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TRANSCRIPT: MTA Chairman Foye Appears on Cheddar

MTA Chairman and CEO Patrick J. Foye appeared on Cheddar's *Closing Bell* with Nora Ali to discuss the COVID relief package in Washington and its impact on the MTA.

A transcript of the interview appears below.

Nora Ali: The new stimulus bill is set to bring much needed financial relief to the nation's transportation sector. New York City's Metropolitan Transportation Authority is among those on the list receiving more than \$4 billion. Joining us now is Patrick Foye, Chairman and CEO of the MTA. Patrick, really great to have you with us on the show today. So this \$4 billion, is that enough to keep the system afloat, at least for now?

Patrick J. Foye: Nora first, thanks for having me. The answer is, what happened with the COVID relief bill for over \$4 billion for the MTA is great news. It will cover our COVID-19 deficit in 2021, which is approximately \$4 billion. That's really good news. It's not the end of the story however; the pandemic has exacted huge negative financial consequences on the MTA. Ridership is down orders of magnitude worse than during the Great Depression. We get about 50% of our revenue from our customers and fares and tolls. Beyond the \$4 billion, our federal ask over a period of years is an additional \$8 billion. But to be clear, this was great work by Senator Schumer on behalf of the MTA, and it was a great development for MTA customers and employees.

Ali: Patrick as you look ahead to try to project ridership, I'm sure that is very challenging to do, even though we're having vaccine rollouts, we're still tracking a rising infection rate across the country. How do you plan, from a budget perspective, you mentioned that you still require several billion dollars more of funding, but how do you make those projections, especially as far as what ridership will look like in the next few months?

Foye: It's a great question. It's not only a few months, it's the next few years. What we've been doing is, we've been consulting with transit agencies all over the country and the world. We hired McKinsey to do an analysis for us; they're in the process of updating that. We're looking at, for instance, return-to-transit rates around the country and around the world, we're looking at return-to-work rates; obviously our ridership has increased from the depths of the pandemic. On subways, for instance, in March and April, pandemic-caused ridership was about 95% down, way worse than the Great Depression. Transit is now, on subways, about 30% of the average pre-pandemic, on buses about 50%. We've got a long way to go and it's going to depend on a number of things. As you suggested the rate of vaccination and the public acceptance or hesitancy with respect to that. The return to work in the central business district, especially Manhattan, and the extent to which employees decide with their employers to work remotely, to work by Zoom, obviously a number of a number of factors. We believe that the vaccine's a huge positive news, we're looking at it very closely and working closely with McKinsey.

Ali: Patrick, you mentioned this notion of working from home, depending on the industry but depending on the company, this could go on in perpetuity, it could just be for the next couple of months, but it does feel like there might be a permanent decline in ridership because of the nature of work and how these companies are being more open to working from home. How do you plan for that, and does this mean we might see higher prices when taking public transportation?

Foye: Well look, the data is approximately three to four percent of workers worked remotely prior to the pandemic; obviously that has increased dramatically. The expectation is that some additional percentage of workers, especially white collar professional workers, obviously emergency room nurses and utility workers and transit workers and men and women working in grocery stores and pharmacies don't have the option of working remotely. It's most likely to be felt most acutely on the commuter rails, in our case Long Island Rail Road and Metro-North, but frankly commuter rails all over the country. And we're looking closely and following trends, talking to real estate owners, business groups, and obviously other consulting firms at all our transit agency counterparts around the country around the world.

Ali: But do you think we might see a change in prices for public transport?

Foye: We are in the middle of a scheduled toll and fare increase which is subject to the board approval. We do not intend to have any COVID-19-caused above inflation rate increase in our fares on subways, buses and commuter rails. That's not the answer. There are lots of people in New York who have been obviously dramatically affected by the pandemic, and increasing their fares above the rate of inflation is not the right thing to do, and obviously may impede some of those folks from returning to the subways, buses and our commuter rails.

Ali: And in the meantime, there have been some proposals to try to help to fund the MTA. For example, State Assemblyman Robert Carroll suggested raising money by imposing a \$3 package delivery fee. Is that something that you would support, or something along those lines?

Foye: We're not a taxing agency, and those decisions will be up to the federal government, in some cases in the state government, and others. Frankly, from the point of view of the MTA, I'm agnostic as to where additional sources of funding come from as long as it's annual, recurring, sustainable and ideally growing, and that proposal ought to be considered along with others at the state and federal levels. Clearly we're going to need a significant

amount of money. We've asked for an additional \$8 billion from the federal government and we're completely agnostic as to where those sources of revenue come from.

Ali: Zooming out a little bit as we look at other transportation solutions, especially those last-mile solutions like ride sharing: Uber, Lyft bike, scooters, that sort of thing, how might that impact ridership on public transportation going forward?

Foye: Well it's a twofold result. One is to some extent, we get a piece of every Uber or Lyft for-hire vehicle ride in New York City as part of our funding stream. We have worked with the for-hire vehicles, where it makes sense that to the extent that they can provide a service to our customers from a bus depot, from a train station, a commuter rail station, that makes sense. And obviously it's part of the transportation options available to our customers in the New York area.

Ali: Very quickly Patrick, we've talked to you before about touchless tech inside subways and otherwise. What are some of the most important tech investments you guys plan to make over at the MTA?

Foye: So one tech investment we're in the process of, we're completing the OMNY, which is a contactless payment system. It will be in every subway station by the end of this year, and every bus in the city of New York. Our customers love it. In 2021, we'll be rolling it out to the commuter rails. Beyond that, we've got apps, for instance on the Long Island Rail Road that tell our customers how crowded a particular train car is so they can go to a different train. If they're getting on the 8:10 from Ronkonkoma, they can figure out for themselves by looking at the app if the third car is the one to be in if you want to be in a less crowded car. We've been innovators with respect to the use of ultraviolet light to kill the COVID-19 virus, we pioneered that with a professor in the Columbia medical school. We're looking at anti-microbials, and frankly robots using anti-microbials and other materials to clean stations and rolling stock subway cars and the rolling stock on the commuter rails. We're proud of what we're done; we intend to do more. Our Chief Innovation Officer Mark Dowd is working with funders and federal agencies and we're going to do everything we can to minimize health risk to our customers and our employees.

Ali: Alright, looking forward to seeing all of that new technology. Patrick, thank you as always for your time. That's Patrick Foye, Chairman and CEO of the MTA, thanks again.