



MTA Press Releases

Press Release

July 23, 2015

MTA Headquarters

IMMEDIATE

RUSH TRANSCRIPT: Governor Cuomo Responds to Letter from MTA Chairman Prendergast Regarding MTA Capital Plan

This evening, Governor Andrew M. Cuomo called in to NY1 to respond to a letter from MTA Chairman Tom Prendergast regarding the MTA's Capital Plan. A rush transcript of that NY1 interview is available below:

QUESTION: Tom Prendergast sent a letter detailing how the city and state can better meet the MTA's multi-billion dollar funding needs. Governor, how do you respond to that letter and can you walk us through what the MTA is looking for now?

GOVERNOR: My pleasure. First, the MTA is a vital organization for the whole metropolitan region, right? The MTA really is the circulatory system for the City of New York and beyond. It does the entire region and anyone who is familiar with the system at all, knows it has had significant stresses over the years. And really the investment in the MTA, I believe, has not been what it should be. You want to have a top-class mass transportation system that's actually vital. Tom Prendergast is top-shelf and has done a lot of good work for us. He put together a capital budget of about \$32 billion initially. We've been going back and forth on the plan that he put forth to try to make sure it is as sufficient and as effective as we can make it. The State recently made a suggestion that the MTA look at what is called "design build" which is a faster and less expensive way of building. To make a long story short, he scrubbed the budget. We believe that this is a sound budget and the fat has been removed and it's about a \$26.8 billion total budget, which is a large budget, but the system needs work, as I mentioned before. Of the \$26.8 billion, from the MTA resources without an additional fare increase, which is what I've asked them to do – I don't want to raise fares in addition to the fare increases that they've scheduled – that leaves a shortfall at the end of the day of about \$9.8 billion that has to be filled by the State and the City. I don't think we should go to the riders and ask for an additional fare increase. I think that would be a mistake. I think he's right – that between the state and the city we should make up the \$9.8 billion. The MTA divides the \$9.8 billion by what they think is fair for the state and fair for the city and I could argue that it's a little burdensome on the state. But I would accept the MTA's numbers just to get it done and to go forward.

QUESTION: Now, the city has been paying about \$100 million per year for probably about the last thirty years into the capital funding. The city upped that to \$125 million and then the MTA said that if city could up that to \$300 million dollars, then they can get closer to meeting their capital goals. What are the odds of that happening?

GOVERNOR: Well what I think the MTA is saying here is that – let's look at a couple of facts. You're right. Historically, the city didn't fund the MTA proportionately. That's because historically, the city was broke. So many of these programs go back to a time when the city was literally under water and the state had to bail out the city. It's amazing when you go through the budget, how many agencies are still funded like from the 1970s, when the city went through a fiscal crisis. Secondly, something like 90% of the MTA ridership is in the city and of the \$26 billion in work, \$22 billion of the \$26 billion is in New York City. So New York City is a lion share of the riders. They're a lion share of the assets and I understand they haven't paid much historically, but the city's financial condition is much different than it was and I think the MTA is asking for \$200 million per year for five years. The city ends up paying a fraction of what the state would be spending, so I think it is fair and it allows us to resolve the matter and move forward. It's a much larger number for the state, the state ends up paying \$8 billion and the city would be a total of about \$3 billion at the end of the day so it is, I think, more than fair to the city.

QUESTION: Alright governor, let me switch gears here and ask you about the deal that the city reached with Uber.

GOVERNOR: On Uber?

QUESTION: Yes sir.

GOVERNOR: We have been talking to uber today. Uber is looking to expand throughout the state and it talking to city and counties throughout the state so once they become or seek to become a state wide transportation system then it is fitting for the state to start to talk to them about issue that are going to be common to every city and every county.

QUESTION: So your office has been speaking directly with Uber?

GOVERNOR: Yes.

QUESTION: So what do you think of that deal that uber reached with the city and the votes in the city council today?

GOVERNOR: well I don't know frankly the ins and the outs and the intrigue of the city's negotiations and the role of the council, etc. I know that I had good conversation with speaker Mark-Viverito yesterday. I thought she was being intelligent and deliberative and responsible. She told me she was going to be speaking to Uber about some ideas that she had which reflected, which were reflected in the final agreement with Uber. So the city is going to be part of it certainly and they are going to be in every part of the state and I think that they are potential assets in every part of the state and we are interested in having them statewide, if we can come to terms with them, I am interested in making sure the cars are safe, that the drivers have insurance

that there is access for the disabled in Uber cars and that they are paying their fair share. So, that would be the conversation with Uber, if they say they want to expand statewide.

QUESTION: Okay Governor, let's go back to the MTA here. If the city and MTA doesn't come to an agreement there are scheduled fare increases over the next few years, will those fare increase be larger if there is no agreement?

GOVERNOR: Yeah what the MTA is saying is, "look we have to make up a gap." They have shrunk the gap as much as they can. As the Governor I have made it clear to them, I do not want them raising fares again. You know, that is government, it is always too easy to go to the fare payer or the taxpayer and say, "I need more money." That is the default position for government. So I said, "I don't want to see anymore fare increases. Let's find out how to do it from existing resources." The MTA scaled back their budget, I think intelligently I believe, there is about a \$9 billion dollar gap. They suggest a split between the state and the city and I am willing to do my fair share and I accept their terms because I don't want to see a fare increase. If they can't close the gap between the state and the city, I assume the MTA is going to say, "The only alternative is then to raise fares," and that it unacceptable to me.

QUESTION: Okay Governor thank you for joining us. We will be watching this very closely.

GOVERNOR: Thanks for having me.