Good morning Senator Young, Assemblymember Weinstein, and members of the Senate and Assembly. I’m MTA chairman Joe Lhota and these are my colleagues: Ronnie Hakim, the MTA’s managing director, and Robert Foran, our chief financial officer.

First, let me say how pleased we are that Governor Cuomo has proposed a State budget that includes a year-to-year increase in our operating funds. The MTA will receive more than $4.8 billion dollars from all State sources, an increase of $334 million dollars over the Fiscal Year 2018 Enacted Budget. The Governor has now increased State support to the MTA in all eight of his budgets. As a result, annual operating support from New York State to the MTA has increased by $1.1 billion dollars over the past nine years.

Governor Cuomo’s leadership was instrumental in securing the 2015 to 2019 MTA Capital Program. At nearly $30 billion dollars, it is the single largest investment ever in MTA infrastructure. New York State’s contribution—$8.6 billion dollars—is many times greater than under any previous Capital Program.

The Executive Budget includes capital and operating support to fully fund the State’s half of the $836 million dollar Subway Action Plan. We introduced this plan in July to stabilize and then modernize our subway system, and we’re implementing the plan’s first phase now. It includes the most aggressive and concentrated preventative maintenance in the MTA’s history, and thanks to our Transit workers, it’s working.

Last year, Major Incidents, which delay 50 or more trains, went from 81 in June—when we began implementing the plan—to 50 in December, a 38 percent improvement. Comparing this same time frame, Major Signal Incidents went from 25 to 23, an 8 percent improvement. And Major Track Incidents went from 19 to 7, a 63 percent improvement.

Although we’re now seeing signs of stabilization in the subway system, the Long Island Rail Road is off to a poor start this year—as I’m sure you all know—and I’m not happy about it. The status quo absolutely cannot continue, which is why we will be taking corrective steps.

Not many people know this, but the MTA is in the midst of the most aggressive cost-cutting program in its history. We’ve cut about $1.7 billion dollars out of our annual
operating budget—through massive consolidations and internal efficiencies—and we expect that number to grow to $2.3 billion dollars a year by 2021. That’s more than two billion dollars a year, every year, that we can use to add or improve service and keep fares low.

Despite these efforts, funding MTA operations is a constant challenge. Fare and toll revenue makes up only a portion of the costs needed to run our system. In our case, it’s about 50 percent, which means that, on average, a customer’s fare covers less than half of the cost of their ride. That’s why the MTA needs a steady income stream—to continue to maintain a state-of-good repair, while at the same time upgrading and expanding the system. Put plainly, we need a sustainable financial model.

In that regard, we’re encouraged by the recently released Fix NYC report, which recommends providing additional funding to the MTA by defining a geographic "pricing zone" for cars and trucks entering certain part of New York City, installing technology around the zone, and establishing fees and hours.

Madame Chairs Young and Weinstein, we appreciate the support you’ve given the MTA in the past and your continuing support. Thank you for your time today. Now, we’re happy to answer any questions you may have.