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### TRANSCRIPT: MTA Chairman Foye Appears on The CATS Roundtable

MTA Chairman and CEO Patrick J. Foye appeared on The CATS Roundtable with John Catsimatidis this morning to discuss the agency's dire financial situation and potential paths forward.

*A transcript of the interview appears below.*

**John Catsimatidis:** Good morning, New York. This is the CATS Roundtable, John Catsimatidis here, Sunday morning. Are we gonna reopen New York, and what other problems do we have? With us this morning we have Pat Foye, he's Chairman and CEO of the MTA since April of 2019, and he was Executive Director of the Port Authority, and he's gonna tell us what it's going to take to keep the subways going. Good morning, Pat, how are you?

**Patrick J. Foye:** Good morning John, how are you?

**Catsimatidis:** Tell us what the heck is going on.

**Foye:** So here's what's going on, John. As a result of the pandemic, the MTA is facing the most severe and life threatening challenge in the 114 years, 115 years that there have been subways in New York City, and let me explain. The challenge that the MTA is facing, subways, buses, Metro-North and Long Island Rail Road is greater, even than the ridership declines and revenue declines, in the Great Depression. And I'll just give your listeners one example. After the October 1929, and I know John, you're a student of New York City history, after the October 1929 stock market crash, ridership on the subways peaked in 1930, and it declined to a low in 1933, but that decline was only 12%. Compare that with at the depths of the pandemic in March and April, subway ridership declined 95%, as compared to the 12% decline during the Great Depression. And even now subways are carrying only 25% of pre-pandemic levels. That ridership decline, decrease in tolls and fares, our customers pay us about 50% of our revenue, that ridership decline has exacted significant damage to the MTA's operating condition and our financial condition. And right now we need \$12 billion from the Federal government to get us through the remainder of 2020 and 2021. The fiscal crisis that we face is not one that we can cut our way out of it. Although we're reducing costs, we will take about \$1.3 billion of expense out of the MTA in 2021 about \$800 of that has already been budgeted, and that's on top of \$2.5. billion of cost that we've already taken out. And then I want to point out to your listeners, John, that at the beginning of the year, pre-pandemic, in 2020, we expected that the MTA to have an operating surplus of about \$80 million. We had a new capital plan of about \$51 billion and on-time performance was increasing, ridership was increasing, the pandemic has changed everything and it's changed everything in terms of our ability to, frankly, pay our bills going forward. The only solution to this, given the fact that the pandemic is a national issue and a national challenge, the only issue is Federal funding, frankly, for the State of New York, the City of New York, but for the MTA, and what we need is \$12 billion. The State of New York and the City of New York have their own financial challenges as a result of the pandemic, and I don't think it's reasonable to expect for the MTA to expect that the state or the city this time can come to the rescue. So it's only the Federal government that has the ability to fund this. Senator Schumer and the New York congressional delegation have been heroes in terms of getting the MTA \$3.9 billion in the CARES Act in March and April. We exhausted the last of that funding on July 24 so we've got no more funding available to us. And unfortunately, the Republican leadership in the United States Senate has been indifferent to the needs of the MTA and frankly to the state and the cities throughout the entire country. And what we're doing is, we're calling upon New Yorkers, business leaders, ordinary New Yorkers, union leaders and members, who've been great in terms of supporting the MTA's request for additional funding, but New Yorkers of all types to reach out to the Republican leadership in the United States Senate, to the Federal government, and to make an appeal for \$12 billion of funding for the MTA.

**Catsimatidis:** I understand the situation, and I had Richard Ravitch on the show last week, and he appealed to all business people, to appeal to the United States Senate and to President Trump, and I know Governor Cuomo has always been friendly with President Trump. Is there a way to get everybody around a round table and make a deal?

**Foye:** Well, John, look, we have gotten great support from the New York City business community, the New York City real estate community, the Chambers of Commerce, labor leaders of all types, including the labor leaders of the MTA unions at the regional and national level, the not-for-profit community, the Partnership for New York City, all of those leaders have reached out to representatives in Washington on both sides of the aisle. So what Richard Ravitch, obviously a highly regarded former chairman of the MTA, described happened in 1975, is happening right now. Business leaders, real estate leaders, union leaders, not-for-profit leaders, have reached out to the Republican leadership in the Senate. It's really critical that the MTA get this \$12 billion of funding so that we can continue operating, continue taking first responders and essential employees, working people, office workers to work to help in the recovery of the New York City economy. Frankly, probably the most important agency in terms of the recovery of the New York City economy is the MTA, subways, buses, commuter rails, Access-A-Ride vehicles as well. If we don't get the federal funding, John, at our board meeting last Wednesday, we described cuts in subway service that could be as high as up to 40% and having to lay off up to over 7,000 employees at New York City Transit, subways, buses, Staten Island Rail. Up to a 50% service reduction on Long Island Rail Road and Metro-North, elimination, possibly of west of Hudson service, the elimination of one or two branches on the Long Island Rail Road and possibly one or more subway lines. To be clear, these are actions that no one at the MTA wants to take. Neither the board, the management, or all of our tens of thousands of employees, but if we don't get this \$12 billion, our hand may be forced and we may be forced to take these actions in terms of dramatic service reductions which would not be good for New York or its economic recovery. The last point I'd make is, the national government, the federal government has a huge stake in the recovery of New York

City's regional economy, given the fact that so much of the GDP of the nation, approximately 10%, a little slightly under 10%, comes from the New York City region. So this is not an investment that is only in the interests of New York City and New York State, it benefits the entire country.

**Catsimatidis:** Upon my discussion with some of the people in Washington, I can't tell you who, but the highest levels you can get, let's put it that way. They may be willing to put the money in, but don't forget, they're going to make 44 states that will call them crazy. They have to, you know, justify that, is the fact if they put in a federal monitor, seeing how the money is spent, they might be able to do it. What do you think about that?

**Foye:** Well John, here's what I'd say. The \$3.9 billion that the MTA got in the CARES Act, we exhausted it on July 24th. We were the first public transit agency in the country to exhaust our funding. Every dollar that we got, we had to report to U.S. DOT that we expected X dollars of revenue in April and X dollars of revenue in May, that we had additional expenses for instance, for disinfecting subway stations and subway cars, and we had to report that to the Federal Transit Administration which is part of U.S. DOT in Washington. We were able to make that case. We're not looking for, nor do we expect the blank check, we realize we're going to have to show that we have these increased costs and that revenues have been reduced significantly as a result of the pandemic. And we're prepared absolutely to do that with FTA again when a MTA relief bill passes.

**Catsimatidis:** Pat Foye, you have my commitment. I will continue to work on this and thank you for all the great work you do. And let's keep the system going until we have some kind of compromise between all parties.

**Foye:** John, thanks for all you do for New York and thanks for inviting me.

**Catsimatidis:** God bless and have a good weekend.

**Foye:** You too, John, thanks.