: Okay. Maybe
3 what Andy was talking about there was, in a
4 sense, looking at the route system and then
5 figuring out how to do it. That doesn't
6 necessarily require a whole lot of money;
7 it does take time and needs to work with
8 the communities -- community hearings,
9 community meetings. And as you probably
10 know even better than I, trying to get a
11 community to agree on any one thing is
12 always hard to do. But we will continue to
13 do that.

14 We have, in the budget at this time,
15 the -- hold on one second. We currently
16 have, in the current capital program, \$1.2
17 to \$1.3 billion to purchase new buses,
18 either electric or hybrid electric buses.
19 They're currently in the budget, the RFPs
20 are being worked on as we speak. And all
21 of that money will be used to be able to
22 expand the bus service.

23 ASSEMBLYWOMAN ROZIC: And I'll come
24 back for a second round, but just real

1 quick, if you could give us an update on
2 the Freedom Ticket pilot that the MTA has
3 floated in previous years. And we expect
4 it soon, this year? What's the timeline?

5 MTA CHAIRMAN LHOTA: We are working
6 on it as we speak and working on the parts
7 of -- for those who don't know the Freedom
8 Ticket, it would be having New York City
9 residents be able to take it where there
10 may be a commuter line, in this particular
11 case the Long Island Railroad, coming in
12 and then be able to get on and have a
13 pricing structure that's favorable to or
14 better for them. And we're working on that
15 now, and we're very, very close. I fully
16 expect it to happen this year.

17 And my expectation is sooner than --
18 when I say "this year," don't think about
19 it as the end of the year, it can happen
20 relatively soon.

21 ASSEMBLYWOMAN ROZIC: Okay. Thank
22 you.

23 CHAIRWOMAN YOUNG: Thank you.

24 Senator Todd Kaminsky.

1 now the train has been either delayed or
2 shortened.

3 "This morning I tried the 703, but
4 it was canceled, no explanation. Instead
5 we were accommodated on another train
6 making an extra stop, resulting in a very
7 crowded train. Then this train was
8 canceled in Jamaica and we had to wait to
9 board a different train to take us in the
10 city.

11 "For what we pay a month, we should
12 be able to expect a seat and courteous
13 conditions. We should also be able to
14 expect timely explanations about service
15 delays. Although there was an excuse
16 earlier this year, there is none for the
17 terrible service we have been experiencing
18 over the last month."

19 And I took Christian's email to
20 heart, and I kind of assembled in graphic
21 form the cancellations over the last three
22 months versus a year ago, and this is what
23 we see (displaying posterboard). And I
24 think it's kind of starkly evident what's

7 MTA CHAIRMAN LHOTA: Senator, I
8 appreciate it. And as you know, prior to
9 even thinking about coming to this hearing,
10 I too saw that data. You said the source
11 of that was MTA Long Island Railroad. I
12 look at that data on a daily basis. And as
13 I've said before, and I'll say it again, I
14 am not happy with it. I have gone out to
15 the island, I've been on the Long Island
16 Railroad myself. And there is a lot of --
17 there are a lot of -- the lack of urgency,
18 more than anything else, is the thing that
19 concerns me the most.

24 I know the letter stated the summer,

1 but -- we've actually talked about this. I
2 mean, if we could have what happened during
3 the summer happen all the time, there were
4 minimal delays. I mean, it was the fear of
5 the summer because of what happened with
6 Amtrak. That same level of vigilance needs
7 to be applied 365 days a year, not just
8 because there was going to be outages in
9 Penn Station due to work being done by
10 Amtrak.

11 That said, you know, we -- in
12 addition to that, there was a reference
13 about communication. Nothing concerns me
14 more than communicating with our customers
15 about exactly why and what is happening and
16 what are the options available.

17 First off, there should be regular
18 communications -- even if they're on time,
19 there should be regular communications. We
20 need to enhance the communications, we need
21 it centralized. And we will have, in our
22 next capital budget, money to put together
23 to have what I would call a command post,
24 where we could all be together, like we

1 have on other sides of our system. You
2 have my word that this will get fixed.

3 While I mentioned I was born in the
4 Bronx, between eighth grade and high school
5 I lived on Long Island, and I know how
6 important the Long Island Railroad is and
7 what it means for people who commute in.
8 You have my word. This concerns me and it
9 bothers me.

10 SENATOR KAMINSKY: Okay. But also
11 you and I have spoken about what concerns
12 commuters with the East River tunnels.
13 Obviously, as you know, they were inundated
14 after Sandy. And just from watching
15 Twitter every day, they are a cause of much
16 of this delay. And I don't think there's a
17 plan to do an overhaul for six or seven
18 years down the road, which for a safety
19 concern and for the continued delays has me
20 concerned. Can you address what we can do
21 with respect to that?

22 MTA CHAIRMAN LHOTA: Sure. I try to
23 avoid saying this as much as possible to
24 folks on Long Island, but I think it's

1 really important to stress that if you
2 think of all the trains that come through
3 and come through to Manhattan, we go
4 through those East River tunnels. Those
5 East River tunnels are owned by Amtrak.
6 And in the process of that, they control
7 the maintenance, they control the upkeep,
8 they control -- they give us the red light
9 and green light to go through.

10 We'll continue to work with Amtrak
11 on that. We have told them that we will
12 share and give them money in connection,
13 pay our fair share, so that the tunnels can
14 be fixed. And I'll work with you in trying
15 to move Amtrak to get to that place to get
16 it done.

17 I look at it -- I mean, you know,
18 when you think about it, the only way that
19 the Long Island Railroad trains from any
20 particular line will get into Penn Station
21 is that they've got to squeeze through
22 these tunnels that are not owned by us.
23 I'd love that opportunity, but I don't ever
24 see that in the future, so we have to work

1 with them. They're the landlord, we're the
2 tenant, and we're pushing as hard as we can
3 to get Amtrak to focus on that.

4 But you're right, every time there's
5 a problem inside that tunnel, everything on
6 Long Island gets backed up. And it's a
7 situation that's been like that for over a
8 hundred years, and I would like that to get
9 fixed as quickly as possible.

10 SENATOR KAMINSKY: I think one of
11 the frustrations Long Islanders have is the
12 MTA or Long Island Railroad is this kind of
13 faceless entity and they're not able to
14 kind of have a back-and-forth. And what I
15 think would be helpful is to -- and what I
16 would like to invite you to do is come to
17 my Senate district -- you know, the MTA,
18 the Long Island Railroad, somebody who
19 would be able to hear from commuters about
20 what they're experiencing, kind of lay out
21 what the action points are, to address some
22 of those concerns. Just kind of have some
23 dialogue. I think just having the voice or
24 the tweet about what delays there are have

1 really frustrated people, and I would love
2 to invite you to do that and to participate
3 in that.

4 MTA CHAIRMAN LHOTA: Sure. But
5 it -- I accept that. I will. But I will
6 also tell you, as part of the communication
7 plan is to have the face of the Long Island
8 Railroad, there needs to be community
9 representatives, there needs to be a
10 public -- you know, a government and
11 community affairs staff who will know the
12 communities and know and possibly,
13 probably, hopefully even live in the
14 communities, so that their face can be
15 local as well.

16 SENATOR KAMINSKY: Okay, I
17 appreciate it.

18 And the last question is, have you
19 explored what options Long Island railroad
20 has at Belmont to accommodate the proposal
21 for the new Islander stadium and what that
22 might cost and how we might get from here
23 to there?

24 MTA CHAIRMAN LHOTA: So a study is

1 going on right now. As you know, there's a
2 spur off of the main line that really --
3 that spur only goes from -- going from the
4 west to the east. There's no way for going
5 where most Long Islanders would take it if
6 they were taking the Long Island Railroad
7 as opposed to driving to go see the
8 Islanders. So there is a study going on
9 right now. Until it is completed, I have
10 no idea of what the costs would be.

11 The implications to it, though, are
12 significant. When we provide -- when the
13 Long Island Railroad provides service to
14 Belmont, it's generally on weekends and
15 it's in connection with the racetrack. The
16 Islanders play during -- you know, the
17 games start during rush hour. As I
18 mentioned before, we're at capacity on the
19 main line during rush hour. And so we're
20 going to have to look at that and weigh
21 that in. I'm concerned about how that's
22 all going to fit in at any particular point
23 in time.

24 But I do understand the desire on

1 the part of the state, as well as the
2 owners of the Islanders and the community
3 that lives in and around Belmont, how
4 important it is for them to have transit.

5 SENATOR KAMINSKY: Thank you,
6 Chairman Lhota. I just want to end by
7 saying that I think New York got to see
8 your performance before and after Sandy.
9 And as a Long Islander, we don't use
10 analogies like this lightly, but, you know,
11 this is a disaster we are facing now too,
12 and we could really use your leadership and
13 have great hope that we will be able to
14 tackle these existential problems. So
15 thank you.

16 CHAIRWOMAN YOUNG: Thank you.

17 MTA CHAIRMAN LHOTA: Thank you,
18 Senator.

19 CHAIRWOMAN WEINSTEIN: Assemblyman
20 Skoufis.

21 ASSEMBLYMAN SKOUFIS: Thank you,
22 Madam Chair.

23 Thank you, Mr. Chairman, for your
24 participation.

1 Like Senator Kaminsky, I represent a
2 set of suburban communities, albeit on the
3 opposite side of New York City, in Orange
4 and Rockland Counties. And one of the
5 issues that is top of mind for many of the
6 commuters I represent, as you can imagine,
7 is the congestion pricing proposal that was
8 just unveiled and that there are ongoing
9 conversations about. I know the MTA is
10 deeply involved in these conversations. My
11 understanding is that you have or you had a
12 number of current or former MTA
13 representatives on the Fix NYC panel that
14 was convened.

15 My first question, and I think the
16 most important question, is talk to me
17 about double tolling. I know that there
18 are not tolls proposed to be set up on the
19 East River bridges because the panel did
20 not want to double-toll folks who come into
21 Manhattan, once on the bridge, once in the
22 zone. Our commuters who come into
23 Manhattan over the George Washington Bridge
24 and Lincoln Tunnel, my constituents, west

1 of Hudson, will they be double-tolled? The
2 Fix NYC proposal does not speak to that, as
3 far as I can tell.

4 MTA CHAIRMAN LHOTA: So my -- I have
5 a Fix NYC proposal; I remember reading in
6 that that they said that, you know, if you
7 came in through a tunnel or a bridge and
8 then ultimately went to the central
9 business district, that it would be a
10 credit against whatever the charge would
11 be.

12 ASSEMBLYMAN SKOUFIS: Even the Port
13 Authority crossings?

14 MTA CHAIRMAN LHOTA: Yes.

15 MTA MANAGING DIRECTOR HAKIM: Yes.

16 ASSEMBLYMAN SKOUFIS: Well, I'm
17 happy to hear that. That wasn't my --

18 MTA CHAIRMAN LHOTA: That's what I
19 read.

20 But I'd also like to say while there
21 are two members of our board who were on
22 the Fix NYC panel -- you know, the staff of
23 the MTA -- it was separate and distinct.
24 So my understanding of what's there is from

1 what I read and what I'm now talking to the
2 folks who wrote the report, their
3 understanding.

4 ASSEMBLYMAN SKOUFIS: Well, I'm
5 happy to hear that, and I ask that you
6 please assure that that makes it, to the
7 best of your ability, assure that makes it
8 into any final proposal if we do have a
9 final proposal on congestion pricing.

10 You know, we are the -- west of
11 Hudson is the oft-ignored part of the MTA
12 system, unfortunately. Last time we looked
13 at it, for every dollar we put in, Orange
14 gets about 63 cents of service back and
15 Rockland gets about, I think, 65 cents of
16 service back, based on a study that was
17 conducted a number of years ago.

18 And more importantly, as it relates
19 to congestion pricing, I understand that
20 this concept is meant to incentivize and
21 disincentivize behavior as it relates to
22 driving or using mass transit. The matter
23 of fact is west of Hudson, in our two
24 counties, we don't have the same, as I'm

1 sure you know, accessibility to that public
2 transit that the rest of the MTA system
3 has. We don't have subway systems,
4 obviously; we don't have anywhere near the
5 scope of busing that the five boroughs and
6 even some of the other suburban counties
7 have. We don't have any mega-projects, if
8 you will -- East Side Access, Second Avenue
9 subway, et cetera. You know, we took a
10 look just this morning, my office, trains
11 from Croton-Harmon each day into Grand
12 Central, for their commuters, 70 trains.
13 Trains from Hicksville, Long Island
14 Railroad, into Manhattan every day, 66
15 trains. Trains from the most heavily used
16 Orange County MTA station -- and that's
17 Harriman, which I represent, and happen to
18 live in the town of Woodbury -- 13.

19 So it is important that, I believe,
20 there be accommodations for west-of-Hudson
21 commuters given the lack of access that we
22 do have. And I'm happy to hear that it's
23 your understanding that there won't be that
24 double tolling even over the Port Authority

1 crossings.

2 Lastly -- I know I'm running out of
3 time -- can you provide an update on where
4 you are with a new station at Woodbury
5 Common? There was a small blurb in the
6 Governor's Executive Budget I think tasking
7 folks to look at the feasibility of a new
8 station there. This is not a new idea. I
9 don't know how much of the institutional
10 history you know around this. This is an
11 idea that dates back to well over a decade;
12 the MTA tried to approach the community
13 back then.

14 I fully support the idea. But my
15 hope is that we can move past feasibility
16 and studies at this point and get this
17 done, along with the massive \$150 million
18 interchange DOT project that's underway.
19 This would be a significant boon to
20 relieving congestion in our area to get a
21 train station right into the mall.

22 So if you could speak to that and
23 where we are, and are we prepared to fund
24 that this year, if we can?

1 MTA CHAIRMAN LHOTA: So the fact
2 that it's been recommended in the Executive
3 Budget I think gives an idea of how high a
4 priority it is. And we have been charged
5 with more than just doing a feasibility,
6 there have been discussions with the owner
7 of the mall, the outlet mall -- Simons, I
8 believe, is the name -- that, you know,
9 we're moving forward with it. And I
10 understand it.

11 You know, when a governor, any
12 governor, puts something in the budget,
13 it's real and it needs to move to the next
14 level.

15 ASSEMBLYMAN SKOUFIS: Okay. Thank
16 you.

17 CHAIRWOMAN YOUNG: Thank you. Our
18 next speaker is Senator Rivera.

19 SENATOR RIVERA: Good morning, sir.

20 MTA CHAIRMAN LHOTA: Good morning.

21 SENATOR RIVERA: So I have a few
22 things that I want to talk about, and it's
23 likely that I'll need a second round. Some
24 of the questions have already been asked,

1 but I wanted to go back through them.

2 First of all, I wanted to go back to
3 the line of questioning that Assemblymember
4 Paulin started on related to the story in
5 the Daily News. And I just wanted to
6 reiterate something that you said earlier;
7 I wanted to make sure that it was stated
8 for the record, and clearly, that you do
9 recognize that there were some misleading
10 statements from the authority related to
11 the amount of -- oh, you're saying no?

12 MTA CHAIRMAN LHOTA: I don't believe
13 there were any misleading statements, sir.
14 I think -- but I'm sorry, I interrupted
15 your question.

16 SENATOR RIVERA: It's just that I'm
17 pretty sure that what I heard earlier was
18 when either Assemblymember Weinstein or
19 Assemblymember Paulin asked -- said, Do you
20 acknowledge that there might have been some
21 misleading statements, and you said "That's
22 fair." Is that not --

23 MTA CHAIRMAN LHOTA: What I said was
24 fair was that in the future if -- you know,

1 the answer to the question -- you know, the
2 question that I was asked was, way back
3 when, Can you give us all power-related
4 disruptions and power-related service
5 delivery disruptions and delays, and that's
6 the number I gave.

7 The example I used was that one
8 power problem, if you're just going to
9 isolate just the Con Ed side -- you know,
10 when Con Ed looks at something and they
11 say, Look, we have a power outage at 42nd
12 Street on the West Side, for them, that's
13 one. For me, if it's an hour, it's almost
14 200 trains. So how do I connect it? Do I
15 say I've been disrupted and impacted and my
16 passengers and your constituents --

17 SENATOR RIVERA: So you're saying
18 that you could have communicated better,
19 that point could have been communicated --

20 MTA CHAIRMAN LHOTA: No, I answered
21 the question that was asked, how many
22 disruptions or how many service delivery
23 problems does the MTA have. I wasn't --
24 and that's what I -- that's what was

1 answered.

2 SENATOR RIVERA: Okay. I might want
3 to go back to that.

4 But something that's not been
5 mentioned yet is the state of emergency,
6 right? Last June there was a state of
7 emergency declared. That means certain
8 things for the -- for different parts of
9 the operation of the agency. And there are
10 a few things related to what that power was
11 used for. In particular, if it is -- I
12 think it was at a couple of the board
13 meetings there was a discussion about the
14 LIRR catering contracts, subway car
15 handrails, funding for the Governor's
16 Genius Competition, as well as consultant
17 drawings for the Cortlandt Street No. 1
18 station. These are all projects that were
19 kind of fast-tracked, I guess, because of
20 the emergency, the state of emergency.

21 Could you tell us if that is
22 accurate, and why did the agency believe
23 that such things were part of -- to solve
24 an emergency in the system?

1 MTA CHAIRMAN LHOTA: The executive
2 order -- I don't have a copy of it with me,
3 but the executive order, the very first
4 thing that it talks about is issues with
5 the Long Island Railroad, before it gets to
6 the subway. It's the very first thing that
7 it talks about.

8 And in connection with the problems
9 that we anticipated with the Long Island
10 Railroad, we thought it would be an
11 important idea that since we're looking for
12 Long Islanders to get on buses, that we
13 would in fact have catering available,
14 coffee or doughnuts or things like that in
15 the morning available for them. We needed
16 to do that in less than a week. It was
17 clearly part of why I think the emergency
18 order was put together.

19 What was discussed at the board
20 level and was corrected in future executive
21 orders -- as you know, executive orders are
22 for 30 days. It gets re-upped all the
23 time. It now includes provisions in there
24 for the board to.

1 We report to the board on a monthly
2 basis everything that has been purchased
3 and acquired in connection with the
4 emergency order. And the board meeting
5 that we had just yesterday and the
6 committee meetings before the board on
7 Monday went over all of those.

8 And so the board was concerned that
9 it was being cut out of the executive
10 order. The new executive order
11 subsequently provided a role for the board.

12 SENATOR RIVERA: Okay. I have many
13 other ones particularly related to the
14 subway capital needs, but I'll get a second
15 round. Thank you, Mr. Chairman -- Madam
16 Chairwoman.

17 MTA CHAIRMAN LHOTA: Thank you,
18 Senator.

19 CHAIRWOMAN WEINSTEIN: We've been
20 joined by Assemblyman Félix Ortiz.

21 For a question, Assemblyman Carroll.

22 ASSEMBLYMAN CARROLL: Thank you,
23 Madam Chair.

24 Good morning. My first question,

1 Commissioner Lhota, is signal failures are
2 the leading cause of subway delays. What
3 is the MTA's plan to modernize our signal
4 system to wireless-communication-based
5 train controls, a system that they have in
6 Paris that allows their most modern rail
7 lines to have trains come every 85 seconds?

8 MTA CHAIRMAN LHOTA: So, Senator
9 {sic}, as you know, the L line has
10 communication based controls. We will
11 shortly have total communication-based
12 controls on the No. 7 train. We are
13 installing communication-based control on
14 the Queens Boulevard line, which is the E
15 and the numerous other lines that go
16 underneath Queens Boulevard.

17 And we -- as part of the Genius
18 Competition that the Governor put in place
19 back in June, are evaluating different
20 methodologies of how to install
21 communication-based control throughout our
22 entire system.

23 We've got in our capital budget
24 right now \$2.7 billion. We will use all

1 \$2.7 billion on a new capital program.
2 This goes through 2019. The next capital
3 program, while we're in the process of
4 putting it together right now, will have a
5 significant component in putting in a new
6 signal system.

7 ASSEMBLYMAN CARROLL: I think
8 conservative estimates said it would cost
9 about \$20 billion to outfit the entire
10 system with this communication-based train
11 control. Will the 2020-2024 capital budget
12 have an outlay to, over the next five to
13 10 years, modernize the entire system?

14 MTA CHAIRMAN LHOTA: I'm waiting for
15 the results of the Genius Competition to
16 see what other technologies are out there.
17 Communication-based control is a technology
18 that's 25 years old. Part of the Genius
19 Competition was to -- we know a lot has
20 happened to the digital world in the last
21 25 years. What other new technologies are
22 out there? Because if we're going to make
23 an investment like this, let's make it the
24 best, let's make it the most modern system.

1 So I'm waiting for those results.
2 It's my anticipation -- look, I'd like to
3 get a -- the most important thing to do
4 with the new signal system is so that we
5 can also get more trains, or less time in
6 between trains. It's also going to require
7 us to buy new trains. Because every single
8 one of our almost 6500 trains are being
9 used. So if we're going to put less time
10 in between, we're going to need more
11 trains.

12 Now, all of our trains that we're
13 buying now and have been buying for the
14 last few years are all communication-based-
15 control-eligible. It's built in already.
16 But a lot of our system is not. So we're
17 going to also, in addition to putting in
18 the signal system itself, we're also going
19 to need new trains. And in fact we have --
20 sorry for the problem, but we do have, you
21 know, the new -- yesterday the board
22 approved a contract for the R211s, which is
23 the name of these trains. These are
24 brand-new trains that will be made by

1 Kawasaki, all in the United States, half of
2 which will be made in Yonkers, New York;
3 the other half will be in Lincoln,
4 Nebraska. They are all ready to use the
5 new signal system.

6 ASSEMBLYMAN CARROLL: Well, you
7 know, just switching tracks, I'm sure that
8 you read a report by Comptroller DiNapoli
9 in November of 2017 that noted that there
10 may still be a \$15 billion budget shortfall
11 in the 2015-2019 capital budget plan,
12 partially because there has still not been
13 an identified source of the \$7 billion in
14 state funding for its capital obligations.

15 Can the MTA currently identify the
16 source of those \$7 billion from the state
17 for its capital funding?

18 MTA CFO FORAN: No, there is not
19 right now an identified source, either of
20 the bonds themselves or the revenue
21 support.

22 And I would point out that the
23 agreement that we had when we did receive
24 this tremendous additional funding -- that

1 now is \$7.6 billion above the initial
2 \$1 billion -- was that the issue of those
3 funds would be made available as we've
4 already used our own funds first. And that
5 is what we're doing. We still have
6 resources available to us that we are
7 spending.

8 We firmly believe that the state --
9 members of these bodies and the executive
10 branch -- will come up with the funding
11 source to meet that commitment. But right
12 now we're using the resources that we have
13 internally, with our own bonding, to meet
14 the needs. So those aren't required at
15 this time.

16 ASSEMBLYMAN CARROLL: But you can
17 agree that we're under dire need to invest
18 in the system to upgrade signals, upgrade
19 cars, bring new buses online. Wouldn't one
20 assume that we're going to need that
21 funding sooner rather than later? And that
22 we're coming upon the 2020-2024 capital
23 budget, and will you be able to roll that
24 out before 2019 to show where the budget

1 shortfalls could be, so that if we do do a
2 congestion pricing plan that raises
3 \$1 billion to \$1.5 billion annually, we
4 know where this money is going so we know
5 what we're buying?

6 MTA CHAIRMAN LHOTA: So, Senator, if
7 I may --

8 ASSEMBLYMAN CARROLL: I'm an
9 Assemblymember, just --

10 MTA CHAIRMAN LHOTA: I'm sorry,
11 (inaudible), I apologize.

12 Just a little bit of background.
13 When you have a five-year plan and you talk
14 monies in those five-year plans, the
15 projects will start during those five
16 years. In some cases they continue on
17 beyond that.

18 The money that's committed, which is
19 not given but committed from whether it's
20 the federal, state, local or MTA towards
21 those plans, are needed not up-front, but
22 they're actually needed when the cash flow
23 goes out. And the cash flow goes out when
24 the projects are being worked on.

1 So if you're in a five-year plan and
2 something starts within the five years,
3 anything that's done within the five years
4 gets paid. That goes to Bob's mentioning
5 that -- you know, the priority of dollars.
6 This agreement goes back for quite a ways,
7 back to even when I was the New York City
8 budget director. And then the first
9 dollars that always go out, that we use in
10 any capital plan, are the MTA's and the
11 federal government's, then followed by the
12 state and city governments'. So they're on
13 the tail end of the program.

14 That was the conversation, as I
15 recall in reading the Comptroller's report,
16 that the commitment's there but the cash
17 hasn't been given. You know, we will get
18 the cash when the work gets done. And the
19 work is proceeding along.

20 That same report --

21 ASSEMBLYMAN CARROLL: Well, how long
22 is this work going to take to get done, I
23 guess is the real question.

24 MTA CHAIRMAN LHOTA: In this

1 particular case with the switches, they're
2 all being done, but the capital plan said
3 that it was going to go out beyond that
4 period of time.

5 Remember, remember, when you put in
6 switches, we have to take down the -- we
7 have to take down sometimes a portion, not
8 all, but a portion of a subway line. It's
9 not -- when you put in a switch, it's not
10 something that we can do on a weekend, it's
11 not something that we can do overnight.
12 And we run a 24-hour, seven-day system, so
13 we have to weigh against that how do we
14 deal with the shutdown for a period of time
15 to be able to put that switch in. That
16 counterbalance is very, very important.

17 ASSEMBLYMAN CARROLL: I'll come
18 around for a second time.

19 CHAIRWOMAN WEINSTEIN: Sure. We've
20 been joined by Assemblyman Steve Otis.

21 Senator?

22 CHAIRWOMAN YOUNG: Senator Savino is
23 up.

24 SENATOR SAVINO: Thank you, Senator

1 Young.

2 I'm already preparing for my second
3 round of questions, so -- and I know you're
4 going to be grilled intensively about the
5 Subway Action Plan and who should pay for
6 it and how we should pay for it, so I want
7 to speak about something a little bit more
8 parochial.

9 As you know, I represent south
10 Brooklyn and Staten Island, two areas that
11 could easily be described as transit
12 deserts in many respects. One of the
13 things we've been hoping for for a while in
14 south Brooklyn is the restoration of
15 express service. So if anyone on your team
16 could give me an update as to where we are
17 with express restoration service.

18 MTA MANAGING DIRECTOR HAKIM: As you
19 know, we're doing a tremendous amount of
20 work on the F line right now. That work is
21 slated to continue through the balance of
22 the year. We will then be taking a look at
23 what opportunities there will be to bring
24 back the F express service in some form. I

1 think everything is still on the table.

2 SENATOR SAVINO: Right. Because as
3 you know, in Coney Island we've seen not
4 just development, but also more people are
5 discovering Coney Island with the -- and
6 you're smiling because you know how on a
7 summer weekend we can have up to a million
8 people on the beach there and on the
9 boardwalk. And unfortunately, there's only
10 one way in and one way out. It's a
11 peninsula that's only three avenues wide.
12 And when there is any sort of major
13 problem, people can't get off of Coney
14 Island. So we're hoping to get more people
15 on the train and out of their cars, so any
16 efforts there would be great.

17 Two other issues I want to mention.
18 I think one of the great success stories of
19 the MTA in the past couple of years is the
20 changeover at our toll booths to
21 over-the-road tolling. It has really sped
22 traffic across the bridges. However, as we
23 know, not everybody has an E-ZPass, and
24 there's been some bumps in the road about

1 toll collection.

2 So I just have a question. Since
3 some people are still resistant to the idea
4 of an E-ZPass because they don't use it
5 enough to justify having to maintain money
6 on it, has there been any thought about
7 allowing people to pay their tolls through
8 another collection? I mean, for instance,
9 is there a way to connect the over-the-road
10 tolling perhaps with someone's cellphone if
11 they have a payment method on it, so that
12 they don't get the ticket in the mail, they
13 don't get the violation, they don't get the
14 big fines?

15 MTA CHAIRMAN LHOTA: So, Senator,
16 right now, just to show you, we have
17 between 94 and 95 percent of -- between 94
18 and 95 percent of all users on all of our
19 tolls have E-ZPass, and it's expanding even
20 more.

21 We've opened up various different
22 ways in which you can acquire an E-ZPass.
23 You can pay for an E-ZPass with cash in
24 numerous different locations throughout the

1 New York metropolitan area where, you know,
2 for those people who don't want an E-ZPass
3 because they don't want to be identified
4 through their credit card and all of
5 that -- I fully understand that -- but you
6 can go to many different delis and bodegas.
7 Anywhere where you see a sign where you can
8 buy a telephone card, you can also buy an
9 E-ZPass. So I think we're seeing more and
10 more of that.

11 And I will look into what we do to
12 advertise that so that there's more of an
13 opportunity for your constituents to see
14 that.

15 SENATOR SAVINO: Great. And the
16 final question on this round, as you know,
17 over the past few years the Senate has
18 taken action to pass legislation to
19 increase the penalties on subway predators,
20 sexual predators in the subway system. In
21 June of this year, I released a report that
22 shows that subway sex crimes and arrests
23 have skyrocketed in the subway system. And
24 I know this has been discussed at the MTA

1 board.

2 Unfortunately, these are repeat
3 offenders who find their way into the
4 subway system, and the penalties are almost
5 nonexistent. Many of them just get a slap
6 on the wrist and they're back in the subway
7 the next day. So could you speak at all to
8 the concerns that you have about this and
9 whether or not you think -- I can't ask you
10 to support legislation. Perhaps if you do,
11 I would like you to take a look at the bill
12 that the Senate has passed almost
13 unanimously for the past five years that
14 would elevate these crimes to the level of
15 a Class D felony and keep these repeat
16 predators out of the subway system.

17 MTA CHAIRMAN LHOTA: Senator, we
18 have to do something about this. I mean,
19 there's no question. And if we need
20 legislation and {inaudible} to fine it, so
21 be it. But the enforcement of it -- and
22 we're also -- you know, as part of it I've
23 seen an increase in some of the reporting
24 on this, not just in the subway system but

1 in parts of the city, and when you look at
2 CompStat reports in various different
3 precincts.

4 We also need to make it easier for
5 those who are -- you know, whether it's
6 women or whoever is being attacked in any
7 way, shape or form, a way in which they can
8 report it, because I think it's very, very
9 important.

10 We also have people on board the
11 trains to deal with these issues, all of
12 our -- Ronnie, if you want to talk about
13 the program we have in place --

14 MTA MANAGING DIRECTOR HAKIM: Sure.
15 So recognizing that this is an unacceptable
16 situation for our customers, we've been
17 working very aggressively not only with the
18 NYPD and the Transit Bureau and the subway
19 system, we've put our own customer
20 information campaign out about how to
21 report these crimes.

22 We've also started this year working
23 closely with the criminal justice offices
24 and trying to pursue prosecution of these

1 recidivists in order to, as a condition of
2 their parole, including barring them from
3 the transit system. So we do think there
4 are opportunities for enforcement.

5 SENATOR SAVINO: Thank you. And
6 you're right, you guys have put in place
7 some programs to help better identify them
8 and capture them.

9 I'm going to be doing another report
10 soon with the NYPD and we're going to go
11 attempt to explain how many of them are
12 repeat offenders. And the vast majority of
13 them are.

14 MTA MANAGING DIRECTOR HAKIM: We
15 have that information. We'd be glad to
16 share it with you.

17 SENATOR SAVINO: Thank you.

18 CHAIRWOMAN YOUNG: Thank you.

19 CHAIRWOMAN WEINSTEIN: We've been
20 joined, first, by Assemblywoman Earlene
21 Hill -- {inaudible exchange}.

22 Deputy Speaker Earlene Hooper has
23 joined us, from Hempstead, Long Island.

24 We now move on for a question to

1 Assemblywoman Hyndman.

2 ASSEMBLYWOMAN HYNDMAN: Good
3 morning.

4 MTA CHAIRMAN LHOTA: Good morning.

5 ASSEMBLYWOMAN HYNDMAN: Good
6 morning, Chairman Lhota. Welcome back.

7 Good morning, Director Hakim.

8 Like Assemblymember Nily Rozic, I
9 live in southeast Queens and proudly
10 represent the 29th District, and we have a
11 subway on the edge of the district. So I'm
12 glad to hear that you are very much going
13 to write the Freedom Ticket, you're going
14 to roll out the Freedom Ticket this year.
15 But what happened to the Freedom Ticket
16 pilot that was supposed to take place? I
17 thought it was supposed to start October
18 2017, to go into Brooklyn.

19 MTA CHAIRMAN LHOTA: Well, we're
20 very close to implementing the pilot. And
21 I was just leaning over, we just need to
22 get one more piece of clearance and it will
23 go forward, the pilot. It's very important
24 to be able to do that, to understand how

1 habits change, how volume -- how many
2 people use it, how do we adjust it
3 accordingly, before anything is rolled out.

4 ASSEMBLYWOMAN HYNDMAN: Okay. We're
5 also a district that relies heavily on
6 express bus service. And with these new
7 buses, these electric buses that you're
8 proudly displaying, are those going to be
9 also upgraded or added to the express bus
10 service?

11 MTA CHAIRMAN LHOTA: I'm sorry, was
12 the question were we going to be using
13 electric buses on the express bus service?
14 Someday I hope we can do that, because
15 right now the electric charge will not go
16 the distance from southeast Queens to --
17 depending on where it would terminate in
18 Midtown or Lower Manhattan, because we
19 can't afford to have it, you know, not get
20 the whole way. So they're able to use
21 hybrid electric buses in that.

22 You know, technology, when it comes
23 to batteries and how long a battery can
24 work, is changing rapidly as well. It's

1 all part of the digital world. That's why
2 I say someday I hope we can. Because the
3 electric buses throw off no emissions, they
4 make no sound, and they're wonderful for
5 both the people in the streets, as it goes
6 by, as well as for the passengers. So it's
7 our goal.

8 ASSEMBLYWOMAN HYNDMAN: You said
9 that you like or agree with the Fix
10 New York plan. How are you prepared to
11 deal with what may be an influx of subway
12 riders that will decide to not use --
13 obviously, drive in, they'll decide to take
14 the subway? How is MTA prepared to deal
15 with that, as well as increased ridership,
16 possibly, on the Long Island Railroad?

17 MTA CHAIRMAN LHOTA: So the Fix NYC
18 report, and having it be put in three
19 phases, with the first phase dealing with
20 whatever we can do prior to congestion
21 pricing, which is, first and foremost, fix
22 the MTA, deal with the placard problem,
23 deal with enforcement of traffic, not just
24 in the central district but throughout the

1 City of New York, and then at a certain
2 point then start charging, you know, for
3 higher vehicles, amount of money.

4 It's over a relatively long period
5 of time. For me, the most important
6 portion of that is, which I've said
7 earlier, MTA, you know, get that Subway
8 Action Plan done, get the delays down, buy
9 the new subway cars, get the new signal
10 system in so that as we see an influx in
11 the number of folks who come in, whether
12 they're commuters or even on the weekends,
13 that they're able to take the subway system
14 and it's a subway system that is reliable.

15 ASSEMBLYWOMAN HYNDMAN: Thank you.

16 CHAIRWOMAN YOUNG: Thank you.

17 Senator Krueger.

18 SENATOR KRUEGER: Good morning.

19 See, I bet you it would be at least three
20 hours with you. I think we're going to go
21 past that. I didn't bet him, excuse me.
22 That's an expression.

23 The state has actually removed \$455
24 million -- excuse me, \$456 million diverted

1 from the MTA back into the General Fund
2 over multiple years. And much of that
3 actually probably came from the payroll
4 tax. Don't you think that money should be
5 given back to the MTA to deal with
6 emergency needs?

7 MTA CHAIRMAN LHOTA: Senator,
8 there's an enormous amount of hyperbole
9 that goes around with the fact that -- the
10 claim that the state has diverted
11 \$457 million worth of operating support
12 from the MTA. It's extremely misleading
13 for the people who state that.

14 Of that amount, the state directed
15 204 million to go to the MTA's
16 pay-as-you-go capital account and/or
17 otherwise restored it. Of the remaining,
18 235 million was used to pay debt service on
19 bonds issued for the MTA for, you know,
20 transit and rail projects -- both
21 legitimate, both worthwhile programs.

22 And I think, you know, the most
23 important thing to remember is that the
24 amount of money that the state has given to

1 the MTA has increased over the last eight
2 years by \$1.1 billion. Every single year,
3 the amount of money that the state has
4 given to the MTA has gone up.

5 Now, in answer to your question
6 about the PMT, the Governor in the current
7 Executive Budget put in something that the
8 MTA has had at least for the last six years
9 in its legislative package, and that is to
10 give the PMT directly to the MTA in a
11 lockbox approach, and for that I am very
12 grateful, because this issue would then no
13 longer be on the table.

14 SENATOR KRUEGER: Thank you.

15 So you explained how the state
16 taking the money but then using it for debt
17 for the MTA is legitimate, although that's
18 not traditionally what we have done when we
19 cover bonds. So it's not been
20 traditionally the pattern that the state
21 makes a capital plan commitment so that
22 bonds can be drawn for you to improve your
23 system, and then we hit you with a
24 deduction from your operating cost to pay

1 those bonds. You would agree that's a new
2 concept?

3 MTA CHAIRMAN LHOTA: It's a concept
4 that goes back for a long period of time.
5 You know, ever since we've been putting
6 together four-year plans, similar to the
7 way the City of New York puts together its
8 financial plans, we have projections into
9 the future. We have to make estimates of
10 what's there.

11 And the fact that -- if we don't get
12 what we estimated three years later, it's
13 hard to call it a cut. It really is very,
14 very hard to call that a cut. It's an
15 estimate. It's not real until the state,
16 you know, puts it in the budget.

17 But what's also important to look at
18 is that the -- the other monies that are
19 given to us, so that in each and every
20 year -- I have to look at it in total, I
21 can't just -- you know, not in the
22 component parts.

23 SENATOR KRUEGER: So at yesterday's
24 board meeting you withdrew a proposal that

1 seemed to have some real concern raised by
2 board members that would ultimately involve
3 a billion dollars for more cosmetic fixes
4 for, I think, 33 or 34 stops. And there
5 was both concern about spending this money
6 on things that would not improve the direct
7 service of the subways and were -- there
8 was an argument, I believe, also over which
9 subway stations actually should be
10 prioritized.

11 Are you going to go back and
12 reevaluate this proposal?

13 MTA CHAIRMAN LHOTA: So if I may,
14 Senator, to give you --

15 SENATOR KRUEGER: Yes.

16 MTA CHAIRMAN LHOTA: -- my point of
17 view first, to understand what's included.

18 There is \$2.4 billion that's
19 currently in our capital plan to renovate
20 our stations. I don't believe, as some
21 people have said, that these are cosmetic
22 changes. If you look at the stations that
23 have been opened up, in Assemblyman Ortiz's
24 district you will see that they are new,

1 they are digital signage, they are -- it's
2 a much different experience.

3 It's our expectation that we're
4 going to do this throughout the entire
5 system. We have to renovate each and every
6 one of our stations, whether above ground
7 or below ground. So as we're about to
8 embark on doing this, what we decided to
9 do -- you know I've gotten numerous
10 questions about how we spent money and
11 what's the way in which we spend money. So
12 what we decided to do with this is let's
13 look at those stations that are small,
14 let's look at those stations that don't
15 have as many passengers. Because, you
16 know, we shut down the station, the ones I
17 was just talking about in Brooklyn, for six
18 months. And so we need to look at what
19 happens to the disruption when you shut
20 down a station.

21 So what I wanted to do, and what
22 we're doing, is we're looking at those
23 stations to see -- make sure that when we
24 roll out to go out throughout the system

1 for the largest stations, that we have
2 found the right contractors, we know
3 exactly what to do. In a sense, we walk
4 before we run.

5 The representatives of the city
6 would rather we take the first dollars and
7 go to the largest stations, go to the ones
8 with the most number of people, impact and
9 make it disruptive for the most number of
10 people. And if we make a mistake up-front,
11 that's going to be a mistake that the
12 New York Times should properly write about,
13 but good management would tell you, figure
14 out how to do it appropriately and then
15 roll it out to all of the rest of them.
16 That was the plan. Less disruption, most
17 efficient, what is the best way to get it
18 done in each and every one of them. And so
19 that was the process in doing it.

20 There's more politics at play here
21 than it has anything to do with the actual
22 plans themselves, because the plan that
23 we've developed, I think it's reasonable,
24 it makes the most amount of sense, and it

1 will allow us to do the most number of
2 stations by being as efficient as we
3 possibly can.

4 I'll give you an example. Five
5 years ago when I was last at the MTA, we
6 started working on cashless tolling. The
7 very first one was the Henry Hudson Bridge.
8 We selected the Henry Hudson Bridge because
9 it had less traffic, it also had no
10 commercial traffic. And we wanted to make
11 sure it worked, how does it work, do we
12 have the back office in place, do we have
13 the ability to then scale it up. And once
14 we did, we now have it scaled throughout
15 the entire system and the MTA is the
16 largest cashless tolling operator in the
17 world.

18 If we had decided to do the big
19 bang, do it all at once, I guarantee you
20 there would have been problems in the back
21 office. But once we got it in place and
22 knew that we could scale it forward, we
23 went forward and did it.

24 SENATOR KRUEGER: I'll come back in

1 Rounds 2 and 3, thank you.

2 MTA CHAIRMAN LHOTA: Sorry I took
3 too long in --

4 CHAIRWOMAN YOUNG: Thank you.

5 CHAIRWOMAN WEINSTEIN: Assemblywoman
6 Malliotakis.

7 ASSEMBLYWOMAN MALLIOTAKIS: Hi,
8 chairman. Great to have you here.

9 First, I've always been a critic of
10 inefficiencies at the MTA, so I want to
11 give you credit when you mentioned the
12 aggressive cost-cutting measures,
13 particularly 2 billion in savings a year.
14 I think that's something that is -- and I
15 want to give credit where credit is due, so
16 I commend you on that.

17 I wanted to talk a little bit about
18 the violations that many residents in my
19 district, Staten Island and Brooklyn, have
20 received while going over the new cashless
21 tolling system on the Verrazano Bridge. In
22 particular, there are individuals who are
23 getting violations because they're not
24 reading the tag or perhaps they can't read

1 the license plate, but also there's an
2 issue with the carpool. They may not be
3 able to -- there's cameras, I'm told, that
4 identify how many people are in the car,
5 and perhaps if there's an infant, they
6 don't see the third person. And so people
7 are being hit with these violations of
8 approximately a hundred dollars per trip,
9 which are certainly adding up to the
10 thousands, in some cases, if it's not
11 something that they're aware of right away.

12 So what I'm asking is the New York
13 State Thruway Authority recently came out
14 with an amnesty plan for their new cashless
15 tolling system for the Mario Cuomo Bridge,
16 and I want to ask the MTA to do the same.
17 Because certainly we don't want to take
18 advantage of individuals who are doing the
19 right thing but there may be a glitch in
20 the system.

21 MTA CHAIRMAN LHOTA: So, you know,
22 Assemblymember, I will look at that. I've
23 seen a tremendous drop in any questions
24 from anyone on what's going over with the

1 commuters and the number of passengers on
2 board. There were at the very beginning,
3 and then it's dropped down significantly.

4 And I'll continue to monitor that
5 and working with, as I mentioned before,
6 the back office part of it. Because, you
7 know, the benefits of cashless tolling is
8 cars go faster and they're not, you know --
9 everything goes across, accidents are less.
10 But the back office has to work, because
11 that's where it actually happens. So that
12 we'll deal with that on the commuter side
13 of it.

14 On the penalty-related side, we've
15 also seen a tremendous drop because of a
16 better understanding. For those who, you
17 know, it can't be read, that issue has been
18 fixed. It's been for a while ago.

19 So look, I will work with you, your
20 office and the folks both on Staten Island
21 and in southern Brooklyn who are frequent
22 users of the VZ, the Verrazano Bridge, to
23 make sure that it's --

24 ASSEMBLYWOMAN MALLIOTAKIS: That

1 would be great. With regards to more local
2 or I guess additional local questions, the
3 West Shore light rail study and the North
4 Shore BRT, the MTA put forward funding, I
5 think it's about \$9 million total, for
6 studies or environmental design work on the
7 BRT. Could you tell us the status of that?

8 MTA CHAIRMAN LHOTA: Why don't I get
9 back to you on that, because I'm not sure.

10 ASSEMBLYWOMAN MALLIOTAKIS: Okay,
11 that would be great.

12 Speaking of the subway system -- and
13 a lot of my questions have already been
14 answered by your previous testimonies -- I
15 think you and I both agree that the City of
16 New York needs to also chip in with regards
17 to the Subway Action Plan and also toward
18 long-term funding of the MTA.

19 There are a lot of New York City
20 members here, so if you could just share
21 what would be the -- I mean, if New York
22 City doesn't step up and contribute towards
23 the subway system which is encompassed
24 wholly within its city, what's going to

1 happen with regard to your action plan? In
2 previous testimony or in the press you've
3 mentioned that you may not be able to
4 complete the necessary signal upgrades
5 relating to the emergency plan if you do
6 not get the other 50 percent from the city.

7 MTA CHAIRMAN LHOTA: So what I've
8 said, that if we don't get the other
9 50 percent, we'll have to stretch the plan
10 out. I'd like, you know, the emergency
11 plan, the Subway Action Plan, as it's
12 called, to be done as quickly as possible,
13 because the most important thing, as many
14 other members had questions about, is when
15 are you going to upgrade, when are you
16 going to do the new things? I mean, I need
17 to get it stabilized and move up into the
18 new program.

19 Look, the whole point of it is --
20 you know, with the Subway Action Plan and
21 looking for a partner, is exactly that.
22 It's important to have a partner in the
23 city for the New York City subway system.

24 ASSEMBLYWOMAN MALLIOTAKIS: And I

1 just want to put something on your radar.
2 I actually got a letter this morning from
3 the Staten Island Downtown Alliance
4 speaking about the Stapleton Train Station.

5 As you know, in the Stapleton area
6 there's been a lot of development. They've
7 now transformed the Home Port into Urby,
8 and there's a lot going on there
9 residentially and commercially, and we
10 expect more. The Stapleton Train Station
11 itself, it was supposed to be I guess
12 upgraded for some time and -- it's funny,
13 they sent me a picture from the 1986
14 Madonna video "Papa Don't Preach." And in
15 fact it was actually filmed there.
16 Graffiti and a lot of litter and grime.
17 And actually they're saying it looks as
18 terrible today as it did then.

19 So I appreciate the efforts that
20 were made in Bay Ridge, because I share
21 that district with Félix Ortiz, so we're
22 happy with the new subway we have there.
23 In Staten Island we'd also like to see
24 additional improvement, particularly in

1 these areas where we're seeing economic
2 growth and residential growth. We want to
3 be able to keep attracting that. But
4 certainly we want a subway station that
5 looks just as nice as the one in Bay Ridge.

6 MTA CHAIRMAN LHOTA: So I appreciate
7 that. And we're working very closely with
8 developers along where the Home Port used
9 to be, as well as in other parts as there's
10 growth in Staten Island, so that, you know,
11 we can be able to work with them, to be
12 able to use -- as I say, we can share.
13 Because it's really important, the value of
14 their property appreciates when they have
15 good mass transit nearby, and they fully
16 appreciate that.

17 ASSEMBLYWOMAN MALLIOTAKIS: I
18 appreciate that.

19 And we also need MetroCard boxes at
20 our rail -- we don't have any of that. So
21 if somebody wants to go refill their card
22 or buy a new card, they have to find a
23 store that sells it. We don't have any,
24 not one, on Staten Island, believe it or

1 not, which I think many people from other
2 boroughs would find shocking.

3 Thank you.

4 MTA CHAIRMAN LHOTA: Okay, I will
5 look into that, thank you.

6 You really have a picture of Madonna
7 up there?

8 (Laughter.)

9 CHAIRWOMAN YOUNG: Technology.

10 Thank you. Our next speaker is
11 Senator Comrie.

12 SENATOR COMRIE: Thank you. Thank
13 you, Madam Chairs.

14 Good morning, Chairman Lhota, it's
15 good to see you again. As you may
16 remember, I represent southeast Queens,
17 which is a transportation desert. There
18 are many parts of my district, as with
19 Assemblymember Rozic and Assemblymember
20 Hyndman, that don't have access to
21 transportation. It takes them 45 minutes
22 to an hour just to get to downtown Jamaica
23 Station.

24 And we're very concerned about

1 what's going with the Freedom Plan. I know
2 you made a couple of brief statements about
3 the Freedom Plan, but you said there's a
4 technical glitch. I hope that we can get
5 through that glitch as quickly as possibly
6 so that it can be up and running, because
7 it would give my constituents and
8 constituents in southeast Queens almost six
9 hours in quality time that they could get
10 back. And I hope that we can get that up
11 and going.

12 But I also encourage you to take a
13 look at the entire plan, because my
14 understanding is that there are some
15 stations that are not going to be included,
16 such as the Hollis, Queens Village stations
17 on the Long Island Railroad, and I think
18 that those are two stations that could be
19 included in the Freedom Plan, and I hope we
20 can get that included as quickly as
21 possible.

22 I'll come back on my second round
23 and talk about congestion pricing; I just
24 want to stay parochial for a moment.

1 Also in my district is the Lefferts
2 Boulevard underpass for the Long Island
3 Railroad station, the Kew Gardens station.
4 That underpass has been in disrepair for
5 over 20 years. Recently they took a
6 10-year lease, it was given to a manager
7 with no opportunity for maintenance. The
8 overpass is in severe disrepair, and we've
9 been trying to get a study funded by the
10 MTA to look at preserving that Long Island
11 Railroad bridge on Lefferts Boulevard
12 because we have businesses that have been
13 there over 20 years that want to stay in
14 the area, and they're on top of the bridge.
15 It's a stucco, slash, convoluted kind of a
16 patchwork that put the bridge together; now
17 it can't be maintained. And unfortunately,
18 even for businesses to stay viable, there
19 has to be a brand-new electrical service
20 brought in so that the businesses can stay
21 viable.

22 But the community overwhelmingly
23 wants to see those businesses stay, and
24 there is a way, we believe, that the bridge

1 can be maintained and preserved. And it
2 only takes about a million-dollar study to
3 get that done. And I don't believe that it
4 takes that much, but the Long Island
5 Railroad has attempted to move forward.

6 Now that you're in the position as
7 chairman, I hope that we can get that done
8 and get that done quickly. It's important
9 to that community, and it's important to
10 the structure and the safety of the Long
11 Island Railroad, because that is the major
12 bridge that takes a lot of the trains
13 coming from Long Island Railroad, which
14 would only further infuriate Senator
15 Kaminsky's on-record times.

16 So hopefully we could sit down on
17 both of those issues and go through that
18 thoroughly, and working with yourself and
19 your team, I think we could get some honest
20 answers on that.

21 I also wanted to just align myself
22 with Senator Kaminsky, because my district
23 touches Belmont Park also. That Belmont
24 Park Long Island Railroad station is

1 something we sorely need. We could use it
2 before the Islanders get here. So if we
3 can get that done. We've been asking for
4 that to happen. And that would be a great
5 park-and-ride location for commuters, so.

6 And you talked about bus route
7 changes, just to bounce to another topic,
8 since I only have a short window. As
9 Assemblymember Rozic said, in southeast
10 Queens we need a lot of bus route changes.
11 But even more than that, you know, right
12 now we could use more express buses going
13 to Manhattan directly, to the central
14 business district.

15 The express buses that we have now
16 don't run frequently enough, and there's
17 been a high demand from my constituents to
18 do express buses, not the -- what do you
19 call those buses that you're trying to put
20 in?

21 MTA CHAIRMAN LHOTA: The SBS, the --

22 SENATOR COMRIE: Yeah, the SBS
23 buses.

24 They don't want to take time to go

1 to Jamaica, they'd rather take a one-seat
2 ride into Manhattan. The express bus would
3 give them that opportunity and do it in a
4 much more comfortable way.

5 And I hope that we can sit down and
6 look at that, look at those bus route
7 changes that need to happen in Queens
8 overall, because as you already know, the
9 population and the demographics are
10 changing and we need to make it a better
11 possibility for buses into Queens. So I
12 would hope that we'd get a chance to look
13 at that and put all those things together.

14 Finally, in my last couple of
15 seconds, I want to congratulate Hector
16 Garcia, who is your Long Island Railroad
17 community guy for Queens and part of Long
18 Island. He's overwhelmed and overworked,
19 but he is responsive. So I agree with you,
20 we need to have more local people there to
21 get back to us, but hopefully when we sit
22 down we can get real answers.

23 So I'll come back on the second
24 round and go deeper.

1 MTA CHAIRMAN LHOTA: Senator, I got
2 all six -- I think it was six items that
3 you talked about that we will follow up on.

4 SENATOR COMRIE: I've got about six
5 more too.

6 (Laughter.)

7 MTA CHAIRMAN LHOTA: Thank you.

8 SENATOR COMRIE: Thank you.

9 CHAIRWOMAN YOUNG: Thank you,
10 Senator.

11 CHAIRWOMAN WEINSTEIN: Thank you.

12 Mindful about the negative effects
13 of prolonged sitting, health effects, I
14 think we're going to take a five-minute
15 break, let people stretch their legs and
16 use the facilities if they need to. So if
17 we could do that now.

18 (A brief recess was taken.)

19 CHAIRWOMAN WEINSTEIN: So to return to
20 our -- to resume the hearing, Assemblyman
21 David Buchwald.

22 ASSEMBLYMAN BUCHWALD: Thank you,
23 Madam Chairwoman. It's nice to say those
24 words.

1 And thank you, Chairman Lhota, for
2 being here this morning. Would it be okay
3 if I asked you, as best as you can, to
4 interpret the recent comments of the mayor
5 of New York City with regards to the Fix
6 NYC plan? I'm going to specify what
7 comments and your action -- but I just want
8 to pre-clear that of course you are not the
9 mayor of New York City --

10 MTA CHAIRMAN LHOTA: Oh, yeah, I
11 know that.

12 ASSEMBLYMAN BUCHWALD: -- speak to
13 -- exactly for him.

14 (Laughter.)

15 ASSEMBLYMAN BUCHWALD: But I'd like
16 to ask you a bit about his comments on the
17 Fix NYC plan and see as best we can,
18 together, whether we can interpret them.

19 The mayor of New York City has urged
20 that there be assurances that the revenues
21 raised for the pricing zone through the Fix
22 NYC plan or whatever is enacted go to
23 New York City subways and buses. As you
24 understand it, is the mayor saying that the

1 money collected from transportation needs
2 to be dedicated to transportation, which is
3 something I very much agree with, or is the
4 mayor saying that he's opposed to even a
5 small percentage of funding going to the
6 roads and bridges of New York City,
7 including the MTA's own bridges and
8 tunnels? Or is the mayor saying that he is
9 opposed to any of the new revenue going to
10 the MTA's commuter railroads despite the
11 fact that a significant percentage of the
12 money raised would come from residents of
13 the suburbs of New York City and the fact
14 that the better the service on Long Island
15 Railroad and Metro-North Railroad, the less
16 congestion there will be in New York's
17 central business district?

18 MTA CHAIRMAN LHOTA: So interpreting
19 what the mayor means is just going to be
20 fraught with problems if I state one thing
21 or the other. It could mean any and all of
22 what you've mentioned, as I remember -- the
23 proposal that was put together is, I
24 believe, the beginning of a process. It

1 was exactly that, a proposal. And I think,
2 you know, everybody's going to have
3 different opinions. There are going to be
4 public hearings about this, so it's going
5 to be involving the Legislature
6 significantly.

7 But you asked some very seminal
8 questions, whether they came from the mayor
9 or not. How will the proceeds be used?
10 Will it be used for mass transit? How do
11 you define mass transit? Do you also
12 include work that may need to be done on
13 roads and bridges and all of that?

14 So I think -- I've got to give a lot
15 of credit to the panel that put together
16 this report, in that they looked at it from
17 a point of view -- excuse me.

18 (Cellphone interruption.)

19 ASSEMBLYMAN BUCHWALD: I just ask
20 for a few extra seconds, Madam Chair.

21 MTA CHAIRMAN LHOTA: So -- yes.

22 It's one of our board members -- I
23 have one of our board members who keeps
24 calling me, it's very important.

1 ASSEMBLYMAN BUCHWALD: If that board
2 member has an answer to my question --

3 MTA CHAIRMAN LHOTA: No, he won't --
4 he won't --

5 (Laughter.)

6 MTA CHAIRMAN LHOTA: But I'm not
7 sure there is any answer to your question,
8 because this is the beginning of a process
9 in which all of those questions will be
10 asked and answered through the legislative
11 process.

12 ASSEMBLYMAN BUCHWALD: Well, could I
13 ask, Chairman Lhota, whether you yourself
14 subscribe to any of the principles as
15 outlined in my earlier question as to the
16 extent that new revenues are raised, of
17 what principles should be applied to how
18 they are allocated, whether within the MTA
19 or beyond?

20 MTA CHAIRMAN LHOTA: Speaking for
21 myself and only myself and the MTA in that
22 process, I think the most important aspect
23 is, and similar to what the Governor did in
24 the Executive Budget, is that whatever

1 monies are dedicated to the MTA, it's to be
2 done in a direct approach and a lockbox
3 approach and avoiding going through the
4 general funds.

5 ASSEMBLYMAN BUCHWALD: And in terms
6 of the role the commuter railroads play to
7 both the vitality of New York City and its
8 central business district, do you think
9 it's fair to say that improvements to the
10 commuter railroads are part of ensuring
11 that the New York City metropolitan area
12 has a robust way that ensures the
13 congestion in central Manhattan is not
14 onerous for the residents of New York City?

15 MTA CHAIRMAN LHOTA: So,
16 Assemblymember, I agree with you that a
17 robust mass transit system is not just the
18 subways but it includes the commuter rails,
19 and the commuter rails are not just outside
20 the City of New York. The Long Island
21 Railroad has thirteen stations, I believe,
22 in Queens and in Brooklyn. We're talking
23 about building new stations for
24 Metro-North, additional stations for

1 additional -- in the Bronx. They're
2 critical to keep reducing congestion in
3 Manhattan.

4 Anything we can do to prevent cars
5 from coming in and using mass transit is
6 not just only good for congestion, it's
7 also good for the environment, it's also
8 good for the economic development of the
9 entire region.

10 ASSEMBLYMAN BUCHWALD: And if I
11 could, from that last question, ask a
12 specific Metro-North question -- can you or
13 one of your colleagues please provide our
14 joint committees with an update on where
15 Metro-North is on the process of upgrading
16 the White Plains train station? Which is,
17 as you know, the busiest station outside of
18 New York City in the Metro-North system.

19 MTA CHAIRMAN LHOTA: Last December
20 we approved going forward with the contract
21 to renovate White Plains Station. We are
22 moving forward. It is one of the enhanced
23 stations of the Metro-North region that
24 will be replaced, and you're right, it is

1 critical. And I will also add, as someone
2 who's used it quite frequently, it's in
3 severe need of being modernized.

4 ASSEMBLYMAN BUCHWALD: Thank you
5 very much.

6 CHAIRWOMAN YOUNG: Thank you.

7 So we're going for second rounds
8 now, Chairman. And I wanted to ask you
9 about the Long Island third track project,
10 and it's my understanding that a
11 design-build contract recently was awarded.
12 Could you please comment on the timeline --
13 when does it start, when does it end -- for
14 construction?

15 MTA CHAIRMAN LHOTA: So the third
16 rail project is in its very preliminary
17 stages, so it's my belief it's started.
18 The equipment for the new rail, the showing
19 how the new rail will be laid down there,
20 has already started. We're working with
21 the local communities -- I don't see
22 Senator Elaine Phillips -- but working with
23 Senator Phillips as well on some of the
24 communities in Nassau County, as well as

1 Senator Kaminsky.

2 As far as it's a third track,
3 \$1.5 million --

4 MTA MANAGING DIRECTOR HAKIM: It
5 includes not only the third track, it
6 includes the elimination of several
7 important grade crossings as well as
8 replacing grade crossings in a way that
9 secures them off the street grid.

10 So we're very excited about it. It
11 has just started. There's -- the contract
12 is awarded to the consortium of this
13 design-build team, and we'll be working
14 together with that team and the Long Island
15 Railroad and our capital construction group
16 to advance the project as quickly as
17 possible.

18 CHAIRWOMAN YOUNG: Thank you. And
19 Chairman, thank you for bringing up Senator
20 Elaine Phillips. She's been a true
21 champion for her communities that are
22 affected -- Floral Park, New Hyde Park.
23 And there's been concern for years, as you
24 know, about disruption in those

1 communities.

2 So you're saying that you are
3 working with the leaders and the residents
4 to make sure that there's as little
5 disruption as possible?

6 MTA CHAIRMAN LHOTA: We are
7 actually, yes, we are working with all of
8 the communities and have memoranda of
9 understanding with many of the mayors of
10 our -- the town supervisors and everyone
11 else who is involved.

12 As you know, we've developed it in
13 such a way that we're not taking any
14 personal property, but it's always going to
15 be disruptive when you build along the rail
16 line, and we are committed to doing
17 everything we can to not be disruptive.

18 As Ronnie mentioned as well, what
19 we're doing is also, instead of elevating
20 the track -- because when you elevate the
21 track, it makes it noisier in the
22 community -- we're going to keep the track
23 the same. We're going to have underpasses
24 so the roads will go underneath. You will

1 no longer be having cars have to stop at
2 the crossing because a train is going
3 through. It will allow for better flow of
4 traffic.

5 CHAIRWOMAN YOUNG: Now, you said the
6 cost is \$1.5 billion. I thought it was
7 more like \$2.6 or -- has the cost gone up?
8 And how will it be paid for?

9 MTA MANAGING DIRECTOR HAKIM: It's
10 funded in the capital program. That's
11 \$1.5 billion for the third track; another
12 \$450 million is in the capital program for
13 those grade crossings I mentioned. That's
14 actually being funded through the New York
15 State Department of Transportation.

16 CHAIRWOMAN YOUNG: Thank you.

17 Just switching gears a little bit, I
18 want to ask about fares, Chairman. So the
19 subway and bus fares have risen six
20 times -- or by nearly 50 percent -- since
21 2007, and that's about three times the
22 inflation rate. They're scheduled to go up
23 again in March of 2019.

24 So again, I think it's a

1 controlling-cost issue. Could you address
2 that? And does the MTA plan on sticking to
3 its schedule of 4 percent every other year
4 in increases?

5 MTA CHAIRMAN LHOTA: So back in 2010
6 the then-governor, then-majority leader,
7 and then-speaker all came to an agreement
8 with the creation of the PM team and
9 various other things that there would be
10 biennial or every-two-year fare and toll
11 increases to the system, and they would be
12 approximately at the rate of inflation. It
13 has been lately about 2 percent per year,
14 which is where that 4 percent number comes
15 in.

16 And there's been -- when does it
17 end? When does it -- you know, we're doing
18 everything we can to keep the costs down.
19 On the operating side, we're doing
20 everything we can to minimize whatever any
21 increase would be. We're required by law
22 to put together a four-year plan. We do
23 have a 4 percent increase a little more
24 than a year from now, but if there's an

1 alternative source of funding available
2 we'll use that to minimize, if not
3 eliminate, the fare and toll increases
4 going forward.

5 Let me hand it over to Bob Foran.

6 MTA CFO FORAN: As the chairman
7 mentioned, in 2010 when there was an
8 agreement -- also including the PMT,
9 because of the MTA's distressed
10 situation -- if you recall at that time our
11 real estate revenues had dropped from about
12 \$1.7 billion a year to less than
13 \$400 million a year. So significant
14 cost-cutting took place, significant new
15 tax put in place with PMT, but there was a
16 higher -- there was a 15 percent fare and
17 toll increase that was put in place and
18 agreed upon for, you know, two-year cycles.

19 We said we really wanted to get down
20 to a place where we could do it at the
21 inflation rate, and what I'm pleased to say
22 is the last fare and toll increase that
23 went in place -- if you look at the
24 commuter railroads, the commuter railroads

1 were 3.75, not the 4 percent that we had
2 projected. If you look at the subway
3 fares, the 30-day was 3.9 percent, the
4 seven-day was 3.1 percent. So we put a lot
5 of pressure -- and I should say, west of
6 Hudson, it was 2 percent. So we've made
7 strong efforts to keep it minimized and
8 reduce it as much as possible.

9 We are required by statute to have
10 four-year financial plans. Because of
11 that, we have to project our finances. So
12 we just, for planning purposes, put a fare
13 and toll increase in place every two years.
14 And we pegged it at 4 percent. That does
15 not mean that it's going to happen. We
16 have to operate on a self-sustaining basis.
17 So we need to have sufficient revenues or
18 reduced expenses sufficient to keep our
19 budget balanced.

20 So as we approach 2019, we'll look
21 to see what our finances are, we'll look to
22 see what other resources might be
23 available, and then after public hearings,
24 after discourse with the public, after our

1 board considers it, then a decision will be
2 made whether a fare and toll increase is
3 necessary.

4 CHAIRWOMAN YOUNG: Thank you. And I
5 know that as I said, they've been
6 increasing, but you bring up the payroll
7 and mobility tax, so fares have been
8 increasing and they're set to have another
9 public hearing round to possibly go up
10 again in March of 2019.

11 But at the same time, in the
12 Executive Budget, the General Fund transfer
13 from the PMT has been reduced from 309
14 million to 224 million.

15 So to me it seems like you're
16 increasing fares on the ridership at the
17 same time, in the Governor's budget,
18 there's a major reduction. Could you
19 please address that?

20 MTA CFO FORAN: Yes. And as the
21 chairman said, there's discussions going on
22 right now with the Division of Budget
23 director talking about that 65 million.
24 This is just the Executive Budget right

1 now.

2 As you all are well aware, there
3 will be discussions that go on over the
4 next period of time, and then there will be
5 negotiations that take place. We'd like to
6 see the 65 put back in and restored to the
7 309, but we are quite pleased that on
8 balance the proposal will give us directly
9 that PMT revenue and not make it subject to
10 appropriation, which just adds an extra
11 measure of risk or potential delay should
12 there be a delay in the budget.

13 So we're quite pleased to get the
14 PMT directly if that is what, you know,
15 eventually takes place.

16 CHAIRWOMAN YOUNG: Thank you.

17 Just switching gears to security,
18 could you comment on security at our -- you
19 know, in our subway system, at the bridges
20 and the tunnels, and what actions -- I know
21 you can't give every detail, but what
22 actions are being taken?

23 MTA CHAIRMAN LHOTA: So we maintain
24 absolute vigilance in all of our systems --

1 in subway, buses, commuter rail, and the
2 bridges and tunnels. We have, and a
3 perfect example -- as you know, before I
4 get into the example, as you know, you
5 know, New York has been the result of
6 terrorist activity in the past. Most
7 recently, on December 11th of this year, we
8 had someone in the subway system at 42nd
9 and 8th Avenue had a pipe bomb go off. But
10 what was interesting about that, while I
11 was there and saw the videos, we were able
12 to determine who did it, where it was, how
13 it happened, and it was on the -- it was
14 available to the press relatively quickly.

15 I think that's emblematic of the
16 amount of money that has been spent on
17 cameras. We were able to determine where
18 this person got on, where they switched,
19 within a relatively short period of time.

20 So we have never lost sight of that.
21 The NYPD patrols the subway system, MTA
22 police with also the local police, on
23 Metro-North as well as the Long Island
24 Railroad -- MTA police in charge of

1 security at Grand Central Terminal -- it is
2 a very important subject for us.

3 As you know, we came up with the
4 term that's used throughout the world now,
5 "If you see something, say something." We
6 can't say that enough. To our passengers,
7 we think it's really important. It's for
8 their safety, it's for their family's
9 safety, and for everyone in New York.

10 CHAIRWOMAN YOUNG: Thank you,
11 Chairman.

12 As somebody who rides the subway
13 quite frequently when I'm in New York City,
14 and I have to go there on business
15 oftentimes --

16 MTA CHAIRMAN LHOTA: Thank you.

17 CHAIRWOMAN YOUNG: Yes, I'm a
18 customer.

19 What I've noticed over the past
20 several years is that it seems like more
21 and more there's a negative experience,
22 unfortunately, on the subway.

23 I commend Senator Savino for her
24 leadership in going after sexual predators.

1 I've seen it myself happen. Unfortunately,
2 I've seen people with severe mental illness
3 acting out, decompensating, I've seen
4 panhandlers that are demanding money from
5 people, and it makes for a very
6 uncomfortable experience.

7 And I know it's not just me, it's
8 everybody on the subway car that is going
9 through that. And I know the New York Post
10 last October took a picture of a homeless
11 man sleeping under some seats in a subway
12 car.

13 So you addressed it a little bit,
14 and I'm glad to hear that you have a
15 program. It just seems to me that when
16 those things happen, however, you feel like
17 you're not on an island. I've never -- I
18 know that you're very focused on security.
19 I've never seen a police officer on a
20 subway car that I've been riding on. When
21 you see something like that, it's not
22 clear -- it wasn't clear to me what you
23 should do.

24 And then I guess you have a camera

1 system, but how do you report something?
2 Because, you know, there's nobody to tell
3 immediately.

4 MTA CHAIRMAN LHOTA: So on two
5 different approaches: Number one, I
6 recently had a meeting with the police
7 commissioner to talk about exactly that,
8 needing to see more uniforms, not just
9 un-uniformed folks on the subway. So you
10 don't see the un-uniformed, but I do think
11 we need to see that uniformed presence,
12 because that in and of itself is a great
13 deterrent.

14 In the process of that, we now have
15 a new chief of the transit police. Ronnie
16 Hakim and I have met with him last week, he
17 started last week. Both his parents worked
18 in the New York City transit system, he
19 understands it instinctively, and we talked
20 about new approaches, to see more presence,
21 more -- how to deal with the homeless
22 issues and how to deal with the panhandling
23 and all of that. So I think you'll see a
24 reinvigorated approach to the

1 subway-related issues overall.

2 And as far as reporting is
3 concerned, we've actually seen an increase
4 in reporting due to the fact that we now
5 have throughout the system -- at least at
6 the stops, and sometimes it bleeds into the
7 system -- the ability of people to use the
8 internet, to be able to send text messages,
9 to be able to send telephone -- make phone
10 calls.

11 We now have, on each and every
12 platform, "help points," it's called. It's
13 a large blue box where you can actually
14 press a button for an emergency or a
15 separate button for information. There's
16 someone who will answer that 24/7. There
17 are those ways to deal with that issue of
18 communication.

19 CHAIRWOMAN YOUNG: Thank you for
20 that, that's great. Continue to build on
21 that; I think that would be phenomenal for
22 the ridership.

23 Switching to congestion pricing, I
24 know a lot of my colleagues have very

1 serious questions and issues related to
2 that proposal. And the revenue source such
3 as congestion pricing isn't really built
4 into the 2015-2019 capital program. So you
5 already have a set program in place, why is
6 there a need for congestion pricing now?

7 MTA CHAIRMAN LHOTA: Well, the
8 congestion pricing proposal as was put
9 together in this report in January of 2018
10 is talking about the implementation of
11 congestion pricing a couple of years from
12 now.

13 There are three phases to it. And
14 so as we are now in the process of the very
15 early stages of developing the capital
16 program from 2020-2024, it will clearly be
17 needed, congestion pricing, for that next
18 capital program as we try to modernize the
19 system.

20 I would also say that looking at
21 congestion pricing just for capital is one
22 way to look at it. I'm also looking at any
23 amount of monies that can come in that we
24 should also look at for operating purposes,

1 to keep or eliminate fare and toll
2 increases. It's a source of funding, and
3 if we can do that to keep down the -- your
4 prior question or your earlier question
5 about fares going up, I think, is a very
6 good way to look at it, to both keep fares
7 and tolls down as well as for a capital
8 program.

9 CHAIRWOMAN YOUNG: So for lack of a
10 better term, a better technical term, the
11 MTA's relationship with the city seems to
12 be like cats and dogs. And there's a lot
13 of back and forth that goes on, and the
14 city has been criticized for not agreeing
15 to contribute to the subway action plan.
16 And, as you know much better than I, that's
17 designed to deal with some of the dire
18 issues that keep coming up.

19 If the city were to contribute more
20 to the MTA, would that reduce the need that
21 you just outlined for a congestion pricing
22 plan?

23 MTA CHAIRMAN LHOTA: I sincerely
24 doubt that that would remove the need for

1 congestion pricing. Congestion pricing
2 is -- there are two problems that are being
3 addressed. One is one of congestion. The
4 second one was using the economic side of
5 congestion pricing to assist in mass
6 transit.

7 I think that the amount of money
8 that is talked about being generated
9 overall would -- I'm not sure the city
10 would be in a position to do the full
11 amount of congestion pricing. That being
12 said, as I said before to another member, I
13 do think we're -- MTA is looking for a
14 partner. And I've said this over and over
15 again, and some people really don't want to
16 accept what I think is factual, and it is
17 factual: The New York City Transit
18 Authority is owned by the City of New York,
19 and it's been leased to the MTA for us to
20 operate. We operate the system, but under
21 the statutes, I believe, as you read
22 them -- and I'm not an attorney, but I
23 don't think you need to be an attorney to
24 read the law that basically says that, and

1 was reiterated in 1981, that the city is
2 responsible for the capital program. No
3 one's asking them to cover the entire
4 capital program, but we are asking for more
5 of a partnership.

6 CHAIRWOMAN YOUNG: I agree, that's a
7 good idea.

8 Switching gears, just one more
9 question and then I won't take a third
10 round.

11 In Part N of the Governor's
12 proposal, there's a section that deals with
13 procurement reform. And Senator Dilan
14 touched on this a little bit earlier, so I
15 was really glad to see that, but I had some
16 follow-up questions. And basically that
17 increases the CO bidding threshold for MTA
18 to a million dollars for purchases and
19 public works, eliminates the 15-day notice
20 period that's required now, and authorizes
21 the MTA board of directors to terminate,
22 modify, or amend any service or funding
23 agreement already approved that either does
24 not have a defined duration or has a

1 duration longer than 20 years.

2 So what specific contracts would the
3 MTA board of directors seek to amend or
4 terminate?

5 MTA CHAIRMAN LHOTA: So I'm not sure
6 what -- I know what that section says,
7 but -- and I don't have an answer for you
8 for what contracts we would seek to
9 determine -- and I have asked counsel to
10 look at what we have that's greater than
11 20 years overall, to be able to look at
12 that, and once I determine that, I'll
13 discuss it with you --

14 CHAIRWOMAN YOUNG: Do you know why
15 that was included in the Governor's
16 language?

17 MTA CHAIRMAN LHOTA: I do not.

18 CHAIRWOMAN YOUNG: And the final
19 question. Are you aware of any precedents
20 for this type of authority?

21 MTA CHAIRMAN LHOTA: No, I am not
22 aware of precedents at all, I'm sorry.

23 CHAIRWOMAN YOUNG: So you're saying
24 it needs further examination.

1 MTA CHAIRMAN LHOTA: Yes.

2 CHAIRWOMAN YOUNG: Okay. Thank you.

3 CHAIRWOMAN WEINSTEIN: Assemblywoman
4 Jo Anne Simon.

5 ASSEMBLYWOMAN SIMON: Good morning.
6 Thank you very much.

7 MTA CHAIRMAN LHOTA: Good morning.

8 ASSEMBLYWOMAN SIMON: I wanted to
9 just piggyback on the issues about the
10 Governor's proposed changes to the
11 procurement process that would allow
12 certain kinds of contracts to be let by the
13 MTA and increase those thresholds --

14 MTA CHAIRMAN LHOTA: Sure.

15 ASSEMBLYWOMAN SIMON: -- by which
16 you would then have to -- you know, one of
17 the issues that keeps coming up in
18 conversations with the public in my
19 district is a lack of confidence in the
20 MTA's use of funds.

21 The New York Times article a couple
22 of weeks ago about the cost overruns and
23 the fact that nobody knew where this money
24 was going is something that is really of

1 concern to people. I'm wondering how you
2 can address that for us.

3 MTA CHAIRMAN LHOTA: So for the
4 record, everyone, the Assemblymember is my
5 Assemblymember. So it's good to see you,
6 Jo Anne.

7 I made it a commitment when I came
8 back just in July of this year to get to a
9 situation where we don't have the cost
10 overruns, that we do things more
11 efficiently, that we do things on a more
12 professional basis, that we get more
13 competitive bids in. And we've had some
14 successes in that area.

15 Some of the stations that we've
16 renovated in Brooklyn, in Assemblymember
17 Ortiz's district, they came in under budget
18 and sooner. In your district, when we did
19 the Montague Street Tunnel, it opened up
20 earlier than was expected. And I would
21 like to see more and more of that.

22 The New York Times article, which we
23 participated in by providing them this
24 information, that's exactly what I don't

1 want to happen again. But it also helped
2 elevate the nature of the problem that we
3 have: We're not getting as many
4 contractors bidding on our projects.

5 We need to get more bidding on our
6 projects. We need to work with the
7 building trades about putting together
8 good, solid project labor agreements so
9 that we can spend my dollars and your
10 dollars and every other New York taxpayer's
11 dollars more efficiently. And we're
12 absolutely committed to doing that.

13 The procurement reform, believe me,
14 the number of contracts that we do and the
15 amount of business that we do, when you
16 look at it, we're only talking about a
17 change that would have an impact on just
18 6 percent, but it gives you in the volume
19 of types of things. What I'd like to do is
20 to -- it's not about raising it from a
21 point of view, we're going to go to the
22 board with each and every even competitive
23 bid in the process, but expedite it to get
24 it done faster.

1 I think the procurement process is
2 burdened with a lot of bureaucracy. That's
3 what needs to -- that's what I'd like to be
4 able to cut out. We have to do a lot of
5 work inside, but we also need some
6 legislative fixes as well.

7 ASSEMBLYWOMAN SIMON: Okay. I want
8 to also ask about one more parochial issue,
9 and that is the restoration of the B71 bus,
10 which is a huge issue, east to west traffic
11 in Brooklyn. We have -- a group of us have
12 proposed restoring it, expanding it so it
13 reaches further out into Crown Heights, but
14 also connecting up and going through the
15 Brooklyn-Battery Tunnel to Manhattan.
16 Which would really ease a lot of the
17 problem on Red Hook, which is a transit
18 desert, and ease a lot of peoples' commute
19 into the city.

20 In parts of my district we are
21 affected by the F Train. And while I know
22 there is a lot of call for F Express, in my
23 end of the world it would be the F cutting
24 it by 50 percent, which is a great problem.

1 And to that end -- I'm bringing in a
2 couple of things here -- you know, what's
3 your view on the need for another tube?
4 One of the problems we have is we only have
5 three tubes going into Manhattan.

6 MTA CHAIRMAN LHOTA: Subway tubes,
7 you're talking about.

8 ASSEMBLYWOMAN SIMON: Subway tubes,
9 right.

10 So it's obviously not going to be
11 something happening overnight, but it is
12 something that we've needed for a couple of
13 decades. I'm curious what your view is on
14 that and whether that might help, for
15 example, long-term planning that would make
16 a big difference in the ability of us to
17 carry more capacity between the boroughs.

18 MTA CHAIRMAN LHOTA: Right. So in
19 answer to the last question about the tube,
20 I believe that -- I will look at that, but
21 I do believe with a better signal system --
22 as you know, the Clark Street Tunnel is
23 shut down every weekend right now to be
24 able to get more -- a better signal system

1 installed, a newer signal system installed,
2 so we can get more through there. The 2
3 and the 3 are rerouting, in some cases the
4 4 and the 5 as well, they can go through
5 there if we reroute it in Manhattan -- but
6 in any event, you know what, I will look at
7 that.

8 Regarding the B71, we are doing a
9 study right now. We were doing a study
10 before the information came out -- I think
11 it was about the budget and the State of
12 the State -- about potential changes and
13 the possibility of a new subway line going
14 into Red Hook and us examining what, in
15 conjunction with the Port Authority, what
16 transit needs could we view in connection
17 with an overall renovation of lots of
18 things going on in Red Hook.

19 So it's being done.

20 ASSEMBLYWOMAN SIMON: Okay. And
21 then one other question, and that is that
22 I've read the Fix NY plan and there is
23 much, I think, to recommend the approaches
24 that are proposed there. But one thing

1 that I never see in terms of easing
2 congestion and improving the lives of New
3 Yorkers is ADA access to our subway
4 stations.

5 And I know that it's been 25 years
6 and we still haven't gotten to the 100 key
7 stations. Many of those stations are no
8 longer key -- what are key stations,
9 because of different demographics and
10 patterns of where people are living and the
11 train lines that people are using, are not
12 even viable anymore. And it's only a
13 fraction, really, of the subways.

14 What is the MTA doing to change that
15 picture?

16 MTA CHAIRMAN LHOTA: Right. Well,
17 let me -- Ronnie has the statistics, and
18 I'll follow up.

19 MTA MANAGING DIRECTOR HAKIM: Sure.
20 As part of this ongoing investment in
21 accessibility for the subway system, this
22 capital program has almost a billion --
23 1B -- billion dollars in projects to
24 increase elevators and accessibility at

1 stations. We currently have about 117
2 ADA-accessible stations. When we're done
3 with the investments in this program, we'll
4 be adding another 26 stations to that mix.

5 The commitment that we have is to
6 continue to work with the disabled
7 community to identify the right places to
8 get good accessibility investments and
9 service the communities that need those
10 elevators in addition to the maintenance of
11 those elevators as well, which is a big
12 topic for us.

13 We've recently negotiated with our
14 unions at the TWU to increase specialist
15 titles so that we can retain elevator
16 maintainers. That's been a huge problem
17 for us in the past, is that we've lost this
18 workforce. We need to bring them back and
19 we need to preposition them in the right
20 locations so that they are able to hop on a
21 problem as soon as it exists, and also
22 communicate out into the community what are
23 the statuses of our elevators and their
24 service.

5 MTA MANAGING DIRECTOR HAKIM:
6 Absolutely. We can provide that.

8 MTA CHAIRMAN LHOTA: Thank you.

12 SENATOR DILAN: Thank you again. I
13 just want to follow up on the procurement
14 question. I know that I asked the question
15 of approximately how many contracts fall
16 under the \$1 million threshold, and the
17 answer I got was 6 percent. Can you attach
18 a cash value to that?

20 The 6 percent represents the amount of
21 money that would be allocated in these
22 transactions. And between 100,000 and a
23 million, you're really talking about
24 417,000 out of a \$6.6 billion number. So

1 it's a fraction of that larger
2 competitively procured purchases.

3 SENATOR DILAN: So you're talking
4 about 6 percent overall. So would I be
5 right to say that that overall is an
6 insignificant amount of money of the
7 overall picture?

8 MTA MANAGING DIRECTOR HAKIM: It's a
9 small percentage of what we actually buy
10 every year.

11 SENATOR DILAN: All right. I don't
12 know if you could answer the next question,
13 but I would like to know approximately how
14 many bids you currently get on anything
15 over 100,000 and under a million. I can
16 get that number later on from you.

17 MTA MANAGING DIRECTOR HAKIM: The
18 number of bids per solicitation?

19 SENATOR DILAN: Yeah.

20 MTA MANAGING DIRECTOR HAKIM: We can
21 provide that.

22 MTA CHAIRMAN LHOTA: We'll provide
23 that.

24 SENATOR DILAN: Excuse me?

1 MTA CHAIRMAN LHOTA: We will provide
2 that to you. We don't have that with us.

3 SENATOR DILAN: I expected that.

4 MTA CHAIRMAN LHOTA: But that's an
5 interesting question.

6 SENATOR DILAN: But saying that, I
7 know that in previous budget hearings we
8 have also requested information on items
9 that you particularly did not have the
10 information readily available and -- not
11 under your administration, but previous,
12 we've been told that you would get back to
13 us on certain information. So I just want
14 to see if I can get an update on what's
15 going on with the bus partitions, which in
16 the past they said they would provide that
17 information to us.

18 Also, I'm glad there was a question
19 about the ADA compliance. I'm very
20 concerned about that, because I get many
21 calls within my district of seniors and the
22 disabled not having access to mass transit.
23 So I'm very concerned about that, and I
24 would like to have information on that.

1 But again, that's something I can get from
2 you later.

3 I'm also concerned about stations
4 that have been closed in my district,
5 certain exits, where I've received
6 commitments that they're looking into the
7 situation. I have at least 10 stops. I
8 think that you guys are familiar with the
9 ones those are. But again, out of respect
10 to my colleagues and the time of others
11 that still have to testify, I can wait for
12 that again, sir. Later on.

13 MTA CHAIRMAN LHOTA: Senator Dilan,
14 if you can assign someone from your staff
15 and get me their name, we'll work with them
16 to be able to get the list of questions
17 that you've --

18 SENATOR DILAN: We'll provide that
19 to you.

20 With respect to congestion pricing,
21 I don't know if you know what the costs
22 would be for the technology and how would
23 it be paid. Or would that be under the
24 value capture, do you know?

1 MTA CHAIRMAN LHOTA: So all I have
2 is the information that's included in the
3 advisory panel, and they believe the cost
4 of technology and the equipment necessary
5 is approximately \$200 million. I have no
6 way to verify that number or the source of
7 that number, since I wasn't involved in
8 writing the report. That's the only
9 information I have.

10 SENATOR DILAN: All right. And just
11 to close, we all know the Canarsie Tube is
12 a massive task for your system, and the
13 impact that it will have on your system. I
14 just would like to thank you for your
15 response to my office and to my community,
16 and your transparency during the entire
17 briefing of the community with regard to
18 the closing of the L Train between Bedford
19 and First Avenue.

20 And I also respect the commitment
21 you have made to the L Train Coalition, in
22 respect to meeting with them and keeping
23 them informed. Just last night you had --
24 I believe it's your president of the

1 Transit Authority --

2 MTA MANAGING DIRECTOR HAKIM: Yeah.

3 SENATOR DILAN: -- within the
4 district informing the community, and I
5 just hope that we keep that up. Thank you.

6 MTA CHAIRMAN LHOTA: Thank you.
7 Thank you, Senator.

8 MTA MANAGING DIRECTOR HAKIM: Thank
9 you.

10 CHAIRWOMAN YOUNG: Thank you.

11 CHAIRWOMAN WEINSTEIN: Assemblyman
12 Félix Ortiz for a question.

13 ASSEMBLYMAN ORTIZ: Thank you, Madam
14 Chair, for giving me the opportunity to ask
15 a few questions.

16 Good afternoon, Mr. Chairman. First
17 of all, I would like to thank you very
18 much. I thought that we was spending
19 almost six months together when we was
20 doing from Prospect Park west to
21 53rd Street to Arlington {ph} Street subway
22 station, and I would like to thank your
23 staff for being so kind to my staff,
24 answering all the questions that my

1 constituents addressed during those times
2 of rebuilding and renovation.

3 Today I would like to also thank you
4 on behalf of my constituents about B37, the
5 Third Avenue, that bus that was restored.
6 And talking about restoration, I also would
7 like to punch to make sure that we will be
8 able to also restore B71, which is very
9 critical for -- from Assemblywoman Simon to
10 my site, it's critical. We have too many
11 seniors in that particular area that need
12 this type of transportation.

13 I have a few questions. Question
14 number one is regarding you have a budget
15 that is about \$16.6 billion, that is your
16 funding level?

17 MTA CHAIRMAN LHOTA: Yes.

18 ASSEMBLYMAN ORTIZ: That's correct?
19 From that \$16.6 billion budget level that
20 you have, how much of that is federal,
21 state and city, what percentage?

22 MTA CHAIRMAN LHOTA: In that, we
23 don't get -- there's no federal money in
24 our operating budget at all.

1 So to look at our \$16 billion in
2 revenues, 39 percent comes from a
3 farebox -- that will either be from the
4 commuter railroads or the subway and buses;
5 we have 12 percent comes from tolls;
6 34 percent comes from dedicated taxes; and
7 another 8 percent comes from state and
8 local government and their subsidies,
9 8 percent. And the remaining revenues, 6
10 or 7 percent, come from various different
11 sources.

12 ASSEMBLYMAN ORTIZ: There's been a
13 lot of conversation about the congestion
14 pricing again. And I would like to know,
15 if we do move forward to congestion
16 pricing, what is the guarantee that this
17 money will be earmarked and used
18 specifically for rebuilding and doing
19 renovations for the MTA?

20 MTA CHAIRMAN LHOTA: So it would be
21 my expectation, as it was the panel's
22 report, that it will be used for the MTA.

23 Prior questions were asked about
24 will it be used for, you know, anything at

1 all related to the commuter rail lines.
2 This is the beginning of a negotiating
3 process. But my expectation is, and as I
4 mentioned before, I think the monies -- the
5 amount of monies that we're talking about
6 here can be used for multiple different
7 areas within the MTA, being both a source
8 of money for the capital program as well as
9 a way to keep down fare and toll increases.

10 ASSEMBLYMAN ORTIZ: You know, the
11 only concern I have -- you and I have the
12 same experience, we both came from OMB.
13 You were the director, I was a budget
14 analyst at OMB. And sometimes when we look
15 for revenue to come up with great ideas to
16 fund some programs, sometimes something
17 called the budget gap gets in the middle.
18 And sometimes that money gets deviated to
19 close the budget gap.

20 So one of my biggest challenges and
21 concerns is that I want to make sure that
22 as we move forward and we continue to have
23 conversations about congestion pricing,
24 that we don't get confused about what's

1 happening in Washington, what happened with
2 the budget gap, and trying to deviate the
3 conversation and use those revenues or
4 those resources to close the budget gap.

5 And that is the reason why I'm
6 trying to be very cautious about the
7 congestion pricing as we move forward. I
8 hope that we will be able to use it for the
9 MTA, to rebuild, renovate and also to bring
10 new access to other communities as well.

11 My last question has to do with
12 Red Hook. As you know, Red Hook is
13 running -- you mentioned Red Hook before.
14 The Governor stated in the State of the
15 State to do a study finally, a study that
16 I've been pushing for almost 20 years.
17 Finally somebody saw the light into the
18 tunnel. So hopefully we will see that
19 report coming out.

20 My question to you is, Red Hook is
21 getting overcrowded, Red Hook is getting a
22 lot of people coming into Red Hook these
23 days. We only have two bus services into
24 Red Hook. And sometimes those buses are

1 overcrowded, and sometimes they are late as
2 well.

3 So is anything in the pipeline to
4 enhance public transportation into
5 Red Hook? And if it's so, what is the
6 timetable for it?

7 MTA CHAIRMAN LHOTA: We're
8 evaluating Red Hook right now, not only at
9 the direction of the Governor regarding
10 Port Authority and the MTA looking to all
11 of the -- what needs to be done to the
12 businesses there as well as transit, but
13 we're needing to look. You know,
14 demographics all throughout the city are
15 changing. The demographics in Red Hook in
16 particular have changed significantly in a
17 very short period of time. More people
18 living there, more people working there,
19 and we need to evaluate that, especially
20 with buses and what gets in and what gets
21 out. Right now there's really only one bus
22 that goes down Van Brunt Street, and we
23 need to find a more significant enhancement
24 to the bus traffic there.

1 ASSEMBLYMAN ORTIZ: Thank you very
2 much. And I'm looking forward to working
3 with you also to enhance elevators in the
4 subway station. Thank you very much.

5 MTA CHAIRMAN LHOTA: Thank you, sir.

6 CHAIRWOMAN YOUNG: Thank you.

7 Senator Rivera.

8 SENATOR RIVERA: Thank you.

9 Round two, sir. All right. You
10 already started going down this road a
11 little bit with Senator Krueger, so
12 regarding the funding that you are -- that
13 this budget proposal asks for a
14 restructuring of how the MTA gets its
15 funding. There is -- if I'm not mistaken,
16 the way that it works is that the --
17 technically the city owns -- I wrote this
18 down somewhere because somebody explained
19 it to me -- the city owns the system but
20 the state leases it. Right?

21 MTA CHAIRMAN LHOTA: The city owns
22 the system, that is correct. The subway
23 system.

24 SENATOR RIVERA: Okay. But also

1 when we're talking about the MTA region,
2 we're not just talking about the City of
3 New York but New York City, Suffolk,
4 Nassau, Westchester, Rockland, Orange,
5 Putnam and Dutchess; is that correct?

6 MTA CHAIRMAN LHOTA: Yes.

7 SENATOR RIVERA: Okay. So --

8 MTA CHAIRMAN LHOTA: It's called the
9 Metropolitan Transportation District, yes.

10 SENATOR RIVERA: Right. But the MTA
11 region is generally defined as those 12
12 full counties.

13 MTA CHAIRMAN LHOTA: Yes, that is
14 correct.

15 SENATOR RIVERA: Okay. So the way
16 that it has been historically structured,
17 the way that the funding -- briefly,
18 obviously, because I only have five
19 minutes, but just so I make sure that --
20 you know, you're the expert here. So how
21 has it been historically, as far as capital
22 needs for the MTA system, how has it
23 historically been organized? How has that
24 worked?

1 MTA CHAIRMAN LHOTA: How has it been
2 arranged? It generally is a substantial
3 portion of it goes to the New York City
4 subway system overall, is where the
5 substantial need goes. Right now in the
6 current capital plan, 61 percent goes to
7 New York City Transit --

8 SENATOR RIVERA: No, no, sir, I'm
9 sorry, I didn't make myself clear. I'm not
10 saying where it goes, I'm saying that -- we
11 can get to that later -- where it comes
12 from.

13 MTA CHAIRMAN LHOTA: Oh, sources.
14 Sorry, sources.

15 SENATOR RIVERA: Historically, how
16 have these capital funds, where have they
17 come from? Because if I'm not mistaken,
18 what we're talking about now is a radical
19 restructuring of the way that the funding
20 comes to the MTA.

21 MTA CHAIRMAN LHOTA: Right. And
22 we're talking about capital and where the
23 money comes --

24 SENATOR RIVERA: That is correct,

1 sir.

2 MTA CHAIRMAN LHOTA: Okay, that is
3 correct.

4 So of the current capital plan
5 that's approved by the Capital Program
6 Review Board that's \$29.5 billion,
7 \$6.9 billion, call it \$7 billion, comes
8 from the federal government, with a grant
9 from a federal government. In addition to
10 that, MTA issues debt through the form of
11 \$7.6 billion. We come from our operating
12 budget, 2.3 billion in pay-as-you-go
13 capital; 8.5 comes from the State of
14 New York; 2.5 is coming from the City of
15 New York.

16 And on top of that we have, within
17 the MTA, other sources of the MTA as well
18 as basically asset sales and leases of,
19 combined, about a billion dollars.

20 SENATOR RIVERA: So historically --
21 I'm not that good at math, so I didn't
22 write down all the numbers that you said --

23 MTA CHAIRMAN LHOTA: We can provide
24 it to you. That's fine.

1 SENATOR RIVERA: The most that I'm
2 interested in is just I want to get for the
3 record the way that historically the
4 capital funding has come to the MTA. We
5 are asking you folks -- well, this budget
6 proposal is asking for a complete redesign
7 of that; right? In other words, the money
8 would then be required to come strictly
9 from the city according to -- or a much
10 larger chunk of it.

11 And so the question I'm asking is if
12 historically that has not been the case,
13 there has been responsibility -- I mean, as
14 I understand it, the system is designed so
15 that there's a lot of different funding
16 streams that come to it. Revenue that -- I
17 remember back in 2011 when I first found
18 out about dedicated taxes -- and I'm making
19 quotation marks in the air, right, because
20 these go to the General Fund and then get
21 swept all over the place. And then as an
22 agency, over the years, you folks have had
23 to go into debt to cover operating
24 expenses, et cetera.

1 The question is the -- because it
2 seems to me that is -- I'm trying to figure
3 out why this is coming now. And
4 particularly because if historically there
5 has been -- the way it has been organized,
6 most of the funding has not come from the
7 City of New York, because just statutorily
8 it's organized like that, it has been the
9 responsibility of the agency to get it from
10 other places, yet the agency has had to go
11 into debt to be able to cover some of the
12 expenses because of some things that the
13 legislatures and the administrations over
14 the years have done.

15 So we're getting to a point now that
16 as opposed to trying to talk about how we
17 can make those dedicated taxes actually
18 dedicated, and we can make sure that the
19 way that it has usually happened comes --
20 actually gets used for capital funds -- and
21 I know I'm running out of time, but I want
22 to end the question so that I can get the
23 answer from you. And I may need a third
24 round, because I'm still trying to figure

1 out why is this radical restructuring of
2 the way that it's supposed to have been
3 done historically, why now? And why like
4 this?

5 MTA CHAIRMAN LHOTA: Okay. So,
6 Madam Chairs, just forgive me, as this may
7 take a little bit longer. If it's too
8 long, just tell me. Because this is a very
9 important question that Senator Rivera is
10 asking.

11 And it's somewhat historical. And
12 when you look at funding over the last
13 twenty or thirty years, sometimes the city
14 has given more than the state, sometimes
15 the state has given more than the city.
16 It's gone back and forth. There was a
17 period of time when the federal government
18 was a real partner and gave more than
19 either the city or the state in various
20 different five-year capital plans.

21 But the basic history is as follows.
22 New York City owns the New York City subway
23 system. In 1953, it created the New York
24 City Transit Authority, basically for the

1 purposes of raising tolls. At that point,
2 the City of New York still, as the owner,
3 was responsible to the New York City
4 Transit Authority; the appointees were from
5 the borough presidents and the mayor at the
6 time. Zoom all the way -- well, they were
7 responsible, the mayor, the city was
8 responsible for up to \$5 million in any
9 capital. Any amounts above \$5 million, the
10 mayor could veto.

11 So zoom all the way up to 1981.
12 Dick Ravitch is the chairman of the MTA
13 sitting in this chair. The City of
14 New York has just gone through a fiscal
15 crisis, it was essentially on the verge of
16 bankruptcy. The city had no capital plan.
17 They weren't building schools, they weren't
18 building police stations, they had no money
19 to give to any capital program.

20 In 1981, you recall the subway
21 system was in unbelievable disrepair.
22 Subway cars were full of graffiti, there
23 were multiple fires in the system. There
24 were two or three derailments per week in

1 the New York City subway system at that
2 time.

3 So then Chairman Ravitch came to the
4 state, came here to Albany and said, Look,
5 there's an emergency in New York and we
6 need to have, the MTA, the ability to issue
7 its own debt. And with that, in the Laws
8 of 1981, which I can leave with you, but
9 I'd like to read two different sections.
10 It was basically the statute which is known
11 as Chapter 314 of the Laws of 1981 where
12 the Assembly and the Senate, in the bill
13 that they passed that was then signed into
14 law by then-Governor Carey -- it said the
15 following: "Although under existing laws
16 and pursuant to its lease with the New York
17 City Transit Authority, the City of
18 New York is required to provide for the
19 capital needs of the Transit Authority.
20 The City of New York's fiscal needs have
21 been and are of such magnitude that it has
22 not done so for some considerable period of
23 time. This legislation, without relieving
24 the city of its contractual or statutory

1 obligations, will permit the Transit
2 Authority, by agreement with the MTA, and
3 with the assistance of the Triborough
4 Bridge and Tunnel Authority, to meet these
5 urgent needs."

6 Earlier in the section of the law
7 the Senate and the Assembly made the
8 following statement: "Unless funds are
9 obtained and capital rehabilitation and
10 improvement programs promptly be
11 implemented, this district will
12 deteriorate" -- and there is a quote, it's
13 the most amazing quote I've ever read from
14 legislation -- "a clear and present danger
15 would result to the health, safety and
16 welfare of its inhabitants and the
17 inhabitants of the district and the state
18 at large."

19 So at that point the State
20 Legislature gave the MTA the opportunity to
21 fund what the city is required to fund.
22 And when they did that, they also said that
23 they're not being relieved of their
24 responsibility to provide the capital

1 funds. No one is asking the city to
2 provide all of the capital funds, but to be
3 a better -- a larger partner, a
4 higher-percentage partner.

5 I've been asked publicly, you know,
6 well, no one ever knew this. Well, it's in
7 the law, it's in black and white. I'm not
8 a member of the bar, but I know what it
9 says in English. But I knew this in two
10 other occasions. When I was budget
11 director for the City of New York and when
12 I was deputy mayor in the City of New York,
13 I knew who owned it. I knew what the
14 responsibilities were. And in the 1980s,
15 when I was an investment banker doing due
16 diligence work in the process of
17 underwriting debt for the MTA, I also knew
18 that -- what the law did in 1981. It
19 wasn't permanent, but there is still on the
20 books a law that says that the City of
21 New York is responsible for the capital
22 program.

23 I think the Executive Budget that
24 came out two weeks ago is trying to clarify

1 exactly what this says.

2 CHAIRWOMAN WEINSTEIN: Assemblywoman
3 Hyndman? Oh. Assemblywoman Malliotakis?
4 Okay.

5 Oh, Deputy Speaker Earlene Hooper.

6 MTA CHAIRMAN LHOTA: Deputy Speaker.

7 ASSEMBLYWOMAN HOOPER: Thank you.

8 Mr. Chairman, thank you for being
9 here. I am Deputy Speaker Earlene Hooper.

10 MTA CHAIRMAN LHOTA: I'm well aware
11 of that, Deputy Speaker. Congratulations.

12 ASSEMBLYWOMAN HOOPER: Okay. before
13 I begin, and since I am confined to a
14 certain amount of time, I'm going to start
15 with the part -- the good stuff first.
16 Then I'm going to outline what I need
17 answered, because you have more leeway in
18 terms of answering, rather than my asking
19 the question individually.

20 I want to first thank you for
21 working with me at my request to do a job
22 fair at the Roosevelt High School as
23 relates to MTA having available different
24 types of employment. And we're going to be

1 working to put that together, and I thank
2 you for the kind letter and for your
3 helping me to put that together.

4 In addition, one of your star
5 employees, her name is Diane McFarlane,
6 she's very talented and she has already
7 spoken to me that she would like very much
8 and would be willing to help us with that.
9 So I'm hoping that when we reach out to the
10 MTA, that they allow her to provide the
11 talent that we need for this job fair.
12 That's the good part.

13 I'm going to ask you now if you
14 could possibly take notes as to the
15 questions I'm going to be asking --

16 MTA CHAIRMAN LHOTA: I'm ready.

17 ASSEMBLYWOMAN HOOPER: -- because
18 I'm hoping that you will provide me with
19 the same amount of time to answer these
20 questions as you did for my other
21 colleagues.

22 First of all, I am a consumer. I am
23 a consumer. When I leave my home to come
24 to Albany to do the people's work, I use

1 public transportation from door to door. I
2 use the Long Island Railroad, Amtrak,
3 et cetera. So what I'm going to ask -- I'm
4 asking you for no platitudes, no promises,
5 but I'm asking for immediate action because
6 we are entitled.

7 And now I'm going to ask you to take
8 notes as to what I'm going to be asking you
9 to look at.

10 In the Village of Hempstead, which
11 is the largest incorporated village in the
12 entire United States, both inside and
13 outside {the station} it's dirty, it's
14 smelly, the bathrooms are unkempt, and it
15 is a disservice to the people who use it,
16 including me. I would like to know also
17 what is going on at the Long Island
18 Railroad station. I see construction in
19 the property that's adjacent to, in
20 juxtaposition to the actual building, and I
21 cannot get any information on what is going
22 on.

23 MTA CHAIRMAN LHOTA: Excuse me, is
24 that also Hempstead?

1 ASSEMBLYWOMAN HOOPER: That is in
2 the Village of Hempstead, the Hempstead
3 Long Island Railroad, the property in
4 juxtaposition to the Long Island Railroad.

5 Also, there is no taxi stand at the
6 Hempstead Long Island Railroad. So when we
7 exit or get on the Long Island Railroad in
8 Hempstead, there is no place that we can
9 get out of the elements. No place.

10 Now let me go to the bus terminal in
11 Hempstead, which is directly across from
12 the Long Island Railroad. If the ASPCA saw
13 animals going in there, they would sue the
14 MTA. But we people have to use it.

15 Something has to be done. It's
16 unacceptable. It is deplorable. It is
17 inhumane. That's directly connected to the
18 hub of the Long Island Railroad servicing
19 the largest incorporated village in the
20 United States of America. We pay the same
21 fares as any other Long Island Railroad
22 consumer, but we are not receiving
23 equitable service. And it's not right.

24 Not only that, when we want to

1 travel to New York City and back, we have
2 to have one hour, we only have trains for
3 one hour from Hempstead to New York City.
4 One hour. So in order for us to get to
5 New York City in a timely manner, we have
6 to travel to Mineola, because we don't have
7 the service that they have in Mineola.

8 Yet in Mineola, during the coldest
9 days and the rainiest days -- I don't want
10 people who are traveling at that time to
11 know that I'm a deputy speaker of New York
12 State, because the doors are locked, people
13 cannot get into the station, and they want
14 to know what is going on, and I don't want
15 them to know that I am a state
16 representative, because I have no number
17 that I can call to say, please, open the
18 doors so that we can go in and get out of
19 subzero weather. That happens in Mineola
20 quite frequently. Because when I do travel
21 to Albany and use that system, I have to
22 use Mineola in order to get here in a
23 timely manner.

24 Last but not least, your cashless

1 system has caused emotional damage,
2 intimidation, it has caused my constituents
3 to be subjected to their credit scores
4 being adversely affected, because when --
5 and I have a constituent who right now went
6 through the toll and utilized no cash, but
7 she did not receive the bill for about
8 90 days. And when she did get the bill,
9 she got the \$80 bill, she got the fees, she
10 got the -- all types of -- it came up to
11 \$433 for her having -- using cashless.

12 So she called the MTA to find out
13 what could she do. What did they do to
14 her? Collection. "Contact collection,
15 you're in collection." So she's gone back
16 and forth between collection and MTA, and
17 nothing has been done.

18 So if I sound angry and upset, I am.
19 It is unfair. It is deplorable. It's
20 disparity, it is injustice that this
21 community has to be subjected to this type
22 of service that we pay the same as any
23 other.

24 Not last but least, this is the

1 last. On the Long Island Railroad train,
2 in the bathroom, it stinks.

3 Thank you.

4 MTA CHAIRMAN LHOTA: I will try to
5 answer without any platitudes, as you
6 requested.

7 We will work with you. I will find
8 out the situation at Hempstead in the
9 station. I do know the comparison to
10 Mineola, though. Mineola is on the main
11 line. Every train from all the way out
12 from Montauk runs through Mineola, so it's
13 going to have more --

14 ASSEMBLYWOMAN HOOPER: We pay the
15 same fare.

16 MTA CHAIRMAN LHOTA: Yeah, but it's
17 a question of --

18 ASSEMBLYWOMAN HOOPER: And it's the
19 largest incorporated village in the
20 50 states, the 48 contiguous and the two
21 noncontiguous states.

22 MTA CHAIRMAN LHOTA: I will look
23 into it. I'll also work with the county as
24 well, and the buses, because the buses

1 belong to the county, not the MTA.

2 ASSEMBLYWOMAN HOOPER: I understand
3 that. But it's directly across from --

4 MTA CHAIRMAN LHOTA: I'll work with
5 them, I'll work with you.

6 ASSEMBLYWOMAN HOOPER: -- it's
7 directly across from the Long Island
8 Railroad. We don't have taxis. Can you
9 imagine getting off a train at 2 o'clock in
10 the morning or 10 o'clock at night and it's
11 subzero and you have no place to stand or
12 sit?

13 MTA CHAIRMAN LHOTA: And I'll also
14 work with the Town of Hempstead over the
15 parking and the taxi stands, which --

16 ASSEMBLYWOMAN HOOPER: Thank you
17 very much. I look forward to the job fair.
18 But I also hope that I'm not just getting
19 promises, platitudes -- I need action ASAP.

20 MTA CHAIRMAN LHOTA: One thing I
21 would like to say about the job fair, which
22 I think is very important for lots of
23 folks. You know, we talked earlier about
24 the Subway Action Plan and the number of

1 jobs we're going to hire. These jobs,
2 which will be union jobs, they'll be
3 members of the Transit Workers Union, are
4 extremely good-paying jobs. So if you know
5 any young women and young men who want to
6 understand the electrical business, want to
7 understand, you know, good hard labor,
8 these are very good positions.

9 ASSEMBLYWOMAN HOOPER: Thank you
10 very much for that.

11 MTA CHAIRMAN LHOTA: So we're going
12 to all the high schools in New York to help
13 in that process.

14 ASSEMBLYWOMAN HOOPER: Thank you
15 very much for that. That's the purpose of
16 having the job fair, so that these people
17 in my -- these constituents in my district,
18 these young people and those who have
19 experience, can have an opportunity to get
20 into the workforce.

21 But in the meantime, because I'm
22 asking that you allow us to do this and
23 have Diane McFarlane work with us --

24 CHAIRWOMAN WEINSTEIN: We need to

1 move on. Excuse me, Deputy Speaker.

2 ASSEMBLYWOMAN HOOPER: I'm out of
3 time. Thank you.

4 MTA CHAIRMAN LHOTA: Thank you.

5 CHAIRWOMAN YOUNG: Thank you.

6 Senator Savino.

7 SENATOR SAVINO: Thank you, Senator
8 Young.

9 First I want to thank the chairman
10 for his history lesson. I think it's
11 important that people really understand the
12 structure of the funding that's required
13 for the system.

14 And as you're hearing here today,
15 it's no secret that there have always been
16 winners and losers in the MTA region. You
17 know, growing up I lived in Astoria, where
18 I definitely was in an area that I was a
19 winner; I could walk to two different train
20 stations. But then I went to work for the
21 city, I was working in South Jamaica, where
22 the trains ran out, and then far too many
23 people in South Jamaica depended on buses
24 that didn't come, and a whole dollar-cab

1 industry grew up around that. So people
2 try and accommodate.

3 But now I live in an area that is
4 absolutely the worst transit desert in the
5 five boroughs of the City of New York, not
6 necessarily in the MTA region. And there's
7 a lot of ideas that have been thrown around
8 from the time I got elected, whether it was
9 congestion pricing by Mayor Bloomberg
10 originally, or then when Dick Ravitch sat
11 here and he presented the bailout program
12 for the MTA. And what it always comes up
13 against is the winners want to protect
14 their area and the losers continue to
15 suffer.

16 So I know the Governor has now
17 proposed a plan or a series of plans under
18 this Fix NY thing, but I myself have been a
19 sponsor of the Move NY plan, which I
20 believe makes winners out of everybody
21 because it reduces the disparities that
22 affect those of us in the real transit
23 deserts to reduce tolls for everyone. It
24 doesn't seek to just punish people who want

1 to drive into Manhattan, as if somehow or
2 other they're doing something wrong. Far
3 too many of my constituents take their cars
4 into Manhattan, not because they enjoy
5 it -- anybody who sits on the Gowanus
6 Expressway can tell you there is no joy in
7 that experience, and it's only going to get
8 worse -- they do it because they don't have
9 a choice.

10 So the Move NY plan provides
11 fairness for everyone. There are no more
12 winners and losers. But it also provides a
13 steady stream of revenue to the MTA that
14 won't go through Albany. And it also
15 benefits the entire region -- Long Island,
16 Nassau and Suffolk, Orange and Rockland,
17 Westchester, Putnam.

18 Was there any consideration to the
19 Move NY plan, to the best of your
20 knowledge, by the appointees to the
21 Governor's commission, as a better proposal
22 than just continuing the winners and losers
23 and maybe capturing a few more dollars
24 going into Manhattan?

1 ends of the F train. Her constituents are
2 going to be affected by F Express, but so
3 will mine, in a positive way. But we
4 shouldn't be at odds with each other. And
5 we need to find a more steady source of
6 revenue for the MTA region -- not just the
7 transit system, but the region itself.

8 And finally I have one last
9 question. Since we have both yourself and
10 Assemblywoman Malliotakis here today, who
11 do you think would have made a better
12 mayor?

13 (Laughter.)

14 MTA CHAIRMAN LHOTA: Assemblymember
15 Malliotakis, because New York City deserves
16 a female mayor for once.

17 (Laughter; cross-talk.)

18 MTA CHAIRMAN LHOTA: Thank you,
19 Diane. Thank you. Talk about history;
20 there you go.

21 ASSEMBLYWOMAN MALLIOTAKIS: At least
22 we know you'd get the 50 percent funding
23 that you need.

24 (Laughter.)

1 line in terms of ridership of the three
2 Metro-North lines. So I ask for your help
3 on that, and renewed attention.

4 MTA CHAIRMAN LHOTA: You'll have it.
5 And as you know, that is also the line that
6 we're looking as well with opening up four
7 new stations in the Bronx, working with
8 Amtrak, who owns the lines, and all the
9 rest of that to be able to then proceed
10 from there into Penn Station.

11 And when that first was envisioned,
12 a lot of people thought why would -- you
13 know, instead of going to Grand Central,
14 why go to Penn Station? Well, now with all
15 of the work and all of the construction
16 work and all of the offices and residential
17 area things being built on the West Side
18 Yards, it's going to be very, very
19 important. A lot of people are now working
20 in those new buildings on the West Side
21 Yard; Penn Station is more convenient.
22 That will help with this issue as well.

23 ASSEMBLYMAN OTIS: Okay. Well,
24 appreciate continued feedback on that. I

1 have received some and understand the
2 complexity of it, but we have riders who
3 are standing rather than sitting for their
4 trip. So thanks for your assistance.

5 MTA MANAGING DIRECTOR HAKIM: More
6 cars coming.

7 MTA CHAIRMAN LHOTA: Yeah, more cars
8 have been --

9 MTA MANAGING DIRECTOR HAKIM: More
10 cars are coming.

11 MTA CHAIRMAN LHOTA: -- purchased
12 and more cars are coming.

13 ASSEMBLYMAN OTIS: Thank you.

14 MTA CHAIRMAN LHOTA: Thank you.

15 CHAIRWOMAN YOUNG: Thank you.

16 Our next speaker is Senator Comrie.

17 SENATOR COMRIE: Thank you. Thank
18 you, Madam Chairs.

19 Chairman, again I just have the rest
20 of my items to share with you today.

21 I need your help with the Suffern
22 Boulevard corridor, the Jamaica Station,
23 Long Island Railroad. Back when I was in
24 the City Council, we invested over \$100

1 million in improvements in that area which
2 have not been accomplished yet due to the
3 fact that it has to go through seven
4 different agencies. And I would hope that
5 under your leadership and guidance, we
6 could get that resolved.

7 There are -- there was money put
8 into improve the access between the Long
9 Island Railroad station and the subway,
10 improve the opportunities for commuters,
11 when they take the buses, to not step in
12 water, as they have to now. There was an
13 opportunity also in that \$100 million which
14 was allocated to improve the corridor, the
15 physical roadways between the Van Wyck and
16 Suffern Boulevard station, where the
17 Jamaica Long Island Railroad station is as
18 well.

19 I would hope that we could sit down
20 and take a look at that. Because again,
21 I've been out of the Council four years; we
22 funded that, I think, back in 2008. But
23 because it has at least seven different
24 layers of government, it hasn't been able

1 to get started yet. So I hope that we can
2 work on that together under the lead of the
3 MTA, to try to resolve that.

4 MTA CHAIRMAN LHOTA: Yes, sir.

5 SENATOR COMRIE: And to that end,
6 also in long-term projects, the Jamaica bus
7 depot, which is a project that should have
8 been completed 10 years ago, still hasn't
9 gotten started yet, due to a myriad of
10 issues that seem to make no sense to me
11 that they're stuck on. And I hope that we
12 could take a look at that as well so that
13 we can unstick that, one of which is where
14 the buses will be deadheading during that
15 period of time. I know that there's been
16 some unusual delays coming from CUNY about
17 that, and I hope that we can sit down and
18 put them in a room and knock some sense
19 into them so that we can get a piece of
20 property that's available to use to
21 deadhead the buses during that particular
22 time.

23 MTA CHAIRMAN LHOTA: Thank you, sir.
24 I look forward to that.

1 SENATOR COMRIE: Yes, thank you.

2 And then just the Parsons/Archer,
3 which is the end of the J and the E train,
4 is that the bathrooms and elevators there
5 are constantly under a state of poor
6 repair, and I hope that we can take a look
7 at that in your program and system as well.

8 And Access-A-Ride, which is an issue
9 that almost every Sunday, when I attend a
10 church, I have a senior that's scared to
11 take a ride from me because they're worried
12 about losing their Access-A-Ride
13 privileges. When I see them standing or
14 sitting outside their church, you know,
15 hours after the service has ended and I try
16 to take them home, and they're scared to
17 take my ride because they're going to lose
18 their Access-A-Ride privileges.

19 Access-A-Ride, especially in Queens,
20 is a problem, especially with people that
21 are being told that they can't go to their
22 medical appointments in Manhattan anymore.
23 Access-A-Ride will only take them to the
24 subway, but then they have go take the

1 subway into Manhattan.

2 So there are a lot of things that
3 are wrong with that system, and I hope that
4 we can sit down and have some discussions
5 about that.

6 Just to sum up on congestion
7 pricing, you know, I think congestion
8 pricing hurts Queens residents. And I
9 didn't see anything in the Fix NY plan that
10 dealt with any improvements in the outer
11 boroughs, especially in Queens, with that.
12 So I would ask you to take a hard look at
13 that before we move forward. I know there
14 are a lot of discussions with that. My
15 concern with congestion pricing is it
16 doesn't relieve the congestion. You know,
17 why are we going to do a program where
18 we're just taking more money from people
19 and still the essential business district
20 will be crowded with the elements that --
21 it won't reduce the amount of truck traffic
22 that has to go into the city, it won't fix
23 the issues coming from Jersey and coming
24 into the city. It's only going to tax city

1 residents for congestion pricing because
2 there's a -- I think I saw that there's an
3 exemption for people coming from Jersey.

4 And so there's a lot of things wrong
5 with the plan. I think that we need to
6 have a steady pricing opportunity, a steady
7 revenue opportunity for the MTA to do all
8 these necessary improvements. And as I've
9 given you a long list of improvements that
10 I need, I know we need to get the funding
11 to do it. But if we're going to fix
12 congestion pricing -- look, if we're going
13 to fix congestion in the city, we need to
14 fix the congestion. If we need to deal
15 with how we pay for it, I think that's a
16 separate issue.

17 So I think that the plan that's put
18 together right now doesn't fix either
19 thing, and I think that we really need to
20 look and talk about it without politics or
21 without people trying to tax one set of
22 people against the other. Because Queens
23 residents are already paying a payroll tax,
24 a city share of the tax, and also out of

1 their utility bills. And now they're being
2 asked to tax a fourth time for congestion
3 that most of them actually would prefer to
4 take public transportation to get into the
5 city anyway.

6 But we have many residents in
7 Queens -- because we don't have the
8 hospitals, the specialty hospitals -- that
9 need to come into Manhattan on a regular
10 basis. We have many businesses that they
11 are located in Queens because they can't
12 afford rents in the city for a store there.
13 And if there are businesses coming into the
14 city, they're bringing in 10, 12 trucks a
15 day. So we really need to look at how to
16 fix congestion and then how to look at how
17 to price it separately.

18 And I'm sorry, I have a cold; I hope
19 that you can hear everything we do, and I
20 hope that you can get back to me with my
21 nine items that I gave you and also my
22 issue about congestion pricing. Thank you.

23 MTA CHAIRMAN LHOTA: Thank you.
24 We'll get back to you. Thank you.

1 helped require since 2008, and there's been
2 extensions, for positive train control.
3 Although it's not particularly in my
4 district, again, many of my constituents
5 use the Hudson Line. And we had that
6 tragic incident in 2013 that claimed the
7 lives of four people. So I'd like to know
8 what the status is on that.

9 U.S. Senator Chuck Schumer visited
10 my district and made a statement, alongside
11 our newly elected sheriff, Rob Langley, and
12 Deputy Supervisor Nancy Montgomery, who
13 lost her husband in that fatal accident.

14 So what is the timeline? Where is
15 the MTA at now with positive train control,
16 and are we on track to deliver this by
17 December 31, 2018?

18 MTA MANAGING DIRECTOR HAKIM: We are
19 on track to deliver positive train control.
20 We were actually down in Washington, both
21 railroads, Long Island and Metro-North,
22 last week, meeting with the FRA and the
23 potential acting administrator of the FRA,
24 sharing with them the status of that

1 program.

2 We're about 60 percent done. We are
3 working very closely with the consortium
4 that is installing positive train control
5 on both railroads. I met with the CEO this
6 week, actually, and he assured me that of
7 the projects he watches around the globe,
8 this is one of them. And so that
9 executive-level push is continuing with a
10 sense of urgency to get it done.

11 ASSEMBLYMAN BYRNE: Okay. Thank
12 you. I guess one of my other remaining
13 concerns is I know Senator Schumer has
14 mentioned that there is federal funding, or
15 a loan that's \$2 billion to support this,
16 and that if it wasn't on time, there could
17 be consequences. I'm not sure what that
18 means, but all the same I think we want to
19 do everything humanly possible to make sure
20 that this gets done on time and we don't
21 need an additional extension.

22 Thank you again for your patience.

23 MTA CHAIRMAN LHOTA: Thank you.

24 CHAIRWOMAN YOUNG: Senator Krueger.

1 SENATOR KRUEGER: Thank you.

2 So following up on a number of
3 pieces of information you already gave me,
4 just to put it on the record, I just want
5 to make it clear to everyone that I believe
6 that nearly 70 percent of the MTA's annual
7 funding comes from dedicated New York City
8 residents' and businesses' taxes, fares,
9 tolls, et cetera. The administration's
10 subsidy from the City of New York is
11 1.6 billion, and that 70 percent is north
12 of \$10 billion a year that the MTA gets.
13 We can argue whether they need more, but I
14 just want to say it out loud, it's not that
15 the City of New York and the people of the
16 City of New York aren't paying an enormous
17 amount towards the MTA.

18 And yet, based on what Ms. Hakim
19 explained before, if the budget proposal
20 required New York City Transit to cover
21 100 percent of the funding for capital,
22 that would be another \$16.7 billion that
23 would become the responsibility of the
24 people of the City of New York.

1 And so I have a serious equity
2 question. But I'm not asking for an answer
3 right now, I am using my time to make a
4 statement.

5 But now going back to our earlier
6 discussion, since we know -- and you have
7 said so before, Mr. Chair -- Chair, is that
8 your right title? I just want to
9 double-check. When I say Mr. Chair --

10 MTA CHAIRMAN LHOTA: Call me Joe.

11 SENATOR KRUEGER: Sorry?

12 MTA CHAIRMAN LHOTA: You can call me
13 Joe.

14 (Laughter.)

15 SENATOR KRUEGER: Okay. Joe
16 Mr. Chair. Chairman.

17 (Inaudible comment.)

18 SENATOR KRUEGER: Well, chair is
19 nice, gender-neutral. He wants a woman
20 mayor; it could be a woman chair. Down the
21 road, thank you.

22 We're talking about you support
23 strongly the emergency subway action plan,
24 the Subway Action Plan. I agree we're

1 seeing many good things come out of that
2 proposal, and yet we don't have it fully
3 funded. Why aren't we prioritizing that
4 and ADA accessibility, as my colleague has
5 already pointed out, in this period of
6 crisis, rather than going forward with the
7 proposal that was temporarily delayed
8 yesterday? It seems to me you yourself
9 have said it's a time of crisis, we need to
10 prioritize that which will have the
11 greatest impact now.

12 So again, I am urging you and the
13 board to look at the question of aren't
14 there greater priorities than were in that
15 \$1 billion package.

16 Also, you answered before you didn't
17 think there was federal money in the
18 capital plan, but my notes show we have
19 \$500 million from the feds for Second
20 Avenue subway. Can we just double-check?
21 Did we lose that money?

22 MTA CHAIRMAN LHOTA: I was talking
23 about operating -- we do have money in the
24 capital plan, absolutely. The question was

1 about the operating budget.

2 SENATOR KRUEGER: So you were
3 answering operating, not capital.

4 MTA CHAIRMAN LHOTA: Correct.

5 SENATOR KRUEGER: You suddenly
6 worried me that we lost that money and I
7 didn't learn --

8 MTA CHAIRMAN LHOTA: No, no, no.
9 No, no, no.

10 SENATOR KRUEGER: So we do still
11 have the 500 million for Second Avenue
12 subway going north.

13 MTA CHAIRMAN LHOTA: Absolutely.

14 SENATOR KRUEGER: Okay. Because,
15 you know, with the federal government, you
16 miss a tweet and you discover you've lost
17 everything. So you got me nervous.

18 All right, so my biggest problem,
19 this value capture proposal. Again, I
20 represent the parts of Manhattan that I
21 would just for the record argue have taken
22 the greatest hits on problems when you
23 expand a subway system. We've lived with
24 East Side Access explosions for 10 years,

1 we lived through Second Avenue subway
2 construction for 10 years. At least we got
3 three stops on Second Avenue subway. East
4 Side Access, with all due respect, all we
5 will ever get out of it is more crowding
6 and density in an area of the city that can
7 barely handle what it has.

8 But we learned a lot. And we
9 learned that you can have negotiated,
10 responsible plans between a community and
11 the MTA. Again, people look at the Hudson
12 Yard-Line 7 extension as an example. I
13 look at Midtown rezoning right around the
14 Grand Central area. We worked together --
15 community, city government, MTA. We
16 evaluated what would be the impacts if we
17 did massive expansion of new, taller,
18 bigger buildings in midtown Manhattan. We
19 recognized there were all kinds of pluses
20 and minuses, impact on the community. And
21 a portion of the revenue to be generated in
22 that plan from new activity and existing
23 activity is being applied to the MTA.
24 Others are being applied to DOT, others are

1 being applied to making sure we have
2 adequate schools and fire response and
3 police response and some small hypothetical
4 new green space in an area desperate for
5 green space where you can barely find --

6 MTA CHAIRMAN LHOTA: On the roof.

7 SENATOR KRUEGER: Very little,
8 right?

9 So I would argue that there's a way
10 to do negotiated looking at what a
11 community and new funding from tax revenue
12 might be able to do. But to actually
13 simply say the City of New York, the people
14 of the City of New York will have no role
15 in this and the MTA board will decide to
16 take 75 percent of the increased property
17 tax revenue and choose where to use it --
18 perhaps not even in the City of New York,
19 forget in the community that's taking the
20 hit -- is a -- I don't know, I was thinking
21 of bringing my people to the river with
22 tea, actually. Since it's a one-mile
23 radius in Manhattan, I can take it to both
24 rivers, the East River and the Hudson

1 River. And I would even argue the one-mile
2 radius in certain parts of Manhattan, you
3 can be billing New Jersey's property tax as
4 well, because they're within the one-mile
5 radius.

6 So I can't emphasize enough why I
7 think this is just such a terrible idea and
8 a terrible precedent, and I'm hoping you
9 might agree with me.

10 MTA CHAIRMAN LHOTA: So I do agree
11 that there's ways to work together, and I'm
12 attempting as best I can to work together
13 with the city as a partner. I do think
14 that the way you've described congestion
15 pricing as the MTA board taking money is
16 not the case.

17 SENATOR KRUEGER: I didn't say
18 congestion pricing.

19 MTA CHAIRMAN LHOTA: There is a role
20 for the city in what has been proposed.
21 The projects would need to be approved by
22 the Capital Program Review Board, which
23 includes the mayor, who has the ultimate
24 right of veto of anything that goes before

1 it. We do not make the assessments. The
2 assessments would be done by the New York
3 City Department of Finance. It's how the
4 incremental revenues are shared between the
5 city and the MTA.

6 So, you know, we need to be able to
7 sit, as you said, across the table from
8 each other and walk through what is written
9 in that proposed legislation.

10 SENATOR KRUEGER: Just to clarify,
11 your understanding of the language in the
12 budget is none of that could happen if
13 there was a mayoral veto on any proposed
14 taking of money? Or just for specific
15 projects it was used for.

16 MTA CHAIRMAN LHOTA: So in a
17 project, in a project that would go before
18 the Capital Program Review Board, it would
19 require sources of funding. And it would
20 require that these projects all go before
21 the CPRB, yes.

22 SENATOR KRUEGER: I guess I might
23 argue that if you're taking the city's
24 money -- and plus if you assume that

1 somehow you could hit New York City up for
2 the entire capital plan of NYCT, it should
3 be the City of New York that makes all
4 these decisions into the future, not the
5 MTA, since it would be the City of New York
6 paying for everything.

7 But that could be for a continued
8 day, since I'm also at zero. And now I can
9 win the bet that it was more than three
10 hours, because I'm controlling the end of
11 the clock.

12 MTA CHAIRMAN LHOTA: Yes, you won,
13 Senator. You won. Amazing.

14 SENATOR KRUEGER: And on a high
15 note, please don't let go of your proposals
16 to improve Access-A-Ride, paratransit. We
17 had a town hall meeting with the
18 participation of MTA and the advocates and
19 the riders in my district recently, and
20 people were extremely encouraged and
21 excited about the proposals. And I'm sure
22 my colleague from Queens wants to learn
23 about that also.

24 But if you are successful in moving

1 forward with that, I think we will all be
2 able to say we did very well on behalf of
3 disabled riders in the MTA system.

4 Thank you.

5 MTA CHAIRMAN LHOTA: Thank you,
6 Senator.

7 CHAIRWOMAN WEINSTEIN: Thank you.

8 Now we are up to a second round for
9 Assemblymembers. And I would just ask the
10 members, mindful of when the hearing
11 started and future witnesses that have been
12 very patient, that you don't have to take
13 your full five minutes.

14 Assemblywoman Paulin.

15 ASSEMBLYWOMAN PAULIN: Thank you.

16 I have six questions, and I promise
17 to ask them quickly. Maybe -- and I'll
18 hope you give me quick answers.

19 So the first question has to do with
20 the Fix NYC report. The first phase of
21 this year, it says that it would include
22 improvements for the outer boroughs and the
23 suburbs, but there's no specificity. And I
24 don't know what you've budgeted for. It

1 also, in that first phase, links the
2 procurement modifications and the tax
3 increment funding in that same first phase.
4 And I didn't know whether there was any
5 money tie-in to making those outer borough
6 and suburban improvements.

7 MTA CHAIRMAN LHOTA: So this report
8 was issued a week ago. I was not part of
9 writing the report. I had an opportunity
10 to read it just as you have. I saw in
11 Phase 1 the reference to suburbs and all of
12 that, and that it should be considered. As
13 I said earlier, I think the Fix NYC report
14 has provided an opportunity to begin the
15 debate on congestion pricing, and they laid
16 out the three different phases and, with
17 each one of the phases, various different
18 steps.

19 You know, I'll work with anyone on
20 that because of the -- you know, we have a
21 responsibility in Phase 1 of fixing the
22 subway system. So out of a sense of
23 fairness and time, the answer is I'll work
24 with you.

1 ASSEMBLYWOMAN PAULIN: Okay, sounds
2 good.

3 The second one has to do with the
4 ridesharing issue. Have you seen the
5 same -- we know that the ridesharing has
6 increased congestion in Manhattan. Have
7 you seen the same increase in the outer
8 boroughs as well because of the ridesharing
9 initiative that's been going on in the city
10 actually for some time?

11 MTA CHAIRMAN LHOTA: When you say
12 ridesharing, are you talking about --

13 ASSEMBLYWOMAN PAULIN: Like the Uber
14 and --

15 MTA CHAIRMAN LHOTA: The Ubers and
16 Lyfts.

17 ASSEMBLYWOMAN PAULIN: Yeah. Yeah.

18 MTA CHAIRMAN LHOTA: My
19 experience -- yes, I have seen data that
20 shows that Uber, Lyft, Via, all of these
21 other for-hire vehicles, app-based for-hire
22 vehicles, is expanding tremendously
23 throughout now the State of New York, since
24 they've been given permission.

1 ASSEMBLYWOMAN PAULIN: So would it
2 make any sense -- you know, we're going to
3 hear from advocates later they want to see
4 some of those surcharges applied to transit
5 outside of the city. Would it make any
6 sense within the city to have some
7 surcharges on those same vehicles to be
8 able to alleviate the congestion in
9 Brooklyn and Queens so we can improve bus
10 service?

11 MTA CHAIRMAN LHOTA: As I read the
12 report, it was the recommendation of the
13 report that it happen. They wanted it in
14 Phase 2, but in Phase 1 allow the for-hire
15 vehicles to have the equipment to be able
16 to properly provide those -- whatever the
17 surcharges become, that they can do it.
18 And they broke it down, you know, if the
19 trip begins in the central business and
20 ends in it, it's one phase. If it starts
21 outside and goes in, if it's only within
22 the outer boroughs and, you know, all of
23 that. And then what do you do with the
24 fares where they pick up people and --

1 ASSEMBLYWOMAN PAULIN: So there
2 would be additional fare proposed, you
3 think, if it was solely within Brooklyn or
4 solely within Queens.

5 MTA CHAIRMAN LHOTA: Well, that's
6 what's in the proposal, yes.

7 ASSEMBLYWOMAN PAULIN: Okay. I
8 wasn't sure.

9 The third question. There's been a
10 lot reported lately about the comparable
11 improvements in other cities in the world
12 and how less expensive they are compared to
13 the MTA capital improvements. And I just
14 wondered what you think might be due to
15 some of those problems that we have here
16 that they seem to have overcome in England
17 and Paris and Stockholm and wherever else
18 they cited.

19 MTA CHAIRMAN LHOTA: Right. So I
20 mentioned earlier we put together a task
21 force regarding how we go out and actually
22 contract with the folks who build new
23 systems and build the tunnels and all of
24 that. This workforce is being headed up by

1 one of the board members, Scott Rechler,
2 who's in the real estate industry, combined
3 with Janno Lieber, who's our new chief
4 development officer, has tremendous
5 experience in the private sector bringing
6 in projects under budget.

7 We have to do this because to have
8 the Fix -- if any and all parts of the
9 Fix NYC are implemented, we've got to make
10 sure that we spend the dollars as
11 efficiently and as effectively as possible.

12 ASSEMBLYWOMAN PAULIN: Thank you.
13 And, you know, in terms of the rollout with
14 the zone pricing scheme, has the Governor's
15 office had any conversations about your
16 role? Like are you going to be involved in
17 actually building it, you know, or we don't
18 know?

19 MTA CHAIRMAN LHOTA: I have not had
20 any conversations other than talking to
21 some of the folks about "how do you read
22 this" type question.

23 ASSEMBLYWOMAN PAULIN: And there was
24 some criticism in the Comptroller's report

1 regarding the On the Go tags. And I noted
2 that some of those were eliminated in some
3 sites, you know, even when the
4 Comptroller's report was issued. You know,
5 what's the status of that? Because I know
6 that it's a big revenue loss.

7 MTA CHAIRMAN LHOTA: I'm sorry, I --

8 ASSEMBLYWOMAN PAULIN: The On the Go
9 tags, the ones you could buy in the news
10 immediately. You know, on the cashless
11 tolling. It was in the Comptroller's
12 report that -- the Triborough Bridge. And
13 it was in the November 2017 issue.

14 MTA MANAGING DIRECTOR HAKIM: We've
15 had actually an increasing number of
16 accounts opened for the E-Z -- the true
17 E-ZPass system. That's been a remarkable
18 success of moving people, I think, even
19 from the On the Go buyer, the retail buyer,
20 to the E-ZPass system. We're now at a
21 penetration rate in E-ZPass of a little
22 over 94 percent, which is --

23 ASSEMBLYWOMAN PAULIN: So do you
24 think you're going to let go of that

1 system? Because it seems to be a loser.

2 MTA MANAGING DIRECTOR HAKIM: I
3 think that we will continue to maintain a
4 bit of the On the Go system, but really our
5 preference would be to move as many people
6 as possible to the facility and the ease of
7 E-ZPass.

8 MTA CHAIRMAN LHOTA: On the Go was
9 only sold at toll booths. We no longer
10 have toll booths. So --

11 ASSEMBLYWOMAN PAULIN: So you're
12 eliminating it by virtue of the fact that
13 you don't have the people to sell it.

14 MTA CHAIRMAN LHOTA: Right.

15 ASSEMBLYWOMAN PAULIN: And one last
16 question. The status of the positive train
17 control and computer-based train control
18 programs, and just a side question related
19 to the computer-based train control. My
20 understanding is that until we have that,
21 that the actual countdown clocks can't work
22 effectively because they're tied to the
23 ability to do new switches and so forth.
24 So I'm a little confused about the rollout

1 of the countdown clocks throughout the city
2 prior to having the switches which would
3 allow those to operate properly.

4 So the status of those both -- I
5 know they're very different programs -- and
6 also the relationship to the countdown
7 clock.

8 MTA MANAGING DIRECTOR HAKIM: So
9 initially the countdown clock program as it
10 was rolled out on the numbered lines first
11 was related to an improvement in the
12 technology of the signal system on the
13 numbered lines. When we went to do the
14 lettered lines, we realized it would take
15 too long if we couldn't come up with an
16 alternative technology. So that's what we
17 did.

18 And so we've spent the last year
19 installing a new technology in the lettered
20 lines so that by the end of last year,
21 2017, we were able to declare victory that
22 we have countdown clocks at all of our
23 numbered and lettered line stations.

24 ASSEMBLYWOMAN PAULIN: And the

1 status of moving forward with I guess the
2 whole rollout of the computer-based train
3 control program altogether, and then the
4 positive -- which is dealing with safety in
5 my community, for example.

6 MTA MANAGING DIRECTOR HAKIM: So the
7 positive train control is based on the
8 commuter rail network of Long Island and
9 Metro-North. That, as I mentioned, is
10 advancing with a sense of urgency to meet
11 the end of the year deadline.

12 In terms of the signal improvements
13 on the subway system -- that's the
14 communications-based train control that
15 you've been discussing -- we have three
16 projects in this capital program for the
17 Queens Boulevard line. We're almost done
18 right now with the Flushing line, the No.
19 7; the Culver line in Brooklyn; and the
20 Eighth Avenue line in Manhattan.

21 ASSEMBLYWOMAN PAULIN: Any time
22 frame that you can imagine being done with
23 the whole project?

24 MTA MANAGING DIRECTOR HAKIM: The

1 projects that I'm just referring to now
2 will be done over the next four years or
3 so.

4 ASSEMBLYWOMAN PAULIN: But I guess
5 long term, you know, what you envision for
6 the rest of the lines.

7 MTA MANAGING DIRECTOR HAKIM: So as
8 the chairman noted, we are waiting for the
9 results of what has been termed the Genius
10 Competition in order to see what new
11 technologies or better ways of doing this
12 work faster would be available to us.

13 ASSEMBLYWOMAN PAULIN: Thank you so
14 much.

15 CHAIRWOMAN YOUNG: Senator Rivera.

16 SENATOR RIVERA: I'm ba-ack. Third
17 round, all right. So I'll try to be as
18 quick as possible.

19 We talked about the fact that this
20 proposal would be a radical rejiggering, if
21 you will, of where the money comes from
22 that goes to the MTA. Right? We agree on
23 that.

24 MTA CHAIRMAN LHOTA: I don't agree

1 with the word "radical," but --

2 SENATOR RIVERA: Okay. What would
3 you use to describe it?

4 MTA CHAIRMAN LHOTA: A proposal.

5 SENATOR RIVERA: Okay. That's not
6 an adjective, though. In any event --

7 MTA CHAIRMAN LHOTA: A good
8 proposal, then.

9 SENATOR RIVERA: So it's a big
10 change. It's a big change. So -- and at
11 the same time you also recognize that it
12 is -- the percentages -- I've heard
13 different ones, but we're talking about
14 roughly basically all the costs, like a
15 hundred percent of it would be switched to
16 the city; correct?

17 MTA CHAIRMAN LHOTA: That's not how
18 I read the proposal.

19 SENATOR RIVERA: Okay, so what would
20 be the percentage? Would it be 80 percent,
21 would it be 90 percent?

22 MTA CHAIRMAN LHOTA: It's something
23 more than it's been paid now. But that
24 hasn't been worked out.

1 SENATOR RIVERA: But dude, that's a
2 dollar. If you say that there's something
3 more than if they pay \$5 or they pay \$6 --

4 MTA CHAIRMAN LHOTA: Yeah, but
5 you're asking me to read between lines, and
6 I can't. I only can read the lines.

7 SENATOR RIVERA: All right. So this
8 is the one that I'm asking you to read,
9 though. This is not between the lines. If
10 you know that there's -- let's say that the
11 system spends \$100 million. I'm just
12 putting numbers out there; obviously, it's
13 more than that. And you're saying that
14 currently the city picks up \$30 million of
15 that. Then you're saying now that the city
16 will pick up \$70 million, \$80 million? I'm
17 just looking for percentages as far as what
18 has been historically there and what will
19 be there now.

20 And this is the point. I want to
21 know two things. First, as Senator Krueger
22 said, if the majority of the money now, if
23 not all of it, is now going to be picked up
24 by the city, according to this proposal,

1 shouldn't the city then have the ability --
2 thank you -- shouldn't the city now have
3 the ability to determine what happens
4 there, as opposed to the way that the
5 current structure of the MTA works, which
6 is most of the appointees are from
7 government? That's number one.

8 Number two -- because I want to get
9 all of these questions out -- number two,
10 if the percentage is now 20 and it's going
11 to believe 70 or 80 or whatever, shouldn't
12 it correspond to the percentage of what the
13 system actually uses? If the system is 12
14 counties, as opposed -- I mean, obviously
15 the city uses most of it, but it is a
16 region. So shouldn't the percentage then
17 be broken down differently by regions if
18 you're going to ask regions to pick up more
19 of it?

20 And lastly, if there's -- obviously,
21 and Assemblymember Paulin spoke about this
22 hours ago at this point -- there's
23 obviously an issue of trust. The
24 constituents that I have, 90 percent of the

1 folks in my district get on a bus or a
2 train every single day. And they're the
3 ones that we have to hear from constantly.
4 And all these folks talked about the LIRR,
5 et cetera. So there is a problem of trust.

6 Then you're saying that part of what
7 you're doing is also taking that -- you're
8 taking the payroll tax off-budget, so
9 you're now going to have it directly be
10 appropriated to the MTA. So if we have --
11 so all these things together, if there's a
12 problem of trust, then how are we going to
13 trust that money that now doesn't come
14 through us, so we have no way to actually
15 oversee it, or we have no oversight over
16 it, then, you know, how can we trust the
17 MTA is going to do the right thing with it?

18 So I just wanted to get all that out
19 there and then let you respond..

20 MTA CHAIRMAN LHOTA: So underlying
21 what Senator Krueger said and what you also
22 said are the numbers that were put out by
23 the Comptroller, where the Comptroller
24 allocated dollars from the state and gave

1 it to the city.

2 I disagreed vehemently when the
3 Comptroller came out with that report. I
4 disagree with him vehemently now. To give
5 credit to saying the city gave this money
6 when it's money that comes from the State
7 Legislature and saying that it's coming
8 from the city -- I mean, I don't think
9 that's an accurate way to look at it.

10 So that underlying the premise of
11 the theory of what you're saying, if the
12 city gives X -- the city is not giving X.
13 You, members of the Assembly and the
14 Senate, are giving X.

15 SENATOR RIVERA: Okay, so what is
16 the city, according to this new proposal --

17 MTA CHAIRMAN LHOTA: I don't have
18 the numbers in front of me. I'll go back
19 to the numbers as I calculated them. But
20 what you're talking about is equity --

21 SENATOR RIVERA: Yes, but it says
22 here --

23 MTA CHAIRMAN LHOTA: -- more than
24 anything else.

1 SENATOR RIVERA: I'm sorry. I'm
2 sorry. Because my time is running out.
3 But I've actually got the proposal here.
4 At page 86, line 22, it says "the City of
5 New York shall provide in full all funding
6 required to meet the capital needs of the
7 New York City Transit Authority in such
8 plan."

9 MTA CHAIRMAN LHOTA: Consistent with
10 the 1953 and 1981 laws.

11 SENATOR RIVERA: Which is
12 questionable. I have read different memos
13 that say different things. Obviously you
14 believe otherwise.

15 But if this is the case, then you're
16 saying, first of all, that they should have
17 the full weight of it. It is -- if the
18 system is more than the City of New York --
19 and it is. Obviously most of it, the bulk
20 of it is the City of New York, but it's not
21 just the City of New York. So obviously
22 maybe if you're going to break down the
23 percentages, then maybe there should be
24 other counties or other parts of the state.

1 Also, the -- there's -- I should
2 have had a round 4, but I'm not going to.
3 Let's just say I have deep, deep concerns
4 about this proposal. I don't think that
5 this is a good negotiating tactic to start
6 with basically what is a punitive thing,
7 saying to the city, Now {sound}, you're
8 going to have to pick up the whole thing,
9 and now we're going to have to negotiate.
10 As opposed to maybe talking to them and
11 saying, You've got to pick up more of it,
12 let's figure out what exactly that is and
13 then get it done.

14 So I just have deep concerns about
15 this and I can't be supportive of the
16 proposal as it currently is.

17 Thank you, Madam Chair.

18 CHAIRWOMAN YOUNG: Thank you.

19 CHAIRWOMAN WEINSTEIN: Assemblywoman
20 Rozic.

21 ASSEMBLYWOMAN ROZIC: Okay, I'm
22 going to make it quick since I know many of
23 my colleagues still have questions.

24 I'd like to reiterate my concern

1 over Access-A-Ride and would like to follow
2 up on that.

3 Going back to the electric bus pilot
4 that you had mentioned earlier in my round
5 1, can you talk to the specific criteria
6 for success that the MTA is using or
7 looking at for electric buses? And what's
8 the timeline they're using for determining
9 the success of electric buses?

10 MTA CHAIRMAN LHOTA: So while I'm
11 looking it up, I will tell you that the
12 electric buses that we have now, the
13 timeline is -- you know, the next step is
14 if we think it's successful later this
15 year, in 2018, to acquire another 60. So
16 it's an ongoing process.

17 The -- if you give me a second to
18 give you the criteria that we're looking at
19 on electric buses -- bear with me. It's
20 about -- well, first off, we have to look
21 at the battery life and the charging and
22 the length and strength period of time.

23 Do you have --

24 MTA MANAGING DIRECTOR HAKIM: Yeah,

1 I was just going to quickly say it's the
2 charging life, it's the maintainability of
3 the bus and its ability to survive the very
4 challenging network of New York City roads
5 and hills and valleys that we travel
6 through. And the weather. I apologize,
7 the weather.

8 MTA CHAIRMAN LHOTA: A bus is not
9 just a bus. A New York City bus is
10 somewhat closer to a tank, in that it needs
11 to withstand the streets of the City of
12 New York. And they drive longer, they're
13 in service a lot longer than most other
14 places. And they -- you know, a lot more
15 stop and go.

16 ASSEMBLYWOMAN ROZIC: And will you
17 be -- similar to what you did on Staten
18 Island, will you be doing a revamp of all
19 of the bus routes in -- let's say in my
20 parts of Queens or the outer boroughs?

21 MTA CHAIRMAN LHOTA: What happened
22 in Staten Island with the long-distance
23 buses, on the rerouting, what I spoke about
24 earlier I believe with Assemblymember Simon

1 and also with Assemblymember Ortiz, is
2 looking at different communities within
3 Brooklyn. And we're committed in Queens as
4 well.

5 ASSEMBLYWOMAN ROZIC: Many of us in
6 the Assembly and the Senate have called for
7 the MTA to switch buses to use all-door
8 boarding, where people can use any door
9 along the bus. And I know that the MTA is
10 moving to a new fare payment system where
11 you can just use tap cards instead of
12 swiping the MetroCard --

13 CHAIRWOMAN WEINSTEIN: Can you just
14 pull the microphone closer or --

15 ASSEMBLYWOMAN ROZIC: Sure.
16 So is the plan that the MTA has in
17 mind -- would you take advantage of this
18 opportunity and this switch to create this
19 new fare payment system, help buses move
20 faster, but then also use this as an
21 opportunity to move towards all-door
22 boarding on buses --

23 MTA CHAIRMAN LHOTA: Absolutely.

24 ASSEMBLYWOMAN ROZIC: -- throughout

1 the system?

2 MTA CHAIRMAN LHOTA: One of the
3 benefits of the new system, the new payment
4 system, will be that ability. We'll do it
5 first as a pilot, then we'll roll it all
6 the way out. But yes, that's ultimately --
7 it's a part of -- it is a goal.

8 ASSEMBLYWOMAN ROZIC: Okay. And do
9 you know where that pilot would be
10 targeting?

11 MTA CHAIRMAN LHOTA: We're in the
12 very beginning stages of the new fare
13 payment system. We've just entered into a
14 contract to create it. So we're at that
15 point right now. We've not gotten to the
16 point to say what line are we going to use
17 to do this. We do it now, all-fare
18 boarding, on the SBS buses throughout the
19 City of New York. We'll get closer --
20 we'll -- if you have a line that you think
21 should have it --

22 ASSEMBLYWOMAN ROZIC: I have some
23 suggestions.

24 MTA CHAIRMAN LHOTA: I'm sure I --

1 we will take your suggestions.

2 ASSEMBLYWOMAN ROZIC: Thank you,
3 Madam Chair.

4 CHAIRWOMAN WEINSTEIN: Thank you.
5 Assemblyman Carroll.

6 ASSEMBLYMAN CARROLL: Thank you,
7 Madam Chair.

8 I just have a couple of quick
9 questions. Do any of you believe that if
10 we moved to a 10- or a 15-year capital plan
11 that the MTA would be able to more
12 efficiently manage its capital costs and
13 its general capital program and get more
14 things done over that period of time? Or
15 do you think it would have no net effect?

16 MTA CHAIRMAN LHOTA: It's possible.
17 We -- I actually think 10 years is about --
18 15 might be too long, but 10 years might be
19 a better way to look at it, because many of
20 the projects that start will be done in
21 that period of time. And you could also
22 take a 10-year capital program and layer it
23 over that period of time.

24 ASSEMBLYMAN CARROLL: Another

1 question I have, lots of other members have
2 mentioned that the MTA's capital costs are
3 five and six times higher than other
4 comparable cities around the world. The
5 MTA's operating costs are also about
6 50 percent higher than most other systems.
7 Has the MTA looked at, especially in light
8 of the new Fix NYC plan and modernizing the
9 system, how we would go about reducing our
10 operating costs and possibly retraining MTA
11 employees as certain jobs become obsolete
12 and other jobs come more into favor?

13 MTA CHAIRMAN LHOTA: Yes. I'd like
14 to at some point, Mr. Carroll, to get that
15 data about that we are 50 percent more on
16 operating. I'd like to see that.

17 ASSEMBLYMAN CARROLL: I can show it
18 to you, yeah.

19 MTA CHAIRMAN LHOTA: I'd love to see
20 that, because the data that I see from the
21 federal government -- that looks through
22 all of the transit agencies -- doesn't
23 portray it that way. So I'd like to see
24 where that data comes from.

1 But that said, we are all at this
2 table always looking for ways to be more
3 efficient. And when it comes to deploying
4 or redeploying workers, yes, we are in the
5 process of doing that.

6 Obviously one example would be, you
7 know, in connection with cashless tolling.
8 What are we doing with those folks who used
9 to take the tolls, what are we doing with
10 the TBTA police that were involved in a
11 good portion of that? They are being
12 redeployed within the system.

13 And we're always looking at ways to
14 do that, to make sure that, you know,
15 people have new opportunities, new ways to
16 grow, and for us to save money.

17 ASSEMBLYMAN CARROLL: And finally, I
18 know that you had no part in the Fix NYC
19 plan so you can't speak to its specifics.
20 But in my earlier question we were talking
21 about -- you had mentioned the need to
22 actually physically buy more train cars if
23 we increase capacity via updated signaling.

24 Both in Stockholm and in London,

1 before they implemented their full
2 congestion plans, they increased bus lines
3 that ran parallel to major train lines. Do
4 we currently -- if we were to stick to the
5 two-year phase-in plan, do we currently
6 have enough buses to add additional lines
7 or additional SBS lines so that we could
8 increase capacity before we were able to
9 fully implement new signaling systems that
10 I've been told could increase capacity on
11 train lines by as much as 40 or 50 percent?

12 MTA MANAGING DIRECTOR HAKIM: So we
13 are already on the road to buying more
14 buses. And both in terms of the pilot that
15 the chair referred to, with electric buses,
16 we also are buying hybrid electric buses as
17 well as additional CNG buses, in order to
18 have all the opportunity for flexibility
19 along our routes.

20 We think that if we work with the
21 City of New York, traffic signal
22 prioritization with City DOT, NYPD bus lane
23 enforcement, move the buses more
24 efficiently across our city streets, we

1 will in fact create this good alternative.

2 ASSEMBLYMAN CARROLL: Thank you.

3 MTA CHAIRMAN LHOTA: Thank you.

4 CHAIRWOMAN WEINSTEIN: Assemblywoman
5 Malliotakis.

6 ASSEMBLYWOMAN MALLIOTAKIS: I wasn't
7 going to be taking a second round, but
8 since you're here. And I'll be brief.

9 The Access-A-Ride. You know, a
10 couple of years ago I had put forward some
11 recommendations to improve Access-A-Ride.
12 And some I do believe have been
13 implemented, and others could potentially,
14 I think, streamline the process.

15 One would be moving paratransit to
16 car service. I think that is something
17 that is more efficient, it costs less, it
18 gets the passenger to and from faster.

19 The second thing is the
20 recertification process. I can't tell you
21 how many times my office has had to help
22 someone with the appeals process because
23 they've had Access-A-Ride and then they
24 lost it. And we're talking about senior

1 citizens who are well in their 80s. Their
2 condition is not going to get better. In
3 some cases I think that we need to look at
4 this and say, hey, if somebody is, let's
5 say, over the age of 80, we're not going to
6 make them go through the hoops every five
7 years for the recertification.

8 And the third thing is using
9 technology. I did have a meeting not too
10 long ago with the newest president of
11 Access-A-Ride, and we were discussing
12 utilizing like the Uber-type technology so
13 passengers can see where their vehicles
14 are. Because one of the biggest things is
15 they're waiting for a very long time, and
16 in some cases they don't know where their
17 vehicle is, and this would actually help
18 that. So I want to know where you are with
19 implementing that.

20 MTA CHAIRMAN LHOTA: The app is
21 being developed right now, which as you
22 just described it, would allow a disabled
23 person to use the app to be able to get a
24 vehicle, be able to see where that vehicle

1 is. It would be just as robust as any of
2 the apps that are out there now for Uber,
3 Lyft, Via, folks like that.

4 ASSEMBLYWOMAN MALLIOTAKIS: Okay.
5 And a comment on recertification or moving
6 more --

7 MTA CHAIRMAN LHOTA: I'll look into
8 the recertification as far -- you know,
9 there are these federal rules, I have to
10 look at that in combination with federal
11 rules. I don't mean that by any way to say
12 that it's going to govern, we can probably
13 go beyond that, but I'd like to just look
14 at it. But I will look at it, period.

15 ASSEMBLYWOMAN MALLIOTAKIS: All
16 right, that's great. And moving from
17 paratransit to car service?

18 MTA CHAIRMAN LHOTA: That's already
19 starting. We are doing that right now.

20 ASSEMBLYWOMAN MALLIOTAKIS: Okay.
21 Do you have any -- if you can give my
22 office some stats on that --

23 MTA CHAIRMAN LHOTA: Sure.

24 MTA MANAGING DIRECTOR HAKIM: Sure.

1 ASSEMBLYWOMAN MALLIOTAKIS: -- on
2 how much progress you've made, particularly
3 Staten Island and Bay Ridge.

4 The comprehensive bus study for
5 Staten Island, I know it's set to, I
6 guess -- 2018 is the year, right?

7 MTA MANAGING DIRECTOR HAKIM: Yup.

8 ASSEMBLYWOMAN MALLIOTAKIS: So I
9 want to know, are we still on track? When
10 can we anticipate the new routes?

11 MTA MANAGING DIRECTOR HAKIM: I
12 think the -- some of this is being
13 coordinated with the pick for the new
14 routes. I think that is already going on.
15 So that we will be in a position in --
16 mid-'18 is the time period for the new
17 express bus routes.

18 We're still hearing back from
19 community outreach sessions that have been
20 ongoing, so we'll look to see if we have to
21 make some tweaks.

22 ASSEMBLYWOMAN MALLIOTAKIS: As a
23 matter of fact, you will be receiving any
24 day now a letter from Senator Diane Savino

1 and I requesting the X18 to be -- it was
2 cut back in 2010, so we want to see it be
3 restored, at least in a limited capacity.
4 And hopefully you'll be able to include
5 that in the study.

6 And the last thing is the Brooklyn
7 Battery Tunnel. There have been issues
8 with this for a long time now. You've gone
9 from three tunnels to one tunnel. On the
10 PM, particularly in the evening, it's very
11 problematic. Maintenance issues I assume
12 is the cause of that. How long are we
13 anticipating?

14 MTA CHAIRMAN LHOTA: So if I could
15 go back to the bus questions that you asked
16 about, I've had conversations with Borough
17 President Oddo and asking him to sometime
18 maybe convene all of the elected officials
19 on Staten Island to go through the
20 proposals, so we're getting closer and
21 closer to that.

22 The Hugh L. Carey Tunnel is being
23 shut down for repair work that's directly
24 related to the fact that it was filled with

1 90 million gallons of water from Sandy, and
2 that's the work that's going on, and the
3 renovations, as you'll know.

4 The timing of that being done -- you
5 know, it's being done on the weekends, so
6 it's taking a lot longer. So it's this
7 year. It should be finished this year.

8 ASSEMBLYWOMAN MALLIOTAKIS: It's
9 done on the weekends. But in the evenings
10 you only have one --

11 MTA CHAIRMAN LHOTA: At night. At
12 night, too, from -- I'm sorry. Weekends --

13 ASSEMBLYWOMAN MALLIOTAKIS: When is
14 the completion date?

15 MTA MANAGING DIRECTOR HAKIM: Later
16 this year.

17 MTA CHAIRMAN LHOTA: Later this
18 year.

19 ASSEMBLYWOMAN MALLIOTAKIS: Got it.
20 Thank you.

21 CHAIRWOMAN WEINSTEIN: Thank you.

22 So the good news is I'm the last one
23 who's going to be speaking as part of this
24 panel, and I actually want to start with a

1 compliment.

2 The MetroCard mobile van service
3 comes to my office once a month. In fact,
4 I had many moons ago suggested that we do
5 something like that, and it's been very
6 helpful and it's very well attended,
7 particularly with people who have English
8 as their second language. We have a lot of
9 Russian-Americans, Chinese-speaking,
10 Creole-speaking. People on my staff who
11 speak those languages are able to assist.
12 And in fact just -- I know it's hard to
13 believe, but they actually helped me get a
14 senior citizen card just this past year.

15 MTA CHAIRMAN LHOTA:

16 Congratulations.

17 (Laughter.)

18 CHAIRWOMAN WEINSTEIN: That being
19 said, and to follow up what some of the
20 other members said about access, we have a
21 district that has a lot of elderly people,
22 mobility issues. I do not have a subway
23 stop located physically within my Assembly
24 district.

1 Along with some transit advocates, I
2 did an experiment in the fall where we
3 tried to get from Place A to Place B using
4 only accessible stations. From my office I
5 had to take the B44 to Kings Highway, then
6 the B82 to the Kew Station to have an
7 accessible station. In fact, I had to pay
8 a second fare because now it was three
9 modes of transportation -- a bus, a bus,
10 and a train. It's a lot to ask of people
11 who have -- it was a lot to ask of me, and
12 time-consuming, but a lot certainly to ask
13 of people who have mobility issues.

14 We constantly have individuals who
15 have been approved by Access-A-Ride, even
16 go for -- are able to -- obviously, as
17 Assemblywoman Malliotakis said, are getting
18 older, they are getting sicker, they have
19 Access-A-Ride, they're actually able to go
20 for a physical, and then they are told they
21 no longer qualify, which to me seems kind
22 of absurd.

23 So I would hope that there would be
24 some effort to move, as Assemblywoman Simon

1 said, to move towards accessibility, but
2 also to make sure that the stops that are
3 accessible are in working order.

4 When we took a train from Bowling
5 Green to 42nd Street, the app had said the
6 42nd Street elevator was working. We took
7 the -- I guess the 4. When we got off at
8 42nd Street and went to the elevator, there
9 was a sign it was going to be out for three
10 days. It was a long time to wait for the
11 elevator. The individuals in wheelchairs
12 had to go up to 125th Street just to be
13 able to get access -- to be able to go back
14 downtown to be able to get out of the
15 subway at 42nd Street.

16 So I would just, on behalf of a lot
17 of elderly New Yorkers, urge that we move
18 forward in that regard.

19 MTA CHAIRMAN LHOTA: Agreed. Thank
20 you.

21 CHAIRWOMAN WEINSTEIN: And that
22 being said, thank you so much for your time
23 here.

24 And next coming up is going to be

1 the New York State Department of
2 Transportation.

3 (Discussion off the record.)

4 CHAIRWOMAN WEINSTEIN: And there may
5 actually be some follow-up. You know, a
6 few times members ask questions. When you
7 follow up to those questions, they will be
8 made part of the official record and
9 distributed to all of the members.

10 Thank you all.

11 MTA CHAIRMAN LHOTA: Thank you.

12 MTA MANAGING DIRECTOR HAKIM: Thank
13 you.

14 MTA CHAIRMAN LHOTA: Thank you,
15 Madam Chairs. Thank you both.

16 (Discussion off the record.)

17 CHAIRWOMAN WEINSTEIN: So we're
18 ready for the Department of Transportation,
19 Paul Karas, commissioner. Feel free to
20 begin.

21 ACTING COMMISSIONER KARAS: Thank
22 you. Good afternoon. Chairperson Young,
23 Chairperson Weinstein, Chairperson Robach,
24 Chairperson Gantt, and members of the

1 Finance, Ways and Means, and Transportation
2 Committees, thank you for this opportunity
3 to discuss Governor Cuomo's Executive
4 Budget as it pertains to the Department of
5 Transportation for the 2018-2019 fiscal
6 year.

7 I am honored that Governor Cuomo has
8 appointed me to serve as the 13th
9 commissioner of transportation. Please be
10 assured that I am no stranger to this
11 field. Over the past 40 years, I've had
12 extensive public and private experience in
13 infrastructure funding, development, and
14 operations. This experience has positioned
15 me well to lead the talented and dedicated
16 individuals of the New York State
17 Department of Transportation.

18 I'm joined today by Ron Epstein, the
19 department's executive deputy commissioner.

20 If you would indulge me, I would
21 like to take a moment to acknowledge the
22 extraordinary professionalism and work
23 ethic of the women and men of the
24 Department of Transportation. During my

1 brief tenure with the department, the state
2 has experienced a terrorist attack against
3 one of our transportation facilities,
4 intense lake effect snow, significant and
5 sustained ice jams in our rivers and
6 creeks, and even a bomb cyclone. Each and
7 every time, Department of Transportation
8 employees have responded admirably and have
9 had a positive impact on the lives of our
10 state residents. I would like to
11 personally thank them for all that they do,
12 day in and day out, to keep the public safe
13 and our economy growing.

14 Earlier this month Governor Cuomo
15 unveiled the state fiscal year 2018-2019
16 executive budget. The budget proposal
17 continues to deliver on the promise of
18 progressive government by protecting
19 taxpayers against devastating federal
20 action, strengthening the middle class,
21 cutting taxes, and making smart investments
22 in New York's future.

23 Central to these principles is
24 creating economic opportunity through

1 investments in infrastructure. In fact,
2 New York State continues to invest more
3 today in infrastructure than at any period
4 in our state's history. Governor Cuomo has
5 committed more than \$29 billion in capital
6 support for road and bridges, bicycle and
7 pedestrian enhancements, and public
8 transportation, airports, and passenger and
9 freight rail programs.

10 But the story does not end there.
11 Governor Cuomo's Executive Budget for the
12 department honors the commitments made
13 through the state transportation plan by
14 providing \$4.3 billion in new capital
15 funding. Of that amount, nearly
16 \$3.1 billion in new program funding is
17 provided for state and local roadway and
18 bridge construction. The budget also
19 provides \$5.4 billion in operating
20 assistance for public transportation
21 systems statewide, including \$525 million
22 for upstate and downstate suburban systems
23 and \$173 million in new support for
24 airports, transit capital and passenger and

1 freight rail programs.

2 The renewal of our state's
3 transportation system affords unprecedented
4 opportunities to provide cleaner
5 alternatives and rebuild in ways that are
6 more resilient and less susceptible to
7 extreme weather events. The Governor has
8 committed to reduce greenhouse gas
9 emissions 40 percent by 2030 and 80 percent
10 by 2050 economy-wide. With the adoption of
11 smart transportation and energy policies,
12 New York State will continue to be a
13 national leader in the implementation of
14 innovative and practical transportation
15 solutions that significantly reduce
16 congestion and pollution.

17 The department is committed to
18 maximizing the participation of minority
19 and women-owned business enterprises within
20 state-supported capital projects. The
21 department understands that MWBE
22 participation is an essential component for
23 the continued growth of our local, regional
24 and statewide economies. I am proud of the

1 department's programs and practices that
2 have helped to facilitate increased MWBE
3 utilization on state-funded contracts.
4 Over the past several years, more than 200
5 potential MWBE participants have directly
6 benefited from outreach by DOT. One of the
7 cornerstones of this outreach effort was
8 the WorkSmartNY Program. Under this
9 initiative, DOT held sessions designed to
10 help MWBEs procure work with DOT, including
11 elements like the introduction to equitable
12 business opportunities, understanding
13 procurement opportunities, DBE vs. MWBE
14 certification, and commercially useful
15 function. These innovative partnerships
16 are helping to promote and expand
17 opportunities for MWBEs throughout the
18 state.

19 The single largest transportation
20 challenge facing New York State is how the
21 new administration in Washington addresses
22 the longer-term sustainability of the
23 federal Highway Trust Fund. The
24 preliminary indications are less than

1 positive. The Highway Trust Fund has been
2 insolvent since 2008 and has relied on more
3 than \$144 billion in revenue transfers to
4 sustain authorized funding levels. Rather
5 than use the opportunity of tax reform to
6 address the Highway Trust Fund crisis, the
7 administration has proposed to reduce
8 future federal expenditures. To justify
9 this reduction in highway and transit aid,
10 the administration is reevaluating the
11 federal role in local projects. These
12 actions would transfer additional
13 infrastructure responsibilities to the
14 state and local governments and would end
15 the long-standing federal/state partnership
16 that predates the Eisenhower interstate
17 era.

18 In conclusion, under Governor
19 Cuomo's leadership, DOT has played a
20 central role in the state's economic
21 revitalization. With your support of this
22 budget proposal, DOT will continue to serve
23 as a catalyst for job growth and creation,
24 global economic competitiveness, and

1 enhanced community quality of life.

2 Thank you for your time, and I'm
3 happy to respond to any questions you may
4 have.

5 CHAIRWOMAN WEINSTEIN: We will start
6 with our Transportation chair, Assemblyman
7 David Gantt.

8 ASSEMBLYMAN GANTT: Thank you very
9 much, Chairman Weinstein.

10 Commissioner, I'm David Gantt, chair
11 of the Transportation Committee. You
12 talked about -- one of the things you
13 talked about was MWBE and your goals for
14 them. You talked about the people who
15 you've had contact with. But my question
16 is whether or not we meet those goals at
17 all. Tell me what that percentage is.

18 ACTING COMMISSIONER KARAS:
19 Mr. Chairman, the Governor is very
20 committed and understands the importance of
21 minority- and women-owned business
22 development in the state, its importance to
23 the economy and the economy's growth. The
24 Department of Transportation follows

1 through on that with its aggressive
2 policies and commitments to the program
3 also.

4 ASSEMBLYMAN GANTT: Can you tell me
5 what the percentage of the total -- you put
6 a number on it, I think 30 percent. You're
7 nowhere near that, and I know it. So can
8 you tell me where you are?

9 ACTING COMMISSIONER KARAS: Over the
10 last reporting period, 12 months, our
11 achievement is 18.4 percent.

12 ASSEMBLYMAN GANTT: I'd like to see
13 that, I'd like to get a report on that,
14 because I don't believe it, to be honest
15 with you.

16 ACTING COMMISSIONER KARAS: We will
17 get more details to you.

18 ASSEMBLYMAN GANTT: And I see them
19 throwing those numbers around, and I know
20 that throughout my region there's nowhere
21 near anything like that happening. And I'm
22 a little bothered by those numbers. Okay?

23 ACTING COMMISSIONER KARAS: We will.
24 We will.

1 phases are being prepared for action.

2 ASSEMBLYMAN GANTT: Okay. Where are
3 we at with the -- I think there was
4 supposed to be a study done on the northern
5 part of it. That's the second part.

6 ACTING COMMISSIONER KARAS: We're
7 working with the City of Rochester right
8 now on the design of that phase.

9 ASSEMBLYMAN GANTT: And you've given
10 them the money for the study?

11 ACTING COMMISSIONER KARAS: Yes,
12 \$1.5 million.

13 ASSEMBLYMAN GANTT: You've given
14 that to them already?

15 ACTING COMMISSIONER KARAS: I can --
16 you know, we'll have to confirm that. I
17 don't know if it's been provided as cash
18 out or if it's a commitment that they can
19 -- that we together can work from. We'll
20 find that answer for you.

21 ASSEMBLYMAN GANTT: You're committed
22 to giving that to them.

23 ACTING COMMISSIONER KARAS: Yes.

24 ASSEMBLYMAN GANTT: Because you

1 haven't given it to them, I can tell you.
2 I just talked to the commissioner last
3 night, so -- okay? That's not a trick
4 question, it's just to try and find out
5 where we are and when we will have that
6 completed. Do you have any idea when we
7 will give them an answer?

8 ACTING COMMISSIONER KARAS: We'll
9 give you -- very quickly we will provide
10 that answer to you.

11 ASSEMBLYMAN GANTT: Okay. I have
12 another question in terms of the
13 transportation. One is there's a new train
14 station both in Rochester and Schenectady.
15 Can you fill me in on where we are with
16 those?

17 ACTING COMMISSIONER KARAS: The
18 Rochester station? That station is
19 complete.

20 ASSEMBLYMAN GANTT: It's completed?

21 ACTING COMMISSIONER KARAS: It's
22 complete and operating.

23 ASSEMBLYMAN GANTT: Can you tell me
24 when and if we're going to do anything with

1 the intermodal stuff? Because the bus
2 station is -- they're in a temporary
3 facility now. Are we going to complete the
4 bus station piece of it or no?

5 ACTING COMMISSIONER KARAS:
6 Chairman, being very new to the department,
7 I don't know the answer to that question,
8 but I'll get an answer back to you.

9 ASSEMBLYMAN GANTT: All right. I
10 have a couple more questions.

11 There's been some rumors about doing
12 a rest stop legislation which would allow
13 the DOT to provide commercial facilities in
14 highway rest stops. Currently, except for
15 very narrow exceptions, such as
16 tourism-related books, DVDs, and tickets to
17 state attractions, the federal government
18 prohibits that. Where are we? Can you
19 tell us where we are with that?

20 ACTING COMMISSIONER KARAS: Well,
21 the rest stops are in alignment with
22 federal law and they conform to federal
23 law.

24 ASSEMBLYMAN GANTT: Are we conformed

1 to federal law?

2 ACTING COMMISSIONER KARAS: We are.

3 ASSEMBLYMAN GANTT: Okay. Because
4 that's not my understanding. But okay,
5 I'll take your word for it.

6 My next question is whether or not
7 there would be penalties in terms of our
8 loss of revenue because we were not
9 conforming. But you're saying we are
10 conforming.

11 ACTING COMMISSIONER KARAS: There
12 have been no penalties.

13 ASSEMBLYMAN GANTT: Madam Chairman,
14 that's the questions that I have at this
15 stage. And I will await any information
16 that you and I agree that you will send to
17 me. And please send a copy of it to the
18 chair so they have it.

19 ACTING COMMISSIONER KARAS: Mm-hmm.

20 CHAIRWOMAN YOUNG: Thank you,
21 Assemblyman.

22 ASSEMBLYMAN GANTT: Thank you.

23 CHAIRWOMAN YOUNG: Senator Kaminsky.

24 SENATOR KAMINSKY: I just want to

1 thank Madam Chairwoman and my colleagues
2 for being so gracious in light of the
3 family obligation I have. So thanks for
4 allowing me to ask this question.

5 I was very encouraged that the
6 Department of Transportation was able to
7 unveil a big program for NY 878, Nassau
8 Expressway, in my district last year. It's
9 been a very plagued area, and they were
10 grateful to see the Governor in their
11 district unveiling the project.

12 People just are interested in a
13 status update in terms of where the project
14 is, is it still on track, is it still
15 planned to be finished by the end of 2019?
16 And basically, where are we right now?

17 ACTING COMMISSIONER KARAS: The
18 project is out for procurement right now.
19 It's a design-build project. We're
20 anticipating, barring any major -- we're
21 anticipating that that contract will be
22 solidified and awarded sometime this
23 spring.

24 SENATOR KAMINSKY: Okay. And is the

1 dates for when construction will start and
2 end still where they were when they were
3 announced last year?

4 ACTING COMMISSIONER KARAS: Yes.

5 SENATOR KAMINSKY: Okay, that's
6 great.

7 Just south of that project there are
8 some lights that are out along the way on
9 the southern part of Nassau Expressway.
10 I'm talking with the local representatives
11 about including them in this project, since
12 it would make sense after. They haven't
13 been back on since Sandy, and it's creating
14 some dangerous situations. So I would ask
15 that you look into it and we can work
16 together on that. And I appreciate your
17 work on this overall project.

18 ACTING COMMISSIONER KARAS: You're
19 welcome.

20 I'm sorry, is that a question there,
21 or --

22 SENATOR KAMINSKY: No. Thank you.

23 ACTING COMMISSIONER KARAS: Okay,
24 thank you.

1 CHAIRWOMAN YOUNG: Thank you,
2 Senator. The next speaker?

3 ASSEMBLYMAN OAKS: I guess it's
4 Assemblyman Oaks.

5 (Laughter.)

6 ASSEMBLYMAN OAKS: Nice to have you
7 here, Commissioner.

8 I had a couple of questions. The
9 2015-2016 capital program MOU talked about
10 having an annual -- in July, an annual
11 bridge and pavement condition report. I
12 don't believe that condition report has
13 come out for either '16 or '17. Of course
14 '17 wouldn't be here. But I was just
15 trying to get a sense, do we know when
16 those might be available and if we'll see
17 one in July of 2018? It's just, again, for
18 those of us who are trying to keep track of
19 that, that makes a big difference.

20 ACTING COMMISSIONER KARAS: The
21 reports have not been done. They will be
22 done, and I will get back to you with the
23 date of the completed reports, and you will
24 receive them.

1 ASSEMBLYMAN OAKS: Thank you.

2 Assemblyman Gantt talked a bit about
3 MWBE, and I know there's a new provision in
4 the Governor's proposal that would extend
5 those requirements to municipalities and at
6 the local level. And I have a sense that,
7 you know, before we implement the mandate
8 on our local governments, it would be
9 important to understand the number of firms
10 we have now -- and perhaps the Governor has
11 it, or you have it -- in each region
12 throughout the state. Because I think
13 that -- you know, maybe even if you could
14 provide to us, the past five years, the
15 total number of jobs that DOT has done --
16 or that they've let out, by county, and
17 what ones included those goals or how they
18 were achieved on each job.

19 I'm just thinking if we don't have
20 that information, I fear that if we go to
21 those requirements that we could end up not
22 being able to move forward because of a
23 lack of those types of approved entities in
24 some of our more rural areas.

1 ACTING COMMISSIONER KARAS: I do not
2 have those numbers with me right now. I
3 will ask the staff to gather those, and we
4 will provide them to you the way you've
5 asked.

6 ASSEMBLYMAN OAKS: One of the things
7 also in the Governor's budget we've seen in
8 prior years -- like this last year, we had
9 extreme winter aid that was provided. The
10 Marchiselli and CHIPS funds are at the same
11 as a year ago, but if you take away those
12 extreme winter weather dollars -- and
13 certainly this winter we've seen
14 significant damage to roads because of
15 additional severe weather. Just, you know,
16 is there any hope of us being able to get
17 those resources back for our local roads
18 people?

19 ACTING COMMISSIONER KARAS: Well,
20 the transportation plan under Governor
21 Cuomo has been providing record levels of
22 funding for local infrastructure, local
23 roads and bridges. It's at a historically
24 high level. We have numbers in the

1 proposed budget, and we feel those are
2 adequate to maintain and operate the
3 system.

4 ASSEMBLYMAN OAKS: I hope that in
5 the negotiations -- and I understand your
6 point. But certainly from those of us who
7 represent those people trying to maintain
8 and deal with their local roads, certainly
9 we'll be looking to try to support that as
10 we go forward.

11 I did see in the Executive Budget
12 that there is a proposal to move some of
13 the operating expenses from being funded
14 through the Dedicated Bridge and Trust Fund
15 and to the operating budget. And I guess I
16 have a question on if there are
17 additional -- you know, we're moving some
18 other additional expenses still there and,
19 if so, you know, what would be the amounts
20 of that? And is there a plan to move
21 further dollars out of that into the
22 operating budget?

23 ACTING COMMISSIONER KARAS:
24 Mr. Assemblyman, if you don't mind, I'd

1 like to defer that question to Ron Epstein,
2 our CFO in the department.

3 ASSEMBLYMAN OAKS: Sure.

4 DOT CFO EPSTEIN: Good afternoon,
5 Assemblyman. Nice to see you again.

6 So the answer to that question is
7 that it's part of a larger reform to align
8 the expenses with the operating revenues.
9 And so this is a budget-neutral item, so we
10 move the expenses out, we reduce the
11 General Fund transfer that's required to
12 support the Dedicated Highway and Bridge
13 Trust Fund. No harm, no foul.

14 ASSEMBLYMAN OAKS: Thank you very
15 much.

16 CHAIRWOMAN YOUNG: Thank you,
17 Assemblyman.

18 Welcome, Commissioner, and
19 congratulations on your new position. And
20 I truly look forward to working with you.

21 One of the first questions that I
22 want to ask has to do something that I
23 believe you may have been briefed about,
24 but it has to do with X-LITE guardrails

1 that are manufactured by the Lindsay
2 Corporation. I've met with DOT on it, and
3 we actually have passed two pieces of
4 legislation in the Senate regarding the
5 X-LITEs, because it's been uncovered that
6 these particular guardrail systems pose
7 significant health and safety threats to
8 people on the highways.

9 And it basically came to our
10 attention because a former constituent of
11 mine, 17-year-old Hannah Eimers, who grew
12 up in Fredonia, was in Tennessee driving
13 one morning and her car left the roadway,
14 she hit an X-LITE guardrail. Instead of
15 guiding her car back onto the roadway as it
16 should have, it broke apart, came through
17 the cab of her car, and killed her
18 instantly.

19 Her family is devastated, as you can
20 imagine, and her father Stephen has started
21 a national campaign to get every single
22 X-LITE guardrail off the streets. He's
23 uncovered so far 27 gruesome deaths across
24 the country that have been blamed on

1 X-LITEs, and multiple very, very tragic
2 amputations that also are associated with
3 people hitting these guardrails.

4 I stood with Stephen last year and
5 we pledged that we would do something. I
6 subsequently met with the DOT before you
7 got there. And there are X-LITEs, it's
8 been identified to me, on the roadways of
9 New York State.

10 And I want to let you know there are
11 several states that have chosen to take
12 these X-LITE guardrails off the roadways --
13 Tennessee, Missouri, Rhode Island recently
14 made the decision, Virginia, Oklahoma,
15 Ohio, Vermont, and New Jersey already have
16 removed 100 percent of their X-LITE
17 systems. Dozens of states have taken them
18 off the approved product list, and those
19 states range with Maryland and
20 South Carolina becoming the 41st and 42nd
21 states to take this step.

22 And so I believe that this is an
23 urgent problem that needs to be addressed,
24 and I would like to get an update from you

1 if I could, Mr. Commissioner.

2 ACTING COMMISSIONER KARAS:

3 Chairperson, we want to thank you, I want
4 to thank you for your leadership on this
5 issue. I think you are aware that we have
6 removed X-LITE from our approved product
7 list. We do not spec it, we do not install
8 it or buy it any longer. Safety is very
9 important, it's paramount, with the
10 Department of Transportation and our
11 facilities.

12 After discussing the situation with
13 Governor Cuomo, we have begun to remove
14 these products. There are 43
15 installations. We have, to date, removed
16 16. The remaining 27 will be removed this
17 year, well before the end of the year.

18 And again, we thank you for your
19 leadership.

20 CHAIRWOMAN YOUNG: That's excellent
21 news, and I'm very, very happy to hear
22 that.

23 So those are all on state roadways;
24 right?

1 ACTING COMMISSIONER KARAS: Yes.

2 CHAIRWOMAN YOUNG: Do we have a
3 sense of how many are on local government
4 roadways?

5 ACTING COMMISSIONER KARAS: We do
6 not.

7 CHAIRWOMAN YOUNG: What are your
8 thoughts about that? Because obviously if
9 they pose a hazard on state roadways, they
10 obviously pose a hazard on local government
11 roadways. Do you have any ideas about how
12 we can get to those?

13 ACTING COMMISSIONER KARAS: The
14 local system is not within our
15 jurisdiction. But we can discuss this with
16 you, about how that will be approached, can
17 be approached.

18 CHAIRWOMAN YOUNG: Well,
19 legislation, one of the bills that I have
20 would ask DOT to do a study with local
21 governments. And I think we should follow
22 up.

23 But I just want to say sincerely
24 thank you to you and Governor Cuomo for

1 your leadership on this issue. Because I
2 believe that it will save New York State
3 residents and just the traveling public in
4 general their lives. So thank you for
5 that.

6 I wanted to switch gears here, and
7 Assemblyman Oaks started to talk about the
8 DOT capital plan program. Is the plan
9 meeting its scheduled commitment goals,
10 including regional shares? Because as you
11 know, in the Senate we're very concerned
12 about regional shares, fairness and
13 equitable distribution of funds. Can you
14 update us on that?

15 ACTING COMMISSIONER KARAS: The
16 capital transportation plan is being
17 implemented in accord with the agreement
18 between the Legislature and the Executive,
19 the five-year agreement.

20 CHAIRWOMAN YOUNG: Are there any
21 regions in the DOT domain that have
22 experienced delays or shortfalls?

23 ACTING COMMISSIONER KARAS: Not that
24 I am aware of in terms of timing this year.

1 CHAIRWOMAN YOUNG: Okay. Thank you.
2 You know, and I know that all of the
3 members who have roads in their districts,
4 and that's just about everybody, is --
5 we're all getting calls about potholes and
6 damage to cars. So I think these projects
7 are extraordinarily important.

8 Can you tell the status and the
9 rating of the state's roads and bridges?
10 Are we making headway in addressing
11 deficiencies? Because I think there have
12 been reports that have come out in the past
13 about deficiencies in the system.

14 ACTING COMMISSIONER KARAS: The
15 condition of the system is good. There are
16 various reports from time to time with
17 regard to regions in the rest of the
18 country, but the system within New York
19 State is good.

20 CHAIRWOMAN YOUNG: You know what
21 would be helpful, Commissioner, in the MOU
22 that was signed there are annual reports
23 that are required to give the status on
24 projects. One was due this past August,

1 and the Legislature hasn't seen that
2 report. Is there any kind of update as to
3 when we'll be able to see that?

4 ACTING COMMISSIONER KARAS: I will
5 have to get back to you on that, when that
6 will be provided.

7 CHAIRWOMAN YOUNG: That would be
8 helpful. Because I think, you know,
9 obviously we all have questions.
10 Transportation issues are big in our
11 districts. And it will be helpful as we
12 make decisions in the budgeting process to
13 have that type of information available to
14 us.

15 I wanted to ask also about upstate
16 transit. So we spent hours and hours
17 dealing with downstate transit, didn't we,
18 Chairwoman, earlier today? But there are
19 also structural funding problems that I
20 believe exist regarding upstate transit.
21 And what steps can be taken to ensure that
22 upstate transit operators, including the
23 systems in Syracuse, Rochester, Buffalo and
24 Albany, have more reliable, predictable

1 funding?

2 And do riders -- you know, our
3 riders deserve to have attention too. And
4 it's estimated that there are very, very
5 marked differences between the funding that
6 goes towards upstate, and the percentage,
7 versus downstate. Can you address that,
8 please?

9 ACTING COMMISSIONER KARAS: Well,
10 the state, under the Governor's five-year
11 transportation initiative and the
12 Legislature's initiative, is providing
13 unparalleled support for transit throughout
14 the state and upstate and downstate
15 suburban transit all together.

16 Operating support for transit over
17 the plan, the recent plan, has increased
18 30 percent. Capital support for the plan
19 has increased 76 percent.

20 CHAIRWOMAN YOUNG: Okay. And you
21 probably know I represent a rural area.
22 And what about the rural transit systems?
23 Because the 2019 Executive Budget proposal
24 does not include \$4 million in Department

1 of Health transportation funding as added
2 by the Legislature this past year for rural
3 health systems that are impacted by the
4 state's Medicaid changes. Can you address
5 that?

6 ACTING COMMISSIONER KARAS: I have
7 to defer to the Department of Health on
8 that issue.

9 CHAIRWOMAN YOUNG: Okay, thank you.

10 I also wanted to ask about a few
11 other things. The Governor has a proposal
12 that I believe is a massive fee increase on
13 our infrastructure. Again, as somebody who
14 represents a rural area, one of the
15 deficits that we experience that really
16 gets in the way of our quality of life and
17 our economic growth has to do with
18 broadband. And I know that in the
19 Governor's Executive proposal there are
20 fiber optic fees that he includes along
21 fiber optic cables that go along state
22 roads. And there's a lot of concern that
23 I'm hearing about this, because it would
24 treat fiber optic systems differently than

1 any other public authority property.

2 Can you address that, please?

3 Because I believe that there's a great
4 potential it will get in the way of more
5 development of broadband across the areas
6 that need it most.

7 ACTING COMMISSIONER KARAS:

8 Chairperson, the New York Broadband
9 Initiative is exempt from those fees.

10 CHAIRWOMAN YOUNG: But why would a
11 company that all of a sudden they were told
12 that they could develop -- these fees would
13 not be on what they developed, and now
14 later on in the game, fees are -- heavy,
15 heavy fees are being imposed. It will
16 eventually increase to \$50 million
17 annually.

18 So if you're a company, why would
19 you invest if all of a sudden you have
20 these additional fees? I think that that's
21 why it could get in the way of more
22 development. It's a disincentive for
23 companies.

24 ACTING COMMISSIONER KARAS: I want

1 to ask Ron Epstein to address that
2 question.

3 CHAIRWOMAN YOUNG: Thank you,
4 Mr. Epstein.

5 DOT CFO EPSTEIN: Senator, how are
6 you?

7 CHAIRWOMAN YOUNG: Good.

8 DOT CFO EPSTEIN: So part of the
9 issue here is that we want to ensure that
10 companies doing work on our right-of-way
11 are doing it safe, have the proper
12 insurance, and that nothing is done that
13 would be of hazard to the motorists.

14 The initiative to bring broadband to
15 rural areas of the state, as the
16 commissioner said, would be exempt. And
17 again, we want to make sure that people who
18 work in our right-of-way are paying for the
19 cost of the maintenance that's related to
20 their activities.

21 CHAIRWOMAN YOUNG: So where would
22 this \$50 million go? Already, cable
23 companies currently pay cities, villages,
24 and towns across the state more than

1 \$200 million in franchise fees to occupy
2 the right-of-way, and including in the
3 state roads. So would this additional
4 \$50 million that the Governor proposes, how
5 would that be used? You're saying it would
6 keep people safe. It would really cost
7 \$50 million a year to monitor the broadband
8 installation?

9 DOT CFO EPSTEIN: So I'm going to
10 defer to exactly where the funding would go
11 to the Division of Budget. What I will say
12 is that part of this is the permit process,
13 where we would actually have them not only
14 get a permit to be in our right-of-way, but
15 they would also have to get a highway work
16 permit to ensure that work is done to -- a
17 lot of times we're in a federal
18 right-of-way, so it's done to the federal
19 standards.

20 And part of the issue we have is
21 that we want to make sure that nobody is
22 there without our knowledge. So this is
23 all part of ensuring that everything is
24 done for the health and safety of the

1 residents of the state.

2 CHAIRWOMAN YOUNG: Okay. I'm sure
3 there will be follow-up discussion on that,
4 because our conference has been I think
5 pretty clear about any fee increases, which
6 actually are tax increases.

7 Speaking of the federal government,
8 has New York State been receiving more or
9 less or the same amount of transportation
10 funding from the feds?

11 ACTING COMMISSIONER KARAS: It's
12 been flat.

13 CHAIRWOMAN YOUNG: For many years,
14 correct?

15 ACTING COMMISSIONER KARAS: For a
16 few years, yes.

17 CHAIRWOMAN YOUNG: So do you have
18 any concerns about possible upcoming
19 changes in federal transportation spending?
20 We keep hearing about a possible federal
21 transportation bill. Do you have any
22 information for us today as we look to pass
23 the State Budget and what impact that could
24 have on us?

1 October. What would be, then, the annual
2 cost if it's not?

3 ACTING COMMISSIONER KARAS: That is
4 for six months of startup.

5 ASSEMBLYWOMAN PAULIN: Six months?

6 ACTING COMMISSIONER KARAS: Yes.

7 ASSEMBLYWOMAN PAULIN: And what is
8 the progress of the east-west second phase
9 that we had put money in for the capital
10 component?

11 DOT CFO EPSTEIN: Assemblywoman, you
12 don't mind if I --

13 ASSEMBLYWOMAN PAULIN: Sure.

14 DOT CFO EPSTEIN: So the State of
15 New York has agreed to fund the first
16 phase, which is \$91 million in capital
17 improvements and obviously a significant
18 operating cost going forward.

19 As part of the work of the Mass
20 Transit Task Force, the parties agreed that
21 we would come back together and
22 collectively figure out a way how to
23 advance the second phase.

24 ASSEMBLYWOMAN PAULIN: That's

1 actually not correct. I was on that task
2 force, and I went to every single meeting
3 except one. And at the time, we had no
4 plan to come back together, the Mass
5 Transit Task Force. In fact, we asked if
6 we could. There's only been one subsequent
7 meeting since we did our report.

8 Phase 2, as I'm calling it -- I
9 don't think it was labeled that -- which is
10 the White Plains to Port Chester link, we
11 agreed to, the Legislature and the
12 Governor, at the end of last session, to
13 fund the capital component. I subsequently
14 had, along with some of my colleagues,
15 conversations about how that would get
16 done, and had all expectation to hear more
17 about it today.

18 So there is -- obviously what you're
19 saying is there is no plan, and it has been
20 abandoned, even though we made a commitment
21 to fund the capital component.

22 DOT CFO EPSTEIN: No, that's not
23 what I'm saying. And I too participated in
24 that task force process.

1 What I can tell you is that our
2 focus is we're getting the first phase up
3 running by October 2018, and we have talked
4 about going after Phase 2 as soon as that
5 work is up and running.

6 ASSEMBLYWOMAN PAULIN: So there's
7 been no progress in terms of evaluating
8 where you would get the balance of the
9 capital funding -- you know, federal
10 dollars and so forth -- and no evaluation
11 of the plan for that phase as of this date?

12 DOT CFO EPSTEIN: As I said, the
13 second phase, we always talked about it
14 being a shared responsibility.

15 ASSEMBLYWOMAN PAULIN: Shared with
16 who?

17 DOT CFO EPSTEIN: With the local
18 governments.

19 ASSEMBLYWOMAN PAULIN: I see. So
20 have those conversations gotten underway?

21 DOT CFO EPSTEIN: I'll have to get
22 back to you.

23 ASSEMBLYWOMAN PAULIN: Okay. Well,
24 this is very disappointing, because we were

1 under an impression from the prior
2 administration -- I don't mean governor, I
3 mean the commissioner -- that there was
4 progress made. So this seems like a back
5 step.

6 The second thing, the tunnel. You
7 know, we know that money was put in the
8 tunnel from Long Island to Westchester.
9 Where exactly is that?

10 ACTING COMMISSIONER KARAS: The
11 Governor is very interested and has made
12 funding commitments to the economic
13 development of Long Island. The tunnel
14 initiative is part of that enhancement of
15 the economy of Long Island. And the
16 department has done a feasibility study of
17 the tunnel. The study says the tunnel is
18 feasible, so now we are taking some next
19 steps looking at analyzing the economic
20 engineering and environmental aspects of
21 that.

22 And we will be working with the
23 private sector, with industry, to determine
24 what interest and funding they may suggest

1 for that project.

2 ASSEMBLYWOMAN PAULIN: Since there
3 was a -- this project has been suggested
4 before. And there was a great deal of
5 concern from Westchester, on the
6 Westchester side -- not, again, my
7 district, but I'm sure Assemblyman Otis
8 will speak to that later. When is the
9 local community going to be involved so
10 that this doesn't get too far out there
11 before we get some input?

12 ACTING COMMISSIONER KARAS: We're in
13 the very early stages. But we will be
14 working with the local communities on both
15 ends of the project, certainly, to address
16 the benefits and the impacts.

17 ASSEMBLYWOMAN PAULIN: And then I
18 just wanted to follow up on what
19 Senator Young was talking about on the
20 broadband.

21 You know, I think we all have a
22 great deal of reliance on our technology
23 and we know that 5G is going to be the new
24 phase, the new way to access our phones and

1 all of that. And I too share a concern
2 that if we charge a fee that's not being
3 charged anywhere else in this country, that
4 those technology companies, which are
5 national companies, are going to be going
6 elsewhere to expand that service, and we're
7 not going to be able to enjoy what we need
8 to enjoy for our economic development.

9 Any comment?

10 ACTING COMMISSIONER KARAS: Well,
11 again, I would repeat what Ron Epstein said
12 about that. And we welcome further
13 discussion with you on the subject.

14 ASSEMBLYWOMAN PAULIN: Is there a
15 way that you came up with the amount of
16 money that's being charged, since this is
17 unique to New York?

18 DOT CFO EPSTEIN: We have to defer
19 to the Division of Budget on that question.

20 ASSEMBLYWOMAN PAULIN: Understood.

21 Okay, thank you very much.

22 ACTING COMMISSIONER KARAS: Thank
23 you.

24 CHAIRWOMAN YOUNG: Thank you.

1 Senator Dilan.

2 SENATOR DILAN: Thank you.

3 Commissioner, last year DOT cited
4 the cost of oil, which was \$120 per barrel
5 at that time -- as compared to \$63 just a
6 few days ago -- as the major cause of
7 massive increase in projects over the last
8 decade. So I want to know, do you have any
9 additional specific information on how the
10 decline affects project costs and bidding?
11 Are your asphalt and transportation costs
12 coming down proportionately to these
13 changes? And has DOT rebid longer-term
14 projects to find savings and deliver more
15 projects per dollar?

16 ACTING COMMISSIONER KARAS: Well,
17 Senator, there's a huge amount of
18 infrastructure investment taking place
19 throughout this state -- as we indicated,
20 record amounts, historic amounts everywhere
21 in the state. The price of oil, the price
22 of energy is one component of that
23 construction. Yes, the price has come down
24 a bit. I don't know what was discussed --

1 SENATOR DILAN: Come down about
2 50 percent.

3 ACTING COMMISSIONER KARAS: But
4 that's one component. And unfortunately,
5 other costs rise too. So we have not seen
6 a huge impact from that reduction. A bit
7 with asphalt, but not huge.

8 SENATOR DILAN: I just find it
9 curious that that was the major citation
10 that the cost of oil was costing these
11 massive increases, and it goes down by
12 50 percent in visible savings. So if you
13 have further information, I would like --

14 ACTING COMMISSIONER KARAS: I mean,
15 we can discuss that and look at some facts
16 and figures as to how the --

17 SENATOR DILAN: With respect to the
18 Dedicated Highway and Bridge Trust Fund, do
19 you know what's the reasoning behind the
20 sweep of \$376 million? And why is there a
21 creation of a new revenue stream through
22 the DOT fiber optic access provision?

23 ACTING COMMISSIONER KARAS: I'm
24 sorry, can you repeat the very last portion

1 of that question?

2 SENATOR DILAN: Why is there a
3 creation of a new revenue stream through
4 the Department of Transportation fiber
5 optic access provision? Why is that
6 happening?

7 DOT CFO EPSTEIN: So, Senator, I
8 think you asked two questions there.

9 SENATOR DILAN: There are two.

10 DOT CFO EPSTEIN: The first part,
11 you asked about a sweep, which I personally
12 am not familiar with, so I can't address
13 that.

14 The second piece, we did discuss the
15 issue of the process would allow us to
16 permit who is using our right-of-way and
17 ensuring that work is done safely.

18 SENATOR DILAN: And what's happening
19 with that money? And I'm surprised that
20 you don't know that you have a 376 --

21 DOT CFO EPSTEIN: Money that was
22 swept? I'm just not familiar with that
23 provision.

24 SENATOR DILAN: All right. So if

1 you could provide that information, I would
2 like it.

3 I would like to move on to
4 high-speed rail. I remember several years
5 ago we did receive money from the federal
6 government. So can you bring us up to
7 speed with respect to what's going on with
8 high-speed rail in New York State?

9 ACTING COMMISSIONER KARAS: Well,
10 the Draft Environmental Impact Statement is
11 ongoing. The environmental assessments are
12 ongoing with that. A final --

13 SENATOR DILAN: Can I just pause you
14 for a second? That environmental study was
15 due to us in 2012, and we're still waiting
16 for it.

17 ACTING COMMISSIONER KARAS: It is
18 ongoing, yes.

19 DOT CFO EPSTEIN: So, Senator, one
20 of the reasons why that environmental
21 impact statement is still ongoing is that
22 we received literally thousands and
23 thousands of comments from some of the
24 freight railroads, and each and every one

1 of those comments needs to be responded to
2 individually.

3 SENATOR DILAN: Well, I know that
4 in -- I believe it was 2011 we were told,
5 just to refresh your recollection, that the
6 environmental impact study was supposed to
7 be finalized in 2012. At that time I think
8 they were supposed to also provide
9 information on what was the average speed
10 of a passenger rail train traveling from
11 Albany-Rensselaer to the Buffalo Depew
12 station or the Niagara Falls station --
13 because, you know, Senator Kennedy wants to
14 get home a lot sooner.

15 DOT CFO EPSTEIN: What I can tell
16 you is a lot of the projects that you're
17 talking about have been completed
18 independently. So the Niagara Falls
19 station has been rebuilt. We talked about
20 Rochester. Schenectady is under
21 construction. The double tracking between
22 Schenectady and Albany is complete. Also
23 we've completed the work on the Hudson line
24 as well as the fourth track at

1 Albany-Rensselaer station.

2 So all those projects that were
3 funded and authorized have been completed.

4 SENATOR DILAN: I can understand you
5 may not have the information today, but I
6 would love to get whatever you can
7 provide --

8 ACTING COMMISSIONER KARAS: Yes.

9 DOT CFO EPSTEIN: The EIS did not
10 impact any of those projects.

11 SENATOR DILAN: -- to the committee.
12 Thank you.

13 CHAIRWOMAN YOUNG: Thank you.

14 CHAIRWOMAN WEINSTEIN: Assemblyman
15 Skoufis.

16 ASSEMBLYMAN SKOUFIS: Thank you,
17 Madam Chair.

18 Congratulations, as others have
19 noted, on your appointment.

20 I'd like to simply delve a little
21 bit into some funding that was provided for
22 improvements to Route 17 as part of the
23 proposed LEGOLAND project in Orange County,
24 New York. I raised this issue last year,

1 and the commissioner at the time suggested
2 that my questioning was a bit premature,
3 they had not quite gotten to that table.
4 But he did suggest that the DOT was a main
5 player at that table and certainly was part
6 of the conversation.

7 Prior to the recent award in
8 October, LEGOLAND had already been given
9 \$7 million in REDC funding, as well as a
10 very substantial PILOT from the Orange
11 County IDA. But then in October, an
12 additional \$17 million of state taxpayer
13 money was provided to this project,
14 \$10 million of which was earmarked for
15 improvements to Route 17.

16 What deeply concerns me is that
17 representatives of Merlin Entertainments,
18 LEGOLAND, had stated prior to this award
19 that if the state did not come in and
20 assist with funding for improvements to
21 Route 17, they would foot the entire bill
22 themselves. In fact, they would be
23 required to as part of their FEIS for the
24 project.

1 So my question is, why did we
2 provide \$10 million in transportation
3 taxpayer funding to improve Route 17 for
4 this project when they said they would pay
5 for it themselves?

6 ACTING COMMISSIONER KARAS:
7 Assemblyman, I'll have to get back to you
8 on that question. I'll get an answer and
9 come back to you.

10 ASSEMBLYMAN SKOUFIS: Okay. That's
11 all I have. Thank you.

12 CHAIRWOMAN YOUNG: Thank you.
13 Our next speaker is Senator Kennedy.

14 SENATOR KENNEDY: Thank you,
15 Chairwoman.

16 Welcome, Commissioner.
17 Congratulations. Thanks for your service.

18 I wanted to get right into the
19 Department of Transportation's commitment
20 to study the imbalance of funding in STOA
21 funds for upstate and downstate. It's
22 already been mentioned. There was a study
23 that was committed to last year; we've been
24 dealing with this same issue of this

1 imbalance of funding year after year. The
2 NFTA, which is the only light rail system
3 outside of New York City, is woefully
4 underfunded. The capital plan that they
5 would need in the next five years is to the
6 tune of about \$100 million just to maintain
7 the level of service for the residents of
8 the community that we represent.

9 Where is this study? What's the
10 cause for delay? It was committed to us to
11 be completed by November 1st. It's going
12 on three months after the fact. And I want
13 to know how we can use that study in this
14 upcoming budget.

15 ACTING COMMISSIONER KARAS: Again,
16 the funding for operating assistance is at
17 a very high level, unparalleled, for the
18 upstate systems, downstate suburban
19 systems, together with all the systems.

20 With regard to that particular
21 study, I will have to get an answer back to
22 you with that. We'll get back to you.

23 SENATOR KENNEDY: Well, here's what
24 I will tell you. You used the word

1 "unparalleled." I wholeheartedly disagree.
2 I have in front of me a STOA history of
3 funding. And if you look at it, and it
4 talks about the NFTA, just a 2 percent
5 annual increase, which is what is necessary
6 just to simply pay the bills. And, you
7 know, even this year it's at less than
8 1 percent of an increase, about \$500,000,
9 and the number is up to about
10 \$52.5 million.

11 So they've been very, very slight
12 increases, slight increases. And what's
13 happening is what we're seeing -- and we
14 spent hours regarding the MTA -- the issues
15 that are now happening at the MTA we've
16 been dealing with now for years. And it is
17 a real problem. It's a problem on the
18 ground. It's a systematic problem. It
19 needs to be resolved. And, you know, we
20 asked, myself and Assemblywoman Crystal
21 Peoples-Stokes, whose districts are most
22 impacted by this disparity, by these cuts,
23 by the problems with these services, asked
24 for this study last year. It was

1 committed, it was recommitted over the
2 summer, in July, that on or around
3 November 1st, the study would be done. It
4 will, we believe, highlight the disparities
5 that we can then address in this budget.
6 So I would ask you to get that to us in
7 very quick timing, hopefully this week, if
8 it was supposed to be done three months
9 ago.

10 To the next issue, again, regarding
11 light rail funding issues, the decrease in
12 funding, the problems with funding at the
13 NFTA that have occurred over the years have
14 resulted in the federal transportation
15 authorities saying that the \$600 million
16 for the expansion of the light rail in
17 Amherst is at risk. So I'd like to know
18 what we can do to address that issue as
19 well.

20 ACTING COMMISSIONER KARAS: I am not
21 familiar with that particular light rail
22 initiative. But I will get back to you
23 with an answer to that.

24 SENATOR KENNEDY: Okay. When do we

1 expect you to get back to us, Commissioner?

2 ACTING COMMISSIONER KARAS: Very
3 soon.

4 SENATOR KENNEDY: Okay. So this
5 week? Next week?

6 ACTING COMMISSIONER KARAS: Not this
7 week.

8 SENATOR KENNEDY: I would expect it
9 to be in very short order, hopefully by --
10 Maybe by the end of session next week.
11 That gives an entire week to put things in
12 order and to get these answers.

13 ACTING COMMISSIONER KARAS: We can
14 try to get an answer -- it will be very
15 soon.

16 SENATOR KENNEDY: Others have
17 brought up the pothole issues across the
18 state. The state has liability for road
19 defects only between May 1st and
20 November 15th. Which means that during the
21 winter months, especially now when we're
22 all hearing from our constituents,
23 especially upstate in the urban areas, the
24 older urban areas, potholes are a major,

1 major problem with the change in weather.

2 Can you commit to working with us to
3 changing the inequities through the budget
4 to have these issues fixed?

5 ACTING COMMISSIONER KARAS: We can
6 discuss that and work with you on that. We
7 certainly welcome that discussion.

8 SENATOR KENNEDY: It also feeds into
9 the CHIPS funding. And from what I'm
10 seeing, there's been an elimination of
11 \$65 million of additional funds that were
12 included for highway repair in last year's
13 final enacted budget. Do you believe that
14 the state needs to keep these CHIPS funds
15 at the same level as last year, to enhance
16 them? Or do you believe that we can afford
17 this \$65 million hit? Because I certainly
18 don't.

19 ACTING COMMISSIONER KARAS: Well,
20 again, overall we feel that the funding
21 levels in the proposed budget overall are
22 adequate to maintain the system in good
23 order.

24 With regard to a particular line

1 item account, we can have that discussion
2 about how it might be changed. But that
3 would have to be something we would do with
4 the Legislature and the Executive and
5 within budget guidelines that we're all
6 working with.

7 SENATOR KENNEDY: Can you explain
8 why that \$65 million was eliminated in the
9 budget?

10 DOT CFO EPSTEIN: So if I may, the
11 funding for CHIPS is consistent with what
12 the Executive and the Legislature agreed to
13 in the MOU. The funding in question was an
14 add by the Legislature. And we will
15 obviously have those conversations with you
16 moving forward during the budget
17 negotiations, whether or not that add will
18 be restored.

19 SENATOR KENNEDY: My time is up. I
20 will come back.

21 CHAIRWOMAN WEINSTEIN: Thank you.
22 Assemblywoman Rozic.

23 ASSEMBLYWOMAN ROZIC: So I want to
24 follow the last line of questioning from

1 Senator Kennedy and take a broader-picture
2 look at the budget.

3 So as you know, unlike the MTA, the
4 DOT is not required to do a five-year or a
5 20-year capital plan that is readily
6 available to the Legislature or the public.
7 Historically, the DOT and the MTA five-year
8 capital plans have been both negotiated and
9 approved simultaneously, though I know in
10 more recent times that process has
11 differed. We've sort of reached some
12 parity between the two. In more recent
13 years I know there was an MOU with a
14 growing list of different projects that
15 many of us in the Legislature care about.

16 I'm still concerned about the
17 transparency and the accountability within
18 the DOT's capital plan and the fact that,
19 more often than not, we don't know what
20 those projects are, what their timelines
21 are, and when they're coming down.

22 I sponsor a bill with Senator Lanza
23 from Staten Island -- A1234, believe it or
24 not -- that would require the DOT to do a

1 public five-year and/or 20-year capital
2 plan. I'd like your comments on that, to
3 see if you're open to that, and kind of
4 come to an agreement that maybe in the
5 upcoming year we can figure out what that
6 schedule would look like, what the funding
7 levels would be, and a process in which the
8 public and the Legislature has an input in
9 these five or 20-year capital plans.

10 ACTING COMMISSIONER KARAS: Well,
11 the funding levels and the number of
12 projects, certainly very high. We are
13 working with the five-year transportation
14 plan right now. We can -- we try to
15 provide people a look ahead, meaning the
16 citizens a look ahead of projects that are
17 coming down the road within that plan.
18 It's not possible to provide for every
19 project beyond that time period, certainly
20 very large projects. Sure, they take
21 multiple years to not only plan and fund
22 but then to construct.

23 And I am not familiar with the bill
24 that you proposed.

1 DOT CFO EPSTEIN: If I could just
2 add that the department does, on its
3 website, have a list of all the projects in
4 the five-year plan easily accessible for
5 people to see, with an estimated letting
6 target.

7 So the MOU that was approved by this
8 Legislature, that is what we're delivering,
9 and those are all available on the website.

10 The commissioner is referring to the
11 actual physical letting schedule, which we
12 do have a rolling -- also a rolling
13 schedule on our website.

14 ASSEMBLYWOMAN ROZIC: Okay, I'll
15 give you a copy of the legislation. It's
16 cosponsored by a majority of members in our
17 house in a very bipartisan, bicameral way.

18 So thank you.

19 CHAIRWOMAN YOUNG: Senator Savino.

20 SENATOR SAVINO: Thank you, Senator
21 Young.

22 So first, welcome. Congratulations
23 on your appointment, I think. You may find
24 it's a lot more complicated than you want.

1 But following up on the
2 Assemblywoman's comments about large
3 projects, as you know, DOT completed one
4 very large project in the downstate region
5 just last year to much great fanfare. I
6 think we even had a classic car cross the K
7 Bridge, as we now call it, the Kosciuszko
8 Bridge. But it's only half the bridge.
9 And so while it may have made a slight
10 improvement in traffic, it's really not
11 what the people of Brooklyn -- and when I
12 saw Brooklyn, I mean it backs up all the
13 way up down the BQE onto the Gowanus
14 Expressway sometimes.

15 So is there any -- can you give us
16 an update on when the second span will be
17 completed and when people will be able to
18 utilize it?

19 ACTING COMMISSIONER KARAS: Yes.
20 And that is an extremely large project in
21 our overall program, in the transportation
22 program. Half of it is complete; the other
23 half will be complete in the spring of
24 2019.

1 SENATOR SAVINO: 2019. So -- well,
2 I guess we'll have to suffer through.

3 So again, when you back yourself up
4 onto the BQE, sometimes past the Brooklyn
5 Bridge -- because, as you know, the Gowanus
6 and the BQE were built I guess at a time
7 when no one could have imagined any of the
8 traffic that's there. I'm sure others
9 might want to talk about the triple
10 cantilever project, which even -- that's
11 not really your project, that's the city's
12 project.

13 But they're all interconnected
14 roads. And I think that's confusing for
15 some of us, who is responsible for what
16 section of what highway. You know, it's
17 interesting that the Belt Parkway is a city
18 asset, not a state asset. But so it
19 creates complications for those of us who
20 are trying to find solutions.

21 The Gowanus Expressway is no better
22 than a cow path. And your predecessor,
23 Matt Driscoll, came down to Staten Island,
24 he spent some time with us about two years

1 ago, and he got to see firsthand what
2 happened when one side of the highway
3 system is improved and another isn't.

4 During the Obama administration, we
5 were able to secure a significant amount of
6 federal money to improve the Staten Island
7 Expressway, and your guys have done an
8 amazing job there, that's a fact. It's
9 wider, there's more entrances, we've
10 reconfigured some of the exits, all in an
11 effort to make the Staten Island Expressway
12 a more efficient use of road time. And
13 it's worked.

14 And the problem is once you get over
15 the Verrazano Bridge, you hit the Gowanus
16 Expressway, which is three lanes. And on
17 any given day, if there's one accident, it
18 shuts down traffic across the bridge, down
19 the expressway, over the Port Authority
20 bridges and into New Jersey. It is an
21 unsustainable situation for people who
22 utilize that corridor.

23 And so I've asked every commissioner
24 who comes before me, what can we do to

1 improve the conditions on the Gowanus? Can
2 we deck it? You know, there's something
3 that has to be done, because the people who
4 live in South Brooklyn and the people who
5 live along Sunset Park into Assemblyman
6 Ortiz's district, all the way around to
7 Assemblywoman Simon, this is unsustainable.
8 And there has to be an idea that has not
9 come up yet that will solve this problem.

10 And I'm hoping you will be able to
11 tell us what you think can be done to
12 improve traffic along the corridor. And if
13 you don't know now, that's fine. If you
14 want to take some time to study it and come
15 to Staten Island, come to Brooklyn and see
16 it firsthand, it certainly would be an
17 eye-opening experience.

18 ACTING COMMISSIONER KARAS: I
19 welcome your invitation. I have been, I
20 have looked. My son lives nearby where
21 we're talking about, and I welcome the
22 invitation to come back.

23 Improvements have been made, but
24 unfortunately they've been incremental and

1 they've been over long periods of time.
2 It's a very old highway, built before
3 current standards were used. Plus
4 standards are changing and improving all
5 the time.

6 But incremental improvements have
7 been made. The K Bridge is one. It's
8 upstream, but it has and it will have
9 positive impacts. And we've been doing
10 some traffic management work with moveable
11 barriers on a portion of the highway, and
12 we will continue with a focus on the
13 Gowanus, together with the city, seeking
14 funding and looking at some tweaks, if you
15 will, along with, long term, very large
16 funding efforts for very large projects.

17 But I cannot provide those now, I'm
18 not -- I don't think the department can
19 provide them for the next 20 years. But we
20 welcome that discussion, myself and the
21 department staff, looking down the road.

22 SENATOR SAVINO: In the few seconds
23 I have left, the one thing I would ask is
24 that a few years ago Assemblyman Cusick and

1 I carried a bill that would create a
2 transportation czar, because what we found
3 at the time, there were these major
4 projects happening and City DOT was not
5 speaking to State DOT when they planned
6 them. And the MTA was planning projects
7 without talking to either of your agencies.
8 And there were several of these projects
9 that were being done at the same time,
10 creating absolute gridlock.

11 It's improved over the years, but
12 what I would ask you to do as the new
13 commissioner of State DOT is to have that
14 same relationship with City DOT so, if
15 they're working below the Gowanus, you're
16 not working on top of it at the same time.
17 You know, try and coordinate those projects
18 to at least mitigate the effects of
19 congestion.

20 ACTING COMMISSIONER KARAS: Thank
21 you. And we are having continuing dialogue
22 with the city Department of Transportation,
23 and we're also using the Governor's Drivers
24 First program initiative to give attention

1 to who's using that roadway while the
2 construction is going on, rather than just
3 focusing on the engineering efficiencies
4 and the construction the contractor needs.
5 We're looking at the drivers and the
6 motorists, and we're trying our best to
7 mitigate those -- doing everything in a
8 uncoordinated manner, as you might suggest.

9 SENATOR SAVINO: Thank you. And
10 just one final comment; I know I'm slightly
11 over time here.

12 You mentioned the issue of MWBEs.
13 Two years ago the Senate Labor Committee
14 held a hearing on prompt payment in the
15 construction industry, and one of the
16 focuses on it was how to maintain these
17 MWBE contractors who finally get a contract
18 with the city or the state or the MTA, and
19 one of the big problems for them is the
20 government is not a particularly good payer
21 on time, which affects their ability to
22 remain in the MWBE program.

23 So we would hope that you take a
24 look at the results of that hearing, take

1 the recommendations to heart, because it
2 doesn't do us any good to get an MWBE
3 contractor obtain a part of a state
4 contract, not be able to stay in the
5 program because they can't meet payroll
6 because the state isn't paying them on
7 time.

8 ACTING COMMISSIONER KARAS: Senator,
9 agreed. And one of the many elements that
10 we look at and apply and work hard on with
11 regard to that program has to do with
12 prompt payment and how it relates to cash
13 flow. Without the cash flow, the MBE/WBE
14 firm isn't in business.

15 So yes, that's very important. And
16 it goes to prime contractors. They have to
17 understand that. We have it in our specs.
18 It's a continuing effort. And we're
19 certainly aware of the criticality of
20 prompt payment and cash flow. Without it,
21 you're dead.

22 SENATOR SAVINO: Thank you.

23 CHAIRWOMAN WEINSTEIN: Assemblyman
24 Buchwald.

1 ASSEMBLYMAN BUCHWALD: Thank you,
2 Madam Chairwoman.

3 And good afternoon, gentlemen. I
4 suppose my first question is to
5 Mr. Epstein, based on his earlier response
6 to my colleague Assemblywoman Paulin.

7 What work, Mr. Epstein, if any, has
8 the department done on Phase 2 of the Lower
9 Hudson Transit Link, the portion that runs
10 from White Plains to Port Chester?

11 DOT CFO EPSTEIN: So I'm going to
12 have to defer to you, get back to you at a
13 later time, because I've personally been
14 working on Phase 1, so I cannot answer
15 questions regarding Phase 2.

16 ASSEMBLYMAN BUCHWALD: I certainly
17 know what work the Assembly has done in the
18 past year. The Speaker and the Westchester
19 Assembly delegation secured \$13.5 million
20 towards the capital requirements to
21 establish Phase 2. My constituents are of
22 the expectation that this time must be used
23 by NYSDOT to do the planning needed to, as
24 quickly as possible, extend the Lower

1 Hudson Transit Link so that for the first
2 time Westchester County has an east-west
3 mass transit option. I think that is of
4 crucial importance to the long-term success
5 and viability of the Lower Hudson Transit
6 Link. Certainly it's something that the
7 Mass Transit Task Force envisioned would be
8 part of making this a successful effort.

9 So I certainly urge you to make sure
10 that that response comes as quick as
11 possible and, most importantly, make sure
12 that the substance of that response is
13 as -- recognizing the fact that there are
14 13.5 million reasons for the department to
15 have made progress.

16 DOT CFO EPSTEIN: Understood.

17 ASSEMBLYMAN BUCHWALD: Thank you.

18 And Commissioner, again,
19 congratulations on your appointment. And
20 unfortunately the Assembly doesn't have
21 formal authority to take away your acting
22 title, but I'd certainly urge my colleagues
23 in the other body to act swiftly, inasmuch
24 as I think it's very important to have

1 permanent leadership of important
2 departments in our state.

3 And in that regard can I ask you,
4 Commissioner, how many NYSDOT regional
5 directors have joined you in Albany today?

6 ACTING COMMISSIONER KARAS: Can you
7 repeat that?

8 ASSEMBLYMAN BUCHWALD: How many
9 NYSDOT regional directors have joined you
10 in Albany today?

11 ACTING COMMISSIONER KARAS: Today?

12 ASSEMBLYMAN BUCHWALD: Yes. Are in
13 Albany today.

14 ACTING COMMISSIONER KARAS: Are in
15 Albany. I know one is, certainly, but the
16 others --

17 ASSEMBLYMAN BUCHWALD: Which one?

18 ACTING COMMISSIONER KARAS: Sam
19 Zhou, Region 1.

20 ASSEMBLYMAN BUCHWALD: Is Todd
21 Westhuis in Albany today?

22 ACTING COMMISSIONER KARAS: He is,
23 but he's no longer a regional director.

24 ASSEMBLYMAN BUCHWALD: Okay. What's

1 his current --

2 ACTING COMMISSIONER KARAS: He's the
3 chief of staff.

4 ASSEMBLYMAN BUCHWALD: Well, first
5 of all, congratulations to him. He's
6 fantastically talented, and I commend him
7 and you on his promotion.

8 But I would then ask, as a
9 representative Assemblyman from Region 8 of
10 DOT where Mr. Westhuis is listed as the
11 regional director and has been serving in
12 that capacity, does the department have a
13 new regional director in place for
14 Region 8?

15 ACTING COMMISSIONER KARAS: We have
16 an acting regional director.

17 ASSEMBLYMAN BUCHWALD: And who is
18 that?

19 ACTING COMMISSIONER KARAS: And I
20 know his first name, Lance, and I do not
21 recall his last name.

22 ASSEMBLYMAN BUCHWALD: If you can
23 ensure that all representatives, both
24 Assemblymembers and Senators, from Region 8

1 have Lance's full name and -- presumably
2 the contact information and phone number is
3 the same, but email address and so forth.
4 I'm very firmly of the belief that every
5 region, especially the Lower Hudson Valley,
6 which has a lot of transportation needs,
7 including the Lower Hudson Transit Link
8 being moved forward, is deserving just as
9 much of permanent leadership.

10 And it's something in the past, in
11 my experience, at times we in Region 8 have
12 trouble, not with the regional office,
13 which tends to be very responsive, but just
14 in getting the attention to some of the
15 needs that we have. And certainly having
16 someone accountable that we can work with
17 is tremendously important.

18 ACTING COMMISSIONER KARAS: Okay.
19 Thank you.

20 ASSEMBLYMAN BUCHWALD: Thank you
21 very much, Madam Chair.

22 CHAIRWOMAN YOUNG: Thank you.

23 Senator Krueger.

24 SENATOR KRUEGER: Good afternoon.

1 Welcome.

2 I just want to follow up and ask
3 you, since I don't think you'll have it
4 today, following up on several questions,
5 can you please confirm how much is being
6 swept from the Highway and Bridge Trust
7 Fund? My colleague mentioned \$376 million,
8 but I believe there are some other sections
9 of the Article VII bill that sweep even
10 more.

11 So I find it a little disturbing
12 that you actually highlight in your
13 testimony your concern about the flat
14 federal Highway Trust Fund and expectations
15 of not getting more money, and yet we're
16 sweeping our existing.

17 DOT CFO EPSTEIN: Senator, I
18 guess -- and this question I think Senator
19 Dilan, you may have asked this question as
20 well. So sitting here thinking about that,
21 what I think you're referring is to moving
22 the operating expenses for snow and ice and
23 some other operating activities out of the
24 Dedicated Highway and Bridge Trust Fund,

1 but that is being paid for out of the
2 General Fund. That is not a sweep, it is
3 revenue-neutral in terms of the state
4 budget. It's just a matter of where it
5 gets paid from.

6 So I'm not aware of any funds being
7 swept from the Highway Trust Fund.

8 SENATOR KRUEGER: So I would like a
9 breakdown afterward.

10 DOT CFO EPSTEIN: Yes.

11 SENATOR KRUEGER: But I think -- I
12 think partly you may be right. It talks
13 about taking the funds for bus safety, rail
14 safety --

15 DOT CFO EPSTEIN: Yeah, that is
16 exactly what I'm talking about.

17 SENATOR KRUEGER: -- motor carriers,
18 snow and ice removal. But it also talks
19 about taking prevention course pilot
20 program fees, motorcycle registration fees,
21 license fees, on and on and on.

22 So I really would be interested in
23 understanding exactly what's the movement
24 of the money and are these programs we say

1 exist for specific reasons being covered.

2 DOT CFO EPSTEIN: Sure. And we'll
3 work with you on that.

4 SENATOR KRUEGER: Great.

5 DOT CFO EPSTEIN: Now that you've
6 listed that -- those series of items, I'm
7 confident that that's exactly what's
8 happening here. This is not a revenue
9 sweep, this is just a reallocation, part of
10 budgetary reform, which is aligning
11 operating expenses with operating expenses
12 and capital with capital.

13 SENATOR KRUEGER: So my colleague
14 Senator Dilan also reminded me of the
15 high-speed rail issue and the fact that --
16 and you answered his questions about the
17 study. But as I recall, we had several
18 federal grants that actually came to us.
19 So can you find out for me how much money
20 we got from the federal government for
21 high-speed rail, and where is it and what
22 are we doing with it?

23 DOT CFO EPSTEIN: So we can get you
24 that list. And all of the projects that I

1 listed -- and I can list them again if
2 you'd like -- those were all partially
3 federally aided. So that money has been
4 expended for the projects that they were
5 intended for.

6 SENATOR KRUEGER: So all the federal
7 money we got for high-speed rail has been
8 expended.

9 DOT CFO EPSTEIN: Yes.

10 SENATOR KRUEGER: Although it's a
11 little unclear whether it was actually for
12 high-speed rail.

13 ACTING COMMISSIONER KARAS: We can
14 get you those projects and precisely what
15 they are for.

16 SENATOR KRUEGER: Okay. Okay.

17 So at least in New York City we have
18 a problem, which is we have these charter
19 bus companies who claim there's no
20 authority the State or the City of New York
21 has over them, even though they set up
22 basically fake bus terminals on the streets
23 of my district in midtown Manhattan. And
24 they have a particularly high rate, it

1 seems, of accidents and crashes because
2 they don't seem to bother to follow the
3 rules of how many hours a bus driver is
4 allowed to drive or whether they have a
5 good driving record.

6 And I know there's this constant
7 answer for us, well, there's federal
8 preemption when they're not a New York
9 State-chartered bus company. We must have
10 something we can do. This is really
11 getting out of hand. Do you have an answer
12 of what we can do here?

13 ACTING COMMISSIONER KARAS: Senator,
14 we at the Department of Transportation do
15 inspections of physical properties,
16 physical vehicles. I don't think, however,
17 that's what you're referring to.

18 But what we also do is work together
19 with the Department of Motor Vehicles, with
20 them having an interest in licensing and
21 certifying the drivers of those vehicles.

22 SENATOR KRUEGER: I think they
23 purposely make sure their vehicles are not
24 licensed by the State of New York.

1 DOT CFO EPSTEIN: And, Senator, if I
2 could also add that since the Worldwide
3 Tours accident back I think in 2011, under
4 the Governor's direction we have greatly
5 increased the number of random roadside
6 inspections. So whether or not you're
7 domiciled in New York and fall under our
8 jurisdiction, we pull a vehicle over and do
9 the inspection, and if they are not safe,
10 they cannot continue on their journey.

11 SENATOR KRUEGER: And if they set up
12 a fake bus depot in my district with
13 signage and claiming that they have the
14 right to be there with six buses, is there
15 something you can do to help me?

16 DOT CFO EPSTEIN: Well, then we
17 would be able to send inspectors out to do
18 the random inspections. So that vehicle
19 cannot move if it fails our inspection.

20 SENATOR KRUEGER: West 35th Street,
21 please --

22 (Laughter.)

23 SENATOR KRUEGER: Between 6th and
24 Broadway.

1 DOT CFO EPSTEIN: West 35th and
2 what?

3 SENATOR KRUEGER: West 35th between
4 6th and Broadway. My office will be happy
5 to go with you.

6 DOT CFO EPSTEIN: Duly noted.

7 SENATOR KRUEGER: It's just one of
8 the sites.

9 So I was reading -- so again, we're
10 behind, apparently, on a number of things
11 we hoped to do here, I understand that.
12 But I was reading a story line that some
13 states are using drones to do the
14 evaluations of risk on their bridges, so
15 that when you need to track conditions of
16 risk for priority in getting your people
17 out there to make the fixes, that drones
18 can be very effective in actually taking
19 the pictures and bringing that back to you,
20 rather than having people having to go out
21 and look through every nook and cranny and
22 climb under bridges and to the tops of
23 bridges.

24 I'm just curious, has New York

1 looked at this? Because Minnesota, which
2 apparently has more bridges than any other
3 state in the country, has been using these
4 very effectively.

5 ACTING COMMISSIONER KARAS: We use a
6 variety of techniques for bridge
7 inspection. And the state has a group of
8 departments and agencies that are taking a
9 look at a consolidated effort, if you will,
10 use of drones. On occasion, the department
11 will use them.

12 I do not know if we're using them
13 for detailed bridge -- individual bridge
14 inspections. However, with regard to your
15 comment about not using manual labor, if
16 you will, we use more and more gauging,
17 remote gauging, measuring the stresses and
18 using that to monitor conditions of
19 bridges.

20 SENATOR KRUEGER: And my last quick
21 one is following up on Senator Savino's
22 points.

23 So the state is using design-build
24 on a number of projects, and in fact we

1 were testifying -- excuse me, labor was
2 testifying yesterday how in upstate they're
3 not happy about it. The City of New York
4 has been asking for permission to use
5 design-build for two major transportation
6 projects for years, actually with the
7 support of the labor unions in New York
8 City for these projects.

9 Why can we approve them for your
10 projects and not for the projects that
11 might be literally side by side with your
12 projects in the City of New York?

13 ACTING COMMISSIONER KARAS: Well,
14 the department does use design-build, as
15 you stated. The Governor is in support of
16 design-build throughout the state. And
17 whether or not it is being -- the issue of
18 design-build in New York City is something
19 that needs discussion between the Executive
20 and the legislative branch. But the
21 Governor is in support of design-build,
22 yes.

23 SENATOR KRUEGER: I don't think he
24 put it in this year for the City of

1 New York's projects, just FYI.

2 I'm over time, so thank you.

3 CHAIRWOMAN WEINSTEIN: Assemblywoman
4 Simon.

5 ASSEMBLYWOMAN SIMON: Thank you, and
6 congratulations.

7 I do want to follow up on some prior
8 questions with regard to the BQE and
9 Gowanus Expressway and the triple
10 cantilever, which as Senator Savino has
11 indicated are really part of a whole. And
12 there is a great deal of confusion as to
13 which piece of that roadway belongs to
14 whom. And further made confusing in my
15 neck of the woods by the fact that the
16 state led a very robust community
17 engagement around replacing the triple
18 cantilever and then somehow or other
19 decided it wasn't the state's property and
20 now it's the city's. So the city is now
21 dealing with that issue, which is very
22 concerning and at a stage of great
23 disrepair that is somewhat frightening.
24 So I have a question about the

1 design-build. I understand that the
2 Governor has not put it in his budget this
3 year. He has indicated that they would
4 like design-build to be used by many other
5 entities, and including in the budget --
6 they were talking about giving it to DASNY
7 and to other agencies, other entities of
8 the state government, but not to the City
9 of New York.

10 And I would like to know why that is
11 the case, why that is not in the budget
12 this year.

13 ACTING COMMISSIONER KARAS:

14 Assemblywoman, I have to defer on that
15 question to the Department of Budget and
16 also to the Executive.

17 ASSEMBLYWOMAN SIMON: Well, I'll
18 continue to be discussing this with the
19 Executive's office.

20 It is a great concern and will
21 affect other roadways, including those
22 roadways that the state is working on if we
23 have a disaster on the BQE. The city
24 estimates that by 2026, if it is not

1 completely rehabilitated, that we will have
2 to ban trucks. And in the downtown
3 Brooklyn area and throughout the entire
4 western Brooklyn corridor, down the Gowanus
5 into Staten Island, this will create havoc.

6 And so it's a great concern to me
7 that the state is considering not using an
8 approach to procurement that it uses
9 extensively and that would save at least
10 two years and over a billion dollars. So I
11 want to just register those concerns with
12 you.

13 The other thing I want to ask about
14 is the Gowanus. Besides the questions that
15 Senator Savino asked, which I agree with
16 her concerns completely, there was a
17 proposal at one point for an elevated HOV
18 lane. And that is -- the last I've seen,
19 there has not been any work done on it.
20 And I wanted to know what, if anything, is
21 being done at this juncture to move forward
22 with that.

23 ACTING COMMISSIONER KARAS: I don't
24 know the history of that, and I don't know

1 the status of that. I'll get an answer to
2 you.

3 ASSEMBLYWOMAN SIMON: I would like
4 to know, because one of the things that
5 we've been working on for twenty years is
6 getting rid of the Gowanus Expressway and
7 making a tunnel. And one of the concerns
8 we have is of course the stability of that
9 roadway long-term, and an elevated HOV lane
10 could end up being just as compromising.
11 So I'm quite concerned about that, and I'd
12 like to know.

13 Thank you.

14 ACTING COMMISSIONER KARAS: We'll
15 get an answer to you.

16 CHAIRWOMAN YOUNG: Thank you.

17 Commissioner, I just had a couple of
18 follow-up questions, if you're okay with
19 that.

20 But you mentioned and some of the
21 members mentioned design-build. Can you
22 give us some examples of design-build
23 projects that DOT has undertaken.

24 ACTING COMMISSIONER KARAS: I can.

1 I can provide a full list to you. Right
2 now, there is a pending project, it's being
3 advertised for procurement, the Nassau
4 Expressway, which we mentioned earlier. A
5 very large one, the K Bridge, Kosciuszko
6 Bridge, half of it's design-build. There
7 are a number of projects outside of
8 Rochester, interstate projects. The
9 Rochester Train Station was a design-build
10 project. To date we've had 31 projects.

11 CHAIRWOMAN YOUNG: Thirty-one, okay.

12 Has the agency documented any of the
13 savings that go along with design-build?
14 Do you issue any kind of report, or is
15 there any accounting of it?

16 ACTING COMMISSIONER KARAS: It's my
17 understanding a report was issued last
18 year.

19 CHAIRWOMAN YOUNG: Okay. Is there
20 an updated one that's coming out?

21 ACTING COMMISSIONER KARAS: I don't
22 know. I'll find out and provide an answer
23 to you.

24 CHAIRWOMAN YOUNG: Okay, thank you.

1 I wanted to just ask quickly about
2 the "I Love New York" signs because I drive
3 past them all the time, and I know that DOT
4 was having a dispute with the federal
5 government about that. Where are you at in
6 resolving that disagreement? And the
7 federal government has threatened to
8 withhold funding from the state, so could
9 you please address that?

10 ACTING COMMISSIONER KARAS: There
11 have been no penalties, no funding has been
12 withheld. We are continuing to have a
13 dialogue with the Federal Highway
14 Administration about those signs. We think
15 the outcome will be beneficial, but the
16 dialogue continues. No penalties, no
17 funding withheld.

18 CHAIRWOMAN YOUNG: Have they
19 indicated when those would be wrapped up?

20 ACTING COMMISSIONER KARAS: I do
21 not.

22 CHAIRWOMAN YOUNG: Okay. Okay.
23 Well, thank you.

24 CHAIRWOMAN WEINSTEIN: Assemblyman

1 Byrne.

2 ASSEMBLYMAN BYRNE: Thank you,
3 Chairwoman.

4 And let me echo my congratulations
5 to you, Commissioner.

6 Like my colleague Assemblyman
7 Buchwald, my issue is a little bit closer
8 towards local, specific to Region 8. And I
9 do think the more communication we get from
10 our officials in the DOT, the better. You
11 know, communication with our state reps,
12 myself, our Senator that I share my
13 district with, as well as our town
14 officials. And sorry to say, but that's
15 been somewhat inconsistent since I've been
16 in this position.

17 There has been some pluses. I know
18 had some projects along 6N. And we were
19 able to bring in some representatives from
20 the DOT, and I appreciate that, to work on
21 some local issues there. But again, it's
22 been inconsistent and we've had some delays
23 that I'd like you to speak to. And just so
24 I can try to stick to a time frame here, I

1 want to try to wrap this up first, just so
2 you can get some context why so many people
3 in my district are upset about this.

4 On July 6th of last year, the
5 Governor's office issued a press release
6 announcing that more than \$103 million were
7 to pave, you know, like 200 miles of road
8 across the mid-Hudson Valley. Okay? In
9 that project -- and in the press release,
10 it said the project will be completed "this
11 year," so that's in 2017. Some of them
12 have been completed, some have not been.
13 One that a lot of the people I represent
14 were very excited about was on Route 6, a
15 state road that travels right through the
16 hamlet of Carmel. It goes to the only
17 hospital in Putnam County, Putnam County
18 Hospital. It's a main thoroughfare to get
19 to the interstate, I-84, which people
20 travel to and from the State of
21 Connecticut. So people travel on this road
22 regularly, and it is in deep, deep
23 disrepair. The town supervisor I spoke
24 with this morning, he told me that it's

1 repeatedly being treated with Band-Aids
2 when it is really a deep, deep wound. This
3 needs serious attention.

4 When we looked at the website that
5 you referenced earlier, we didn't get any
6 communication about a delay, so we wrote a
7 letter, myself and Senator Terence Murphy.
8 And to be fair, Commissioner, I don't think
9 you were the commissioner at the time. I
10 have not seen a response yet. And what
11 we've seen on the website is that it's been
12 now delayed to 2018 and potentially 2019.

13 So the people of Putnam County that
14 use this roadway are expecting to use this
15 this year. The people that are in the
16 commercial districts in Putnam Plaza, you
17 know, they look at the condition of the
18 roads. So this is really important to my
19 district. Just so you get a -- and I'll
20 give this to you after the hearing if you'd
21 like -- this is the status of the road
22 right now, covered in potholes. We've
23 heard about it before, and the attention
24 that we need to help our local roads. This

1 is a state road. Okay?

2 I also want to say, although it
3 wasn't in that press release, Route 52
4 right there, right on Lake Gleneida, that's
5 another area that needs some real serious
6 attention -- not patchwork, we need
7 repaving. And I know many of my colleagues
8 commute up here from the city. I take the
9 Taconic. Okay? The Taconic State Parkway
10 got some needed attention. That was on
11 time, down to Hortontown Road, but then it
12 stopped.

13 One of the most dangerous spots on
14 the Taconic State Parkway is in my
15 district, right in Putnam Valley and in
16 Carmel, where you're going from Route 6 to
17 I-84. You have a giant retaining wall, and
18 then on the southbound lane you have
19 this -- basically, it's like a cliff.
20 There's rarely any like shoulders to pull
21 off of. So it's very important that we
22 have these roadways treated and they're
23 safe.

24 I have a newspaper article from the

1 Putnam County News & Recorder from just
2 about a week and a half ago. We had over
3 20 people had to get towed off the Taconic
4 State Parkway because of flats because of
5 potholes on the TSP. So I'd like you to
6 speak about that, if there's any
7 opportunities to address that. I think
8 it's a very pressing concern. It's not
9 just traveled by people in my district, but
10 it's important because I want people to
11 stop and shop in Putnam County and in
12 Westchester, that's obviously important.

13 And if you could touch on the status
14 of the Pudding Street interchange, which is
15 very important, that goes over the Taconic
16 State Parkway. I know Senator Sue Serino
17 has worked on securing funds. That's not
18 slated till about 2019-2020. I want to
19 make sure that stays on track.

20 And if you could speak to those
21 specific issues, I would be grateful.
22 Thank you.

23 ACTING COMMISSIONER KARAS: I will,
24 and we will get back to you on each of

1 those issues that you brought up.

2 ASSEMBLYMAN BYRNE: Okay. Could you
3 speak to the point that -- why the delay on
4 Route 6, specifically? For folks to read
5 this in the newspaper, being told by the
6 executive branch and then our
7 representatives at DOT and everyone that
8 this is going to happen, and then -- that's
9 in the summer of this past year, and then
10 it doesn't happen, and now we're going
11 through a tough winter, you know, what are
12 we supposed to tell them?

13 It's -- I appreciate your
14 willingness to get back to me, and we can
15 certainly talk more about it offline. But
16 that's something that once the state makes
17 a commitment, they need to know that our
18 word is good. Thank you.

19 CHAIRWOMAN YOUNG: Thank you.

20 Senator Kennedy.

21 (Discussion off the record.)

22 SENATOR KENNEDY: Commissioner,
23 thank you again. Just a brief follow-up
24 from my conversation with you earlier

1 regarding the NFTA and the upcoming capital
2 projects plan you're putting together.

3 There's talk of a five-year capital
4 projects plan happening throughout the
5 state in various ways. What I would ask
6 you is to make the NFTA and their capital
7 needs a priority. The investment that was
8 initially made into the light rail system
9 in Buffalo is now over 30 years ago. In
10 many different ways, it's in desperate need
11 of strong, robust capital investment.

12 And so as I already mentioned, about
13 \$100 million over five years is what they
14 really need to get it to the level that is
15 necessary just to provide basic
16 transportation needs in our community.

17 At the same time, I'd like you to
18 make a trip up to Buffalo and see
19 firsthand, meet with us, talk with us
20 firsthand. I recognize that this is a new
21 position for you. We had a tremendous
22 relationship with your predecessor, and his
23 leadership was on the ground. And we were
24 able to communicate regularly about these

1 sort of issues.

2 So I think it's important that we
3 try to maintain that level of communication
4 as much as possible. But in order for you
5 to see really the needs and understand the
6 needs on a personal level, but also to then
7 translate that into budgetary priorities, I
8 would ask you to, one, commit to coming to
9 Buffalo in the very near future, but most
10 importantly, making a five-year capital
11 projects need assessment and ultimately
12 delivering on those needs to the NFTA a top
13 priority.

14 ACTING COMMISSIONER KARAS: Thank
15 you, Senator. And I am new, a couple of
16 months plus, but I have been to Buffalo
17 three times so far since I've been in the
18 position, and I'm aware of the projects
19 there. Probably not all of them. But I
20 will be back, and we'll give all those
21 items consideration, full consideration.

22 Thank you.

23 SENATOR KENNEDY: Thank you.

24 CHAIRWOMAN WEINSTEIN: Assemblyman

1 Ortiz.

2 ASSEMBLYMAN ORTIZ: Thank you, Madam
3 Chairman.

4 And Commissioner, congratulations
5 and welcome to the new challenges ahead of
6 you.

7 I too would like to echo Senator
8 Savino and Assemblywoman Jo Anne Simon to
9 invite you to come to our districts. I am
10 the ham of the sandwich. I am the ham of
11 the sandwich. So I have Senator Savino on
12 my right, Assemblywoman Simon on my left,
13 so the whole Gowanus-BQE is really in the
14 heart of Sunset Park.

15 And I would like to address a couple
16 of issues. When I wake up in the morning
17 at 5 a.m., the first thing I do is I put on
18 1010 WINS. And this is a free commercial
19 for 1010 WINS at this point. The first
20 thing I hear is "Do not take the BQE, it's
21 jammed." So people go through Third
22 Avenue, people go through Fourth Avenue,
23 now people are moving through Fifth Avenue
24 in Sunset Park. Now they're finding out

1 that there's a loop on 82nd and 67th Street
2 from Hamilton Parkway, that they can go
3 through the other side, go through the back
4 of the Greenwood Cemetery, and it's really
5 creating now a real difficult time for the
6 residents of Sunset Park and the people of
7 the area of Park Slope as well, and
8 Red Hook.

9 Now, saying that -- and I was saying
10 before we do have a serious issue with the
11 BQE and Gowanus. And we have, I have three
12 schools next to the BQE, one on 60th
13 Street, one on 47th Street, and one on
14 Henry Street. These three schools, they
15 get all the fumes that is coming out of all
16 these vehicles for many, many years. Right
17 now there's a major reconstruction going on
18 regarding removing the painting that is on
19 this BQE and this highway. As they're
20 removing this painting, one of the biggest
21 challenges that we have is that we have
22 people that live below Third Avenue and
23 above Fourth Avenue right in the corridor
24 of the BQE.

1 Now, all these sediments and air
2 pollution, if you will, go up through the
3 air and people have been complaining to me
4 that they even get to their -- they're
5 inside their houses because they live next
6 to it.

7 So besides that, besides that, I
8 have been calling for air quality monitors
9 to be put in the Gowanus Expressway to --
10 really to monitor the air quality that is
11 coming out and what are the bacterias or
12 whatever it is coming out of these --
13 what's going on on the Gowanus Expressway.

14 Secondly, I would like to say that
15 the area of Sunset Park, especially those
16 schools, if you go to those schools and you
17 ask the question what is the absentee rate
18 of the schools, it's higher than any other
19 school that is probably Fourth Avenue up
20 Sunset Park. And this is as a result of
21 all this pollution.

22 So I would love to suggest and make
23 you look like a champion and give you an
24 idea -- I always come with good ideas --

1 I'm going to try to make you a champion.

2 If you can come and work with your
3 agencies, there has to be a partnership
4 together, a collaboration effort, to put
5 some air quality monitoring on the Gowanus
6 and then give us the results, give us the
7 answer, and also give us a plan of action
8 on how these agencies will work together in
9 order to address these particular needs
10 that is affecting my community and it has
11 been affecting my community for many years.
12 That's number one.

13 Number two, talking about who is
14 responsible and who has the jurisdiction, I
15 know that jurisdiction on some areas is
16 New York City and New York State. We do
17 have also a big issue, and I addressed this
18 with some of your folks who have been super
19 helpful to address this issue as well.
20 Okay? But it's a continuous issue that is
21 happening under the Gowanus, and it's that
22 we have light, we have new development, new
23 businesses building in the area of Sunset
24 Park, Industry City, and the lighting that

1 is underneath blew up all the time. So we
2 don't have no lights. The lights go off.
3 And I know there's a contract between DOT
4 and New York City and New York City and DOT
5 is responsible to fix those lights. So I
6 would love to make sure that both of your
7 agencies will work together to monitor that
8 every time that that happens, I don't need
9 to continuously get phone calls or me going
10 around the neighborhood to check on every
11 single light, because probably I will be
12 the worst person to change those lights.

13 But the bottom line is that there
14 should be some kind of consistency while
15 these people are working to fix those
16 lights. And it's very dangerous, it's very
17 dark. Because you have NYU Medical Center
18 on 55th Street, and now they're building
19 more and there's more jobs on the other
20 side of the BQE, and those people have to
21 walk to Fourth Avenue to the subway
22 station, those who are not taking the bus
23 at that point.

24 So I would encourage you to -- and

1 again, I would like to make you a champion
2 and I would like to be part of this
3 discussion to work with other agencies that
4 are -- probably have the jurisdiction to
5 put the air quality measures in this
6 Gowanus and give us answers about that.

7 The last thing I would like to
8 suggest is that the mayor is proposing to
9 build his Brooklyn-Queens connector street.
10 And you know we have -- we're doing
11 rehabilitation in the BQE. Can these two
12 projects take place at the same time? Can
13 these two projects be taking place at the
14 same time, where we're doing the BQE
15 rehabilitation plus the mayor is trying to
16 push for this connector?

17 DOT CFO EPSTEIN: We would
18 coordinate with the city to make sure that
19 no, they were not going on at the same
20 time, if possible.

21 ASSEMBLYMAN ORTIZ: And you have
22 been having conversations with the city
23 about this connector, the City of New York
24 has reached out to the state to make

1 sure --

2 CHAIRWOMAN WEINSTEIN: Excuse me --

3 DOT CFO EPSTEIN: We talk with the
4 city all the time. And we're actually
5 going to be meeting with them very shortly,
6 so we'll make sure to bring this up.

7 ASSEMBLYMAN ORTIZ: Because I think
8 we'll be --

9 CHAIRWOMAN WEINSTEIN: Mr. Ortiz,
10 can --

11 ASSEMBLYMAN ORTIZ: To finalize,
12 then, Madam chairman, if you'll allow me
13 one quick second, just to finalize, I just
14 want to say that I would like to work with
15 you to make you a champion. Thank you.

16 ACTING COMMISSIONER KARAS:
17 Assemblyman, the issues you mention, first
18 of all, I need to determine the
19 jurisdiction there, if you don't mind. And
20 that will be done right away.

21 However, both the lighting issue and
22 the painting issue have to do with safety
23 and health, and those are very important to
24 us. I think I can speak for New York City

1 too, and their department. But they're
2 very important, they're paramount. And
3 with regard to the painting, OSHA standards
4 are applied and we spec steel with those
5 things. But again, they get back to safety
6 and health, and that's the focus of ours.
7 That's job one.

8 ASSEMBLYMAN ORTIZ: Well, I'm
9 looking forward to working with you. I
10 hope that we can develop a partnership to
11 bring the agencies together to really do
12 the air quality measurement that is needed.
13 Thank you, sir.

14 CHAIRWOMAN WEINSTEIN: Assemblyman
15 Otis.

16 ASSEMBLYMAN OTIS: Hello,
17 Commissioner. Congratulations. And also
18 congratulations to Todd Westhuis for his
19 great help with us.

20 And I think where I wanted to start
21 off was to thank the Governor and to thank
22 DOT for, in the last year and a half or so,
23 new policies on pedestrian safety. And DOT
24 has taken a shift, put out a report that

1 was very well received to support more
2 innovative, creative efforts at pedestrian
3 safety efforts around the state.

4 And Region 8 is working very close
5 with my office on -- we had one very
6 successful project in Mamaroneck, where DOT
7 was tremendously helpful. We're working on
8 something else around a school in Port
9 Chester.

10 So I guess my first question is I'm
11 assuming that that is working well all
12 around the state, the new sort of safe
13 routes to schools and pedestrian safety
14 innovations.

15 ACTING COMMISSIONER KARAS: I think
16 you're referring to the Pedestrian Safety
17 Action Plan?

18 ASSEMBLYMAN OTIS: Yeah, yeah.
19 Great document.

20 ACTING COMMISSIONER KARAS: Yes, it
21 is. It's a statewide effort.

22 ASSEMBLYMAN OTIS: Great. That's
23 wonderful.

24 Two other brief things.

1 On the broadband issue, on behalf of
2 local governments I would just like to toss
3 in a consideration that is important, which
4 is many local governments have their own
5 wireless siting local policies, local laws
6 and other land use policies. And it has
7 always been my position that state
8 agencies -- and it's not always DOT, other
9 agencies -- get involved in this as well,
10 work with local governments, try and be
11 respectful of local policy and siting
12 preferences and things like that.

13 Very important with the new
14 initiative that has been mentioned today,
15 that I would ask that that be sort of the
16 general operating procedure. And you know,
17 again, with our regional office, always
18 good cooperation on everything, so I think
19 that shouldn't be too hard, but throw that
20 out there and ask for your help.

21 ACTING COMMISSIONER KARAS: Okay.
22 And with regard to fiber, do you have a
23 anything to add?

24 DOT CFO EPSTEIN: I have nothing

1 else to add.

2 ASSEMBLYMAN OTIS: I'm sorry?

3 ACTING COMMISSIONER KARAS: Nothing
4 else to add.

5 ASSEMBLYMAN OTIS: Okay, very good.

6 And then Assemblywoman Paulin
7 mentioned the ongoing sort of series of due
8 diligence reviews that are going on
9 regarding some sort of Long Island Sound
10 crossing. And so as part of that
11 process -- and I've had this communication
12 with DOT in the past, this is sort of just
13 to follow up on Assemblywoman Paulin. But
14 the most important issue that really is
15 going to have to get crunched are the
16 traffic impacts in Westchester County. And
17 in looking at the State DOT traffic
18 statistics on the 287 and I-95 corridors,
19 traffic volumes have gone up in the last 10
20 or 15 years significantly. And so as
21 you're going through the other aspects of
22 due diligence, I look forward to continuing
23 to work with you to make sure that the
24 traffic numbers get crunched, because they

1 are going to be pivotal in terms of what is
2 feasible or not feasible, and so ask for
3 continued help on that front.

4 ACTING COMMISSIONER KARAS: And
5 those assessments will be part of the due
6 diligence with regard to financial and
7 operating impacts, but certainly,
8 importantly, environmental impacts and
9 benefits on both ends.

10 ASSEMBLYMAN OTIS: So look forward
11 to meeting on these topics. And thank you
12 very much.

13 Thank you, Madam Chair.

14 CHAIRWOMAN WEINSTEIN: Thank you.

15 Assemblyman Steck.

16 ASSEMBLYMAN STECK: My question
17 concerns the Exit 4 on the Northway, which
18 my understanding is that the improvements
19 to that have been postponed. Is that the
20 case? And what would the reason for that
21 be?

22 ACTING COMMISSIONER KARAS:
23 Assemblyman, it has not been postponed.
24 The precise date, I can get back to you.

1 But I do know it's going forward as it was
2 planned.

3 ASSEMBLYMAN STECK: Well, I do want
4 to say that in my experience in this
5 position that your agency has been one of
6 the most responsive, if not the most
7 responsive, and to which your regional
8 director, Sam Zhou, deserves a tremendous
9 amount of credit.

10 And I'm quite sure that if we had
11 more ways of raising revenue, you guys
12 could do a lot more things. But thank you
13 for your work.

14 ACTING COMMISSIONER KARAS: Thank
15 you.

16 CHAIRWOMAN WEINSTEIN: Mr. Skoufis
17 for a quick question.

18 ASSEMBLYMAN SKOUFIS: Thank you,
19 Madam Chair.

20 And I apologize for coming back, I
21 wasn't expecting to, for a second round.
22 But I'll be brief. It's prompted by the
23 line of questioning that you had,
24 Commissioner, with my colleague Assemblyman

1 Buchwald.

2 And I preface this by saying, and I
3 do every year, that your Region 8 team is
4 exemplary. I have an excellent working
5 relationship with all of them and look
6 forward to continuing that relationship.

7 That said, I just got done picking
8 my jaw up off from the floor learning that
9 we no longer have Todd Westhuis as our
10 regional director. I'm hearing this for
11 the first time. I think in just speaking
12 with my colleagues sort of offline here, I
13 think we're all hearing about this for the
14 first time, and we're hearing about it by
15 chance of a question at a budget hearing.

16 When were we going to be told about
17 this? When did this change happen? Do you
18 think it's appropriate that we just found
19 out about this really by chance, in a line
20 of questioning here? Todd is wonderful,
21 and I think he's going to be an asset, a
22 wonderful asset to you. And I happen to
23 know Lance MacMillan, who I guess is the
24 new acting regional director, and he too is

1 a true professional. But this seems like a
2 total breakdown in communication.

3 ACTING COMMISSIONER KARAS:
4 Assemblyman, we did issue an announcement.
5 It was internal, to the department. And if
6 that caused any discomfort on anybody's
7 part, we apologize for that.

8 But I suppose the good news is that
9 when a very good person is absent and the
10 reaction is like that, it indicates the
11 quality of some of the personnel at DOT.
12 We apologize for not letting you and others
13 know about that, and we need to correct
14 that.

15 ASSEMBLYMAN SKOUFIS: Okay. Well, I
16 appreciate that. And I do hope that there
17 is an added focus to better communicating
18 with us legislators when there is a
19 significant personnel shift like that. I
20 think, at least speaking for myself, I
21 communicate with DOT more than any other
22 state agency, and to just, again, by chance
23 learn about a major shift like that is
24 concerning. So I appreciate a renewed

1 effort there. Thank you.

2 CHAIRWOMAN WEINSTEIN: And our final
3 questioner, Assemblywoman Hunter.

4 ASSEMBLYWOMAN HUNTER: Thank you,
5 Chairwoman.

6 Commissioner, congratulations. I
7 actually took time to read your bio and was
8 very impressed with your background and
9 experience. You have big shoes to fill
10 with the prior commissioner, but I'm
11 looking forward to having many
12 conversations with you.

13 I live in the Syracuse area, so I'm
14 sure that you are apprised of the huge
15 issue that we have with the major
16 interstate running through, which is
17 Interstate 81. But I don't want to talk
18 about that today, but I will be coming back
19 to talk to you about that in very short
20 order.

21 When we have conversations about
22 transportation -- especially we took, you
23 know, four hours talking about MTA, which
24 is obviously very, very important. And

1 that's talking about moving people around.
2 We rarely have those conversations in
3 Central New York.

4 And in the Executive Budget, he had
5 laid out kind of economic growth for the
6 state, and obviously New York City had the
7 most economic growth. And the least growth
8 in the entire state is in Central New York.

9 And in your testimony you had made
10 mention in your conclusion about the DOT
11 continuing to serve as a catalyst for job
12 creation and global economic
13 competitiveness. And I want to be able to
14 get from you -- and obviously New York is a
15 large state. And I don't know if you've
16 been to Syracuse yet, and hopefully you
17 will. And I would like to walk some of my
18 district with you -- it's very diverse --
19 but get your thoughts on how you can
20 incorporate that into our significant
21 transportation issues in Syracuse,
22 nonrelated to bridges and roads and
23 airports.

24 You know, we have AIM money, which

1 is never enough. And hopefully, you know,
2 we'll be able to keep the level sustained
3 from last year. But really it's having a
4 conversation, how do we get people who
5 don't have cars -- that's great if you fill
6 potholes, it's great if you fix bridges.
7 If you don't have a car, it doesn't make a
8 difference. And we are woefully lacking in
9 public transportation. The number-one
10 thing I hear from employers in my district
11 that have numerous job openings is that
12 people can't get to work.

13 And so I wouldn't love to have the
14 MTA problems, but I'd like to have an MTA
15 to be able to get people to work. So I'd
16 like to be able to hear your thoughts about
17 that.

18 But today, I'd like to pick your
19 brain about the New NY Broadband
20 Infrastructure Program. So can you tell me
21 a little bit about how this is going to
22 work? I know in the Executive Budget that
23 there's monies that's supposed to be
24 collected -- obviously we're in a

1 deficit -- from I guess organizations that
2 are supposed to be now paying right-of-way
3 fees.

4 And I'm concerned that in charging
5 organizations, that potentially that's
6 going to come back to a consumer. And then
7 also want to -- and that's a huge issue,
8 not only just, obviously, throughout the
9 state, but in Central New York, as you get
10 to more rural areas, people don't have
11 internet. And I think people think it's a
12 privilege, but people need it to get their
13 homework for their kids, they need it
14 for -- they go to the library and park in
15 the parking lot just to get on the wifi.
16 So this is a significant issue.

17 And I wanted to know, based on this
18 new program, if there's going to be a cost,
19 obviously, to municipalities and if you
20 could tell me a little bit about these
21 small cell programs that would in some ways
22 bypass our local ordinances. So I don't
23 know if you have information on that today,
24 but I'd like to get some information about

1 that from you.

2 ACTING COMMISSIONER KARAS: Okay.

3 Assemblywoman, thank you. I do not know
4 all the details of the New York Broadband
5 Initiative and what goes along with that.
6 However, with regard to the financing,
7 what's in Article VII, I would like to
8 defer to Ron, Ron Epstein.

9 DOT CFO EPSTEIN: Assemblywoman, how
10 are you?

11 So I'm pretty confident, although I
12 do need to confirm this, I'm pretty sure
13 that they're preempted from passing along
14 the cost to the consumer, as part of the
15 Article VII legislation.

16 You know, I look at it this way.
17 Your neighbor can't necessarily just do
18 whatever they want to do in your front
19 yard, they need your permission. And this
20 initiative, in terms of what's proposed in
21 the budget, is essentially addressing the
22 same issue. People should just not be
23 going in our right-of-way and doing things
24 that we're not aware of. We want to make

1 sure they're done safely and that we're
2 protecting the public and that there's no
3 harm to our infrastructure. And that's a
4 large part of what's going on here.

5 ASSEMBLYWOMAN HUNTER: Weren't these
6 same people having access to the
7 right-of-way already?

8 DOT CFO EPSTEIN: So utilities have
9 certainly been in the right-of-way. But
10 there's been a whole host of new entities
11 that are working with other companies to
12 install fiber optic in the right-of-way
13 that is just emerging, it's just exploding
14 in terms of usage.

15 As I mentioned earlier, this does
16 not impact the Governor's commitment to
17 broadband or will impact -- the fees will
18 not apply to the broadband initiative.

19 ASSEMBLYWOMAN HUNTER: Mm-hmm. And
20 the same goes to the small cell technology
21 as well?

22 DOT CFO EPSTEIN: I'm not as
23 familiar with the small cell technology.

24 I mean, again, siting towers in the

1 right-of-way, there are certain
2 requirements that need to be met, and this
3 will ensure, through the permit process,
4 that they are.

5 ASSEMBLYWOMAN HUNTER: All right.
6 I'll get some more specific questions to
7 your office.

8 Thank you, Commissioner.

9 CHAIRWOMAN WEINSTEIN: Thank you.
10 Thank you, Commissioner and Deputy
11 Commissioner. That is all the questions
12 the panel has for you today. Thank you for
13 being here.

14 ACTING COMMISSIONER KARAS: Thank
15 you.

16 CHAIRWOMAN WEINSTEIN: Our next
17 witness is the New York State Department of
18 Motor Vehicles, Theresa Egan, executive
19 deputy commissioner.

20 So feel free to begin.

21 EX. DEP. COMMISSIONER EGAN: I'd
22 better hurry up and begin before there's no
23 one else left here.

24 CHAIRWOMAN WEINSTEIN: There are

1 other speakers after you.

2 EX. DEP. COMMISSIONER EGAN: Good
3 afternoon. Thank you, Chairperson
4 Weinstein and other members of the
5 Legislature, for inviting me here today.
6 I'm Terry Egan, the executive deputy
7 commissioner for the Department of Motor
8 Vehicles.

9 Governor Cuomo's Executive Budget
10 plan provides \$362 million for DMV to
11 support its main office in Albany, 27
12 state-operated offices and 102 county-
13 operated offices, and will enable us to
14 continue our efforts to improve overall
15 customer service, promote traffic safety,
16 and protect consumers.

17 DMV will use the \$18 million
18 increase over the prior year's funding and
19 the 89 additional FTEs to accommodate more
20 in-office customer visits as the result of
21 increasing license renewal volumes, and
22 additional in-office transactions resulting
23 from our implementation of the federal
24 Real ID Act. Our average wait time in the

1 state offices remains under 30 minutes, and
2 these additional funds and staff will allow
3 us to, at a minimum, maintain this critical
4 level of customer service.

5 As mentioned, DMV started issuing a
6 stand-alone Real ID-compliant document on
7 October 30th of 2017, and in the first two
8 months we have issued over 100,000 Real
9 ID-compliant licenses and ID cards.

10 DMV continues to redesign and
11 reengineer the website and mobile user
12 experience, making it easier for customers
13 to obtain information and complete
14 transactions online. Our website now
15 receives more than 35 million visits a year
16 and offers more than 60 online transactions
17 and services.

18 In 2017, customers performed more
19 than 7.4 million internet transactions
20 totaling over \$560 million. In addition,
21 approximately 4 million New Yorkers are
22 enrolled in our electronic registration
23 program, saving the state more than
24 \$700,000 in postage annually.

1 Partnering with 14 state agencies
2 through the Governor's Traffic Safety
3 Committee, DMV will continue its
4 outstanding work that has made New York's
5 roadways among the safest in the nation.

6 GTSC distributes more than
7 \$33 million in federal funding annually to
8 support traffic safety initiatives
9 including enforcements by state and local
10 law enforcement agencies to combat impaired
11 driving, distracted driving, and other
12 dangerous behaviors.

13 In 2017, seat belt usage reached at
14 an all-time high of 93 percent. And
15 New York State has become a national leader
16 in an innovative program aimed at detecting
17 drugged driving by training and certifying
18 drug recognition experts across the state.
19 As a result of these efforts and many
20 others, fatality rates continue to drop.
21 Preliminary statistics show a decrease in
22 fatalities from 2016 to 2017 of almost
23 10 percent here in this state, while the
24 national trends show a significant

1 increase.

2 Looking forward, DMV will continue
3 its commitment to improve traffic safety,
4 protect consumers, innovate and improve our
5 procedures, maintain a high level of
6 customer service, and provide convenient
7 options for our customers to complete their
8 transactions. We remain strongly committed
9 to our core mission to serve the citizens
10 of New York.

11 Once again, thank you for this
12 opportunity to speak with you today. I
13 welcome any questions you might have about
14 DMV and our plans for serving the people of
15 New York.

16 CHAIRWOMAN WEINSTEIN: Mr. Oaks.

17 ASSEMBLYMAN OAKS: Hi, Commissioner.
18 I just had a few questions.

19 One of those relate to -- I know the
20 Real ID compliance is out there, and
21 New York State is yet, I think, to be
22 there. So could you just give us a sense
23 of where we are with that?

24 EX. DEP. COMMISSIONER EGAN: Sure,

1 Assemblyman. New York has submitted a
2 compliance package to federal DHS. It has
3 been there since the end of October. We
4 are very confident that we will receive a
5 compliance designation shortly. As I
6 indicated, we have actually started
7 implementing and issuing Real ID
8 stand-alone compliant documents.

9 In the meantime, the federal
10 government has issued an extension to
11 New York that would go through October of
12 2018. However, we are very confident that
13 we will get the full compliance designation
14 shortly.

15 ASSEMBLYMAN OAKS: Thank you.

16 You mentioned the state saving
17 dollars through some of our electronic
18 usage in the department. As technology
19 continues, I know some states have put in
20 or others are looking at the possibility of
21 actually having an app. We have people who
22 pay their bills and do a number of
23 compliance things when they go through the
24 airport, et cetera, with their phones.

1 Are we looking at, at all, a
2 digitized opportunity for a license that
3 people would be able to use with their
4 personal phone?

5 EX. DEP. COMMISSIONER EGAN: We
6 absolutely continue to explore all those
7 opportunities, Assemblyman. In fact, just
8 yesterday we got another solicitation from
9 a vendor that's looking to do a pilot
10 project. Again, with certain resources
11 available and not having an abundant set of
12 those resources, we do continue to
13 prioritize our IT efforts. But it is
14 certainly something that is on our plate to
15 look at.

16 ASSEMBLYMAN OAKS: I'd be happy to
17 discuss -- we actually have a legislative
18 proposal along that line, so I'd be happy
19 to discuss that with you at some point.

20 The other question I was going to
21 ask was related to boat registrations and
22 out-of-state individuals. We have a lot of
23 border individuals that end up -- if they
24 live in another state but have a cottage,

1 for instance, in New York or are staying
2 here, the question of whether to register
3 their boat here or in their home state.

4 And at this point we require, I
5 think, six points of identification for
6 boats. We require less for snowmobiles and
7 ATVs, for instance. It's difficult
8 sometimes for out-of-state -- I think we
9 only give a couple points for the
10 out-of-state license -- difficult to
11 register here -- and then if you register
12 in the home state, the sales tax -- you
13 know, when you purchase the boat or
14 whatever -- stays there, I think. If you
15 registered it here, maybe it would be here.

16 So I just bring up that issue of
17 consideration of perhaps trying to make it
18 easier to have boats registered by
19 out-of-state residents in New York so that
20 we might reap the benefits from that as a
21 state.

22 EX. DEP. COMMISSIONER EGAN: We'd be
23 happy to take a look at that and also to
24 talk with the Tax Department to see what we

1 can do on the tax piece. We'll take a look
2 at that.

3 ASSEMBLYMAN OAKS: Thank you.

4 EX. DEP. COMMISSIONER EGAN: Thank
5 you.

6 ASSEMBLYMAN OAKS: Thank you very
7 much.

8 SENATOR KRUEGER: Senator Diane
9 Savino.

10 SENATOR SAVINO: Thank you, Senator
11 Krueger.

12 I'm going to follow up on -- first
13 of all, welcome -- follow up on what
14 Assemblyman Oaks was just talking about.
15 My colleagues and I in the Independent
16 Democratic Conference for several years now
17 have prepared a report and released it
18 about the issue of New York residents who
19 are registering and insuring their vehicles
20 out-of-state in violation of the law and
21 the effect that it has. It's called rate
22 evasion, insurance rate evasion, but
23 there's other corresponding issues that are
24 associated with that.

1 Vehicles that are not inspected in
2 New York State are not subject to the same
3 emissions control and other issues, and we
4 don't know whether they're safe vehicles on
5 the road. We know that this practice
6 drives up insurance rates for New Yorkers,
7 and we have tried to focus on that.

8 Is there a role that DMV can help us
9 play in cracking down on this? Because
10 there is a safety issue, there is the cost
11 issue, there is the tax issue.

12 EX. DEP. COMMISSIONER EGAN: I
13 absolutely understand the issue, and it's
14 certainly not new to us. We continue to
15 follow that. I'm not sure that there
16 really is a role for us. It certainly is
17 law enforcement's role, and we're there to
18 help support law enforcement with any data
19 that we can provide to them. But at this
20 point -- certainly we'd be happy to join
21 any conversation you would like to have on
22 it to see if we can explore some
23 opportunities. But I'm not quite sure,
24 with the structure that we have right now,

1 that we play a part in that.

2 SENATOR SAVINO: Thank you.

3 Continuing on the issue of driver
4 safety, I know in the budget there is an
5 authorization that DMV can administer and
6 new driver's license applicants would be
7 able to take the five-hour training course
8 online, as opposed to in person. I have
9 some concerns about that, because good
10 driving habits have to be developed --

11 EX. DEP. COMMISSIONER EGAN: Sure.

12 SENATOR SAVINO: -- and the best way
13 they're developed is through appropriate
14 training, and I'm not sure -- you know,
15 there's no way to determine if that's the
16 person that's actually taking the five-hour
17 online course because you can't see them
18 and they can't see you. I would be
19 somewhat concerned about that.

20 EX. DEP. COMMISSIONER EGAN: Yeah,
21 absolutely understand the concern, and we
22 share that concern. And if this is passed
23 and we go through promulgating the
24 regulations, validation, verification,

1 identification is going to be one of the
2 very big pieces of that.

3 We do have experience with online
4 courses through the IPIRP program right
5 now. We do have 11 sponsors that run the
6 Internet Point and Insurance Reduction
7 Program online, and they deal with
8 verification of identity already. So we
9 would be looking to, again, build on that
10 capability.

11 We do think that there is benefit to
12 doing the online course. Certainly it's
13 something we hear -- you know, our kids
14 nowadays, everybody works off of a phone
15 and online. And this five-hour course
16 isn't in-the-car training, it really is
17 more of a classroom-type program.

18 SENATOR SAVINO: Right. Right.

19 EX. DEP. COMMISSIONER EGAN: So we
20 think if we can do this, we actually will
21 get a benefit of having a more structured
22 education piece. We will have more control
23 over what is being delivered and how it's
24 being delivered.

1 But we absolutely understand that
2 that exact issue is one that we have, and
3 we think that we can capitalize on what
4 we've already learned from the IPIRP
5 program to make this a very solid program.

6 SENATOR SAVINO: I still have some
7 concerns about it.

8 And I know that also there's an
9 extension of the current authorization for
10 autonomous vehicle testing. It's
11 interesting, I actually got the opportunity
12 to ride in one of them last year when they
13 were here, and I'm not sure if people
14 really think -- these cars don't really
15 drive themselves. It's like super cruise
16 control. It doesn't work in a city
17 setting, and you have to be prepared to
18 drive the vehicle, you have to be prepared
19 to take the wheel, and in fact it tells you
20 when you have to take the wheel.

21 And so this part of the proposal, I
22 know, requires that we repeal the section
23 of the law that says you have to maintain
24 one hand on the wheel because that's what

1 gets in the way of driverless vehicles
2 anyway. But a little bit of concern about
3 that, because right now people are doing
4 far too many things when they're driving
5 except holding onto the wheel.

6 As you know, texting and driving has
7 become more problematic now than driving
8 under the influence, and in my opinion is
9 even more dangerous because, even if you're
10 drunk, you're still looking at the road.
11 When you're texting, you're not.

12 So I think we need to go down this
13 road very carefully, and I would hope that
14 your agency would look at the stats and the
15 number of tickets that are being issued
16 right now for distracted driving,
17 particularly because people have their
18 hands on something other than the wheel.

19 EX. DEP. COMMISSIONER EGAN:
20 Absolutely understood. And again, the
21 whole premise of the autonomous vehicle
22 technology is that ultimately it is
23 actually safer than you and I driving.

24 You know, NHTSA has run test after

1 test, and over 94 percent of the crashes
2 have a human element as a causal factor in
3 these crashes. So the idea is if you can
4 take that out with safe technology, going
5 forwards we really have an opportunity to
6 reduce fatalities on our highways.

7 Absolutely understood that we're not
8 ready to do it tomorrow. Eventually,
9 though -- and again, we haven't seen it
10 here in this state, but I know there are
11 some other states where they do have
12 vehicles operating without a driver in the
13 seat. We have a ways to go to get there.

14 The bill that's being proposed right
15 now will not repeal the hand-off-the-wheel
16 until 2020, so it gives us another couple
17 of years to really do the demonstration
18 projects between now and then to see,
19 again, exactly that.

20 There's different levels of
21 automation, some that require human
22 intervention sooner than others, but
23 hopefully that's what the experience we
24 will get to see over the next couple of

1 years.

2 SENATOR SAVINO: Thank you.

3 I just think people have this
4 impression that you're going to be able to
5 go out for dinner, get drunk, and have your
6 car drive you home. That's not what these
7 cars are capable of doing. So I think we
8 need to do a lot more education.

9 EX. DEP. COMMISSIONER EGAN: There
10 is -- I mean, there is a Level 5 vehicle
11 that will actually do that, and it's being
12 tested in very small areas right now. But
13 to your point, I think there's a lot we
14 have to learn between now and then.

15 SENATOR SAVINO: Thank you.

16 CHAIRWOMAN WEINSTEIN: Assemblywoman
17 Hunter.

18 ASSEMBLYWOMAN HUNTER: Thank you,
19 Chairwoman.

20 Deputy Commissioner?

21 EX. DEP. COMMISSIONER EGAN: Sure,
22 that works.

23 ASSEMBLYWOMAN HUNTER: It's late.

24 My question is relative to the TANF

1 monies that the DMV gets -- I don't know if
2 you were here when I had asked the question
3 to the DOT commissioner relative to the
4 huge transportation issues we have in
5 Central New York. You know, we don't have
6 ways for folks to get around, especially if
7 they don't have a car.

8 And one of the issues is relative to
9 people getting their license revoked if
10 they are not paying their child support.
11 And it was explained to me that someone
12 could have a job and they can't retain
13 their job because they can't get to work,
14 but the DMV won't loosen up the restriction
15 on that because of the TANF monies that you
16 receive from the federal government.

17 So my question is, how do my people
18 get to work if they can't drive?

19 EX. DEP. COMMISSIONER EGAN: Well,
20 again, I'm not sure it's TANF money. I
21 think there is -- legislation has passed
22 for different things -- child support is
23 one of them, failure to pay I think it's
24 \$10,000 or more of your taxes -- that

1 requires us to suspend licenses until
2 certain things are paid.

3 We implement the legislation that's
4 passed. In regard to licenses that have
5 been revoked or suspended as a result of
6 alcohol-impaired driving and things like
7 that, there are programs and different
8 opportunities for conditional licenses.

9 For example, if there's a
10 significant alcohol history that someone
11 has lost their license for, there is a
12 process where the agency will consider
13 compelling unusual and extenuating
14 circumstances in reissuing a license,
15 possibly with an interlock.

16 I don't think that the Department of
17 Motor Vehicles can help fix your intermodal
18 MTA-type question --

19 ASSEMBLYWOMAN HUNTER: No.

20 EX. DEP. COMMISSIONER EGAN: I was
21 there for that question, and I absolutely
22 understand it. We have two kids that were
23 in Syracuse for school and had wished for
24 more public transportation. But I'm not

1 sure that we're in a position that can
2 really answer your question.

3 ASSEMBLYWOMAN HUNTER: But it's not
4 related to federal monies coming for folks
5 who are in arrears in their child support
6 and -- no.

7 EX. DEP. COMMISSIONER EGAN: No,
8 that is not something that affects us. The
9 TANF money is not a reason. I think there
10 are other reasons, but that's not -- the
11 TANF money is not it.

12 ASSEMBLYWOMAN HUNTER: Okay. Thank
13 you.

14 EX. DEP. COMMISSIONER EGAN: You're
15 welcome.

16 CHAIRWOMAN YOUNG: Thank you. How
17 are you?

18 EX. DEP. COMMISSIONER EGAN: I'm
19 great, how are you?

20 CHAIRWOMAN YOUNG: I'm great, thank
21 you. Thank you for being here today, we
22 truly appreciate it.

23 I had a question. There's a
24 5.3 percent more increase in the governor's

1 budget proposal for DMV. Could you address
2 that, please?

3 EX. DEP. COMMISSIONER EGAN: Sure.

4 The request for the Department of Motor
5 Vehicles is for an increase in FTEs of 89
6 staff members, and it really is to address
7 a twofold issue. The Department of Motor
8 Vehicles historically sees a four-year high
9 and a four-year low when it comes to
10 license renewal volumes.

11 We are going into that high. Where
12 we normally see a little over a million
13 people a year for license renewals, this
14 year alone will be about 1.9 million, and
15 we're looking at 2.3 million next year just
16 on license renewal volumes.

17 Coupled with that is the
18 implementation of the Real ID program. We
19 are trying to capitalize on the increased
20 license renewal volume so that those extra
21 numbers of people coming in now
22 naturally -- we can try to get them a Real
23 ID-compliant document so they don't have to
24 come back to see us before October of 2020

1 when the deadline is implemented. And as a
2 result, that Real ID transaction requires
3 in-person -- they can't do it online. It
4 is a much longer transaction because they
5 have to reproduce all of their original
6 documentation, and we have to scan it.

7 So when you do all of that and you
8 project it out, in order to meet all of
9 those requirements and at the same time
10 keep our customer service ideal of
11 30 minutes or less in an office, it
12 requires that additional people.

13 CHAIRWOMAN YOUNG: Thank you.

14 And I'm glad that you brought up the
15 Real ID, because that was my next question.
16 Could you give us a little bit more
17 information as to how it's going, where are
18 we at?

19 EX. DEP. COMMISSIONER EGAN: Yeah,
20 I'm happy to report differently than where
21 we were last year when we were here.

22 It's going very well. We've
23 implemented, in addition to the EDL which
24 is acceptable for Real ID purposes, and

1 we've had now since 2008, we started
2 issuing a stand-alone Real ID document on
3 October 30th, at no additional cost above
4 the cost of the standard license. And in
5 the first two months we have issued almost
6 110,000 Real ID-compliant documents.

7 We are currently waiting -- a
8 compliance package has been submitted to
9 federal DHS, and we're awaiting final
10 decision on a full compliance
11 determination. Right now they've extended
12 our extension until October of '18, but
13 we're very confident that we should receive
14 that full compliance designation shortly.

15 CHAIRWOMAN YOUNG: So how many total
16 need to, in your estimation, people need to
17 switch over to the Real ID in this state?

18 EX. DEP. COMMISSIONER EGAN: How
19 many people do? We're projecting about
20 11 million.

21 But it really is a personal choice.
22 The rule as of October 20 is you have to
23 either have a passport or you have to have
24 a document that's Real ID-compliant, which

1 can be the stand-alone Real ID or the EDL.

2 We've had different projections.
3 Truly it's been an interesting first couple
4 of months. I know there was a lot of
5 concern from the legislators last year
6 about not having an extra cost for these
7 documents. But as of right now, we're
8 finding people are actually opting for the
9 EDL, which has the legislative-mandated
10 additional \$30 cost to it.

11 So we're working through it. And
12 some people have said we just want a
13 standard document, we don't want the
14 Real ID or the EDL because we have a
15 passport and we feel comfortable traveling
16 with our passport.

17 CHAIRWOMAN YOUNG: So as people's
18 license expire, is that when they find out
19 about this? Or is there some proactive way
20 you reach them?

21 EX. DEP. COMMISSIONER EGAN: We are
22 proactively -- we did a slow rollout
23 starting in November. Again, we wanted to
24 make sure our staff was trained, the county

1 clerks that also provide this service, we
2 wanted to make sure everyone was trained.

3 We will be starting the beginning of
4 this year with a harder push. We'll be
5 proactively speaking with people, with the
6 idea being we don't want them waiting until
7 September of 2020 to decide, jeez, we need
8 something by October. But we will be
9 working towards getting as many people in
10 as we can and again, as I referenced
11 earlier, trying to capitalize on that
12 naturally occurring increase, license
13 renewal volume period that we're in right
14 now. I'm taking advantage of those
15 additional people that are in here to do a
16 renewal on their own by getting them
17 educated so they can make that choice about
18 getting a Real ID-compliant document.

19 CHAIRWOMAN YOUNG: Thank you.

20 Just one more question. As you
21 know, sometimes the county clerks are
22 sensitive about the number of transactions
23 that are processed online by DMV because,
24 obviously, it takes away their local

1 revenue generation, and they're focused on
2 customer service. And so there have been
3 discussions in the past about that.

4 Can you give us a sense of how many
5 transactions, approximately, DMV is
6 processing online?

7 EX. DEP. COMMISSIONER EGAN: Sure.
8 Absolutely.

9 And again, our relationship with the
10 county clerks has been very good. We've
11 been working very hard about keeping those
12 avenues of communication open, particularly
13 moving into this Real ID phase.

14 Right now the county clerks, as you
15 know, provide DMV services in 102 offices
16 across the state, and for that they receive
17 a 12.7 percent legislative retention, if
18 you will. In 2010, though, recognizing
19 that our push was really to get more
20 transactions online, they naturally were
21 concerned because it was taking
22 transactions out of their office.

23 We worked with the clerks and with
24 the association to come up with an

1 agreement whereby they actually receive
2 funding for transactions that are done
3 online, so it's not costing them any work
4 but they get a percentage. And right now
5 it's at 3.25 percent for any transactions
6 that are done online by their residents.
7 As a result of that, this year alone they
8 had revenue of over \$47 million;
9 1.6 million of that or so is from that
10 additional 3.25 percent.

11 We're projecting next year their
12 revenue will be up over 50 -- with no
13 legislative changes, will be up over
14 \$50 million, with over \$2 million of
15 retention from the web changes, and the
16 year after that it goes up even more. So
17 their revenue, they are seeing an increase
18 in the revenue.

19 CHAIRWOMAN YOUNG: That's good to
20 hear. Thank you.

21 EX. DEP. COMMISSIONER EGAN: You're
22 welcome.

23 CHAIRWOMAN WEINSTEIN: Just a quick
24 question to continue with the Real ID.

1 Someone has a driver's license that
2 has not yet -- is going to expire
3 post-2020, and they want to get a Real ID.
4 Can they do that, and what fees are
5 involved?

6 EX. DEP. COMMISSIONER EGAN:
7 Absolutely. We encourage everyone -- one
8 of the things that we did on the website
9 was we created actually a tool that you can
10 go onto our public website and indicate
11 that you want to do a Real ID, and it will
12 walk you through exactly what you need.
13 And depending on when you're coming in --
14 it sounds to me like you're coming in
15 off-site, but it would depend on -- the fee
16 would depend on when you were coming in,
17 how close you were to the actual expiration
18 of your date. But it is at a cost no more
19 than it would be as if it would be a
20 standard license.

21 CHAIRWOMAN WEINSTEIN: I guess what
22 I'm saying is if you still have several
23 years left on your license, and you get a
24 Real ID, do you get some credit --

1 EX. DEP. COMMISSIONER EGAN: Credit.

2 CHAIRWOMAN WEINSTEIN: -- for the --
3 getting it earlier.

4 EX. DEP. COMMISSIONER EGAN:
5 Depending on -- and there's rules about how
6 close you are to your expiration when you
7 get credit. And if you got a new one, that
8 would add another year on. There's some
9 rules that go on with that, but we do take
10 into account if you are coming in and you
11 have time left on your other license, we
12 will manage to credit that so you're not
13 paying twice for something.

14 And we are encouraging people --
15 your regular, standard, plain old license
16 today will allow you to fly until October
17 of 2020, but we are encouraging people to
18 not wait until the last minute to come in
19 to get a Real ID-compliant document.

20 CHAIRWOMAN WEINSTEIN: And I have a
21 district that has a large senior
22 population. If people aren't interested --
23 many of them still have driver's licenses,
24 and luckily not a lot of them are driving

1 with those driver's licenses --

2 EX. DEP. COMMISSIONER EGAN: That's
3 another subject.

4 CHAIRWOMAN WEINSTEIN: But if
5 someone wants to trade in their license for
6 a non-driver ID, they can still do that
7 without having to get a Real ID and go and
8 visit a DMV office, which is difficult?

9 EX. DEP. COMMISSIONER EGAN: They
10 can. If they do not want a Real ID or an
11 EDL, we can still accommodate that without
12 an office visit.

13 CHAIRWOMAN WEINSTEIN: Thank you.

14 And we've been joined by Assemblyman
15 McDonald.

16 No questions to you, so thank you so
17 much for --

18 EX. DEP. COMMISSIONER EGAN: Thank
19 you, Chairwoman.

20 CHAIRWOMAN YOUNG: Senator Krueger.

21 SENATOR KRUEGER: Hi. Good
22 afternoon.

23 So the Governor's budget proposes
24 requiring back-seat seat belts -- thank

1 you. I'm sorry, the words escaped me. But
2 it's not clear, is that for taxis, limos,
3 Ubers, Lyfts, or just private cars?

4 EX. DEP. COMMISSIONER EGAN: We
5 would propose it would be an across-the-
6 board back-seat seat belt requirement.

7 SENATOR KRUEGER: And so you will
8 have -- it will be a mandate on the police
9 to stop vehicles specifically for seat
10 belts? Or it's only if they're stopping
11 them for something else?

12 EX. DEP. COMMISSIONER EGAN: No, it
13 would be a primary offense.

14 SENATOR KRUEGER: Okay.

15 I want to jump to autonomous vehicle
16 testing. I think Senator Savino had some
17 questions -- so we've had the program
18 allowing tests to be performed since last
19 year's budget. How many tests have been
20 performed? What have we learned?

21 EX. DEP. COMMISSIONER EGAN: We have
22 had two. We had one in June by Audi, one
23 in September by Cadillac. I had an
24 opportunity -- I'm guessing Senator Savino

1 was in the one in New York City, I was in
2 the one upstate. Oh, you did do this one.
3 Okay.

4 It was interesting to be able to do
5 it. They operated safely, the demos that I
6 was in did exactly what they were supposed
7 to do. It was hands-free with a driver
8 behind the wheel. We happened to hit a
9 road zone over on I-90 that was unplanned,
10 and the car operated exactly as it should.
11 Notices came on that said "Driver needs to
12 reengage."

13 So at this point we've received some
14 information. With the Governor's proposal
15 to extend the April 2018 to April 2020, we
16 hope to gain even more information. We
17 have heard that there are more applicants
18 coming in the spring. We have not gotten
19 those yet, but we look forward to getting
20 them and getting even more information.

21 SENATOR KRUEGER: So I'm a little
22 confused. When you say there are two, so
23 there were like 300 in one and 300 in
24 another, or like one day, one car? What

1 are we talking about?

2 EX. DEP. COMMISSIONER EGAN: The
3 Cadillac was -- the September one was down
4 in the city, and it was part of a
5 multistate AV demo. They actually drove
6 through New York, there were -- I forget
7 whether it was six or seven cars in the
8 city, and then they progressed actually
9 through other states and went to DC.

10 And the demo in June was up here in
11 the Albany area, and it was one car,
12 several trips.

13 SENATOR KRUEGER: So these are
14 incredibly small little demonstrations, not
15 actual pilot studies.

16 EX. DEP. COMMISSIONER EGAN: They
17 were demonstrations.

18 SENATOR KRUEGER: Okay. And so now
19 when we're talking about applying -- more
20 companies to apply to do tests, are we
21 going to actually have a scientifically
22 legitimate study?

23 EX. DEP. COMMISSIONER EGAN: That is
24 certainly the hope. With this legislation,

1 by extending it, that is absolutely the
2 hope.

3 SENATOR KRUEGER: Are we looking at
4 the questions for trucks versus cars?
5 Which are very different sets of issues,
6 but there are autonomous trucks being
7 piloted as well.

8 EX. DEP. COMMISSIONER EGAN: There
9 are. We have not gotten an application for
10 trucks. We will certainly consider that if
11 and when we get one.

12 SENATOR KRUEGER: And is the
13 department looking into what we would need
14 to change in automobile liability insurance
15 before we allow these vehicles on our
16 roads?

17 EX. DEP. COMMISSIONER EGAN:
18 Absolutely. In order to even do the demo,
19 they have to have certain insurance that we
20 worked with DFS to make sure that that is
21 applicable.

22 And again, we have the opportunity
23 to learn from other states also. We stay
24 in close contact with many states that are

1 at different levels of their demonstration
2 pilot projects. But yes, that is certainly
3 a concern that we would be considering
4 before we made any final recommendations.

5 SENATOR KRUEGER: So many states are
6 actually waiting for the federal government
7 to come up with standards for these
8 vehicles. New York State doesn't think we
9 need to wait for a national standard, we're
10 just charging ahead?

11 EX. DEP. COMMISSIONER EGAN: Well,
12 actually, national standards have come.
13 NTSI has issued a series of guidelines and
14 they update -- they've done two different
15 iterations of those right now, which in
16 essence is from a physical perspective the
17 physical car still has to meet certain
18 inspections, and then they have guidelines
19 in regard to what the state should be
20 considering in implementing any pilot
21 demonstrations.

22 So we're not totally void of federal
23 guidance, and we certainly keep on the
24 lookout for any additional guidance from

1 the federal government. But we do have a
2 framework within which to work right now.

3 SENATOR KRUEGER: So some of the
4 research shows that drivers who are not
5 frequent drivers are actually the worst
6 drivers. And so the entire concept of
7 autonomous vehicles that when something's
8 going wrong, that is when you take control
9 of the steering wheel, is actually --
10 raises some of the biggest concerns.
11 Because with people who may have a driver's
12 license but haven't really driven for X
13 number of days or weeks or months or years,
14 and it's at the time when something's about
15 to hit the fan, so to speak, that they're
16 supposed to take charge and handle the
17 wheel.

18 So I'm particularly concerned that
19 New York State does not pretend that a
20 demonstration by a company, letting you try
21 to get in the car for a little while, is
22 the same thing as an actual documented
23 pilot study and evaluation of what happens.

24 Was there a safety factor? In one

1 vision in my brain, if you put a bunch of
2 them on the streets in my district, it's
3 just 24/7 gridlock.

4 EX. DEP. COMMISSIONER EGAN: Yeah.

5 SENATOR KRUEGER: Because they are
6 supposed to stop if anything untoward
7 happens. And if you've been on the streets
8 of Manhattan, you can't go a block without
9 something untoward happening.

10 EX. DEP. COMMISSIONER EGAN: Right.

11 SENATOR KRUEGER: A woman with her
12 child jumping into traffic, jaywalking,
13 bikes in all directions, emergency vehicles
14 deciding to careen down the bike lane,
15 et cetera, et cetera.

16 EX. DEP. COMMISSIONER EGAN: Sure.

17 SENATOR KRUEGER: So I'm very, very
18 concerned that we don't just fall into a
19 "The company said it was safe" --

20 EX. DEP. COMMISSIONER EGAN: Right.

21 SENATOR KRUEGER: " -- and it was
22 really fun the day I drove it around
23 Albany."

24 EX. DEP. COMMISSIONER EGAN: I

1 absolutely understand.

2 And I would just, if I could, assure
3 you at least in some small way that traffic
4 safety and reducing fatalities here in this
5 state is a very big -- if not the
6 biggest -- priority and mission of the
7 Department of Motor Vehicles. So I wear my
8 safety hat all the time.

9 And the piece that I want to point
10 out, and it's something that we do get from
11 the federal government, is that the crashes
12 that are occurring right now, 94 percent of
13 them have human error as the causal factor.
14 So we kind of laugh within the agency when
15 we talk about accidents; I've been trying
16 to get the word "accidents" out of our
17 vocabulary. They really are crashes,
18 because 94 percent of the time they're
19 avoidable.

20 What we are finding, as you
21 perceived through this autonomous vehicle
22 technology, they do -- they are safer
23 because it takes those bad driver
24 behaviors, if you will, actually out of the

1 equation. And as the technology -- and I'm
2 not saying we're there yet, but as the
3 technology matures, what it does, it really
4 overlooks those bad driving behaviors and
5 actually makes these vehicles and the
6 people in them safer.

7 SENATOR KRUEGER: So it sounds like
8 you're the center for autonomous vehicle
9 issues. But the next question is really
10 probably for Commissioner Reardon of Labor
11 for next week: What do we do with the
12 hundreds of thousands of people who
13 currently make their living driving trucks
14 and cars for a living?

15 EX. DEP. COMMISSIONER EGAN: Yeah.

16 No, it absolutely is something that
17 we are involved with different forums on.
18 I mean, and it's not only that, it's
19 infrastructure. Do you need parking
20 garages downtown anymore if these
21 autonomous vehicles are -- you know, can
22 get people to and from work?

23 But then the real positive thing is,
24 too, it creates an opportunity for people

1 that may be physically impaired to be able
2 to get to jobs easier than what they're
3 getting to now.

4 There's a lot of pros and cons, and
5 it is a very complex set of circumstances
6 and that's why we're all looking at it
7 right now.

8 SENATOR KRUEGER: Thank you.

9 EX. DEP. COMMISSIONER EGAN: Thank
10 you.

11 CHAIRWOMAN YOUNG: Thank you.

12 CHAIRWOMAN WEINSTEIN: Thank you for
13 your testimony here today.

14 Next we'd like to have the New York
15 State Thruway Authority, Matthew Driscoll,
16 acting executive director.

17 ACTING EX. DIR. DRISCOLL: Good
18 afternoon.

19 CHAIRWOMAN WEINSTEIN: Good
20 afternoon.

21 CHAIRWOMAN YOUNG: Good afternoon.

22 ACTING EX. DIR. DRISCOLL:
23 Chairperson Young and Chairperson Weinstein
24 and members of the Senate and Assembly

1 fiscal and transportation committees, thank
2 you for having me here today. My name is
3 Matthew Driscoll. I am the acting
4 executive director for the New York State
5 Thruway Authority.

6 The Governor Thomas E. Dewey Thruway
7 is a 570-mile superhighway crossing
8 New York State, and it's in fact one of the
9 longest toll systems in the United States.
10 Underscoring its importance to the state,
11 region and nation, our preliminary figures
12 for 2017 indicate that Thruway customers
13 traveled approximately 8.3 billion vehicle
14 miles on the highway, averaging roughly
15 23 million vehicle miles each and every
16 day.

17 In addition to being the principal
18 artery of travel and commerce within
19 New York and connecting many of our state's
20 major cities, the Thruway is a vital link
21 to long-distance interstate travel. In
22 addition, the Thruway provides the major
23 route of access for visitors to the state's
24 tourism anchors, including Niagara Falls,

1 the Finger Lakes, the Adirondacks, the
2 Catskills, and of course New York City.

3 The overall 2018 Thruway Authority
4 budget represents a total financial
5 commitment of \$1.5 billion. In 2018, it is
6 anticipated that the Thruway Authority will
7 replace or rehabilitate 25 bridges and
8 address approximately 170 lane miles. It
9 is a budget that is balanced, provides the
10 necessary resources to keep our patrons
11 safe while maintaining our facilities, and
12 maximizes funding for critical
13 infrastructure projects in the Authority's
14 multiyear capital plan.

15 I'd like to update you on the New NY
16 Bridge project, one of the nation's largest
17 and safest active bridge projects, and a
18 national model of design-build
19 construction. The project continues to be
20 on track to fully open later this year and
21 remains on budget at \$3.98 billion. In
22 August of 2017, westbound traffic shifted
23 to the first span of the Governor Mario M.
24 Cuomo Bridge, followed by eastbound traffic

1 shifting in October, so that all traffic is
2 now on that first span.

3 The 2019 Executive Budget includes a
4 reappropriation of nearly \$2 billion from
5 the special infrastructure account for the
6 Thruway Stabilization Program. These funds
7 will continue to support capital
8 investments including the bridge and other
9 projects throughout the system. We
10 appreciate your continued support of the
11 bridge project and the recognition of our
12 systemwide capital needs. This support
13 enables tolls to remain at current levels
14 until at least 2020.

15 The Executive Budget also includes
16 an authorization for the Thruway Authority
17 to enter into agreements for use of its
18 fiber optic system based on set fees
19 established by an appraisal. This new
20 business model will help enable the
21 Thruway Authority to optimize use of our
22 fiber optic system by engaging with
23 multiple parties. This asset consists of
24 multiple ducts and fibers, enabling many

1 entities to use it at the same time,
2 maximizing revenue potential to further
3 support our facilities.

4 I'd also like to take this
5 opportunity to thank the talented men and
6 women of the Thruway Authority for their
7 dedication and their professionalism in
8 bringing the highest standards of safety
9 and reliability across our operation every
10 day.

11 Please know that I am personally
12 committed to ensuring that the Authority
13 continues to play a central role in the
14 state's economic expansion, empowers
15 ingenuity and innovation, and demonstrates
16 the impact that an effective and responsive
17 government can have on the lives of its
18 residents.

19 And before I open up for questions,
20 I have a request for the members to
21 consider. As you may or may not know, we
22 are running a program relative to E-ZPass.
23 It's something that we continue to market,
24 and we're currently running a program that

1 goes through February 26th which offers a
2 \$10 refund back on use of an E-ZPass on the
3 go. Our sales in 2017 increased 22 percent
4 in E-ZPass. But we want to do better
5 because we want to encourage people to
6 utilize E-ZPass. It's the most efficient
7 and the most cost-effective way to travel
8 New York's Thruway system.

9 So my request is this. I'd like to
10 ask for your consideration to place
11 materials in each of your offices to help
12 alert your constituents as well about the
13 benefits of cashless tolling.

14 So having said that, I will turn it
15 over and thank you for your time, and open
16 it up to any questions that you may have.

17 CHAIRWOMAN YOUNG: Thank you,
18 Executive Director.

19 I had a few questions. Can the
20 Thruway reconfirm that the cost of the new
21 Governor Mario M. Cuomo Bridge will not
22 lead to a systemwide toll increase through
23 2020?

24 ACTING EX. DIR. DRISCOLL: That's

1 correct. It will not be a socialized
2 system.

3 CHAIRWOMAN YOUNG: So what happens
4 after 2020?

5 ACTING EX. DIR. DRISCOLL: Well,
6 after 2020, when the bridge is fully
7 complete, when the project is complete, we
8 will look at all the costs that have been
9 sunk, incurred into the project. And
10 that's how we will determine a financing
11 model moving forward.

12 CHAIRWOMAN YOUNG: So there could be
13 a systemwide increase after 2020?

14 ACTING EX. DIR. DRISCOLL: I'm not
15 suggesting that. I'm speaking specifically
16 for the bridge project. As I said in my
17 opening statement, tolls will remain flat
18 through 2020.

19 CHAIRWOMAN YOUNG: Okay. But you
20 just said that you'll assess how much it
21 costs. And then what will you do with
22 those costs?

23 ACTING EX. DIR. DRISCOLL: Perhaps I
24 misunderstood your question. I thought it

1 was relative to the financing structure of
2 the bridge. So if it was not, then, you
3 know, I'll ask you to repeat your question.

4 CHAIRWOMAN YOUNG: Well, what we're
5 looking at, as I said, systemwide. So are
6 you speaking of bridge tolls or are you
7 speaking of systemwide tolls on the entire
8 Thruway?

9 ACTING EX. DIR. DRISCOLL: Yeah, I'm
10 not speaking of tolls, I was speaking of
11 the costs of the bridge project. And so we
12 expect --

13 CHAIRWOMAN YOUNG: Right, but what I
14 asked was would there be a systemwide toll
15 increase after 2020.

16 ACTING EX. DIR. DRISCOLL: Well, I
17 don't want to speculate on that at this
18 point. And so I'll divide it into two
19 packages.

20 The first will be the bridge
21 project, which I know many people have
22 asked that question. Until we know with
23 certainty what all the costs will be with
24 that project, all the sunk costs, and not

1 only with respect to the costs with respect
2 to the project itself -- and by the way,
3 I'm cautiously optimistic that we can
4 actually bring it in under -- but then
5 would be the costs of issuance as well, and
6 all the costs associated with the final
7 package, if you will, relative to the
8 financing of that structure, will that
9 conversation take place.

10 With respect to the rest of the
11 system, at this point we know with
12 certainty that tolls are held flat through
13 2020. That would be a discussion that will
14 take place beyond that time.

15 CHAIRWOMAN YOUNG: So you'll go
16 through the assessment of how much the
17 bridge costs, and then that -- will that be
18 applied to bridge tolls or will people in
19 Buffalo and Chautauqua County pay for the
20 Tappan Zee Bridge?

21 ACTING EX. DIR. DRISCOLL: No, that
22 would be applied to the financial structure
23 for the bridge. The toll conversation
24 would be completely different.

1 But the toll conversation with
2 respect to the bridge is premature until we
3 know all the sunk costs and the costs of
4 issuance for the bridge.

5 CHAIRWOMAN YOUNG: Isn't the
6 financing plan overdue for the Mario Cuomo
7 Bridge?

8 ACTING EX. DIR. DRISCOLL: I
9 wouldn't suggest that it's overdue. You
10 know, I think -- and of course, with your
11 support, there was \$2 billion that the
12 Governor allocated to the project in 2015.
13 So 1.2 of that is going to the bridge
14 project, and 800 to the rest of the system.

15 The Thruway Authority closed on the
16 TIFIA loan on 2013, I believe it was, and
17 in fact that's parked in the U.S. Treasury.
18 There was a bond issuance by the Authority
19 as well. So we know that we still have
20 another issuance of roughly 330 million
21 that we have not done yet.

22 So again, there's still steps to be
23 taken. And as I point out, I think
24 importantly, you know, we're hopeful that

1 we come in under. That's our goal. But
2 once all those costs are had, and once we
3 can identify all of the sunk costs and the
4 costs of issuance, then we would know what
5 the final package would be.

6 CHAIRWOMAN YOUNG: Okay. And you
7 said that's next year. Do you have any
8 more of a pinpoint time frame that you
9 picture?

10 ACTING EX. DIR. DRISCOLL: Well, I
11 said that would likely be in 2020.

12 CHAIRWOMAN YOUNG: Okay, so it goes
13 till 2020.

14 ACTING EX. DIR. DRISCOLL: Right.

15 CHAIRWOMAN YOUNG: Switching gears,
16 what's the status of the New NY Bridge Toll
17 Advisory Task Force that the Governor
18 announced in late 2015? Has this group
19 met?

20 ACTING EX. DIR. DRISCOLL: Sure.
21 Well, as you know, it has not met. And
22 there's candidly no reason to meet at this
23 point in time, because we're still about
24 two years away from the process that I just

1 described. So no, they have not met, and
2 they will not be meeting anytime in the
3 near future.

4 CHAIRWOMAN YOUNG: Will the group,
5 when it finally does meet, consider
6 potential resident and commuter discount
7 toll programs?

8 ACTING EX. DIR. DRISCOLL: You know,
9 and I think that -- and that's a good
10 point. And that's probably an appropriate
11 discussion for that task force when they do
12 meet.

13 CHAIRWOMAN YOUNG: Okay, look
14 forward to seeing how that works out.

15 Please comment on the operational
16 savings and financial improvements that
17 have taken place at the Thruway over the
18 past few years. Is the Authority's
19 financial condition stronger today? And
20 what is the opinion of the bond rating
21 agencies?

22 ACTING EX. DIR. DRISCOLL: Well, I
23 can't speak to what's gone on in the past
24 several years; I've only been there now

1 three and a half months myself.

2 But I can tell you --

3 CHAIRWOMAN YOUNG: You have a sense,
4 don't you?

5 ACTING EX. DIR. DRISCOLL: But I can
6 tell you that just this past June they
7 received a very positive rating from
8 Standard & Poor's.

9 So our financial outlook is good.
10 We're very stable. The revenue streams are
11 consistent. One of the things, you know,
12 that I'm looking at is creating better
13 efficiencies. That's not to suggest they
14 haven't been. But I think and hope a fresh
15 set of eyes may help lead us down some
16 different paths.

17 CHAIRWOMAN YOUNG: What's been the
18 Thruway's experience with cashless tolling,
19 for example at the Tappan Zee/Mario Cuomo
20 Bridge?

21 ACTING EX. DIR. DRISCOLL: Right. I
22 guess it depends who you ask. So let me
23 say this, that most everybody pays. In
24 fact, 96 percent of the users of the

1 Governor Mario M. Cuomo Bridge pay, either
2 largely by E-ZPass and/or tolls by mail.
3 So -- but the smaller subset has been the
4 challenge in terms of some conflictions
5 with mailings of the bills and otherwise.

6 And so as I think you're probably
7 well aware, we've been taking some very
8 dramatic steps as of late to remedy that
9 situation. And that's part and parcel why
10 I asked in my opening comments, is because
11 it's clear to me that we need to do a
12 better job of educating the public on why
13 they should use E-ZPass. Because if you
14 have E-ZPass, you avoid these potential
15 issues.

16 And so that will be a big part of
17 what we're doing going forward as we move
18 towards statewide cashless tolling.

19 CHAIRWOMAN YOUNG: Thank you. And
20 can you expound a little bit more about the
21 Governor's violation amnesty program?

22 ACTING EX. DIR. DRISCOLL: Sure. So
23 it's a program that's actually in effect
24 right now, it started this past Monday, the

1 26th. And it will in fact run through
2 February 26th.

3 And what we're doing, and as I've
4 said, we're giving an opportunity to people
5 who have used the bridge for passenger
6 vehicles from when it opened in April of
7 2016 through January 31st of this month,
8 and maybe in a dispute, whether it's, you
9 know, with their toll, on a fee, to have a
10 chance to wipe the slate clean, if you
11 will.

12 So we're offering that amnesty
13 program. If they paid their tolls in full,
14 those charges will be removed.

15 CHAIRWOMAN YOUNG: Do you have an
16 estimation as to how many of those exist?

17 ACTING EX. DIR. DRISCOLL: Well, I
18 can tell you, if I can find it here, what
19 we have done today. As of about 10:50
20 today, 1161 customers have paid \$49,000 in
21 tolls. So that's resolved about 9700
22 violations.

23 Now, we're only in it in the first
24 week. And I want to point out that the

1 amnesty program, as I said, continues
2 through February 26th. So on February 1st,
3 we will be mailing letters and
4 notifications to people who are still in
5 this situation, and they have through
6 February 26th to enter the amnesty program
7 and again take advantage of what's a great
8 opportunity to wipe the slate clean in
9 2018.

10 CHAIRWOMAN YOUNG: Thank you.

11 So a section of the Thruway in
12 Chautauqua County goes through the Seneca
13 Nation of Indians territory. And are there
14 repairs that need to be made in that
15 section of roadway?

16 ACTING EX. DIR. DRISCOLL: We're
17 actually repairing today.

18 CHAIRWOMAN YOUNG: You are, good.

19 ACTING EX. DIR. DRISCOLL: Yeah,
20 well, there's potholes. You know, and I've
21 heard from previous testimony about the
22 pothole situation. There's potholes
23 everywhere, it happens in the wintertime.

24 But yes. So if I may, I actually

1 went out and visited that section myself a
2 couple of weeks ago. And I can report to
3 you that I've had some conversations with
4 the appropriate people. In fact what we're
5 doing now is working with them on an
6 agreement that will allow us to get in and
7 to do debris removal, which is really an
8 important piece, along the Chautauqua
9 Bridge there over the creek.

10 CHAIRWOMAN YOUNG: Some concerns
11 with flooding there, right? Or is that the
12 bridge -- the bridge structure?

13 ACTING EX. DIR. DRISCOLL: Well,
14 there isn't any, but I don't want any.

15 CHAIRWOMAN YOUNG: Right, okay.

16 ACTING EX. DIR. DRISCOLL: Correct.
17 And we know that, you know, when spring
18 comes, of course, there's going to be
19 tremendous runoff. And we're seeing kind
20 of ebbs and flows of weather now.

21 But so we're having those
22 conversations with them on debris removal,
23 it's very positive so far, and I intend to
24 continue those conversations going forward.

1 CHAIRWOMAN YOUNG: Good. So the
2 Thruway is directly speaking to them, to
3 the nation?

4 ACTING EX. DIR. DRISCOLL: Yes.

5 CHAIRWOMAN YOUNG: Okay. Good.

6 All right, I think that's all I
7 have. Thank you.

8 ACTING EX. DIR. DRISCOLL: Thank
9 you.

10 CHAIRWOMAN WEINSTEIN: Assemblywoman
11 Paulin.

12 ASSEMBLYWOMAN PAULIN: Hi.

13 ACTING EX. DIR. DRISCOLL: How are
14 you?

15 ASSEMBLYWOMAN PAULIN: Welcome to
16 your new job.

17 ACTING EX. DIR. DRISCOLL: Yes,
18 thank you.

19 ASSEMBLYWOMAN PAULIN: I wanted to
20 follow up on cashless tolls. Just, you
21 know, I live -- a lot of my constituents
22 are probably in that -- you know, are
23 applying for amnesty or what have you.

24 ACTING EX. DIR. DRISCOLL: Right.

1 ASSEMBLYWOMAN PAULIN: And I
2 wondered, you know, what improvements --
3 now, I recognize it's only 4 percent that
4 might fall into this category. But what
5 improvements are we going to make so that
6 we don't have amnesty program after amnesty
7 program after the next six months?

8 ACTING EX. DIR. DRISCOLL: Agreed.
9 And let me tell you that this is the only
10 amnesty program that I intend to do.

11 But let me tell you about the
12 improvements that we have made. So one of
13 the complaints that I heard was people
14 couldn't see the signage or they missed
15 seeing the signage.

16 So I've had new signage installed,
17 and perhaps you've seen it as well. It's 8
18 by 12, it's very large and it's yellow.
19 And it tells folks who don't have EZ-Pass
20 that they'll need to enter *826 to pay
21 their toll by mail.

22 Also added additional signage, very
23 large, 18 by 7 feet as well, that does the
24 same thing, reminds them about E-ZPass and

1 toll by mail.

2 We have changed -- and it was an
3 idea that was born from the general news, I
4 thought it was a good one. We've changed
5 the envelope, and now there's no missing
6 what the envelope is sent to you for. It's
7 very clear that inside there is a toll
8 bill.

9 We've also changed the inside of the
10 toll bill to clearly define the due date of
11 which that toll must be paid by.

12 We're undertaking a tremendous
13 marketing program. We'll be, you know,
14 running specials, as I've just announced
15 here, to encourage people to buy E-ZPass.
16 I think largely it's going to be an
17 education program as well.

18 But in terms of signage, envelopes
19 and mailings, we're being very aggressive.
20 And we will continue to be. We recognize
21 that there's an educational component here,
22 but we're also asking for the public's, you
23 know, support as well; when they go over
24 the bridge, there's a toll associated with

1 that.

2 And that's why E-ZPass makes the
3 most sense, because if you use the bridge
4 on a routine basis, why wouldn't you want
5 to save 5 percent every time, right? And
6 that's what's the benefit of an E-ZPass.
7 And you avoid, you know, any potential
8 disputes with a toll bill that may be
9 mailed to you.

10 ASSEMBLYWOMAN PAULIN: A lot of the
11 complaints that I've heard from
12 constituents is that they don't know, you
13 know, they didn't see it in the mail. The
14 first time they did, it was a hundred
15 dollar fine. So the envelopes are one
16 possible cure.

17 Has there been any -- because people
18 are going online, they read the Journal
19 News articles. You know, they're not
20 necessarily going to get communicated -- as
21 you said, there were 1100 just today. Is
22 there any attempt through that process to
23 find out additionally why there may be a
24 problem so, if it's registration, mismatch

1 or what have you --

2 ACTING EX. DIR. DRISCOLL: Well, so
3 here's what's going -- two things. One, by
4 law -- one of the complaints has been,
5 Well, I moved and I didn't get the bill.
6 So I'm assuming they didn't get all their
7 other mail either.

8 But so one of the things that we're
9 doing is reminding people that, by law,
10 they have 10 days to report a change of
11 address to the DMV. That's also part of
12 kind of the marketing piece, you know, that
13 we're doing.

14 We are also -- and I will be meeting
15 with the Conduit, who is the company that
16 administers this program for us. I've made
17 it known to them that I've been not pleased
18 with some of the results that I've heard
19 firsthand from people. I'll be doing that
20 later; in a couple of weeks, I'm going to
21 down to Staten Island and meeting with
22 folks to do that.

23 So we're very focused on getting
24 people to understand about changing their

1 address, they need to do that. That's
2 critically important. And then of course
3 I'll also be speaking with the appropriate
4 representatives of the company as we can
5 work towards new ways for notification.

6 ASSEMBLYWOMAN PAULIN: As we roll
7 this out statewide, are there other options
8 if that company doesn't meet your
9 expectations?

10 ACTING EX. DIR. DRISCOLL: Well,
11 without completely divulging all of my
12 expectations, I'm having much of that
13 looked at now, certainly with our
14 attorneys. But I believe that we'll be
15 able to come to a solution. The technology
16 is there. So I'll be having that
17 conversation with them.

18 But again, you know, from the
19 department's perspective, we continue to do
20 all we can. I should have mentioned we've
21 also created a brand-new web page that's
22 associated with the amnesty program people
23 can go to. Or if they wanted to get more
24 information or buy that E-ZPass,

1 thruway.ny.gov/getezpass, or
2 thruway.ny.gov/amnesty, so it helps direct
3 them direct to the program and it's easy to
4 navigate.

5 So we'll be working forward on a lot
6 of fixes.

7 ASSEMBLYWOMAN PAULIN: What about
8 the money? How much do we -- you know, if
9 we collected all the tolls, how much are we
10 losing by not collecting the fees? And how
11 much are we getting by collecting the
12 tolls?

13 ACTING EX. DIR. DRISCOLL: Right.
14 So in that period there's about \$5 million,
15 in round numbers, in tolls that have not
16 been collected, and about \$8 million in
17 fees associated with that. So my hope is
18 we collect the 5 million in tolls. We
19 would, you know, reduce and eliminate, of
20 course, those fees, so the delta would be
21 about 3 million.

22 But I think, in light of the
23 circumstances, it's all well spent. And as
24 we go forward, we will not have these

1 problems with statewide cashless tolling.
2 We're going to get this fixed here and now
3 so that when we roll this out at the end of
4 2020, we will eliminate the problems to the
5 degree that we can.

6 I do want to add one piece, though,
7 which is -- and I hope that you can see we
8 are trying very hard, whether it's signage,
9 mailing, websites, the communication we're
10 doing. But there also does become a
11 personal responsibility to ensure that
12 people participate. Because it's only fair
13 for everybody who does participate, right?

14 So through this amnesty program, it
15 runs through February 26th, we're
16 encouraging, strongly, people to
17 participate. Those that don't, the process
18 for them starts over.

19 ASSEMBLYWOMAN PAULIN: Two other
20 quick questions related to cashless tolls.
21 Has there been any consideration -- one of
22 the strongest criticisms that we've heard
23 is the first fee is \$100. You know, has
24 there been any consideration to lowering

1 that first violation?

2 And then the second is related to
3 violations, there's been -- there was some,
4 I guess, connecting to law enforcement to
5 go after violators. How is that process
6 going to take place? Because, you know,
7 who is going to be notified, how is the
8 notification going to occur? I think
9 something that I read said something like
10 within a minute, 3 seconds, something like
11 that, you know, and then the law
12 enforcement would be able to pursue
13 violators.

14 ACTING EX. DIR. DRISCOLL: Well, let
15 me answer your first part, which is for me,
16 everything is on the table.

17 As part of my review of this
18 process -- as I say, I'm somewhat new to
19 the process. However, I've really delved
20 into it, and so many of the changes that
21 you've seen are a result of that. So with
22 respect to the fee structure, that's on the
23 table for me as well. I'm not prepared
24 certainly to make a decision on that today,

1 but it is on the table.

2 With respect to the notification
3 process from the administrator of our
4 program, I want to see improvements there
5 so that people are more aware of the
6 process.

7 I do want to make a comment on the
8 fee, the \$100 dollar fee, and that's what
9 has gotten many people's attention, of
10 course, rightfully so. That does not occur
11 within a first month. That really only
12 occurs after there's been no responses
13 after a hundred days. So when you go
14 through the toll, you don't pay, you're
15 sent a bill in the mail. So it's \$5 to go
16 over the bridge. On the second bill, which
17 is at about 70 days -- so 40 days after the
18 first 30-day bill, there's a \$5 fee
19 associated with that.

20 When you get to the hundred days, if
21 you haven't paid, then it's the toll of \$5
22 and the \$100 fee. So it takes about a
23 hundred days to get to that point.

24 Now, people have told me that it's

1 been sooner than that for them. This is
2 part of the review that I'm going through
3 and part of the process in the system that
4 I want to ensure that is done accurately.
5 So that --

6 ASSEMBLYWOMAN PAULIN: And how many
7 notices in between would be something else
8 to look at. You know, if there's one at
9 70 days, you might want to move it up a
10 little.

11 ACTING EX. DIR. DRISCOLL: Yeah, and
12 so -- but I -- my point that I'm making,
13 it's been fairly lenient in terms of the
14 time frame between notices until you get to
15 that third orange envelope that says
16 there's a hundred dollars on there. But
17 all of it's on the table.

18 ASSEMBLYWOMAN PAULIN: And the
19 connection to law enforcement or the
20 connection to some enforcement, you know,
21 when someone is a violator going through
22 the system, how is that going to work?

23 ACTING EX. DIR. DRISCOLL: So that's
24 going to be a conversation. I want to

1 learn from the MTA on how they've done that
2 in installations with that -- that's a
3 discussion, actually, I'm having next
4 week -- so that we can have similar
5 systems. I think it's important that we
6 have compatible systems, right, it just
7 makes sense, so that the customers are
8 having a similar experience.

9 ASSEMBLYWOMAN PAULIN: And as far
10 as -- you know, I know you talked that the
11 toll on the Tappan Zee would be isolated to
12 that.

13 ACTING EX. DIR. DRISCOLL:
14 Socialized, yes.

15 ASSEMBLYWOMAN PAULIN: Yeah. And I
16 just wondered if there's been any
17 conversations about that, what it's going
18 to look like. You know, we're not that --
19 you know, we're only a little bit away from
20 there, 2020.

21 ACTING EX. DIR. DRISCOLL: Right. I
22 have not had any conversations on that
23 whatsoever. My focus is to see that the
24 bridge is delivered, of course. And quite

1 candidly, in the last couple of months now
2 I've been immersed in this issue, so -- and
3 snow and ice, which is a big part of what
4 we do. We've been very active across the
5 state. You know, it may not appear that
6 way today, but we've had a very busy winter
7 season thus far, and the safety of our
8 traveling public is very important, so --
9 but all of that, of course, is yet to come.

10 ASSEMBLYWOMAN PAULIN: And finally,
11 on another subject, the fiber system, the
12 Public Authorities Law already provides a
13 method to dispose of property by public
14 auction. You know, why should the process
15 be different for the Thruway Authority's
16 fiber optic system? And what is meant
17 exactly by "disposal"? Because it's not
18 defined.

19 ACTING EX. DIR. DRISCOLL: Right.
20 Well, we're not looking to dispose of the
21 property. I'd like to enhance it. I think
22 we're missing out on an opportunity to
23 enhance our revenues.

24 You heard from DOT that talked about

1 the enormous benefits and desire by
2 companies in the fiber optic world. We
3 have, from a business perspective, an
4 opportunity to grow that and to do that
5 competitively. And so that's what I've
6 asked for in legislation form, is the
7 authority to do that. It would be done by
8 an appraisal, prices would be set. But we
9 could take on a lot more customers and we
10 could grow more revenue, which could be
11 used, you know, for the maintenance of our
12 facilities and otherwise. So I think it
13 just makes good business sense.

14 ASSEMBLYWOMAN PAULIN: Thank you
15 very much.

16 ACTING EX. DIR. DRISCOLL: Thank
17 you.

18 CHAIRWOMAN YOUNG: Senator Savino.

19 SENATOR SAVINO: Thank you, Senator
20 Young.

21 Good to see you, Matt. I just want
22 to follow up on the amnesty program. So
23 I'm not going to belabor the point, but for
24 people who had already paid their fines,

1 paid the outstanding tolls, are they going
2 to be able to participate and get the money
3 back, the excess money that they paid back?

4 ACTING EX. DIR. DRISCOLL: No. So
5 this is a going forward program.

6 SENATOR SAVINO: Going forward.

7 ACTING EX. DIR. DRISCOLL: So that's
8 the program that I've rolled out. It's a
9 going-forward program.

10 SENATOR SAVINO: Okay. And I know
11 you and I spoke about this offline when we
12 ran into each other. Is the Thruway
13 Authority looking at any other ways to
14 capture toll revenue through an electronic
15 collection besides E-ZPass? Because again,
16 there are still some people who are not
17 going to want an E-ZPass. They don't use
18 it enough or they don't want to tie a
19 credit card to it. Because I think now the
20 minimum that you have to maintain on an
21 E-ZPass is -- is it \$50?

22 ACTING EX. DIR. DRISCOLL:
23 Twenty-five.

24 SENATOR SAVINO: Twenty-five. So

1 some people just don't want to do it. And
2 some of the problems we've encountered with
3 the MTA bridges is that there used to be a
4 mechanism to let people know that they had
5 a low balance, you know, when you went
6 through the toll booths.

7 ACTING EX. DIR. DRISCOLL: And that
8 happens here.

9 SENATOR SAVINO: Right, but there's
10 no -- but people don't realize that they're
11 below. So the MTA set up, at our request,
12 an email notification to users so that if
13 they are low-balance, they'll let them
14 know, because you run the risk of an
15 additional fine if you have an E-ZPass and
16 you go through the toll and it doesn't have
17 any money on it. So now you get a fine for
18 that, you get another fine, and then you
19 get the bill in the mail as well.

20 ACTING EX. DIR. DRISCOLL: No, so
21 that's precisely what I'd like to do, is to
22 have a notification process in place, you
23 know, as I look towards the statewide full
24 rollout, that's more informative.

1 And so I guess the short answer is
2 is that technology is evolving each and
3 every day. It is something that we are
4 going to keep our eyes wide open on.
5 Because as we go forward, there may be,
6 there could be, better alternatives.

7 E-ZPass, you know, is right now
8 utilized in 16 states. It seems to work
9 fairly, fairly well across the board for
10 all. And I think it works well here in
11 New York State. I think the bigger
12 challenges have been the tolls-by-mail
13 piece for us. Well, in fact I know that
14 that's been the bigger challenge.

15 But we're always open to looking at
16 new technology. In fact, I charged my IT
17 person yesterday with looking at how, as we
18 think forward, mobile devices might be used
19 to make your payment instantaneously. And
20 so that's a project that we're undertaking,
21 because of course technology continues to
22 change, and I want to make sure that the
23 Thruway Authority is in the best position
24 for its customers going forward.

1 SENATOR SAVINO: Great. Thank you.

2 ACTING EX. DIR. DRISCOLL: You're
3 welcome.

4 CHAIRWOMAN WEINSTEIN: Assemblyman
5 Otis.

6 ASSEMBLYMAN OTIS: Congratulations
7 on your move from DOT to the Thruway
8 Authority. And I can attest firsthand that
9 you're a consummate transportation
10 professional, because I was on the bus when
11 we were going out to the Mario Cuomo Bridge
12 opening, and the side mirror, you remember,
13 wasn't working for the bus driver, and so
14 the executive director of the Thruway
15 Authority got out and manhandled that
16 mirror so that we could get the bus moving.
17 And that's --

18 ACTING EX. DIR. DRISCOLL: Right.
19 And I hope that validates my concern for
20 public safety, including yours.

21 (Laughter.)

22 ASSEMBLYMAN OTIS: Very good. Very
23 good.

24 I'd like to thank you for a little

1 matter which is in an area that's going to
2 be the last-mile project near the
3 Connecticut border, we had a safety concern
4 that we brought to the attention of your
5 office probably a couple of months ago
6 where there had been an accident and they
7 wanted some Jersey barriers. And you and
8 the Authority were very responsive to get
9 added protection there by some homeowners.

10 And so people should know, it's not
11 just the big stuff, it's the little stuff
12 that counts, and I appreciate your
13 responsiveness on that.

14 ACTING EX. DIR. DRISCOLL: Well,
15 thank you. And that is -- I have not yet
16 visited that section. I intend to. I want
17 to see it firsthand. But we're obviously
18 happy to help. And again, making sure that
19 the traveling public is always safe is our
20 job.

21 ASSEMBLYMAN OTIS: Well, call and
22 I'll join you down there, so that would be
23 good.

24 The question that I have relates to

1 the high-speed or cashless tolling, rollout
2 of that infrastructure throughout the
3 entire state. And maybe could you talk a
4 little about what the long-term game plan
5 is for the Thruway Authority to phase that
6 in through the system?

7 ACTING EX. DIR. DRISCOLL: Yup,
8 happy to.

9 So here's where we are right now.
10 We're analyzing potential costs to a
11 statewide system. We're also -- and we
12 have consultants, you know, on board, of
13 course, under contract, so they're part of
14 that. And then ultimately it will be a
15 design-build project because that's been --
16 and I can tell you from my experience at
17 DOT, it's worked very well.

18 And so we will formulate that
19 design-build team, and that's where the
20 innovation from a design-build team comes
21 in as well. Because on an upstate section,
22 you don't need a gantry every couple of
23 miles. So we want to make sure that we
24 have the most modern, efficient system

1 there is. And they'll help us develop that
2 and specifically the costs associated with
3 that.

4 So we're developing the scope,
5 analyzing potential costs, and we'll be
6 bringing that team together to roll that
7 plan forward.

8 ASSEMBLYMAN OTIS: So upstate you
9 don't necessarily have to do it where the
10 exits are now, you can do it on the main
11 line itself?

12 ACTING EX. DIR. DRISCOLL: So that's
13 where we want to bring in not only the
14 experts that we have at the Thruway, but
15 also in the private sector.

16 We will be completing and opening
17 Grand Island this March, as well as
18 Harriman later in the year. So those will
19 be two kind of sections that will be
20 cashless. And the Harriman was really
21 part, in a partnership with DOT, to help
22 the Woodbury Commons. But yes, we are
23 going to be rolling this out statewide.

24 You know, a little bit of history.

1 When the interstate system was created
2 under the Eisenhower era, New York was one
3 of the first superhighways constructed and
4 I think was one of the first that had
5 E-ZPass. But 16 other states have E-ZPass
6 statewide, and we don't.

7 And so when I talk about some of the
8 changes that, you know, I hope to bring to
9 the Thruway Authority, that's been a big
10 part of it. And then the technology,
11 as you know, Senator Savino mentions, I
12 think that there's lots of opportunity with
13 respect to how we manage our traffic, how
14 we manage ourselves going forward utilizing
15 technology. And certainly we'll be doing
16 that in the most cost-effective way as we
17 develop and refine our scope for a
18 statewide cashless tolling system.

19 ASSEMBLYMAN OTIS: Thank you very
20 much. Good luck with everything.

21 ACTING EX. DIR. DRISCOLL: Thank
22 you.

23 CHAIRWOMAN WEINSTEIN: Thank you,
24 Mr. Driscoll. I think that is all --

1 ACTING EX. DIR. DRISCOLL: Well,
2 thank you. And just one last request, if I
3 may.

4 CHAIRWOMAN WEINSTEIN: Sure.

5 ACTING EX. DIR. DRISCOLL: So I'd
6 like to have my intergovernmental affairs
7 person reach out to your offices, and maybe
8 we'll send you something if you're
9 interested. We'd appreciate having
10 material that you might be able to provide
11 to your constituents for the benefits of
12 cashless tolling.

13 CHAIRWOMAN YOUNG: Great idea.
14 Thank you.

15 ACTING EX. DIR. DRISCOLL: Thank
16 you.

17 CHAIRWOMAN WEINSTEIN: Thank you.

18 Next we have the New York State
19 Association of Town Superintendents of
20 Highways, Bernhard Meyer, president; and
21 New York State County Highway
22 Superintendents Association, Wayne
23 Bonesteel, legislative committee cochair.

24 CHAIRWOMAN YOUNG: Welcome.

1 MR. BONESTEEL: Hi.

2 Good afternoon, Chairperson Young,
3 Chairperson Weinstein, and other members of
4 the Legislature's fiscal committee. I'm
5 Wayne Bonesteel. I'm the county engineer
6 for Rensselaer County as well as the
7 cochair of the New York State County
8 Highway Superintendents' Association
9 Legislative Committee. With me is Bernie
10 Meyer; he's the president of the New York
11 State Association of Town Superintendents
12 of Highways. He's also the Town of Canaan
13 superintendent of highways.

14 We appreciate this opportunity to
15 comment on the 2018-2019 Executive Budget
16 as it relates to funding local
17 transportation infrastructure.

18 As you know, our collective
19 membership is responsible for ensuring the
20 safe condition and operation of 87 percent
21 of the state's public-road mileage, half of
22 its bridges, and for snowplowing not only
23 our huge system, but also over a quarter of
24 the New York State DOT's roads. Every time

1 there is a weather event, the hardworking
2 men and women on our local crews ensure
3 New York's drivers can get to and from
4 work, homes, schools, hospitals and other
5 destinations safely.

6 We'd like to begin by thanking you
7 for your steadfast support for funding
8 local highway departments so that they are
9 better able to replace, rehabilitate, pave,
10 plow and maintain state and local roads,
11 bridges and culverts. Thanks to the
12 Governor and Legislature's support, we now
13 have essentially four programs that provide
14 state and federal funds for local highway
15 departments as part of the current
16 five-year transportation capital plan:
17 CHIPS, Marchiselli, PAVE NY, and BRIDGE NY.

18 Also, the Legislature has provided
19 additional funding several times by making
20 one-time appropriations for extreme winter
21 recovery that this year distributes
22 \$65 million to local highway departments
23 through the CHIPS formula. The 2018-2019
24 Executive Budget proposes to cut that vital

1 \$65 million appropriation.

2 CHIPS, the Consolidated Local Street
3 and Highway Improvement Program, as we all
4 know, is the financial lifeblood of any
5 local highway department, distributing
6 important and reoccurring state funding
7 through a formula to every local government
8 in the state. The 2018-2019 Executive
9 Budget holds the base level for CHIPS at
10 \$438 million for the sixth year in a row,
11 after the Legislature championed the last
12 increase of \$75 million back in 2013.

13 While providing a reliable
14 reoccurring base amount of state funding
15 for local roads and bridges over the last
16 five-year period, CHIPS funds continue to
17 fall short of what is needed to keep the
18 locally owned ailing and aging
19 transportation system from falling further
20 into a state of disrepair. Our
21 associations urge your support of an annual
22 \$150 million increase in the CHIPS base.

23 The addition by the Legislature this
24 year of \$65 million in Extreme Winter

1 Recovery Reimbursement, along with the
2 third-year \$100 million appropriation for
3 PAVE NY has helped to bridge the growing
4 shortfall in CHIPS funding. Unlike CHIPS
5 and the Extreme Winter Recovery funding,
6 PAVE NY funding to assist municipalities
7 with rehabilitation and reconstruction of
8 local highways and roads is apportioned by
9 NYSDOT according to the percentage of funds
10 each municipality received under the CHIPS
11 program. Consideration should be given for
12 this funding to be added to the CHIPS base
13 and distributed through the CHIPS formula.
14 In this way, the state can build upon a
15 program that provides a fair distribution
16 of funds to every municipality in the state
17 through a standard formula while maximizing
18 flexibility for local highway departments
19 to direct this funding where it is needed
20 most.

21 This is an approach to assisting
22 local highway departments on which both our
23 associations agree and urge that future
24 Extreme Winter Recovery and PAVE NY funding

1 be consolidated into the CHIPS base.

2 MR. MEYER: Okay, the BRIDGE NY
3 Phase 1 of the local portion of BRIDGE NY,
4 which includes the first two years
5 appropriation for the program, made
6 available \$200 million designated
7 specifically for local bridge and culvert
8 work. We understand nearly 500
9 applications for funding for bridge and
10 culvert projects under BRIDGE NY were
11 submitted by counties, towns, cities and
12 villages throughout the state.

13 In Phase 1, the value of project
14 applications far exceeded what was
15 available for each region of the state.
16 Based on this experience, we made a case
17 during your budget deliberations last year
18 that the need for additional bridge and
19 culvert funding is clearly justified, and
20 asked that more of the funding be directed
21 for culverts.

22 As a result, Phase 2 of BRIDGE NY
23 was allocated an additional \$50 million,
24 bringing the two-year funding total for

1 Phase 2 to \$250 million, with \$50 million
2 of that amount to fund culverts. We
3 greatly appreciate the Legislature and
4 Governor agreeing to the increase in the
5 final budget.

6 Our associations are working with
7 NYSDOT on evaluating the success of Phase 1
8 and, if necessary, will be urging
9 improvements in the program that can be
10 implemented as part of phase two.

11 The need is well documented.
12 According to New York State DOT's latest
13 annual Highway Pavement and Bridge
14 Condition Report, an additional 360 bridges
15 became deficient between 2013 and 2015 as
16 the number of deficient bridges jumped from
17 5,542 to a high of 5,902. To be clear,
18 pavement and bridge conditions in our state
19 are getting worse. Every single region in
20 the state saw an increase in poorly rated
21 bridges over the past two years.

22 We've conducted our own study of the
23 local transportation system. The analysis
24 determined that on average, local

1 governments, excluding New York City,
2 should be spending \$2.32 billion annually
3 on their highways and bridges. Currently
4 these municipalities spend about \$1 billion
5 annually on these facilities, leaving an
6 annual shortfall of \$1.32 billion,
7 according to the State Comptroller.

8 Conclusion. In previous years, even
9 in tough economic times, the Legislature
10 has responded to the dire conditions of the
11 state's transportation systems and
12 augmented CHIPS and other local
13 transportation funding, but more is
14 required to help address the deteriorating
15 conditions of many of our local
16 transportation system's infrastructure and
17 make significant progress in its
18 rehabilitation. As such, we ask that you
19 support a \$150 million increase in the
20 CHIPS base in the 2018-2019 budget.

21 We recognize the challenges you face
22 in finding the resources to address the
23 needs of the vast, aging, and deteriorating
24 state and local infrastructure. Drinking

1 water supplies, sewer systems, flood
2 control, and the upstate and downstate
3 transit systems have all had critical
4 problems due in part to underinvestment and
5 deferred maintenance.

6 The Governor already committed to
7 seeking an additional \$836 million for the
8 MTA to help fund a Phase 1 New York City
9 subway stabilization plan, and proposed
10 meeting half this commitment in the
11 Executive Budget, money that will be spent
12 in just one region of the state. Should
13 there be an increase in MTA funding in this
14 next budget, the reestablishment of parity
15 between the MTA and New York State DOT that
16 many of you successfully fought for should
17 mean a comparable funding boost in the
18 New York State DOT plan, which would
19 certainly provide an opportunity to enhance
20 local transportation programs.

21 We are looking forward to working
22 with you again in this state budget process
23 and during the legislative session. Our
24 associations and the mutual constituencies

1 and communities we serve appreciate the
2 support of our state elected officials, who
3 partner with us to ensure we all get the
4 job done when it comes to providing the
5 public with a safe, functional statewide
6 transportation system, one that supports
7 jobs and economic growth for our
8 communities.

9 Thank you.

10 CHAIRWOMAN WEINSTEIN: Thank you.

11 CHAIRWOMAN YOUNG: Thank you.

12 And I just want to say thank you for
13 all your testimony today, and also to all
14 of your membership, because they do such a
15 phenomenal job and we appreciate everything
16 they do keep the roadways safe and
17 operating. So thank you so much.

18 MR. BONESTEEL: Thank you.

19 MR. MEYER: Thank you.

20 CHAIRWOMAN WEINSTEIN: Thank you.

21 Next is, from the AAA of New York
22 State, Alec Slatky, government relations
23 liaison.

24 MR. SLATKY: All right. Good

1 afternoon, everyone. My name is Alec
2 Slatky. I'm here representing AAA New York
3 State, a federation of the four independent
4 AAA clubs in New York which collectively
5 serve over 2.7 million members.

6 Thanks to the staff for organizing
7 this hearing and to the members that are
8 still here for sticking around.

9 I distributed my testimony; feel
10 free to read it at your leisure. It makes
11 some bedtime reading, it will definitely
12 put you to sleep. But I will summarize it
13 here just so it won't put you to sleep --
14 it's very exciting.

15 I want to touch on a couple of
16 issues. Congestion pricing I know is not
17 legislatively in the budget right now, but
18 I did want to talk about it because I know
19 it will be part of discussions. Rear seat
20 belt requirements, school bus and railroad
21 crossing photo enforcement and, if I get to
22 it, distracted driving.

23 So just on congestion pricing, and
24 I'll be brief, I know the Fix NYC report

1 came out and it's not necessarily the
2 proposal of any particular elected
3 official, but we do have concerns with the
4 proposal as presented, specifically that it
5 would institute a charge to drive into
6 Manhattan's central business district,
7 charging drivers up to \$1 billion a year in
8 tolls, with none of that money going into
9 road and bridge improvements and without
10 commensurate reductions in outer borough
11 bridge tolls, where drivers have been
12 subsidizing the mass transit system without
13 realistic transit alternatives for about
14 50 years. And it would certainly be a
15 burden to many outer borough Long Island,
16 Hudson Valley commuters -- and commuters
17 from Manhattan as well that are working and
18 middle-class.

19 So we have concerns about that, but
20 we know that there's going to be ongoing
21 negotiations, and we certainly hope that
22 you will consider the drivers who will be
23 paying these fees should get something in
24 return if anything is to be passed.

1 I'll talk a little more about rear
2 seat belts. Rear seat belts have been a
3 priority issue for AAA for some time. As
4 you may know, in New York State we had the
5 first seat belt law in the country back in
6 1984, so we were ahead of the curve then.

7 We're behind the curve now. Most
8 states have a rear seat belt law, but in
9 New York it only goes up to age 15. Once
10 you turn 16, you no longer have to wear
11 that seat belt in the back seat, and that
12 really has led to some tragic results.
13 Because we know rear seat belts make
14 everyone safer. If you don't wear a seat
15 belt in the back, you're three times more
16 likely to be killed, eight times more
17 likely to be seriously injured, and twice
18 as likely to kill a front seat passenger by
19 becoming a projectile in a crash or a,
20 quote unquote, back seat bullet.

21 And we analyzed data in New York
22 from 1995 to 2014, and we found that over
23 that time, 886 unbelted adult rear seat
24 occupants were killed in crashes, including

1 at least one in each county in the state.
2 And it really is contributed to largely by
3 the lack of a seat belt law. Because if
4 you look at the age when the law no longer
5 goes into effect -- and this is on page 3 a
6 little, a chart -- that's really when the
7 fatalities spike. Sixteen-to-18-year-olds,
8 that three-year age group, had nearly four
9 times as many fatalities as did
10 13-to-15-year-olds, largely in part because
11 they didn't wear their seat belts nearly at
12 the same frequency.

13 And in fact that three-year age
14 group had a quarter of all the fatalities
15 among adults 16 and over, and in our view
16 it doesn't make sense that the law should
17 expire right when children are most
18 vulnerable of being killed, unbelted, in
19 the crash.

20 The last year of full data that we
21 have is 2016, and in that year there were
22 26 unbelted rear seat occupants that were
23 are 16 and up that were killed in crashes,
24 compared to only four belted rear seat

1 occupants that were killed. And the
2 numbers look at least that high based on
3 the preliminary data in 2017.

4 And we know passing a seat belt law
5 will increase usage, it will save lives, it
6 will prevent injuries. Voters in New York
7 support it. A survey that we did found
8 that 68 percent of New York drivers support
9 a rear seat belt law, compared with only
10 15 percent who oppose it. So we'd
11 certainly urge both the houses of the
12 Legislature to support that proposal of the
13 Governor's.

14 I'll talk briefly about the school
15 bus stop-arm cameras and railroad crossing
16 cameras. We support both of those
17 initiatives, as we have supported red light
18 camera programs and school zone speed
19 camera programs throughout the state.

20 We would respectfully suggest a few
21 amendments to make sure that the programs
22 are as effective as possible, because we've
23 seen some programs in New York that have
24 actually gone away due to concerns about

1 revenue. In Nassau County, their school
2 zone speed camera program was ended after
3 public outcry. Rochester ended its red
4 light camera program at the end of 2016 due
5 to concern about impact on low-income
6 residents.

7 So we would suggest, as a number-one
8 priority, to make sure this is true for all
9 automated enforcement: Put that money back
10 into traffic safety. That way nobody can
11 reasonably argue that it's about anything
12 besides traffic safety.

13 We'd also suggest including a
14 statute of limitations that's in speed
15 camera legislation but not red light camera
16 legislation right now, and that would say
17 you have to mail the notice of liability
18 within 14 days or 45 days for an
19 out-of-state resident.

20 For the railroad crossing cameras,
21 we would suggest requiring videotape as
22 well as images. The school bus cameras do
23 require videotape in the language, so we're
24 glad to see that.

1 And amending some of the reporting
2 requirements to make sure we have crash
3 data from before and after for a good chunk
4 of -- maybe three or five years, enough to
5 do a real good engineering analysis. And
6 we suggest making them a pilot program. I
7 know it's kind of farcical in some ways
8 that New York City's red light camera
9 program is still a pilot program,
10 technically, even though the legislation
11 authorizing it was passed in 1988.

12 But I do think it is appropriate for
13 the State Legislature to have some
14 oversight over these camera programs, so we
15 would suggest making these a five-year
16 pilot program for each and then, if you
17 wanted to make it permanent after that
18 time, you can do so.

19 And there are a couple of distracted
20 driving amendments here. One would
21 prohibit cellphone use, including
22 hands-free use, for drivers under 18. We
23 support that because we know young drivers
24 are particularly dangerous on the road to

1 begin with, and particularly susceptible to
2 the deleterious effects of cognitive
3 distraction that can be caused by a
4 hands-free phone.

5 And we also support the amendment
6 that tweaks the texting and driving law.
7 Because right now it's illegal if you are
8 holding a phone and using it, but it's not
9 illegal if you're not holding the phone.
10 So if the phone is in your lap and you're
11 just typing away on it, that is not
12 technically illegal right now. And so we
13 would support that change in the law.

14 Thank you for your time, and I'd be
15 happy to take any questions.

16 CHAIRWOMAN WEINSTEIN: All right.

17 I have a quick question about the
18 comments where you just spoke about in
19 terms of changing the definition of using
20 the phone.

21 If this were to become adopted as
22 part of the budget, do you think that that
23 would mean that the current use by drivers
24 that get calls by apps such as Uber or Lyft

1 would be prohibited from using those
2 services -- would be in violation if they
3 were to use those service?

4 MR. SLATKY: I would have to take
5 another close look at the language. I know
6 that it does exempt GPS systems in
7 particular, not necessarily phone uses as
8 GPS.

9 I would have to take another look at
10 the language, and it's possible that it
11 could be tweaked to make sure that folks
12 that are using it on the road wouldn't, in
13 that capacity -- might not be in violation
14 of the law. But also, you want to make
15 sure that they're actually using it in a
16 manner that is safe. So I will have to
17 take another look at that.

18 CHAIRWOMAN WEINSTEIN: I might argue
19 that there shouldn't be an exemption for
20 someone who's constantly doing that.

21 And do you think that this also
22 would apply to in-car systems of texting?

23 MR. SLATKY: I was taking a look at
24 the language -- I don't think it would

1 apply to in-car systems. But I'd be
2 definitely happy to take another look at
3 that and circle back with our folks down
4 and across the state and see what they
5 think.

6 CHAIRWOMAN WEINSTEIN: And we'd like
7 to -- not only -- obviously we will look
8 ourselves, but I was curious if you had --
9 if AAA has a position about drivers using
10 systems like that.

11 MR. SLATKY: We don't necessarily
12 think it should be illegal. We do always
13 try to remind drivers that hands-free is
14 not risk-free. And a lot of these systems
15 can even be more cognitively distracting
16 than just talking on a cellphone, because
17 if you have to give a voice command into a
18 system, sometimes that actually leads to
19 extra distractions.

20 But we don't necessarily think
21 that's something that should be illegal.
22 But we'd want to take a close look at the
23 language again.

24 CHAIRWOMAN WEINSTEIN: Thank you.

1 CHAIRWOMAN YOUNG: Thank you.

2 I want to say that I appreciate your
3 focus on safety, and you brought up several
4 excellent points. And this is good
5 information, actually, and some of the
6 statistics that you have brought up are
7 eye-opening.

8 I want to thank you especially for
9 your support of school bus stop-arm
10 cameras. I have had a bill on that for a
11 few years, and it seems to have been
12 stalled. But I commend the Governor
13 because, as you know, as you pointed out,
14 he included it in his proposal.

15 So your advice is good to look at
16 it, to see if it needs to be amended or
17 tweaked a little bit, and we will be doing
18 that. But thank you for all that you do.

19 MR. SLATKY: Absolutely.

20 CHAIRWOMAN YOUNG: Thank you.

21 Diane?

22 SENATOR SAVINO: Thank you. Yes,
23 thank you for your testimony.

24 I want to follow up on the

1 discussion you had with Assemblywoman
2 Weinstein. So because technology changes
3 so rapidly these days -- I just got a new
4 car, it's a month old, it's a 2018. And
5 the vehicle has several apps already loaded
6 into it. One of them is called Android
7 Autoplay, and there's also an app for Apple
8 Autoplay. So you can take your phone, you
9 plug it in, and now your phone is on your
10 screen. And on there is Google Maps --
11 everything comes right up, including the
12 streaming of music, and I can press a
13 button and say "send a text message."

14 So everything I'm doing is using my
15 phone, hands-free. So if we go forward
16 with this proposal to limit the use for
17 18-year-olds -- and believe me, I totally
18 understand the need for restricting
19 access -- how would we have law enforcement
20 interpret this? Are you in fact using a
21 hands-free model when you're using the
22 phone system that's now built into new
23 cars, that literally turns your car into
24 your phone?

1 MR. SLATKY: I think that in all
2 likelihood, if it is through the phone,
3 that would probably be considered a
4 hands-free use. I think the definition
5 that they have is engaging in a call. So
6 they don't apply -- the language in the law
7 doesn't apply it to personal electronic
8 device use or the texting and driving law,
9 but it only applies to actually engaging in
10 a call.

11 SENATOR SAVINO: But again, you
12 don't need to touch your phone to make a
13 phone call even now, under last year's
14 technology. Bluetooth allows you to press
15 the volume button on your steering wheel
16 and say "Call Cathy Young," and the car
17 will dial it for you and you can have a
18 conversation without ever taking your hands
19 off the wheel. So you're still using the
20 hands-free phone.

21 I'm just concerned that we're going
22 to go forward with something that's
23 impossible to interpret and impossible to
24 enforce simply because the car is way ahead

1 of the legislation.

2 MR. SLATKY: I would concede that
3 enforcement of this particular law is
4 difficult. But I think we envision this
5 law, you know, partially in the lens of
6 distracted driving, but really also in the
7 lens of the graduated driver licensing
8 system, just focusing on the 16- and
9 17-year-olds. Because there are other
10 restrictions in GDL that are hard to
11 enforce -- a maximum of one passenger
12 that's under 21, making sure you have a
13 supervising driver -- and we would view
14 this as another way to just start off and
15 remind those children that they need to
16 start their driving career with those
17 healthy habits.

18 SENATOR SAVINO: On that we agree.

19 In a car that's any older than just
20 two years, you're not going to -- you know,
21 you don't have as advanced technology. But
22 I would think -- I would hope that we're
23 also talking with auto manufacturers about
24 a way to maybe disable these applications

1 that are already loaded in the car.

2 Because if not, it's going to be
3 impossible to enforce this. You know,
4 young people are far more advanced
5 technologically than any of the rest of us.
6 I had to go back to the dealer three times
7 to figure out how to use this car. It's
8 smarter than I am. These kids are way
9 smarter than we are, because they've grown
10 up with this. So I just caution that we
11 don't move forward enacting legislation
12 that's impossible to enforce and really
13 isn't going to solve the problem because
14 technology's light years ahead of us.

15 MR. SLATKY: Yeah, I agree. And I
16 think that we've been trying to have
17 constructive conversations with automakers.

18 Our AAA Foundation for Traffic
19 Safety has done a lot of research into
20 these in-vehicle systems and what types of
21 systems are the most distracting and why.
22 Is it something about the number of steps,
23 for example, that it takes to perform a
24 command? A variety of things about this

1 system that the automakers can take back
2 and say we can make this interface as
3 minimally distracting as possible, because
4 that's the type of advancement and
5 constructive conversation that we want to
6 have.

7 SENATOR SAVINO: I just wanted to
8 make that point. Thank you.

9 CHAIRWOMAN WEINSTEIN: Assemblyman
10 Byrne.

11 ASSEMBLYMAN BYRNE: Yes, thank you.

12 I just wanted to say I appreciate
13 your comments regarding the seat belt law
14 that definitely can save lives. I got in
15 an accident in a little over a -- well,
16 more than a year ago, and if I wasn't in a
17 seat belt, I definitely wouldn't be here
18 today. So I can agree with you on that, I
19 appreciate that.

20 In your comments regarding the
21 distracted driving and particularly the
22 hands-free, not risk-free, I get that. But
23 do you have any remarks on the textalyzer
24 bill legislation that's been put forth

1 before? I know it's through the assistant
2 speaker, Mr. Ortiz, and Senator Murphy has
3 one. Does AAA have any comments on that?
4 I'd just be interested to hear.

5 MR. SLATKY: Sure. I know it's not
6 part of this budget, and the Governor's
7 Traffic Safety Committee report should be
8 out soon. But we did submit comments to
9 them, and we were kind of of two minds,
10 because it's absolutely true that we have
11 almost no idea what the actual level of
12 texting is based on crash reports.

13 If you look at crash reports, I
14 think in 2015 -- that's the stat that I
15 remember -- there were 70 crashes on
16 New York roads that were listed as having
17 texting as a contributing factor. Not
18 70 fatal crashes, not 70 injury crashes,
19 70 crashes. That's almost -- that's about
20 once a week. That's obviously not true.

21 So we don't really have that data
22 that's good from crash reports. And I
23 understand the need to get better data.

24 On the other hand, there are

1 technical issues with the way our law is
2 written and how you would actually enforce
3 that in a court of law.

4 So what we had suggested is having a
5 pilot program and limiting it to fatal and
6 serious injury crashes. We want to put it
7 as a tool for law enforcement if there is a
8 fatal or serious injury crash, and they're
9 going to do a full investigation as well.
10 That way, if they have something that's
11 time-stamped at a certain time, they'd be
12 able to say "This person was on the road at
13 that time, and they were moving."

14 Otherwise, if you don't do that full
15 investigation and you say "This person was
16 texting five minutes before the crash" --
17 okay, well, were they in a parking lot?
18 Were they in a store? Were they stopped at
19 a light, or were they actually moving? And
20 only one of those is actually illegal
21 behavior.

22 So we would support limiting that
23 pilot program to just the crashes where
24 police officers are going to do a full

1 investigation and you can actually use that
2 information.

3 But there are, I think, a lot of
4 technical hurdles. The technology
5 definitely needs to be vetted more before
6 we would support moving forward with it. I
7 think the idea is a good one, but there are
8 really a lot of questions that would need
9 to be answered before we could dive
10 headfirst -- I'm not sure that we could go
11 all the way to every single crash.

12 ASSEMBLYMAN BYRNE: Good. Thank
13 you.

14 And I appreciate those comments.
15 I've been a general supporter of the
16 proposal, but I understand some of those
17 concerns and other things with privacy and
18 implementation. But ideally, if we were
19 able to get -- move that forward, as you
20 suggest, we could get more data from it and
21 law enforcement wouldn't have to go through
22 the added hurdles of trying to get
23 different records from phone companies and
24 other providers like that.

1 Oh, and just one extra comment too.

2 It's always just better to not text and
3 drive, right? We have the AT&T's "It Can
4 Wait" app, so -- that's a subtle plug.

5 Okay, thank you.

6 MR. SLATKY: Yes, sir. Thank you.

7 CHAIRWOMAN WEINSTEIN: Thank you for
8 your testimony.

9 MR. SLATKY: Thanks a lot.

10 CHAIRWOMAN YOUNG: Thank you.

11 CHAIRWOMAN WEINSTEIN: Next we have
12 Scott Wigger, executive director, Railroads
13 of New York.

14 MR. WIGGER: Hello. Good afternoon.

15 My name is Scott Wigger. I am executive
16 director for the Railroads of New York.
17 We're a statewide association that
18 represents the freight rail industry here
19 in New York State.

20 I want to thank the chairs and the
21 members for inviting me to testify here
22 today, and in the interests of time I will
23 just summarize my testimony.

24 CHAIRWOMAN WEINSTEIN: Thank you.

1 MR. WIGGER: RONY represents four
2 Class 1 railroads here in the state: CSX,
3 Canadian Pacific, Canadian National, and
4 Norfolk Southern, and 35 short line and
5 regional railroads. We're also supported
6 by dozens of non-railroad members such as
7 contractors, material suppliers, IDAs,
8 insurance providers, and together we all
9 form the organization.

10 Included in the Governor's Executive
11 Budget proposal is \$27.5 million for the
12 freight rail infrastructure capital
13 program, which we wish to thank him for
14 including in the budget. This represents
15 the same amount of funding that was
16 included last year as well. This funding
17 is very important to our members,
18 particularly our smaller members who rely
19 on these funds to keep their systems in a
20 state of good repair and to also promote
21 economic development activities across the
22 state, either by helping existing customers
23 by enhancing the rail service they get or
24 by providing new service to customers who

1 are looking for rail connections.

2 Going forward, we'd like to request
3 that we continue building on this. Back in
4 the 2010-2012 fiscal years, this program
5 was zeroed out. All money was instead
6 directed towards high-speed rail programs.
7 So I wish to thank you in the Legislature
8 as well as the Governor's office for
9 helping to reestablish this very important
10 program and to help build it back up to
11 where it is now.

12 Going forward, we'd like to continue
13 to build on the success of this program and
14 eventually get it up to a \$50 million
15 annual level. We feel this is the
16 appropriate amount for this program, and
17 this represents the same amount this
18 program was funded at during the 2005-2010
19 bond act years.

20 Aside from that, one other request
21 we have for consideration in this year's
22 budget is corrective legislation that would
23 address technical concerns we had with the
24 Governor's program bill on railroad safety

1 that was passed and signed into law in
2 2016.

3 Us and our members, we completely
4 were in agreement with the intent of this
5 legislation. Safety always is and always
6 has been our first and foremost priority
7 for our rail members. These amendments, we
8 view them in their technical nature. And
9 particularly with the bridge reporting
10 requirements, we want to conform that with
11 the 2015 federal FAST Act law that was
12 passed.

13 So that is what our requests are for
14 this budget year, and I thank you for the
15 time here. And I am open to any questions
16 you may have.

17 CHAIRWOMAN WEINSTEIN: Thank you for
18 being here, and obviously your full
19 statement will be part of the official
20 transcript. Thank you.

21 CHAIRWOMAN YOUNG: Thank you so
22 much. We appreciate it.

23 SENATOR KRUEGER: Thank you.

24 MR. WIGGER: Thank you very much.

1 CHAIRWOMAN WEINSTEIN: Next we have
2 Lee Weitz, deputy director of New York
3 Aviation Management Association.

4 MR. WEITZ: Good afternoon.

5 CHAIRWOMAN WEINSTEIN: Good
6 afternoon.

7 CHAIRWOMAN YOUNG: Good afternoon.

8 MR. WEITZ: Thank you, Chairperson
9 Young and Chairperson Weinstein and members
10 of the Senate and Assembly fiscal
11 committees. I am Lee Weitz, president of
12 the New York Aviation Management
13 Association, and I'm also the deputy
14 director of aviation for the Niagara
15 Frontier Transportation Authority, which
16 operates both in Buffalo and in Niagara
17 Falls International Airports. We
18 appreciate the opportunity to provide input
19 to you on the 2018-2019 Executive Budget as
20 it relates to airports and the aviation
21 industry in New York.

22 NYAMA represents over 13,000 members
23 and affiliate members, 120 commercial
24 airports, fixed-based operators,

1 consultants, engineers and other aviation
2 industries and professionals who believe
3 that serious economic development efforts
4 at the state and regional level
5 necessitates strong public investment in
6 our aviation assets and facilities.

7 I would like to take a moment to
8 thank you and all the members of the
9 Legislature for enacting significant
10 initiatives as part of the 2017-2018 budget
11 to bolster state investments in airports.
12 The additional Aviation Capital Grant
13 Program funding and the ongoing Upstate
14 Airport Economic Development and
15 Revitalization Competition represent a
16 significant increase in the state's
17 commitment to addressing the critical
18 maintenance and modernization needs of all
19 airports, both big and small.

20 And I'll really summarize -- of
21 course you have my whole testimony, so you
22 can read through it, but I'll really
23 summarize it as really three pieces to my
24 testimony.

1 There's the State Aviation Capital
2 Grant Program. For the past two years, it
3 was funded at \$22.5 million. For the new
4 budget, in 2018-2019, it's funded at
5 \$12.5 million, a \$10 million reduction for
6 all the airports across New York State.
7 Obviously this is critical capital that is
8 needed for all the airports that are
9 eligible for this Aviation Capital Grant
10 Program, and we encourage the Legislature
11 to support raising this back up to
12 \$22.5 million. Our goal would be to get to
13 \$40 million a year for this program, but
14 we'd love to see it go back to the
15 \$22.5 million that it's been at the last
16 two years.

17 There was 29 airports that shared
18 that \$22.5 million under the Aviation
19 Capital Grant Program for the 2016 and 2017
20 awards, but there was a lot of airports,
21 there was 71 airports that obviously bid on
22 these projects. And obviously, you can see
23 over 40 were left out and didn't get any
24 capital funding for the year.

1 The second piece is the Airport
2 Improvement Program fund transfer. It's
3 important to note that part of the monies
4 for the State Aviation Capital Grant
5 program is also discounted due to the
6 underfunding of the state matching program,
7 which is the AIP federal grant program. So
8 it's normally funded at -- and again, for
9 2018-2019, it's funded at \$4 million. It
10 normally takes between \$6 and \$7 million to
11 fully fund the state match for the federal
12 program, so we would ask the Legislature to
13 please look at funding this back at
14 \$6 million for the 2018-2019 budget.

15 One of the most transformative
16 aviation initiatives in the last few years
17 has been the Upstate Airport Economic
18 Development and Revitalization Competition
19 that was part of the state fiscal year
20 2016-2017 budget. And there has been four
21 awards so far, as you probably know:
22 Rochester, Plattsburgh, Elmira, and
23 Syracuse airports received a total of \$154
24 million out of this competition.

1 The total competition was \$190
2 million. There's still over \$36 million
3 left of that competition, and we expect the
4 final award could be made soon. And we
5 urge your consideration be given to funding
6 Round 2 of this program going forward;
7 there's other needs throughout New York
8 State for airport investment.

9 In conclusion, I would just like to
10 say that NYAMA and its members support your
11 efforts to ensure that the state pursues
12 policies that are pro-growth and pro-job
13 creation. A strong state investment in our
14 airports is one of these winning
15 strategies. NYAMA looks forward to
16 continuing to work with you individually
17 and through the 130-member New York
18 Legislative Aviation Caucus cochaired by
19 Senator Phil Boyle and Assemblymember Donna
20 Lupardo, to ensure that significant
21 infrastructure funding reaches airports
22 that need the support, enhances aviation
23 business development, creates new and
24 permanent jobs, and improves the state's

1 economy.

2 Thank you very much.

3 CHAIRWOMAN WEINSTEIN: All right.

4 Thank you for being here, and as I
5 mentioned earlier, your full testimony is
6 part of the record. If we have any further
7 questions, we'll be sure to reach out to
8 you.

9 MR. WEITZ: Okay.

10 CHAIRWOMAN YOUNG: Thank you. We
11 really appreciate it.

12 MR. WEITZ: Thanks.

13 CHAIRWOMAN WEINSTEIN: Next we have
14 Robert Puckett, president of the New York
15 State Telecommunications Association.

16 MR. PUCKETT: Thank you, Chair
17 Weinstein and Chairman Young, and thanks to
18 those who are still here on the panel. I
19 know it's been a long day, so I'll try to
20 be even shorter than everybody else.

21 CHAIRWOMAN WEINSTEIN: Thank you for
22 waiting for everybody else.

23 MR. PUCKETT: Sure. And I'll also
24 try to respond to some of the thoughtful

1 questions that were put forth to DOT in my
2 testimony.

3 For those who haven't met me, my
4 name is Bob Puckett, president of the New
5 York State Telecommunications Association.
6 We were established in 1921 to represent
7 the industry. A lot has changed since
8 then, certainly.

9 I'll be specifically talking about
10 Part F of the budget that there was some
11 discussion from DOT on earlier. There's
12 two sections in that I'd like to address.
13 One of them deals with small cell siting
14 and establishes a process for small cell
15 siting.

16 And small cell is the newest
17 wireless technology that will bring 5G
18 wireless to the state, and it will
19 certainly enhance the wireless network. It
20 will be used both as a wireless platform
21 but also a fixed wireless platform, so it
22 could provide high-speed broadband to homes
23 and residences. And we support that part
24 of Part F.

1 Unfortunately, the other proposal in
2 Part F by DOT is the establishment of a new
3 fiber optic utility fee to occupy the
4 state's rights-of-way. Now, it's literally
5 meaning that telephone companies, cable
6 companies, wireless companies, internet
7 backhaul companies, all who are deploying
8 fiber all over the state would be assessed
9 this new fee to occupy the rights-of-way.

10 Now, if I may, back in the early
11 part of the 20th century, statutes were
12 passed that allowed telephone corporations
13 and electric companies to occupy the state
14 right-of-ways without a fee, and the reason
15 the state did that was to incent the
16 buildout of the telephone network and the
17 electric grid back in the early parts of
18 the 20th century.

19 Well, fast forward to today, and
20 we're back at the same point in time of now
21 the issue is broadband deployment. And I'm
22 sure you've all dealt with your
23 constituents regarding deployment of
24 broadband and the need for more broadband

1 in more areas of the state.

2 So this new fee we certainly oppose.

3 And given that in statute it's illegal to
4 charge us to occupy the right-of-way, I
5 wonder sometimes is that why they use the
6 term "fiber optic utility." It's an
7 undefined term in law today.

8 So we do oppose that part of the
9 proposal. We think, if anything, that will
10 be a disincentive to bringing broadband --
11 more broadband, more fiber-based
12 broadband -- throughout the state to
13 consumers and businesses and hurts the
14 state's economic development efforts.

15 Now to a question I think you had,
16 Senator Young, earlier of DOT. You
17 mentioned what does this do to the state
18 broadband projects, and isn't that a
19 disincentive. And you all have supported
20 that as recognition of the need to again --
21 to improve the broadband status of New York
22 State. And they stated that they would be
23 excluded from this fee.

24 It's important to know that the

1 broadband projects underway under the
2 broadband program only will serve 3 percent
3 of the housing units in New York State. So
4 as the gentleman said, there's fiber optics
5 going up all over the state. Well,
6 that's -- it's a big state, and so
7 excluding the, three percent really, to us,
8 is infinitesimal. So that's primarily many
9 of the reasons we oppose the proposal.

10 And they also state, as they stated
11 earlier to a question, that you couldn't
12 pass these fees on to customers -- which
13 again is another disincentive. Why would I
14 invest in New York if I'm charged something
15 and I have no way to recover that cost from
16 my consumers? It really doesn't make sense
17 to us.

18 And of course they mentioned that
19 they did want to understand who's going
20 into the rights-of-way. We currently file
21 for permits to build in the state
22 rights-of-way with the State DOT. They
23 have to approve those permits to allow us
24 to work in the right-of-way. So there is a

1 permitting process to keep track of who's
2 in the right-of-way and when and what
3 they're building and what safety issues
4 there may be and things like that.

5 So there was also some discussion
6 about the municipal governments involved in
7 the small cell process, an interest in
8 keeping local governments involved -- the
9 part of the budget that deals with that, it
10 still involves local government
11 involvement. It just sets a statewide
12 process, parameters on how to do that. So
13 local governments will still play a role in
14 that.

15 And with that, I'll certainly answer
16 any questions that any of you might have,
17 and I certainly want to thank you for your
18 questions earlier to DOT.

19 CHAIRWOMAN YOUNG: Thank you,
20 Mr. Puckett. I had a couple of follow-up
21 questions.

22 MR. PUCKETT: Sure.

23 CHAIRWOMAN YOUNG: So the revenues
24 generated off this fee, which we know is

1 really a tax, they feel would go up to as
2 much as \$50 million annually.

3 MR. PUCKETT: Right.

4 CHAIRWOMAN YOUNG: And so you're
5 telling us that there already is an
6 application process in place --

7 MR. PUCKETT: Yes.

8 CHAIRWOMAN YOUNG: -- that's
9 administered by the department.

10 MR. PUCKETT: Yes.

11 CHAIRWOMAN YOUNG: That's where they
12 can look and see where projects are going
13 and keep tabs on those, that's --

14 MR. PUCKETT: Yes.

15 CHAIRWOMAN YOUNG: -- right?

16 So I asked what the \$50 million
17 would go for, and they didn't really
18 answer.

19 MR. PUCKETT: It would go into the
20 highway fund for road and bridge work.

21 CHAIRWOMAN YOUNG: So it's not
22 really associated at all with the broadband
23 and, you know, making sure that it goes in
24 the right spot on the right-of-way and that

1 kind of thing.

2 MR. PUCKETT: And I believe the same
3 arguments for why they want to do this --
4 well, then, why isn't electric included in
5 their proposal?

6 CHAIRWOMAN YOUNG: Right.

7 MR. PUCKETT: They're in the state
8 highway right-of-way.

9 CHAIRWOMAN YOUNG: Right. But it's
10 a disincentive, as you pointed out, for
11 companies to invest in New York.

12 And what we face in rural areas such
13 as mine, but all across the state, is a
14 real lack of broadband service. And it's
15 put upstate New York at a true disadvantage
16 from an economic standpoint, being able to
17 develop. And also people wanting to live
18 in some of the outlying areas for the
19 quality of life, but broadband is so much a
20 part of that now that it's a real killer as
21 far as people wanting to live in a rural
22 area.

23 So I appreciate your comments very
24 much. And as you know, our conference has

1 been very against all the fee increases
2 that are included in the Executive
3 proposal, so we'll continue to work on
4 this.

5 MR. PUCKETT: Thank you. Appreciate
6 that.

7 CHAIRWOMAN YOUNG: Thank you.

8 CHAIRWOMAN WEINSTEIN: Thank you for
9 being here.

10 MR. PUCKETT: Thank you.

11 CHAIRWOMAN WEINSTEIN: Our next and
12 final witness for the transportation
13 hearing is William Carpenter, president of
14 the New York Public Transit Association.

15 MR. CARPENTER: If we do this in
16 four hours, we'll be out of here at 9:00.

17 CHAIRWOMAN WEINSTEIN: Well, we have
18 the room, so --

19 MR. CARPENTER: Good afternoon,
20 Chairman Weinstein and Chairman Young. I
21 very much appreciate the opportunity for
22 the New York Public Transit Association to
23 provide testimony.

24 My name is Bill Carpenter. I'm the

1 chief executive officer for the
2 Rochester-Genesee Regional Transportation
3 Authority and also president of NYPTA.

4 I'm really here representing
5 customers whose voices are not often heard.
6 We heard testimony earlier today and
7 questions on responses about the Summer
8 from Hell in New York City. The problem is
9 transit is having problems across the
10 state. And I'm here to represent those
11 other customers -- the customer that's
12 trying to balance access to daycare,
13 getting to work, stopping at a grocery
14 store so there's food on the table -- with
15 systems that are having to either reduce
16 their hours, cut back on the frequency of
17 service, or in other areas, other
18 routes where the buses are so full that
19 they have to wait for the next bus to come,
20 looking at having to change their daycare
21 because they can't get there before it
22 closes -- making those kinds of changes,
23 getting a lifestyle of health from their
24 public transit system as opposed to having

1 built their life, chosen workplaces, chosen
2 where all those services are provided.

3 What we're seeing as jobs are being
4 located further and further from the urban
5 core are bus systems that can't afford to
6 get there frequently. And while there's
7 been some good funding the last number of
8 years, the level of funding has not kept
9 pace with increased expectations of senior
10 citizens who want to age at home,
11 millennials who want to live in a system
12 that's robust enough where they don't need
13 a car, and healthcare access that's
14 required for more and more people.

15 Meeting all those demands as well as
16 technological changes -- all of you use
17 Uber and Lyft, and you watch that vehicle
18 arrive at your door. We have systems that
19 can't afford to have the bus provide that
20 type of application, fare payments that are
21 not readily available like other larger
22 city systems -- but people have those
23 expectations in our communities.

24 We're looking for an increase in

1 operating assistance to \$50 million:
2 \$20 million for the upstate transit
3 systems, \$30 million for the downstate
4 non-MTA systems. We're also looking to
5 continue the infrastructure investment that
6 the Legislature and the Governor put in
7 late in the process last year for the
8 non-MTA systems.

9 There was an additional \$20 million
10 of capital added that really, as I heard
11 Chairman Lhota talk about this morning in
12 response to a question, they are
13 pay-as-you-go capital and many of the
14 systems use that additional \$20 million as
15 a way of operating assistance because we
16 couldn't get it in operating aid. That
17 \$20 million is not yet in the final budget.
18 It was not included in the Executive
19 Budget. And we'd look for that to be
20 restored.

21 And finally, one of the big issues
22 is the way Medicaid transportation has
23 changed over the last few years. More and
24 more transportation being provided to

1 Medicaid recipients, but not through public
2 transit. And what you have there is
3 someone who has a nice ride to their
4 healthcare provider, a nice ride home --
5 and then when they go to get their
6 prescription filled, or groceries to have
7 food on the table, there's no public
8 transit system in their community.

9 We're looking to have the Department
10 of Health provide \$5 million, an amount
11 pretty similar to what they've done the
12 last couple of years, so that communities
13 can maintain that infrastructure of access.
14 We talk upstate about roads and bridges --
15 public transit is the infrastructure,
16 transit is the infrastructure for access.

17 And we appreciate your commitment to
18 public transit, and we look to answer any
19 questions.

20 CHAIRWOMAN YOUNG: Thank you,
21 Mr. Carpenter.

22 And I know you and I have had many
23 good conversations about the disparity in
24 funding between upstate and downstate

1 transit systems. So I was very happy to
2 help last year, but I know there are many
3 challenges ahead, so look forward to
4 working with you.

5 MR. CARPENTER: Thank you.

6 CHAIRWOMAN WEINSTEIN: Thank you for
7 being here.

8 I also want to thank my colleagues
9 for being here throughout the hearing.

10 And this officially concludes the
11 Joint Transportation Budget Hearing. Thank
12 you.

13 (Whereupon, at 5:33 p.m., the budget
14 hearing concluded.)

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