



THE CITY OF NEW YORK  
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**JOINT LETTER FROM MAYOR DE BLASIO AND SPEAKER JOHNSON TO MTA  
SEEKING ACCOUNTABILITY IN SPENDING CITY'S \$418 MILLION FOR SUBWAY  
ACTION PLAN**

Mayor Bill de Blasio and City Council Speaker Corey Johnson today sent the letter, below and attached, to MTA Chairman Joseph Lhota regarding New York City's \$418 commitment to the MTA's Subway Action Plan.

Joseph J. Lhota  
Chairman  
Metropolitan Transportation Authority  
2 Broadway  
New York, NY 10004

Dear Chairman Lhota:

We write to you today regarding the crisis in the subway system and the dramatic impact it is having on the lives of millions of New Yorkers. The staggering increase in delays has resulted in workers losing wages, patients missing medical appointments, and students arriving late to class. According to a recent report by City Comptroller Scott Stringer, the annual economic cost of subway delays could total as much as \$400 million. The continued health of the City's economy and the vibrancy of our neighborhoods depend upon the MTA reversing the precipitous decline in subway service.

As you know, the City of New York will contribute a one-time payment of \$418 million to the MTA's Subway Action Plan (SAP), disbursed pursuant to a payment schedule in 2018. This funding is in addition to the substantial investment City government already makes to the MTA on an annual basis that is now \$1.8 billion -- six times the State's direct annual contribution of \$300 million. Furthermore, nearly 70% of the dedicated MTA taxes that pass through the State budget (which the State sometimes tries to claim as part of its own contribution) come from City residents, workers, and businesses. In addition, the City's 2015 \$2.5 billion commitment to the MTA Capital Plan is the largest general capital contribution in history.

As elected leaders of the City of New York who are responsible for its fiscal health, we must ensure that precious taxpayer dollars are not diverted away from the subway crisis to other MTA

priorities. The City pressed aggressively for a “Lock Box” as a condition of providing \$418 million towards the SAP. Now that the Lock Box has been made explicit in State law, it must be put into practice by the MTA.

It is important that the MTA provide detailed information about each of the plan elements, including the scope of work being performed, how success is defined, and how progress is measured. Unfortunately, although the MTA began implementing the SAP last July, it has provided scant details to the public on its progress and the MTA’s own “major incidents” metric shows little improvement in service. City taxpayers deserve to know that they are getting a good return on their investment. The public is skeptical when it comes to work performed by the MTA, especially given recent public reports about prolonged delays and billions of dollars in cost overruns on MTA projects. For example, the East Side Access Project, which started with a budget of \$4.3 billion and a completion date in 2009, will now require an additional billion dollars with a completion date in 2022 and an estimated price tag of \$11 billion. The Enhanced Station Initiative, which started with a budget of \$936 million to renovate 33 subway stations, will now require \$846 million to renovate only 20 stations.

It is incumbent upon the MTA to prove that it can be an effective steward of this short-term emergency plan and that the revenues with which it has been entrusted are prudently invested to deliver results. To that end, we must have certainty that the Lock Box will be implemented and that the City’s contribution will actually be spent on projects that will improve subway service. This letter includes a series of questions and requests to provide the assurances we seek:

**Increase transparency:** The MTA should provide a monthly update on the SAP to the MTA board, as well as regular briefings to representatives of the Mayor and City Council Speaker. These briefings should include updates on hiring, spending by plan category, and progress by plan initiative. These materials should be available to the public on the MTA’s website.

**Conduct a midcourse review:** Nine months into the plan, the MTA should evaluate the effectiveness of each SAP strategy. What are the specific performance objectives of each initiative? Which initiatives are having the most impact? Which initiatives the least? Based on this analysis, the MTA should reallocate staff and resources to the most effective strategies.

**Focus on core needs:** The MTA should redeploy staff and resources from non-critical efforts, such as station painting and retiling, to core needs, such as signal and track inspection and repair. Under Phase I of the SAP, only 4 percent of the operating costs and 10 percent of the capital costs are allocated to fund physical signal upgrades. MTA staff have stated that signal problems are a major contributor to delay, so the authority should consider increasing funding for signals-related work. At the end of the day, riders care first and foremost about whether their train gets them to where they need to go and less about station aesthetics. And when station improvements are necessary, the MTA needs a renewed focus on making those stations accessible to people with disabilities.

**Better measure progress:** We recognize the MTA’s recent efforts to adopt better performance measures. To date, however, the agency has focused mostly on “Major

Subway Incidents,” a blunt measure that does not capture the experience of the average rider. The MTA needs to measure progress through the reduction of time passengers spend waiting at stations or traveling on trains. The MTA also needs to do a much better job of earning the confidence of the riding public in the accuracy of these delay statistics. Several recent reports of arbitrary and inconsistent causes being logged for subway delays are concerning. A comprehensive overhaul of how subway delay statistics are recorded and reported should be formally included in the SAP so that progress can be tracked along with the rest of the plan.

**Review operations:** A comprehensive review of the use of signal timers and their effect on level of service and service reliability, as well as a review of scheduled service levels (especially at off-peak times), should be formally included in the SAP.

- While the safety of the system needs to remain paramount, it has become clear that the balance between safety and service when it comes to the signal timers installed since the 1990s needs to be reevaluated. In light of that fact that in most parts of the system construction of new lines is unrealistic in the near term, we must do all we can to maximize the capacity of the system we have.
- Recent reports have also indicated that scheduled service during off-peak times has never been fully restored since the post-financial crisis service cuts in 2010, even though off-peak ridership has grown. The MTA needs to find ways to efficiently allocate resources to increase service while balancing the needs for construction work during off-peak times.
- Though New York City Transit (NYCT) President Byford has recently announced that these will be elements of his approach to combatting delays, formally including them in the SAP will bring transparency to the extent of the progress being made in these areas.

**Plan for the future:** To ensure the City’s contribution is money well spent, the MTA must have a plan for maintenance and inspection so that any gains achieved by the SAP are maintained over the long-term. This plan should also articulate staffing and resource needs and measure these against projected new revenues from the recently imposed taxi and FHV fees. The MTA must use these new revenues to end its cycle of financial crises. Furthermore, the anticipated multi-billion-dollar, capital-intensive, long-term modernization plan that will be necessary for sustained improvement must include details about how costs will be controlled.

The SAP represents less than five percent of the \$8 billion operating budget of NYCT, but a lot is riding on its success. Failure is not an option and we firmly believe that a more transparent process can lead to better, more effective implementation. We are eager for everyone to put politics aside and support the important work of improving the commutes of millions of New Yorkers. Beyond the SAP, fixing the subway will require fundamentally changing the way the authority does business, including identifying non-City-tax-levy dollars to assist with funding improvements. In the meantime, the SAP must be successfully implemented. We look forward to working with you, your senior leadership team, and the men and women of the MTA to turn the system around through the SAP. We await your response.

Sincerely,

Bill de Blasio  
Mayor, City of New York

Corey Johnson  
Speaker, New York City Council