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Press Release

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IMMEDIATE

MTA Releases Proposed \$29.5 Billion Capital Program

*Three-Tiered Program Critical to Maintain and Expand Transportation Network;
Early Release Facilitates Congestion Pricing Debate*

The Metropolitan Transportation Authority (MTA) today released its proposed 2008-2013 Capital Plan. The \$29.554 billion plan continues the MTA's vital system maintenance and improvement programs, completes the expansion projects currently underway and pursues further capacity expansion to accommodate booming growth. While the current MTA Capital Plan does not expire until 2009, the state congestion pricing legislation mandated submission of an accelerated 2008-2013 plan by the end of March. To inform the discussion about the congestion mitigation proposal, the MTA Board authorized release of the plan a month early. The Board will consider approval of a Capital Program at its March meeting.

"This proposed Capital Program will ensure that our transportation network is both maintained and expanded to support the region's economic growth," said Elliot G. Sander, MTA Executive Director and CEO. "A fully-funded Program is critical to encourage transit use, to improve our customers' experience and to keep pace with global competitors like London and Shanghai, where billions are being invested in transit each year. We won't be able to get there without a robust funding package that includes congestion pricing."

"I am pleased that the Board was able to help advance this important conversation about the future of the region's transportation system," said H. Dale Hemmerdinger, Chairman of the MTA Board. "We are committed to advancing a capital program that protects and grows the transportation resources our customers rely on every day."

The three-tiered Program keeps pace with the MTA's maintenance and improvement program by purchasing new rail cars and buses, rehabilitating dozens of stations and upgrading shops and yards. It delivers the first major system expansions in decades by completing the first phase of Second Avenue Subway and completing East Side Access, along with the Fulton Street Transit Center and the new South Ferry subway station. The plan goes even further, beginning to plan for the growth expected in the region by 2030 with \$1.4 billion for communications-based train control on the Flushing and Queens Boulevard lines,

\$1 billion to begin a second phase of the Second Avenue Subway, \$400 million toward bringing Metro-North trains into Penn Station, and \$50 million to begin planning for new capacity throughout the region.

The plan identifies approximately \$20 billion in expected funding sources, including \$4.5 billion in bonds from congestion pricing. This Program leaves an approximately \$9 billion gap to be filled, much like the 2005-2009 Program when it was first presented.

Tier 1: Core Program

(\$20.038 Billion)

The first tier addresses the operating agencies' core needs: state of good repair, normal replacement and system improvement. Funds in this category maintain and replace the transportation network's visible and invisible infrastructure, which includes: 8,453 rail cars, 4,930 buses, 733 stations, 10 toll plazas, 197 toll lanes, 301 pump rooms, 524 power substations, 1,931 miles of track, 3,259 switches and 197 ventilation plants.

Highlights of the core program in the new Plan include: 590 new subway cars, 2,976 buses, 440 commuter rail cars, 44 subway stations rehabilitations, and system-wide shop, yard and signal upgrades. Also included in this part of the program are Main Line corridor improvements to advance the Long Island Rail Road's Third Track project, which will dramatically improve service for LIRR customers. Tier 1 also includes programs with system-wide benefits, such as \$590 million to harden the system and upgrade security, as well as funding to support a new Business Service Center, which will save the MTA \$40 million annually by consolidating back-office functions.

The Plan also describes \$2.508 billion in capital improvements for MTA Bridges and Tunnels, although these improvements do not need to be submitted to the Capital Program Review Board and were not included in the submission. The MTA will be investing heavily over the next five years to maintain its bridge and tunnel infrastructure.

Tier 2: Core Program and Completion of Current Expansion Projects

(\$26.304 Billion)

The second tier bolsters the vital maintenance and improvement programs by fulfilling the MTA's commitment to complete expansion projects currently underway: East Side Access, the first phase of Second Avenue Subway, Fulton Street Transit Center and the South Ferry subway station. These projects represent the first major expansion of the transit system in a generation and are critical to accommodating existing and future growth.

The plan incorporates revised budgets and schedules for these projects based on a recently completed 30-day review. This review reassessed these projects in light of an overheated construction market, with material costs increasing by as much as 91% for steel, for example. The review brought project estimates up to date, began to explore cost mitigation strategies beyond existing value engineering, and put in place hedges against further risk.

The review resulted in three major actions: completion dates were extended for the expansion projects to allow for smaller contracts, avoiding cost escalation due to single bidders on big contracts; project budgets were increased by approximately 12.8%, or \$1.5 billion, to reflect the overheated market, with similar increases affected projects around the country; and the MTA continues to explore ways to mitigate rising costs without compromising the transportation benefits of the projects. A total of \$5.519 billion was included in the Plan to complete these projects.

Tier 3: Core Program, Completion of Current Expansions and New Expansion (\$29.554 Billion)

The third tier of the plan combines the core program and current expansion projects with projects that begin to prepare the system for the millions of new residents and jobs the region is projecting by 2030.

These projects include:

- **Communications-based Train Control (\$1.4 billion):** Installs CBTC on the Flushing line and progresses CBTC on the Queens Blvd. line, which would be completed in the next program, to provide more frequent subway service to Queens
- **Second Avenue Subway Next Phase (\$1 billion):** Begins construction on the next phase of Second Avenue Subway
- **Penn Station Access (\$400 million):** Provides for the initial phase of a new Metro-North link serving the Bronx and Manhattan as well
- **Jamaica Capacity Improvements (\$150 million):** Reconfigures signals and station layout to enhance service to Manhattan and Brooklyn and to support ESA
- **#7 Line Fleet Expansion (\$175 million):** Provides additional capacity between Manhattan and Queens
- **Capacity Planning Studies (\$50 million):** Provides for a program of planning studies to improve existing service and solve problems that will occur as a result of the robust growth forecasted for the MTA region. These studies will evaluate a broad range of travel issues, including relieving overcrowding, reducing travel times and improving access to the transit system, throughout the MTA region.
- **Sustainability Investments (\$50 million):** Implements MTA-wide and agency specific projects to enhance MTA's environmental stewardship

Congestion Pricing Implementation

The Plan includes \$767 million in investments to support expanded transit service related to implementation of congestion pricing. These projects improve service in underserved areas of the region where many drivers are expected to take public transportation if congestion pricing is implemented. In addition to making congestion pricing possible, these improvements provide tremendous benefits for the neighborhoods they serve.

Investments include:

- 12 new bus routes in Queens, Brooklyn, and the Bronx
- Increased service on 48 bus routes in Staten Island, Queens, Manhattan, and the Bronx
- 309 new buses
- Increased service on the 1, E, F
- Longer trains on the C

Funding

The plan identifies more than \$20 billion in potential funding sources:

Funding Source	Proposed 2008-2013 (in Millions)
Federal Formula and Flexible	8,100
Federal Security	590
City Funding (including MTA Bus)	527
Asset Sales	500
LaGuardia Reprogramming	160
Carryover Funds from 05-09	\$1,868

New Bonds (Assumed in the MTA's financial plan to be supported by new state funding and local match)	4,000
Bonds based on Congestion Pricing	4,500
Total 2008-2013 Fund Sources	\$20,245

Fully funding the Program as presented will require negotiation between the MTA and its funding partners.