

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON TRANSPORTATION

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September 10, 2009

Start: 10:00 am

Recess: 11:25 am

HELD AT: Council Chambers
City Hall

B E F O R E:

JOHN C. LIU
Chairperson

COUNCIL MEMBERS:

Gale A. Brewer
Daniel R. Garodnick
Vincent Ignizio
Diana Reyna
Larry B. Seabrook
Eric Ulrich
Kenneth Mitchell
James S. Oddo
Simcha Felder

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

James DeSimone

COO

New York Department of Transportation

Staten Island Ferry Division

David Woloch

Deputy Commissioner for External Affairs

New York Department of Transportation

John Collins

Director of Ferry Engineering

New York Department of Transportation

Michael Arvanites

Representative

State Senator Diane Savino

John Luisi

Founding Member

Ferry Riders Committee

St. George Civic Association

Fred Rodriguez

Resident

Staten Island

CHAIRPERSON LIU: Good morning.

Welcome to today's hearing of the City Council's Committee on Transportation. My name is John Liu.

I have the privilege of chairing this hearing.

Let me first apologize for the delay in the start of this morning's hearing. Certainly I'm very

happy to see everybody. We've organized today's oversight hearing for the purpose of looking into

the new Molinari-class vessels being used as part of the Staten Island Ferry system. Today we'll

examine these new ferries that started to enter service in 2005 and were to bring a new era of

reliable ferry service for Staten Islanders.

Instead of being reliable, all three new ferries, the Molinari, the Marchi and the Spirit of

America, have experienced extensive problems that have kept them out of service for significant

amounts of time. A 2007 news report on the

Molinari, I think that distinguished reporter is in this room right now, which had just been in

service since 2005, was out of service almost 40% of the time. This is unacceptable. Imagine if

you bought a new car and it was at the shop 40% of the time. You would probably be able to get a new

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2 car under the state's lemon law. Unlike a care,
3 which may just serve a few people, over 65,000
4 people every day ride the Staten Island Ferry,
5 which is probably Staten Island's most important
6 link to the rest of the city. When the ferry is
7 not operating, thousands of Staten Islanders who
8 have limited mass transit options are affected.
9 In one of the last episodes with mechanical
10 problems on the Marchi, people were not only
11 inconvenience but many got hurt when the Marchi
12 crashed into the St. George Terminal slip after
13 losing power. I applaud my Staten Island
14 colleagues, Council Members Mitchell and Ignizio
15 and Minority Leader Oddo for asking for this
16 important hearing which we organized as quickly as
17 possible. I'd like to offer them the floor to
18 give opening remarks, starting with Minority
19 Leader Oddo.

20 COUNCIL MEMBER ODDO: Thank you, Mr.
21 Chairman. I'd just like to begin by thanking the
22 Speaker for hearing Staten Island delegation's
23 plea and thank you for scheduling this hearing in
24 what obviously is a very busy time for you. For
25 you to take the time out to make sure that we had

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2 this hearing as quickly as possible, you have the
3 appreciation of the Staten Island delegation.

4 Listen, I want to thank Captain DeSimone for the
5 job that he does and his staff. We appreciate it.

6 We're not here to beat up on you or beat up the
7 DOT at all. We want a ferry system that runs as
8 efficiently as safely possible, the same thing
9 that you guys want. Although you are the experts,
10 to the lay people like Council Member Mitchell,
11 Council Member Ignizio and I, to the riders, it
12 just seems odd that \$120 million worth of ferries
13 seem to be breaking down as often as they are.

14 There was a comment in the paper about this is
15 part of the routine break-in period. So I guess
16 at some point today somebody has got to define
17 that for us and explain when that break-in period
18 ends. I have a 2002 Jeep Wrangler that seems like
19 it requires less service than these boats. I
20 understand these are intricate pieces of
21 technology. But the riders want to know why.

22 This seems odd to them. This has been going on.

23 I have Staten Island Advance articles here going
24 back to 2005 where interestingly enough one of the
25 authors of the article is now a DOT employee

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2 trying to explain all of this. So this is right
3 from the start. I mean the Spirit of America
4 didn't even get to Staten Island before it had
5 problems. Again, respectfully, not here to beat
6 up anyone. We just want answers so that when our
7 constituents come up to us and say what's going on
8 with these boats, we can try to explain it to the,
9 a little bit more intelligently. Thank you, Mr.
10 Chairman.

11 CHAIRPERSON LIU: Thank you.

12 Council Member Ignizio.

13 COUNCIL MEMBER IGNIZIO: Thank you
14 very much. I'm going to defer my opening comments
15 and just associate myself with the comments of
16 Minority Leader Council Member Oddo in that we're
17 just here to get some answers and we want to know
18 if the city was sold a lemon and what, if
19 anything, we can do about it. I'm going to
20 reserve the rest of my time waiting to hear
21 answers from you all. Thank you.

22 CHAIRPERSON LIU: Thank you.

23 Council Member Mitchell, who has been on the scene
24 for a relative short period and yet has been
25 incredibly active on this issue.

COUNCIL MEMBER MITCHELL: Thank you, Chairman Liu. I just want to thank you for arranging this hearing so quickly in response to our request and also the Speaker for hearing us on this issue as well. I for one have been spending a lot of time in the St. George ferry terminal over the last couple of months. People have been coming up to me and asking me what are the issues with the newer boats with regard to the way they were designed and especially with regard to the breakdowns. I look forward to the answers of Captain DeSimone. He does a very good. He's very responsive, especially to my office with any comments and questions I may have and I'm sure he'll be able to give us some answers here today. Thank you.

CHAIRPERSON LIU: Thank you. We've also been joined by members of the commission, Council Member Diana Reyna of Brooklyn and Queens, and Council Member Gale Brewer of Manhattan. With that I'd like invite Captain DeSimone to the witness table. Please proceed whenever you're ready.

JAMES DESIMONE: Good morning. I

am James DeSimone, the Chief Operating Officer of the New York City Department of Transportation Staten Island Ferry Division. With me here today is David Woloch, Deputy Commissioner for External Affairs and John Collins, Director of Ferry Engineering. Thank you for inviting us here today to testify at this hearing regarding the operation of the city's newest class of ferry boats. I think it goes without saying that the Staten Island Ferry is the city's most reliable and economic form of mass transit. We're in operation 24/7, free of charge for all users, and this year it looks like we're going to carry a little over 21 million people. The city has operated the ferry since 1905 and it is the largest passenger ferry system in the United States. Given its scope and record of operation, I am especially proud to be here today and to discuss the current operations of the ferry which I think is one of the most efficient in the nation and the best in the nation. As you are aware, I joined the DOT in May of 2004, following the tragic accident with the Andrew J. Barberi. Since that time I think we've accomplished an awful lot. We have moved

forward with some pretty aggressive enhancements to the ferry system, including and organizational restructuring of the Staten Island Ferry to more closely reflect that of a traditional maritime operation. In the weeks that followed the October 2003 accident, DOT hired the Global Maritime and Transportation School of the United States Merchant Marine Academy to review ferry operations and make recommendations for safety enhancements. Overall, GMATS found that the Staten Island Ferry to be a safe operation and its recommendations were intended to enhance safety and efficiency by taking advantage of the more recent innovations in the maritime industry. All of the GMATS recommendations have been addressed. Most significantly putting a safety management system in place. And the three recommendations of the National Transportation Safety Board, which including implementation of a safety management system have been satisfied and are formally closed. SMS is an internationally recognized program with protocols and procedures which standardizes and records all functions and operating procedures modeled on the International

Safety Management Code. In October of 2005, the American Bureau of Shipping on behalf of the United States Coast Guard issued a document of voluntary compliance to DOT attesting to the compliance and formal certification of this safety management system. It was my understanding then and continues to be my understanding that DOT is the only marine operator in the United States today to have complied with this rigorous international safety regime. Additionally, we have hired significant numbers of new employees and we have developed and implemented broad based professional training programs for our staff, operational and procedural enhancements, an up to date comprehensive computer-based maintenance and inventory control system transitioning from what was heretofore a manual paper-based system. We have implemented and developed U.S. Coast Guard mandated and approved combine vessel and facility security plan in accordance with the requirements of the Maritime Transportation and Security Act of 2002, a U.S. Coast Guard mandated and approved non-tank vessel oil spill response plan in accordance with the requirements of the Oil

Pollution Act of 1990 and EPA-mandated program to meet the requirements of the National Pollutant Discharge Elimination System permit program, and we have concluded an agreement with the Port Authority of New York and New Jersey that implemented an exhaust emissions reduction program for the entire fleet of ferry boats, making the Staten Island Ferry one of the cleanest fleets in the nation today. We have also accepted and commissioned two modern state of the art ferry terminals and accepted delivery of and commissioned three newly-constructed ferry boats which is the subject of today's hearing. Over a century ago, the City of New York commissioned five new ferry boats, each one named after a borough and the Staten Island Ferry as we know it today was born. From time to time ever since the city has contracted to construct new ferry boats to maintain a state of good repair and to benefit from enhanced safety and the efficiencies of new technologies. In September 2001, DOT awarded a \$120 million contract to the Marinette Marine Group for the construction of three new ferry boats. These ferry boats were to replace the

aging Kennedy Glass ferry boats which were constructed in the mid 1960s and approaching 40 years of age at the time. The procurement process for these vessels began in the mid 1990s and included, among other things, a demand forecast, preliminary designs and a propulsion tradeoff study, all of which led to the specifications which were ultimately included in the competitive bid process for a three vessel construction contract. During this procurement process a decision was made based in part on the propulsion tradeoff study that the vessels would be fitted with conventional rudders and propellers driven by a diesel electric power plant. The power plant configuration included redundancy with three main diesel propulsion generators fitted in the engine room and four independent propulsion drive units powered by variable speed AC motors with two drive units on each end of the ferry driving a single propeller. As required by federal regulations, the vessels were designed and constructed to U.S. Coast Guard standards which are among the most stringent and rigorous in the world today. Additionally, at DOT's behest and on a strictly

voluntary basis, the vessels were also designed and constructed to the highest class standards of the American Bureau of Shipping. To satisfy the design and construction standards of the Coast Guard and ABS, all design proposals required pre-approval, all phases of construction were subject to inspection and survey, and all machinery and component part required approval by these agencies. Prior to delivery to owners, the vessels were subject to thorough inspection, testing, dock trials and sea trials to ensure they met the high standards of these agencies and were subsequently issued certificates of inspection by the U.S. Coast Guard and class certificates by the American Bureau of Shipping. In September 2004, the first of the three ferry boats, Guy V. Molinari was delivered to the ferry maintenance facility at St. George on Staten Island. Following successful completion of specified owner acceptance protocols, the vessel was formally accepted by the city. During the following 18 months, Senator John J. Marchi and Spirit of America were delivered and accepted by the city. Ultimately, all three vessels were commission and

placed into passenger service between February 2005 and April 2006. The vessels, not unlike their predecessors and most newly-constructed vessels have been subject to what we in the industry refer to as teething problems. New ships are not manufactured on assembly lines but are instead custom built for each and every owner and therefore each class of vessel tends to manifest its own unique problems during the first several years of service. The design, control and propulsion system issues thus far experienced with the Molinari-class ferries are not uncommon for newly-constructed ships and have been experienced by the U.S. military, commercial tanker and cruise ship operators, as well as other passenger ferry systems such as the Washington State ferries. The Molinari-class is truly one of a kind. The basic design of a double ended ferry essentially involves the joining of two stern sections which in and of itself presents challenges and complications in terms of hull design, vessel control systems and a variety of other elements. In addition, although considered to be extremely efficient and flexible from a technical

standpoint, the use of variable speed AC motors to power the drive system comes with its own set of complexities. Make no mistake about it, these vessels are complex and sophisticated vessels and very much reflective of current technology. From the outset, issues were encountered with the drive systems and ship service generators which required DOT to work very closely with the ship builder, the propulsion manufacturer Siemens and the ship generator manufacturer, Caterpillar, to provide that the systems were reliable and that the city got what it was paying for. Accordingly, modifications were made to the power plant management software, drive system components and the ship service generators, all at no cost to the city with extended warranties. The U.S. Coast Guard and the ABS were and continue to be intimately involved in addressing these issues every step of the way. DOT cannot simply operate these vessels unless these two agencies authorize us to do so. In addition to being subject to quarterly and annual inspections by the Coast Guard, and under what is referred to as continuous survey by ABS, anytime a piece of critical

equipment fails or otherwise malfunctions, these agencies must be notified immediately and a no sale deficiency is issued by the United States Coast Guard. Before the vessel can be returned to service, a full investigation is conducted, the underlying root cause identified, corrective action taken and a report submitted. And then and only then will the U.S. Coast Guard and ABS consider authorizing the vessel to return to service. Such is the process we are currently undergoing as a result of the recent hard landing that occurred on July 1st, 2009 involving the ferry boat Senator John J. Marchi. In regard to the incident itself, we are pleased with the manner in which the crew conducted themselves. They took the appropriate actions and followed official protocols, minimizing the consequences. The process of integrating the new vessels into the Staten Island ferry fleet has been a major undertaking which we have all taken very seriously at DOT. In fact, we have taken a very conservative approach with these vessels, essentially removing a vessel from service anytime a drive unit tripped or another aspect of the

vessel's redundancy failed, even when by regulation we could have continued to operate in passenger service. This is because as professional operators, we always want to try and ascertain the root cause of any particular issue and fully understand it from an objective and technical standpoint and hopefully prevent a recurrence. In addition, there were and will continue to be instances when systems fail and vessels must be removed from service for repair, but these instances are trending less frequent. In fact, for the fiscal year just ending, Guy V. Molinari was available for passenger service 95% of the time, Senator John J. Marchi, 93% of the time, and Spirit of America 99% of the time. This compared to Andrew J. Barberi's availability of 97.5% of the time and Samuel I. Newhouse 90% of the time. This data represents the amount of time that the vessels were actually available for use in passenger service and not out of service for unanticipated or reactive repairs. Our goal is provide safe and efficient transportation for the traveling public. To this end, we will continue to refine the operation of these vessels and take

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2 whatever actions necessary to provide that they
3 operate in a safe and reliable manner.

4 Functioning under an extremely heavy regulatory
5 scheme, we take very seriously regulatory mandates
6 as well as industry standards for ferry boat
7 operations, even further strengthening our
8 commitment to safety and the efficiency of our
9 vessels. Again, thank you for inviting us here
10 today and at this time we would be happy to answer
11 any questions you may have.

12 CHAIRPERSON LIU: Thank you very
13 much. We've also been joined by Council Member
14 Eric Ulrich from Queens. Captain DeSimone, we
15 appreciate your testimony here. I certainly
16 concur with Council Member Oddo that we're not
17 trying to give anybody a hard time here. Your
18 testimony basically laughs this off as just
19 business as usual. It's the same and you'd expect
20 this to happen all the time, anytime new boats are
21 coming into the fleet. That's basically what your
22 testimony says. That you don't think there's a
23 problem that boats being out of service 40% of the
24 time is to be expected. Is this a normal thing
25 that has occurred with these three vessels? When

other cities buy ferry boats, do they encounter the same kinds of problems with that much frequency and duration?

JAMES DESIMONE: If you could just indulge me for a second here, I will try and answer that by reading a variety of headlines from the Staten Island Advance over the years, relative to bringing new ferry boats into service. January 16, 1951, Merrill in service. January 17th, Merrill back on run after repairs. January 25th, 1951, Merrill may not be back in service for a month. June 2nd, 1951, Kolf stalls halfway over as power goes off. June 4th, 1951, Kolf breaks down a second time. September 9th, 1952, Verrazzano taken out of service. December 19th, 1965, Legion out of service. March 4th, 1966, new boats defended. March 18th, 1996, seats on ferry's cracking up. October 3rd, 1985, Newhouse sidelined for steering woes. October 10th, 1985, Editorial, ferry problem bears investigating. In all of these instances, the problems were ultimately resolved and each of these classes of ferry went on to serve the city for many, many years of reliable and distinguished service. So

as far as this being normal, this is normal in my experience. The Washington State ferries have gone through a similar thing. I just want to read something from a Canadian paper recently regarding some new ferries that were built for the British Columbia ferry system and it's got an interesting heading. Bear with me. This was an article dated November 2008. British Columbia's German-built ferries may be lemons. These are a new class of ferries which were built for the British Columbia system. I'm not trying to make light of anything here. I probably of anyone in this room, I take this very personally. Everything that goes on at the ferry I take extremely personally and there's nothing I would like more than to see everything running 24/7 without any hiccups. But the fact of the matter is new ships are subject to these types of problems. It is a fact of life and I wish I could change it. However, we've take the necessary steps here. As I said, we've been very conservative. The ferries have four propulsion drives. The ferry can operate on three by regulation or she has three main engines, she can operate on two by regulation. Any time one of

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2 these components has failed, we have taken the
3 vessel out of service voluntarily to really
4 understand this. Now conversely, vessels such as
5 the Barberi-class, if one of the main engines
6 fails on the Barberi right now, we under
7 regulation notify the Coast Guard and the ferry
8 continues to operate on its three engines. Given
9 the fact that these were new vessels we, I'm going
10 to say, took a very conservative approach and
11 pulled them out of service much more than they
12 needed to be. I think that the record for the
13 last fiscal year, as I said, is trending in the
14 right direction. I'm not trying to make it sound
15 like but the fact is you build a new ship and I
16 can tell you--

17 CHAIRPERSON LIU: [interposing]

18 Look, that's what you're telling us though.
19 You're saying that when there is a new ship or a
20 new boat that you fully expect to have these kinds
21 of problems.

22 JAMES DESIMONE: That's correct.

23 CHAIRPERSON LIU: Well that's what
24 you're saying to us.
25

JAMES DESIMONE: That is correct.

CHAIRPERSON LIU: And we're questioning that. I appreciate the headlines from the 1950s and 60s. Let me give you a few headlines more recent. July 2nd, 2009, 15 injured in Staten Island ferry docking accident. Power failed before Staten Island ferry crash that hurt 15. Staten Island ferry crash at St. George Terminal caused by faulty transformer. Hard landing on Staten Island ferry boat Marchi, a stint in dry dock. These are some of the more recent headlines. Now, if you're saying that a boat gets put into service and not everything is fixed, or not everything is up to par, that you might still have to add like toilet paper holders or maybe some of the amenities, that's one thing. But here you have a case where the same kinds of problems led to injuries. Do you seem to suggest that these kinds of problems should be expected with these new boats and that unfortunately injuries are going to be a part of the equation?

JAMES DESIMONE: No, I'm not trying to make light of anything. As I said, we have taken this very seriously. And as I said, we've

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2 in a sense overcompensated. We've been very
3 conservative. We take it very seriously. As I
4 said in my comments, as to whether these vessels
5 operate or not are not Jim DeSimone's call. I am
6 under a very, very heavy regulatory regime. The
7 vessel does not move until the Coast Guard and the
8 ABS authorize us to do so. It's not a judgment
9 call on my part.

10 CHAIRPERSON LIU: That's true.
11 We're not faulting you, Captain, for taking
12 ferries out of service. What this committee is
13 questioning to what extent the DOT actually
14 undertook the checks before accepting these boats
15 and paying a lot of money for these boats and then
16 putting them into service.

17 JAMES DESIMONE: As far as what was
18 done before the vessels were accepted by the city
19 and taken into service, once again I have to go
20 back. There was a master contract that had to be
21 satisfied and actually the last requirement that
22 the ship builder had to satisfy within that
23 contract was the issuance of a U.S. Coast Guard
24 certificate of inspection and the city took the
25 additional measure of having the vessels designed,

constructed and maintained to class by the American Bureau of Shipping. That's not even required. So the city has taken some pretty extraordinary efforts here to ensure that these vessels meet the highest standards.

CHAIRPERSON LIU: I have a number of other questions, but I'm going to defer to my colleagues from Staten Island. Let me just also mention that we have been joined by Council Member Daniel Garodnick of Manhattan. Council Member Mitchell.

COUNCIL MEMBER MITCHELL: Thank you, Mr. Chairman. Captain, you referred to in your testimony regarding the breaking-in period. We accepted the Molinari in 2004, so that's five years. The Marchi in 2005, so that's four years. The Spirit of America in 2006, that's three years. My wife told me my breaking-in period was a year. If I didn't straighten out I was being sent back. She's still keeping me. We're a little over a year. She gave me an extension. At any event, how long is the typical breaking-in period? Five years seems to be an inordinate amount of time to be breaking in a ship.

JAMES DESIMONE: It varies. I can tell you in my own experience the first new ship I sailed on was what you'd call a very large crude carrier. It was owned and operated by the Gulf Oil Corporation and four years after the vessel went into service, we were still dealing with a number of issues. I was a master with the Overseas Ship Holding Group and I was captain on a tanked in 1985 that was built in 1978 and they were still changing the propeller and some other issues to try and reduce vibration. So I guess my point is that it varies. Conversely, I was vice president with the Great Lakes Towing Company. We built a fleet of five tractor tugs and had no trouble at all with them, but they were five of a class of vessel that preceded our construction. So if you look at the data here, you'll see that the Spirit of America operates a lot better than the other two, just as the Newhouse operates a lot better over the years than the Barberi did. The lead vessels tend to be problematic. In the case of our vessels, you know when the Molinari arrived here, that is literally an operating prototype. There are no other vessels in the world like these

three. When you look back at the history of the Staten Island Ferry I have it on pretty reliable sources looking back in the files that probably for the first ten years once a year there was an emergency dry docking for the Barberi-class. So I'm not looking at something like that. I think we're moving in the right direction. But the vessels have actually been in service. We got the first one in September '04. It was put into service the following spring and then it was the following year that the Spirit actually went into service. So I think we are making progress. On the flip side here, this incident on July 1st, no one is satisfied with that and we're working very hard to see that these issues are addressed. But this something that happens and as I say, you look at the history of the Staten Island Ferry; every class of ferry that's been brought into service has gone through issues like this. I'm not trying to make light of it. Maybe if I had my own shipyard and approached it differently, we could do it. But, you know, even the Navy, they're having a quagmire right now with their San Antonio-class. The Coast Guard, their deep water

1 project is a mess. And I could go on and on.
2 This is the reality we're dealing with. I don't
3 minimize it. As I said earlier, I take this very
4 seriously as does the entire agency. So we're
5 trying to work through these issues and work
6 through them with the objective that, speaking for
7 myself, I have a feeling the Spirit of America is
8 going to be operating long after I'm in the grave.
9

10 COUNCIL MEMBER MITCHELL: So what
11 you're saying to me is that we're coming towards
12 the end of the breaking-in period, or do you think
13 it's going to continue for the ten years?

14 JAMES DESIMONE: No, listen, I
15 think you know me well enough that, you know
16 I like to see things operated properly. Looking
17 at the data, and so when I look at the last year,
18 things are going pretty well. We're looking at
19 the availability and that is trending in the right
20 direction. But I go back to July 1st there.
21 We're very happy that the crew reacted the way
22 they did. And the reason they did, I mentioned
23 somewhere along the way during that incident, why
24 do you think we would train the crew for that.
25 These are the types of things that you have to

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2 anticipate will happen. But nevertheless, that
3 bothers me probably more than anyone in the city.

4 COUNCIL MEMBER MITCHELL: I have to
5 say I was there on July 1st and you and your team
6 did a fantastic job minimizing that accident and
7 preventing further injuries. I guess my next
8 question would be are the boats still under
9 warranty? Who is paying for the repairs during
10 the breaking-in period when you takes ships out of
11 service? Are they still under warranty that the
12 manufacturer I would assume is paying for any
13 repairs?

14 JAMES DESIMONE: No the warranties
15 have expired. I forget how many hours use are on
16 the vessels, but the typical warranty for any,
17 even the Queen Mary is typically one year. When
18 we took delivery of the vessels, the city
19 negotiated extended warranties on certain
20 components which were changed out. I'll give you
21 an example and I don't want to get too technical
22 here. There are diesel electric plants. So when
23 the ferry is coming into the dock, when you start
24 backing down and whatnot, there is a very heavy
25 electric demand. So electricity is being

generated. Then when they stop the engine, the electricity sort of has to go somewhere. So the vessels are fitted with braking resistors and they basically take the electricity in layman's terms. The original design had water-cooled braking resistors and we had a lot of trouble with them. So the designers went back, they redesigned the system and the vessels were retrofitted with air cooled braking resistors and we've had not problems with them since. That was all done by the yard at no cost to the city and the warranties for these component parts were extended a year as were certain component parts having to do with the drive systems and the generators. The generators were another issue, the ship service generators. There was a component part on the generators that kept failing and Caterpillar made a determination that these component parts were really not robust enough for our duty cycle. They redesigned the component, they put them on the ferry and we've not had another problem with the generator since. So there are things like that and we didn't pay for them. We got an additional year warranty on those component parts. Now you're at the point

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2 where you're running the vessel over the course of
3 a couple of years and the warranties have expired.
4 On the flip side, if we find something in here
5 that indicates an inherent defect or something
6 like that, then the city and I've discussed this
7 with the law department. If we find something we
8 will most definitely go back after them. But
9 that's the situation right now.

10 COUNCIL MEMBER MITCHELL: So all
11 the boats are now off warranty?

12 JAMES DESIMONE: Yes.

13 COUNCIL MEMBER MITCHELL: I just
14 have a question regarding the elevators on the new
15 boats. Are they functioning as they should? I've
16 gotten a couple of constituent inquiries regarding
17 particular how the stairs on the new ships are
18 steeper than the old boats. I can attest that
19 that's true. Are the elevators functioning daily
20 or always working?

21 JAMES DESIMONE: They're not always
22 working but one of the biggest problems we had
23 with the elevators and I think it was one on the
24 New Jersey side of the Molinari was out for a long
25 time because the main piston was scored.

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2 Something that I still am not comfortable after
3 five years here is the procurement process of the
4 city. So to try and get elevator vendors and this
5 was not only for the ferries. We have a master
6 elevator contractor that does the elevators in the
7 terminals and on the ferry boats. That was held
8 up for a significant amount of time somewhere in
9 the procurement process. So one elevator was out
10 but that's been restored now and we have the
11 contract in place so they're getting regular
12 maintenance. But it is another component part
13 that we didn't have on the other boats, so it's
14 another maintenance item and from time to time
15 we're going to have problems with that too.

16 COUNCIL MEMBER MITCHELL: But for
17 the most part it's been rectified?

18 JAMES DESIMONE: yes.

19 COUNCIL MEMBER MITCHELL: They're
20 functioning pretty much most of the time?

21 JAMES DESIMONE: Yeah, there is
22 nothing wrong with the design or anything like
23 that.

24 COUNCIL MEMBER MITCHELL: Thank
25 you. I have one question that's kind of off

1
2 subject. On the St. George side people are
3 allowed to be screened and then when they board
4 the vessel they can go downstairs and get on the
5 bottom. Why don't they allow a similar boarding
6 process on the Whitehall side? Everyone gets on
7 in one level. Wouldn't it allow the people to get
8 on quicker if they could get on both?

9 JAMES DESIMONE: I have asked this
10 question of security and the difference is if you
11 notice at St. George there are security gates that
12 are outside of the slip on the lower level. So
13 when you come through the waiting room and go
14 through the doors, you just go right down and you
15 go on the ferry. The configuration at the other
16 terminal is not the same. I had asked about this
17 and in slip one at Whitehall you have this very
18 stairwell that comes down and you sort of end up
19 well behind in the slip area. I'm being told that
20 this is the issue. There is a regulation that you
21 have to keep the boarding and disembarking
22 passengers segregated under the federal
23 regulation, so that's the issue. But I mean I've
24 had this discussion. Let's put it this way, we've
25 always trying to look at ways of tweaking the

1 security. And when I say tweaking it, trying to
2 make it more user-friendly. On the slip side, I
3 don't think anyone in the room is altogether happy
4 with this whole regime that we have to live under
5 in today's world but that's the world in which we
6 are operating. I don't know whether that answers
7 your question, but it has to do with the
8 configuration of the slips and the security.

9
10 COUNCIL MEMBER MITCHELL: Is there
11 any way we can play with the configuration?

12 JAMES DESIMONE: As I said, I've
13 mentioned it and I'll revisit it again. Once
14 again, it goes back to this issue our on-time
15 performance which I consider it a secondary item
16 and our captains have been told under no
17 circumstances are they to be traveling at
18 inappropriate speeds in reduced visibility or
19 anything else. Safety comes first. On the other
20 hand, people are going back and forth to work and
21 if they can't rely on the ferry to maintain some
22 kind of a schedule that's a big problem. So a lot
23 of this issue with the boarding and disembarking
24 is time consuming in particular with the security
25 sweeping of the vessel and whatnot, and it does

1
2 impact schedule. You have my word; I'll certainly
3 go back and revisit that.

4 COUNCIL MEMBER MITCHELL: Thank
5 you.

6 CHAIRPERSON LIU: Thank you,
7 Council Member Mitchell. We've been joined by
8 Council Member Larry Seabrook of the Bronx and
9 Council Member Simcha Felder of Brooklyn. Council
10 Member Ignizio.

11 COUNCIL MEMBER IGNIZIO: Thank you.
12 Captain, how are you? My question is with regards
13 to the manufacturer. Where are they vis-à-vis the
14 issues that are occurring, your contract with
15 them, their response to us as the city? I mean we
16 spent \$40 million a boat, certainly not cheap by
17 anybody's means. I would think that the company
18 would want their reputation as the most marquis
19 ferry in the world to have a positive interaction
20 with us. Can you just talk to me about the
21 conversations you've had during the five-year
22 period that we've been in service?

23 JAMES DESIMONE: The shipyard has
24 been very responsive. Once you get past the
25 shipyard, then we're dealing with Siemens,

1 Caterpillar we had to prod them, a lot of
2 screaming on my part and whatnot. Siemens I think
3 we have them sort of where we want them. A couple
4 of years ago I was here in City Hall for something
5 and I came out of this building and this guy
6 called me, the director of engineering and told me
7 that there was some incident that took place on
8 one of the ferries and it was tied up. This may
9 have been in August of whatever year it was and
10 the Siemens thinks they can have a technician down
11 here in October. So I had done a little spade
12 work here and I found out that the president of
13 Siemens USA, his office is on East 53rd Street and
14 I managed to get his phone number. It was a big
15 mistake because I actually got his cell number.
16 So standing right out in front of the building
17 here I called him and just let him have it. And
18 there were people down there the next day. The
19 very same thing happened on July 1st. One of the
20 first things I asked him what do you hear from
21 Siemens? Well they're working on getting someone
22 here. That was on the 1st and on the 2nd I was
23 told that they might have someone there by the
24 middle of the month. Well, Mr. George Nolan
25

1
2 uptown got the blast again and there were people
3 there the following week.

4 COUNCIL MEMBER IGNIZIO: Sir, if I
5 can interrupt. Is this like a monopolistic? Like
6 Siemens are the people you go to?

7 JAMES DESIMONE: No.

8 COUNCIL MEMBER IGNIZIO: Is there a
9 good free market you could say? Well maybe
10 perhaps you don't get our business the next time.

11 JAMES DESIMONE: There are other
12 propulsion vendors. In fact, in the particular
13 project, the original propulsion vendor was bought
14 out by Siemens. So during the construction
15 project the original propulsion vendor was taken
16 over by Siemens. In a sense I think it's probably
17 a good thing that we have Siemens. I've had some
18 very candid conversations with that guy and
19 they've been pretty responsive.

20 COUNCIL MEMBER IGNIZIO: Who takes
21 ownership over this ferry? It's not Marietta--

22 JAMES DESIMONE: [interposing]
23 Marinette.

24 COUNCIL MEMBER IGNIZIO: Marinette.
25 Have they washed their hands? They sold you a \$40

1 million boat.

3 JAMES DESIMONE: No. In fact, on
4 July 2nd, the president of Manitowoc called me and
5 said if we can be of any assistance. Now bear in
6 mind, all the warranties are off. He called me
7 first thing in the morning and said if we can be
8 of any assistance do not hesitate to call and will
9 send anyone down there you need. So they've been
10 pretty responsive. And the city went through this
11 with the Barberi-class. I'm sure everyone makes
12 fun of the noise. You can hear the thing coming,
13 the whining of the units on those. Those are a
14 particular type of propulsion and they're German
15 and it was the same thing there. I try and start
16 with people nicely and then it gets ramped up. So
17 in any case, we have a pretty good relationship
18 with Voith at this point. They're responsive.
19 Generally I think the vendors have been pretty
20 good. The ship building industry in the United
21 States is a declining industry. You're well aware
22 of this on the North Shore, the problems they're
23 having in Staten Island. I mean the ferries were
24 traditionally built in Staten Island. That's long
25 since gone away. So you end up where you have, on

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2 these vessels we have like the transformer that
3 failed, that's manufactured in the U.K. There are
4 other component parts of the propulsion that are
5 Italian manufactured. Once again, the Italian
6 vendor, I found out it was owned by a hedge fund
7 which was domiciled here in New York and I finally
8 got through to the woman who ran that and she put
9 is together with the chief executive of the
10 Italian outfit who came down and met us in the
11 Whitehall Terminal. So now we're working on a
12 direct contract with them to make sure that we can
13 deal directly with them without going through
14 various steps of other types of vendors.

15 COUNCIL MEMBER IGNIZIO: I think we
16 should do a site visit to that company.

17 JAMES DESIMONE: I wouldn't
18 disagree.

19 COUNCIL MEMBER IGNIZIO: I'm
20 kidding obviously. So we are still speaking to
21 manufacturers.

22 JAMES DESIMONE: Absolutely.

23 COUNCIL MEMBER IGNIZIO: I have to
24 tell you, Captain, the frustration of my
25 constituents is we don't care. And understand

1
2 that's the message that the constituents that I
3 represent want to send to you through me which is
4 whatever the issues are, we want to make sure the
5 boat is safe, on time and is going to be there.
6 We the people that I represent spent \$40 million
7 per boat. We want to make sure the boat is in
8 operation. So your testimony is that we're
9 moving in the right direction. We're up to a 90%
10 from a 60% over the course of the five years. The
11 biggest problems are with the prototype. Why did
12 we buy the prototype? We said here's what we
13 want, they'll build it for us if you agree to buy
14 the prototype? Like I like cars, I have an
15 interest in cars, but you never buy the prototype
16 or rarely do you buy the first model of the first
17 run. Is it because we had such criterion that we
18 want that you have to commit to buying it? Is
19 that how it works in the ship building?

20 JAMES DESIMONE: Basically, no one
21 else has any use for our vessels. They are built
22 specifically to fit into the Whitehall and St.
23 George terminals. They can fit into the racks
24 over at Governor's Island but we have to put sort
25 of an extender plate. But they are custom built

1
2 for us. If we tried to sell them tomorrow no one
3 really wants them. They'd have to modify them
4 significantly. So consequently, as I say, when
5 the Molinari came into the harbor, that's one of a
6 kind. No other vessel exists like it.

7 COUNCIL MEMBER IGNIZIO: Is there a
8 discussion going forward about, for lack of a
9 better word, an off the rack smaller boat to
10 utilize to enhance ferry times in the off peak
11 hours?

12 JAMES DESIMONE: We just had a
13 kickoff meeting last week. We have what we call a
14 fleet preliminary design investigation RFP which
15 was put out, it seems like it was years ago. I
16 think it was awarded in December and it was
17 finally registered here over the summer. It's a
18 consultant group that is now in the process of
19 basically looking at the entire fleet aside from
20 the three new vessels because the Barberi and
21 Newhouse are both coming up on 30 years old. The
22 two small ones are around 25. So where do you go
23 from here? One of the issues they're going to be
24 looking at is the appropriateness of the fleet.
25 In other words, they have a year in which to come

back to us and they may very well come back and say you should extend the life on the Barberi and Newhouse for 10 or 15 years and you should get rid of the two small ones and get two high speed ones for at night. In other words, this is what they're going to look into.

COUNCIL MEMBER IGNIZIO: Based on the numbers of ridership and whatnot?

JAMES DESIMONE: Yes, everything. These guys are going to look at the whole nine yards. They're going to be doing demographics.

COUNCIL MEMBER IGNIZIO: Will that be public as will?

JAMES DESIMONE: Absolutely. There is a provision for outreach there. All of you guys, as well as the public, it'll be once we get further into it.

COUNCIL MEMBER IGNIZIO: I appreciate it. My final question is do you feel there is sufficient maintenance employees or maintenance people who know their way around these ships that are able to keep them in operation and perhaps have limited breakdowns because of maintenance operations occurring prior to any

breakdown or any issue? One of the things we've done and I pointed out in my testimony is we're transitioning from a manual paper-based maintenance system to a computer-based inventory and preventative maintenance system. We went live with this system about a year ago. I guess I generalized when I spoke to the item. But after I came in here, one of the items we looked at was the maintenance facility and to try and determine what type of level or what level of maintenance staff is appropriate and what type of maintenance do we have. As it turned out, we had what they refer to as a reactive maintenance system and we are now in the process of trying to get to a preventative maintenance system. Where you like to be is if most of your maintenance is preventative and that you're reactive maintenance is minimized.

COUNCIL MEMBER IGNIZIO: That could go a long way I guess to reduction of any time out of service when you do get to that point as well.

JAMES DESIMONE: Sure. So we've been working on that. We've added staff to the maintenance facility. We have gone live with this

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2 system about a year ago. Just to sort of give you
3 an idea of how the system goes. We have some
4 great people there in the maintenance facility
5 that could almost build a ferry over there. If
6 you take someone like the supervising machinist in
7 the shop there, you know these guys do a great job
8 on a lathe but then tell them go sit at a desk and
9 pull up the work order on a PC and you'll also
10 find all the instructions of how this pump is
11 going to be rebuilt and you also have to put in
12 all of the hours, the labor, the parts and
13 everything else. That takes a while to get the
14 crew onboard for that. We're in the process of
15 that. I think in the end of the day our goal is
16 to transition to primarily a preventative
17 maintenance system and get away from the reactive
18 where something breaks down and you're scrambling
19 to get it fixed. We're trying to get to the other
20 side of that.

21 COUNCIL MEMBER IGNIZIO: Thank you,
22 sir. In the interest of time, I'm going to defer
23 additional questions until maybe a second round.
24 Thank you very much.

25 CHAIRPERSON LIU: Thank you,

Council Member Ignizio. Questions from Council Member Oddo.

COUNCIL MEMBER ODDO: Thank you, Mr. Chairman. I have three quick questions. The first of which is following up on the point that Council Members Mitchell and Ignizio made about the warranty. I'll take you to an ultimate paragraph in the fourth page when you talk about right from the outset you had problems with drive system and service generators. In your last sentence, accordingly, modifications were made to the power plant management software, drive system components and ship service generators all at no cost to the city extended warranties. You went into some detail how we got to that point. Is that normal that a manufacturer will change those components at no cost to the buyer and extend those warranties? Or was that a mea culpa by those companies that they made a mistake?

JAMES DESIMONE: You know, it was negotiated but the fact of the matter is if you buy a new ship and some, like for example the braking resistors or you're having all sorts of trouble with them, you expect the yard to replace

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2 that and to do it for free.

3 COUNCIL MEMBER ODDO: And that was
4 negotiated by DOT and the manufacturer, there was
5 no outside entity that came in?

6 JAMES DESIMONE: No, DOT legal
7 basically and Corp Council, they negotiated the
8 extended warranties.

9 COUNCIL MEMBER ODDO: My other
10 question is we get the teething issue and the
11 breaking-in period, it's just difficult though
12 given the relatively recent history and the
13 tragedies, it's difficult for us to tell
14 constituents that a hard landing like the one on
15 July 1st is normal, it's teething, it's a
16 breaking-in period. I'm trying to put ourselves
17 in the shoes of the guy at Lee's Tavern who is
18 saying that's nor normal. That's the source of
19 the skepticism or the concern. Kenny mentioned
20 that he was there on July 1st. I was there in
21 October 2003. It pre-dates you, it pre-dates this
22 commissioner, but if that scenario had played out
23 in a different transportation mode in a different
24 part of the city, it would have been treated
25 differently. It's pretty fresh in our minds,

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2 those of us who went to the wakes and the memorial
3 services. When you have a relatively short period
4 later a boat lose power, a brand new boat and have
5 a "hard landing" it conjures up all kinds of
6 memories. That's why I think we're compelled to
7 have this hearing. I appreciate your frankness.
8 And to go from a heavy kind of tone to a
9 lighthearted tone, and I say this tongue in cheek,
10 given the at times frosty relationship that
11 Council Member Ignizio and I have had with
12 Commissioner Sadik-Khan, is there any truth to the
13 rumor that she's thinking about changing the names
14 of the two most problematic boats to Ignizio and
15 Oddo?

16 CHAIRPERSON LIU: I think we need
17 to get past the break-in period before you want
18 them renamed. Council Member Oddo's comments are
19 certainly heartfelt by members of the City
20 Council. We have to deal with constituents all
21 the time. Constituents won't accept the fact that
22 this is a break-in period. It's more like a break
23 down period for them and that's a problem. I
24 don't think that we should just, again, refer back
25 to headlines from decades ago to accept that this

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2 is a normal course of business. If you look at
3 what happened on July 1st, you know Captain you
4 mentioned before that there are more engines than
5 are necessary and that when one out of four
6 engines go out then you take the boat out of
7 commission or when one out of three go out you
8 take the boat out of commission. How many
9 transformers are there? Are there redundancies in
10 the transformers because it's the transformer
11 blowout that caused the crash?

12 JAMES DESIMONE: There are four
13 transformers.

14 CHAIRPERSON LIU: So on July 1st,
15 did all four transformers blow out?

16 JAMES DESIMONE: No. We don't have
17 the final report but we certainly know that the
18 transformer tied to the number one drive failed
19 and that of course shut the number one drive off.

20 CHAIRPERSON LIU: And the number
21 one drive presumably was the one that was going to
22 slow the boat down?

23 JAMES DESIMONE: It was one of four
24 drives. So there were three other drives. As I
25 mentioned earlier, at this point in time there is

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2 a tremendous electrical demand on the plant as
3 it's pulling in and the captain is using a lot of
4 power. So when the transformer failed, there was
5 conceivably a split second voltage drop that was
6 seen across the system on the boat. So what
7 happened, at least from what I'm being told so
8 far, is that the cooling water pumps for the
9 drives saw the voltage drop and all of this
10 equipment now is microprocessor controlled. The
11 cooling water pumps to protect the drives shut
12 down. Just as in this building I'm sure if it has
13 a new HVAC system, if everything isn't right for
14 it to run, it will shut down on its own. So what
15 happened then was that the drives were also
16 directed to power down. So right now that's the
17 approximate cause. Siemens has already modified
18 the software to include a time delay in there so
19 that for example if you have a split second
20 voltage drop across the system, machinery is not
21 going to react to it unless the voltage is more
22 significant in terms of time. So that program
23 change has been made.

24 CHAIRPERSON LIU: Captain, I'd be
25 shocked that they didn't anticipate that kind of

possibly beforehand and that they have to wait until after the crash that then figure they have to program a slight timing delay so that machinery does not react to either a spike or a dip in voltage. We've really got to get serious about this Captain. Getting serious about this does not allow any of us; certainly not you as the person in charge of running these ferries, to compare what happened to the transformers to what happens when everybody has got their AC on in this building. That is not the proper comparison. And to talk about the transformer blowing out almost as if it was just a routine mechanical problem. No, the effect of the transformer blowing out on July 1st had the same effect of the brake lines being cut in an automobile. The brakes failed. That's why 15 people were hurt. That's why damage was done to the pier. That's what caused the accident. The brakes failed. We have to call it for what it is. It's not comparable to everybody turning on the AC and therefore blowing out the fuses. So let's get serious about this. How long is it going to take for the manufacturer to come back and give you a report on exactly what's

happened? It's been more than two months.

JAMES DESIMONE: That's correct.

The vessel is in the shipyard and a lot of other work is going on. When the vessel comes back from the shipyard, Siemens has a testing simulation they're going to do on the system and then and only then will they be able to tell us for certain what exactly transpired. As far as my comment with the air conditioning, I'm merely trying to express to you how machinery in today's world works. Like your car has a mess of microprocessors in the engine that is a particular item doesn't work properly, like my hybrid car, if it senses that the brakes aren't working properly, the thing just shuts down. So I'm not trying to make light of it, I'm merely trying to explain the complexity of this equipment. Every component part on that ferry has in essence a brain of its own. I am not an electrical engineer, nor is the director of engineering. We are reliant on naval architects, designers, the Coast Guard and the ABS to approve the design of the vessel. And you have my word, we are doing everything humanly possible to ensure that these vessels get to the point

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2 where they're supposed to be and operate in a
3 manner in which the City of New York can be happy
4 with. You certainly have my word; we don't take
5 any of this lightly.

6 CHAIRPERSON LIU: As you testified
7 there were four transformers on that boat and only
8 one of them blew out. Isn't there some
9 redundancy? You talked about redundancy with the
10 propulsion systems but the propulsion systems are
11 totally dependent on the transformers to deliver
12 the power. So why would one transformer blowing
13 out cause a failure in the propulsion system when
14 there are supposedly, according to your testimony,
15 redundancies in the propulsion?

16 JAMES DESIMONE: Because, as I'm
17 being told by the electrical engineers, a split
18 second voltage drop was seen across the system.
19 So then all of the component parts which are micro
20 processor controlled will do whatever they have to
21 in order to protect them. Now as to why the
22 designers of this propulsion system could not see
23 this or why the Coast Guard could not see it or
24 the American Bureau of Shipping, that's what we're
25 looking into. I'm not trying to make light of

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2 anything. We're trying to get the situation
3 resolved.

4 CHAIRPERSON LIU: Should the
5 manufacturer be liable for this?

6 JAMES DESIMONE: Until I know for
7 certain exactly what transpired here, legal
8 counsel would have to look into that. As I said a
9 moment earlier here, if we find out that there is
10 anything that would constitute a latent defect we
11 will proceed against whoever is responsible.

12 CHAIRPERSON LIU: But if you're
13 testifying that they are now making a change to
14 their software that controls how the machinery is
15 going to act to either a spike or a dip in the
16 voltage, then it seems clear that they made a
17 mistake in their design.

18 JAMES DESIMONE: It's an
19 interesting thing because we've just had
20 modifications made to the Barberi and Newhouse and
21 those are 29 years old. To say that this
22 modification is made to a piece of equipment or
23 machinery after x period of time is not
24 necessarily a factual indictment on the piece of
25 equipment or the designer. We're always upgrading

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2 equipment. As I say, the Barberi just came out of
3 the yard. That vessel had a major updating of its
4 control system and load sharing system. If you
5 see a problem you correct it, you remedy the
6 problem to try and ensure that you won't have a
7 recurrence.

8 CHAIRPERSON LIU: I just feel like
9 if I was in your shoes, I would be questioning the
10 manufacturer a lot more than you seem to be right
11 now. We have questions from Council Member
12 Brewer.

13 COUNCIL MEMBER BREWER: Thank you
14 very much. Mine is relatively easy. I'm just
15 interested in notification. I find that the NYC
16 Notify which is operating out of OEM works well.
17 When there is a problem in the city we all get
18 texts or emails indicating that unfortunately the
19 helicopter has crashed or whatever. How do you
20 notify your passengers and customers when there is
21 perhaps a delay?

22 JAMES DESIMONE: When there is a
23 delay that we can foresee, we will send out an
24 email blast in advance of it, or we have put
25 notices up in the terminals on the sign or we make

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2 announcements. In most instances when we have a
3 delay for example on an average morning where we
4 are coming up to 15 minute departures, if we have
5 a problem getting one of the boats ready, a lot of
6 people have said well why can't you notify all the
7 passengers, the trouble with that is usually by
8 the time we could have notified everyone, the
9 problem has been resolved. Our on-time
10 performance for rush hour is about 93%. If we
11 know for certain we're going to have some kind of
12 a delay, we will notify the passengers beforehand.
13 But in many instances, it would probably stall
14 people when in fact they could come in and get on
15 the boat.

16 COUNCIL MEMBER BREWER: So are most
17 of your breakdowns, if they exist at all, during
18 rush hours or non rush hours or there is no
19 particular pattern?

20 JAMES DESIMONE: I wouldn't say
21 there is a particular pattern, although whenever
22 you start up a vessel in the morning you may run
23 into problems that can be addressed right then and
24 there. Although we might end up on a 20 minute
25 service for maybe half an hour or an hour when

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2 we're supposed to be on a 15 minute service, but
3 then the problem is resolved within an hour.

4 COUNCIL MEMBER BREWER: I just
5 throw out that I have found this new Notify NYC,
6 which will soon be able to pare down to localities
7 extremely good. It might be great to test it
8 because it's instantaneous so nobody has to go to
9 a web, et cetera. It really might be something to
10 look at with OEM. Because if you have even a 15
11 minute delay it makes a big difference in
12 somebody's pattern of commute. So it seems to me
13 that that would be really helpful. Off hours it
14 would be hugely helpful. I mean I know I'm not on
15 the ferry as much as my colleagues obviously but I
16 have as lot of friends who go back and forth. Off
17 hour and students, many students in my district
18 come to LaGuardia from Staten Island and so on.
19 That would make a huge difference for students.
20 All I'm saying is instantaneous is possible. I'm
21 just wondering if you could think about trying to
22 utilize it with OEM.

23 JAMES DESIMONE: You don't have to
24 wonder, we will definitely look into it.

25 COUNCIL MEMBER BREWER: Thank you.

CHAIRPERSON LIU: Thank you, Council Member Brewer. The chair of our Technology in Government Committee that leaves no stone unturned. My last question for you, Captain, is that you testified that the ferry is supposed to be safe and reliable. Unfortunately we have had one instance where the first category has not been fully lived up to. The reliable aspect, the fact that these boats have been taken out of service so often, has that created problems for passengers with regard to canceled ferry trips or unexpected reductions in the frequency of service?

JAMES DESIMONE: From time to time. During the past year I would say it was negligible. Prior to that there were instances where, as I say, it might have ended up 20 minute service instead of 15 because of one of them being taken out. But as I say, the information, you can see that the three new vessels are operating right now, or for the last fiscal year well in line with what the Barberi and Newhouse are doing. So I would say for the last fiscal year whatever disruption there was to the schedule was minimal.

Our on-time performance for that fiscal year is 93% which is certainly better than the Long Island Railroad.

CHAIRPERSON LIU: Again, that may be the most recent statistics and hopefully the most recent are the biggest indicators. I think we're going to hear from a representative from Senator Savino's office. But Senator Savino's report indicates that among the highest complaints by ferry riders are complaints of delayed, late and cancelled trips. So it seems that these boats being taken out of service so often, again we don't fault you for taking them out of service, especially if there could be a potential safety problem. But the fact of the matter is that these boats being taken out of service are creating a huge inconvenience for the people who are relying on that service. If this keeps up then I don't think you have any choice but to make an additional investment so that you can keep up the schedule that ferry riders are relying upon.

Thank you very much. We look forward to working with you in the coming months and years. Thank you.

JAMES DESIMONE: Thank you, Mr. Chairman.

CHAIRPERSON LIU: I'm sorry, if you could stay for just a bit. We have questions from Council Member Felder.

COUNCIL MEMBER FELDER: It's not a question. I just wanted to mention that our 8-year-old had two weeks in between school and summer vacation and three weeks in between day camp and school which gave me the opportunity to spend five weeks of quality time with my 8-year-old. Two days we were on the ferry. I'm not in any way detracting from what I think is really just unfair that people who live in Staten Island have to endure unrelated to the ferry, but endure something that no one else in the city does. I have a train a block from my house. I have a bus another three blocks and we take it for granted. For somebody on Staten Island to come into the city or anywhere else, they really solely dependent on the ferry. So I don't want to in any way minimize the issues that were raised. But I just do want to say to you it's still the best show in town I think that we take for granted.

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2 It's free. It's used to be a quarter. It's one
3 of the only things that I think went down in cost.
4 It's just beautiful. It's wonderful. I found
5 that the people and the staff, I'm not talking
6 about the voltage, I'm not talking about anything
7 else technical, I'm just talking about the people
8 in general were very polite, very nice, gave you a
9 smile. So I figured that everything that they
10 give you today you deserve. I'm impressed with
11 the hearing and the answers. But I just wanted
12 you to know that it is a wonderful, wonderful,
13 besides the responsibility you are providing
14 something for tourists certainly which bring a lot
15 of money into the city, but even to those people
16 who live in Brooklyn are dying to come onto the
17 ferry and have a nice time.

18 JAMES DESIMONE: I thank you very
19 much.

20 CHAIRPERSON LIU: Thank you for
21 that wonderful question Council Member Felder.
22 With that, thank you Captain and thank you deputy
23 commissioners for joining us today.

24 JAMES DESIMONE: Thank you.

25 CHAIRPERSON LIU: We'll hear now

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2 from Michael Arvanites, a representative for State
3 Senator Diane Savino. His testimony will be
4 followed by a panel consisting of John Luisi and
5 Fred Rodriguez. Mike, you're on the hot seat.

6 MICHAEL ARVANITES: Well I've seen
7 it from the other side, but it's nice to be here.
8 You've changed the microphone since I was here.
9 My name is Michael Arvanites. State Senator Diane
10 Savino apologizes for not being here to deliver
11 this testimony in person. The senator is in
12 Albany at special session of the State Senate
13 confirming a new chief for the MTA amongst other
14 issues. The senator has a special affinity for
15 the Staten Island Ferry and we would be remiss if
16 we let an opportunity such as this pass without
17 commenting, so I'll present the testimony on her
18 behalf. Chairman Liu, our thanks for conducting
19 this hearing and for your continued vigilance to
20 advocate for all mass transit and especially
21 Staten Island's only non-vehicular inter-borough
22 transit option. While the focus of this hearing
23 is on the new Molinari-class boats, I would also
24 like to focus on some general stated ferry service
25 aspects in 2009. Recently there has been a call

for a return to cars on the ferries. I commend Council Member Mitchell for his work on this. We certainly agree that this service should be implemented. However, it is also equally, if not more important that these Molinari-class vehicles are well maintained and consistently in service. The reason being riders enjoy the large size and the layout of the boats and because if they are off and out of service as has been the subject of this hearing, they are replaced by the Austen-class and the Kennedy-class boats which are either outdated or not large enough to carry rush hour-size crowds. I'm also presenting the testimony as I mentioned from the survey that we recently conducted of ferry service. I have provided a copy of the report and results to each of the committee members here today. The information for the report was culled from 25,000 report card surveys handed out over three days during rush hour by our office. We received 546 responses of 21%. The suggestions and comments of the report come directly from the daily riders of the Staten Island Ferry. Coincidentally, the riders were generally satisfied with the service; however,

there were certain concerns that necessitate improvement. By far the highest request was for retail in the terminal, something that you've held hearings on in the past and we thank you for that again. And since the Whitehall Terminal fire in 1991, there has been a lack of retail in the terminals, especially since the construction of the new terminals was completed four years ago and yet we still have very little retail if any.

Another comment and request was for more frequent service, a 9:15 boat during weekdays, and night and weekend half hour service. Legislation to accomplish that very goal was overwhelmingly supported by this Council in 2003. That mandated 24 hour half hour minimum service and unfortunately that was vetoed by Mayor Bloomberg.

In addition, the riders requested a quiet zone where loud music, noise and talking would be limited or prohibited. Staten Islanders have the longest average commute in the nation and deserve the opportunity to have the commute be as normal as possible. A quiet deck would go a long way towards accomplishing that goal. And just as an aside Amtrak currently has that on their service.

Another main concern was security in and around the terminals. According to police reports this last Sunday an off duty firefighter was assaulted by three individuals after immediately leaving the Whitehall terminal. The terminals themselves are actually pretty well patrolled, they're well lit. But as anyone can tell you, including Councilman Felder, when you leave the terminals, in the words of the ferry report respondents, especially the bus ramps on the Staten Island side are not well lighted, disgustingly filthy, have homeless people lurking around and smoking on the smoke-free ramps, soliciting change and there is a general sense of a lack of security on those bus ramps. It actually received a rating of 2.15 out of a 4.0 grade scale in the report that you mentioned. Better coordination between the MTA and the DOT which we certainly endeavor do on our part in the State Senate. According to one of the ferry riders, the one train and the W train sit on the tracks until it is certain that you miss the ferry. Coordinate this. Senator Savino introduced a bill last year calling for the appointment of a regional coordinator for mass

transit. This would facilitate the coordination of inter-modal cross jurisdictional transit hubs such as the two ferry terminals. There is really no line of demarcation where the MTA takes over and the DOT stops and that's something that we really need to invest time into. Just to reassure you, Senator Savino will keep advocating for the ferry riders and if passed these prologues so will her colleagues that are assembled here today. Thank you for giving me the opportunity to share the Senator Savino's ferry report with you and for giving the ferry riders this venue and your time. Thank you.

CHAIRPERSON LIU: Thank you, Michael and our best regards to Senator Savino.

MICHAEL ARVANITES: Certainly.

CHAIRPERSON LIU: We'll now hear from John Luisi and Fred Rodriguez.

JOHN LUISI: My favorite part of hearings like this is when the agency that you'd like to have receive your suggestions leaves right after they're finished with all the questions from the Council Members. In any event, my name is John Luisi. I'm a founding member of the Ferry

Riders Committee of the St. George Civic Association. I'm also a candidate for Staten Island Borough President. I have long been involved and concerned about the ferry service in particular as one of the major transportation issues on Staten Island. I'd like to thank everybody who did remain here, our Council Members from Staten Island, and Chairman Liu. The captain drew a parallel to this being a teething period. I think it's time to call in the orthodontist. It's been going on a little long. As one person who left the hearing mentioned, he said luckily we're not talking about airplanes. I have a series of points. I have 24 quick bullet points I'd like to go through. Some of them revolve directly around the Molinari-class in particular and others generally about some of the other issues regarding our ferry service. The first point I'd like to make is we should never name our ferry boats after currently living individuals. I think we should have learned our lesson with naming anything big after the Bernie Kerik Correctional Facility had to be renamed. In this case, simply the title for this hearing that it's

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2 Molinari-class vessels, if we're going to name
3 something after somebody who is currently living
4 and they have a business, as Mr. Molinari does as
5 a lobbyist, he should either pay for the naming
6 rights or we should be charging him for
7 advertising and maybe that could go towards the
8 maintenance of the ferry boats. When I take the
9 ferry when I come into Manhattan and I have to
10 take the number one train, it used to be nice to
11 be able to walk from the ferry terminal directly
12 down the stairs to the old station. But now we
13 can't do that anymore because we have a new
14 station. So the new and improved station requires
15 everybody to walk outside without benefit of
16 cover. On days with it's raining it's kind of
17 silly that we don't have an overhang that could
18 easily continue. At least an overhang, we don't
19 need an enclosure. It could easily continue from
20 the unfinished structure that would then cover the
21 entrance at least to the one and the R train
22 station. The seats on the boats are dirty. They
23 seem to be washed with the same mops they clean
24 the floors. There is private security on the
25 lower level pick up area in St. George and whereas

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2 we now thankfully require the ferry employees to
3 wear some sort of identification when there is an
4 issue those private security guards are not
5 required apparently to have any identifying
6 information on them. When there are issues with
7 them as we have had because the signage down in
8 the pickup area is very conflicting and depending
9 on which way they feel like enforcing it that day,
10 they sometimes demand that people move their cars
11 along, you can't let their supervisor know or we
12 can't let Captain DeSimone know because we don't
13 know who it was who was issuing the commands. On
14 the Staten Island side if anybody is being picked
15 up, it currently requires that somebody go down or
16 up and upon exiting the pickup area you're in
17 massive conflict with buses and cabs. On the west
18 side of the ferry terminal is a very easy solution
19 for people coming along Richmond Terrace where
20 they could simply drop down and pick up people by
21 the staircase that leads to the Staten Island
22 Yankees ballpark.

23 CHAIRPERSON LIU: John?

24 JOHN LUISI: Yes sir.

25 CHAIRPERSON LIU: I appreciate the

24 bullet points here that you have. They're all good suggestions and they're worthy of discussion. This is not a hearing to discuss anything and everything with the ferries. This is specific to the boats themselves and whether they are ferries or lemons. So I don't think any of your points actually address that, but I'm sure you have some input as to whether there are concerns about the safety and the reliability of these boats.

JOHN LUISI: Well certainly the safety and certain to the extent as Council Member Brewer pointed out that Staten Islanders do deserve better notification when there are delays, specifically relating to boats being pulled out of service. Currently if there an 8:00 boat for example, they will often announce sometime around 10 after 8 that the 8:00 boat is delayed. We figured that out already. I think Council Member Brewer's suggest that it be on Notify NYC is an excellent one. They could also notify the traffic stations when they make announcements. That's an easy one. Also, if they made wi-fi available in the ferry terminal as they had promised they would many years ago, people who do have laptops would

1
2 be able to notify their employers if they're going
3 to be late for work very easily, send out emails
4 and maybe even start work during any delay. I
5 guess that's what relates specifically to the
6 ferry boats and the delays that they have. You
7 know, you have the bullet points. I wish the
8 captain were here.

9 CHAIRPERSON LIU: We'll certainly
10 enter into record.

11 JOHN LUISI: Thank you very much.

12 CHAIRPERSON LIU: You can certainly
13 forward a copy to the DOT.

14 JOHN LUISI: Thank you very much.

15 CHAIRPERSON LIU: Thank you for
16 coming down, John. Mr. Rodriguez, please come on
17 up.

18 FRED RODRIGUEZ: I am J. Fred
19 Rodriguez and almost a native Staten Islander
20 since 1948. I enjoy riding on the Staten Island
21 Ferry which first began its service in 1708.
22 Currently I'm a maritime historian, having been
23 interested in ships for over 52 years and a
24 merchant mariner for 31 years, including eight and
25 a half years in two employments as a deck hand on

board 10 different Staten Island ferry boats to the present. My questions were hopefully going to be addressed to Captain DeSimone. The Molinari-class of boats was built by a very reputable ship builder. I was told by one of the engineers that it's the installed electronics and computers onboard that they were designed for a longer run and not for the required 22 minutes as established in 1905 by the Staten Islanders when the five borough class of vessels came out. About two months ago, one of the boats hit the dock after losing its propulsion, thus injuring a number of passengers which required medical attention. The same mechanical problem occurred on that same boat only two days earlier on a Sunday and yet the boat was kept in service instead of being taken out for repairs as dictated by safety. My last comment is that after three years of being in service, Captain DeSimone was interviewed on a national television documentary called "20/20". During that tape broadcast did you not state that three years is okay and considered a normal teething problem for new vessels to work out the kinks, thereby explaining away the countless malfunctions

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2 as being acceptable? A high ranking Coast
3 Guardsman, retired, as well as a retired Naval
4 architect filled in the two remaining 20 minute
5 segments disputing any of the vessels' teething
6 problems as lasting for three years as being
7 abnormally excessive. I just want to make three
8 quick other comments. The Spirit of America, when
9 she first came out was nicknamed the spare parts
10 boat because she was in the dock facility for so
11 long. In the old days, going back to the 60s, we
12 used to have standby boats over there so that if a
13 boat broke down within a few minutes the crew
14 would go over and bring the other boat which had
15 up steam and would come right over. In today's
16 fleet, the John F. Kennedy is known as the
17 backbone of the fleet. That's the one they can
18 always depend upon that vessel being available.
19 No electronics. Thank you.

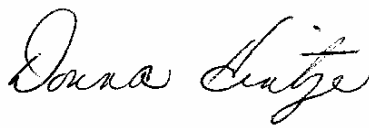
20 CHAIRPERSON LIU: Thank you very
21 much, Mr. Rodriguez for your testimony. Just to
22 be fair to the DOT. They do still have
23 representatives in this room right there so they
24 are certainly taking notes. The other point is
25 that this is an oversight hearing run by that City

1
2 Council so it's not even necessary or mandatory
3 for the DOT to actually have anybody here. This
4 is for Council Members to take input and testimony
5 from both administration officials and the general
6 public. From this testimony we will determine the
7 next course of action, whether it be legislative,
8 budgetary or otherwise. With that being said, I
9 want to thank everybody for attending today's
10 hearing. I'll see you at the next one.

11 MALE VOICE: Thank you, Mr.
12 Chairman.

C E R T I F I C A T E

I, Donna Hintze 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.


Signature____

Date September 23, 2009