



MTA Press Releases

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Press Release

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MTA Headquarters

IMMEDIATE

MTA To Major National Suppliers: All Contracts Are in Jeopardy Without \$12 Billion in Federal Funding

With Federal Aid Nowhere in Sight, MTA Warns 11 Largest Vendors of Devastating Financial Impact Across 25 States, Including Florida, Kentucky, Texas, and Pennsylvania

Since 2011, MTA Has Created 100,000 Out-of-State Jobs and Generated Nearly \$50 Billion in Infrastructure Investment Nationwide

MTA Calls on US Senate and White House to Act & Deliver \$12 Billion In Desperately Needed Funding to Get Through 2021

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Metropolitan Transportation Authority (MTA) Chairman and CEO Patrick J. Foye today sent a series of letters to the Authority's 11 largest suppliers, warning that without an immediate injection of \$12 billion in federal aid all current and future contracts with companies from Kentucky to California are in jeopardy. Since 2011, the MTA has created as many as 100,000 out-of-state jobs in nearly all 50 states. MTA capital expenditures are among the nation's largest drivers of economic activity, generating nearly \$50 billion in infrastructure investment nationwide. Additionally, hundreds of medium and smaller-sized suppliers, including MWBE firms, will also be impacted if the MTA does not receive federal assistance.

"The COVID-19 pandemic has exacted a horrific toll in human, social and economic terms across the nation," **Chairman Foye said.** "I am writing to alert you that because of this financial devastation, many current and all future contracts are in jeopardy without an injection of \$12 billion in emergency federal aid. Let me be clear: federal funding for mass transit isn't a red or blue issue – it's a jobs issue. Our future – and the fate of approximately 100,000 MTA-created out-of-state jobs – rests squarely in the hands of the Senate and White House."

With federal relief talks stalled, letters were sent to the following 11 suppliers demonstrating the devastating potential impact on local economies if the MTA does not receive additional robust federal assistance.

Supplier	MTA-Created Jobs & Direct Spending
ALSTOM TRANSPORTATION, INC	Since 2011, prior MTA capital plans have resulted in more than \$2.2 billion in direct spending and created nearly 28,000 jobs in the states where Alstom has U.S. locations – California, Illinois, Florida, Missouri, Kentucky, and Delaware.
BOMBARDIER TRANSPORTATION	Since 2011, prior MTA capital plans have resulted in more than \$2.6 billion in direct spending and created over 33,000 jobs in California and Pennsylvania, where Bombardier manufactures vehicles and produce rail products.
CUBIC TRANSPORTATION SYSTEMS INC	Since 2011, prior MTA capital plans have resulted in more than \$2.9 billion in direct spending and created over 37,000 jobs in the states where Cubic has U.S. locations – Alabama, California, Florida, Illinois, North Carolina, Tennessee, Texas, and Virginia.
HITACHI RAIL STS USA INC	Since 2011, prior MTA capital plans have resulted in more than \$230 million in direct spending and created over 2,900 jobs in South Carolina, where Hitachi's manufacturing facilities are located.
KAWASAKI RAIL CAR, INC	Since 2011, prior MTA capital plans have resulted in more than \$15 billion in direct spending and created over 189,000 jobs in New York and Nebraska, where Kawasaki manufactures and tests rail cars.
NEW FLYER OF AMERICA INC	Since 2011, prior MTA capital plans have resulted in more than \$5.1 billion in direct spending and created over 64,500 jobs in the states where New Flyer and NFI Parts have U.S. locations – Kentucky, Ohio, California, New Jersey, Minnesota, Alabama and Washington.
PREVOST CAR (US) INC	Since 2011, prior MTA capital plans have resulted in more than \$4.75 billion in direct spending and created over 60,000 jobs in the states where Prevost has U.S. locations – Texas, Florida, Tennessee, California, Illinois, New Jersey and Washington D.C.
SIEMENS CORPORATION	Since 2011, prior MTA capital plans have resulted in more than \$3.5 billion in direct spending and created over 45,500 jobs

in the states where Siemens has U.S. locations – Kentucky, Pennsylvania, Oregon, California and Illinois.

THALES TRANSPORT & SECURITY, INC	Since 2011, prior MTA capital plans have resulted in more than \$1.6 billion in direct spending and created over 21,000 jobs in Pennsylvania, where Thales' manufacturing facilities are located.
TRANSCORE	Since 2011, prior MTA capital plans have resulted in more than \$625 million in direct spending and created nearly 8,000 jobs in the states where Transcore has U.S. operations – Texas, Virginia, and Massachusetts.
WABTEC PASSENGER TRANSIT	Since 2011, prior MTA capital plans have resulted in nearly \$575 million in direct spending and created over 7,200 jobs in North and South Carolina, where Wabtec's manufacturing facilities are located.

As outlined, certain states would be especially hard hit by the loss of MTA contracts. Kentucky, for instance, is home to multiple companies that depend on MTA projects to achieve their annual expected revenue totals. Alstom Transportation, New Flyer and Siemens all manufacture vital parts for MTA rolling stock at facilities located in the commonwealth.

Similarly, Cubic Transportation, Bombardier and Prevost Car all maintain production or operations facilities in Texas, another state with significant contracts and employment from MTA purchases. The MTA also works closely with as many as five companies that have Florida facilities. Companies with facilities and employees in Arizona, Pennsylvania, Minnesota, Kansas, Tennessee, Illinois, Connecticut, Missouri, Oregon, North Carolina, Massachusetts, New York, New Jersey, Virginia, Georgia, South Carolina, Washington and Nebraska would also stand to lose out on billions in MTA investment should Congress fail to deliver \$12 billion in federal aid.

The MTA is currently experiencing \$200 million in revenue losses every week – an unprecedented crisis that eclipses even the Great Depression's impact on its ridership and finances. These declines, compounded by the loss of state and local taxes and subsidies that support the organization, have left the MTA with a \$16 billion projected deficit through 2024.

Additionally, the MTA's credit ratings are experiencing extreme stress. The Authority's core credit, the Transportation Revenue Bond, providing a gross pledge of a diverse and deep revenue stream has been downgraded five times since March. The most recent downgrade occurred on September 14 from Moody's Investors Service, which lowered their rating from A2 to A3. All four rating agencies rating the Transportation Revenue bond currently have the credit on a negative outlook.

In the face of federal inaction, the MTA is preparing for drastic and necessary reductions that include possible service cuts of up to 40% on subways and up to 50% on the Long Island and Metro-North railroads – measures that would have a profound negative impact on mobility in the New York Metropolitan region. The MTA could potentially lay off more than 8,000 workers to reduce expenditures. This is compounded by a looming fare hike and potentially gutting the historic \$51.5 billion capital construction plan necessary to bring the 116-year-old system into the 21st Century.

Without an immediate injection of \$12 billion, the MTA will be forced to make draconian cuts that will reverberate throughout the entire economy.