

Permanent Citizens Advisory Committee to the MTA
Chair's Report- Randolph Glucksman
June 12, 2014

State Comptroller Thomas DiNapoli this week released an audit revealing further delays in the completion of the MTA's post-9/11 security upgrades. It is estimated that the improvements will now take until 2017, which is 9 years longer than first planned, in part because of damage from Superstorm Sandy. Because of the sensitive nature of the topic, there were few details in the audit report, but it was noted that security and law enforcement agencies are benefitting from the parts of the system that have been installed to date. The Comptroller and the MTA are cautious about future improvements, however, due to the reductions of federal funding available for security equipment. A copy of the Comptroller's report is in your packets.

In May Governor Cuomo wrote a letter to MTA Chairman Tom Prendergast calling for the establishment of an MTA Transportation Reinvention Commission to examine the MTA system and make recommendations for its future. The recommendations will be contained in a preliminary report that is to be submitted to the Governor in advance of the MTA Board's consideration of the next Capital Program in September. The members of this commission are yet to be announced, but according to this letter they are to include "international transportation experts." The Governor specified that the process should include public hearings, and this provision may well provide a good opportunity for us to raise long-range issues that will affect the MTA system. A copy of this letter is in your packets.

It's positive that Governor Cuomo is attentive to the MTA's capital needs, as the end of the current Capital Program is fast approaching. Along with a range of other civic and transportation advocates, we are very concerned about the funding of the next Capital Program, the cost of which has been estimated at \$30 billion for the five years between 2015 and 2019. The timeline for the next Capital Program includes finalization of a draft version this summer with briefings of MTA Board members and other interested parties. A final version must then be approved at the MTA Board's September meeting because of the statutory requirement that a proposed Capital Program must be submitted to the MTA Capital Program Review Board by October 1.

We are working on the issue of MTA capital needs on several fronts, including a collaborative effort to establish the economic value of investment in MTA infrastructure in which we are involved with the Urban Land Institute- New York, the NYU Schack Institute for Real Estate, the Regional Plan Association and the consulting firm HR&A Advisors. We are also working through the Empire State Transportation Alliance to urge our State elected officials to provide adequate resources for MTA capital needs.

In the State legislative session scheduled to wrap up next week, the MTA suffered some losses in funding. As a result of growth in dedicated tax revenue, the MTA's share of the State budget increased by \$85 million over the MTA's expectations, but \$30 million was diverted from a transit funding stream. Other legislation provided for reducing Verrazano-Narrows Bridge tolls, which costs the MTA \$7 million per year. This is a better outcome than in prior years, but that there continue to be State raids on the MTA's funding even in this period of relatively stable State revenues is disturbing.

There has been some movement on pre-tax commuter benefits, although the news isn't very encouraging. A package of tax extenders was approved by the Senate Finance Committee, and this package includes an increase in the pre-tax benefit for transit commuters from \$130 to \$250 per month, which is equal to the parking benefit for commuters who drive. Unfortunately, this package failed to gain enough votes to overcome a filibuster by Republican members and it appears that the provision will not be acted upon until a lame duck session following the November elections, if at all. This proposal would make the \$250 limit retroactive, but, as we saw the last time higher limits expired, very few employers and commuters are realistically in a position to take advantage of these benefits.

In the House, Ways and Means Committee Chairman Dave Camp has committed to considering tax extenders in groups and has not brought before the Committee a measure dealing with pre-tax commuter benefits. The situation is further complicated by the defeat of House Majority Leader Eric Cantor yesterday. As in the Senate, it is likely that pre-tax transit commuter benefits will not be considered before a lame duck session after the November elections, if at all.

Bill Henderson and Karyl Berger attended a discussion between former MTA Executive Director Lee Sander and Richard Ravitch at NYU's Rudin Center. The occasion for the event was the release of Mr. Ravitch's new book *So Much to Do: A full Life of Business, Politics and Confronting Fiscal Crises*. Mr. Ravitch recounted his time as MTA Chairman and his work on creating a stable funding package for the MTA in 2008, along with comments on the current challenges faced by the MTA, especially with regard to funding capital improvement needs. Mr. Ravitch remains a plain speaking advocate for the MTA system and his viewpoint is valuable as we move toward the next Capital Program.