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### TRANSCRIPT: MTA Chairman Foye Appears on Reuters Newsmaker's Mobility Boardroom

MTA Chairman and CEO Patrick J. Foye appeared on Reuters Newsmaker's *Mobility Boardroom* with Axel Threlfall this morning to discuss the agency's dire financial situation and potential paths forward.

*A transcript of the interview appears below.*

**Axel Threlfall:** Welcome everyone to Reuters Newsmaker's, I'm Axel Threlfall based out of London. This conversation is also part of the Reuters events Mobility Boardroom series on the future of transport, so a warm welcome to the online delegates of that series. Today we're talking public transit and the enormous pressure that these systems have come under across the US and indeed worldwide as a result of the pandemic. Few more so than New York's Metropolitan Transportation Authority, the largest transit agency in North America which is hemorrhaging roughly \$200 million a week and faces a \$16 billion deficit through 2024. Patrick Foye, who is Chair and CEO of the MTA made another impassioned plea for more federal funding in a New York Times op-ed just a couple of days ago: '\$12 billion more to get through this year and next year to quote very quickly from that piece, 'the MTA is facing a five-alarm fire and the Republican majority in the Senate seems content to sit back and do nothing while it burns', so some pretty strong words. Pat joins us now. Pat, thank you very much indeed for talking with Reuters today. You haven't minced your words at all in this very public call out of the government. Do you really believe, Pat, that you're going to get this funding before the election?

**Patrick J. Foye:** I hope so we desperately need it Axel, thanks for inviting me. Look, the financial challenge that John Samuelson and I---the leader of the Transport Workers Union International---called a five-alarm fire is exactly an apt description. From the point of view of MTA revenue and ridership this is worse, far worse, than the Great Depression of the '30s and that is why we need \$12 billion from the federal government. But I'll just give you a couple of factoids: on subways, New York City subways, New York City Transit subways, at the height of the pandemic ridership --- which is typically about 5.5 million people a day --- was down 95%. On a typical day now, it's down between 72% and 75%, depending on the day. In the height of the ridership decline in the Depression in 1933 ridership on the subways declined 12%. Buses are roughly 50% down, New York City Transit buses, MTA bus. At the height of the decline in buses and streetcars, or streetcars back then, the ridership decline was 16%. So, from a ridership decline and a revenue decline this is way worse than the Great Depression. That results in deficits this year, about \$8 billion, next year McKinsey estimates between \$6 billion and \$7 billion. And that's why we need \$12 billion in revenue to get through 2020, the remainder, and 2021

**Threlfall:** What makes, Pat what makes you think you're going to get this money though over the next couple of months? I believe you need it around November time when you set the next budget. Are you getting any feedback at all? What is your lobbying apparatus look like? What is going on behind the scenes?

**Foye:** Well look, here's that here's the good news. There was a prior act, the CARES Act passed, which provided the MTA \$3.9 billion and aid to other public transit agencies in the country -- lesser amounts because they're smaller systems in every case. We exhausted that funding July 24. We were the first public transit agency in the country to exhaust it. That CARES Act was passed on a bipartisan basis and signed into law by the President and it recognized the fact that this is a national crisis and requires a national solution. There is no other level of government in the United States that has the ability to fund states and cities and agencies like the MTA. I would argue, Axel, that it is in the national interest to fund the MTA because the New York City region accounts for such a significant portion of the national GDP. And not only does investment in the MTA benefit New York City, the New York City business community, New York State and the tri-state region, but it also benefits the national interest. It's in the national government's interest to fund this because of the importance of New York and the importance of the MTA to New York.

**Threlfall:** But Pat, you can shout as loudly as you want and you've been shouting for a long while and peers of yours and other agencies have been shouting for a long while. And that money might just not come before the election. What is your cut off? When do you have to start making cuts given you are hemorrhaging, as I said, \$200 million a week?

**Foye:** Well, if we don't receive the funding, as we discussed at our special board meeting last week, we're going to have to make significant service reductions and significant layoffs. That will mean a up to 40% decrease in subway and bus service and Staten Island Rail. Up to a 50% decrease on the commuter rails: Metro-North, which serves Westchester and Connecticut, and Long Island Rail Road which services Queens, Nassau and Suffolk. Layoff approximately 8,400 of our colleagues. Greater than anticipated, greater than planned, fare and toll increases and reductions in service across the system. The other thing is, we had a, at the beginning of the year it promised to be a great year for the MTA, we were expecting an \$80 million surplus, we just had a record, historic capital plan of \$51.5 billion dollars approved and we believed that it would it was financed and in place. That capital plan is now on pause and re-signaling the subway systems, ADA investments, largest electric bus order in North America ever, increases in new rolling stock on the subways, Metro-North and Long Island Rail Road. That is all on pause and over a period of time, the fact if we're not able to make those investments, there will be a deterioration in service as occurred in New York City in the '70s and '80s and we don't want to go back there.

**Threlfall:** All right. All right, I just want to get this on the record. Does Pat Foye, as of September 3, still think the MTA is going to get this \$12 billion over the next couple of months? Yes or no?

**Foye:** Axel to be clear, there's a great deal of uncertainty around it, which is why we have been ringing the alarm and called in the New York Times a couple of days ago, as you said, this a five-alarm fire. That's exactly what it is. There's a great deal of uncertainty, if reason prevails, and the national interest is pursued by the Senate, the Republican leadership in the Senate in Washington the MTA will be financed. And it's in the interest of not only the New York City, New York State, but the national interest to do that.

**Threlfall:** You talk about Plan B and the cuts and the 40%, etcetera. Let me just get this right as well. When is that cut off for you guys? When you have your meetings, when do you have to start making the cuts? Is there a date?

**Foye:** Yeah, at or before our November board meeting. Our November board meeting is when the board votes on the financial plan, the budget for 2021 and subsequent years, and that is the point at which we would have to begin implementing the service reductions and layoffs. To be clear, those are steps that we do not want to take. And obviously the capital plan would continue on pause as well. None of these are steps we want to take but if the MTA doesn't receive the funding, and as I mentioned, this is not an MTA-caused issue, this is a national issue. The pandemic is a national issue, it requires a national solution. We will continue to cut our expenses, we've taken in \$2.5 billion out, we will take an additional \$1 billion out in 2021 alone --- apart from the service reductions and the layoffs, we're going to do that. Those monies have been identified of a high degree of confidence, we'll be able to implement that on top of the \$2.5 billion that we've already taken out. But this is a problem we cannot cut our way out of.

**Threlfall:** Yeah, I'll come back to the cuts in just a sec, but to find out some political piece. Will a Biden victory in November change the funding picture quickly enough for the MTA do you think?

**Foye:** Look, I will note that former Vice President Biden is a, has been a regular commuter on Amtrak and has been a supporter of mass transit and public transit his entire career. I believe that he's got a different view of the importance of mass transit and public transit, including in the New York City region.

**Threlfall:** Okay, back to the cuts. Couple of couple of questions. Where would the job cuts come? Have you made that decision yet? How do you go about, how does the MTA go about deciding where the cuts are going to come? And second, on that on the fare and the toll hikes, you say bigger than expected? How high could those go?

**Foye:** So let me do your first question first. Approximately 8,400 throughout the entire agency, including Headquarters, but about over 7,000 cuts would come from New York City Transit --- subway, buses, Staten Island Rail --- 850 from the from the commuter rails, but every part of the agency would be affected. We may have to do more than that depending on what happens in the general economy and what happens with ridership and revenue. We have not sized the fare and total increases, but that is also something that we don't want to do. We're acutely aware that the unemployment rate in New York is you know, 20% and higher, and the underemployed worsens that especially in minority communities. Raising tolls and fares is not something that we want to contemplate, it is not the right environment to do that given the economic situation in New York and the region, but we may be forced to do that as we may be forced to implement service reductions and layoffs.

**Threlfall:** Okay. You mentioned earlier, Pat, some of the ridership numbers on these massive declines. Schools, I believe, reopening September 21 now in New York. Do you expect riders to return as schools start this in-person learning or does the MTA operate under the assumption that passengers are really only going to come back once there's a vaccine available?

**Foye:** Well, we're carrying on subways 1.5 million passengers right now, we're carrying almost 1 million on buses. That is, in the United States, a very large transit system even given the pandemic-caused reductions in ridership. Clearly the opening of the Metropolitan Museum of Art, which opened last week, and other museums in Manhattan and the other boroughs will help. The opening of schools bringing students and teachers and principals and paraprofessionals to work will increase ridership. We think that even when schools open that ridership is going to be depressed for the remainder of 2020 and into '21, when compared to the pre-pandemic levels.

**Threlfall:** I want to talk to you about some of the safety issues as well, because of course we experience similar things here in London on our Tube system. You've said in the past 90% I believe of passengers roughly are wearing masks, and I know that compliance is an issue here. It's an issue in London for us as well. I know you've written to Tim Cook at Apple saying that we need to do something with Face ID technology. Have you heard anything from Apple? What can you tell us latest on safety and mask wearing and compliance?

**Foye:** So let me start with mask compliance first and then we'll come to the Apple question. We are surveying, physically counting customers, on subways, buses, commuter rails. I'll tell you my anecdotal experience. I'm in the Adirondacks today, I ride the Long Island Rail Road and the subways every day. Anecdotally, mask compliance is very high. It's universal among MTA employees, and it's very high among customers. We survey mask compliance and we report; we are in the 90% area on subways and buses. It is beginning to slip slightly, certainly above the mask compliance levels that I understand are the case on the underground in London, Axel, we are in the 90% range. We and the transit workers and every MTA employee working --- whether it's commuter rail, subways or buses, this is a critical issue because there is nothing that our customers can do that's more important in terms of preserving their health, their co-commuter's health and our employees than wearing masks. So mask compliance is very high. We are robustly and systematically and regularly messaging the masks. There are signs on subway cars, there are decals in the stations, there's electric signage, there is a robust communication campaign and we've also distributed millions of masks to our customers. For instance, police officers and transit workers in the system whether its subways, buses, or commuter rails will have masks with them. I've actually been a member of the mask patrol myself and rode the line out to Flushing-Main Street, took it back to Jackson Heights, got on the E, 4 5 6, a couple of bus lines, handing out masks with my colleagues. So that mask distribution continues. The most important thing anybody can do is wear a mask. I'll note that has resulted in Executive Order issued by Governor Cuomo it's the law in the State of New York, you have to wear a mask when you get on public transit, period. With respect to the Apple issue, we're having discussions with Apple. Our goal is to ask the world's greatest technology company to come up with a solution that does not require our customers to take their mask off to use facial ID. Obviously, fingerprint authorization of the device continues, and we're messaging our customers. But that is the that is the issue with Apple.

**Threlfall:** Did Apple, did Tim Cook get back to you? Are they actively doing something on this? Or is this?

**Foye:** They are they're working on it. They're, they're talking to our Chief Innovation Officer Mark Dowd, who is on the issue and I'm confident that there is a solution to this. And taking the mask off to start your device is, even for a relatively short period of time, introduce some level of risk. And this, we're all about minimizing public health risk to our customers and to our employees, and it also raises a question in the part of you know, co-commuters, why is

that person taking their mask off? That's not something we need at this point. We're very focused on the Foye mask compliance issue. We're going to continue surveying it and reporting.

**Threfall:** All right. What are you, I know you're testing some new disinfectant devices: UV light, hydrogen peroxide. I think Hong Kong transit are doing the same sort of thing. What other things are you looking at now? What can riders expect? Can expect temperature checks, contact tracing apps? What do you what do you got planned and what are you learning from other cities around the world?

**Foye:** Let me start with this. Customers we've surveyed report that on subways 70% have never seen the stations or the subway cars as clean as they are now. They're disinfected, every piece of rolling stock --- subways, buses, Metro-North, Long Island Rail Road, Access-A-Ride vehicles for our ADA customers--- that work is going to continue. We have been pioneers. We and Dr. Brenner at Columbia pioneered confirmation that Ultraviolet-C light can kill, eradicate the COVID-19 virus. That was pioneering. We're also doing a proof-of-concept right now with respect to far a UV light, which has the potential unlike the Ultraviolet-C light to be used on a continuous basis. So we would have a greater applicability to aerosols, which the CDC and most public health officials have identified as the primary mode of transmission from human to human. We're excited by that proof-of-concept. We're working with antimicrobials, the United States EPA, labs around the country, to determine whether antimicrobials have the ability to eradicate the virus, A and B, to do that or a period of days and weeks which we think would be a tremendous step forward in terms of reducing public health risks for our customers and our employee --- and obviously increasing from already high levels, the public's confidence in mass transit in New York. The other thing that's worth noting, Axel was the following, which is that the science that's been done around the world in transit agencies, in areas that went into the pandemic prior to New York and North American came out of the prior, that there's been no research which identifies mass transit as a vector of increases in the virus, as long as mask wearing is at high levels, which happily on Metro-North, Long Island Rail Road, subways, buses, and ADA vehicles already is this case and we are going to continue that.

**Threfall:** All right. All right so riders can get on the subway now and over the next few months and feel a lot more confident that they are safer now than they were, say three or four months ago, right?

**Foye:** Yes, sir.

**Threfall:** Okay, good. Let me talk to you about something else that we've been looking at. And this is the Uber and Lyft and the other ride-sharing services making allies of public transit systems across the country. Lots of agencies it seems are realizing the upside of working together or deeper collaboration. But this isn't really happening in New York yet. Can you imagine now, because of what's happened, because of the context, because of the urgency, we're going to see a bit more collaboration?

**Foye:** Well look we have discussions with the for-hire vehicles all the time. Uber, Lyft, a company called Via as well and we did run service for a period of time for-hire vehicles for certain limited number of riders. We mostly did that with black car providers. So we're going to be opportunistic where there is a goal, but I will point out we're in the mass transit business. And even at the depressed ridership levels that I reported, you know, subways down 72%, buses down approximately 50%. Uber and Lyft and for-hire vehicles in general may be able to handle certain limited situations. But in terms of moving millions of New Yorkers, which is what the MTA is about, they don't have the capacity to do that, especially with the current rules of the Taxi and Limousine Commission, which limit for-hire vehicle ridership to one passenger.

**Threfall:** But you do think that there's a chance that City Hall will ease up a little bit? That we might see a little bit more collaboration in the future? Because financially it makes sense, right?

**Foye:** Well, it may make sense. Look you're quite right, the regulation of for-hire vehicles in New York City is a function of the Taxi and Limousine Commission, which regulates not only yellow and green cabs, but also for-hire vehicles. From an MTA point of view, obviously we're going to be respectful of the contractual provisions with our union workers. But the mass transit part of the mass transit mission of the MTA will always be fulfilled by subways, buses, commuter rail, and for our ADA customers vehicles in that field.

**Threfall:** Yeah. You know, coming back to where we started I want to, we've got to come back to the funding because clearly this is a critical piece. What, what happens Pat, to your transit system, to New York City and indeed to the country - given New York accounts for what, 10% of national GDP - if you don't get that money? What is, what is the transit system look like in New York City five years from now if you don't get it now?

**Foye:** I think a couple of things. One, there will be fewer people employed in New York City and the region, and the nation if the MTA doesn't get funding - and we need 12 billion, as I mentioned, over the remainder of 2020 and 2021. The economic recovery will be stunted and thwarted if that doesn't happen. There will be less tax revenue generated for both the federal government, the State of New York and the City of New York as a result of that. The economy will be depressed and the transportation system in New York, which went into decline in the '70s and '80s -- and New Yorkers who were around and rode the system saw delays, breakdowns, graffiti-covered cars, a sense of disorder on the system, but mostly frankly just use the term really lousy service. None of us wants to go back to that. The other victim will be the \$51.5 billion capital plan, which has the potential to revolutionize mass transit in New York affecting positively every part of the system: re-signaling, ADA accessibility, new rail cars, electric buses, etcetera, which themselves will create employment all over the state of New York and in many states of the nation as well, given the \$51.5 billion capital plan. But the system will begin to decline as it did in the '70s and '80s, and that feeds on itself and has economic consequences as well as operating a service consequences.

**Threfall:** All right. I'm just looking at more quotes from, I think it was the op-ed piece, it might have been before that, that you face an existential crisis if you don't get this, end of mass transit as we know it. What I want to bring into the discussion here is what we were talking about a lot in mobility before the pandemic, and that is smart cities and smart Mobility and environmentally friendly mobility, equitable transportation. Are all of these, I don't know if it's the MTA's bag this or whether it's the New York City transportation department, but are all of these things at risk? Are they all on hold now?

**Foye:** They are and let me give you a couple examples. Let's talk about social equity. The capital plan includes capital for the expansion of the Second Avenue Subway into Harlem. The East Harlem area is one of the parts of New York City which is least served by mass transit and residents they are most reliant on their cars. Another capital project is Penn Station Access which will allow Metro-North to come from Westchester and go into Penn Station. But importantly, it provides for the building of four new Metro-North stations in the East Bronx to allow those residents to better access employment opportunities in New York City or in Westchester. Beyond that, funding the MTA and a subway and bus system and a whole system is in the interest of working class New Yorkers of all types, including low income people who don't have the option to get in a personal vehicle and maintaining and improving the MTA system for those folks is critical. The other point Axel, I would make in terms of sustainability and environmental, the MTA takes millions of cars off the roads every year and puts people on mass transit. What that does is, and congestion pricing is a piece of this, which is being held

up in Washington. And congestion pricing, for instance, would allow the MTA to fund mass transit, to reduce congestion in the Central Business District, to improve air quality. All of those goals --- the social justice goals, the environmental and sustainability goals --- would be thwarted or stopped if we're not funded.

**Threlfall:** Yeah. You mentioned, just a couple more things before I let you go, but you mentioned the congestion charge. And clearly that's a big piece here in London, as well. I believe that was supposed to come into effect in January. You say the government's been dragging its feet on approval there. To what degree is that as lack of revenue from the congestion charge been factored into your budget shortfall now at the MTA?

**Foye:** So just to be clear, excellent question, the congestion pricing is dedicated to capital. So of the \$51.5 billion capital plan, \$15 million or 30% of capital plan would come for the congestion pricing. We don't have the ability to use that in operations, although we will have lost \$1 billion in revenue towards the capital plan because of the federal government's --- the U.S. DOT in particular --- their progress on congestion, lack of progress rather, on congestion pricing.

**Threlfall:** Do you expect to get any updates on approval from the Highway Administration before the election?

**Foye:** I'm not optimistic at all on that score.

**Threlfall:** You're not optimistic on that score. You're much more optimistic on the general \$12 billion funding score then?

**Foye:** Well look, to be clear, we wrote --- John Samuelsen and I wrote --- the op-ed to raise that raised the alarm about the five-alarm fire that is, is ongoing. Because it's in the national interest to fund the MTA I think is an important factor here. But I don't expect action on congestion pricing in the remainder of 2020.

**Threlfall:** And just to finish up with Pat, you bring it back to the op-ed. There is a very telling word I thought that you use in the op-ed, which is the word punish. And you say, and I quote here 'punishing the MTA and transit systems across the U.S. over an ideological political agenda is not only wrong, but it's bad economics.' Do you feel you're being punished by the government?

**Foye:** Well look, this is, we were grateful for the \$3.9 billion of CARES funding. That was passed on a bipartisan basis and signed into law, that was the right thing to do at the time. It continues to be the right thing in the national interest to fund the MTA, to fund New York State, to fund New York City, only the federal government can do that. And not advancing that funding in the middle of a pandemic, with 20% unemployment or higher in New York City and the region is punitive, it's wrong and it's not the national interest.

**Threlfall:** And you will, just finally, you will though wait until November. That's your cutoff date before you make decisions on other cuts, right?

**Foye:** With respect to service cuts and layoffs, November board meeting or earlier.

**Threlfall:** All right. Pat, listen I appreciate your time. I know you're not in New York City now, you're Upstate. I appreciate your time and your thoughts and your candor for this Reuters Newsmaker today, and I do wish you the best of luck going forward. Thanks very much for talking to us.

**Foye:** Axel, thanks for having me.

**Threlfall:** All right. That's it for this Newsmaker. Patrick Foye, of course, head of the MTA out of New York City. Many thanks for watching. We'll see you at the next one.