



## **Battle Over Transit Money Slows MTA Projects**

By Andrew Tangel and Josh Dawsey

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At least for now, new subway cars, repairs to train stations, upgraded signals in Queens and a replacement for the MetroCard fare-payment system are among the casualties of a protracted political battle over transit money.

And, say officials with the Metropolitan Transportation Authority, other projects with financial commitments scheduled for this year also face delays—or getting shelved altogether—as the city-state dispute continues.

The MTA is weighing potential cuts if it can't line up enough money to pay for a \$30 billion capital-spending plan that was supposed to have started earlier this year and continue through 2019.

“There’s a menu of things, and none of them are good,” said one MTA official familiar with potential cuts.

Inside the authority, the next phase of the long-stalled Second Avenue subway, which would extend service from East 96th Street to East 125th Street, is seen as a “big and easy” target of any cuts, said another authority official.

The MTA’s financial woes were highlighted Tuesday in a report by New York state Comptroller Thomas DiNapoli. He warned the MTA’s capital-funding shortfall might lead the agency to increase its debt load or to raise tolls and fares.

In the political drama, New York Gov. Andrew Cuomo and the state-run MTA have prodded New York City Mayor Bill de Blasio to increase how much the city pays for transportation projects.

City Hall officials have been discussing how much more the city might offer for MTA projects, a person familiar with the matter said.

Talks between state and city officials have at times included Mr. Cuomo and Mr. de Blasio, people familiar with the matter said. But it wasn’t immediately clear whether those conversations signaled a potential end to the standoff.

A Cuomo spokeswoman said the state is proud of what would be the largest MTA capital investment in history, but believes “everyone must do their fair share.”

A spokeswoman for Mr. de Blasio said the city was seeking assurances that Albany wouldn’t divert money the city intends for the MTA for other purposes.



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As the MTA mulls scaling back its capital projects, MTA Chairman Tom Prendergast, suggested last week the agency would remove some city-centric projects from the five-year plan unless the city upped its capital-funding contribution to \$3.2 billion from its current offer of \$657 million.

New York City Transportation Commissioner Polly Trottenberg criticized the idea as “punitive and pretty divisive.”

And while Mr. Prendergast later said the authority would consider broader cuts, it may be difficult for the MTA to avoid slashing the New York City Transit division’s share of capital dollars. “You have no choice but to focus on those projects,” said the MTA official familiar with potential cuts.

People familiar with the MTA’s operations couldn’t point to an immediate threat to operations posed by delays in funding the authority’s capital projects.

Instead of an abrupt decline, they warned of a gradual system deterioration—including of rails, signals and tunnel-ventilation fans.

“It’s a slow bleeding,” said Charles Brecher, consulting co-director of research at the Citizens Budget Commission.

For the subways, the MTA capital-spending plan includes upgrades to everything from signals and switches, to power substations, to welded rails that are less prone to breaking and thus prevent derailments.

“These are things the customers don’t see,” but whose proper functioning avoids disruptions, said one of the people familiar with the MTA’s operations. “It’s what really gets in the way of delays.”

The MTA typically assumes a delay of about six months in lining up funding for its capital plans, MTA officials said.

But with the first of the current plan’s five years nearly already gone, the MTA may face trouble catching up no matter what.

“The stuff that was supposed to happen in the first year isn’t happening,” Mr. Brecher said. “Things are just going to happen slower.”

The MTA’s request for proposals on a MetroCard replacement was expected about two months ago.

The authority plans to move forward with a \$1.4 billion purchase of new subway cars in November. MTA officials said the capital-funding delay had pushed back advertising the procurement.

The new R211 subway cars would eventually replace the R46 models dating to the 1970s now in service on the R, A and F lines. They would also replace cars on the Staten Island Railway.

The older R46 cars, known to riders for their dim lighting, faux-wood paneling and yellow and orange seats, see higher-than-average major breakdowns and minor malfunctions, MTA data show.



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Before the end of the year, the authority also plans to award a major contract for the next big phase of East Side Access, the LIRR station under Grand Central Terminal. MTA officials said this project hadn't been delayed by the uncertain funding for its capital plan.

That contract, worth more than \$500 million, would pay for building out the station's concrete interior, tracks and other systems.