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A Q&A With MTA Chairman Tom Prendergast

By Wilder Fleming

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Thomas Prendergast is the chairman and chief executive officer of the Metropolitan Transportation Authority. He spoke with City & State's Wilder Fleming earlier this month about issues facing the MTA, including the \$14 billion budget gap in the authority's capital plan, The Second Avenue Subway line and some of the critical decisions that will be made in the coming months.

Below is an edited transcript of that conversation.

City & State: In late April the governor unexpectedly announced that he would reappoint you for a full six-year term as chairman of the Metropolitan Transportation Authority in June. Does this reshape your plans for the agency in any way and do you think the authority has suffered from a lack of consistent leadership in the past?

Tom Prendergast: Well certainly people have said that. From my standpoint I was heartened to hear it. I was surprised because he did it at an event for ABNY and that was complimentary of him. So yes, I am enthused by it. But in terms of me doing my job, it's basically the same as it was when I was filling out the term that Jay Walder started and Joe Lhota served in. It's about getting the next capital program and making sure we respond to the surging growth that we've seen in the system."

C&S: Authority CFO Bob Foran recently warned that the MTA could have to raise fares by 15 percent if the state Legislature doesn't come up with a way to fill the \$14 billion funding gap in the agency's \$32 billion capital plan. You have said there are no plans for a fare hike of this magnitude, but what are the alternatives?

TP: Well it was a hypothetical question raised and it was a hypothetical answer. And what I said a couple of days later is that we're not going to solve the problems with the gap in capital plan funding on the backs of the fare-payers. That historically has never been the case here. We've been able to find a way to get the money that we need going back to 1982, and I am confident that we're going to be able to do the same here.

C&S: Can you outline any possible alternatives?

TP: No, not now. Whenever we get into these types of discussions, it's all the key stakeholders. So in this particular case there are four different parties that we see as playing a role in terms of filling that gap: the federal government—and that dialogue will probably be in two years from now when Congress has to deal with infrastructure across the country. Then the state, and they've anteed up \$1 billion. The city, and we went out today (May 4) with a formal request for them to increase the amount that they give to us annually. And finally other players that benefit directly and indirectly: developers, business, etc. It is important to the City of New York and it's important to the region that we get a funded capital plan.



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C&S: The Citizens Budget Commission has calculated that the gap in the MTA's capital plan is actually closer to \$19 billion?

TP: There are a number of things the Citizens Budget Commission came out with, some which we agree with and some of which we don't agree with. But we're still standing by the number we have, which is now \$14 billion in terms of unfunded need.

C&S: Can you remind us what timespan that \$14 billion gap covers?

TP: This capital program is from 2015 through 2019. So when you take a look at the program, different funding sources come in at different times. You get your annual contributions from the city and the state. You get the annual contributions that we expect to get from the federal government.

C&S: How do you balance the long-term aspirations for the MTA with the daily reality of increased ridership and overcrowding, which will continue to be an issue?

TP: That is probably an accurate way to sum it up. We're seeing this surge in ridership—we're starting to see, much more often, six million people a day—and we're trying to do all the Sandy recovery and resiliency work as well as the capital program state-of-good-repair and enhancement work. It is a challenge trying to balance those interests, because we don't have the luxury of shutting the system down for long periods of time, which would be the most effective way to deliver some of these projects. And then at the other end we don't have the luxury of saying we'll wait until there is some kind of break in this record ridership and deal with it then. So with programs like what came out of the woodwork a couple years ago, FASTRACK, where from a maintenance and inspection standpoint we are taking lines out of service at night, knowing there are parallel lines to provide service, and doing an awful lot of work on those lines in that Monday through Friday night period. And we will do the same going forward. Then taking advantage of what we call "general orders" on weekends, where we try to make sure we don't eliminate service in a given area while we take lines out and do critical maintenance and capital work. The 7 line is a good example of the challenges we face as well as the Canarsie line—the L. Because those folks are pretty much dependent on the lines that run through their areas and yet we have to do that critical maintenance work.

C&S: Mayor Bill de Blasio recently suggested running a subway line south along Utica Ave. in Brooklyn, but he has suggested no funding plans. What do you think of the mayor's suggestion?

TP: Well in terms of Utica Ave., that is something that has literally been on the books as an identified transit corridor quarter going back to the late 1920s. The IND (Independent Subway System) anticipated or contemplated building that line. So it is not new, per se. If you take a look at lines on a map and you think about evenness of spacing, that is an area where if you put a line in, you cut down some distance between the other two lines that would run parallel to it.

But in terms of need right now, the No. 1 most heavily traveled line in the country is Lexington Ave. (the 4,5,6 line on Manhattan's East Side) and the work we're doing on opening the Second Avenue Subway for Dec. 31 of 2016, from 96th St. south to 63rd St. And then if we do a next phase, that would be 96th St. down to 125th St.—that will take off



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a lot of the overcrowding on the Lexington Ave. line. So that is the biggest priority, along with extending the 7 line west and East Side Access.

C&S: A lot of elected officials have begun to show support for the Move NY plan, which would place tolls on East River bridges while lowering the cost of driving across bridges elsewhere around the city. How might the plan affect MTA operations?

TP: It's one of the alternatives that is being considered. There are a number of issues that need to be vetted with it, in terms of does it really generate the revenue that people say it will? Will the behavior patterns of drivers follow what they say the model predicts in terms of people going to other bridges? And what the net impact is in terms of lost revenue and positive revenue. How much money is it going to take to not only inspect and maintain those bridges, but what are the long-term capital improvement needs for those bridges, because if you have to do maintenance work on a bridge every 20 years, you've got to be putting away money on an annual basis to be able to accommodate for those needs. And those are all critical questions that are being reviewed right now.

C&S: Do you see any movement on that in the near future?

TP: I think as we get into this discussion of how we fill this funding gap, and what the revenue sources are, it will be one of the items that will be discussed and reviewed.

C&S: What ever happened with the governor's transportation reinvention commission? There were some big names and some hype around it last year.

TP: Well the primary purpose of the reinvention commission that the governor charged us with was the ability to make sure that as we look forward into the future, we deal with two things, one of which was—you know, people can argue about whether or not global warming is occurring—but what you can't argue about is the increased frequency and intensity of weather events affecting the system. So as we're making expenditures on the capital program side, are we increasing the resiliency, the hardness of the system, to those storm events? That was one. The second issue is, are we aiming for what the demographics of our service area and its users will be 20 years from now? Because if we're aiming for something the way service is being provided now and the way behaviors are now, we may miss the mark. And we're starting to see that. Right now millennials graduating from school are waiting longer before they buy a car and so they are more public transit-dependent. They are living in and around more public transportation. They're waiting longer before they get married. We're already starting to see differences in a growing portion of our ridership. So it's a combination of resiliency and demographic change, and that has influenced in some ways the prioritization and identification of projects in the capital plan.

C&S: When must the current capital plan's funding issues be resolved by?

TP: For every capital program we never have it resolved by the first day of the program, which would have been January 1 of 2015. They normally take six to nine months to get resolved. So it's ripe for a discussion now. We need to make some decisions with respect to the size of the program and how we fund it. The last time we basically had enough funding for two years and then we had to come back for additional funding. So it may follow that pattern. I



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don't think we're tracking early or late, I think we're tracking in general sense right on schedule. But we need to make some critical decisions in the next few months.