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TRANSCRIPT: MTA Chairman Foye Appears on NY1 Mornings on 1

MTA Chairman and CEO Patrick J. Foye appeared on NY1 *Mornings on 1* with Pat Kiernan to discuss the agency's dire financial situation and potential paths forward.

A transcript of the interview appears below.

Pat Kiernan: Can New York City bounce back effectively if the transit system is crippled. That is the question at the forefront this morning with the budget scenario outlined by the MTA yesterday. The MTA making a dire announcement on its health and the amount of money it is losing every week. Subway and bus service could be slashed by about 40%, there would be a big fare hike. MTA Chairman Pat Foye is with me this morning. Pat thank you for making time for us; we have talked about this topic at many different times during the pandemic but you've really put some specifics on it now.

Patrick J. Foye: We did that yesterday and Pat to be clear, none of these steps, the service reductions or the reductions in our workforce, nobody at the MTA wants to do these things. The situation we're in is, from a ridership point of view and a revenue point of view, this is worse than the Great Depression. I'll just give you one factoid: during the Great Depression, the greatest increase in the decrease in subway ridership was about 12% in 1933, right now subway ridership is down 75% compared to the pre-pandemic levels. That has created huge losses in our fare and toll revenue and also separate losses in the subsidies that state legislature has put in place. What we need is \$12 billion in federal funding to get us through the remainder of 2020 and 2021 -- \$12 billion is a shocking number. The State of New York and the City of New York themselves are, and frankly every state in the nation, is seeking federal funding so the State and the City can't come to the rescue this time. And in the absence of \$12 billion in federal money, Pat, what we described yesterday are service reductions and layoffs and increases in tolls and fares that nobody at the MTA wants to do but will be required to do if we don't get that federal funding.

Kiernan: Pat I went through these numbers earlier in the morning but you're talking about for, for the typical subway ride eight minutes longer waiting for a train, for the typical bus ride 15 minutes more.

Foye: Pat, just for the clear it'd be an eight minute headway on the subways, peak, and 15 minutes on buses. Obviously off-peak, weekends, it will be even longer. That's a significant increase, subways, buses, Long Island Rail Road, and Metro-North and we realize that's an incredible inconvenience to our customers. It will slow down their commutes and frankly it will slow down the New York City, and regional, economy, which is why it's in the national interest for the federal government to provide the \$12 billion in funding. And it's only the federal government that has the solvency and capacity to bail out the MTA.

Kiernan: Pat it doesn't seem like they're listening in Washington. Certain people are listening in Washington, but to the extent of a bailout plan coming together whether it's specifically for the MTA or a much broader package. They talk about it, they talk about it, and nothing happens.

Foye: Well, to be clear, the CARES Act did get passed. That was \$3.9 billion for the MTA, we exhausted that that money July 24, we're the first transit agency in the country to exhaust the money. We now like every other transit agency -- and frankly every state and city in the nation -- need additional funding, \$12 billion in the case of the MTA Pat. And you're right, the response and the federal indifference and inertia has been troubling. Frankly I mentioned at the outset of our conversation, you know the comparison to the Great Depression in the '30s and frankly I'm concerned that the MTA doesn't get the funding, and the State and the City don't get the funding that we are going to be on the precipice of another Great Depression. And frankly it's in the national interest for the federal government to fund the MTA because the MTA is so essential to the economic recovery and vitality of the New York City region.

Kiernan: Pat I'm on the  train every day after I leave here. The cars have been very empty still just a fraction of the usual ridership. I think that those trains could be a little more crowded. What I'm saying by that is, is as much as we're trying to maintain social distance the ridership is not that much now. Should you be cutting service right now rather than losing \$200 million a week?

Foye: Well Pat we don't have a choice, we can't lose \$200 million a week indefinitely, right. There is a limit to our cash, there is a limit to our liquidity, and I'll take your social distance point and make the following observation Pat. We are proposing to cut subway and bus service up to 40%, which means that at least 60% remains and the 60% service will be carrying 25% of our pre-pandemic customers. So there will still be social distance, I'll note, as you and I have discussed before that the most important thing customers can do is masks, masks, masks. The good news is that mask compliance on subways and buses, Long Island Rail Road and Metro-North for that matter is high. We're committed to keeping it higher and driving it even higher. We've had a robust communication plan; we're ramping that up and taking it to the next level. Customers have to wear mask; it's actually state law as a result of an executive order that Governor Cuomo issued but there is clearly, at a 60% service level on subways and buses -- and this is not something anybody on the MTA wants to do -- if we're carrying 25% of our pre-pandemic customers there ought to be room for social distance.

Kiernan: When will you make cuts? Have you set a date where you will take action if Washington doesn't?

Foye: It's got to happen this year. We have to adopt our financial plan for next year at the November board meeting. So it will be November or before.

Kiernan: Pat Foye, thank you for joining us this morning.

Foye: Thank you Pat.