

# Senator Jeff Klein



Independent Democratic Conference

# BACK ON TRACK



February 2018

## Back on Track

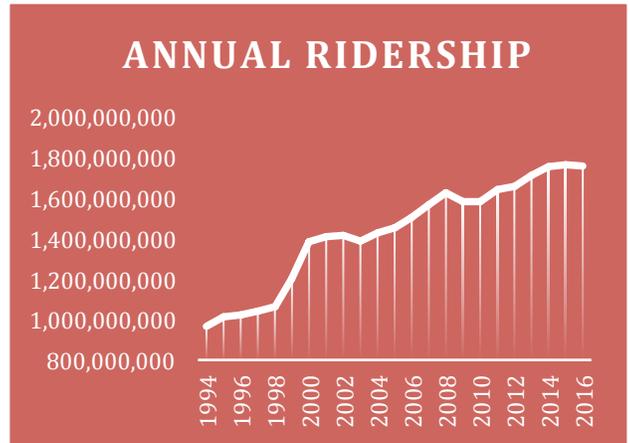
Public Transportation is the backbone of New York City. Millions of people use it and depend on it every single day of the year to get to work, to get home, and to see and tour the great city of New York. Specifically, about 5.7 million people use the subway system in New York on an average weekday basis and that the number has continued to grow over the years.<sup>1</sup> The problem facing our great city now is that while ridership continues to increase, the dependability of our system decreases.

New Yorkers are dissatisfied with their system. Subways seem to never run on time and individuals living in the outer boroughs feel as if they do not have easy access to dependable and affordable mass transportation. While the rest of the city is growing, our transit system continues to do the opposite. We are getting to the point where we are embarrassed by our public transportation. If New York City wants to continue to be the greatest city in the world, we must modernize our public transportation system.

The IDC recognizes the importance of emergency repairs to the MTA and proposes a way to guarantee the necessary repairs are done immediately by securing necessary funding. New Yorkers deserve a transit system they can depend on now and the IDC will fight to help the MTA provide just that.

### **Problems with the MTA**

The New York City subway is the seventh most traveled subway in the world.<sup>2</sup> Annual ridership has continued to grow over the years.<sup>3</sup> In 2016, the MTA saw approximately 1.757 billion riders that year. Meaning well over a billion people depend on this subway system every day.<sup>4</sup> However, with the increase in ridership over the years comes an increase in wear and tear on the system. Such wear and tear has taken its toll on the system as seen by the amount of delays and issues plaguing the system these last few years.



Riders commonly experience delays while using the city's subway system. Every year outdated signals, poorly maintained tracks, and technology that it is too old to keep up with the demands

<sup>1</sup> <http://web.mta.info/nyct/facts/ffsubway.htm>

<sup>2</sup> *Id.*

<sup>3</sup> <https://wagner.nyu.edu/files/faculty/publications/State%20of%20Subway%20Ridership%20-%20Mar717.pdf>

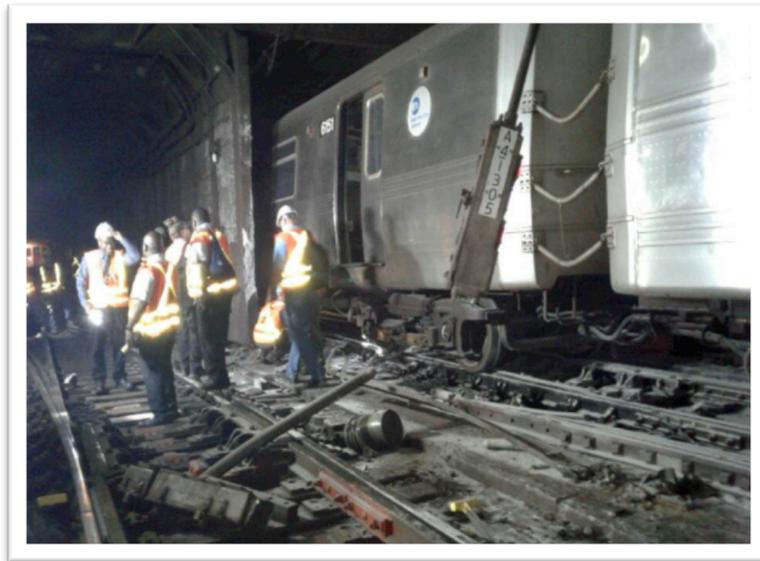
<sup>4</sup> <http://web.mta.info/nyct/facts/ffsubway.htm>

of the system make it less reliable. This past year alone, over 900,000 delays occurred all stemming from a wide array of problems.<sup>5</sup> While some problems will take years to fix, some of the issues can be addressed now.

The MTA has recognized the reality they are in and have realized the MTA has to do something, and something has to be done now. That is why Chairman Joe Lhota of the MTA proposed the NYC Subway Action Plan meant to address both the short term and long-term issues plaguing the system.<sup>6</sup> The plan addresses the immediate capital and operational needs of the system. Specifically, the first phase of the program addresses the critical capital improvements the system so desperately needs, such as signal upgrades and track improvements. A majority of delays, unrelated to overcrowding, are primarily caused by signals, tracks, and power. Since these account for more than half the problem it only makes sense to address these problems first. To do this, the MTA needs capital and operational funds and needs these funds quickly.

### **The Problem: Subway Delays**

The MTA has recognized that the authority must take action, which is why the authority has proposed the Subway Action Plan. The plan's purpose is to address the emergency needs of the subway system but in order to do so they need money. Included in the plan are expedited repairs on 1,300 of the most problematic signals, cleaning of the entire underground system to remove debris, tripling the installation rate for track welding, and increasing the overhaul capacity of subway cars as well as other needed repairs.



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<sup>5</sup> Data was compiled from monthly MTA Transit Committee reports *see* <http://web.mta.info/mta/news/books/>

<sup>6</sup> *See* <http://www.mtamovingforward.com>

The MTA currently has a multibillion capital program that is separate from the Subway Action Plan, hence why this plan needs a different stream of funds. The MTA therefore recommended that the City and the State split the cost of the plan in order to avoid a fare increase.<sup>7</sup> The state has recognized the need for funding which is why the Executive has proposed a plan to support paying for half of the Subway Action Plan in this year's budget (FY18-FY19).<sup>8</sup> New York City is now being looked at to include the other half. However, they have been unwilling to pay their fair share. Without the city, this plan will not address the immediate needs of riders.

The question that is then raised, is why the sense of urgency and why can this not be pushed off until the MTA's next five year capital plan. The answer is easy - because riders deserve relief and deserve relief immediately. They do not deserve to suffer from unnecessary delays and issues any longer than required. People depend on the subway to get to and from their destinations. Nothing is more frustrating than when you depend on the subway to get somewhere on time and it is delayed. Delays are no longer becoming something that happens every now and then; instead, they have become a daily issue in commuter's lives and these delays are costing people their time and the their money.

New York City's Independent Budget Office recently completed a study in October of 2017, regarding how much time subway riders are losing due to delays. The report estimates that the average number of passenger hours lost to delays across the system during the weekday's morning rush hour was 34,900 hours as of May 2017.<sup>9</sup> This represents a 45% increase in hours lost compared to 2012. According to the same report, these delays also result in a monetary loss due to delays, and the IBO estimates these losses are (1) \$864,000 for city commuters, (2) \$257,000 for non-city commuters, and (3) \$109,000 for subway riders making trips not related to work.<sup>10</sup> Showing that delays have an impact on riders in many different ways.

The below chart analyzes the amount and reasons for delays over the past year (December 2016-November 2017). IDC staff collected and compiled data based off information reported at the MTA's monthly committee meetings and combined reported weekday and weekend reasons for delays. This combined data separates the cause for delays in correspondence to what is reported to the transit committee on a month to month basis.

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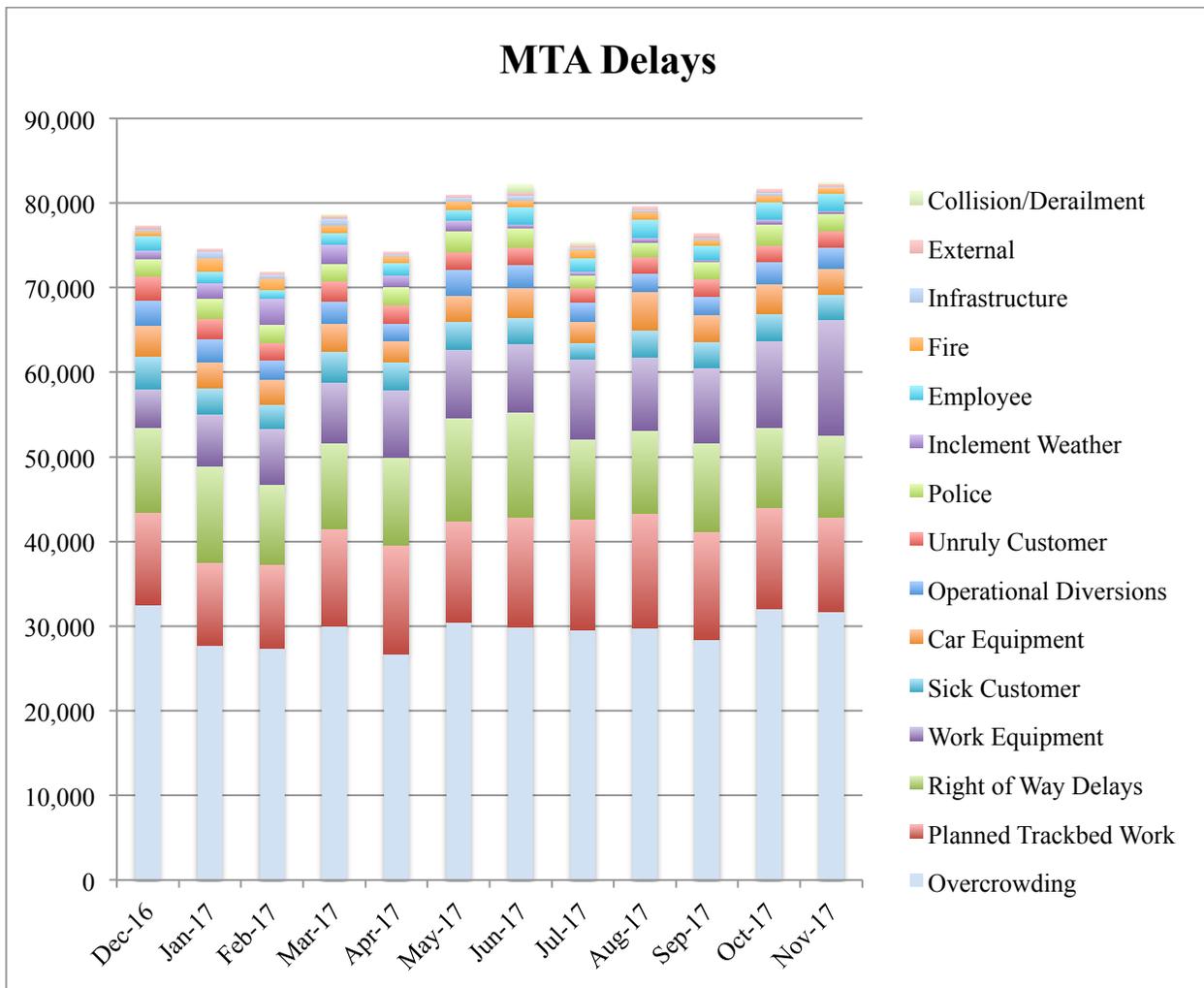
<sup>7</sup> <http://www.hntb.com/HNTB/media/HNTBMediaLibrary/Home/Fix-NYC-Panel-Report.pdf>

<sup>8</sup>

<https://www.budget.ny.gov/pubs/archive/fy19/exec/agencies/appropData/MetropolitanTransportationAuthority.html>

<sup>9</sup> <http://www.ibo.nyc.ny.us/iboreports/we-are-being-held-momentarily-how-much-time-and-money-are-new-york-city-subway-riders-losing-to-delays-october-2017.pdf>

<sup>10</sup> *Id.*



As seen by the chart above, while over one-third of delays are caused by overcrowding, about one-half are related to the physical infrastructure or repair issues. It also looks like reasons for delays are not improving over the last year. The state and the city can properly address these problems by funding the subway system in order for the system to make the needed repairs and improvements it needs to succeed. Issues like trackbed work that is going on for too long or equipment that can no longer be relied upon can be addressed through the Subway Action Plan. Further, it is imperative that something is done to address the problems that are causing derailments.

For instance, in Brooklyn during the month of July a Q train derailed near the Brighton Beach B/Q station due to the second set of wheels on the second car of a southbound Q train coming off the rails. According to Wynton Habersham, the head of New York City Transit’s subways department, the derailment was specifically the result of improper maintenance of a subway car.<sup>11</sup> This is only one example that occurred in 2017. There have also been track fires, other

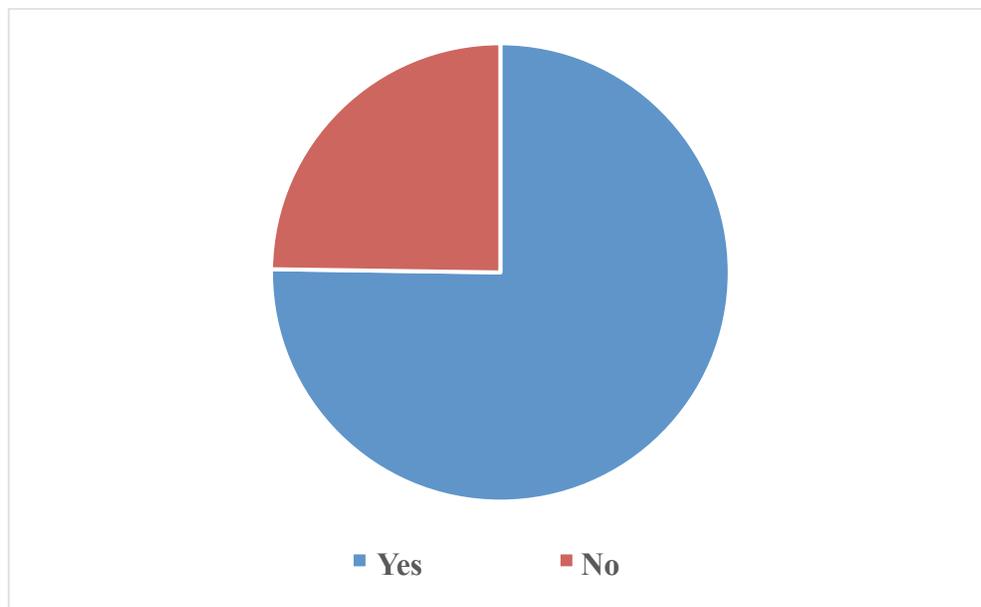
<sup>11</sup> See <https://www.amny.com/transit/q-train-derailment-caused-by-improper-maintenance-resulting-in-abnormal-condition-on-car-mta-says-1.13820227>

derailments, and problems that continue to occur and as a result, riders are being injured. Riders have even had to smash the windows of an MTA subway in order to escape the A train that was derailed in June of 2017.<sup>12</sup> It made us raise the question: What state is the subway in that derailment becomes a common story for riders?

### What does the public think?

The IDC conducted a poll, which asked everyday subway and express bus riders what they thought of the system and what should be done about the subway action plan. The survey was conducted by going to all five boroughs in New York City and doing in person interviews with people who ride the subway and sending the surveys to subway and express bus riders. Staff of the IDC was able to collect over 200 surveys and responses.

First, we asked, “**Should the City be required to pay for half of the emergency subway action plan?**”

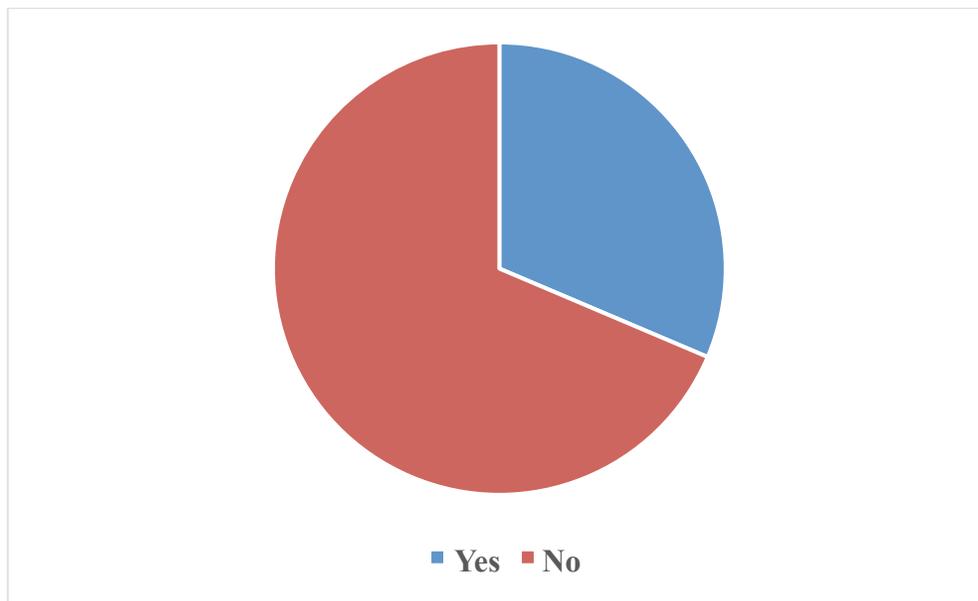


An overwhelming majority - **75%** - responded that they believed it was the city’s responsibility to pay for half of the subway action plan. Even with many individuals support that the city pays for part of the plan, New York City is still seemingly unwilling to pay for their share. As stated earlier, the state’s budget proposed paying for half and yet in the City’s newly revealed \$88.67 billion budget, there is no mention of funding the other half of the plan.<sup>13</sup>

<sup>12</sup> <https://nypost.com/2017/06/27/subway-passengers-desperately-scrambled-out-of-derailed-train/>

<sup>13</sup> <http://www1.nyc.gov/assets/omb/downloads/pdf/sum2-18.pdf>

Due to the failure of New York City to put up their half of the plan the IDC asked riders if they would be **opposed to the City spending \$428 million in sales tax revenue to fix the subway?** Once again, **69%** of riders said they would NOT be opposed to such a plan. Showing us that New Yorkers at this point simply want the city to pay their half.



### Our Solution

Based on the responses above, and the fact that the subway action plan must be funded in order to address the immediate needs of riders, the IDC proposes a way to have the city pay their fair share. Our proposal would dedicate a portion of New York City’s annual sales tax revenue and use that money to directly invest it back into the system’s subway action plan. This would be done by intercepting a portion of the city’s sales taxes, which the state collects on behalf of the city, and then redirecting a portion back to the MTA. The rest of the sales tax, which is collected on behalf of the city, will then be remitted back to the city, minus the amount intercepted, which should be less than 6% of the total annual sales tax collected. The amount intercepted would be equal to the amount put forward by the State to fund half the plan. To put that into perspective, in FY2018, the city collected about \$7.3 billion in general sales tax.<sup>14</sup> In the 2019 fiscal year, the City projects a collection of \$7.9 billion.<sup>15</sup> Making a collection of \$428 million miniscule in comparison to what is collected on an annual basis.<sup>16</sup>

<sup>14</sup> <http://www1.nyc.gov/assets/omb/downloads/pdf/perc2-18.pdf>

<sup>15</sup> *Id.*

<sup>16</sup> This total is based off the Executive’s budget proposal *see* <https://www.budget.ny.gov/pubs/archive/fy19/exec/agencies/appropData/MetropolitanTransportationAuthority.html>

## **Conclusion**

This legislation is necessary. Without the city's contribution, Chairman Lhota's legal options are to reduce the scope and cost of improvements, extend the construction timeline to future years, or to increase fares to cover the city's portion. In the end, this will only cause harm to millions of New York City residents and visitors. The MTA's subway system is at a point that we all recognize that something has to be done and that something has to be done now. The IDC is committed to fight to find a way to make sure the Subway Action Plan is fully funded. Through our proposed legislation, riders will finally have the relief they deserve once this plan is equally funded by both the State and the City of New York.