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Press Release

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IMMEDIATE

MTA Announces Historic Restructuring

Peter S. Kalikow, Chairman of the Metropolitan Transportation Authority, today announced a restructuring of the Authority, designed to further improve services to its customers. The initiative, with the most sweeping changes in the Authority's 37-year history, will result in the merging of various umbrella agencies into five distinct companies under the MTA, each with a single transportation mission.

The restructuring, which will begin immediately and be phased in over a two-year period, will result in the creation of the following companies:

- MTA Rail Road, formerly Long Island Rail Road and Metro-North Railroad
- MTA Subway, which will include NYC Transit (subways) and Staten Island Railway
- MTA Bus, formerly Long Island Bus, MABSTOA, and NYC Transit (buses)
- MTA Capital, in charge of overseeing system expansion projects for all MTA companies
- MTA Bridges and Tunnels

"We have an obligation to the public to spend each dollar wisely, and we have come a long way in the past few years. With this initiative, many millions of dollars will be saved when it is fully implemented," Mr. Kalikow said. "MetroCard and E-ZPass have changed the way New Yorkers think about their travel patterns. More people are using mass transit than in the past, yet congestion remains a major challenge for our region. We need to employ creative solutions to these challenges in order to maintain New York's competitive position in the national and global economy."

Today's announcement marks the beginning of a multi-faceted initiative designed to streamline the MTA, reduce redundant administrative functions, and provide clear and concise corporate missions for each new MTA company.

"We need to move beyond our past and focus on where we are going," said Katherine N. Lapp, Executive Director of the MTA. "We need to be faster and more responsive to the changing travel patterns of our customers as envisioned by Governor George E. Pataki's Master Links strategy."

"The MTA collectively employs about 62,000 people. The Authority does not expect the restructuring to result in a dramatic change in that figure. No MTA collective bargaining agreements will be unilaterally changed by the restructuring plan, which will be submitted to the State Legislature for approval by the end of the year. In addition, union representation will continue to be determined by the wishes of our employees," Mr. Kalikow said.

"In my two-year tenure as Chairman of the MTA, I've been impressed each and every day with the quality of the MTA workforce. Today's announcement is an enormous undertaking, but who better to undertake it than the people who got us here," Mr. Kalikow said.

MTA Rail Road

The MTA currently oversees two separate rail companies, the Long Island Rail Road (LIRR) and Metro-North Railroad (MNR), each serving a different metropolitan region. The LIRR, created in 1834 and part of the MTA since 1968, provides service between Manhattan, Nassau and Suffolk counties, as well as parts of Brooklyn and Queens. It transports 306,200 riders each weekday, up from 259,200 in 1995.

MNR, formerly Conrail, joined the MTA in 1976, and services seven New York and two Connecticut counties. MNR transports 252,600 riders each weekday, up from 217,400 riders in 1995.

"Merging the two railroad managements into a single structure will help create a more efficient railroad, one with a broader regional focus," Mr. Kalikow said. "The stabilization and expansion of the region's economy require a regional approach to the provision of commuter rail services and the new MTA Rail Road will provide that focus well into the 21st century."

"The merge will also help streamline administrative services and result in a more uniform implementation of inventory, equipment, maintenance, and customer strategies," he added.

MTA Subway

NYC Transit currently operates the most extensive and largest subway system in the nation, with 660 track miles and an estimated fleet of 6,000 subway cars. Since 1996, annual subway ridership has climbed from 1.13 billion passengers to more than 1.4 billion due to the elimination of two-fare zones, introduction of the MetroCard and new discount policies which reduced the average cost of a subway fare from \$1.32 in 1997 to \$1.06 today. The system's aging subway fleet is being replaced with state-of-the-art computerized cars that provide riders with a better quality and more efficient ride.

"The renaissance of the system, from a run down, inefficient, and unsafe system, to one which has received national recognition for the most improved transit system among the largest systems in the country, is nothing short of remarkable and is a tribute to those who run the system day in and day out,"

Mr. Kalikow said. "It is that spectacular record of accomplishments that we expect to maintain and build under the new plan."

MTA Subway will operate the New York City subway system and the Staten Island Railway, which currently serves 14,000 Staten Islanders each day. The Staten Island system covers 14.3 miles of track and has 64 cars.

MTA Bus

The MTA currently provides bus services in the metropolitan region through Long Island Bus in Nassau County with 399 buses, and MTA NYC Transit with 4,700 buses in its two separate bus divisions, one for Manhattan and the Bronx, and another for Brooklyn, Staten Island, and parts of Queens.

"Surface transportation is a critical aspect of the provision of public transit for many metropolitan residents, and as such, the MTA is embarking on the creation of a single MTA Bus unit designed to bring these functions under one corporate entity," Mr. Kalikow said.

"NYC Transit has experienced a 43 percent increase in bus ridership since 1995," Ms. Lapp said. "The MTA needs to meet this demand by creating one corporate entity with a mission to develop system-wide bus routing for all MTA customers regardless of jurisdictional boundaries. The new MTA Bus will also concentrate on developing enhanced services in order to improve the quality of the ride for all passengers."

Once the newly merged Bus company is established, consideration will be given to having non-MTA transportation providers, including private bus companies that operate in New York City and throughout the MTA service region, join the MTA. These changes would require the agreement of both the MTA and local governments where the non-MTA providers operate.

MTA Capital

The MTA has embarked over the last few years on an extraordinary program of system-wide expansion. East Side Access will bring the LIRR into Grand Central Terminal; the Second Avenue Subway will extend from Harlem to the Financial District in downtown Manhattan; and the extension of the No. 7 subway to the West Side will spur development in the area. Other projects include access to Penn Station by Metro-North; studies are also currently being conducted to analyze commuter rail access to Lower Manhattan. A president, whose mission will be to advance these projects, will head the new MTA Capital company.

"Moving any one of these projects forward would be challenging, but moving forward simultaneously while handling the already existing \$17 billion capital improvement program presents even greater challenges," Mr. Kalikow said. "The new MTA Capital company will provide a single point of focus to allow us to advance system expansion with a coordinated approach that tells New Yorkers we are serious about getting the job done, on time and within budget."

MTA Bridges and Tunnels

MTA Bridges and Tunnels currently operate seven bridges and two passenger car tunnels that are used by 293 million vehicles each year. The successful implementation of E-ZPass has allowed Bridges and Tunnels to reduce waiting time for E-ZPass customers by more than 50 percent, with non E-ZPass customers experiencing delays ranging from one to six minutes per vehicle. MTA Bridges and Tunnels will retain its current corporate structure.