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Transcript: MTA Chairman and CEO Foye on Brian Lehrer Show

Following is a transcript of MTA Chairman and CEO Patrick J. Foye's appearance on the Brian Lehrer show on Dec. 13, 2019.

Brian Lehrer (BL): Joining me now to talk about the new TWU contract and other MTA matters is Patrick Foye, Chairman and CEO of the New York Metropolitan Transportation Authority and former Director of the Port Authority; he had the pleasure of having to preside over and repair the "Bridgegate" mess. Welcome to Chairman Foye, thanks so much for coming on.

Patrick Foye (PF): Brian. Thanks for having me on a historic day.

BL: So I see the agreement. Does that mean you want to talk about impeachment?

PF: No. Beyond my scope, but I just know that it is a historic day.

BL: Historic week because of the contract, no Christmas strike by transit workers?

PF: Exactly. The contract that we struck with the transit workers this week is fair to customers, it's fair to taxpayers and it's fair to the TWU workforce which has been a significant part of the success of the Subway Action Plan. We've had six months of over 80% on-time performance weekdays, APTA which is a trade association for mass transit in the United States just noted that New York City Transit was one of the few agencies in the third quarter that had an increase in ridership nearly 8%. That's unusual. Long Island Rail Road, by the way, was also up over 12%. The successes being fewer major delays, on-time performance up, ridership up. The transit workers have been an important part of that. The contract is first financially responsible, it allows us to live within the envelope of the 2020 financial plan, which our CFO Bob Foran presented to the Board and the public in November, in which our board will consider and vote on next week, but also the multi-year financial plan. It advances the interests of the system and our customers by availability and overtime reform, accelerating accessibility. The current capital plan – proposed capital plan – is 51 and a half billion dollars. New York City Transit will get over 5 billion to increase accessibility at an additional 70 stations, that also helps advance the goal of reducing fare evasions. On balance, it's a fair deal to customers, taxpayers and the workforce.

BL: Some of the, I guess, things that are supposed to balance each other out, workers will get a 2% raise that doesn't seem like a lot, but they're going to have some givebacks, like on a health plan, raising the cost of emergency room visits from zero dollars to \$100 and increasing the cost of brand name drugs by \$10. So how do you see this is a cost benefit both for taxpayers and for the workers?

PF: The average arithmetic increase over the four years is about 2.3%, slightly higher than that. That is within the envelope of the 2020 budget and the multi-year financial plan, point one. You are quite right that a significant portion of that increase is going to be offset by the healthcare, prescription drug and other changes that you mentioned, now aggregate \$44 million. That's every year, we expect that amount to grow. Then for instance, reforms and accessibility are going to advance the interests of the capital plan and making 70 additional stations accessible, but will also advance the interests of the MTA in terms of reducing capital and operating expense on those accessibility investments. The phrase is overused but I think this is truly a win-win-win for the MTA, for our customers and for the transit workers.

BL: I want to come back to accessibility in a minute but just to stay on the numbers for another second, Nicole Gelinas, budget wonk at the Manhattan Institute wrote in the New York Post recently that the first year of the agreement will cost riders and taxpayers about \$28 million. There's 72 million in raises minus the 44 million in savings from the union givebacks. So the question is, how will the MTA make up for the other 28 million? Is it through fare increases?

PF: Well, now, we are not assuming any change and fare increases, and the current policy on fare increases is that they be 2% or lower if the rate of inflation is lower on every two years, that is going to continue to be the policies that we're instilling in our financial plan going forward, so this is not being done on the backs of our riders. Rather, what we've done is we have gotten provisions out of the contract that allows MTA New York City Transit precisely costs to be reduced. That is important. For instance, a 1% increase in wages is about \$36 million. As you properly noted, the agreement provides for \$44 million annually. And that amount grows and that helps us control the cost. The first-year increase in cost is actually lower than the amount that Nicole Gelinas mentioned. We read her piece with interest, but we think this is a deal and agreement that's fair to customers. It's fair to taxpayers and it's fair to the TWU workforce.

BL: From what I read some budget watchdogs say the contract doesn't do enough to address the MTA high labor costs. Some people will remember that big New York Times exposé from a couple of years ago that showed how expensive it is to lay one mile of track in New York compared to other cities. So was it difficult to ask for more concessions from the union given the governor's closeness with the TWU leadership or how would you say?

PF: Okay. So the contract expired May 15. The negotiations, I think it's fair to say were arduous. They went on for several months. Obviously, the TWU was quite vocal about their demands for a contract. So this was a tough negotiation by all measures. The increased focus on MTA capital construction

costs, and the New York Times piece that you refer to, I think, is important. I think that a number of reforms have been put in place. One is state law has been amended as part of the state budget this year to require all MTA projects above \$25 million to be done as design-build projects. That's really best practices around the country and around the world. The MTA has been slow to adopting design-build. That's now a requirement of state law. Second there's a new team really throughout the MTA. Janno Lieber who worked for Silverstein Properties and rebuilding the World Trade Center site after 9/11 is now in charge of Construction and Development at the MTA. There's a new approach in addition to design-build, we're going to be bundling projects. We're going to have project CEOs. And this is not just something that's aspirational. Let me give you five or six examples of projects. Under Janno Lieber's leadership and the new team's leadership, the Second Track on Long Island was brought in about 12 months early. Third Track on the Long Island Rail Road is ahead of schedule and on budget, OMNY which is the new fare payment system and we announced that it's being expanded to Penn Station and other stations this month, is a \$600 million design-build; that project is on time and on budget that we reported to the board consistently. The Central Business District Tolling RFP was brought to the board a month early, approved and the contract signed in October rather than November. And I think your listeners are aware of the progress that's been made on the L Train – a better project with better execution and right now that project is on time and on budget. So this is not something that is pie in the sky or that we're hoping for. Today under Janno Lieber's leadership and the new team's leadership these projects are being brought in on time. There is clearly a lot that has to be done to address those capital construction issues. Most of the, frankly, workforce working on those and TWU plays an important role, but there are non-MTA unions that are part of that and we've been working with the trade associations for the construction and development industry in the city to be more efficient and more productive what those dollars.

BL: Listeners, we can take a few phone calls for the MTA CEO and Chairman Patrick Foye to 212-433-9692, the occasion is the agreement with the Transport Workers Union. But we're talking about the MTA generally, which as you know has been in crisis or we've been saying the subways are in crisis over recent years. They are starting to come back. There are also plans to do new things, the OMNY payment system is coming online and there are other things going on. I want to get to OMNY, I want to get to accessibility, but one of the most controversial parts of the operating budget is the plan to hire 500 MTA police and the MTA reports that would cost \$249 million through 2023. How did the MTA come up with that number – 500 officers – and that really the best way to spend \$250 million when we already have the NYPD?

PF: The NYPD does have primary responsibility for policing in the subways. Here's the way the thought process was reached on the 500 additional police officers. First there are right now about 80 unfilled vacancy positions as a result of unfilled positions, vacancies and attrition. Every police force experiences retirements when officers reach a 20/25 year level of service. So looking at the unfilled positions, and in addition we have to recognize that the MTA Police Department has a geography that includes the City of New York subways and buses, together with the NYPD, but also includes hundreds of Long Island Rail Road and Metro-North stations. As a result, this is the number that we came up with. I don't see a bifurcation with providing a transportation service and policing. It's a fundamental part of the service we provide. We expect additional police officers will help create a safe and secure environment on the areas that they're deployed. They will help reduce police overtime because some police overtime has been driven by the fact that these unfilled positions exist. We think overtime will be reduced \$100 million over a four-year period, which will obviously cover a large portion of the \$240 million increase in costs that you mentioned. They'll help with fare evasion, which is obviously a \$300 million a year issue on the subways and buses and just provides a safe and secure environment for our customers on every service that we run.

BL: I read that the MTA has said it doesn't have a good grasp on the extent of the fare evasion problem, that your surveys are not as scientific as you might hope. Can you confirm that?

PF: We have changed the methodology, New York City Transit has changed the methodology of calculating fare evasion this year, and we believe it is more precise. Andy Byford, who's obviously been doing a great job running Transit, and has been involved on the underground in Toronto and Australia, he believes the methodology for calculating fare evasion is among the most precise in the world. We are doing additional work to get a handle on that number but there's no question that fare evasion is a growing and significant number. We are already working with the help of funding from the Manhattan DA's Office on new technologies for fare array [inaudible] and emergency gates. I believe it's hard to quantify the 7.6% percent increase that the trade association reported for NYCT for the third quarter, in part is a result of making progress. And this is hard to make an impartial causal link at this point, but I think we've begun to make progress on the issue, but have a lot more work to do.

BL: One other thing about the officers, I think a lot of people got the impression from the way the governor announced this deployment that it has to do with sweeping homeless people out of the way because other people don't like to see them there.

PF: I don't think that's right. I think the NYPD and MTAPD are working with non-profits in this area including the City of New York, which has a statutory responsibility to provide shelter to homeless individuals, that there has been an approach taken. Nobody believes that having homeless people, especially on some of the cold weather days that we've experienced in the last couple of weeks, sleeping on streets or subway platforms is a humane thing. And the approach that's been taken has been first and foremost about treating the homeless with respect and dignity and taking the appropriate steps to get shelter.

Annette in Washington Heights: My concern is access of subway for the disabled. In my area in Washington Heights, there is a big project going on where elevators are being replaced. However, upon inquiring about that, I found out that the elevators will not provide any extra service to the disabled. The disabled person will still have to manage stairs after getting off the elevator, just like in the past. So a lot of money being spent to replace elevators, I don't know exactly how much but a lot of money, and the disabled will still have no access to that station.

PF: Thanks for your question. I think with the accessibility on the subway stations there are two fundamental issues. First, there's not enough accessible stations, and we recognize that. The new proposed Capital Plan for 2020-2024 provides a record amount of capital for [BROADCAST AUDIO CUTS OUT]

BL: We lost you again there Mr. Foye. Are you there? Now we got you back.

PF: Sorry, I've been stationary so I'm not sure what the problem is. So two issues with accessibility. There's not enough accessible stations. The new Capital Plan is a historic amount of money -- \$51.5 billion -- subject to approval by the Capital Plan Review Board. There's \$6 billion split between the state and the city for accessibility. NYCT Subways and Buses gets a record amount of capital, \$37 billion, and of the subway piece, over \$5 billion will go to creating 70 new accessible stations, which will achieve the goal that no customer is more than two stations away from an accessible station. The second issue with accessibility is where there are ADA elevators in place, they don't work frequently enough. And one of the things that was a focus of our labor negotiations, but frankly is a focus throughout the entire MTA and NYCT and the entire agency, is increasing accessibility. The \$5 billion that has been allocated for NYCT we believe is the largest amount that has ever been invested by an agency in one Capital Plan for accessibility. So there is

hope on the horizon. We are committed and the union is committed as well to accelerating construction and opening of stations. And I think that this is a landmark in terms of ADA accessibility in the City of New York.

BL: But is 70 new accessible stations really a good number? I know there have been surveys that indicate that the NYC subway system is really not accessible compared to other major subway systems around the world. There are hundreds of stations. Is 70 new stations enough really?

PF: Well 70 is the beginning. This is the first step on making every station in the subways accessible. But clearly there has been discussion in the last couple years about an additional 50 on top of the 100 plus stations that are already accessible. 70, as I said, is the largest investment by any agency ever in accessibility in the United States. Once those stations are done and the money has been spent, there will still be work to do. But no customer will be more than two stations away from an accessible station, and the next Capital Plan and the Capital Plan after that will have to build on the progress of the 70 stations. It is an extraordinary amount of investment, and frankly an amount that I think it's fair to say even the ADA advocates were surprised about the boldness of that number.

Andrew from Brooklyn: I'm a frequent bus rider in Brooklyn. The timetables at the bus stops have disappeared and have been replaced by a notice to log onto the MTA website for arrival times. Well, believe it or not, not everybody does have a smart phone. Besides, if it's raining or snowing, or it's 20 degrees out, you really need to pull out your phone and spend time to find out when buses are arriving? I would love to see these timetables come back. It would be a huge convenience to those people.

PF: I will take that request back to Andy Byford and I will note a number of things. There are changes in bus schedules sometimes as a result for instance of weather, construction, etc. which printed schedules obviously can't take that into account because they are printed on a weekly or monthly basis and those changes can't be contemplated. But in addition, bus schedules are available not only on smart phones, but iPads, computers, etc. But beyond that, the focus on buses is increasing bus speeds. Bus ridership at NYCT but also any bus agency throughout the United States has been down over last 10 years for variety of reasons. Legislation that was passed at the state level for bus lane camera enforcement, the successful pilot on the 14th Street busway has been an extraordinary thing. And beyond that, the bus redesigns Andy Byford and his team are involved in on a borough-by-borough basis has seen increases in bus speeds. So in addition to the schedule, we're focused on bus speeds, we're focused on bus lanes not being blocked, which is extraordinarily important, and innovations like 14th Street busway. I will say there are approximately 2,000 new buses that will be purchased in the new Capital Plan, and that will include the largest all-electric bus order in the United States – 500 buses. So on every level, bus service is improving.

Innovations like the 14th Street busway. I will say that there's approximately 2,000 new buses that will be bought, that will be purchased under the new capital plan, 2020-24. And that will include the largest all-electric new bus order in the United States, 500 buses. So on every level, bus service is improving. The bus redesign in the boroughs has been an important part of that. And bus speeds, after a prolonged period of time where they have declined, and obviously been a contributing factor to the decline of bus ridership – we're fighting against that trend. And that's really good news for bus riders.

BL: What's the latest with OMNY, the contactless fare payment system that supposed to replace the MetroCard and is now available in some places.

PF: So, OMNY is, first, is on time and on budget. An additional 85 stations are being added before the end of the year. That includes Penn Station. So OMNY will be available at Grand Central, which – it was part of the first 16-station pilot – Grand Central, Penn Station as well, as well as South Ferry. The plan and we will make this is that by the fourth quarter of next year OMNY will be rolled out to all subway stations and to all bus lines. We started with 16 stations on the subway and the Staten Island express buses. OMNY has been a critical hit. Customers love it. Customers from all over, a hundred countries have used OMNY. And we achieved our 4 millionth OMNY tap way ahead of schedule. It is really-- The fundamental premise of OMNY is customer choice. So people will be able to continue to use a MetroCard for the next two or three years. But it will be replaced by an OMNY card so people who want to use cash will be able to do that. Folks will be able to use contactless credit cards, Apple watches or similar devices, and smart phones. The fundamental principle is customer service.

BL: My understanding is it doesn't yet take the weekly or the monthly or the reduced fare rates by seniors and others. Correct?

PF: Yeah, Brian, that is the case. That was the plan from the beginning. The back office for OMNY is being built, and when we roll it out to all the subways and buses in the fourth quarter of 2020, by the way Long Island Rail Road and Metro-North will follow in the first quarter of 2021. That back office will have been completed and people will be able to use those various programs you just mentioned.

BL: We're just about out of time. Let me get you briefly on one thing looking back and one thing looking forward. You were the Executive Director – from the New York side, appointed by Governor Cuomo – of the Port Authority at the time of Bridgegate. For people who don't know how that works, it's a New York/New Jersey jointly run agency. Are there long-term lessons, not just about the scandal of how the lanes were closed, but a lot of stuff was revealed about dysfunction at the Port Authority. What do you think the long-term lessons of that era are?

PF: Look, I think, first, I'm the person that opened the lanes. Just for the record for your listeners who may not know that. I think the indications are that governance is important. The integrity of people who get placed at agencies like that is important. And I think, thirdly, that the Port Authority is an extraordinarily important transportation organization for the entire region, and, frankly, beyond.

BL: The Bridgegate case is going to the Supreme Court next month. Do you hope for any particular outcome?

PF: Frankly I didn't know it was going back to the Supreme Court... I've been busy on MTA matters as you can imagine.

BL: Yes, and any – last thing – any reason that you would advocate breaking up either of these agencies? Would we be better off if the airports were run by something other than the Port Authority? And on the MTA, there are going to be people running for mayor in 2021 I think who are going to advocate detaching the buses and the subways from the larger MTA which also runs the commuter rails.

PF: Well look, I don't work at the Port Authority anymore. I don't think breaking up the Port Authority would be a good idea. But that's not my job anymore. Look in terms of breaking up the MTA, I've got a couple of thoughts. One is the MTA is a system, right? People ride the Long Island Rail Road to Penn Station or Metro-North to Grand Central and approximately 50% of them get on a subway or bus. And in the evening the same is true. There are lots of our customers who use multiple services of the MTA. So it's a system and fragmenting that I don't think is in the interest of our customers or, frankly, the regional economy, point one.

Point two, I think that there are advantages. For instance – and I think the historic transformation that is underway at the MTA is an example of this -- I think the consolidation of corporate functions at the MTA, you know, procurement, multiple procurement departments, multiple real estate departments, is not ideal. The transformation plan which was created by Alix Partners and approved by our Board in July, I think, is a validation of that. So, I think further consolidation and transformation and efficiencies is exactly the right thing to do.

Third, I think there are advantages to scale in terms of financing and other things. It's only a State authority such as the MTA that is in a position I believe to get the extraordinary levels of funding that the Governor and the Legislature have provided to the MTA over the last several years including frankly the \$836 million of aid that originally all came from the State and then the City contributed its share for the Subway Action Plan, I think was extraordinarily important. So, I obviously will look at any proposal that is made, but I'm skeptical about the wisdom of a breakup.

BL: OK. You know, I'll throw in a last thought, which is that people have a love-hate relationship with mass transit around here, right? We love the fact that we can get around without cars better than any city in America. But then you have to wind up in these positions of running things like the Port Authority and the MTA where, you know, you're doing this hard job and people are going to sneer at you when they know what you do half the time. Even the workers. One of the issues we didn't talk about is that there are assaults on transit workers. While they are down there and out there doing the best they can in the overwhelming number of cases. And why do people assault transit workers? It's absolute madness. So do you want to give us a parting thought on the love-hate relationship that people have with your agencies?

PF: Yeah, let me make two points. One is, assaults on transit workers are abhorrent. They're Class D felonies. I think they ought to be prosecuted as such. The TWU has reported a double-digit increase in assaults on transit workers on subways and buses. That's unacceptable. With respect to the love-hate relationship with respect to transit, I'd make the following point. One is ridership on New York City Transit in the third quarter according to independent trade association up 7.6%. And just as importantly, on-time performance above 80% for the sixth month in a row. Major declines down. So, I think there's reason, and I've been riding the subway since I was four years old in Manhattan and Jackson Heights. I'm aware of the love-hate relationship. But the subways and buses are getting better. Bus speeds are going up. We've got a lot more work to do. The capital plan – the \$51.5 billion capital plan for the next five years – will be an extraordinarily important part of achieving additional progress.

BL: Patrick Foye, Chairman and CEO of the New York Metropolitan Transportation Authority, better known as the MTA. Thank you so much. We really, really appreciate it.

PF: You're welcome, Brian. Take care.