

## NY "mega" transit projects run late, cost too much

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NEW YORK (Reuters) - Only one of five "mega" mass transit projects in New York City is on schedule and all five will cost more than the state agency that manages them has anticipated, a new report said on Tuesday.

The Metropolitan Transportation Authority of the State of New York, which runs the nation's biggest mass transit system, has failed to keep its board and the public informed about how it is spending taxpayer dollars, said the report released by the Citizens Budget Commission.

The fiscal watchdog's list of five major projects included the Fulton Street Transit Center -- part of the World Trade Center's rebuilding, which is expected to open five years late in 2014.

A public address system for part of the subway system has been delayed more than four years to 2010 and there is an eight-month delay in replacing 1,280 subway cars, according to the report by the nonpartisan research group.

The cost of the Fulton Street Station has shot up almost 90 percent over the initial estimates, and the budget for the South Ferry terminal, located on Manhattan's southern tip, has climbed 24 percent more than expected.

Other mega-projects are running 6 to 15 percent above initial estimates, the report said.

"The MTA should commit to an improved management information system for tracking capital projects and to greater transparency in informing the public about the status of its capital projects," said the report.

The Second Avenue subway, which will ease overcrowding on the Upper East Side's Lexington Avenue line, and East Side Access, linking the Long Island Rail Road with midtown Manhattan's Grand Central Station, have both been delayed at least a year to 2015.

Like many states, New York is facing a multibillion-dollar gap in its current budget because the recession has eroded tax revenues. Democratic Governor David Paterson said on October 8 the state could not afford the mass transit agency's proposed five-year \$28.5 billion capital plan.

The MTA is fighting with its subway workers union over whether raises won in an arbitration should be overturned by a judge. The contract calls for 4 percent raises in 2009 and 2010, and a 3 percent hike in 2011.

If upheld by a judge, the new contract would cost \$350 million more than the agency has budgeted, said the spokesman.

He declined comment on Monday's court filing by the Transport Workers Union 100, which said the MTA would have to prove the arbitrators' award was "arbitrary, capricious, irrational or without a plausible basis" to prevail in court.

(Editing by James Dalglish)

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