

City Council Testimony

Introduction / Closing the Subways

Good afternoon, and thank you for having me here today, particularly Speaker Johnson and Chairs Rodriguez and Dromm. My name is Sarah Feinberg, Interim President of New York City Transit. I'm joined by Janno Lieber, MTA Chief Development Officer and President of MTA Construction and Development, and David Keller, Acting Director of Management and Budget for the MTA.

Like every government agency, organization and industry across the country, the MTA has been hit hard by the COVID-19 pandemic. Developing our response has been my biggest focus since starting as Interim President at New York City Transit. In fact, I even started the job early to dive right in. Things are moving quickly, and our incredible workforce hasn't missed a beat. I am awed daily by their dedication. They are the backbone of every action we've taken – stepping up day after day despite their own fears and anxieties about the situation.

Last week, we made the historic decision to close the subways overnight from 1 to 5 a.m. – which has so far proved successful in shoring up the safety of our system. Hundreds of cleaners and staff have been mobilized for this effort to more aggressively clean and disinfect stations, subway cars and buses. We're also helping to connect more unsheltered New Yorkers with the critical services they need and deserve during this difficult time.

We wouldn't be able to do this without the partnership of the city and the NYPD. It's crucial that we continue to work together in the long term to protect our brave and heroic workforce, essential customers, and those who will return to the subway in the future.

Closing the system overnight was a painstaking decision that we did not take lightly. The subway is part of the fabric of New York City as much as the Statue of Liberty and Broadway. It's core to our identity as a city. For 115 years, the MTA has operated service 24 hours a day with only rare interruptions. But extraordinary times call for extraordinary measures.

People who devote their careers to transportation don't relish any moment when they have to close it to the public. And yet, in these strange times, I could not be prouder of the heroic work that was done last week. It was a herculean logistical challenge, brought together on an unbelievable timeframe, and New York City Transit more than rose to the occasion.

Changing How We Operate

If there is any silver lining to the closure, it's that we're not just cleaning more often, but we're changing the way we clean. We've prioritized testing of innovative solutions like UV, antimicrobials and electrostatic sprayers that we can continue to use once this crisis passes and we get used to a new normal. This week we began piloting UV technology for use on subway cars and buses. We're looking to see if UVs are more efficient and less expensive than our current efforts. The bottom line for our customers is that things underground will look different than what they're used to. But they can trust that safety is always our guiding principle.

I can't emphasize enough just how vital a role the city's support plays in our response. I'm grateful for the commitment we've received from the NYPD to secure stations while our crews execute this vital cleaning program. More than a thousand officers have been patrolling overnight at all 472 subway stations.

I'm particularly pleased by the success this partnership has had in homeless outreach. It is our priority to help connect unsheltered New Yorkers with the social services they need and deserve. So far, hundreds of people have accepted services. This is a good first step.

Homelessness is good for no one, especially those who have taken refuge in the subways who need medical and mental health care. We all deserve better and we will do better, but the MTA can only do so much. We are a transportation agency -- our expertise is not in social services. The subways are not a replacement for the shelter system. This is where we need the city to step up and keep stepping up -- not until the weather breaks or a cold spell is over, but day after day for the long haul.

Protecting Public Health

Protecting public health and safety is at the core of every action we have taken. The MTA has been a global leader among transit agencies since day one, acting more quickly than our national and international counterparts, some of whom have only just started to adopt measures we put in place weeks ago.

Since March, we've distributed millions of pieces of personal protective equipment, including 3.8 million pairs of gloves and 1.6 million masks.

On March 2, we began disinfecting stations and high-touch areas daily with our full fleet of rolling stock getting sanitized on a 72-hour cycle, and Access-A-Ride vehicles daily. By March 11, we had intensified those efforts, moving to disinfect stations and high-touch areas twice a day. Now we have moved this to a daily disinfection for our entire fleet.

On March 20, Governor Cuomo announced his New York on Pause executive order, which shut down all but essential services throughout New York. Within 24 hours, we at

the MTA sought to further protect bus operators and promote social distancing by implementing a rear-door boarding policy on all buses. Seating in the first three rows of the bus was also banned. Most cash transactions were eliminated systemwide the following day.

And on March 24, we adopted the MTA Essential Service Plan. The reduced schedule allowed for greater flexibility in staffing, while continuing to get the essential workers of this crisis where they need to go.

Our first-in-the-nation “Temperature Brigade” has been testing tens of thousands of employees across New York City Transit, Metro-North and Long Island Rail Road since March 24. This program has set a national example. Since its inception, we’ve fielded calls from transportation agencies all over the country who are looking to follow our lead.

By March 31, we formally deviated from previous guidance from the Centers for Disease Control and World Health Organization that healthy people should not wear masks. We started ramping up efforts to distribute face coverings to employees, while strongly urging all passengers to also wear masks when traveling with us. The governor later mandated it.

We also became the first agency in the nation to provide a \$500,000 family benefit to each family of our transit workers who have passed away from COVID-19. In addition, the MTA has partnered with Northwell Health-Go Health Urgent Care to provide priority diagnostic testing to our workers, and we’re also offering voluntary anti-body testing to all our employees. Taking care of our incredible workforce is the right thing to do. They are truly the heroes moving heroes of this pandemic.

Budget Realities / Need for Federal Funding

This difficult time has made clear just how important public transportation is to New York. We are the circulatory system transporting them to their jobs - in good times and in bad. As the State looks toward reopening, we’re going to have to adjust to a new normal. The MTA needs to be strong and resilient enough to keep New York moving when our ridership returns. To make sure we do this right, we will be working closely with the City, State, public health experts, business leaders, labor partners and other key stakeholders.

But the biggest obstacle to the continued vitality of the MTA is our finances, which have been decimated by this pandemic. Fare and toll revenues have all but disappeared, with ridership at all agencies dropping by more than 90 percent. Traffic at MTA bridge and tunnel crossings is still down over 50 percent, and was down more than 60 percent in recent weeks.

In March, which was only partially impacted from the pandemic, MTA farebox revenue was down from budget by over 37 percent, a loss of \$204 million in revenue for just March. April results, which provide a clear full month impact, have farebox revenue down \$487 million, or 89 percent. Toll revenue at our bridge and tunnel crossings in March was down over 26 percent, adding \$45 million to our monthly loss. In April, toll revenue was down \$104 million or 60 percent. We have been losing, and continue to lose, about \$140 million each week in fare and toll revenue.

The subsidies we receive from dedicated taxes and fees will also be hit hard, as the economic activity which generates this revenue has fallen precipitately. The analysis conducted by our consultants have estimated the loss of subsidy revenue to be between \$1.6 billion and \$1.8 billion this year alone, followed by similar losses next year as well.

Our expenses are also increasing, and while we currently do not have firm figures at this time, our consultants have estimated that the efforts that will be necessary to clean our system for our riders and employees will likely cost between \$700 million and \$800 million this year, and continuing into the future.

Overall, the financial impact to the MTA from farebox and toll revenue losses, reductions in subsidies, and increased cleaning costs have been estimated to be in the range of \$7 billion to \$8.5 billion for 2020, followed by another \$5.1 billion to \$7.8 billion for 2021. That's why we have told Congress we need another \$3.9 billion, on top of the money received from the CARES Act, just to cover the COVID-related operating deficit in 2020, and a total of \$10.4 billion to cover the projected deficits in both 2020 and 2021.

Such a huge blow would come at a time when we have achieved tremendous progress. Before the pandemic, on-time performance was steadily improving across the system - reaching its highest level in six years on the subway. Ridership was also increasing before the pandemic – defying national trends. I'm not willing to go back on that. We need the federal government to invest in our future so our workforce can carry forward the hard-fought gains that we've made.

Significant additional federal funding is the only answer. We can't go this alone. The COVID-19 pandemic is a national disaster that requires a national response. Any failure to act is tantamount to Washington turning its back on our employees and riders for years to come. We're hopeful Congress will do the right thing given the substantial bipartisan support our request has garnered in Washington. We ask that you vocalize your support to your colleagues in the federal government.

Transit Priorities

We're also asking you to join us in prioritizing transit projects that will help get us through this crisis and also improve our system in the long term. The creation of a robust network of bus lanes would substantially benefit our bus service.

We're immensely proud of how our partnership with the City has already helped to attract more customers back to our buses, specifically with the 14th Street Busway. We're thankful to Commissioner Polly Trottenberg and her staff at City DOT, and to Chair Rodriguez for your support of this bold initiative. We want to emulate that success on other lines wherever possible.

In this difficult time, it's more important than ever that we transport customers as quickly and effectively as possible. We can improve efficacy on buses by partnering with the City to add new bus lanes on routes that have proven most essential during this pandemic, increasing enforcement on existing bus lanes and implementing Traffic Signal Priority on corridors across the five boroughs.

Conclusion

I know there has been concern in the past about allocating additional resources to the MTA. In previous appearances before the City Council, members have asked how the City and taxpayers can trust that we will properly manage funds to deliver results for the system. We want to assure you that we're committed as ever to fostering change at the MTA despite the pandemic. Transformation reforms instituted pre-COVID are already driving toward meaningful results.

Our consolidated Construction and Development organization, headed by Janno Lieber, has managed to maintain more than 500 projects during this time. Most importantly, we're doing this safely with detailed guidelines about worker safety, supported by daily checklist reviews and onsite inspections. These guidelines address separation within crews and between crews, handling of tools, and staging of entry, exiting and breaks to maintain social distancing.

We're also making use of Go-Pro cameras and Zoom to conduct remote inspections and equipment commissioning, so that 90 percent of MTA staff and consultants can telecommute. Partly as a result of these precautions, only 1.4 percent of MTA C & D staff and 2.1 percent of third party construction workers and consultants have been reported positive for COVID.

This has allowed us to keep on track for big projects like the L Train tunnel, which was completed last month ahead of schedule and \$100 million under budget. We used new technology to repair the Canarsie Tunnel without shutting it down entirely, saving New Yorkers time and anguish. Most of us can't use this now, but there will be a huge benefit once the state moves toward reopening.

The bottom line is that the MTA will leave no stone unturned in an effort to restore trust in our system. Strong mass transit is the shot in the arm in this city will need to revitalize its economy, and everything we are doing now is an investment in our system for the long term. When it's appropriate, we are going to be better prepared to reopen than any other transportation agency because we are laying the groundwork right now.

The MTA is looking at many solutions and will require strong guidance on social distancing from health officials. Masks will likely be required for all riders and employees in the long term. We're exploring the possibility of providing hand sanitizer at stations and deploying traffic controllers to monitor platforms. Expanding our temperature brigade to test all public-facing workers is another idea, and we are committed to providing all employees with the PPE they need to perform their jobs safely.

But all of this requires more money. We need our partners at the City level to come through for us by supporting our coronavirus response efforts and prioritizing other post-pandemic transit needs.

We at the MTA want to come out on the other side better and stronger for every single New Yorker. It's not going to be easy, but we're working tirelessly to get it done right. Thank you. We're now happy to take your questions.