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IMMEDIATE

TRANSCRIPT: MTA Chairman Foye Appears Live on PIX11 Morning News

MTA Chairman and CEO Patrick J. Foye appeared live today on PIX11 *Morning News* with Dan Mannarino and Betty Nguyen to discuss the agency's dire financial situation and potential paths forward.

A transcript of the interview appears below.

Dan Mannarino: Good morning to you, Mr. Foye. Thanks for coming on again.

Patrick J. Foye: Dan, thanks for having me.

Mannarino: So you know, we've talked about this time and time again, leading up to this moment, this doomsday scenario, last couple of months now every time you come on here. So you're looking for \$12.5 billion, have you officially then run out of money?

Foye: We have not run out of money. We have exhausted the CARES funding about \$3.9 billion that we received in March. We were the first public transit agency in the country to exhaust that. We had to prove to the Department of Transportation in Washington that we had those losses, that money was exhausted in July. What we need right now Dan is \$12 billion from the federal government for the MTA's losses in revenue, fares, tolls and subsidies for the rest of 2020 and 2021. And just to put it in context for your viewers -- and this is extraordinary -- the decline in ridership and revenues on the subways right now during the pandemic is far worse than the Great Depression. At the bottom of the ridership during the pandemic we were down 95% compared to normal, right now we're down 75%, so 25%.

Mannarino: So, Pat, why not...

Foye: Sorry just real quick. During the Great Depression subway ridership only declined 12% at its worst.

Mannarino: I understand. So why not reduce the service now, rather than later when people might be going back to work?

Foye: Well look, we have reduced the service. Like on Metro-North we're running 60% service, we're running less than full service on buses and we're trying to right-size service. But if we don't get \$12 billion from the federal government, and it's only the federal government that can provide those funds -- the State of New York and the City of New York are themselves asking for, as every other state and city in the country are, are asking for federal funding. We need \$12 billion from the federal government. The actions we described yesterday, no one at the MTA wants to take but we will have to make significant reductions in service -- subways, buses, commuter rails -- right and a lay off of thousands of our colleagues.

Nguyen: Pat let's break this down a little bit, because we've heard you for months talk about this \$12 billion from the federal government, which is important. The governor, Governor Cuomo, saying don't look for it from the State because there's just not mathematically a way to make that happen. So you need the government to step in but here's the deal, the federal government is dealing with a ton of issues nationwide dealing with the pandemic. So instead of waiting for them, is that really the smartest thing to do? Or should you, as Dan had mentioned, been taking some of these actions way in advance not only when ridership was down, but when you talk about capital improvement projects, can you slash some of these things to give you some leeway and save some money in advance?

Foye: So Betty, great question, that's exactly what we've done. We have a \$51.5 billion capital plan, will change the entire system. We have put it on pause, we're not spending that. That means that re-signaling subway projects, ADA projects, new subway cars, electric buses, etcetera, are not being purchased. We've taken in 2021, we will have taken \$1.3 billion of expense out of the MTA. That's on top of \$2.5 billion that we've already taken and we have adjusted our, the level of service we're providing given the level of ridership we have. We have done those things, we're not sitting around waiting for the federal government and we're making a case. But we desperately need \$12 billion of federal funding to avoid the service cuts and layoffs.

Nguyen: Well that is what I wanted to ask. Is it a losing gamble though if the federal government doesn't come through?

Foye: Look, I think the losing gamble will be the American taxpayer and all of us as American citizens. The MTA is critical to the economic recovery of the New York City region, which accounts for about 10% of GDP. And it's in the national -- this is a national crisis, the pandemic is a national crisis, the federal government has mishandled it and made it worse. And it's only the federal government that has the solvency and the funds to provide funding to the MTA to avoid these terrible service cuts and layoffs.

Mannarino: So I guess when you look at this, right, it's been described as draconian measures. When you look at it, does it all happen at once? It's 7,200 Transit layoffs are possible, which would save you nearly a billion dollars. But does that come before service cuts or does it happen simultaneously?

Foye: Dan it would be part of an integrated program. These decisions, if we don't get federal funding, will have to be made this year. Our board meets at the November meeting and adopts the budget of the financial plan for next year. I would expect that in November or before. These decisions will be discussed in public, obviously there will be public input, but there are difficult decisions we're going to have to make later in the year if we don't get federal funding.

Mannarino: Along the way every time we spoke, I know I asked you the same question and you laughed at me a few times for repeating it about the fare increase. And you had always said there wouldn't be a pandemic increase. When you're looking now at a fare increase as to help make up for the shortfall, what would it be considered? Is it a pandemic increase?

Foye: Dan, if we don't get federal funding the entire equation changes. And we're not able to, we will be \$12 billion in the hole. Everything has to be on the table; that includes unfortunately -- and again, no one at the MTA wants to do this -- significant service reductions, layoffs and higher than budgeted increases in fares and tolls. We get acutely how -- the difficult situation many New Yorkers are in. Unemployment has surged, many people are suffering, but we've got to keep the MTA afloat. The best way to do that in the national interest is for the federal government to provide \$12 billion of funding. If they don't do that we are going to have to reduce service along the lines of what we described yesterday, what I described today, and we're going have to lay people off and increase fares and tolls, none of which we want to do.

Nguyen: That is a difficult road and as you've said, the MTA is losing somewhat around \$200 million a week due to the low ridership right now. And you're talking about bridges and tolls increasing, eliminating resident discounts, peak pricing, there's a whole host of things that you can do and a lot of people just not happy about any of it clearly.

Mannarino: Hey Pat, we're out of time but I just want to say thanks for always coming on. You do not have an easy job right now and whatever you decide to do, I know there's going to be a lot of outcry and people are going to understandably be frustrated, but we always appreciate you making the time for us this morning.

Nguyen: We do. It's tough to be in your shoes.

Foye: Absolutely and Dan, Betty, if you invite me I'll come back.

Nguyen: We appreciate you Pat. You know, you're coming back right because we've got to have you back to talk about this. Thank you for your time.

Foye: Thank you.