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Press Release

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IMMEDIATE

### MTA Making Every Dollar Count in Capital Program Investments

#### *New Report Commits to Doubling Savings to \$4 Billion by Finding Better Ways to Deliver Critical Benefits*

The Metropolitan Transportation Authority (MTA) today announced plans to generate a total of \$4 billion in savings for the current five-year Capital Program while maintaining the benefits of a program that protects the safety and reliability of trains and buses, expands the system and creates billions in economy activity across New York State. The savings measures are detailed in a new report, "[Making Every Dollar Count: Capital Program](#)," which is attached.

Last April, the State's Capital Program Review Board approved the MTA's revised 2010-2014 Capital Program, which called for \$26.3 billion of investments over five years. The program included a \$2 billion cost reduction that was achieved by reducing rolling stock costs, shifting to a component-based station rehabilitation program, and sharing shop space across agencies. Today's announcement details a series of strategies that will allow the MTA to save an additional \$2 billion, reducing the cost of the program to \$24.2 billion.

"The critical importance of the MTA's Capital Program to protecting the transportation system and creating New York jobs doesn't excuse the need to implement it as efficiently and effectively as possible," said MTA Chairman and CEO Jay H. Walder. "We cut \$2 billion from our Capital Program last year by planning our program more effectively. Today I'm committing the MTA to doubling the savings we've achieved in our Capital Program to \$4 billion, not by deferring vital projects but instead by finding better ways of delivering benefits."

The MTA is working internally to reduce its costs and externally to help its contractors to do the same. The report details actions underway to reduce administrative costs, eliminate cumbersome processes, leverage new technologies and ensure that management of the program is as efficient and effective as possible:

**Slash Administrative Costs (\$150 million savings):** The MTA will reduce administrative payroll expenses by 15%, just as was done with the MTA's annual Operating Budget.

**Create Project Approval Gates (\$800 million savings):** The MTA will review every capital project through approval gates at each stage of its development to ensure that the agency is moving forward at the lowest cost. This strategy, combined with a softer construction market, has already delivered savings of \$800 million.

**Make Changes to Track Work (\$300 million savings):** The MTA and its agencies are taking steps to overhaul the way employees and contractors perform work on tracks, saving more than \$300 million.

**Change Rolling Stock Acquisition and Maintenance (\$300 million savings):** The MTA is reducing costs of buying and maintaining trains and buses by changing design specifications, increasing competition among suppliers, getting more life out of existing units, and embracing new technologies. These changes will save \$300 million.

The MTA is also working to become a better business partner with the contractor community, reducing red tape on our end and helping to find productivity improvements and cost reduction strategies on their end.

"We recognize that there's no appetite for new taxes in New York today, and that makes it all the more important that we find ways to make these investments as efficiently and effectively as possible," Chairman Walder said. "At the same time, we continue to pursue innovative and pragmatic ways to move investments forward with our federal, state and local partners, because we can't afford to eliminate or defer any of these critical projects."