

**Permanent Citizens Advisory Committee to the MTA
Chair's Report-Randy Glucksman
March 6, 2014**

Since our last PCAC meeting Angela Bellisio has come on board as our Transportation Planner and I want to officially welcome her to the PCAC staff. Angela was with us as an intern and it's great to have her back in a permanent position.

One of the projects that Angela is working on is our website redesign. I'm glad to report that we have signed an agreement with our web consultant so that they can proceed and that they are at work on the new site. The consultant staff has done some early design concepts and we are working with them to bring a new and more usable website to our members and visitors.

With the approval of the MTA budget in December and the Governor's budget proposals at the State level, finances have been a regular topic of discussion since we last met. The MTA budget has more cushion in it than it has since the financial crisis of 2009, but it remains precariously balanced. The budget and financial plan approved by the MTA Board in December had some good news for riders. Instead of the recent pattern of actions designed to yield a 7.5 percent increase in fare revenues every two years, the financial plan projects a 2015 fare hike that increases fare yields by 4 percent. As you know, we have consistently stated that the 7.5 percent fare yield increases are an unacceptable burden on riders. Since the increases would not take effect until next year, this plan has not been adopted as part of the MTA operating budget, but the announcement is encouraging.

The financial news from the Governor's Office is mixed. Mr. Cuomo's budget proposal includes a modest increase in appropriations to support public transportation, including an \$85 million funding increase for the MTA. At the same time, the budget proposes using \$40 million in dedicated MTA funds to pay the debt service on Service Contract bonds that had previously been paid from general revenues and envisions using \$20 million of these funds for this purpose into the future. The PCAC joined with other transit advocates in condemning the proposal to pay for Service Contract bonds with dedicated transit funds.

Adjustments to Verrazano-Narrows Bridge tolls, approved by the MTA Board at the behest of the State, will cost the MTA \$7 million annually, with another \$7 million of their cost borne by the State. We have recommended to legislative leaders that they provide an additional \$14 million to the MTA to address transit and commuter rail service gaps throughout the MTA region, as the riders affected by them are just as disadvantaged as Staten Islanders who lack transportation options.

In terms of other financial issues, the MTA is set to receive the first \$886 million in Sandy reconstruction funds from the federal government, and the legal challenge to the Payroll Mobility Tax (PMT) has been dismissed by the State's highest court. On the other hand, there's still pressure to reduce the coverage of and revenue from the PMT and the issue of how to pay for a new five year Capital Program for 2015 through 2019, which may include substantial expenditures for mitigating flooding risks, is yet to be resolved.

In response to concerns about the MTA as a whole, the MTA has reorganized its safety efforts and for the first time created the position of Chief Safety Officer for the MTA. The individual operating agencies already had staff performing this function, and these positions have been strengthened and, if they did not previously, now report directly to agency presidents. As a part of this reorganization, the MTA Board will reactivate its Safety Committee.

The PCAC was invited to testify before the State Assembly Committee on Corporations, Authorities, and Commissions on January 10, and Bill Henderson delivered testimony on our behalf. He discussed the MTA's precarious financial position and the need for stable and reliable funding, including the benefits of safeguards, such as lockbox legislation, to prevent raids on MTA funding. He noted that fares are rapidly becoming unaffordable for average riders and the need to address unfunded post-retirement liabilities and the MTA's large debt load.

Bill also discussed the MTA's capital needs, the successes that the Capital Program has generated, and the challenges that remain. Funding is a primary challenge, and our testimony called upon the State and City to examine new funding models and sources for the upcoming capital program, as the MTA cannot afford to fund more capital projects on a current basis or increase its debt load to make capital improvements without also receiving increased revenue.

On December 20, MTA Capital Construction and NYC Transit held a ceremonial opening of the extension to the 7 line, with Mayor Bloomberg riding on the first passenger trip into the station. The public will have some time to wait before they can make this trip, as problems with station escalators will delay revenue service on the extension until October. I attended the ceremony, along with Stuart Goldstein of the NYCTRC and Bill Henderson. I'll also note that many advocates have proposed that this line be extended to Secaucus, where it would connect with NJ Transit, so this may not be the last extension of the line.