

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON TRANSPORTATION

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March 12, 2009  
Start: 10:25 am  
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HELD AT: Council Chambers  
City Hall

B E F O R E:

JOHN C. LIU  
Chairperson

COUNCIL MEMBERS:

Diana Reyna  
G. Oliver Koppell  
Miguel Martinez  
Larry B. Seabrook  
Daniel R. Garodnick  
Jessica S. Lappin  
Darlene Mealy  
Vincent Ignizio  
David Yassky  
Gale A. Brewer  
Robert Jackson  
Alan J. Gerson  
Letitia James

## A P P E A R A N C E S (CONTINUED)

Matt Daus  
Chairman  
NYC Taxi and Limousine Commission

Lou Tazzi  
Deputy Commissioner for Finance and Administration

Tweeps Phillips  
Director of Special Projects

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Chief of Staff  
NYC Taxi and Limousine Commission

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Hilary Ring  
Director of Government Relations  
Metropolitan Transportation Authority

Michael Chubak  
Executive Vice President  
New York City Transit

Greg Kullberg  
Director of Capital Program Budgets  
Metropolitan Transportation Authority

Janette Sadik-Khan  
Commissioner  
New York City Department of Transportation

Kristin Goodwin  
Director  
New York Policy and Organizing and Housing Works

CHAIRPERSON LIU: Good morning,  
welcome to today's hearing of the City Council's  
Committee on Transportation. My name's John Liu  
and I have the privilege of chairing this  
Committee.

We're back once again in March for  
the purposes of discussing the preliminary budget  
for Fiscal 2010. We will hear from the Taxi and  
Limousine Commission, then followed by the  
Metropolitan Transportation Authority,  
approximately at about 10:45, and then after the  
MTA, we'll hear from the DOT with regard to their  
comments about the preliminary Fiscal 2010 budget.  
We'll focus both on expense and on capital  
budgets.

I want to thank the work of the  
staff for this Committee, Chima Obichere, the  
Finance Analyst, and Phil Hom, Legislative  
Counsel, for putting together today's hearing, as  
well as the rest of the Finance staff of the City  
Council.

And we're delighted to be joined by  
Commissioner Matt Daus and his team at the Taxi  
and Limousine Commission.

And, with that, let me acknowledge the members who are here, Council Member Miguel Martinez of Manhattan and Council Member Diana Reyna of Brooklyn and Queens.

Welcome, Commissioner Daus.

COMMISSIONER DAUS: Good morning, Chairman Liu, members of the Council Transportation Committee. My name is Matt Daus, I'm the Commissioner and Chair of the New York City Taxi and Limousine Commission, also known as the TLC. Thank you for the opportunity to appear before you today to present testimony regarding--oops--Fiscal Year--had a little spill--Fiscal Year 2010 Preliminary Budget for the TLC. Joining me today to my left is Deputy Commissioner for Finance and Administration Lou Tazzi. To my immediate right is Tweeps Phillips [phonetic], Director of Special Projects; to my far right is David Klar [phonetic], my First Deputy's Chief of Staff.

The TLC's Preliminary Budget for FY 2010 is estimated at \$28,790,802. Of that amount, \$22,634,134 is for Personal Service and \$6,156,668 is for Other Than Personal Services, or OTPS, with

a pending PS budget increase of \$487,787 from collective bargaining, which would bring the total preliminary budget to \$29,278,589.

Although our FY 2008 and '9 budgets did include a headcount reduction of 28, I want to assure the Council that, while the reduction was significant, TLC has taken steps to ensure this reduction has not compromised the quality of services that we continue to provide to the riding public or to our licensees.

Currently TLC has 101,883 licensed drivers and 55,561 total vehicles licensed by our agency. With just over 47,021 current medallion driver licenses--which is a new record for TLC--52,096 FHV driver licensees and 2,787 commuter van and paratransit driver licenses issued, the industry continues to clearly grow. The TLC has worked diligently to ensure that operational standards are not compromised as the number of license applications increase. In fact, while overall licensing activity is up almost 30% from two years ago, the wait time at the licensing facility was under 15 minutes in December. One reason for this success is the recent creation of

1  
2 a new Licensee Support or Customer Relations Unit  
3 which helps to provide hands-on assistance to our  
4 licensees while they navigate the licensing  
5 process. We employ a bilingual staff of greeters,  
6 information kiosks, and new signage and forms  
7 written in plain language that are more user-  
8 friendly, all helping to facilitate communication  
9 between licensees and the TLC.

10 The TLC Adjudications Division has  
11 also actively employed new services and technology  
12 to enhance access to the adjudication process. In  
13 January, the TLC commenced, thanks to the  
14 Council's law that was passed, sponsored I think  
15 by Chairman Liu and Council Member Martinez,  
16 commenced a new telephone consumer hearing process  
17 which has both increased demand, as well as  
18 participation of the general public in the TLC's  
19 court process. The TLC is also implementing  
20 access to Language Line which will provide free  
21 language translation services to licensees during  
22 the hearing process. Finally, we are actively  
23 working on implementing videoconferencing between  
24 our Staten Island and Long Island City facilities,  
25 as well as developing our Web conferencing

capacity to increase participation in the adjudications process.

The TLC's current budget reflects several special projects and initiatives, including the Rules Revision Project, Livery Reforms, the Accessible Dispatch Project, Taxi Cab Group Rides and Livery Stands. Each of these programs requires close coordination between the TLC, the industry, as well as interested stakeholders to ensure its success.

The Rules Revision Project, which is in the second of its three phases, requires continuous outreach and work with our consultants to make our more than 3,000 plus rules easier to understand and in plain language, more concise, and also better organized.

As a regulatory agency, the TLC has an obligation to ensure that each passenger's riding experience is safe, comfortable, reliable, and convenient. The TLC's Livery Reform package will significantly update the way TLC regulates the industry and raise service standards by requiring the display of driver licenses, and the development of a point system to improve vehicle

1  
2 and base owner accountability. Included in this  
3 effort is a Livery Passenger Bill of Rights to  
4 help ensure passengers are receiving the highest  
5 standards of service--and I'd like to commend the  
6 Council for proposing and getting that law passed  
7 because it's something we support. The TLC will  
8 conduct its own inspection of each licensed  
9 vehicle upon licensure as well as license renewal  
10 in addition to the five required DMV inspections  
11 during a vehicle's license term.

12 The TLC's accessible dispatch  
13 demonstration project will continue into next  
14 year. This program utilizes a dispatcher to link  
15 the 238 accessible vehicles with identified riders  
16 that use a wheelchair. To date, this program has  
17 successfully provided more than 1,150 riders with  
18 wheelchair accessible service. The TLC and the  
19 Mayor's Office for People with Disabilities are  
20 continuing a public outreach campaign to ensure  
21 New York City visitors and residents know about  
22 this service.

23 As mentioned in the Mayor's recent  
24 State of the City Address, there is renewed  
25 interest in transportation initiatives that not



1  
2 only decrease the carbon footprint from vehicle  
3 emissions but also help to provide additional  
4 transportation services throughout the city, where  
5 drivers can earn more money and passengers pay  
6 less per trip.

7 The TLC, along with its partners at  
8 the Department of Transportation and the Economic  
9 Development Corporation are currently exploring  
10 potential pilot programs that may utilize multi-  
11 fare meters, group rides and designated livery  
12 stands throughout the city. The TLC is  
13 aggressively working on developing plans for these  
14 projects and plans to present these ideas to its  
15 Board of Commissioners in the late spring.

16 To conclude, our testimony today  
17 highlights TLC's continuous commitment to better  
18 service our licensees and the riding public  
19 through key operational improvements, as well as  
20 exploring new and exciting methods to deliver TLC  
21 regulated transportation services.

22 Thank you again for the opportunity  
23 to testify today and I'd be happy to address any  
24 questions that you have.

25 CHAIRPERSON LIU: Thank you,

Commissioner Daus.

We've been joined by Council Member Larry Seabrook of the Bronx, I think he stepped into the hearing next door for a moment and also Council Member Oliver Koppell from the Bronx and we have questions from Council Member Koppell.

COUNCIL MEMBER KOPPELL: Good morning.

COMMISSIONER DAUS: Good morning.

COUNCIL MEMBER KOPPELL: I note you talked about the accessible ride service, which may be a good thing, but we think it's not as good as having all the cabs accessible and we've talked about that.

In addition, I notice I don't think in your statement--although I apologize, I didn't hear the first part, I tried to look it over--you say anything about hybrids and more fuel efficient cabs, could you address--

COMMISSIONER DAUS: Sure.

COUNCIL MEMBER KOPPELL: --those two issues. First, on the accessibility we've had conversations over the years and you've indicated as a philosophical matter you'd like to see the

1  
2 fleet a 100% accessible, is that still something  
3 that--I guess first question is, is that still  
4 something you view as a long-term objective?

5 COMMISSIONER DAUS: Yes, we 100%  
6 agree with that, that's part of the Taxi of  
7 Tomorrow project that we're working on. The  
8 program using the 3-1-1 system for dispatching is  
9 a temporary measure in our mind to provide service  
10 now until we get to that point.

11 COUNCIL MEMBER KOPPELL: If I may  
12 follow-up on that, as you know, I'm Chairman of  
13 the Committee--

14 COMMISSIONER DAUS: Yes.

15 COUNCIL MEMBER KOPPELL: --on  
16 Disability Services, so this is within my  
17 jurisdiction, we had concern expressed over the  
18 last years about the, you know, reliability and  
19 long-term continued effectiveness of some of these  
20 accessible cabs. We've now had a fair number of  
21 them out on the street for a fair amount of time,  
22 what's your people's assessment on their  
23 capabilities and their durability--that's the word  
24 I'm looking for.

25 COMMISSIONER DAUS: Well, you know,

1 they're passing inspection, so far so good. We  
2 are servicing people who had no service before.  
3 They are meeting the preliminary standards for  
4 service that we put into place so far, but we're  
5 in the process of a massive public outreach  
6 campaign now. To this point, and this is a  
7 demonstration or a pilot program, so it's  
8 something that will and can evolve. We're in the  
9 process right now of doing some more public  
10 outreach so more people know about the service, I  
11 just recorded a public service announcement, which  
12 should be hitting soon with the Commissioner of  
13 the Mayor's Office of People with Disabilities, so  
14 that should be going out there, we put brochures,  
15 we're doing outreach to the disability community.  
16 We have some more capacity to carry more people  
17 and part of the pilot program is to assess what  
18 the demand for the service is. To-date, at the  
19 beginning of the project we use testers and we had  
20 people that were testing it first of all, to make  
21 sure that the system works, that the technology  
22 works and there aren't any glitches. Now we're  
23 actually experimenting with using the taxi  
24 technology systems that are in the cabs in  
25

1  
2 addition to the Blackberries that we have to see  
3 what works better.

4                   So we're still in a testing phase,  
5 I don't want to say that we've reached any final  
6 conclusions yet. The only conclusion I can say  
7 that we reached for sure is that we need to get  
8 more people aware of the service so that we can  
9 appropriately assess demand.

10                   COUNCIL MEMBER KOPPELL: But we  
11 also have some out on the street just cruising  
12 these accessible cabs.

13                   COMMISSIONER DAUS: Yes, yes.

14                   COUNCIL MEMBER KOPPELL: And are  
15 they meeting appropriate durability standards?  
16 Are they--

17                   COMMISSIONER DAUS: [Interposing]  
18 Well at this--I mean we haven't yet performed or  
19 completed, to my knowledge, a maintenance and  
20 repair cost assessment, that's something that  
21 we're going to do. Right now, though they are  
22 safe to the extent that they are on the road,  
23 they've passed inspection and, you know, the  
24 question is how many times they have to get it  
25 fixed and how many things break down is something

1  
2 that we'll have to assess before the pilot's over,  
3 but that's one of the things that we're testing as  
4 well.

5 COUNCIL MEMBER KOPPELL: But how  
6 many accessible cabs are in the yellow cab fleet  
7 right now?

8 COMMISSIONER DAUS: Two hundred and  
9 thirty-eight.

10 COUNCIL MEMBER KOPPELL: Two  
11 hundred and thirty-eight and do you see any  
12 increase in that number in the near future?

13 COMMISSIONER DAUS: Well we would  
14 hope there would be. Seven of those 238 are  
15 voluntary, they were put on the road by the owners  
16 themselves; the other 231 were part of the  
17 restricted medallions the law that the Council  
18 passed requiring that those cabs be used with  
19 accessible vehicles. So, you know, we're going to  
20 move forward, I think the book hasn't been written  
21 on this yet, I think it's being written as we  
22 speak and hopefully sometime this year we'll have  
23 a conclusion to the pilot program and  
24 recommendations and reports to our board, as well  
25 as to the Council.

1  
2 COUNCIL MEMBER KOPPELL: So you  
3 have no plans right now to require replacement of  
4 existing cabs with more accessible ones, there are  
5 no plans right now.

6 COMMISSIONER DAUS: We welcome  
7 them, but is there a plan to sell more medallions  
8 or to do anything of that nature? No.

9 COUNCIL MEMBER KOPPELL: And there  
10 are no special advantages right now or incentives  
11 to have an accessible cab?

12 COMMISSIONER DAUS: There are  
13 vehicle retirement incentives on the books, it's  
14 not obviously working that well. I would be  
15 reluctant to add more accessible vehicles right  
16 now since our main problem that we're dealing with  
17 is that we have all these accessibles and not  
18 enough people taking them, so that's why we're  
19 doing the public outreach. After we do the public  
20 outreach and we get a good handle on what the  
21 demand for the service really is, you know,  
22 obviously it's going to be a lot less than people  
23 who use Access-A-Ride 'cause just because you're  
24 eligible for the service doesn't mean that you  
25 want to take it, it's a premium ride, it's not

1  
2 equivalent to subway fares so people are going to  
3 have to make it an assessment as to whether they  
4 want to use a cab and pay more money for a premium  
5 ride so to speak.

6 So that's the demand we need to  
7 assess and until we reach that point, I wouldn't  
8 recommend that we, you know, proactively try to  
9 add to that consciously because they'll just be  
10 driving around not taking rides. I think we  
11 should try--

12 COUNCIL MEMBER KOPPELL:

13 [Interposing] Well our aim though, we both agree  
14 that our aim is that hopefully the whole fleet at  
15 some point will be accessible so that you can hail  
16 a cab and know that your wheelchair can get into  
17 it--

18 COMMISSIONER DAUS: Right.

19 COUNCIL MEMBER KOPPELL: --if you  
20 have a wheelchair.

21 COMMISSIONER DAUS: That's our  
22 goal.

23 COUNCIL MEMBER KOPPELL: But in  
24 moving to that goal, it seems to me what we ought  
25 to have--and, Mr. Chairman, we should maybe



1  
2 explore legislation on this--some program of  
3 replacing existing cabs as they become obsolete  
4 with accessible cabs. That's what it seems to me--  
5 -

6 [Crosstalk]

7 COMMISSIONER DAUS: We'd be happy  
8 to explore the process.

9 COUNCIL MEMBER KOPPELL: --I mean,  
10 it seems to me that that's something that the  
11 commission should do and certainly should explore.

12 COMMISSIONER DAUS: Well our goal  
13 is, as you indicated, and as we wholeheartedly  
14 agree to move forward as fast as we can on the  
15 Taxi Tomorrow project and to get a custom-built  
16 cab for New York City that's accessible and  
17 ultimately move to replace every cab and make  
18 every cab accessible so that you don't have to  
19 call 3-1-1 anymore, you can just put your hand out  
20 and hail one--that's our goal.

21 COUNCIL MEMBER KOPPELL: We both  
22 agree that's the objective, I just want to make  
23 sure we're not stalled in our progress--

24 COMMISSIONER DAUS: No.

25 COUNCIL MEMBER KOPPELL: --to that

objective.

COMMISSIONER DAUS: We're not stalled in our progress.

COUNCIL MEMBER KOPPELL: Okay. What about what is your report on the hybrids and the use of hybrids?

COMMISSIONER DAUS: Well I'm happy to report that we have over 2,000 hybrids on the road, I think it's about 13 or 14% of the fleet and this is all voluntary. And we are going to be considering on our March 26th Board of Commissioners meeting some rules that the Mayor proposed to basically provide for incentives and disincentives, so we'd be looking at the proposal to raise the lease cap if you buy a hybrid and to lower the lease cap that is charged if you have anything other than a hybrid. So that's--

COUNCIL MEMBER KOPPELL: I notice my colleague to my left was very interested in this subject just arrived.

COMMISSIONER DAUS: Yes.

COUNCIL MEMBER KOPPELL: I didn't see a copy of those proposals, maybe you could have them sent to us?

COMMISSIONER DAUS: Absolutely, I think we do send them to the Council as part of the local law but I'll send one to you personally, have it hand-delivered.

COUNCIL MEMBER KOPPELL: Okay. Well we may have missed it in the mail that we get, but I'd like to see it.

COMMISSIONER DAUS: We'll get it to you.

COUNCIL MEMBER KOPPELL: Yeah. Okay. Again, we've been talking about this a long time, but I'd like to see a gradual move, I'd like you to--I like to see the commission, you know say every year, even if it's a relatively small number--50 or 100 cabs replacing conventional cabs with accessible cabs, that's something that I would like to see. Maybe we'll propose some legislation on it, but it'd be fine with me if it was done by regulation. Thank you, Mr. Chairman.

CHAIRPERSON LIU: Thank you, Council Member Koppell. Council Member Martinez.

COUNCIL MEMBER MARTINEZ: Thank you, Mr. Chair. Commissioner, good morning.

COMMISSIONER DAUS: Good morning.

COUNCIL MEMBER MARTINEZ: I just want to ask some question concerning the for-hire vehicles and according to the Mayor's Preliminary Management Report, street hailed summonses tripled in the first four month of the year. Is there a reason for the sharp increases in summonses?

COMMISSIONER DAUS: Yeah, we've received reports from the industry, as well as our own field observations indicating an increase in illegal activity, especially in the central business district of illegal street hail activity, both by licensed cars and unlicensed cars. I think several months ago and maybe closer to the beginning of the year, we redoubled our efforts and we have more enforcement patrol in those areas and there seems to be more illegal activities, so we're trying to get a handle on that, number one.

Number two, the reason for it, I think it has a lot to do with the economy similar to after 9/11, business drops off in the livery and the black car industry, you have a lot of these vehicles that otherwise would be taking radio calls that are now plying the streets, you know, plying their trade and picking people up and

there seems to be demand for taxi-like services out there, so that's, I think, the reason why. Primarily, of course, we're concerned with those who have no licenses, no insurance, those are really a threat to the public safety, and we are seizing those vehicles and I think the numbers in the PMMR reflect that.

COUNCIL MEMBER MARTINEZ:

Commissioner, in terms of the non-licensed, do you confiscate these vehicles?

COMMISSIONER DAUS: We seize them, we confiscate them if they're unlicensed, and then they have the ability to post a bond and get them back before the hearing.

COUNCIL MEMBER MARTINEZ: So

they're taken off the street.

COMMISSIONER DAUS: They are taken off the street temporarily. If they're taken off three or more times, we can seek forfeiture and actually acquire the property and sell it at city auction.

COUNCIL MEMBER MARTINEZ: And what

is the current revenue that you project or projected for street hailing summonses for FY '09

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and '010?

COMMISSIONER DAUS: Well, you know, our enforcement officers write whatever they see, so we don't have a specific projection for that.

COUNCIL MEMBER MARTINEZ: Do you have it for last year for '08?

COMMISSIONER DAUS: We have, I think, if I'm not mistaken, Lou, maybe you could help me out with this, we have overall the Mayor's budget office sets overall projections just for all summonses. Do we have a number?

MR. LOU TAZZI: Yeah, we don't have a breakout on specifically for street-hailed summonses, but actual for '08 for summonses--

COMMISSIONER DAUS: I think the projection is down. The projections from what I understand--the projections from what I understand are based upon what we did last year, okay. And I think there's nothing more to it, I mean, you know, it is what it is, whatever we write, we write.

COUNCIL MEMBER MARTINEZ: Yeah, but can you get us information on--if you don't have it now, it's fine.

COMMISSIONER DAUS: Yes, we'll try to, I don't know if we can get that--

COUNCIL MEMBER MARTINEZ: In terms of specific, in terms of revenues generated in '09 and--excuse me projected '09 and '10 and give us what you got for '08 in terms of street hails.

COMMISSIONER DAUS: Right, I'll try to get the breakdowns, but I have the overall-- Tweeps, you want to give the overall number?

COUNCIL MEMBER MARTINEZ: No, just--okay.

MS. TWEEPS PHILLIPS: Well it's for all fines, it's not specifically for street hails, us that what you--

COUNCIL MEMBER MARTINEZ: Yeah.

MS. PHILLIPS: Okay. For 2009, 5 million and projected is 6,000,500.

COUNCIL MEMBER MARTINEZ: Okay. And then I know you don't have it with you now, but if you could just get us--

[Crosstalk]

COMMISSIONER DAUS: Yes--

COUNCIL MEMBER MARTINEZ: --specific for street hails.

COMMISSIONER DAUS: --we may have to do a run for that, we'll try to get it to you.

COUNCIL MEMBER MARTINEZ: Okay, thanks. And you know what will be interesting, Mr. Chairman, for our--

COMMISSIONER DAUS: [Interposing] Well we're not talking about a projection though, what we're talking about is--

COUNCIL MEMBER MARTINEZ: '08.

COMMISSIONER DAUS: --what we did in '08--

COUNCIL MEMBER MARTINEZ: Correct.

COMMISSIONER DAUS: --what the fines were--

COUNCIL MEMBER MARTINEZ: Correct.

COMMISSIONER DAUS: --assessed.

COUNCIL MEMBER MARTINEZ: Thank you. And if you can, with the Chairman's permission, I think it will be interesting to see, Commissioner, if you had those numbers, the amount of vehicle confiscated out there without insurance or license to pick up

COMMISSIONER DAUS: I think we have that.



COUNCIL MEMBER MARTINEZ: You have that with you?

COMMISSIONER DAUS: For FY '08?

COUNCIL MEMBER MARTINEZ: Yeah.

COMMISSIONER DAUS: You have it, Tweeps?

MS PHILLIPS: I'm looking.

COMMISSIONER DAUS: Okay. We'll get it for you. I know we have it somewhere.

COUNCIL MEMBER MARTINEZ: Yeah, thanks.

COMMISSIONER DAUS: I just don't remember off the top of my head.

COUNCIL MEMBER MARTINEZ: Commissioner, in that information--and just get it back when you have it--

COMMISSIONER DAUS: Yes.

COUNCIL MEMBER MARTINEZ: --in that information, do you document in what specific area the actual vehicle was confiscated? In other words was it uptown, was it midtown was it downtown?

COMMISSIONER DAUS: I don't believe we do that--

COUNCIL MEMBER MARTINEZ: You  
don't.

COMMISSIONER DAUS: --are you only  
concerned with insurance confiscations or all  
confiscations? All seizures, all unlicensed  
activity is the number you're looking for,  
correct?

COUNCIL MEMBER MARTINEZ: Correct.

COMMISSIONER DAUS: Okay.

MR. TAZZI: You want the total  
number for '08?

COMMISSIONER DAUS: Yes, we have  
the total number for '08.

MR. TAZZI: Fourteen hundred and  
fourteen.

COMMISSIONER DAUS: Fourteen hundred  
and fourteen.

COUNCIL MEMBER MARTINEZ: Fourteen  
hundred. Thank you.

MR. TAZZI: And 14, 1,414

COUNCIL MEMBER MARTINEZ: Thank  
you.

COMMISSIONER DAUS: That's total  
seizures.

COUNCIL MEMBER MARTINEZ: On complaints, Commissioner--

COMMISSIONER DAUS: Yes.

COUNCIL MEMBER MARTINEZ: In FY '09, it shows that customers complaint increase, particularly from customers with the yellow medallion taxi cab in terms of the responding or resolving a customer's complaint that the response time increased at TLC. Is there a particular reason?

COMMISSIONER DAUS: Yes, there is and also I would just like to note it only went up from 22 to 24 days, so it was a very minor increase in our view, but there was a transition going on where we--

COUNCIL MEMBER MARTINEZ: That's true.

COMMISSIONER DAUS: --transferred that function from the consumer relations division staff to the uniformed services bureau where our enforcement officers now process these complaints. You know, they do a triage to see which ones will go to a hearing and which ones are very serious that would warrant revocation. So we believe that

1 transition is settling down and it's our hope that  
2 the numbers will be much more improved by next  
3 MMR.  
4

5 COUNCIL MEMBER MARTINEZ: And how  
6 does the commission handle complaints by drivers,  
7 and are there any tracked--are they tracked in the  
8 Mayor's Management Report?

9 COMMISSIONER DAUS: They're not  
10 tracked through the Mayor's Management Report, we  
11 track them through a system called Siebel, which  
12 is part of the 3-1-1 system. We have 141--

13 COUNCIL MEMBER MARTINEZ:  
14 [Interposing] Drivers also call 3-1-1?

15 COMMISSIONER DAUS: Yes.

16 COUNCIL MEMBER MARTINEZ: Drivers.

17 COMMISSIONER DAUS: Yes, in fact,  
18 we had 141 driver complaints in FY '08 and 105 in  
19 '09. This is actually something that when I was  
20 appointed I insisted that we have the ability for  
21 drivers to complain, as all passengers do. You  
22 know, obviously they call and complain about a lot  
23 of things, but in terms of specific complaints we  
24 will sometimes see, unfortunately, but it's few  
25 and far between, a driver having a fight with

1  
2 another driver, having an incident on the road and  
3 they'll report the other driver--we see some of  
4 that. And drivers, you know, sometimes, but not  
5 all the time will report that the owners are  
6 overcharging them on their lease rates--those are  
7 the types of complaints that would come in and  
8 they're very, very small. These numbers with  
9 respect to the overall number of complaints that  
10 we get is 0.1%.

11 COUNCIL MEMBER MARTINEZ: Is that  
12 the same mechanism to complain, let's say, of an  
13 enforcement officer at TLC or is there a different  
14 mechanism to complain?

15 COMMISSIONER DAUS: No, that's a  
16 different mechanism, you could either call DOI or  
17 you could call our agency, 3-1-1. If a complaints  
18 filed internally, we will investigate that; if it  
19 involves an allegation of corruption, we will  
20 refer it to the Department of Investigation.  
21 Ultimately if resulted investigation revealed some  
22 type of misconduct in violation of our  
23 disciplinary code, we're looking at disciplinary  
24 charges against the enforcement officer. Do we  
25 look at driver complaints that come in for that

purpose? It would be referred out of that system. The traditional driver complaint we're talking about is a complaint as a member of the general public calls to complain, a passenger complaining about a driver, a driver can also call in and complain about another driver and say hey, I was driving and that driver, I get his medallion number, he went through a red light. That's what they could do, they'd file a complaint with us, we'd question the witnesses, we'd issue a TLC generated summons, we'd call that driver in and we'd also take the driver who filed the complaint, hopefully, and either get an affidavit or get them to testify in person or, now with our new system, thanks to your bill, we can, you know, we can get people to come in based on teleconferencing call as part of our pilot. Or hopefully--and I'm happy to say this--we're the first tribunal in the city of New York to be experimenting with on a larger scale videoconferencing, hopefully opening that up to, you know, the rest of the people that call in and complain so they'd never have to really leave their offices. And we're hoping that will bring the number of no-shows at these types of hearings

1  
2 down because there's a large percentage of people  
3 who don't show up after they file a complaint,  
4 they don't actually show up for the hearing, so  
5 we're hoping that, whether it's a web-based  
6 videoconferencing or teleconferencing, consistent  
7 with due process requirements that we could, you  
8 know, make those numbers better and be more  
9 efficient.

10 COUNCIL MEMBER MARTINEZ: Thank  
11 you, Commissioner. Finally, Mr. Chair, I just  
12 want to and see if the Commissioner can give us an  
13 update on our last hearing. There was some  
14 confusion as to the mechanism of credit card  
15 charges per fares. Can you give us an update as  
16 to what's happening with--there was some issue oh-  
17 -

18 COMMISSIONER DAUS: [Interposing]  
19 I'm not sure, I don't think I was at that hearing,  
20 but what specifically is the issue? Do you  
21 remember? There was an issue with credit card  
22 charges?

23 COUNCIL MEMBER MARTINEZ: Well  
24 there was some issues in terms of from the  
25 beginning of the contract, the specific of the

1  
2 contractors allowing two providers in terms of the  
3 drivers having choices to charge--

4 COMMISSIONER DAUS: [Interposing]  
5 Oh, yes, well we have three licensed vendors--

6 COUNCIL MEMBER MARTINEZ:  
7 [Interposing] And, sorry, and the rate of the  
8 charges and so forth.

9 COMMISSIONER DAUS: Okay.

10 COUNCIL MEMBER MARTINEZ: It was  
11 very confusing.

12 COMMISSIONER DAUS: This is Ira  
13 Goldstein, my Chief of Staff, he's the project  
14 manager. I think he testified, I wasn't there.

15 MR. IRA GOLDSTEIN: Good morning,  
16 Councilman. I didn't think that there was any  
17 confusion, it is limited to the three vendors that  
18 the TLC chose through the procurement process as  
19 far as who has to be used for the credit card  
20 processing through the main vendor, so that the  
21 situation that was in effect when we testified--

22 [Crosstalk]

23 COUNCIL MEMBER MARTINEZ: Well can  
24 you just clarify for the record, 'cause I did a  
25 little research, I just want to have it for the



1  
2 record that, you know, you had these three--'cause  
3 this is the system, it's a system in one where it  
4 also include the GPS, it's not you can't--'cause I  
5 asked specifically if I could use--if this is a  
6 system similar to the ones that you have  
7 independently at, let's say, at a store where you  
8 just have to have the machine to charge, and I  
9 believe that you responded yes, but I understand  
10 from some questioning that I did after the hearing  
11 that it's not as simple as just buying one of  
12 these machines--

13 MR. GOLDSTEIN: That's right.

14 COUNCIL MEMBER MARTINEZ: --'cause  
15 you also have the GPS, you have all the other  
16 electronic mechanism that is incorporated into the  
17 system, is that correct?

18 MR. GOLDSTEIN: Right, it was a  
19 basically an integrated solution so the equipment  
20 and the services that are being provided, it was a  
21 complete package, in other words, as far as  
22 breaking off, just processing the credit cards  
23 would result in additional charges in terms of the  
24 equipment fees, any over the air time and  
25 different rates that would be and probably higher

1  
2 rates that would be charged if you went through a  
3 separate credit card processor.

4 COMMISSIONER DAUS: Yeah, we made a  
5 conscious decision, obviously, to basically to do  
6 a competitive process to limit the number of  
7 people you could do this with so that we can have  
8 more bargaining power on behalf of the entire  
9 industry as opposed it would be actually chaos if  
10 we just let everybody go out get their own banks,  
11 get their own vendors, it would have--in fact, our  
12 initial pilot program that we did years before  
13 this that everybody criticized didn't work because  
14 we did that, that we allowed anyone to come in who  
15 had a product and anyone who wanted to figure out  
16 how to do it, do it. But the, I guess, the  
17 important thing to recognize also is that within a  
18 week or so, Council Member, we will be issuing a  
19 request for information to look at taxi technology  
20 2.0, 'cause the contracts are going to be coming  
21 up for renewal soon in another year or two and we  
22 need to basically start this process now to look  
23 for new ideas, maybe there's a better way to do  
24 it, maybe, you know, the people that are doing it  
25 now could do it better, so that's something that

is imminent and I will share a copy of that with you so that we can go over some of these issues.

COUNCIL MEMBER MARTINEZ: Thank you, Commissioner. Thank you, Mr. Chairman.

CHAIRPERSON LIU: Thank you, Council Member Martinez. One last question for you, Commissioner Daus.

COMMISSIONER DAUS: Yes.

CHAIRPERSON LIU: How much does the TLC spend on an annual basis defending against lawsuits?

COMMISSIONER DAUS: Well we don't technically spend anything, but the Corporation Counsel's office does now track for us what would have been spent if it was a private law firm.

CHAIRPERSON LIU: Right.

COMMISSIONER DAUS: Do we have any numbers, Chuck, that we'd like to share? And lawsuits, I think, you know, even though we have some big ones against us, I think overall they're down and Chuck has done a good job of limiting litigation--

[Crosstalk]

CHUCK: [Interposing] The first

1  
2 thing I want to say is in my four years as General  
3 Counsel, our win rate has gone way down, we're  
4 doing extremely well on litigation and I'm very  
5 pleased with that. Second thing--

6 CHAIRPERSON LIU: You mean win on  
7 the part of the people suing the TLC.

8 CHUCK: No, our win rate. We lose--  
9 -

10 CHAIRPERSON LIU: So you're win  
11 rate is going up--

12 CHUCK: We almost lose no  
13 litigation now.

14 CHAIRPERSON LIU: Okay. All right.

15 CHUCK: So, you know, people can  
16 sue for anything and they often do, but very few  
17 people actually win at this point.

18 The other thing I want to say is  
19 the law department sends us what is referred to as  
20 a bill, but obviously is not because we don't  
21 actually exchange money, but their attorneys based  
22 on their level of experience put an hourly rate  
23 down and, you know, note their hours and so on and  
24 we get a monthly bill and I guess there's a year-  
25 end summary at the end of each fiscal year and I

could get you the numbers. As Commissioner Daus said, we don't actually pay that bill so there's no direct cost, but I could get you the--

CHAIRPERSON LIU: [Interposing]

Well obviously the--

COMMISSIONER DAUS: We have hours spent that we can get you, though, right?

CHUCK: Yeah, I can get you the number that--

COMMISSIONER DAUS: Billable hours.

CHUCK: --they have given us as their--

[Crosstalk]

CHAIRPERSON LIU: [Interposing]

Yeah, but--

CHUCK: --cost.

CHAIRPERSON LIU: --Chuck, I'm sure you know a ballpark figure for that.

CHUCK: No, unfortunately, I don't, I just don't have it in mind.

CHAIRPERSON LIU: I've heard that it was about 2 or \$3 million.

CHUCK: I think that's unlikely, I think that's extremely unlikely.

COMMISSIONER DAUS: We don't pay any of that money out of our budget.

CHAIRPERSON LIU: Well it's not a matter of paying that amount of money out of the TLC budget, it's a matter of TLC actions and current costs on the part of the city's taxpayers regardless of which agency it comes out of and it's--

COMMISSIONER DAUS: We'll check that out, we'll check that out for you.

CHAIRPERSON LIU: --I think it's the right thing to do for the law department to be imputing the costs of their efforts for the various agencies that are involved. Obviously, the TLC is one of those agencies that is subject to a lot of lawsuits.

Chuck, you talk about the increase in the win rates, what about the cases that are being settled?

CHUCK: We settle very few cases, we have very few meritorious cases brought. I would settle a case that I thought had merit and we on one or two occasions, for example, have settled small claims court cases because, even

1  
2 though the small claims court is the wrong forum,  
3 nonetheless, when we looked at the records, the  
4 debt was due and so we paid it--those are, you  
5 know, \$600 kind of things.

6 COMMISSIONER DAUS: And just to  
7 clarify, you know, I think the Corporation counsel  
8 I think has done a great job of putting this whole  
9 thing together, I get the monthly reports, we can  
10 find those numbers, I think they have a way of  
11 calculating what you're looking for and we'll be  
12 happy to get that to you, and I think they even  
13 compare us to other agencies and the overall  
14 amount of work that they do.

15 CHAIRPERSON LIU: Okay. So you  
16 have that memo already, it shouldn't take very  
17 much time to--

18 CHUCK: No, I get monthly reports  
19 and I archive them, so I can get that for you  
20 easily.

21 COMMISSIONER DAUS: Yeah, we can  
22 get it for you in a day or two, yeah.

23 CHAIRPERSON LIU: Okay. Then  
24 could--if you do get monthly reports, can you give  
25 us the reports for the last 12 months--

COMMISSIONER DAUS: Yes, I can--

[Crosstalk]

CHAIRPERSON LIU: --on a monthly basis.

CHUCK: Okay. We'll take that under advisement, right?

CHAIRPERSON LIU: And could we have that--wait, is that a yes or a take that under advisement?

COMMISSIONER DAUS: Let me talk to the Corporation counsel's office.

CHAIRPERSON LIU: So you're not able to respond.

COMMISSIONER DAUS: I mean I think they're probably public information, right?

CHUCK: I think so, yeah.

COMMISSIONER DAUS: We'll--yeah.

CHAIRPERSON LIU: I'm sure that would be public information.

COMMISSIONER DAUS: Oh, I guess you could subpoena them anyway, so we'll--

CHAIRPERSON LIU: Right.

COMMISSIONER DAUS: --give them to you.



CHAIRPERSON LIU: Okay. So--

COMMISSIONER DAUS: It's all  
transparent, I mean it's basically--

[Crosstalk]

CHAIRPERSON LIU: [Interposing] If  
it's transparent I would imagine that it'd be  
pretty easy to get within--

CHUCK: [Interposing] It's pretty  
detailed though, I mean it'll have like a list of  
how many hours each attorney spent on preparing  
for a deposition, that type of thing. If you want  
copies of those as opposed to crunching the  
numbers, we'll give those to you.

CHAIRPERSON LIU: Okay.

CHUCK: Okay?

CHAIRPERSON LIU: Yeah, thank you.  
And could we get that like maybe by next week?

COMMISSIONER DAUS: Yes.

CHAIRPERSON LIU: Okay. Thank you  
very much, gentlemen.

COMMISSIONER DAUS: You're welcome,  
thank you.

MALE VOICE: That's it?

CHAIRPERSON LIU: Well they've been

kind enough to testify and answer all the questions we have--

MALE VOICE: Usually--

[Crosstalk]

CHAIRPERSON LIU: --Metropolitan Transportation--

MALE VOICE: --here waiting for three hours.

CHAIRPERSON LIU: --Authority folks are here--

MALE VOICE 2: Three hours.

MALE VOICE: Don't let them go.

CHAIRPERSON LIU: --ready, willing, and eager to testify.

COMMISSIONER DAUS: Be happy to meet with you afterwards, after hours, we'll go get a drink.

[Off mic]

CHAIRPERSON LIU: Okay.

COMMISSIONER DAUS: Am I released? Okay. Bye-bye.

CHAIRPERSON LIU: Yes, thank you very much, Commissioner Daus and your terrific team at TLC.

We've been joined by Council Member Jessica Lappin of Manhattan. And we had also been joined by Council Member Garodnick who is coming in now between meetings, Council Member Daniel Garodnick of Manhattan. And joined by Council Member Gale Brewer of Manhattan in the Alice in Wonderland chair and also Council Member David Yassky, who is, again, jumping in between hearings.

[Pause]

We're joined by officials of the Metropolitan Transportation Authority, we'd like to invite them to testify.

[Pause]

Once again, we want to welcome everybody to this morning's hearing of the City Council's Committee on Transportation. My name's John Liu and I have the privilege of chairing this hearing and this Committee. Today we've convened for the purposes of examining the preliminary fiscal 2010 budget that would be for the year beginning July 1st, 2009. We've heard from the Taxi and Limousine Commission, we are about to hear from officials of the Metropolitan

Transportation Authority and New York City Transit.

We have also been joined by Council Member Vincent Ignizio of Staten Island.

With that, we want to welcome--oh, and Council Member Roberto Jackson of Manhattan.

With that, we want to thank Hilary Ring of the MTA for testifying today and we'll have you introduce your partners.

MR. HILARY RING: Thank you, Mr. Liu. I have a short statement and then we're happy to take your questions.

Good morning Council Members. Thank you very much for the opportunity to be here with you today. I'm Hilary Ring, Director of Government Relations for the MTA and I'm joined by Michael Chubak, Executive Vice President at New York City Transit, and Greg Kullberg, the Director of Capital Program Budgets at MTA.

As you know, the MTA is grappling with an extraordinary fiscal crisis. The budget that the MTA Board adopted in December seeks to close a \$1.2 billion gap by increasing fares, in some cases up to 30%, in order to generate a 23%

1  
2 increase in revenue. The budget also assumes that  
3 nearly a half a billion dollars of service will be  
4 eliminated and that over 1,100 employees may be  
5 laid off.

6 To make matters worse, our next  
7 five-year capital plan for 2010 through 2014,  
8 which the law requires us to release this fall, is  
9 essentially unfunded.

10 While much of this has been in the  
11 news for months now, I would like to spend just a  
12 moment walking you through how we got to where we  
13 are today.

14 As many of you are aware, fares pay  
15 for, on average, less than half of what it costs  
16 to run the system. Toll revenues contribute about  
17 another billion dollars, but, about half of our  
18 resources come from a host of fees and taxes  
19 levied in the MTA region. The state sends a  
20 portion of its sales tax, corporate tax, and  
21 petroleum business tax to the MTA and we also  
22 receive a portion of the real estate transfer tax  
23 collected in New York City, and the mortgage  
24 recording tax collected downstate.

25 During the boom years of this

1 decade, these taxes, especially the taxes that  
2 result from real estate transactions, were doing  
3 spectacularly well. In fact, in several of the  
4 last few years, the MTA appeared to be  
5 accumulating surpluses from unexpectedly high  
6 growth in the real estate transfer tax. These  
7 monies, however have been drawn down over the past  
8 few years so that service could be improved and  
9 fare increases could be kept as low as possible.  
10 Now the pendulum has swung in the other direction  
11 and the taxes that had been doing so well have  
12 fallen off precipitously since the economy went  
13 into its tailspin.

14  
15 At the same time, uncontrollable  
16 MTA expenses continue to increase. Under the  
17 leadership of Executive Director and CEO Lee  
18 Sander, the MTA has made massive strides to be as  
19 efficient as possible. We have consolidated the  
20 management of our bus companies to reduce  
21 redundancy and create efficiencies. We have  
22 removed an entire level of managers from the  
23 subway system and created new line managers to  
24 bring accountability to the subway's operations.  
25 We are merging the back office functions of our

seven agencies into a new state-of-the-art Business Service Center that will save 30 million to 40 million annually. Overall, MTA agencies have cut their controllable expenses by 12%, including between 5 and 10% of their managers and other administrators. One should keep in mind that these reductions are on top of a dramatic increase in ridership which has placed significant additional cost burdens on our budget. Over the past dozen years, ridership on the MTA system has increased by 50% and the services and costs needed to address that increase have risen accordingly.

Nonetheless, there are some expenses that are not in our control. Our debt service continues to balloon. In the mid-1990s, the MTA paid about 500 million a year in debt service; now, we are paying about 1.5 billion and in just three years from now, our debt service bill will be about 2 billion per year, or about 17% of our budget.

In addition, in 2000, the State made the decision to finance the MTA's capital needs, not by coming up with new revenues, but instead by restructuring the MTA's existing debt,

1  
2 issuing more, and stretching those payments out  
3 into the future.

4 Pension costs and health care costs  
5 continue to increase. And, while fuel costs are  
6 low right now, we all know that gas prices will  
7 rise again, and that inflation will drive up the  
8 costs of supplies and wages. When all these  
9 elements converge, you end up with where we are  
10 now--in a structural financial crisis.

11 To come up with recommendations on  
12 a solution to this crisis, Governor Paterson  
13 appointed a commission to examine the MTA's  
14 finances and to recommend a means to finance our  
15 critical operating and capital needs. Former MTA  
16 Chairman Richard Ravitch, who many of you know,  
17 chaired the commission and recommended that the  
18 MTA receive new revenues from three sources: a  
19 mobility tax on payrolls in the 12-county MTA  
20 region, tolls on the East River and Harlem River  
21 bridges, and periodic fare and toll increases.

22 As you have read in the press, the  
23 Governor, the Senate and the Assembly are  
24 currently negotiating the details of the  
25 legislation to implement the Ravitch Commission



1  
2 recommendations.

3           While we hope that the Legislature  
4 reaches an agreement soon, the MTA must also press  
5 ahead to ensure that the Authority meets its  
6 statutory requirement to be self-sustaining. In  
7 that regard, the MTA Board is scheduled to meet  
8 tomorrow to discuss its financial situation, and  
9 again on Wednesday, March 25th, to consider  
10 increasing fares and tolls and approving dramatic  
11 service cuts in order to fund the budget that the  
12 MTA Board adopted in December. Both the fare  
13 increase and the service cuts will go into effect  
14 over the coming months.

15           So now we are at a crossroads--if  
16 the State Legislature does not provide stable,  
17 recurring revenues to the MTA, the future looks  
18 rather bleak: fares and tolls will rise  
19 substantially; the cash fare in New York City  
20 subways and buses could go as high as \$3; the cash  
21 fare for buses in Nassau County, a system that is  
22 used primarily by working people with low to  
23 middle incomes, would rise to 3.50; tolls on MTA  
24 bridges and tunnels could go to \$6.50 each way;  
25 service will be cut dramatically. Some subway and

1  
2 bus routes would be eliminated entirely and other  
3 routes would be eliminated overnights or on  
4 weekends. Several downtown stations would be  
5 closed overnight. We would drastically scale back  
6 overnight service on both the subways and buses,  
7 making travel in the off-peak very difficult.

8           On the subway, during off-peak  
9 hours, we will change our service guidelines,  
10 trains would come less frequently, and would be  
11 25% more crowded. And, we would have to lay off  
12 over 1,100 employees. Our Capital Program would  
13 not be funded, and we would not be able to award  
14 new contracts starting next year. Work on our  
15 major projects such as the Second Avenue Subway  
16 would begin to slow and, probably the most ironic,  
17 we would be back in the same place again next  
18 year, asking the legislature for help avoiding a  
19 crisis that will be much worse than if it is just  
20 solved now.

21           Compare that scenario to what the  
22 future looks like if the legislature expeditiously  
23 enacts funding for the MTA: First, our financial  
24 situation will have stabilized. We will have  
25 enough capital funds to continue to invest in the

1 trillion-dollar asset that is the MTA network. We  
2 will be able to provide new trains and nearly-  
3 zero-emission hybrid electric buses for our  
4 customers. We will be able to rehabilitate the  
5 many stations in our system that so clearly need  
6 work. We will be able to finish the first phase  
7 of the Second Avenue Subway, which will greatly  
8 relieve overcrowding on the 4, 5, and 6 trains.  
9 We will be able to build new, state-of-the-art,  
10 environmentally-friendly bus depots and other  
11 facilities. We will be able to continue to  
12 install new signals in our system that will allow  
13 us to run more trains and relieve overcrowding,  
14 and provide more information to our passengers.  
15 We will be able to provide new bus service  
16 throughout the city, including new BRT routes and  
17 more express bus service. And we will be able to  
18 improve bus service in the counties surrounding  
19 New York City to help those counties reduce their  
20 property tax burdens.  
21

22 The MTA is clearly at a crossroads  
23 and the state has to determine, and determine very  
24 quickly, which course to take. Every five years,  
25 the legislature has stepped up and made sure that

1  
2 the MTA system, the network that keeps New York  
3 moving 24 hours a day, 7 days a week, 365 days a  
4 year, is financially stable and able to operate  
5 efficiently. Times are tough this year, but times  
6 for New York will be even tougher in the future if  
7 New York State doesn't adequately fund its  
8 lifeblood, the New York region's transit system.

9 Thank you for your time, and we  
10 would be happy to answer any questions that you  
11 may have.

12 CHAIRPERSON LIU: Thank you very  
13 much for testifying. Anybody else show up? Thank  
14 you very much, Mr. Ring, for your testimony.

15 So, once again, you are telling us  
16 what could be the case if the legislature enacts  
17 the Ravitch Commission recommendations. What's  
18 the estimated cost of the five-year capital plan  
19 that's being envisioned?

20 MR. RING: We haven't proposed a  
21 capital plan yet, that will be proposed in October  
22 of this year.

23 CHAIRPERSON LIU: Well there had  
24 been one proposed last year.

25 MR. RING: Yeah, one was based on

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congestion pricing revenues was--

CHAIRPERSON LIU: Right.

MR. RING: --about \$30 billion.

CHAIRPERSON LIU: It was about 30 billion. So is it fair to say that the five-year capital plan that's being looked at for October unveiling would be roughly the same amount as well?

MR. RING: One could say that, but, as I said, that's what we're doing right now, we're working on our 20-year needs--

CHAIRPERSON LIU: [Interposing]  
Well I just want to keep the numbers straight here, even with congestion pricing, if it had been passed last year, that congestion pricing would have funded \$4.5 billion, so the MTA was envisioning a \$30 billion capital plan, even though the congestion pricing would have only taken here \$4.5 billion ,so I would say it's say that you would still have to consider a capital plan at least on the order of \$25 billion.

MR. RING: That's what we'll figure out in October when we release the plan.

CHAIRPERSON LIU: Okay. But you go

1 through a pretty detailed list--I think it's a  
2 great list--of what the future would look like if  
3 the legislature expeditiously enacts funding for  
4 the MTA, you talk about all these capital plans,  
5 new trains, nearly-zero-emissions hydroelectric  
6 buses, rehabilitate the many stations that are so  
7 clearly in need of work, finish the first phase of  
8 the Second Avenue Subway, new state-of-the-art  
9 environmental-friendly bus depots and other  
10 facilities, and install new signals in our system.  
11 That's all part of the capital plan, but there's  
12 still no estimate on how much--I mean how do we  
13 know that if the legislature enacts the plan as  
14 recommended by the Ravitch Commission that  
15 there'll be enough to fund all of this?

17 MR. RING: I didn't understand  
18 that's what you're asking. The Ravitch Commission  
19 plan assumes enough revenue to fund a capital plan  
20 sized at about \$30 billion.

21 CHAIRPERSON LIU: All right. So  
22 the Ravitch Commission, those recommendations  
23 itself would be enough to fund a \$30 billion five-  
24 year capital plan. Are you sure about that?

25 [Off mic]

CHAIRPERSON LIU: Okay. That's the Ravitch Commission is talking about \$2.1 billion a year.

MR. RING: Mm-hmm.

CHAIRPERSON LIU: And that would take care of the current \$1.2 billion deficit and fund the remaining 30--

MR. RING: Yes.

CHAIRPERSON LIU: --the \$30 billion capital plan for the five years.

MR. RING: That's my understanding.

CHAIRPERSON LIU: Okay. When Mr. Ravitch testified before us here in front of this Committee on December 16th, he actually talked about how the payroll tax component of his plan would be sufficient to fund the deficit and the capital plan and that any revenue from the new tolling, would be used solely for the purpose of improving bus service. Is that consistent with your way of looking at the total capital plan package?

MR. RING: I think that the revenue from the payroll tax is sufficient to fund the capital program and that the revenue from the

bridge tolling would be used for operating expenses, including providing new buses.

CHAIRPERSON LIU: Okay. So part of the bus improvements would be--the bus improvements, including buying the new buses, that would be a portion of the \$30 billion capital plan.

MR. RING: Buying of the new buses is--is that part of it? Yeah, yeah, that's capital.

CHAIRPERSON LIU: Okay. So I mean it's been talked about in recent weeks that oh the tolling of the bridges is absolutely necessary to stave off the fare increase of 23%, you're saying in some cases 30%, to keep the subways and all the bus lines running, but in fact, according to Mr. Ravitch's testimony here in December, the mobility tax, the payroll tax itself is sufficient to fund the current deficit and the capital plan and that any tolling of the bridges would produce revenue that would only go towards improving bus service. Would you agree with--

MR. RING: Well I wasn't here when Mr. Ravitch testified so I couldn't comment on



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what he said, I just--

CHAIRPERSON LIU: [Interposing]

Okay. But would you agree with--do you think that would be true that the mobility tax would be sufficient--I think you said it before, I just want to make it crystal clear.

MR. RING: It's my understanding that we need both the revenues from the tolls and the revenues from the payroll tax and the revenues from a fare increase to fully fund the estimates that are contained in the financial plan.

CHAIRPERSON LIU: And what happened about two weeks ago when there were reports that the MTA deficit could actually be an additional \$650 million more?

MR. RING: Well we're two months into the fiscal year, the board asked how are things looking right now, our CFO Gary Dellaverson ran through some exercises for illustration if you want to make the assumption, which we're not, but if you want to the make assumption that the history from January, February continues flat--lines through the year--this is one scenario--you can make an assumption that history repeats itself

1  
2 as it had in the past--that's another scenario--  
3 and you can divide the difference in different  
4 places to give the board an idea as to, you know,  
5 with some comfort as to what the future looks  
6 like, but that was an exercise, that's not a  
7 change in our estimates.

8 CHAIRPERSON LIU: Okay. So that's  
9 just a hypothetical \$650 million.

10 MR. RING: Yes, that's saying that  
11 if you want to assume that what happened in  
12 January and what happened in February continues  
13 exactly the same for the remaining 10 months of  
14 the year, we would have a hypothetical deficit of  
15 \$650 million, I don't think anyone was saying--

16 CHAIRPERSON LIU: [Interposing]  
17 Okay. So basically we're still--the MTA's still  
18 operating on the same kinds of figures and  
19 projections as presented back in December--\$1.2  
20 billion operating deficit right now--

21 MR. RING: That's correct.

22 CHAIRPERSON LIU: --and a roughly  
23 \$30 billion--

24 [Crosstalk]

25 MR. RING: [Interposing] Well

1  
2 actually right now we have our budget close to  
3 deficit, we've adopted a budget in December that  
4 closes the deficit and the way we'll be closing  
5 the deficit is by getting the fare increase or  
6 service cuts unless we get other additional money.

7 CHAIRPERSON LIU: Okay. And what  
8 is the magic of the March 25th date?

9 MR. RING: That's the date of the  
10 board meeting.

11 CHAIRPERSON LIU: And so the Board  
12 would have to decide on March 25th--

13 MR. RING: Right, on March--

14 CHAIRPERSON LIU: --that the fare  
15 increase, the 20 to 30% fare increase would have  
16 to go in effect as of when?

17 MR. RING: Well the way it works is  
18 our budget assumes that we have revenue and  
19 expenditure savings that will take place--and  
20 their staged throughout the year, but for the most  
21 in June, so the question is what has to happen to  
22 actually have the revenue come in by June. So for  
23 example, when you start working backwards from  
24 there or you start working forwards from when the  
25 board changes the tariff, there is a bunch of

1  
2 mechanics that has to happen, you have to print  
3 new fare tables, you have to print mail-and-ride  
4 tickets, you have to mail the mail-and-ride  
5 tickets, you have to program the machines, you  
6 have to program the bus fare boxes, you have to do  
7 all this stuff that takes about two months to do.  
8 And similarly on the service change, if you're  
9 going to make a change and you're not going to run  
10 a subway line or you're going to change the route  
11 of a bus, you're going to have to create a new  
12 schedule, you have to follow the collective  
13 bargaining agreements, let the unions pick which  
14 jobs the employees want, you have to figure out  
15 your train allocations and your yard assignments  
16 and your depot allocations and all those other  
17 things so that when the day comes for you to pull  
18 the trigger for these actions to happen, the  
19 myriad of administrative steps that have to  
20 actually take place leading up to that change has  
21 taken place.

22 So the board always meets the last  
23 Wednesday of the month, this was the schedule  
24 that's been set--

25 CHAIRPERSON LIU: I see.

MR. RING: --for a while--

CHAIRPERSON LIU: So it's just like an estimated date really.

MR. RING: No, it's the date of the board meeting.

CHAIRPERSON LIU: Okay. But if the board had to be called back, say the following week, the board would come back the following week.

MR. RING: Yeah, the board can--

CHAIRPERSON LIU: [Interposing] The board can meet pretty much anytime that it's necessary for--

MR. RING: Right.

CHAIRPERSON LIU: --them to meet.

MR. RING: That's true, the point is though that for us to actually generate the money that we need to close the budget hole, you need to actually undertake a whole series of administrative steps and those administrative steps take time.

CHAIRPERSON LIU: Got it. But the March 25th, if it went an extra week, it wouldn't be the end of the world, the MTA would still be

1  
2 able to get everything done, they might have to  
3 get things done quicker, print the new fare  
4 schedules quicker, but nonetheless, it would not  
5 throw the MTA into a crisis if the board meeting  
6 took place a week later.

7                   We talk about the Ravitch  
8 Commission plan and once again I want to go back  
9 to how much is really necessary--I mean how much  
10 would actually be taken care of by the payroll tax  
11 and how much is actually necessary for the tolls.  
12 So, once again, based on a comment you said  
13 earlier, I just want to confirm whether I heard  
14 that right or not, I thought you said that--and  
15 this is what Chairman Ravitch said, but I just  
16 want to see if that's your understanding as well,  
17 I'm not asking you to attest to what Chairman  
18 Ravitch said. The payroll tax of 33 cents for  
19 every \$100 of payroll that would generate an  
20 estimated \$1.5 billion a year in revenue, that  
21 would be sufficient to overcome the current  
22 operating deficit and fund the next five-year  
23 capital plan?

24                   MR. RING: My understanding is that  
25 you need fare revenues, mobility tax, and toll

1  
2 revenues to fund all the assumptions that are  
3 contained in the financial plan. I don't--and  
4 maybe I'm not getting your question, but that's--  
5 you have an assumption that you're going to  
6 generate X number of dollars and you're going to  
7 spend X number of dollars, if you get less than X,  
8 you can't spend X.

9 CHAIRPERSON LIU: Well I think we  
10 can--the part of the problem is that the Ravitch  
11 Commission proposals is being presented as one big  
12 package without any components. We state the  
13 components and you state three components: the  
14 payroll tax, the tolls, and the 8% fare increase,  
15 that's the increase that you're talking about, and  
16 what Chairman Ravitch clearly stated is that the  
17 payroll tax, as well as, I guess, the 8%, because  
18 that was the other revenue proposal in his  
19 recommendations. The payroll tax and the 8% fare  
20 increase would be sufficient to take care of  
21 everything except the bus improvements and that  
22 the toll revenue would be used exclusively to  
23 improve bus service.

24 Mr. Chubak, you seem to have  
25 something to add to that or something to refute.

1  
2 MR. MICHAEL CHUBAK: Not really,  
3 the point I would only make is that the deficit we  
4 have this year, we have a structural deficit, it  
5 recurs every year, so while the revenues from the  
6 payroll tax might be sufficient to close the  
7 current \$1.2 billion deficit, we'll need a source  
8 to close the deficits projected for future years.  
9 It's not just \$1.2 billion, plus the \$30 billion  
10 capital program, if that's what the number turns  
11 out to be, it would be \$1.2 billion and then a  
12 recurring annual operating deficit that needs to  
13 be closed, plus the capital program as well.

14 CHAIRPERSON LIU: Well if that's  
15 the case, I mean how much bus improvement are we  
16 really going to see if the total revenues were  
17 enacted? How much bus service will we really see?  
18 Chairman Ravitch was talking about implementing  
19 the tolls as a way to increase and improve bus  
20 service in the future, but now you're saying that  
21 that--and he stated on December 16th in this room,  
22 sitting in that chair, that the toll revenues  
23 would be used exclusively for the purpose of  
24 improving bus service, now you're suggesting that  
25 that toll revenue actually is necessary to take



1  
2 care of an ongoing operating deficit.

3 MR. RING: No, I think that, like I  
4 said, I wasn't here for when Mr. Ravitch  
5 testified, I don't know what he said, I know that  
6 the Ravitch Commission report says that the toll  
7 revenue is for operating and the payroll tax is  
8 for capital and the fare increase is for  
9 operating, but the bottom line is that if the  
10 tolls generate a certain amount of revenue, that  
11 revenue would need to be replaced by some other  
12 revenue in order to spend all the money that  
13 everyone was planning to spend.

14 CHAIRPERSON LIU: All right. Well  
15 I will say this, this is part of the problem, that  
16 there's a lot of fuzziness out there, and that  
17 different people say different things, although I  
18 believe that the numbers are consistent, they're  
19 just being spun in a different way. Chairman  
20 Ravitch was very clear in his testimony, as he has  
21 always been, the MTA is applying a different set  
22 of wording, or, if not rhetoric, to what he has  
23 said in his recommendations.

24 Let me point this out and this I  
25 think is very clear, the MTA has been incredibly

1  
2 detailed and specific in terms of what subways  
3 would be reduced, what bus lines would be totally  
4 eliminated in case the Ravitch Commission does not  
5 get implemented, their recommend--the MTA has been  
6 extremely explicit and detailed in terms of what  
7 subway reductions would take place and what bus  
8 lines would be eliminated if the Ravitch  
9 recommendations did not go through. But the  
10 Ravitch recommendations clearly state that the  
11 toll revenues will be used to improve bus service,  
12 and yet there has been little to no information in  
13 terms of what the MTA would do to improve bus  
14 service.

15 MR. RING: Well no--

16 [Crosstalk]

17 CHAIRPERSON LIU: There is some  
18 vague reference to bus rapid transit, there's some  
19 vague reference to improving or increasing the  
20 frequency of buses, but we have no details.

21 MR. RING: Well I'm happy to send  
22 you the details that we have, we've got--I've  
23 seen--I didn't bring it with me, I didn't realize  
24 you'd be interested in this--there's a map that  
25 shows the neighborhoods of the city where the

1  
2 additional bus service would likely go and there's  
3 additional part of the equation is also regional  
4 bus and that's a very, you know, well-thought out  
5 and plan that's even started to be implemented, so  
6 I think that, you know, we're happy to provide you  
7 that additional follow-up information.

8 CHAIRPERSON LIU: So there are very  
9 specific detailed lines that--or you're saying  
10 areas? I don't think we necessarily need to know  
11 exactly what streets the lines would run down, but  
12 you're saying that you do have the specific  
13 neighborhoods that will be served?

14 MR. RING: Sure.

15 CHAIRPERSON LIU: I mean I don't  
16 think that's ever been presented anywhere. Has  
17 that been presented to anybody? To--

18 MR. RING: I thought so, but I'm  
19 happy to follow-up with you on that.

20 CHAIRPERSON LIU: Okay. So if  
21 there is such a clear plan on how the bus  
22 improvements would take place, how much will that  
23 package cost?

24 MR. RING: My understanding is  
25 that--and these are very rough numbers, but

1 regional bus is around \$300 million and that  
2 additional bus services in the neighborhood of  
3 \$105 million in operating.  
4

5 CHAIRPERSON LIU: Well regional bus  
6 is not a service improvement per se, that's almost  
7 a measure for cost efficiency, that doesn't  
8 improve bus, that saves costs, right? So let's  
9 talk about, so what you answered was there's about  
10 \$105 million price tag on the bus improvements?

11 MR. RING: And regional bus.

12 CHAIRPERSON LIU: Well you  
13 mentioned \$300 million regional bus--

14 MR. RING: Right.

15 CHAIRPERSON LIU: --what does that  
16 mean? Because a regional bus has always been  
17 talked about as a way to save money, not to add  
18 service.

19 MR. RING: Well I think that, as  
20 you see in Nassau County, for example, and with  
21 MTA bus, the MTA by extending in the management  
22 and bringing our economies to scale to those  
23 systems, we are improving bus service and also  
24 part of the recommendation is to have the MTA  
25 fully take over the financial responsibility of

1  
2 running those services that currently are paid for  
3 by local governments.

4 CHAIRPERSON LIU: Okay. Well  
5 that's all nice, but that still doesn't suggest  
6 that there would be any improvement in bus service  
7 under this caption regional bus service. We know  
8 that we're paying--the city is paying about a  
9 quarter million dollars a year to fund what used  
10 to be the private bus lines.

11 MR. RING: Yeah, about 200 million.

12 CHAIRPERSON LIU: Okay. About 200  
13 million. I think it's--well 200 to \$225 million,  
14 but again, that's not an improvement in the bus  
15 service. So, so far we've only heard that the--  
16 what you say are specific details in terms of the  
17 neighborhoods that would newly be served or that  
18 would be served additionally, that's \$105 million.

19 MR. RING: Yes.

20 CHAIRPERSON LIU: The regional bus,  
21 all you're saying now, it still doesn't suggest  
22 that there's actually an improvement or increase  
23 in bus frequency or service. So bottom line is  
24 we're looking at, based on what you're saying,  
25 \$105 million of improvements to bus service.

1  
2 That's a far cry from what Chairman Ravitch said  
3 in these chambers on December 16th and a far cry  
4 from the billion dollars that the Ravitch  
5 Commission proposals intend to collect from tolls,  
6 a net of \$600 million. So, you know, either way,  
7 there's still fuzziness going on here and it makes  
8 it difficult for the public to accept what is  
9 really happening and why the tolls are so  
10 desperately needed to stave off the cuts and stave  
11 off the 23% fare increase.

12 I want to come back with a few more  
13 questions about that, but we have questions from  
14 many Council Members, including Council Member  
15 Brewer.

16 COUNCIL MEMBER BREWER: I'm sorry,  
17 I was talking to Diana about bed bugs.

18 My quick question is, I know that  
19 you've been through this many times about real  
20 estate issues and why you cannot sell some of your  
21 real estate. Can you explain that again and so  
22 that we can absorb it?

23 MR. RING: Sure.

24 COUNCIL MEMBER BREWER: 'Cause  
25 people think that you have a lot of real estate

1  
2 and you can sell it and that will help us with the  
3 deficit.

4 MR. RING: Yes.

5 COUNCIL MEMBER BREWER: Every New  
6 Yorker thinks that.

7 MR. RING: I understand that. The  
8 MTA owns several important parcels of property:  
9 we own Hudson Yards on the West Side, we own  
10 Atlantic Yards in Brooklyn, we own some properties  
11 on Madison Avenue where Metro North headquarters  
12 and MTA headquarters are, and for the most part,  
13 that's pretty much it.

14 [Crosstalk]

15 COUNCIL MEMBER BREWER: And the  
16 other one is rented in Brooklyn, that's the one--

17 MR. RING: [Interposing] Right, the  
18 whole rest, pretty much rest of the system in New  
19 York City that everyone thinks about: the subway  
20 stations, the elevated lines, the buildings, the  
21 depots, the yards--all of that is leased from New  
22 York City. When the MTA, New York City Transit  
23 Authority, actually, was created and removed from  
24 New York City, the arrangement was that New York  
25 City leased to the MTA in perpetuity, as long as

1  
2 we had a transportation use, all the assets that  
3 belonged to the city that were associated with the  
4 transit system. So when you see substations, when  
5 you see yards, when you see 370 Jay Street, which  
6 is the building in Councilman Yassky's district--

7 COUNCIL MEMBER BREWER:

8 [Interposing] He asks about it all the time.

9 MR. RING: Right. All those--that  
10 was the city's headquarters for Transit, all those  
11 buildings are owned by New York City and leased to  
12 us, we are free to use them at no cost as long as  
13 we have a transportation purpose. Should we  
14 decide that we no longer need these assets for a  
15 transportation purpose, we turn them back to the  
16 city and we're done with that. We would love to  
17 be able to sell assets, however, those assets  
18 aren't ours to sell. If we don't need them, which  
19 would be evidenced by a sale, if we don't need  
20 them, they go back to the city.

21 COUNCIL MEMBER BREWER: And do you  
22 have something on Lower Broadway too or that's  
23 also--

24 MR. RING: Two Broadway?

25 COUNCIL MEMBER BREWER: Yes, is



1

2       that--

3

MR. RING: Yeah.

4

COUNCIL MEMBER BREWER: --also

5

leased?

6

MR. RING: I don't know what the

7

status is of two--

8

[Off mic]

9

MR. RING: Yeah, I think it is, we

10

leased it for a long term.

11

COUNCIL MEMBER BREWER: Okay.

12

'Cause of course the notion is that you still have

13

to pay light, so on and so forth, utilities, so--

14

MR. RING: Yes.

15

COUNCIL MEMBER BREWER: --again,

16

the public thinks that you could consolidate,

17

that's what the public thinks.

18

MR. RING: Right, now for example,

19

in Madison Avenue--

20

COUNCIL MEMBER BREWER: Right, the

21

public thinks you should sell that building--

22

MR. RING: Right.

23

COUNCIL MEMBER BREWER: --and then

24

move to 2 Broadway or move to Jay Street.

25

MR. RING: Right, we--

COUNCIL MEMBER BREWER: Why would that not work? Just so we understand.

MR. RING: Well sure, we actually thought about selling the building on Madison Avenue and that's why we purchased two other buildings along Madison Avenue back in the early 90s. On Madison Avenue you have two complications, one is that we don't the full block; number two is the real value is in the air rights and the air rights currently can be transferred; and three, most of that property is taken up by Metro North Railroad which operates out of Grand Central Terminal. So even if we were to sell those buildings, which you probably wouldn't want to do in this market, you would still have to rent space or find other space in the vicinity of Grand Central Terminal for Metro North to operate. So when you look at the numbers, it doesn't make sense.

COUNCIL MEMBER BREWER: Okay. And 2 Broadway is occupied...

MR. RING: By New York City Transit and by MTA Bridges and Tunnels.

COUNCIL MEMBER BREWER: Okay. Just

1  
2 a suggestion, but, you know, you might want to put  
3 all of that something down so people understand  
4 that--

5 MR. RING: Sure.

6 COUNCIL MEMBER BREWER: --it is a  
7 constant refrain.

8 Number two, and the Chairman  
9 probably knows the answer, but stimulus package  
10 wise, what is happening with the MTA?

11 MR. RING: We have been working  
12 with the Governor's office, with NYMTC--excuse me--  
13 --to prepare a list of projects for stimulus, we  
14 hope that we will get about a little more than a  
15 billion dollars in stimulus--

16 COUNCIL MEMBER BREWER: And that's  
17 all capital?

18 MR. RING: That's all capital and  
19 it is--right now we are waiting on the regulations  
20 so that we can be sure as to what types of  
21 projects are eligible. My understanding is that  
22 we have to spend 50% of the money on projects that  
23 can be committed, in other words, signed contract,  
24 contractors working within 90 days, and--

25 COUNCIL MEMBER BREWER: Right--

[Crosstalk]

MR. RING: And 180 days, I'm corrected, and 180 days is very short so that it's projects which are designed, which had the environmental reviews already done that are ready to go and it's our expectation that we should be, you know, getting about a billion one and moving soon on this.

COUNCIL MEMBER BREWER: It has a small dent in your capital plan, but not a big one.

MR. RING: Well actually what our goal is to spend the money on projects that we have been forced to defer from our existing 2005 to 2009 program.

COUNCIL MEMBER BREWER: Okay.

MR. RING: We cut about \$3 billion of projects out of our 2005 to 2009 program and we're hoping to replace at least some of those with this billion dollars in stimulus.

COUNCIL MEMBER BREWER: Okay. And then just finally, the issue that the Chairman talked about, I think the question is, okay, I happen to be from Manhattan and I happen to

1  
2 support the Ravitch plan, I know that's not  
3 necessarily my colleagues' position, but it is  
4 mine, so the question is if you get that money  
5 though, there isn't a lot of confidence--first of  
6 all, we'd like to see the buses, subways,  
7 technology and so on precede that money or at  
8 least be concurrent. Would that happen if you  
9 were to get the money? In other words, would the  
10 buses show up, would there be lots of opportunity  
11 for people to feel that there was--the service  
12 either increase or at least maintained when one  
13 gets that money if that is to pass?

14 MR. RING: I'm not sure I  
15 understand the question, but--

16 COUNCIL MEMBER BREWER:  
17 [Interposing] People are nervous that if you get  
18 the money from the Ravitch Commission, the MTA,  
19 that the promises of increased service, or at  
20 least maintaining service will not be kept and  
21 there was also a--from Mr. Ravitch, I must say, I  
22 adore Hilary, you, Ring, but you have to have had  
23 people here when Ravitch was talking, I mean you  
24 just--that's something that you need to like sort  
25 out because he's been here twice actually sitting

1  
2 there by himself, very impressive, but I think you  
3 had staff here. So I'm just saying you got to  
4 know what he said, that's just--read the  
5 transcript, whatever. But the issue is if you get  
6 the money then you need to as public, the public  
7 feel that the buses, the subways, etc., and all  
8 the promises are concurrent with that funding or  
9 even preceding that funding. Is that something  
10 that the MTA is thinking about or would promise?

11 MR. RING: Yeah, I think that we--  
12 the service cuts, we wouldn't implement and I  
13 think there already has been a commitment that the  
14 additional bus service would be on the road prior  
15 to tolls being--

16 [Crosstalk]

17 COUNCIL MEMBER BREWER: And that's  
18 BRT and regular service where listed? I mean  
19 there's a--

20 MR. RING: Yes.

21 COUNCIL MEMBER BREWER: Both.

22 MR. RING: Yeah, I think so, the  
23 BRT is a, you know, we have a pilot program, we're  
24 rolling it out.

25 COUNCIL MEMBER BREWER: No, I know.

MR. RING: But I know about the others.

COUNCIL MEMBER BREWER: And the M10s, the M11s, the 104s, and so on, okay. That's a big concern of the public.

Thank you, Mr. Chair.

CHAIRPERSON LIU: Thank you, Council Member Brewer.

Just to point out, one of the areas Council Member Brewer asked you about physical assets, real estate, it hasn't always been 347 Madison or 2 Broadway that has been the subject of public discussion, but rather the Jay Street property in Brooklyn and yet you didn't address that at all. Is there anything you have to say about the Jay Street property in Brooklyn?

MR. RING: I thought I mentioned Jay Street, that--

CHAIRPERSON LIU: Oh, okay.

MR. RING: --that Jay Street is owned by New York City and leased to us--

CHAIRPERSON LIU: I see.

MR. RING: --as the master lease, it's the former head of the location for the

former Board of Transportation.

CHAIRPERSON LIU: So it's not possible for the MTA to do anything on its own there?

MR. RING: Our intent is to in our next capital plan to rehabilitate it and to move offices that are currently in leased space into that building and save some money.

CHAIRPERSON LIU: Okay. Thank you. We have questions from Council Member Martinez.

COUNCIL MEMBER MARTINEZ: Thank you, Mr. Ring. Mr. Chair--Mr. Ring, I want to try to have a better understanding on the Ravitch Commission proposal and I know you already answered some of the questions, 'cause the Chair started his line of questioning concerning the mobility tax, the payroll tax, and the East River tolling. As you know, I represent the Northern Manhattan district, myself and Council Member Jackson would have the largest number of bridges that will be impacted 'cause they're not the large-scale bridges as the Brooklyn Bridge or the Williamsburg--they're smaller bridges, I don't even consider them bridges, I consider them



1  
2 streets, lead to one street to another and to one  
3 community into another immediately. However, when  
4 we speak about the mobility tax, the payroll,  
5 we're talking about the 12 counties that the MTA  
6 serves, correct?

7 MR. RING: Yes.

8 COUNCIL MEMBER MARTINEZ: And how  
9 much would that generate? According to the  
10 Ravitch Commission.

11 MR. RING: One point two billion or  
12 so.

13 COUNCIL MEMBER MARTINEZ: One point  
14 two billion? And when we speak of the East River  
15 and Harlem River bridges, how much would that  
16 generate according to him?

17 MR. RING: You know, 600 million or  
18 so net, something like that.

19 COUNCIL MEMBER MARTINEZ: Six  
20 hundred, now my question is, 'cause obviously when  
21 we speak of the 12 county, the mobility tax seems  
22 equitable 'cause everybody is paying their fare  
23 share for the services. When we speak of the East  
24 River, Harlem River bridges, these are exclusive  
25 communities of the five counties of the city of

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New York, correct?

MR. RING: Yes.

COUNCIL MEMBER MARTINEZ: Now these dollars that would be generated by the tolling, would they be exclusively used only for these five counties?

MR. RING: No, it's my understanding that the money from the toll revenues will be used to support MTA operations and MTA operations are beyond the five counties.

COUNCIL MEMBER MARTINEZ: That seems not to be fair. I mean we're going to pay the mobility tax in the city of New York and we're also going to pay additional by the bridge tolling for operation of services in the 12 counties, correct? So in essence, New York City will continue to pay more for less services.

MR. RING: Well the--

COUNCIL MEMBER MARTINEZ: When we look at in terms of the services of the MTA.

MR. RING: Well I don't know about less services--

COUNCIL MEMBER MARTINEZ: And the lack of repairs in our stations.

1  
2 MR. RING: Well I think that the  
3 concept was that it's a three-legged stool and  
4 everyone benefits from transit should contribute  
5 to that and that's the employers in the region,  
6 motorists of the region, and the fare payers, the  
7 people who ride the system, and between tri-  
8 borough MTA bridges and tunnels tolls and tolling  
9 the free bridges, that's the motorists'  
10 contribution, the fare would be the rider  
11 contribution and the mobility tax would be the  
12 business contribution.

13 COUNCIL MEMBER MARTINEZ: But  
14 you're double dipping from the city of New York.  
15 You're asking us--not you, the proposal is--we pay  
16 the mobility tax in New York City, in addition to  
17 paying the mobility tax, they're asking us--you're  
18 taking more from our pockets again with the  
19 bridge, the tolls, am I right?

20 MR. RING: That's the  
21 recommendation that the Commission made, I'm, you  
22 know--

23 [Crosstalk]

24 COUNCIL MEMBER MARTINEZ:  
25 [Interposing] Correct, and I know that the

1  
2 recommendation of the Ravitch Commission, but it's  
3 totally an unfair proposal and it's also a  
4 proposal as the Chairman eluded to and clearly  
5 highlighted, when Mr. Ravitch sat here, he said  
6 that these dollars from the tolls would be used  
7 not to reduce the tolls, but rather to improve bus  
8 services. You're telling us, not only is the  
9 money not going to be used only for improving bus  
10 services, but for operation and to reduce the  
11 tolls. In addition, you're telling us that New  
12 York City, again, New Yorkers from New York City  
13 continue to pay more for what we get and we get  
14 less and that is the problem--that we continue in  
15 New York City to pay more for less services or  
16 inadequate services, we continue to contribute  
17 more to the MTA than any of the other counties--  
18 than any of the other counties--you continue to  
19 double dip from New Yorkers. And you know what?  
20 We're also in crisis in the city of New York and I  
21 think that, you know, it's not directly geared at  
22 you because you're not the author of the proposal,  
23 but that's the problem for communities like the  
24 ones I represent--and I'll speak on behalf of  
25 Council Member Jackson that he represents 'cause

1  
2 we have most of these bridges--that we make less  
3 money, we're asked to pay more and we continue to  
4 see the same less quality of services and that's  
5 why I differ from my colleague, Gale Brewer, in  
6 not supporting this proposal.

7 And I think, Mr. Chair, we need to  
8 continue to pound on this, just as you have, in  
9 bringing to light that the tolls are not to reduce  
10 tolls--excuse me, the fares. The tolls on the  
11 bridges are not meant to reduce fares and in fact  
12 I think that the tolls in the bridges are not  
13 necessary if we're going to do the mobility tax  
14 and we need to continue to say that loud and clear  
15 'cause they're confusing the citizens of New York  
16 by saying that we need the tolls to reduce the  
17 fares in the MTA and that's not what the Ravitch  
18 Commission said to us--or Mr. Ravitch said to us.

19 Thank you, Mr. Chair.

20 CHAIRPERSON LIU: Thank you,  
21 Council Member Martinez, it's a very good point  
22 and we have to clarify that point going forward in  
23 the next couple of days and weeks.

24 Council Member Lappin.

25 COUNCIL MEMBER LAPPIN: Thank you,

Mr. Chair.

Like Gale Brewer, I'm a big fan of Mr. Rings. I wanted to discuss--

COUNCIL MEMBER MARTINEZ:

[Interposing] I'm sorry, point of information--

COUNCIL MEMBER LAPPIN: Yeah?

COUNCIL MEMBER MARTINEZ: --I'm also a fan.

COUNCIL MEMBER LAPPIN: We all love Hilary.

MR. RING: Fan club here, that's great.

CHAIRPERSON LIU: With fans like that...

COUNCIL MEMBER LAPPIN: Here's what I wanted to talk about in terms of your testimony today and it's, why are we talking about the Second Avenue Subway? I mean I have been told time and time again that the first phase is fully funded and that the bulk of that money is coming from the federal government, so why is it that if the Ravitch plan doesn't happen, the Second Avenue Subway is slowed, but if it does, we're going to finish the first phase of this subway?

1  
2 MR. RING: The Second Avenue  
3 Subway--and Greg can talk about this a little  
4 more--the funding of the Second Avenue Subway is  
5 we entered into a full-fund grant agreement with  
6 federal government, whereas they gave us federal  
7 money and we committed to paying a local share.  
8 The local share is included in our capital plan,  
9 so it goes over more than one capital plan, so for  
10 the capital plan that starts in 2010, we need to  
11 come up with the money within that time period to  
12 pay that portion of the local share for the grant  
13 that we got to build the Second Avenue Subway.

14 If we have a fully funded capital  
15 plan, then that's not really an issue. If we have  
16 to figure out how to fund that local share, plus  
17 other critical infrastructure needs in a reduced  
18 envelope of funding, then we'll have to figure out  
19 whether we have to do that over a longer period of  
20 time or what priorities to make, that's all that  
21 we're saying.

22 COUNCIL MEMBER LAPPIN: I mean, I  
23 guess to me and, you know, and it goes to sort of  
24 Councilwoman Brewer's point about credibility and  
25 having faith in what the commitments are that the

1  
2 MTA makes. We're in the ground, we've put  
3 businesses out of business, we have disrupted the  
4 neighborhood, we are, I mean, the ship has left  
5 the station, I guess I should say the tunnel  
6 boring machine has left 96th Street. So I don't  
7 understand, unless it's just a threat to get  
8 people sort of riled up and behind the Ravitch  
9 plan why we would even be discussing it. We said  
10 it's fully funded, we said to the federal  
11 government it's fully funded, we've said to people  
12 in the neighborhood it's fully funded, we've had  
13 ground breakings, I mean it's--and we're building  
14 it, so I don't care if the MTA capital plan is  
15 fully funded or not, it just seems to me either to  
16 be a ridiculous thing to say or a how am I ever  
17 going to have any faith in anything that we say in  
18 terms of the promises that you guys make.

19 MR. RING: Do you want to give some  
20 more detail, Greg?

21 MR. GREG KULLBERG: Just to be  
22 clear, Second Avenue Subway has always been  
23 represented as a project that needed to be built  
24 over multiple five-year capital plans--

25 COUNCIL MEMBER LAPPIN:



1  
2 [Interposing] I'm only talking about the first  
3 phase, right, too, I just want to make sure--

4 [Crosstalk]

5 MR. KULLBERG: Yes, the phase one  
6 project has always been represented as an  
7 initiative that needed multiple capital programs,  
8 including the next '10 to '14 program to fully  
9 fund and build. It's always been represented that  
10 way, I don't think there's been any  
11 misrepresentation of that at all.

12 COUNCIL MEMBER LAPPIN: It has been  
13 represented to the federal government and  
14 everybody else down the line as a fully funded  
15 project, that first phase.

16 MR. KULLBERG: Making the  
17 presumption that the state would fund our next  
18 capital program and--

19 [Crosstalk]

20 COUNCIL MEMBER LAPPIN:  
21 [Interposing] And I guess fully--

22 MR. KULLBERG: --sufficient level  
23 to do that.

24 COUNCIL MEMBER LAPPIN: --funded or  
25 it's not fully funded. I mean, like that's sort

1  
2 of, I think, the whole crux of this discussion--  
3 either you're making a commitment or you're not.  
4 And, you know, like I'm not even talking about Bus  
5 Rapid Transit, which I put in a newsletter, I  
6 think, you know, the first few months I was in  
7 office and then, oh, it's not coming unless you  
8 vote for congestion pricing; oh, it's not coming  
9 unless we get the Ravitch [off mic] I mean I'm not  
10 even talking about that, I'm talking about a  
11 project that's already well underway.

12 MR. RING: Right, and I think what  
13 Greg said is accurate, that we could show you the  
14 presentations that we've been giving now on the  
15 capital program for the last few years where both  
16 this and East Side access are projects that  
17 stretch over more than one capital plan and that's  
18 how large capital projects are already done. Is  
19 it our expectation that it will slow down? No,  
20 but it's also not our expectation--it is our  
21 expectation that we'll have a fully funded capital  
22 plan.

23 COUNCIL MEMBER LAPPIN: I hear you  
24 except you wouldn't take off the roof of your  
25 house and say, oh, I've fully funded this project

1  
2 and then put half a roof back up and then say, oh  
3 well, I guess it's not fully funded. I just I  
4 don't get it and I don't like to see it even  
5 discussed in this manner because to me it  
6 shouldn't even be on the table.

7 But thank you, Mr. Chairman.

8 CHAIRPERSON LIU: I think it would  
9 help us because that is a disturbing statement  
10 because I think the general public, and certainly  
11 our committee here, understood that that first  
12 phase, the financing of it had been put in place  
13 completely and to say that, oh we need the Ravitch  
14 Commission, i.e., both the payroll tax and the  
15 toll revenues to ensure that that's Second Avenue  
16 line, the first phase of it is actually done--that  
17 is disturbing, I would concur with Council Member  
18 Lappin. Why don't you give us a sense of how much  
19 more will be necessary from the next five-year  
20 capital plan so that the funding for the entire  
21 first phase of the Second Avenue Subway will be  
22 done.

23 MR. RING: Broadly speaking then in  
24 the next capital plan, about \$5 billion.

25 CHAIRPERSON LIU: Five billion

dollars?

MR. RING: Is necessary to fund--

CHAIRPERSON LIU: That's crazy.

MR. RING: --the completion of the first phase of East Side access and the Second Avenue Subway.

CHAIRPERSON LIU: Oh, East Side access also.

MR. RING: Yes. I mean, do you have the breakdown?

[Off mic]

MR. RING: What's the next plan?

CHAIRPERSON LIU: I nearly lost a gasket there when you said \$5 billion, I thought you were going to say another \$500 million on a project that was about 4 to \$6 billion to begin with.

MR. RING: About 1.4, we need about \$1.4 billion in the next capital plan starting in 2010 to be dedicated to the Second Avenue Subway to finish that phase.

CHAIRPERSON LIU: What's the total cost of the first phase of the Second Avenue Subway?

MALE VOICE: Four point three billion.

MR. RING: Four point three billion.

CHAIRPERSON LIU: See this only lends weight to Council Member Lappin is saying. The whole project is estimated to be \$4 billion-- 4.3 you said?

MR. RING: Four three four seven.

CHAIRPERSON LIU: Okay, \$4.347 billion and we still need another \$1.4 billion--

MR. RING: Yes.

CHAIRPERSON LIU: --in the next five-year capital plan. See the public is generally led to believe--the public has been led to believe that the first phase is fully funded, therefore, all these businesses are put out of business--

MR. RING: Well I think in--

CHAIRPERSON LIU: --and there's a huge amount of disruption there. To say that we still need another \$1.4 billion, it's preposterous.

MR. RING: Well these numbers have

not changed, this is what was in the congestion pricing 2008 to '13 plan, these numbers have been consistently reported over the last, I don't know, three, four years.

CHAIRPERSON LIU: Well I think the point here is I think it would be safe to say that the additional \$1.4 billion would be found no matter what whether or not the toll revenues were imposed. I think that's fair to say.

We have questions from Council Member Koppell.

COUNCIL MEMBER KOPPELL: Thank you. I think the Chairman and my colleague, Mr. Martinez, raised an important point and the tolls are a very controversial part of this proposal, it's the most difficult part to go down politically, you know that and I know it. The tolls are going to produce \$600 million a year, right?

MR. RING: Yes.

COUNCIL MEMBER KOPPELL: We can agree on that. Net, after the expense of imposing them, they're going to raise a billion, but there's a cost obviously in administering the

1  
2 system, so 600 million a year. I take it--and I  
3 was not present, but, of course, I'm sure the  
4 Chairman's stating it correctly that Mr. Ravitch  
5 said that the tolls were primarily to support bus  
6 service, do you disagree or agree with that?

7 MR. RING: Disagree with that  
8 that's what he said or that's what the--

9 COUNCIL MEMBER KOPPELL: No,  
10 disagree with that is the fact.

11 MR. RING: My understanding is that  
12 there's going to be between regional bus and the  
13 additional local bus service \$400 something  
14 million spent on bus service.

15 COUNCIL MEMBER KOPPELL: Okay. So  
16 if the total increases are intended for bus  
17 services, we could reduce the tolls from \$5 to  
18 something less because \$5 raises \$600 million and  
19 we only need \$400 million to do the bus service  
20 improvements, maybe that's why Shelly Silver  
21 recommended only \$2 for the tolls, I don't know,  
22 but am I stating it correctly?

23 MR. RING: But then you don't fully  
24 fund the financial plan.

25 COUNCIL MEMBER KOPPELL: So you

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disagree with what Ravitch said.

MR. RING: Well I wasn't here--I don't know what Ravitch said.

COUNCIL MEMBER KOPPELL: Oh okay, but you disagree with that presumption--we need the tolls for more than just bus service.

MR. RING: That's my understanding, yes.

COUNCIL MEMBER KOPPELL: Okay, okay. So at least we have that clear, we need the tolls for more than just bus service if we're going to fully fund the proposal that the Ravitch--fully fund the services that the Ravitch Commission is attempting to fully fund with its program.

Going a little bit further with Mr. Martinez's point, you have 100 million for bus services in the city and 300 million for bus services outside the city, is that correct?

MR. RING: No, 300 million is for regional bus, that includes--

COUNCIL MEMBER KOPPELL:  
[Interposing] But regional bus is outside the city.



1  
2 MR. RING: No, and that's also  
3 would remove the obligation that the city  
4 currently has to support MTA bus company, that's  
5 about 200 million of that or more.

6 COUNCIL MEMBER KOPPELL: I see, so  
7 it would cover where the express bus is  
8 essentially, the costs of the express buses.

9 MR. RING: Well when the MTA took  
10 over the privates--

11 COUNCIL MEMBER KOPPELL: Right.

12 MR. RING: --the city continues to  
13 pay the bill.

14 COUNCIL MEMBER KOPPELL: Right,  
15 it's more than just the express bus, you're right,  
16 and in Queens, they were not express buses.

17 MR. RING: Yes, the Queens, it's  
18 all the [off mic]--

19 COUNCIL MEMBER KOPPELL: So that  
20 money would relieve the city of that obligation so  
21 that in some ways, the toll--well the tolls and  
22 whatever else in the program is actually providing  
23 relief to the city.

24 MR. RING: Yes, which I understand  
25 is important to the city.

COUNCIL MEMBER KOPPELL: Certainly it's important to the city, but I suppose that we might want to weigh that--you say that's \$200 million.

MR. RING: Yes.

COUNCIL MEMBER KOPPELL: So if we take--

MR. RING: Rough numbers.

COUNCIL MEMBER KOPPELL: --if we leave that obligation with the city, we'll have to deal with that with the Mayor separately; if we keep it, then we could reduce the tolls by those 200 million.

MR. RING: Sure, you could reduce-- if you don't need as much expenditure, you don't need as much revenue.

COUNCIL MEMBER KOPPELL: So if all we need to do is improve the bus service and not relieve the city of its subsidy obligation, we've brought the additional revenue needed down by about 300 million.

MR. RING: Well the 300, then there's also the 100 million that was going to the other counties in the region to pay for their bus

service and integrate that into one bus operation.

COUNCIL MEMBER KOPPELL: Have you estimated the tolls, how much is going to come from drivers who reside in the city as opposed to how much is going to come from drivers who reside outside the city?

MR. RING: I'm not aware of that, no.

COUNCIL MEMBER KOPPELL: But it would be interesting in terms of Councilman Martinez's point to look at that, because certainly some of the tolls are going to be paid by non-New York City residents, so to that extent, his comments are perhaps a little overstated, but it seems to me estimates of that would be available and it will be interesting to look at.

MR. RING: Yeah, I--

[Crosstalk]

COUNCIL MEMBER KOPPELL:  
[Interposing] I mean I've been asked, I mean these decisions are going to have to be made in Albany, not by us--

MR. RING: Right.

COUNCIL MEMBER KOPPELL: --it looks

1  
2 like, so but it would be interesting to me, since  
3 I have been asked my opinion on these toll  
4 increases, to know because my own view is--and  
5 you're aware of the fact that a few years ago I  
6 brought a lawsuit on this issue--that the city  
7 residents are overburdened by the current MTA  
8 subsidy structure and to some extent we may be  
9 tilting that even further by this because city  
10 residents pay a much higher percentage of the cost  
11 of the ride in the--since the city riders use the  
12 subways and the suburban riders pay.

13 The one last question, so I would  
14 like to know whether you've done any of those  
15 estimates. If you have those estimates, I'd like  
16 to get them.

17 MR. RING: Yes, I'm happy to follow  
18 up with you.

19 COUNCIL MEMBER KOPPELL: Soon I  
20 hope. Yeah, and the other issue is the increase  
21 in ridership actually costs you money, is that  
22 correct?

23 MR. RING: Increase in ridership  
24 costs us money if the increase is such that we  
25 have to add additional service.

COUNCIL MEMBER KOPPELL: Is it your perception that that has happened over the past two years?

MR. RING: Sure, yeah, of course, ridership up 50%, you can't squeeze 50% more riders in the same number of trains and buses.

COUNCIL MEMBER KOPPELL: So the increase in fares has been offset by--more than offset by increase in costs, do you know the answer to that?

MR. CHUBAK: It would depend which precise period of time you're speaking to.

COUNCIL MEMBER KOPPELL: I mean one of the questions that I have asked myself as I look at your numbers is, this dramatic increase in ridership, you know, one's perception might be that that's a good thing, you got more money. So why does your deficit keep growing as you have more riders? But if you're right that the increase in ridership actually costs you money, then it would be explained.

MR. RING: And two things, one--

COUNCIL MEMBER KOPPELL: I assume you've looked at that.

MR. RING: Yeah, one is when you look at the average fare, for example, when 1995 before we introduced MetroCard, the fare, it was one fare, was \$1.50 I believe and now the average fare is \$1.36, which means that because more people use passes and take more rides, those rides, you don't get the full fare from--

COUNCIL MEMBER KOPPELL: Right.

MR. RING: --and so the average fare goes down, your costs stay static or increase if you have to add service. So for example, New York City Transit subways right now are around pay for about 68% of their cost; a bus, a local bus pays for only about 38% of its cost, so it's not a money-making proposition. So that the more service you put out on the street, if you have to put more service out, you're not making that up with fares, since fares don't cover the cost.

COUNCIL MEMBER KOPPELL: Have you studied the issue of variable pricing in that connection?

MR. RING: Time pricing?

COUNCIL MEMBER KOPPELL: Yeah.

MR. RING: Yeah, we have, actually.

COUNCIL MEMBER KOPPELL: And?

MR. RING: We looked at it last year, it doesn't seem to work because the--I have to remember now--do you remember why when we...

MR. KULLBERG: We took a look at the possibility of having peak and off-peak prices the last time we raised the fare and essentially what we needed to do in order to generate the necessary revenue, we had to create a peak time period that was fairly broad, essentially you would charge the peak price between 6 a.m. and 10 a.m. and then again between 3 p.m. and 7 p.m. We need to have such a long peak period in order to generate enough revenue. The problem is if you do that, you basically make it impossible for people to change their habits. It would be one thing if we had a narrow peak, then maybe people could adjust their work hours by 30 minutes or an hour, but with a four-hour peak, essentially people essentially couldn't modify what they do to come to work before 6 a.m. or to wait until after 10 a.m. So in effect, you'd be penalizing people and not giving them the opportunity to respond, so it was considered impractical.

COUNCIL MEMBER KOPPELL: [Off mic]

I think it ought to be looked at, I mean you could have a narrower peak and I'm trying to respond to the idea that more riders create more cost, that wouldn't be the case if you got more riders at a time when the system isn't going at close to 100% capacity because if you got more riders going when you're only at say 80% capacity, it wouldn't create more cost, but you'd get more revenue. Similarly, if you could move people from the peak to these non-peak hours, you would have to have less additional service during the peak hours, so I do think it's something that ought to be looked at.

MR. RING: Yeah, it's interesting how when you look at ridership, for example, right now, our weekend ridership--Saturday, Sunday ridership--when you combine those two days, it's as much ridership as a normal workday. So when you're looking for times when the subways and buses aren't crowded, they're getting fewer and fewer, harder and harder to find.

COUNCIL MEMBER KOPPELL:

Nonetheless, I do think it ought to be looked at



1  
2 especially now that you have the MetroCard system,  
3 it's much easier to change the fare at different  
4 times. When you had a token, it would be much  
5 more difficult; now it's, I guess, relatively  
6 easy.

7 Thank you, Mr. Chairman.

8 CHAIRPERSON LIU: Thank you, thank  
9 you, Council Member Koppell.

10 I think, you know, it's disturbing  
11 this notion that additional riders would impose  
12 more costs. Yeah, there would be some nominal  
13 cost with the additional riders, but certainly not  
14 at the rate of the average cost per ride, so I  
15 just want to say that there are still  
16 efficiencies, even if you have more riders, there  
17 would be more efficiencies, there would be some  
18 nominal cost increase, but it would not increase  
19 at the, what is currently the average cost of a  
20 ride.

21 I just want to go back to the toll  
22 revenues for a little bit because the numbers are  
23 now really beginning to get jumbled. You talked  
24 about how the money would be used to improve bus  
25 service and I still don't think that the way

1  
2 you've described regional bus that that actually  
3 is a bus improvement.

4 But let's go back to the \$1 billion  
5 estimate to begin with. A billion dollars that  
6 will be generated with these new tolls on the East  
7 River and Harlem River crossings and yet only \$600  
8 million would actually be available after the  
9 overhead expenses. Do you have any information  
10 about what that \$400 million so-called overhead  
11 is?

12 MR. RING: Not specifically, but I  
13 do know that it includes the maintenance of the  
14 bridges, you know, the city would be turning over  
15 the bridges to the MTA to own and maintain, so  
16 that's taken out there, and the administrative  
17 costs and the overhead of running the toll  
18 collection system and there may also be some  
19 capital costs associated with the new bus service,  
20 but I can get you, I can see if I can get you that  
21 information--

22 [Crosstalk]

23 CHAIRPERSON LIU: [Interposing]  
24 Well the capital costs associated with the new bus  
25 service, that would be part of the \$600 million

1  
2 net available for bus improvements, but it still,  
3 you know, the estimates of the costs of  
4 maintaining those bridges run in the range of 100  
5 to 150 million, that still suggests that the  
6 overhead, the administrative cost of collecting  
7 these revenues is 25 to 30% of the gross--that is  
8 a highly inefficient manner to raise revenue and  
9 it just penalizes people unnecessarily--the very  
10 same people who don't have the choices.

11                   Getting back to one of Council  
12 Member Koppell's questions, at the end of 2007  
13 when congestion pricing was coming to a head that  
14 there were estimates that stated 80 to 85% of the  
15 people who drive into Manhattan live within the  
16 five boroughs and so it is not mostly people who  
17 are coming from outside the city, it's mostly  
18 people coming from inside the city. Why? Because  
19 it's actually easier to commute into Manhattan if  
20 you live in Long Island or Westchester because  
21 there is great transit service, but if you live in  
22 the further reaches of the five boroughs, it's  
23 very difficult to come in by mass transit, which  
24 is why people drive. But, again, going back to  
25 the tolls, to collect a billion dollars of toll

1  
2 revenue and then to have to pay 250 to \$300  
3 million of that in overhead expenses, the costs  
4 associated with collecting that revenue, that's  
5 highly inefficient, it's too punitive.

6 And we have questions from Council  
7 Member James. And let me acknowledge that we have  
8 been joined by Council Members Mealy from  
9 Brooklyn, Council Member Gerson from Manhattan,  
10 and we've been joined by Council Member Letitia  
11 James of Brooklyn and she has questions.

12 COUNCIL MEMBER JAMES: Thank you.  
13 Hi. Hilary and I are old friends, we go back for  
14 a very long time, but, Hilary, you know I have--

15 MR. RING: Well that doesn't  
16 protect me.

17 COUNCIL MEMBER JAMES: No, it  
18 doesn't protect, it didn't protect you back then  
19 and it's not going to protect you now.

20 So, as you know, I'm concerned  
21 about the cuts in service, particularly in  
22 downtown Brooklyn, 25 bus, the 26 bus, cuts to the  
23 G Train, and a number of other cuts in downtown  
24 Brooklyn. I want to first focus on your  
25 inventory, 270 Jay Street, what's the possibility

that you can get out of your lease at 270 Jay Street since--

MR. RING: [Interposing] 370, the headquarters?

COUNCIL MEMBER JAMES: 370, excuse me, yes.

MR. RING: We could if we don't need it for transportation purposes turn it over to the city.

COUNCIL MEMBER JAMES: And do you currently need it for transportation services since the building now remains empty?

MR. RING: Yes, our plan is to rehab it and move people from leased space into there.

COUNCIL MEMBER JAMES: Do you currently have the funds for rehab of that building?

MR. RING: Our expectation is that those funds would be in the 2010 to '14 plan. The congestion pricing plan that we proposed last year had 200 million, I believe--

MALE VOICE: One fifty.

MR. RING: --150 in there to rehab

that building.

COUNCIL MEMBER JAMES: The congestion pricing plan unfortunately failed so--

MR. RING: Yes.

COUNCIL MEMBER JAMES: --when do you anticipate--in this multi-year capital plan do you envision rehabbing 370 Jay Street?

MR. RING: I think the money was in the first year of the plan.

COUNCIL MEMBER JAMES: Is in the first--and do you--oh.

MR. RING: Is it? Yeah.

COUNCIL MEMBER JAMES: Okay. And do you also plan on leasing out the ground floor to businesses that might be interested or--

[Crosstalk]

MR. RING: You know, I think that, I don't think we're there yet, but we generally, you know, do lease the first floor for retail if we can, you know, we leased the whole first floor of the Madison Avenue building and 2 Broadways, the first floor is leased, so we think retail presence on the first floor is good.

COUNCIL MEMBER JAMES: In the event

1  
2 that you do not realize those funds, would you  
3 consider getting out of your lease at 370 Jay?

4 MR. RING: The issue for us is that  
5 we still need to pay money to lease space and that  
6 it's not economic for us to lease space if we can  
7 move people into space that we don't have to pay  
8 for, which will be 370 Jay Street. So is it our  
9 expectation--yeah, it's our expectation that we  
10 get a capital plan, if we don't get a capital  
11 plan, I wouldn't want to guess as to what the--

12 COUNCIL MEMBER JAMES: Right.

13 MR. RING: --our position would be,  
14 but we've had that building, we've used that  
15 building, it's a great location, we have a need  
16 for it, and our expectation is that we'll rehab it  
17 and continue to use it.

18 COUNCIL MEMBER JAMES: But you  
19 don't own it, you lease it like all--

20 MR. RING: [Interposing] Like all  
21 the rest of the subway property.

22 COUNCIL MEMBER JAMES: So my  
23 question, do you own property on--you own property  
24 in my district on Nostrand Avenue and Union,  
25 which, unfortunately, has had scaffolding around

1  
2 it for the last 10 years, I continue to complain  
3 about it, the businesses on Nostrand Avenue  
4 continue to complain about it, it was supposed to  
5 be in the capital budget many times past, that  
6 building has yet to be rehabbed. When will we  
7 ever get to that building on Nostrand Avenue,  
8 which is a substation?

9 MR. KULLBERG: We haven't yet  
10 developed the 2010 through '14 capital program,  
11 but I'd be hopeful that it would be--

12 COUNCIL MEMBER JAMES:  
13 [Interposing] Nostrand Avenue, that substation is  
14 an eyesore and it continues to affect the  
15 businesses on Nostrand Avenue. To the extent that  
16 you do not have a budget in place and you  
17 anticipate rehabbing 370 Jay, I would urge that  
18 you take a serious look at Nostrand Avenue, which  
19 has, unfortunately, remained--the conditions  
20 persist and have continued again, over a 10-year  
21 period of time and it has been ignored by MTA and,  
22 much to the chagrin of the constituents of Crown  
23 Heights and they deserve as much attention as the  
24 residents and businesses on Madison Avenue.  
25 Nostrand Avenue should be a priority and I would



urge that you would make it a priority.

In addition to that, there's another facility, which, unfortunately, has fallen into disrepair. That's another substation on Bedford Avenue, is Bedford Avenue part of your capital plan. Again, in Crown Heights.

MR. KULLBERG: I'm not familiar with that particular building, I've been told, however, that the Nostrand Avenue substation is being designed for rehabilitation.

COUNCIL MEMBER JAMES: I was told that when I first was elected and that was six years ago, so nothing has happened, the scaffolding continues, again, the businesses are complaining, Nostrand Avenue merchants are complaining and so--yes, Mr. Ring?

MR. RING: We'll get back to you with the details on those two properties.

COUNCIL MEMBER JAMES: Bedford and Nostrand Avenue, please.

MR. RING: Yes, ma'am.

COUNCIL MEMBER JAMES: Continuing in Crown Heights on Nostrand Avenue, I believe it's anticipated that there's a plan being put

1  
2 forth for rapid bus on Nostrand Avenue.

3 MR. RING: Yes, select bus  
4 services.

5 COUNCIL MEMBER JAMES: Select bus  
6 service, I have spoken to some businesses in the  
7 Bronx who indicate to me that they have been  
8 adversely effected by the similar bus in the  
9 Bronx, this pilot program in the Bronx--

10 MR. RING: How have they been  
11 adversely effected?

12 COUNCIL MEMBER JAMES: They  
13 basically tell me that their revenues are down and  
14 they attribute it to the bus line. So I'm very  
15 much concerned, the businesses on Nostrand avenue  
16 are very much concerned about expanding this rapid  
17 bus service to Nostrand Avenue and we need to  
18 engage in further discussions with regards to  
19 that.

20 MR. RING: We're happy to do that.

21 COUNCIL MEMBER JAMES: Let's go to  
22 my favorite topic, you refer to it as Atlantic  
23 Yards, it is not Atlantic Yards, it's Vanderbilt  
24 Yards, and as you know, yes, that's correct title,  
25 am I not correct?

MR. RING: Absolutely correct.

COUNCIL MEMBER JAMES: Thank you.

And is it also correct that you have not signed a lease yet with Forest City Ratner as of today?

MR. RING: That is correct.

COUNCIL MEMBER JAMES: It's also my understanding that Forest City Ratner seeks to extend the payment on that property, correct?

MR. RING: I know Forest City Ratner has had discussions with our CFO, I'm not party to what those discussions are, but I know that the terms of the understanding to this point have not changed.

COUNCIL MEMBER JAMES: Well let me just--it's my understanding that Forest City Ratner would seek to change the terms of that agreement that would be favorable to him and it's my position--and I would hope my colleagues would support me in this--it's my position that we sold Vanderbilt Yards to Forest City Ratner for the cheap and it was under former Administration, so I will not put any blame on this Administration, but this Administration right now has the opportunity to correct that and to get more and to not

1 negotiate with Forest City Ratner. In fact, since  
2 he does not have the funding, I'm hoping that that  
3 deal falls through and that we could re-bid  
4 Vanderbilt Yards for the value that it is worth.  
5 We did not sell it to him at its current market  
6 value, in fact, another developer who I supported,  
7 wanted to give MTA more money for Vanderbilt  
8 Yards, but, unfortunately, since Forest City  
9 Ratner has friends in high places, Vanderbilt  
10 Yards, Atlantic Yards, was nothing more than a  
11 political deal and, unfortunately, all residents  
12 in the state of New York suffered for the sale of  
13 that--for the lease of Vanderbilt/Atlantic Yards  
14 for less than its market value, that's a political  
15 commentary, my commentary for the day, my  
16 editorial, you don't have to respond, but everyone  
17 should know, we have higher fees and a reduced  
18 capital budget because of a political deal that I  
19 hope, because of the economy, falls under the  
20 weight of its corruption.

21  
22 When is MTA going to comply with  
23 ADA? There's a number of stations all throughout  
24 the city of New York which are not ADA compliant  
25 and your next capital plan, is there any calendar

1  
2 for ADA compliance in all of our stations?

3 MR. RING: We do comply with ADA,  
4 we have a consent decree with, at the time was  
5 EPVA to require us to make 100 key stations ADA  
6 accessible, we're on that schedule. So far, we  
7 have 83 have been completed, 11 are in  
8 construction, 8 are in design, 14 are in planning,  
9 and by 2020 all 116 will be done. But that was a  
10 two-part agreement, the other part was to have  
11 100% accessible bus fleet, which we do have, and  
12 we're very proud of that, and, as you know, we're  
13 also now focusing on low-floor buses to make it  
14 even easier. When we do major construction on our  
15 stations, the stations become ADA compliant, so,  
16 you know, I just do take umbrage with the  
17 inference that we're not ADA-compliant.

18 COUNCIL MEMBER JAMES: Okay.

19 MR. RING: Regarding making all our  
20 stations handicap accessible, it's a very big  
21 challenge. The goal is to try and make as many  
22 stations handicap accessible as possible given  
23 their location, how often they're used, where they  
24 are, what transfers there are. Some stations just  
25 present technical problems because of the way that

1  
2 they're situated over streets and where you'd put  
3 elevators and stuff like that and they may not be  
4 able to be handicapped accessible. But it's a  
5 very important initiative of ours and also  
6 President Roberts, who heads the New York City  
7 Transit, has been very focused on escalators,  
8 elevators, and reporting outages, making sure  
9 those things work, he's revamped the whole  
10 maintenance operation for those types of  
11 facilities to increase the reliability, so I think  
12 we're really spending a tremendous amount of time  
13 and effort on that.

14 COUNCIL MEMBER JAMES: The stimulus  
15 funds will it help you in reducing your debt  
16 service costs, yes? No?

17 [Off mic]

18 MR. RING: Yeah, to a certain  
19 extent, to the extent that we are able to complete  
20 projects and fund them with stimulus that we  
21 otherwise would have bonded--

22 COUNCIL MEMBER JAMES: Right.

23 MR. RING: --we will be saving debt  
24 service costs.

25 COUNCIL MEMBER JAMES: Okay.

MR. RING: It's not in the general scheme of things, it's, you know, it's a billion dollars of cash that we otherwise would probably have to bond in the future.

COUNCIL MEMBER JAMES: Right, and you're going to market for approximately \$9.3 billion in capital, no?

MR. RING: For--

COUNCIL MEMBER JAMES: There's not going to be a \$9.3 billion bond that you're issuing, no?

MR. KULLBERG: The 9.3 was the amount--

[Pause]

MR. RING: Oh, so as Greg points out, in 2008 to '13 plan, we had federal funds and then we had money from congestion pricing and then what was left was, we would have to bond. That amount in the '10 to '14 plan--

COUNCIL MEMBER JAMES: Right.

MR. RING: --is yet to be determined 'cause--

COUNCIL MEMBER JAMES: Okay.

MR. RING: --we haven't determined

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the size of that plan yet.

COUNCIL MEMBER JAMES: Okay. And my last two questions--

MR. RING: [Interposing] But we do have a bond sale that's going on now if you want to make a good investment.

COUNCIL MEMBER JAMES: Okay. I understand we've got to move on, but I will prepare a letter with my remaining questions, and I thank you.

CHAIRPERSON LIU: Thank you, Council Member James. Council Member Garodnick?

COUNCIL MEMBER GARODNICK: Thank you very much, Mr. Chairman, and I will be extremely brief because you've been here for a long time and I just wanted to jump in as a follow-up on some of those questions about the Second Avenue Subway. Did I understand you correctly to say that we are a billion four short for phase one today?

MR. RING: The capital plan always assumed that the Second Avenue Subway would be built, the first phase, from 96th Street to--

COUNCIL MEMBER GARODNICK: Sixty-



third.

MR. RING: --63rd Street and connect to the N line there, to the Broadway line, that that construction would take place over two capital programs, the amount that is in the '10 to '14 program is 1.4 billion. So far, that program is unfunded.

COUNCIL MEMBER GARODNICK: Okay. So it's therefore, accurate to say that there are not sufficient dollars today to finish phase one of the Second Avenue Subway as you sit here and testify today.

MR. RING: Right, but there was never the assumption that today we would have those funds.

COUNCIL MEMBER GARODNICK: Well I'm sorry, what confuses me here is that we stood with Lee Sander no more than, I don't know, 30, 40 days ago in Grand Central Terminal celebrating the fully funded nature of phase one of the Second Avenue Subway line and I want to understand from you what it means to be fully funded if the dollars are not actually there and were never even anticipated to be there.

MR. RING: Well no, I think it's an issue of timing. I think that what we're saying is that we have a contract with the federal government that we will fund this project to the extent that we've agreed. The feds have said they've looked at the plans, they've participated, they've reviewed things, and they said, okay, this project looks good, your costs are right, the schedule's right, the way you're managing it is right, here's the check and we'll give you checks to do it. As part of this contract, we will give you our feds and you've committed to coming up with the local share, we said yes, we've so far come up with the local share and our assumption was that local share would be paid out over the two capital programs. The current program has the local share in it, the next program starts in 2010. It's our assumption that 2010 to '14 plan will be funded and will have that local share in it, we're under commitment to finish it to the federal government. The question is right now we're in 2005 to '9 period; 2010 to '14 plan gets submitted in October. It was the expectation of the Ravitch Commission that should Ravitch be

1  
2 adopted that we would get a jump on funding that  
3 plan and we'd have the money to fund that plan  
4 now.

5 COUNCIL MEMBER GARODNICK: Okay.

6 Now--

7 MR. RING: Withstanding that, the  
8 obligation for us is to submit a plan in October  
9 and then that plan will need to be funded.

10 COUNCIL MEMBER GARODNICK: I think  
11 what I heard you say before, and you can correct  
12 me if I'm wrong, was that if the Ravitch plan does  
13 not go through that we will be unable to satisfy  
14 our obligations for the billion four for the next  
15 five-year capital plan. If I heard you wrong,  
16 please correct me 'cause I--

17 MR. RING: [Interposing] I never  
18 said that.

19 COUNCIL MEMBER GARODNICK: Okay.  
20 So I misheard you.

21 MR. RING: Right.

22 COUNCIL MEMBER GARODNICK: Okay.  
23 Fine, so the point is then that the MTA is  
24 committed to making sure that we have that billion  
25 four in the next capital plan to live up to all of

our obligations for phase one of the Second Avenue Subway line.

MR. RING: We're committed to living up to our obligations on the Second Avenue Subway, we've signed the fully funded grant agreement with the feds and we're, you know, like you said, that train or the tunnel boring machine has left the station and we're very, very--it's a key project for us, I mean we need to do something to relieve the overcrowding on the Lex line and that's it.

COUNCIL MEMBER GARODNICK: And if the--and we agree, by the way, you know, certainly Council Member Lappin and I feel very strongly about this and Chairman Liu and others. If there is no tolling of those East River bridges and if there is not that infusion of potential dollars to the MTA, how will the MTA live up to its obligations to the federal government, to the East Side of Manhattan, to the state of New York, and all of the riders of all of the subway lines of the city that you'll come up with those dollars to be able to satisfy our obligations?

MR. RING: Sixty-four billion

dollar question, I mean that's what we'll have to figure out. The statute requires us in October to release a capital plan and to talk about how to fund that capital plan. So that's a discussion that needs to happen because we need a fully funded capital plan and that's sufficient to allow us to maintain the system and improve it and to continue to plan for the growth in the region. So that's the question.

COUNCIL MEMBER GARODNICK: Okay. I think then you're point is well taken that the obligation to fund the next five-year capital plan is not something which comes up for a number of months, but what concerns us is perhaps the language that is frequently used by the MTA and others that this is a fully funded project where it's not really fully funded, it is something which is anticipated, it's something which a priority perhaps of the MTA, it's something which we are locked in because of our obligations to the federal government, but there still are some question marks out there and what we really want to do is to be able to erase those question marks and make sure that this continues as everybody has

1  
2 been saying as if it's, you know, in common  
3 parlance that this is a done deal, phase one, and  
4 we want to make sure that there are no question  
5 marks out there.

6 MR. RING: I understand.

7 COUNCIL MEMBER GARODNICK: Thank  
8 you.

9 CHAIRPERSON LIU: Well thank you,  
10 Council Member Garodnick. But this is precisely  
11 what really infuriates the public and this is  
12 precisely why because the public is so infuriated  
13 that it's hard for them to understand why the  
14 bailout out of the MTA is necessary. The MTA--  
15 this is a vivid example of how the MTA has counted  
16 its chickens before they have hatched and then  
17 still saying almost as a warning that, oh, if the  
18 public doesn't support the Ravitch Commission  
19 proposals that we may not be able to finish the  
20 first phase of the Second Avenue Subway, this is  
21 just a clear example of fuzzy logic, of fuzzy  
22 accounting that's been applied.

23 And if there was just more clarity  
24 and the MTA was more explicit on all of these  
25 announcements and what really is needed, I don't

think it would be that difficult to come up with a solution that will help us keep the service intact and keep the fare increases down.

MR. RING: Mr. Liu--

CHAIRPERSON LIU: Yeah, yes, please.

MR. RING: --I just want to point out that I don't think I ever said in my testimony that we wouldn't finish the Second Avenue Subway.

CHAIRPERSON LIU: Well no, it doesn't say that so clearly, but the warning--

MR. RING: [Interposing] Well that's what you just said, right?

CHAIRPERSON LIU: --the warning is clearly present. Compare that scenario to what the future would look like if the legislature expeditiously enacts funding amongst several bullet points: we will be able to finish the first phase of the Second Avenue Subway, meaning--

MALE VOICE: No--

MR. RING: [Interposing] Sir, it says--

CHAIRPERSON LIU: --that it's not--

MR. RING: --work on major projects

such as the Second Avenue Subway would begin to slow I said, so if we do get funding--

CHAIRPERSON LIU: [Interposing] No, it says here, it says if the--

MR. RING: We'll be able--

CHAIRPERSON LIU: --legislature expeditiously enacts funding for the MTA, we will, among other things, be able to finish the first phase of the Second Avenue Subway, meaning if the legislature does not enact funding, then we may not be able to finish the first phase of the Second Avenue Subway, that's exactly what it says here and what it implies here.

The point here is that there still is a lack of clarity on all this accounting at the MTA.

We have questions from Council Member Gerson.

COUNCIL MEMBER GERSON: Thank you, Mr. Chair. Good afternoon.

The Fulton Street hub project, when your representative last testified on that issue before the Council, we were told that timetables would be provided to us by the end of the last



1  
2 calendar year, that has not happened, I understand  
3 the explanation due to ongoing, you know,  
4 negotiations and we certainly don't--you know, we  
5 don't want to undercut the most cost-effective  
6 process to meet the specific deadlines, but do you  
7 have a revised cost estimate available today for  
8 and have there been any savings in the cost of  
9 that project as a result of the reletting of the  
10 contracts and dividing the contracting into  
11 different phases as opposed to the original  
12 universal contract-letting process?

13 MR. RING: Right--

14 COUNCIL MEMBER GERSON: In other  
15 words, give us an update--

16 MR. RING: Right.

17 COUNCIL MEMBER GERSON: --on where  
18 we stand with the cost and...

19 MR. RING: The cost right now with  
20 Fulton Street is \$1,198,000,000. As we stated at  
21 the hearing that the Assembly held a couple months  
22 ago--excuse me--that it's our hope that we'll be  
23 able to use a portion of the stimulus funds--

24 COUNCIL MEMBER GERSON: That was my  
25 next question.

MR. RING: --to finance that portion of the transit center that was currently unfunded. The project is progressing well, a lot of the underground work is moving ahead, the Day Street corridor is complete to connect to the World Trade Center site. What we're doing now is working on the various subway stations, we're going to let the contractor, I believe for the AC mezzanine work, which is the toll jumbo where the ramps go up and down and straighten all that out. We are still looking at essentially putting the finishing touches on exactly what the above-ground structure would look like, but it's our expectation that it will be very similar or identical to or what the community expects, you know, a iconic structure with retail space, we're looking to see if we can expand the amount of retail that's available in there. So there's not much else to say about it, I mean, that other than it's on track, the schedule hasn't changed. When people look at Fulton, they so often only look at the above-ground building and the truth of the matter is that the vast majority of work is underground and all that is happening on schedule

1  
2 and on time.

3 COUNCIL MEMBER GERSON: So when  
4 will we receive updated timetables?

5 [Crosstalk]

6 COUNCIL MEMBER GERSON: Target  
7 timetables.

8 MR. RING: Yeah, I'm happy to check  
9 with our capital construction folks who are  
10 managing the project and get back to you.

11 COUNCIL MEMBER GERSON: All right,  
12 if you would.

13 Moving back to the budget, do you  
14 have a target amount for stimulus funding for this  
15 project?

16 MR. RING: I believe that our hope  
17 is that we'll be able to get about \$497 million.  
18 Or a little less.

19 MR. KULLBERG: About 430.

20 MR. RING: Four thirty?

21 COUNCIL MEMBER GERSON: And with  
22 that, the MTA will have all the, you know, the  
23 entire resources necessary to complete this  
24 project.

25 MR. RING: That's my understanding.

1  
2 COUNCIL MEMBER GERSON: And that's  
3 not dependent on any of the other contingencies  
4 you testified to with respect to other capital  
5 projects--

6 [Crosstalk]

7 MR. RING: [Interposing] No, that's  
8 the shortfall and that's what we're hoping to use.

9 COUNCIL MEMBER GERSON: Yeah, just  
10 one final point on this, the community made it  
11 clear its top priority is to get the  
12 transportation hub open and running and to have a  
13 vibrant and airy and well-lit, you know, concourse  
14 ground floor retail, concourse combined complex  
15 and in a difficult budget time, the community made  
16 it clear that modifications in the oculus  
17 structure, deferral of the historic renovation of  
18 the adjoining building, other adjustments would be  
19 a preferred route to delay in the--what you  
20 correctly described as the fundamental aspects of  
21 the project. So I just hope we're not using--

22 MR. RING: [Interposing] I just  
23 want to make sure I understand, the community's  
24 preference is get it built as soon as possible.

25 COUNCIL MEMBER GERSON: Get it

1  
2 built as soon as possible with, you know, all the  
3 improvements to the transportation connections  
4 that are at the core of the project and with a  
5 vibrant street-level retail complex. And, of  
6 course, within that frame with the most, you know,  
7 iconic, attractive structure possible. But the  
8 community made it clear that, you know, deferral  
9 of the historic renovation certainly would be  
10 considered as an option and that, you know, if  
11 necessary to save funds in a difficult time, you  
12 know, there could be reasonable adjustments to the  
13 oculus structure. So I want to reiterate that and  
14 you're given other community needs, which I'm  
15 going to get to in a moment, you know, I just  
16 don't want to use--it would be unwise to use  
17 stimulus funds to avoid making those other  
18 difficult cost--

19 MR. RING: No, right.

20 COUNCIL MEMBER GERSON: --  
21 reductions and I hope--

22 [Crosstalk]

23 MR. RING: [Interposing] Your  
24 message is, and has been, received loud and clear.

25 COUNCIL MEMBER GERSON: Terrific.

1  
2 Speaking of messages being received loud and  
3 clear, I also testified at the recent MTA hearing  
4 on service cuts I think loudly and clearly also,  
5 and I'm wondering if, in the aftermath of that  
6 hearing, if there have been any adjustments in the  
7 proposed worst case scenario cutbacks to surface  
8 transit and subway routes, in particular the M8  
9 and the M6 and 21 routes in Manhattan, which are  
10 vital, not only for the communities but for the  
11 overall, you know, transportation system of the  
12 city.

13 MR. RING: Not yet, the hearings  
14 were conducted, as you mentioned, we had hearings  
15 in every borough and in the surrounding counties,  
16 the last one was March 2nd up in Orange County,  
17 which I might say was very widely attended. The  
18 transcripts have been prepared, all the records  
19 that people submit, they've all been submitted to  
20 our board. The process now is the board is  
21 actually going to be meeting, as I said, tomorrow  
22 morning.

23 COUNCIL MEMBER GERSON: And this is  
24 on the agenda for that?

25 MR. RING: They're going to be

1  
2 talking about, you know, what the future looks  
3 like and what their options are and what they need  
4 to do and then the committees and the full board  
5 will be meeting the subsequent week and then  
6 they'll be taking action. So right now, there has  
7 been no change in the details. So, you know,  
8 we've proposed, the staff has proposed this [off  
9 mic] service cuts, the board is considering it and  
10 they'll be meeting with them in the next week and  
11 a half to make that determination, right now,  
12 nothings changed.

13 COUNCIL MEMBER GERSON: And I  
14 strongly urge you to heed the testimony and heed  
15 the input that some of these proposals will be  
16 utterly devastating to the social and economic  
17 fabric and those bus lines in particular, I won't  
18 reiterate the testimony I provided at that  
19 hearing, and let's under difficult times be as  
20 creative as possible and stretch to avoid those  
21 cuts. And along those lines, you mentioned in  
22 your testimony a consolidation of administrative  
23 structure, I believe with reference to the--

24 MR. RING: [Interposing] The  
25 business service center?

COUNCIL MEMBER GERSON: And also I think you, with respect to supervision of the some of the underground, some of the rapid transit groups--

MR. RING: Yes.

COUNCIL MEMBER GERSON: --reports we're receiving is that we have within surface administrative operations, layers upon layers upon layers of administrative oversight, which could probably be consolidated, you know, in order to save money and, you know, with redeployment of those job positions or elimination through an attrition, I would urge you strongly to look at that.

MR. RING: We are clearly looking at management and administrative overhead. Our budget assumes--what did transit cut their managers by?

MR. KULLBERG: Seven and a half percent reduction is currently in the plan.

MR. RING: Well, we are looking at that.

COUNCIL MEMBER GERSON: Seven and a half percent reduction in what area--



[Crosstalk]

MR. KULLBERG: [Interposing] in administrative positions transit wide.

COUNCIL MEMBER GERSON: Are any of those reductions coming from that surface transit administrative level?

MR. KULLBERG: Yes, it's a reduction to managerial, professional, and clerical employees. So to the extent that employees of that nature are in the department of buses, then that would apply to them as well.

COUNCIL MEMBER GERSON: Could you just provide us with a breakdown on that, provided the committee--

MR. KULLBERG: Yeah.

COUNCIL MEMBER GERSON: Okay.  
Thank you very much, and Mr. chair, thank you, we'll continue to work with you on the tolling issue, which I know you covered earlier extensively. Thank you.

CHAIRPERSON LIU: Thank you, Council Member Gerson. And I want to thank our friends at the MTA for testifying today, Messrs. Ring, Chubak, Kullberg, and Marino, thank you.

MR. RING: Thank you.

CHAIRPERSON LIU: We'll take a two minute bio break and then we're going to hear from the officials of the Department of Transportation.

[Pause]

MALE VOICE: Nah, just if you have, you know, if you have an issue for the Commissioner you want to go put on record.

[Pause]

CHAIRPERSON LIU: All right. Get started. [Off mic]

SERGEANT-AT-ARMS: Quiet, please.

CHAIRPERSON LIU: We are reconvening this hearing of the City Council's Committee on Transportation. We've heard from the Taxi and Limousine Commission earlier this morning and just completed the discussion with the Metropolitan Transportation Authority. We're now going to begin the hearing with the New York City Department of Transportation on the preliminary budget for fiscal 2010, which begins on July 1st, 2009. We're delighted to be joined by Commissioner of New York City DOT Commissioner Janette Sadik-Khan. Thank you very much for being

here and we apologize for the delay, but we'll get right to it right now.

COMMISSIONER SADIK-KHAN: Thank you. Good afternoon, Chairman Liu, Members of the Transportation Committee. I'm Janette Sadik-Khan, Commissioner of the New York City Department of Transportation. I'm joined today by Lori Ardito, DOT's First Deputy Commissioner, and Joe Jarrin, DOT's Deputy Commissioner for Administrative Services. Thank you for inviting us here today to present DOT's Preliminary Budget.

Over the past year we've done everything we can to meet our goals despite these tough economic times. At the direction of the Mayor, DOT was asked to find expense savings of 5% of its Financial Plan during November 2008 and then 7% of its Financial Plan during January 2009 to help the city's projected budget gaps. The Preliminary Budget reflects a combined expense savings program of approximately \$50 million a year beginning in FY '10, which we achieved without substantially affecting our core transportation program.

Some of these savings include \$5

1 million from improved energy efficiencies for the  
2 city's streetlights, \$5 million from the  
3 conversion of traffic signal communications to  
4 wireless technology, 2.5 million from the Staten  
5 Island Ferry operational efficiencies and overtime  
6 reductions, \$912,000 from efficiencies in  
7 facilities, equipment and maintenance  
8 expenditures, and \$23 million through restructured  
9 parking meter rates citywide. That said, if the  
10 economic downturn continues, we may not be able to  
11 absorb future budget cuts without affecting our  
12 core programs.  
13

14 DOT's FY '10 Expense Budget is \$703  
15 million. This funding will provide DOT with the  
16 resources to meet the transportation needs of New  
17 York City. Specifically, funding to serve the  
18 65,000 daily passengers on the Staten Island Ferry  
19 which operates 365 days a year; to maintain and  
20 repair the city's 789 bridges located throughout  
21 the five boroughs, including the historic East  
22 River Bridges that carry approximately half a  
23 million vehicles each day; and to repave 1,000  
24 lane miles of city streets, which is fifty more  
25 than last year; and to maintain the city's 20,000

total lane miles of streets. DOT funds will also be used to power and maintain over 300,000 street lights, 12,000 traffic signals, and 1.3 million signs across the city, and to maintain the 45 city-owned parking facilities.

As to the DOT capital program, at the Mayor's request we deferred 20% of our four-year capital program to the outyears as part of the Preliminary Ten-Year Capital Strategy released in November. This results in the deferral of over \$900 million in city capital funds to FY '13 and beyond, including over \$400 million of bridge reconstruction projects and over \$300 million of street projects.

The remaining DOT Capital Plan for FY '9 through FY '13 is \$6.6 billion, to enhance the city's transportation network and work toward a state of good repair for the city's streets and bridges. Our FY '10 Capital Program totals \$1.8 billion.

Given the city's fiscal uncertainty, we are doing all that we can to maximize revenue from other sources. The Administration is working hand-in-hand with

Governor Paterson and our colleagues at the State Department of Transportation to maximize federal stimulus funds for New York City.

In addition to the federal stimulus bill, we are also preparing a detailed agenda for the next six-year federal authorization. We are developing both a needs assessment for city projects and, with other cities across the United States, an aggressive funding and policy reform platform that acknowledges the leading role cities play in our economy.

The federal transportation program is stuck in a badly outmoded framework that fails to concentrate transportation resources where they're needed most and can do the most good--in our metropolitan areas where 80% of the American public lives and where two-thirds of our Gross Domestic Product is generated. I head an organization of cities, the National Association of City Transportation Officials, which is working to address these issues.

Both school safety and street improvements are elements of DOT'S Strategic Plan, Sustainable Streets, which we unveiled last year.

1  
2 It explains how we will implement the priorities  
3 of Mayor Bloomberg's PlaNYC and deliver safe  
4 streets and a world-class infrastructure to New  
5 Yorkers. We set ambitious goals in the plan and I  
6 am pleased to report that we are on track to meet  
7 them.

8 Safety is the plan's first  
9 priority, and we have launched a number of  
10 targeted programs that can help us continue to  
11 reduce traffic-related fatalities and injuries in  
12 the city, which are at an historic low. We now  
13 have the safest streets of any big city in the  
14 United States and we will continue to drive down  
15 traffic fatalities, with a particular focus on our  
16 most vulnerable pedestrians.

17 Our Safe Streets for Seniors  
18 Program is addressing senior pedestrian safety  
19 issues through signal timing adjustments and  
20 traffic calming measures in 25 areas with high  
21 senior crash rates throughout the five boroughs.  
22 Four of the areas are located in the Bronx, seven  
23 in Brooklyn, five in Queens, eight in Manhattan  
24 and one in Staten Island. To-date, DOT  
25 improvements have been made in Brighton Beach,

1  
2 Brooklyn, Flushing, Queens and the Lower East Side  
3 in Manhattan and we will complete projects in  
4 Fordham University Heights in the Bronx and New  
5 Dorp/Hylan Boulevard on Staten Island this summer.

6 While our Safe Routes for Seniors  
7 Program focuses on improving safety for older  
8 residents, we are also moving forward on our Safe  
9 Routes to School program for young New Yorkers.  
10 To-date, operational safety measures have been  
11 installed at the first 135 priority schools;  
12 capital construction work is underway for 12  
13 schools, and another 32 are in progress. The  
14 selection of the next phase of schools is  
15 completed and detailed studies for safety  
16 improvements will be completed for these next 135  
17 schools, and the next phase of school safety  
18 improvements will include high schools and we  
19 expect to release that list in June.

20 In addition to focusing on seniors  
21 and school children, we are actively improving the  
22 connections between transportation modes--subway,  
23 bus, and walking--through our Safe Routes to  
24 Transit program. This program improves pedestrian  
25 and motor vehicle movement around subway entrances



1  
2 and bus stops by making access to mass transit  
3 easier, safer, and more convenient. As part of  
4 this program, we are installing neckdowns at more  
5 than 40 bus stop locations that are located  
6 underneath elevated subways and installing  
7 sidewalks along streets surrounding various bus  
8 stop locations.

9 Not only are we working to create  
10 safer streets, but we're working to improve the  
11 condition of our streets. We're creating better  
12 streets by increasing repair work on the city's  
13 20,000 lane miles of streets. This past year, we  
14 increased the number of lane miles resurfaces from  
15 950 to 1,000. This is the third increase since  
16 2002 and represents more than a 40% increase in  
17 resurfacing lane miles, from 700 to 1,000, in just  
18 seven years.

19 In another effort to improve the  
20 condition of our infrastructure we initiated a  
21 Comprehensive Street Management Plan to coordinate  
22 street work by public utilities, public agencies,  
23 property owners, developers, and contractors.  
24 This will reduce the level of disruption caused by  
25 street work, streamline street-work processes and

1  
2 improve the condition of streets. Later this year  
3 we will receive specific action plans for  
4 improving our asset management, planning, and  
5 coordination practices.

6 We're also taking--

7 COUNCIL MEMBER KOPPELL:

8 [Interposing] Could I interrupt for a moment,  
9 could you ask the Sergeant-at-Arms to close the  
10 door in the back? Where is the Sergeant-at-Arms?  
11 It's quite annoying to have that buzz while the  
12 Commissioner is speaking.

13 [Off mic]

14 COMMISSIONER SADIK-KHAN: We are  
15 also taking steps to address the impact of truck  
16 traffic in our communities. Toward that end,  
17 we're developing a program to mitigate bridge  
18 strikes by off-route and over-height trucks by  
19 better marking these structures and improving  
20 access to bridge vertical clearance information;  
21 we're continuing to distribute our New York City  
22 Truck Route Maps and making them available for the  
23 first time online; distributing police officer  
24 summons book inserts that map truck routes and  
25 show the truck rules that apply in all police

precincts; and we're developing an online Over-Dimensional Vehicle Permit application system to improve the process for trucking companies to obtain permits.

DOT is also working hard to ensure the safety of our bridge network. Today our bridges are in the best condition they have been in generations due to the city's substantial investment through capital reconstruction projects, preventive maintenance, and our inspection program--\$5 billion spent over the last ten years alone.

We continue to monitor all bridges on a regular and frequent basis and have construction contracts for the last two remaining structures of DOT bridges that are rated poor, including the Brooklyn Bridge approaches and the 78th Street pedestrian bridge in Manhattan. To assist with inspections, we've also hired a consultant to do underwater inspections for a number of bridges, including 19 pedestrian bridges, such as the Wards Island Bridge, as part of our existing Bridge Inspection and Repair Program.

1  
2 Finally, using an FHWA grant, two  
3 approach spans on the Manhattan side of the  
4 Brooklyn Bridge were instrumented with fiber-optic  
5 sensors, allowing us to monitor via the internet  
6 the behavior of the structure in real time with  
7 high precision.

8 We have spent a lot of time,  
9 energy, and funding to ensure the safety of our  
10 Staten Island Ferry operations and these efforts  
11 include enhanced security at the St. George Ferry  
12 Terminal and an updated risk and vulnerability  
13 assessment by the Transportation Security  
14 Administration and NYPD Counter Terrorism;  
15 installation of radar-based location indicators at  
16 both ferry terminals, and we're also working with  
17 the U.S. Coast Guard to install Automated  
18 Identification Devices to further enhance terminal  
19 identification in periods of reduced visibility;  
20 full implementation of our computer-based  
21 preventative maintenance system, Maximo, which now  
22 includes all ferryboats and terminals; and we're  
23 working on legislation to allow the police  
24 department officers to enforce our Ferry Rules of  
25 Conduct to improve safety on our ferryboats and

terminals.

Increasing the mobility and the efficiency of our transportation network is another priority for DOT. One of the best ways we can improve mobility is by making sure that our streets are used in the most effective manner possible, and we're moving on that goal with the MTA by implementing a Bus Rapid Transit program around the city. Last June, New York City Transit began service on the first Select Bus Service route, as we're branding our first phase of BRT, on the Bx12 route in the Bronx and Manhattan. This service features new red bus lanes, transit signal priority to give buses an advantage at intersections and prepayment fare collection that let buses operate more like subways and this service has been a strong success. Ridership has increased over 30% over the previous Limited Stop service and over 4,000 new riders per day are using the service on Fordham Road; travel times have improved by 24% and 98% of customers are satisfied or very satisfied with the service.

Last fall we built on the success of the Bx12 and implemented a first set of bus

1  
2 priority improvements on 34th Street, including  
3 new bus lanes and soft barriers that provide an  
4 extra rumble of reminder to drivers to not  
5 illegally cross into the bus lane. These bus  
6 lanes are the first step to our long-term vision  
7 of providing fast cross-town bus service and  
8 improved express bus service throughout the city.  
9 We're also continuing development of additional  
10 Select Bus Service corridors, including routes on  
11 1st and 2nd Avenues in Manhattan, Nostrand Avenue  
12 in Brooklyn, and Hylan Boulevard on Staten Island.

13 This summer, we will be undertaking  
14 a study of bus operations in Jamaica, Queens, so  
15 that we can improve bus and traffic flow in this  
16 bustling business district and we will continue to  
17 include bus priority treatments when appropriate.

18 The success of our BRT program is  
19 largely dependent on how quickly and reliably we  
20 can move buses which, in turn, relies heavily on  
21 enforcement, but as we all know, the police  
22 department cannot be everywhere at once, so we're  
23 once again pursuing legislation in Albany this  
24 session that would allow us to implement a Bus  
25 Lane Camera Program. This program would be

1 modeled after our Red Light Camera Program and  
2 would target vehicles driving illegally in the BRT  
3 bus lanes during certain hours of the day. I want  
4 to thank the Council for giving this bill a Home  
5 Rule Message last year and I hope that we can  
6 count on you again this year.

7  
8 We are also making strides by  
9 reducing congestion by better managing our curb  
10 space. In October of 2008, DOT implemented a  
11 pilot parking program in Greenwich Village called  
12 PARK Smart to see if we can increase the  
13 availability of parking spaces and improve traffic  
14 flow by reducing double parking and the amount of  
15 time spent cruising for parking. When demand for  
16 parking is high, the meter rate increases, and  
17 when the parking demand is lower, the rate returns  
18 to base levels. We will work with other  
19 communities that are interested in testing similar  
20 pilot programs in their neighborhoods.

21 Our efforts to improve mobility  
22 also extends to bicycles. In fact, over the past  
23 year there has been a 35% increase in commuter  
24 cycling in the city. We are on pace to reach  
25 NYC's goal of 200 new lane miles of bike

1 facilities by the end of fiscal 2009, with about  
2 80 installed last year. Not only are we  
3 installing more lane miles, but we're doing so by  
4 bringing some of the best practices in bicycle  
5 design to the city.  
6

7 To encourage cycling as a means of  
8 transportation, it's important to not only provide  
9 the necessary infrastructure, but to also provide  
10 safe places where cyclists can park their bikes.  
11 In this regard, we installed 1,200 new bike racks  
12 citywide last year for a total of nearly 6,000  
13 racks, which puts us significantly ahead of the  
14 pace to meet PlaNYC's goal of installing an  
15 additional 400 on-street bike racks per year. We  
16 also hope to collaborate with the Council on bike  
17 access legislation to require commercial buildings  
18 to allow people to enter with their bicycles.

19 We have also moved forward on  
20 greening our transportation system--from creating  
21 green spaces, to utilizing recycled asphalt, to  
22 reducing emissions from our vehicular fleet and  
23 ferries, to maximizing the energy efficiency of  
24 our streetlights.

25 We are transforming underutilized



road space into active public places and walkable destinations as part of DOT's Public Plaza Initiative which has both short and long-term components. For the short-term, 22 pipeline plaza projects are already in some stage of planning, design, or construction, and four of them have already been completed, including 9th Avenue and 14th Street in Manhattan; Manhattan Avenue in Newtown Creek, Brooklyn and DUMBO Plazas in Brooklyn.

The long-term component of the initiative involves working with community partners to identify new sites in communities that lack open space and redesign them to make permanent plazas. In June 2008, we launched a competitive application program that allows community partners to suggest plaza sites and locations that have underutilized or excessive road space--22 nonprofits submitted applications and we will be advancing the most qualified and strategic of those projects. We are confident the Public Plaza program will improve neighborhoods by providing a greener public realm.

Additionally, as we work to bring

city streets into a state of good repair, we are doing so in environmentally sensitive ways. DOT's asphalt plant located on Hamilton Avenue in Brooklyn is a national leader in the use of recycled asphalt pavement or RAP. Nearly half of all asphalt used in DOT resurfacing projects is manufactured at our plant and the material produced contains 40% RAP and we are working to increase that percentage. This has resulted in savings to the city of approximately \$10 million a year in reduced asphalt costs, while reducing over 300,000 local truck miles traveled each year.

We have also been working to expand our ability to resurface our roads by acquiring a second asphalt plant in Queens. The ULURP application for this acquisition is currently before the Council. This action has received unanimous approval from the Community Board and City Planning Commission and is supported by the Queens Borough President. Given the need for asphalt in Queens, and the previous and continuing history of supply uncertainty, now is the time to acquire this property and I urge all of you to support it so that we can continue to bring our

streets into a state of good repair in a sustainable, green fashion.

We are also greening our fleet. DOT operates one of the largest vehicle fleets in the city that includes light and heavy-duty vehicles and we have an active alternative fuels program. We have 567 light-duty hybrids currently operating in our fleet and we expect 10 diesel hybrid utility trucks within the next coming year.

Our ferryboats are also part of our plan to green our program and we continue to move forward with Local Law 3 of 2008 that codified our use of Ultra Low Sulfur Diesel and best available technology for our Staten Island Ferry fleet. At this time, I am happy to report that 50% of our fleet has received engine upgrades. Looking ahead, we will continue to stay on the cutting edge of new pollution reduction technologies.

Finally, we are maximizing the energy efficiency of all street lights and signals through our green lighting initiative, and, as I mentioned at the beginning of my testimony, our PEG initiatives included \$5 million in savings from these improved energy efficiencies. DOT

lights New York City's streets with over 250,000 cobra head luminaries and we are in the process of switching to more energy efficient lighting to help reduce the city's greenhouse gas emissions and save taxpayer dollars at the same time. Upon completion, we will have changed all cobra heads, which will result in electricity savings of over 71,000 megawatt hours per year, with commensurate greenhouse gas reductions.

As you can see, DOT is moving forward on many fronts, while at the same time, doing more with less during this period of economic uncertainty. We have made great progress toward the goals outlined in our Strategic Plan and PlaNYC to make the transportation network of our city safer, less congested, and more sustainable. Whether we're filling potholes to ensure smoother streets, painting school crosswalks to better protect our children, or fixing our bridges to ensure their stability for years to come, we are determined to stretch every dollar to better protect and improve the lives of New Yorkers.

Thanks for inviting us here today,

and I'd be happy to answer any questions you may have.

CHAIRPERSON LIU: Thank you, Commissioner, for your testimony. Do you know what the city pays an annual basis to maintain the East River crossings?

COMMISSIONER SADIK-KHAN: It's 25, isn't it?

[Off mic]

COMMISSIONER SADIK-KHAN: I believe it's 20 to \$25 million a year.

CHAIRPERSON LIU: Okay. And that would obviously be the--you're sure that's it? That would be great.

COMMISSIONER SADIK-KHAN: Well no that's the East River bridges, the estimates that we had been putting together included not only East River bridges, but the Harlem River bridges as well.

CHAIRPERSON LIU: Okay. So including the Harlem River bridges, what is the annual maintenance costs of those bridges? Of the East River bridges and the Harlem River bridges. The annual city budget allocation for maintaining

those bridges.

COMMISSIONER SADIK-KHAN: It's between 20 and \$25 million a year.

CHAIRPERSON LIU: Okay. All right. Thank you. Questions from Council Member Gerson.

COUNCIL MEMBER GERSON: Thank you, Mr. Chair. Good afternoon, Commissioner and team. Let's see, we have several areas and if we don't over here, I'll certainly follow up and I do want to acknowledge the responsiveness of your office, Deputy Commissioners Forgione and Sanchez with whom we work very closely in particular because of their involvement in lower Manhattan and Maurice [off mic] really they, and along with the rest of your team, have been models of agency responsiveness.

Commissioner, one of the greatest frustrations we have in our community, and I would bet communities throughout neighborhoods throughout the city, is a need for a traffic signal at an intersection where the community feels endangered and a community feels at risk due to crossing. You've talked extensively about your efforts to improve safety in crossings and one of

1  
2 the clearest ways in many of these intersections  
3 is to, from the community's perspective, to put in  
4 a traffic signal where none exists. I mean, I  
5 have, I can go through a list, but on a more  
6 general budgetary policy point, our frustration  
7 has been receiving the response that we cannot do  
8 it because it doesn't meet the so-called federal  
9 warrant standards. Those standards, to the best  
10 of my knowledge, are basically, you know,  
11 straightforward traffic counts at different  
12 periods of time do not take into effect  
13 qualitative issues such as intersections near  
14 schools, intersections heavily used by senior  
15 citizens. So my question to you, as this is a  
16 budget hearing, I'm going to focus on budgetary  
17 issues here, how much would it cost the city to  
18 put in a traffic signal at one of these  
19 intersections, which do not meet the technical  
20 federal warrant standards?

21 COMMISSIONER SADIK-KHAN: Council  
22 Member, I want to underscore that part of our  
23 receipt of funding for the city at the federal  
24 level is our adherence to federal standards and we  
25 do follow the MUTCD in making determinations as to

the appropriateness of various different traffic control devices throughout the city.

As you point out, a lot of times, communities are confused as to what exactly the standards are that are used to make those kinds of determinations and in the past there's been frustration, I think, with the Department of Transportation in coming up with every answer with a no, every question with a no. So what we started last year, as you may know, is we've trained the transportation chairs of all 59 community boards as to the process for how it is that we go about making traffic control decisions, how we make a determination about whether an intersection warrants a street sign, or whether it warrants a traffic signal, or whether it warrants another traffic calming device. And in that process, even where an intersection does not warrant, say a traffic signal, what we've done is encourage communities to look to ask for other alternatives that may be more appropriate to deal with the issues associated with safety on our streets. I want to underscore that safety the number one priority for this Administration and



1  
2 what we've done is basically drive traffic  
3 fatalities and injuries to a historic low based on  
4 our determination according to engineering  
5 standards as to what makes the most sense.

6 We've also targeted our most  
7 vulnerable pedestrians, namely seniors as you  
8 pointed out, and our younger pedestrians through  
9 our Safe Routes to Seniors program and our Safe  
10 Routes to School program. So we're doing  
11 everything we can and without jeopardizing federal  
12 funding to meet the needs of New Yorkers and  
13 ensure that the streets are in a safe condition--

14 [Crosstalk]

15 COUNCIL MEMBER GERSON:

16 [Interposing] When you talk about jeopardizing  
17 federal funding, are you saying that under the  
18 federal law, if the city were on its own  
19 initiative, on its own dime to install a traffic  
20 signal at a particular intersection without using  
21 any federal funds at all, that could jeopardize  
22 funding for every other place?

23 COMMISSIONER SADIK-KHAN: What I'm  
24 suggesting is that we have a process in place  
25 that--

[Crosstalk]

COUNCIL MEMBER GERSON:

[Interposing] Can you answer my question about federal funding?

COMMISSIONER SADIK-KHAN: Basically what New York City DOT has been doing is working with our city Department of Transportation colleagues around the country in terms of sharing information about what works and what doesn't and what it is has worked in terms of the information that we've gotten from our colleagues in other big cities that are similarly situated with injuries that they're trying to drive down, is that they believe the adherence to the MUTCD standards is the best way to ensure safety on the streets of their city. And so we're continuing to work with our partners and colleagues at the local level, at the state level, and working at the national level to ensure the best practices are shared and that we do everything we can to ensure the safety for pedestrians and drivers on the streets of New York.

COUNCIL MEMBER GERSON: If the city were to install a traffic signal, let's say for

1  
2 example, Duane and Greenwich Street just a few  
3 blocks from where we sit, where parents and  
4 seniors and everyone else have cried out  
5 repeatedly that this is a death trap waiting to  
6 happen, would the city lose--if the city were to  
7 do it on its own dime, would the city lose federal  
8 funding for every other place in the city?

9 COMMISSIONER SADIK-KHAN: I can't  
10 answer that question at this time, I do know that  
11 the--

12 COUNCIL MEMBER GERSON:  
13 [Interposing] Could you get back to us then with  
14 that--

15 COMMISSIONER SADIK-KHAN: --  
16 standards are based on expert advice from around  
17 the country--that's why they exist, and so the  
18 judgment is there, the judgment of our experts  
19 based on guidance from these standards that make  
20 the determination as to whether or not a traffic  
21 signal or a particular device is warranted.

22 COUNCIL MEMBER GERSON: I mean, I'm  
23 trying to get at the budgetary costs to the city  
24 if we were to embark on the expanded program, and  
25 so I would appreciate your getting back to us on

1  
2 that legal question as to the linkage with federal  
3 funds.

4 Let me move on to sidewalk repair  
5 issues 'cause you've talked extensively about  
6 street repair and you've done fabulous work with  
7 your department under your leadership with street  
8 repair and I want to acknowledge that and I want  
9 to particularly want to acknowledge and thank you  
10 for your reinstatement after so many years of  
11 hiatus of the cobblestone repair program, which is  
12 really making a difference and very, very much  
13 appreciated. What is the budgets for sidewalk  
14 maintenance and do you have any sense of how much  
15 the city pays out in their reports in the press on  
16 this recently in lawsuit payments, lawsuit  
17 settlements as a result of injuries due to falls  
18 on related to sidewalk conditions, including, you  
19 know, curb cut conditions?

20 COMMISSIONER SADIK-KHAN: I believe  
21 our budget is \$20 million a year for sidewalk  
22 repairs and we're doing everything we can to  
23 address them and address the complaints that come  
24 in through 3-1-1 and obviously with over 625  
25 million square feet of sidewalks, we're doing the

best we can within the budget constraints that we operate under.

COUNCIL MEMBER GERSON: The 20 million, does that remain in the budget proposal--

COMMISSIONER SADIK-KHAN: Yes.

COUNCIL MEMBER GERSON: --for fiscal '10? Is that roughly the same as the current year or is that decrease or an increase?

COMMISSIONER SADIK-KHAN: It's the same level as we've had last year.

COUNCIL MEMBER GERSON: It is, okay. And do you have any figures provided to you by the law department for costs paid out to legal action related to this--

COMMISSIONER SADIK-KHAN:  
[Interposing] I'm sure we can get that information to you.

COUNCIL MEMBER GERSON: Could you please? Thank you very much.

The Chatham Square reconstruction project and related reconstruction, what is the amount in the budget for FY '010, I presume that would be the capital budget?

COMMISSIONER SADIK-KHAN: I'll get

back to you on that, I don't have that on hand.

COUNCIL MEMBER GERSON: Okay. And actually, as long as you're getting back to us, if you could provide the amount anticipated for FY '10 from the Lower Manhattan Development Corporation and how that relates to city funding.

COMMISSIONER SADIK-KHAN:  
Certainly.

COUNCIL MEMBER GERSON: Okay. And I just--

CHAIRPERSON LIU: [Interposing] I will ask on behalf of Council Member--

COUNCIL MEMBER GERSON: Please--  
[Crosstalk]

CHAIRPERSON LIU: --Gerson, the Chatham Square project has been at the top of a lot of people's minds lately so we would imagine that that would be a number that's readily available at the fingertips practically. So if a question is asked, what is the planned capital budget for Chatham Square, it doesn't seem like that would be a number that the department would need to get back to us on.

COMMISSIONER SADIK-KHAN: Well

1  
2 we're hoping to get back to you shortly, hopefully  
3 before this hearing is over.

4 CHAIRPERSON LIU: Okay. Thank you.

5 COUNCIL MEMBER GERSON: Just two  
6 other questions, Mr. Chair, and then of course  
7 we'll follow up. Would there be money in the  
8 DOT's budget for FY '10 and we're talking about a  
9 relatively meager amount of money I would guess,  
10 but you know the estimate better than me, to  
11 underwrite a full scale expert bus management plan  
12 for the Lower Manhattan area? You and I have  
13 discussed this in the past, this is a need, not  
14 only for the community, but from a citywide  
15 perspective because of the projected increase in  
16 bus traffic, commuter buses, tour buses, and, as  
17 you know, we currently have the phenomenon of the  
18 growing long-distance buses that leave Lower East  
19 Side and Chinatown for destinations well beyond  
20 the city, according to one police estimate at  
21 greater numbers of passengers then utilize the  
22 midtown Port Authority bus terminal. So all of  
23 this combined with proposed dislocations of buses  
24 along the East River from the Westside to the  
25 Eastside. We still don't have a plan in terms of

1  
2 layover, alternative parking spaces,  
3 disembarkation, what should be allowed, what  
4 shouldn't be allowed, but could we--and in a  
5 recent hearing the Port Authority, your colleagues  
6 from the Port Authority Chris Ward testified that  
7 such a plan is warranted, is called for, and he  
8 would support that and now he didn't commit any  
9 budget, maybe you and he can split the budget for  
10 that, given his enthusiastic support, but--

11 COMMISSIONER SADIK-KHAN:

12 [Interposing] I'm sure he was interested in my  
13 budget, that's--

14 [Crosstalk]

15 COUNCIL MEMBER GERSON: I don't  
16 doubt that but could we get going on this and is  
17 it safe to assume that the upcoming budget does  
18 allow--I forget we talked about, an estimated  
19 amount at one point for such a study when we, you  
20 know, we're talking about congestion pricing, but  
21 we're talking about in the tens of thousands of  
22 dollars, I believe, no more than the low 600--the  
23 low six figures for an expert in house or retained  
24 to work with the community to come up with a  
25 comprehensive plan for all categories of buses for



1  
2 all of bus issues in all parts of the area. Will  
3 we have that ability with the upcoming budget?

4 COMMISSIONER SADIK-KHAN: Well, as  
5 you know, buses are really controlled by the MTA  
6 and so what we've been doing is working with our  
7 colleagues at the MTA on a comprehensive bus  
8 program for New York City. We're looking at areas  
9 that are currently underserved by public transit  
10 and or overcrowded currently. And so what we're  
11 working on is a comprehensive bus rapid transit  
12 program that would be expanded in all five  
13 boroughs so that we can address the shortcomings  
14 of transit service, particularly on the bus front  
15 where we're able to deliver very quick mobility  
16 improvements, much faster than say, digging a  
17 subway--that's part one.

18 Part two is a very important  
19 question that you raise, which is what are we  
20 going to do with the tour buses and the long-  
21 distance operators that come in and take up all  
22 this space in Lower Manhattan, in Chinatown, and  
23 in lots of different places--theater district,  
24 we've got a real problem of capacity, limited  
25 space, and lots of vehicles.

1  
2                   So what we're doing, and I have had  
3 conversations with Port Authority Executive  
4 Director Chris Ward to identify sites on the far  
5 west side of Manhattan that we might be able to  
6 use as temporary staging areas--

7                   COUNCIL MEMBER GERSON:

8           [Interposing] Some of the boat terminals?

9                   COMMISSIONER SADIK-KHAN: We're  
10 working on identifying what the sites would be to  
11 do offsite staging so that buses would be able to  
12 locate there and then when the need is there, it  
13 takes nothing more than a cell phone to be able to  
14 call a bus into a particular location at a  
15 particular time.

16                   So we're very much aware of the  
17 problem that you raise, Council Member, and we're  
18 working very, very hard on it. We're also looking  
19 to make permanent some of the holiday bus layover  
20 spots that exist on the far west side of  
21 Manhattan, so that that would be available 365  
22 days a year. We're doing everything we can to use  
23 all of the tools in our portfolio to try to  
24 address and manage the situation better.

25                   So the longish answer is that we're

1  
2 working with our colleagues at the MTA, we're  
3 working with our colleagues at the Port Authority,  
4 and we're hopeful about announcing an action plan  
5 to move forward to address these critical issues  
6 on the streets of New York.

7 COUNCIL MEMBER GERSON: Okay. So I  
8 think your testimony is that the budget proposed  
9 currently allows for a full-scale planning to go  
10 forward, whether it's in-house sorted through the  
11 retention of outside consultants. I mean, the MTA  
12 buses are only one piece of the picture as you  
13 mention and they only control--I mean there are  
14 all these other categories of buses that right now  
15 are virtually uncontrolled and you correctly  
16 pointed out the problem, I won't reiterate that.  
17 So I mean, there's just a need for some kind of  
18 master planning. Do you have the budget--I just  
19 want to make sure, as this is a budget hearing,  
20 that your budget will allow for the development of  
21 a comprehensive master bus plan within a matter of  
22 months--

23 COMMISSIONER SADIK-KHAN: Well  
24 we're working--

25 COUNCIL MEMBER GERSON: --in the

upcoming fiscal year.

COMMISSIONER SADIK-KHAN: --what we're working on is a targeted plan to deal with the congested spots that we've got right now and so what we're really trying to do is take some quick action to try to see what we can get done, to address what it is that we've got going on in terms of lower Manhattan, to address what it is that we've got going on in Chinatown to try to bring some quick relief to these streets and to try to identify, not only short-term recommendations in terms of what we can do in terms of offsite staging, but then look for longer-term solutions that would meet the needs that we've got to identify here.

We do feel that it's really important that this work go forward in a collaborative effort with the other city, state, and local partners that we need to work with to develop a comprehensive solution. And so I also want to add that the--

COUNCIL MEMBER GERSON: One more?

[Crosstalk]

COMMISSIONER SADIK-KHAN: --

1  
2 construction work for Chatham Square is \$25  
3 million.

4 COUNCIL MEMBER GERSON: Okay. My  
5 final question--hopefully this is an easy one,  
6 you've cited many of your streetscape--excuse me,  
7 just, Mr. Chair, I think the Commissioner just  
8 mentioned 25 million for Chatham?

9 COMMISSIONER SADIK-KHAN: Yeah.

10 COUNCIL MEMBER GERSON: Is that  
11 entirely city funds or does that include the LMDC  
12 amount?

13 COMMISSIONER SADIK-KHAN: Twenty-  
14 four of that is federal.

15 COUNCIL MEMBER GERSON: Through the  
16 LMDC.

17 COMMISSIONER SADIK-KHAN: Yes.

18 COUNCIL MEMBER GERSON: So 24  
19 continued on LMDC, 1 million city.

20 COMMISSIONER SADIK-KHAN: Right.

21 COUNCIL MEMBER GERSON: Okay.  
22 You've testified about many of the streetscape  
23 improvements related to bicycles, related to  
24 crossings, you know, we've had extensive  
25 discussions on the non-budgetary aspects of these,

1  
2 certainly we're all in support of the aims and  
3 goals and the implementation, there has been  
4 ongoing dialogue from a budget standpoint, we want  
5 to make sure that all these changes are cost  
6 effective for the particular needs of the  
7 communities--one cookie-cutter model doesn't work  
8 for all. If we were to schedule community  
9 meetings in conjunction with community boards and  
10 other elected officials like a traffic Town Hall  
11 to hear input from the communities on these  
12 changes implemented and proposed, I presume we  
13 could count on the attendance, if not yourself, of  
14 a representative.

15 COMMISSIONER SADIK-KHAN: Yes, we  
16 do all of the presentations of all the projects  
17 happens at the community board and we would be,  
18 you know, happy to--if there are specific issues  
19 you want to have raised, we'd be happy to be  
20 there.

21 [Off mic]

22 COUNCIL MEMBER GERSON: ...follow-  
23 up, thank you very much, Mr. Chair.

24 CHAIRPERSON LIU: Thank you,  
25 Council Member Gerson, and thank you for following

up on a Chatham Square capital budget item.  
Council Member Koppell.

COUNCIL MEMBER KOPPELL: Thank you.  
Good afternoon. Several things, first of all I  
want to compliment you on the 12 'cause that goes  
by my district and bus 12 is working very well.  
Some of the merchants are unhappy because they  
lost parking, but overall I think it's a very good  
improvement and I see the increase in ridership.

I also commend you on your efforts  
to open spaces for pedestrians and for, you know,  
rest spaces, tables, and so on, in Times Square  
and in Herald Square and so on, I think those are  
terrific initiatives.

On the bicycle issue, I noticed in  
your statement you mention the legislation before  
the Council that seeks to get bicycle access to  
buildings. There's another bill that I'm the  
prime sponsor of that seeks to require parking  
lots to set aside some spaces for bicycles--allow  
them to charge, but that there must be a certain  
number of spaces. I think you support that, and I  
hope you will support it because it's been sort of  
hanging around a bit, so your support to move it

1  
2 along would be helpful.

3 I think that we're going to be  
4 moving it along, Mr. Chairman, but it sort of  
5 stuck talk a little bit, so your support would be  
6 helpful--

7 [Off mic]

8 COUNCIL MEMBER KOPPELL: --in that  
9 regard. I notice you mentioned the bridge  
10 program, and I think you're aware, and this is a  
11 parochial issue, but you've been doing the bridges  
12 across the Henry Hudson Parkway, which is the  
13 Riverdale section of my district where I live and  
14 we had many discussions and back and forth before  
15 your time on the design of those bridge  
16 improvements, and we finally achieved design that  
17 the community is very happy with on the bridges  
18 with a stone facing on the barriers between the  
19 bridge and the Parkway, and a fence that's  
20 different than the chain-link fences that are on  
21 many bridges and that are very unsightly in my  
22 view, and we've done, I think, five bridges with  
23 the stone facing and the chain-link and the nicer,  
24 I guess, picket-type fences, metal picket-type  
25 fences. There are two bridges left that are being



worked on as we speak and the work is in final stages, but the fences have not been restored, and I've been talking with your department about getting those picket fences for those last two bridges so that all of the bridges, which are similar are uniform. I am mean, it's kind of crazy--well maybe crazy's the wrong word, but unsightly and inconsistent to have five bridges that look nice and then two bridges that don't. And, you know, I don't know what the cost is, I'm sure that there's some cost involved, I know there's some cost involved, but I can't imagine that it's so large and if we now complete those two bridges without putting the more attractive metal picket-type fences, you know, how long is it going to be before they could be replaced? Now is the time to do it. It just can't be that expensive and we're talking about a community that contributes a lot to the city, it is in fact a middle-class community, the taxpayers contribute a lot to the city, and they have a right to have something that's uniform that doesn't look like we're sort of a Third World community or Third World city, and so I would ask you again to look

1  
2 into putting the appropriate fences.

3 COMMISSIONER SADIK-KHAN: I think  
4 you've had extensive conversations on this issue  
5 with both Deputy Commissioner Woloch and our  
6 Borough Commissioner Connie Moran. I think one of  
7 the issues that we've got is that the current  
8 component rehabilitation contract does not allow,  
9 does not include or allow for this work and that  
10 we need to have a type of fencing that's both  
11 approved for safety reasons and will meet the  
12 approval of the design commission. And so what  
13 we're looking to do is we do have budget issues  
14 associated with the many maintenance of this type  
15 of specialty fencing given the current budget  
16 restraints that we are operating under right now,  
17 so those are the issues.

18 COUNCIL MEMBER KOPPELL: Yeah, but  
19 with all due respect, and I know you can't know  
20 details all over the city of these little things,  
21 the 252nd Street Bridge just installed those  
22 fences in the last few months, it isn't like this  
23 is a long time between. In the last few months,  
24 we put those bridges on 252nd Street and now we  
25 have 246 Street and 253rd Street, it can't be that

1  
2 you can't put those fences there that you just put  
3 on a bridge that's a few blocks away--it just  
4 doesn't make sense. Now if it costs money, you  
5 know, we do have some--I have some discretionary  
6 capital funds, you know, I did contribute as you  
7 know to the wood fences that finally got  
8 installed, that we had a lot of back-and-forth  
9 about--and it looked very nice, by the way. Every  
10 time I pass it, I'm proud that I got that, even  
11 though we had a struggle and that was mostly with  
12 your predecessor, not with you. But please, I  
13 mean, you know, it's a little thing, but it has to  
14 do with some, you know, environmental  
15 attractiveness, and to put those horrible chain-  
16 link fences back when you're doing bridges, it  
17 just doesn't make any sense.

18 COMMISSIONER SADIK-KHAN: I  
19 understand your concern, I, just so that you know,  
20 substantively, the issue that we have here is a  
21 component rehabilitation of a bridge versus a full  
22 rehabilitation of a bridge, so we have contractual  
23 constraints in place. I know it seems, you know,  
24 frustrating, you know, that we have to operate  
25 under these kinds of conditions, but particularly

1  
2 what we're doing right now, those are the  
3 limitations that we face right now. Obviously I'm  
4 a big optimist and I believe that you can overcome  
5 things, but where we sit right now, those are the  
6 operational constraints that we're operating right  
7 now and that's the difference in terms of those  
8 two different bridges.

9 COUNCIL MEMBER KOPPELL: I  
10 understand you did less comprehensive  
11 rehabilitation on the two bridges we're talking  
12 about, and yet, as we speak, very today those  
13 bridges are about to get done, and the fences are  
14 about to be put up and you're going to put up  
15 chain-link fences again, and instead of putting up  
16 the proper fences, it just--now is the time to do  
17 it. You don't want to have to reopen the project,  
18 close off the bridges again, which has caused a  
19 lot of complaints that I'm sure you've heard too,  
20 about those bridges being closed for months now.  
21 It just doesn't make any sense. And I would ask  
22 you to take a look at it and see if there's  
23 something we can do. Maybe I can allocate some  
24 discretionary funds if it's a funding issue.

25 The last thing I'd just like to

1  
2 mention, because I see it every day and I think I  
3 mentioned it to you before, the West Side buses  
4 that go to the airports. Let me tell you, they  
5 have better facilities for such airport access in  
6 Third World countries than we have in New York  
7 City and in your long-term planning, that should  
8 be replaced.

9 Mr. Chairman, right now, they sell  
10 tickets from an old bakery truck in New York City,  
11 the tickets to the airport from Grand Central  
12 Station are sold from an old bakery truck. I  
13 mean, it's embarrassing.

14 COMMISSIONER SADIK-KHAN: Noted.

15 CHAIRPERSON LIU: Well that's  
16 probably because those bus companies don't want to  
17 pay real rent.

18 COUNCIL MEMBER KOPPELL: Let's tell  
19 them to pay real rent.

20 CHAIRPERSON LIU: Okay. Thank you.  
21 Council Member James.

22 COUNCIL MEMBER JAMES: Hello,  
23 Commissioner, how are you? First, let me thank  
24 you and your team--to my favorite former  
25 Commissioner, Commissioner Ardito and, of course,

1  
2 to my constituent and very good friend, David  
3 Woloch and, of course, to the greatest borough  
4 commissioner in his absence--Palmeri [phonetic],  
5 you can tell him I said that and my constituents  
6 think he's hot so... They do.

7 COMMISSIONER SADIK-KHAN: We'll  
8 pass that along.

9 COUNCIL MEMBER JAMES: Yeah, they  
10 tell him too whenever he comes to a meeting. I  
11 look forward to our charrette [phonetic] tomorrow  
12 on Lafayette Avenue. Let me thank you for your  
13 redesigning, your resurfacing, your new signage on  
14 the following streets: Vanderbilt Avenues, we're  
15 in the process of doing sands; Carlton Avenue  
16 median, which was something that I had thought of  
17 a long time ago; Fulton street, [off mic] Tillery  
18 [phonetic] design workshop and your efforts on  
19 Grand Army Plaza with GapCo. Thank you on all of  
20 those efforts, I look forward to working with you  
21 this summer on Vanderbilt Avenue, re-opening that.  
22 My constituents love it, adore you.

23 I want to talk a little bit about  
24 safety and if someone could just take down these  
25 streets, you'll probably get a letter: Atlantic

1 Avenue, there's been a number of accidents,  
2 particularly near the mall at Atlantic Terminal  
3 and there's been some depressions on Atlantic  
4 Avenue, particularly going to Bedford Stuyvesant  
5 that needs to be resurfaced; Lafayette Avenue,  
6 there's been some accidents in Clinton Hill and  
7 Lafayette Avenue. So if we can do some traffic  
8 calming on Atlantic, Lafayette, and Empire  
9 Boulevard and Bedford Stuyvesant, and last--and in  
10 terms of traffic calming, Washington Avenue, Gates  
11 and Green a child was hit by a car last week,  
12 across from PS 11 that I received a number of  
13 letters in regards to Washington Avenue between  
14 Gates and Green and Clifton Place. I don't know  
15 the cross streets, but, again, we will submit a  
16 letter to you with all of these requests we have  
17 done in the past and we're looking for an update.

18           Illegal truck traffic, the trucks  
19 continue to use Waverley to get from BQE over to  
20 Atlantic Avenue, it's a major problem. I know you  
21 have--if there is more enforcement, particularly  
22 on Waverley Avenue, that would be greatly  
23 appreciated.  
24

25           In the letter that I will send to

you, a number of block associations have requested bumps and so that will be outlined.

I know several years ago, the state had a pot of money for lighting and my constituents and I will probably be including it in my capital requests for historic lighting in Clinton Hill and in Fort Greene, I forget the state funds that they use for historic lighting, it was several years ago.

COMMISSIONER SADIK-KHAN: I think it's a state multimodal funds.

COUNCIL MEMBER JAMES: Multimodal money--

COMMISSIONER SADIK-KHAN: Yeah.

COUNCIL MEMBER JAMES: --is that still available?

COMMISSIONER SADIK-KHAN: Yes, it is.

COUNCIL MEMBER JAMES: Okay. So I just need to get an idea if someone can advise me how much money I should put aside for historic lighting in Clinton Hill, historic Clinton Hill and in Fort Greene, I will give you the streets and then if you could just let me know how much



1  
2 money I should set aside, that would be greatly  
3 appreciated.

4 COMMISSIONER SADIK-KHAN: Great.

5 COUNCIL MEMBER JAMES: And also  
6 Belgium--to replace the Belgium blocks in Vinegar  
7 Hill, how much will that will cost me, if I can  
8 get an idea on that as well. So I did trucks, I  
9 did safety, I did historic lighting.

10 BRT on Nostrand Avenue I'm very  
11 concerned about, the businesses have already began  
12 to organize, they have spoken to businesses in the  
13 Bronx. The businesses in the Bronx have suffered,  
14 they tell me, reduced revenues, it is a major,  
15 major concern and an issue. I know my colleague  
16 from Staten Island will probably be mentioning it  
17 in his comments as well. So right now there is  
18 wide opposition to BRT on Nostrand Avenue so--

19 COMMISSIONER SADIK-KHAN:

20 [Interposing] Can I address that just quickly?

21 COUNCIL MEMBER JAMES: Sure, of  
22 course.

23 COMMISSIONER SADIK-KHAN: We've  
24 worked very, very hard with the businesses along  
25 Fordham Road on this and, in fact, we had meetings

1  
2 earlier this week and we believe we've addressed  
3 all the concerns with the business communities  
4 along that road. We have also provided additional  
5 parking, we provided additional delivery windows,  
6 and they're happy right now with what we've got  
7 going on on Fordham Road.

8 On Nostrand Avenue, it's also  
9 important to point out that we will not be  
10 removing any parking--

11 COUNCIL MEMBER JAMES: Okay.

12 COMMISSIONER SADIK-KHAN: --  
13 associated with this program and I'd love to sit  
14 down and brief you about the details of this as we  
15 move forward.

16 And, again, we've got a community-  
17 based committee coming together to work on these  
18 issues to make sure that everybody's informed--

19 COUNCIL MEMBER JAMES: Thank you.

20 COMMISSIONER SADIK-KHAN: --about  
21 what the process is.

22 COUNCIL MEMBER JAMES: I look  
23 forward to those discussions, I believe there's  
24 concerns--the similar concerns have been expressed  
25 by Council Member Fidler, Council Member Eugene,

1  
2 and I, who represent the Nostrand Avenue corridor,  
3 as well as the Nostrand Avenue merchants.

4 I had written you a letter several  
5 months ago, I said that there was another Park  
6 Avenue that perhaps we should consider closing  
7 down in Brooklyn. It's the Park Avenue near the  
8 BQE running from Navy all the way into Bedford  
9 Stuyvesant. If we could perhaps look into the  
10 possibility of shutting down those streets, they  
11 border public housing, a significant number of  
12 those children suffer from asthma. It's that the  
13 BQE, they suffer from asthma because of the carbon  
14 belt that unfortunately feeds out from the BQE.

15 And last, I know that we have been  
16 talking about what we can do under the BQE and  
17 making that an open space. So I don't know what  
18 ideas but I know I'm working with the Myrtle  
19 Avenue revitalization Blazebacker for that.

20 And lastly, two last issues,  
21 Carlton Avenue Bridge related to hopefully soon  
22 the defunct Atlantic Yards, the Brooklyn Speaks  
23 crowd, the Atlantic yards opposition, of which I'm  
24 a member would like to extend an invitation to you  
25 to attend a meeting. The Carlton Avenue Bridge

1 continues to remain open in anticipation of a  
2 project which looks like it does not have any  
3 funding, it has closed off, as you know, Clinton  
4 Hill, Fort Greene from Prospect Heights and Park  
5 Slope. All of those residents have gathered  
6 together, they are called Brooklyn Speaks and they  
7 have asked me to ask you to attend a meeting, the  
8 state representative was there and he said it's  
9 not us, it's not the state, you've got to the  
10 Commissioner DOT. That's what he said, and so I  
11 said that's not true. It's a state project and he  
12 said, oh no, the Commissioner can just, you know,  
13 open up that bridge just like that and I--

14  
15 COMMISSIONER SADIK-KHAN: I'd be  
16 happy to sit down with you and talk with you about  
17 that.

18 COUNCIL MEMBER JAMES: And lastly,  
19 there's a small little green space at Navy and  
20 Tillery right near the BQE, if we could beautify  
21 that, and if you could talk to the police at the  
22 84th precinct about their continued abuse of  
23 parking on Tillery. I don't understand why they  
24 can't park under the BQE and walk to the precinct,  
25 it just destroys the neighborhood and it's an

eyesore and a quality-of-life issue.

COMMISSIONER SADIK-KHAN: Okay.

COUNCIL MEMBER JAMES: Thank you,  
Commissioner.

COMMISSIONER SADIK-KHAN: Will do.

CHAIRPERSON LIU: Thank you,  
Council Member James. I hope you guys got all  
that down.

COMMISSIONER SADIK-KHAN: Couple  
pages.

CHAIRPERSON LIU: Okay. We got the  
video for it. Council Member Ignizio.

COUNCIL MEMBER IGNIZIO: Yes, I  
promise to be brief as mine are--I think this is  
an actual showing of how great city government is  
where we talk from the most global of traffic  
problems in the city to green streets and  
everywhere in between, so no, I think a testament  
to this body.

I am not going to talk about BRT or  
bicycles or any of the issues that I may have with  
DOT, that we have agreements on a lot of good  
things that are going on in my district. And for  
the record, I say this at as many hearings as

1  
2 people will listen, my district is larger than 1  
3 1/2 times the size of Manhattan, and I repeat  
4 that, it bears repeating to my colleagues--my  
5 district alone is the size of 1 1/2 times of  
6 Manhattan. So when we do have issues vis-à-vis  
7 roads, you understand why 'cause we have just so  
8 many more of them than anyone else in the city.

9               There's some great things going on  
10 in my district. One in particular is the Amboy  
11 [phonetic] Road intersection study and I just  
12 wanted to know if there is some sort of an update  
13 or status, we're halfway through, we're almost  
14 there and where we are vis-à-vis that. And I'll  
15 tick them off one by one and allow you to respond  
16 one by one so...

17               COMMISSIONER SADIK-KHAN: The work  
18 on that is scheduled for later this year.

19               COUNCIL MEMBER IGNIZIO: Okay.  
20 Later this year. And I had funded in the midyear,  
21 and I think Jim Molinaro had mentioned at the  
22 State of the Borough half a million for the  
23 Huguenot, we received an agreement from the church  
24 to widen Huguenot Avenue and Amboy Road. My  
25 understanding is the desire was to have that

1  
2 funded midyear so we can get a jump on the capital  
3 year, we didn't have to wait until now before we  
4 would see that come to pass. Is that in design  
5 currently?

6 UNKNOWN VOICE: Yes.

7 COUNCIL MEMBER IGNIZIO: Huguenot  
8 and the Amboy Road. Not the Avondale [off mic]  
9 which is--

10 COMMISSIONER SADIK-KHAN: No, I  
11 thought that that was the--there was, yeah. I'll  
12 get back to you on that.

13 COUNCIL MEMBER IGNIZIO: Okay. I  
14 wrote these things in my Blackberry and it just  
15 went off, so...

16 Yeah, there is some agreements that  
17 we had had in the past and we got some agreement  
18 with the owner of Nelson Avenue and Amboy Road and  
19 that's going to open that up and I want to let you  
20 know and put on the record, I know Morrie Yates  
21 [phonetic] is here from the [off mic] that we are  
22 thrilled that Annandale Road and Amboy Road that  
23 intersection improvements is going to happen, and  
24 I know in large measure that's due to your offices  
25 and that of the borough commissioners so--

COMMISSIONER SADIK-KHAN:

[Interposing] I think we've been working well together.

COUNCIL MEMBER IGNIZIO: Yeah, I appreciate--no, that's going to be a big help.

COMMISSIONER SADIK-KHAN: Yeah.

COUNCIL MEMBER IGNIZIO: The park-and-ride facilities, the one in Princess Bay which I identified as now paved, thanks to joint cooperation between Staten Island rapid transit and your office and we're in pending awaiting on, I think lighting for that, is there any--oh, I'm sorry. Is there any sort of--when it's going to actually be okay we're ready to have--you know, it's marked, it's lit, and there's guard rails and--

COMMISSIONER SADIK-KHAN:

[Interposing] We're looking at late spring 2009 and we're waiting on guard rail apparently.

COUNCIL MEMBER IGNIZIO: Oh, okay. Well that's good news.

The borough president, myself, and Council Member Oddo were very interested in aggressively pursuing smart lights, our intention



1  
2 is to add some to our capital budget this year, I  
3 know the borough president's going to put some in  
4 too. We need to know the criteria 'cause I think  
5 what the desire is on behalf of DOT is to have  
6 them back to back, so whereas Council Member Oddo,  
7 myself, and the borough president all share and  
8 represent Richmond Avenue, perhaps Richmond  
9 Avenue's a better place; we all share Highland  
10 Boulevard, perhaps Highland Boulevard, is there  
11 the right place to go and we each do a share and  
12 that way it doesn't cost us that full amount of  
13 money. My understanding is that a rough number is  
14 about \$40,000 per light and do you know if that's  
15 correct?

16 COMMISSIONER SADIK-KHAN: I'm not  
17 sure that that's the correct number, but I do  
18 think that it's important that we sit down--

19 COUNCIL MEMBER IGNIZIO: Yeah.

20 COMMISSIONER SADIK-KHAN: --  
21 together and work on what a good strategy would be  
22 in terms of how we would proceed on that program.

23 COUNCIL MEMBER IGNIZIO: Okay.  
24 Well I just want to speak on behalf of my  
25 colleague, Council Member Oddo and myself, that we

1  
2 are willing to put our what money where our mouth  
3 is vis-à-vis this pilot project, which I think  
4 will show the model for this city and just need to  
5 have communication with you guys on where you want  
6 it, where it best works, and how much money we  
7 need to put into the budget.

8 The ferry cuts that you referred  
9 to, can we get a little bit more in depth than  
10 that? I wasn't quite sure on your testimony, I  
11 was in and out, I had to go see Martha Hirst next  
12 door about the ferry cuts that I proposed for--

13 COMMISSIONER SADIK-KHAN: What  
14 we're doing is ferry operational savings and  
15 efficiencies. So for example, dealing with  
16 overtime differently, so we're talking about, you  
17 know improving how it is that over time is  
18 structured--

19 COUNCIL MEMBER IGNIZIO:  
20 [Interposing] So the long and the short of it is  
21 the public will not see a declination in ferry  
22 service.

23 COMMISSIONER SADIK-KHAN: Correct,  
24 correct.

25 COUNCIL MEMBER IGNIZIO: All right.

1  
2 And, finally--and I promise this is finally--some  
3 of the issues vis-à-vis sidewalks in my district  
4 where I could use your help is, sadly, with other  
5 city agencies and in particular two main roads--  
6 Bloomingdale Road, which was the cause of several  
7 accidents right alongside of Bloomingdale Park,  
8 and Arden Avenue, which is right on the side of  
9 Arden Woods Park, there are bus stops there at all  
10 these locations, there's no sidewalks, there's not  
11 even curbs and what happens is the curb bed starts  
12 to erode at your edge, not a fault of your own,  
13 and we have blown out tires, we have accidents,  
14 and we have people who are standing in the mud and  
15 literally get splashed with mud while waiting for  
16 a bus in the morning. And your sister agency has  
17 not done a good job, I believe, in putting  
18 sidewalks and curbs around their property and I  
19 want to know how we can work together to try to  
20 talk to them and say this is a necessity like all  
21 of my constituents need to and those who you  
22 represent and have to answer to need to have  
23 sidewalks and curbs, so to they, being the city,  
24 and I think it's an embarrassment for them as a  
25 city, and how do we get them to buy into the fact

1  
2 that this is where the city is going with other  
3 programs, at the very least they should be doing  
4 this.

5 So I look forward to discussing it.  
6 I don't need to comment on that because I  
7 recognize it's an issue that it is a sister  
8 agency, but let's have that dialogue where it's  
9 important.

10 And I thank you very much, Mr.  
11 Chairman, for indulging my questions vis-à-vis my  
12 district, which once again has the most roads in  
13 the city 30 miles larger than 1 1/2 times the size  
14 of Manhattan. Thank you.

15 CHAIRPERSON LIU: Thank you,  
16 Council Member Ignizio. Just have a couple of  
17 questions related to everybody's favorite topic  
18 nowadays, which is the stimulus package. I mean,  
19 Governor Paterson always says, let's not get too  
20 overstimulated by the stimulus package. But how  
21 much are we expecting to come to the city DOT?

22 COMMISSIONER SADIK-KHAN: Well the  
23 stimulus include several different funding streams  
24 and so we're working closely now with our  
25 colleagues in state DOT to identify with the

1  
2 amount would be for work region 11, which is where  
3 we sit. There are 11 different regions in the  
4 state DOT and so we're region 11 and we're working  
5 with them on it right now. I think it will be  
6 over \$200 million for region 11.

7 CHAIRPERSON LIU: Okay. And has  
8 the city or has your agency identified the so-  
9 called shovel ready projects?

10 COMMISSIONER SADIK-KHAN: We have  
11 over \$600 million in projects that we've been  
12 working on to get to shovel ready status and so we  
13 are working right now on a list, we have to make  
14 sure that those projects are on the transportation  
15 improvement plan, that they meet air quality  
16 conformity standards, and basically the projects  
17 that do fall into that category have to be on the  
18 transportation improvement program and that  
19 program is published by NYMTC--the New York  
20 Metropolitan Transportation Council--so you can go  
21 online and see what projects are ready. So we'll  
22 be working with our state colleagues to work  
23 through--we do not have a final determination  
24 about the number, we don't know what the final  
25 number is--

CHAIRPERSON LIU: Okay.

COMMISSIONER SADIK-KHAN: --and so when we have that, we'll be in a much better position to--

CHAIRPERSON LIU: [Interposing] That's a list that's not prepared just for the economic stimulus package, it's a list that's prepared for the ongoing regular capital plan, right?

COMMISSIONER SADIK-KHAN: No, they have actually a special stimulus list.

CHAIRPERSON LIU: So a list of projects shovel-ready that will not have been done if not for the economic--

COMMISSIONER SADIK-KHAN: [Interposing] No, no, that's a list of shovel-ready projects that would be eligible for stimulus funding.

CHAIRPERSON LIU: Right, but they presumably, if they're shovel-ready and they're necessary, they would have been part of the regular capital plan regardless of economic stimulus.

COMMISSIONER SADIK-KHAN: Well I

1 think what the challenge that we face is to try to  
2 identify the projects that are really ready to go,  
3 there are different timeframes in the federal  
4 legislation, so certain projects, you know,  
5 different shovel-readiness standards, the first  
6 wave of projects have to be ready to go within 120  
7 days--that's a much smaller list and a larger list  
8 for phase two and those projects need to be ready  
9 to go by March 2010. So what we're doing is  
10 really working and scrubbing those projects to  
11 make sure that we know exactly what's ready to go  
12 so that we can be the most efficient stewards of  
13 federal transportation funds. And I hope once we  
14 obligate the projects that we decide on, then we  
15 are in a position to be able to get funds from  
16 other regions in the state and then funds from  
17 other states in the country.

18  
19 CHAIRPERSON LIU: Okay. And how do  
20 you choose if there's about \$200 million of  
21 economic stimulus funds made available, how do you  
22 choose which of the 600 million that you have on  
23 the list?

24 COMMISSIONER SADIK-KHAN: What  
25 we've been looking at critical infrastructure

1  
2 projects, major capital projects that we need to  
3 have funded for the health of the city's  
4 infrastructure.

5 CHAIRPERSON LIU: Okay. So have  
6 those been identified or is it still--

7 COMMISSIONER SADIK-KHAN: No, we're  
8 working--

9 CHAIRPERSON LIU: --just the 600?

10 COMMISSIONER SADIK-KHAN: We've got  
11 a big list and we're working to scrub that down  
12 and make sure that the projects that appear to be  
13 ready to go actually will be ready to go and  
14 there's a lot of--it's there's sort of a  
15 complicated list of requirements that the federal  
16 legislation imposes that make it really important  
17 that we look as closely as possible at the details  
18 of all of these projects to make sure that they're  
19 ready to go. So we're in the process of--

20 CHAIRPERSON LIU: So the 600  
21 million is not actually ready to go.

22 COMMISSIONER SADIK-KHAN: No, we're  
23 not within the first 120 days. As I said, there  
24 are a series of rolling deadlines and so when we  
25 were putting that initial list together, we didn't



1 know what the initial deadlines were going to be--  
2 90 days, 120 days, you know, 360 days--and so now  
3 that we've got that framework, we're continuing to  
4 scrub the numbers to understand exactly what will  
5 be ready to go by 120 days, what will be ready to  
6 go by March 2010 so that we're able to obligate  
7 those funds fast and efficiently.

8  
9 CHAIRPERSON LIU: So that means  
10 \$600 million of capital projects have been  
11 identified as ready to go by March 2010.

12 COMMISSIONER SADIK-KHAN: There are  
13 different timeframes to have them ready to go, so  
14 some of them are--

15 CHAIRPERSON LIU: [Interposing]  
16 Well you mentioned two, one is 120 days--

17 COMMISSIONER SADIK-KHAN: Right.

18 CHAIRPERSON LIU: --and the other  
19 one is by March 2010.

20 COMMISSIONER SADIK-KHAN: Right.

21 CHAIRPERSON LIU: Is there yet  
22 another one?

23 COMMISSIONER SADIK-KHAN: Well  
24 there are three year deadlines in terms of  
25 obligation and then the other piece would be the

1  
2 federal government has not issued the guidance in  
3 terms of what happens with the reallocation of the  
4 funds that would be between different regions and  
5 would be from different states. So we're  
6 continuing to work with our colleagues at the  
7 federal level to clarify exactly--

8 [Crosstalk]

9 CHAIRPERSON LIU: [Interposing]

10 Well that, I know--

11 COMMISSIONER SADIK-KHAN: --

12 requirements will be.

13 CHAIRPERSON LIU: --but,

14 Commissioner, that has to do with how much money  
15 we're actually going to get.

16 COMMISSIONER SADIK-KHAN: And the  
17 rules--

18 CHAIRPERSON LIU: What I'm asking  
19 you is what projects do we have ready readily  
20 available? And you stated that there 600 million  
21 of projects that are identified as shovel ready.

22 COMMISSIONER SADIK-KHAN: In some  
23 state of shovel readiness, as to whether they're  
24 ready in 100--

25 CHAIRPERSON LIU: [Interposing]

1

2

Well right, depends on the time frame, right?

3

COMMISSIONER SADIK-KHAN: Right.

4

CHAIRPERSON LIU: Some of it by

5

March 2010.

6

COMMISSIONER SADIK-KHAN: Correct.

7

CHAIRPERSON LIU: Some of it within

8

120 days--

9

COMMISSIONER SADIK-KHAN: Correct.

10

CHAIRPERSON LIU: --that you're

11

saying has not been determined?

12

COMMISSIONER SADIK-KHAN: That's

13

what we're working on right now and finalizing

14

with our colleagues at the state Department of

15

Transportation because as you know, the funds also

16

come down to region 11 for the New York State DOT

17

projects that are done in New York City and they

18

come to New York City for the projects that are

19

done in New York City. So there are--

20

CHAIRPERSON LIU: [Interposing] So

21

does all of the economic stimulus funding go

22

straight to the state DOT before it comes to the

23

city DOT?

24

COMMISSIONER SADIK-KHAN: Yes, it

25

does.

CHAIRPERSON LIU: Okay. So nothing comes straight to the city. It all goes to state DOT and then you figure out because you're part of region 11.

COMMISSIONER SADIK-KHAN: Exactly.

CHAIRPERSON LIU: Okay. And as of now, none of those projects have been identified that would be funded by economic stimulus.

COMMISSIONER SADIK-KHAN: We continue to work with our colleagues at the state to refine the project list so that we put together a package that we know that we can stand behind and that we will have that money obligated because I just want to underscore again that the faster we get this money obligated and the tighter these projects are, the better position we are to absorb more monies across the state for projects that are not ready to go and then we get that funding.

CHAIRPERSON LIU: I understand that, but I'm simply asking you, do we know any of the projects that would be funded by--that would be--

[Crosstalk]

COMMISSIONER SADIK-KHAN:

[Interposing] We have not finalized that list.

CHAIRPERSON LIU: Okay. If you don't want to say so, just say we can't say so.

COMMISSIONER SADIK-KHAN: We are--

[Crosstalk]

CHAIRPERSON LIU: I'm sure that list is there, everybody knows the list is there, it's just top-secret right now.

COMMISSIONER SADIK-KHAN: We have not finalized the list, Mr. Chairman.

CHAIRPERSON LIU: How much do you want to bet that that list is not going to change between today and the next three months?

COMMISSIONER SADIK-KHAN: I'm not really a betting person.

CHAIRPERSON LIU: Okay. All right, we have questions from Council Member Brewer.

COUNCIL MEMBER BREWER: Very quickly, I am, as you know, your biggest supporter on some of the bicycle initiatives, but one of the issues when I say that is people who drive cars, which not me too often, they say there are a lot of potholes. So I'm just wondering, what is your street maintenance budget, has it changed, are

1  
2 there more? I know that you do the best you can  
3 on oversight of quality of job, but maybe it's the  
4 weather, whatever, there seem to be many more, and  
5 I think in the Mayor's Management Report, you had  
6 a slight decrease in whatever street performances--  
7 -I don't really know what that entails. So I just  
8 think that as we have all these initiatives, we  
9 need to pay attention to the streets.

10 COMMISSIONER SADIK-KHAN: I  
11 couldn't agree with you more, I believe our budget  
12 is \$157 million, we are doing everything we can to  
13 address street conditions in the city of New York.  
14 As you know, it's we fill 250,000 potholes a year,  
15 we're doing everything we can, and we've invested  
16 a lot in terms of trying to get our streets into a  
17 state of good repair, but we're still playing  
18 catch-up and we're going to be playing catch-up  
19 for a little while. So we're trying to do more,  
20 in addition, extending the paving season, we're  
21 taking a look at using a warm-mix asphalt, which  
22 would allow us to extend our paving season beyond  
23 what it is today so that we would be able to  
24 actually do more for a longer period of time,  
25 which would allow us to extend--

[Crosstalk]

COUNCIL MEMBER BREWER:

[Interposing] So is the 157 similar to what was it in like '07, '08, etc.? Is it...

COMMISSIONER SADIK-KHAN: No, we're doing more because we've gone up to 1,000 lane miles of resurfacing, whereas before we were doing 950, last year was 950, this year we'll be doing 1,000 lane miles, so we'll be doing more.

COUNCIL MEMBER BREWER: Okay. I'm saying that that's something to work on, I can tell you this from personal--

COMMISSIONER SADIK-KHAN: Yep.

COUNCIL MEMBER BREWER: --business. Second, do you do, I know that in talking to DoIT, they are trying to work to collaborate, coordinate more city agencies on technology. You have everything from the wonderful cameras and viewing at Queens Ridge Plaza to lights to many different aspects that are technology-related. I don't know if there are savings there, we're always trying, but are you coordinating more with DoIT? Are there any savings, and are there any initiatives?

COMMISSIONER SADIK-KHAN: Yes, we

1  
2 are collaborating with DoIT. One of the areas  
3 that we're collaborating with is on our bus  
4 program, and so we're looking to provide real-time  
5 travel information to bus riders at bus shelters,  
6 and we're working with DoIT on the niceone  
7 [phonetic] network to be able to get that done and  
8 we will be looking to do a pilot program on that  
9 shortly.

10 COUNCIL MEMBER BREWER: Okay. I  
11 know that--

12 COMMISSIONER SADIK-KHAN: So that's  
13 one example of an initiative that we're working on  
14 with them.

15 COUNCIL MEMBER BREWER: Okay. I  
16 know that the Chairman had a hearing on that and  
17 that's been an ongoing issue. So do you have any  
18 time frame on that initiative?

19 COMMISSIONER SADIK-KHAN: I'm  
20 hoping--we are working with the MTA on this issue,  
21 so we're working out the final details. It's my  
22 hope that this will be done within the next six  
23 months.

24 COUNCIL MEMBER BREWER: Six months,  
25 okay. Thank you, Mr. Chairman.



CHAIRPERSON LIU: Thank you,  
Council Member Brewer. Council Member Jackson.

COUNCIL MEMBER JACKSON: Good  
afternoon, Commissioner. I was over there  
listening to your testimony while trying to do a  
couple of things at one time and have lunch, you  
know, they don't give us a lunch break here. So I  
was trying to have some lunch and listen to your  
testimony.

And concerning the MTA and the  
legislature has not dealt with it yet, but if in  
fact they move to put tolls on the East and Harlem  
River bridges, would that fall under your  
jurisdiction as the Commissioner of DOT in order  
to do that? I'm just asking a question, because I  
understand the Chairman asked what does it cost to  
maintain those bridges and I think you said about  
20 to \$25 million a year.

COMMISSIONER SADIK-KHAN: Correct.

COUNCIL MEMBER JACKSON: So I'm  
curious as to if in fact that there is a proposal  
to put tolls on that, whose responsibility is that  
going to be? Is that going to be New York City  
DOT or MTA or Port Authority of New York, New

Jersey or upstate whatever fishing Authority?  
Who's going to do it?

COMMISSIONER SADIK-KHAN: Council  
Member, based on the legislation that's under  
consideration in Albany that would be under the  
jurisdiction of the MTA.

COUNCIL MEMBER JACKSON: You mean  
MTA will put tolls on our local bridges.

COMMISSIONER SADIK-KHAN: Correct.

COUNCIL MEMBER JACKSON: That's  
what they're proposing in the legislation.

COMMISSIONER SADIK-KHAN: That is  
correct.

COUNCIL MEMBER JACKSON: Okay. And  
have you weighed in as the DOT Commissioner of the  
environmental impact that would have on  
communities on both sides of our bridges?

COMMISSIONER SADIK-KHAN: I've been  
working through our office of OMB as you may know,  
Mark Page served on the Ravitch Commission and  
he's--

COUNCIL MEMBER JACKSON:  
[Interposing] And he's a member of MTA board,  
isn't he?

COMMISSIONER SADIK-KHAN: He's a member of the MTA board and he also served on the Ravitch Commission. And so the issues that were associated most particularly in terms of the control of the local transportation network, along with how it is that we are regulating our streets and bridges is extremely important and we've been working with him conveying our concerns through Mark Page, who is the city's representative both on the commission and on the MTA.

COUNCIL MEMBER JACKSON: But as the Commissioner of DOT, I'm asking you whether or not it you've expressed the environmental impact and the traffic because I don't--does the legislation to the best of your knowledge say that everyone must have EasyPass? Because if not, I don't see--it's going to be a nightmare.

COMMISSIONER SADIK-KHAN: I do not believe that the legislation mandates the use of EasyPass.

COUNCIL MEMBER JACKSON: I just I visualize a nightmare because I mean, I know what the traffic is on 181st Street between the Bronx and Manhattan and I know what the traffic is on

145th Street between Lennox and over to the Bronx, because there's about six bridges that basically touch base with my area, as Miguel Martinez mentioned earlier. I don't know if he was here for you, but he was definitely here for the MTA, and so that's a huge issue, and from an environmental point of view it's going to cause a lot of backup and traffic and pollution, not even talking about the individuals that have to pay the tolls.

So, I mean have you made a recommendations as far as the impact that this would have on the DOT and our communities?

COMMISSIONER SADIK-KHAN: At this point, we're closely monitoring the legislation in Albany to see what transpires and the lead person for the city on this has been Mark Page. When we did the consideration of congestion pricing last year, we went through a lot of the environmental impacts that were associated with tolling, or rather, with the congestion pricing fee that was looked at. So obviously there's going to be a lot of work that remains to be done if this legislation passes.

COUNCIL MEMBER JACKSON: And will those tolls on our--if, in fact, it goes through, will those tolls on our local bridges go to the New York City general fund?

COMMISSIONER SADIK-KHAN: They would go to the MTA.

COUNCIL MEMBER JACKSON: So in essence, we would have no control over it.

COMMISSIONER SADIK-KHAN: The MTA would assume responsibility over the maintenance costs associated with those bridges, what remains to be negotiated would be an MOU which you rightly point out would definitely have to be in place to ensure that we do not lose control over the traffic strategies that are adopted by the city of New York.

COUNCIL MEMBER JACKSON: But so the current maintenance of about \$25 million a year, the city would not have to pay for the maintenance of those bridges, is that correct?

COMMISSIONER SADIK-KHAN: Right, the maintenance and there's about \$100 million a year in capital costs associated with those bridges.

COUNCIL MEMBER JACKSON: [Off mic]

Okay. Thank you, Commissioner.

CHAIRPERSON LIU: Thank you, Council Member Jackson. Want to thank Commissioner Sadik-Khan and her team at DOT for testifying today. Thank you.

COMMISSIONER SADIK-KHAN: Thank you, Mr. Chairman.

CHAIRPERSON LIU: Kristin Goodwin. X, why don't you come up as well?

Ms. Goodwin, please proceed.

MS. KRISTIN GOODWIN: My name is Kristin Goodwin, I am the Director of New York Policy and Organizing and Housing Works. Thank you for the opportunity to testify today on behalf of the clients, staff, and volunteers of Housing Works. Housing Works is the largest community-based HIV/AIDS service organization in New York City.

Our clients and other New Yorkers who are in need will be casualties of this economic crisis in more ways than many policymakers realize. The fare hikes and service changes that the MTA has proposed are one of the

1  
2 most significant, because it affects the very  
3 basic need for people to access services.

4           The fare hikes that the MTA has  
5 proposed for 2009 hurt those who already have a  
6 difficult time affording their transportation.  
7 For example, by proposing "solutions" that make it  
8 more expensive for those who purchase their  
9 MetroCards one ride at a time, it will be more  
10 difficult for those who struggle the most in these  
11 times of economic downturn. People in our city  
12 who are poor, unemployed, or on a fixed income  
13 should not fall victim to the shortfall in the  
14 MTA's budget. Their needs must be considered as  
15 the fares and services are changed.

16           The proposed increase to the  
17 Access-A-Ride fare is particularly of concern for  
18 Housing Works. New Yorkers who have disabilities  
19 rely on Access-A-Ride. More than doubling their  
20 transportation costs forces them to take on an  
21 unfair burden. In addition, many of our clients  
22 live in the outer boroughs, far from accessible  
23 subway stations or close bus stops. They rely on  
24 Access-A-Ride, and will not be able to afford the  
25 fare increase. Many who cannot afford the change

will instead become more isolated and will not access services that they need.

It's not just our clients who will suffer in these tough economic times. In October, Governor Paterson stated in remarks about the budget that charities will have to pick up much of the burden while the state and city deals with its fiscal crisis, but with budgets tight and everyone trying to stretch their resources to provide services, non-profit organizations will be significantly impacted by our clients' need for transportation.

Housing Works and other social service organizations across the city provide MetroCards to clients so that they can attend doctor and dentist appointments, meetings with case managers, mental health care, substance abuse treatment and other essential life-saving services. Our clients budget their MetroCards carefully so that they can make meetings and appointments, being sure to reserve a ride at the end of their night for their next day's needs. Every ride is precious, and every ride is an essential part of their health care. For someone



1  
2 living with HIV or AIDS, making it to a doctor's  
3 appointment is not only important, it is life-  
4 saving.

5 In a time when new contracts for  
6 services no longer include transportation, the MTA  
7 fare increases will create unbearable strain. If  
8 the fare is drastically increased, say to one  
9 proposal of \$3 per ride, non-profit service  
10 organizations would suffer a drastic hit,  
11 increasing the cost of providing their clients  
12 with transportation by 50%. For Housing Works,  
13 that would mean an additional \$250,000 just for  
14 the increased fare. It's an impossible budget  
15 strain.

16 For many organizations, it would no  
17 longer be possible to provide the MetroCards for  
18 clients that we currently provide. If our clients  
19 who are HIV-positive do not have transportation,  
20 they cannot seek health care and other services.  
21 Many clients will fall out of care that is  
22 necessary to survive, and many will not be able to  
23 maintain their physical or mental health. This  
24 burden is not acceptable in a fiscal crisis  
25 because those who are poor will suffer the most as

1  
2 jobs become more scarce and services are more  
3 greatly needed.

4 Housing Works proposes that as  
5 drastic increases are made to the single ride or  
6 base fare, that the city and the MTA hold non-  
7 profit organizations harmless from the fare  
8 increase. Allow agencies with 501(c)3 status that  
9 purchase MetroCards in bulk to purchase the newly  
10 valued cards at the current rate. This would  
11 allow us to continue to provide our clients with  
12 much needed transportation, while not forcing  
13 already strapped social service organizations to  
14 take on the financial strain of the increase in  
15 subway and bus fares.

16 Thank you for the opportunity to  
17 testify. We hope that you will take New York's  
18 most vulnerable people into consideration as you  
19 make recommendations.

20 CHAIRPERSON LIU: Thank you, Ms.  
21 Goodwin.

22 MR. X: Hi [off mic] budget, I  
23 don't feel a toll on the bridges is the answer. A  
24 good example will be the [off mic], which is close  
25 to me, the bridge and the street are both

1  
2 congested from time to time. That bridge connects  
3 to the [off mic] Drive or [off mic] it connects to  
4 the [off mic] Expressway. If you toll that bridge  
5 alone, you know, we can't reach our destinations  
6 [off mic] is.

7               So tolling the bridges is a bad  
8 idea, I have a better suggestion. Drivers who  
9 park their cars illegally should be towed or I  
10 mean should lose their license, they can lose  
11 their license, there should be heavy fines for  
12 drivers who park their cars in streets,  
13 particularly in bus lanes--charge them higher  
14 fines, revoke their licenses, tow away their cars,  
15 that's what should be in the budget. [Off mic]  
16 and nobody has mentioned that, I don't know why.

17               As far as MTA goes, I don't feel  
18 any bus or train service should be cut. We should  
19 have more bus and train service for \$2 and the  
20 fare's supposed to go up--no, I'm sorry, if the  
21 fares are going up, then we should get more  
22 service, not less.

23               I'm hoping, John, you can join me  
24 on two weeks from yesterday, which is March 25 at  
25 the next regular MTA board meeting at which the

1  
2 [off mic] board members will decide what our fate  
3 should be, even though they don't deserve to,  
4 mainly because they got free rides and, more  
5 important, they don't normally attend public  
6 hearings.

7                   Unfortunately, I don't have a [off  
8 mic] I'm just saying though, tolling the bridges  
9 won't increase revenue, it will just decrease  
10 revenue. And most drivers don't use EasyPass,  
11 that's another problem right there.

12                   We should have some more HOV lanes,  
13 that would be nice. [Off mic] There will be less  
14 traffic.

15                   So that's it for now.

16                   CHAIRPERSON LIU: Thank you. There  
17 being no other witnesses, this hearing of the City  
18 Council's Transportation Committee is adjourned.

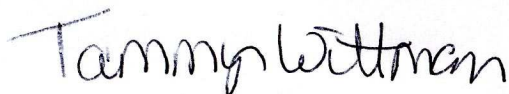
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C E R T I F I C A T E

I, Tammy Wittman, certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

A handwritten signature in black ink that reads "Tammy Wittman". The signature is written in a cursive style with a large initial 'T'.

Signature\_\_\_\_\_

Date April 1, 2009\_\_\_\_\_