

Testimony by James Ferrara, President
MTA Bridges & Tunnel
Before the New York State Senate Committee on
Transportation - Public Hearing
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Good morning, Senator Fuschillo, and members of the Committee.

I am James Ferraro, president of MTA Bridges and Tunnels. MTA Bridges and Tunnels operates seven bridges and two tunnels that link the five boroughs of New York City. We have a dual mission: to enhance regional mobility and provide significant financial support for transit. Almost 283 million vehicles crossed our facilities in 2012, generating close to \$1.5 billion in toll revenue. Approximately 60% of this revenue--\$893 million last year—went to New York City Transit and the MTA's Commuter railroads. Since the MTA was created in 1968, approximately \$19.6 billion has been provided to support mass transit in the New York region.

Our July 2013 Financial Plan projects toll revenue of \$1.612 billion this year and \$1.634 billion in 2014, \$17 million and \$18 million greater, respectively, than our February estimate, primarily due to higher than forecast traffic volume. Total expenses are budgeted at approximately \$451 million in 2013, slightly higher than planned, primarily due to the timing of some Sandy-related expenses. Only slight expense increases of about 4% against our February Plan--again primarily for Sandy-related expenses--are projected in 2014. Our support to mass transit in 2013 is projected to be almost \$937 million and more than \$900 million in 2014, both in line with our original projections.

Our budget includes about \$21 million in overtime for both this year and in 2014. Since 2009, we have reduced overtime by approximately 22% and I'm pleased to report that thus far this year, we are under budget by almost \$900,000 or 7.8%. The major reasons for these lower costs are our managerial efforts to increase availability and the consolidation of our Maintenance functions in 2010, enabling us to more efficiently schedule our maintenance work and deploy our workforce.

We are working hard to reduce costs. Also in 2010, we eliminated our materials warehouse and instituted "just in time" vendor delivery, saving \$1.6 million annually in building maintenance costs and generating \$300,000 in recurring labor savings. In 2011, we reduced our vehicle fleet, which has produced annual recurring operating savings of over \$700,000. Our efforts to reduce costs are continuing; just this past month, our payroll and human resources functions were consolidated within the Business Service Center, enabling us to reduce headcount by 21 positions without any disruption in service to our employees.

Another major initiative for us is to make E-ZPass—which is the least expensive way to collect tolls—more available to all B&T customers. These efforts have helped increase E-ZPass usage to the current level of 83% of total traffic, which is 2.2 percentage points

greater than last year at this time and among the highest market shares in the country. Our efforts include:

- Selling E-ZPass “On the Go” pre-paid tags in the cash toll lanes at each facility beginning in 2012. Nearly 250,000 tags have been sold in the lanes since we began the program in June 2011;
- Spanish language versions of the E-ZPass application, interactive website, and the customer service telephone voice response system, which were introduced in January of 2012;
- The introduction of the MTA Reload Card in February 2012, an initiative which makes it easier for customers to replenish their E-ZPass account with cash; and
- The introduction of E-ZPass “Pay per Trip” in November 2012, which enables customers to set up an E-ZPass account without a pre-paid balance and pay for their tolls each day through an ACH deduction from their checking account.

Another important B&T initiative is the pilot project at the Henry Hudson Bridge to test All Electronic Tolling (AET) or Cashless Tolling collection operations. The implementation of cashless tolling at the facility began almost a year ago. All motorists are now able to use any lane to drive through the toll plaza without stopping and we have increased traffic flow or throughput, from approximately 800 vehicles per hour to 1,200. For customers without an E-ZPass tag, an image is taken of their license plate and the registered driver receives a bill in the mail. Since the pilot began, about 93% of total crossings have been E-ZPass and 7% “Toll by Mail” transactions. The purpose of the pilot is to test both the new technologies required to collect video images from passing vehicles and the back-office systems to collect tolls from registered owners of vehicles without an E-ZPass tag. The data collected from this pilot, which will continue through next year, will be used to evaluate and guide future toll collection and toll plaza reconstruction plans.

Like all of the agencies, we are completing the fourth year of our 2010-14 capital program. Our \$2.1 billion program is, of course, mainly focused on state of good repair projects to maintain the structural integrity of our facilities. Significant customer service improvements are also being carried out, including:

- The first phase of a major toll plaza improvement project at the Verrazano-Narrows Bridge that included demolition of the unused Brooklyn-bound toll booths was completed in 2011. The next phase of construction (\$51 million) was awarded in late 2011 and includes removing the remaining three unused eastbound toll booths, improvements to the entrance and exit ramps and rehabilitation of the eastbound toll plaza. This project is expected to be completed by summer 2015.

- In June of this year, a new entrance ramp from Narrows Road South, leading onto the bridge was opened. This new ramp will provide a smoother transition from the service road onto the upper level of the bridge.
- In September, the newly constructed Lily Pond Avenue entrance ramp, Brooklyn-bound, opened with an improved wider and more efficient configuration over the old on-ramp.
- In late 2012, a five-year, \$235.7 million construction contract was awarded to replace the original 1960s upper level suspended span roadway of the Verrazano-Narrows Bridge with a lighter steel deck. Once this project is completed it will include the agency's first reversible high-occupancy vehicle lane. The new reversible lane will connect with State Department of Transportation's Bus/HOV lanes on either side of the bridge, providing a continuous HOV lane from the Staten Island Expressway straight through to the Hugh L. Carey Tunnel, saving time for thousands of daily bus and HOV car commuters.

In addition to the nearly \$600 million in Verrazano Capital Program improvements, in mid-2012 a \$50 million design/build contract was awarded to reconstruct the Manhattan/Queens ramp at the Robert F. Kennedy Bridge. The 26-month project to reconstruct the 54,000-square-foot ramp is expected to be completed by fall 2014, and will provide customers a much smoother ride through the bridge complex.

At the Bronx Whitestone, a \$212 million Capital project to reconstruct the Bronx approach roadway, providing drivers with wider 12-foot lanes and new safety shoulders, was completed in August 2012, two months ahead of schedule. Currently underway is the \$109 million reconstruction of the Queens approach to the bridge which was awarded in July 2011. For both the Bronx and Queens projects a moveable barrier was successfully utilized to maintain full capacity for the morning and evening peak travel hours. The work will include reconstruction and widening of the 1,010-foot long Queens Approach roadway and new safety shoulders. In order to accommodate construction in Queens, B&T relocated the playground under the approach in Francis Lewis Park to an open area in the park, with expanded and rebuilt playground features. A substantial re-landscaping of the area surrounding the support piers is also included under this contract. Completion is scheduled for 2015.

And at the Throgs Neck, we are currently at work re-surfacing spans—a total of 67,000 square feet—of the deteriorated southbound roadway, which will result in a smoother ride for customers. We are steadily moving along with a \$47 million project that involves cleaning, repairing and re-painting 2.5 million square feet of steel, which will result in the removal of all old lead paint, and a new anti-corrosive coating that will last for decades to come.

The \$2.1 billion Capital program does not include the almost \$900 million needed to address the after effects of Sandy. We do, however, anticipate federal reimbursement. As you know, both B&T tunnels – the Queens Midtown Tunnel (QMT) and the Hugh L. Carey (HLC), formerly Brooklyn Battery Tunnel (BBT), sustained extensive and extraordinary damage due to flooding. The resulting damage at each of these two tunnels was caused by the unprecedented tidal surge in New York Harbor, the lower Hudson River and the East River regions. The storm surge was measured at approximately 14 feet and caused severe flooding in lower Manhattan, including at the HLC. The storm surge at the East River and the Newtown Creek was measured at approximately 12 feet and resulted in widespread flooding of the Long Island City areas of Queens, including at the QMT. The influx of millions of gallons of sea water in such a short span of time easily overwhelmed existing pumping systems at both tunnels. As a result of this flooding, both tubes at the QMT and at the BBT were rendered completely impassable and unusable for traffic purposes until the water was removed, the tunnels inspected, and necessary temporary repairs to critical life safety systems required for the safe operation of the tunnels were made. While the two tunnels suffered the most significant damages, B&T's bridges and related facilities (particularly the two Rockaway crossings) also experienced some damage due to the storm.

Based on preliminary assessments by B&T staff and independent engineers, the estimated capital cost of restoration associated with Sandy is \$778 million, with an additional \$96 million projected for mitigation. Approximately \$33 million in repairs from the operating budget are also being made. The cost of infrastructure restoration and mitigation is expected to be covered by a combination of insurance, federal programs (FEMA), and B&T resources.

