

Opening

Good Morning members of the Senate and Assembly. Thank you for having us here today, particularly Chair Weinstein, Chair Krueger, Chair Comrie, Chair Kennedy, Chair Magnarelli and Chair Paulin for your leadership and for the invitation. I am here today with MTA Chief Financial Officer Bob Foran and Chief Development Officer Janno Lieber.

Transformation Update

When we were here last year, the MTA was at an historic crossroads. Since then, we've made tremendous progress in improving operations and changing the way we do business, with the beginning of Transformation. But still our core mission remains the same: providing safe and reliable transportation to keep this region moving.

Our new CTO Anthony McCord is leading the Transformation process, and assembling the team that will chart the course for the new MTA. We've recently brought on Mario Pélouquin as Chief Operating Officer and Mark Dowd as our Chief Innovation Officer, with several more additions to the senior leadership team coming soon. Under Anthony's leadership, the Transformation Management Office will lead the MTA's reorganization effort and enact the changes necessary to create a leaner, more efficient and centralized agency.

This reform is already driving toward meaningful results. For example, Janno oversees our newly consolidated Construction and Development division, which serves as a single, central point responsible for planning, development and delivery of capital projects. Four hundred thirty employees have already been reassigned to this department in a first phase of Transformation. Under Janno's leadership, we've started bundling work to expedite project timelines and trim costs. A day after our latest Capital plan was approved, we issued an RFQ for 23 accessible station projects. We issued another RFQ for Penn Station Access. The total cost of this work amounts to \$2 billion in the 2020-2024 Capital Plan.

This coordinated approach to capital projects is already paying off at Grand Central Terminal, where the integrated 42nd Street Connection project has combined eight separate rehab projects – including a major overhaul of the 42nd Street Shuttle -- into one comprehensive plan. The work is now expected to be finished 13 months ahead of the original schedule, with \$10 million in savings from the original budget.

These are the kind of efficiencies we expect to see with Transformation. Whereas the MTA may have once been known for delayed projects that went overbudget, we are now operating more creatively, efficiently, and economically, to deliver projects on time and at or under budget.

Capital Plan

We're committed to delivering on our commitments outlined in the historic \$51.5 billion Capital Plan. It was unanimously approved by the MTA Board in September, and then deemed approved by the Capital Plan Review Board at the start of this year. This was the first time a Capital Plan was approved on time since 1981. Thanks again to Governor Cuomo, Speaker Heastie and Senate Majority Leader Stewart-Cousins for your continued support.

The 2020-2024 Capital Plan represents an unprecedented investment in this region's future. The allocation for New York City Transit alone is larger than the entire current Capital Program, and focuses on priority projects including signal modernization on six line segments – the largest investment in signal modernization in the world. No other transit network in history has done something to this scale in such a condensed period. We're also buying 1,900 new subway cars. Together with signaling updates, this will deliver faster, more reliable and more frequent service.

The plan also includes continued investments in accessibility, with 70 new ADA stations – more than fulfilling our goal to ensure that no rider is ever more than two stations away from an accessible station. We strategically chose the locations of these new ADA stations so more than 60% of our ridership will benefit from these upgrades.

Additionally, the Capital Plan advances our commitment to a cleaner, greener bus fleet, with the purchase of 2,400 new buses, of which 500 buses will be All Electric, kicking off our transition to a zero-emission fleet throughout the network by 2040. After 2029, all bus purchases will be electric buses. Having a younger fleet of buses will increase the distance they can go between failures. That means more reliability and more service for riders.

On Long Island, customers will benefit from the construction of a third track on 10 miles of the Mainline Corridor, which serves 40% of customers. We're also completing East Side Access in this program, extending LIRR service to Grand Central Terminal. Together with Jamaica capacity improvements, this will enable a 50 percent increase in peak service between Manhattan and Long Island.

For Metro North, we will be funding Penn Station Access, bringing four new Metro North stations to the Bronx. This route will carry up to 50,000 passengers to Penn Station every day. We are also investing nearly \$900 million in the Park Avenue Tunnel and Viaduct, and Grand Central Trainshed, the backbone of the Metro-North system that carries over 80% of riders in over 700 trains every day.

Central Business District Tolling

We simply wouldn't be able to fund the Capital Plan without the expected funds raised by Central Business District Tolling, and the other new revenue streams that passed in the last legislative session. Thank you to everyone who supported the development of this first-in-the-nation program – including Majority Leader Stewart-Cousins, Speaker Heastie, as well as Chair Kennedy, Chair Comrie, Chair Krueger, Chair Paulin, and Chair Magnarelli.

So far, the rollout of CBDT is proceeding on track. In October -- a month ahead of schedule -- the MTA selected TransCore to design, build, operate and maintain the tolling system.

By getting people out of their cars and onto mass transit, Central Business District Tolling will help us create a more economically vibrant and environmentally friendly New York City. The expected reduction in roadway congestion will be a gamechanger for our buses. We've seen how quickly things can turn around when there are fewer cars on the road. Since establishing the 14th Street Busway last fall, which banned most cars from the street, customer journey times have fallen and riders are flocking back to the system.

2019 Accomplishments

I'm proud to say that we ended last year with significant performance improvements across all our agencies -- all the while completing major repairs and projects through the Fast Forward, LIRR Forward and Metro-North Way Ahead plans.

The \$800 million Subway Action Plan played a critical role in stabilizing the subway system by dramatically expediting essential maintenance work. Since 2017, we've sealed more than 4,000 leaks, cleaned more than 40,000 street grates and repaired almost 20,000 minor track defects that if not repaired can cause delays.

This infusion of funds, along with our sustained focused in operations, paved the way for our recent rebound in on-time performance. In 2019, annual on-time performance exceeded 80 percent for the first time in six years. Running times in December improved on nearly every non-shuttle line compared to the year before. As a result, annual subway ridership beat estimates last year, climbing to nearly 1.7 billion – defying national trends.

The 7 train is now one of the system's best performing since Communication Based Train Control was installed. The improvement is stark: OTP on the 7 was 55.5 percent in March 2018. By March 2019, it had skyrocketed to 91 percent. The 7 line now runs 29 trains per hour during peak times, up from 25-27 the year before. We're able to serve thousands of additional riders per hour as a result.

Testimony of MTA Chairman and CEO Patrick J. Foye
Joint Legislative Budget Hearing on Transportation
Tuesday, January 28, 2020

On the Long Island Rail Road, OTP for the year hit a three-year high of 92.4 percent in 2019, with 44 percent fewer train cancellations. And Metro-North's on-time performance rose to 94.4% overall, recording 55% fewer train cancellations. The credit goes to Metro North President Cathy Rinaldi, LIRR President Phil Eng and outgoing New York City Transit President Andy Byford for their leadership, and of course the 52,000 strong hardworking frontline employees across all our agencies.

Buses also got a significant boost last year. A few moments ago, I mentioned the positive results we've seen from the 14th Street Busway. In 2019 – thanks to your legislative support -- we also began implementing Select Bus Service and expanding the use of Automated Bus Lane Enforcement. Thanks to Assembly member Nily Rozic and Chair Krueger for sponsoring the bill and those who supported it including Speaker Heastie and Majority Leader Stewart-Cousins.

The introduction of Select Bus Service on the M14, M15 and B44 lines has led to great improvements in bus speeds. On the M14, there was a 55 percent increase to speeds, which in turn led to a 19 percent increase in weekday ridership.

This year, our bold vision for improving bus service continues with borough-by-borough network redesigns. We're taking a holistic community-driven approach to create a more efficient system that works for our millions of customers. Some of these routes have not been changed in a century. We simply can't wait any longer to make the necessary changes, we need a system that will work for the future.

The redesign has already been completed on Staten Island, and has shown improvements in bus speeds, reliability, and increases in frequency of trips. The final Bronx redesign has been released, and we've begun the process in Queens and in Brooklyn. We know there have been issues in Queens. We have been listening and will continue to listen to your concerns and those of your constituents. We've been holding a series of meetings in the borough that will continue in coming weeks.

Forging ahead with a new way of thinking can be challenging, but it's necessary as we work to bring the MTA into the 21st century. We've seen the benefit of taking a new approach with the L train project, which is now trending ahead of schedule since the full line shutdown was called off last year. The L is maintaining regular service for more than 80 percent of customers on nights and weekends while crews are busy working. The complete rehabilitation of the Canarsie Tunnel is expected to be finished in April, three months ahead of the original projection.

Looking Ahead

While much has improved throughout our transit networks we still face challenges, including a looming operating deficit. I'd like to thank Governor Cuomo for increasing state operating aid to the MTA in his executive budget this year, and for his commitment

**Testimony of MTA Chairman and CEO Patrick J. Foye
Joint Legislative Budget Hearing on Transportation
Tuesday, January 28, 2020**

of \$3 billion in capital investment for accessibility projects. We're asking you to help secure these important funds. We're also hoping the city follows suit so this critical work is fully financed.

This investment will go a long way to continuing the enhancement and improvement of our system for all New Yorkers. Ongoing investment is vital to maintaining a healthy transit network and to the region, to the economy, and most importantly, to the 8 million people who depend on us every day.

In addition to our capital and transformation plans, we have a robust legislative agenda for 2020 that include legislation cracking down on toll violators in anticipation of the start of the Central Business District tolling program.

We also support the Governor's proposal for tougher criminal penalties for those who attack our hard-working employees by expanding the list of protected employees, and making several forms of aggravated harassment a class A misdemeanor. We also back the Governor's plan to ban repeat sex offenders who target our riders as well as those who are high-level sex offenders or attack transit employees. I hope you'll support these important pieces of legislation this session.

I look forward to working with each of you on our shared priorities. Thank you for your time. We're now happy to answer your questions.