



**Testimony of Felice Farber**  
**Senior Director, Policy and External Affairs**  
**General Contractors Association of New York**  
**Joint Public Hearing: Impact of COVID-19 on the MTA and Public Transportation**  
**August 25, 2020, 10:00AM**

Thank you for the invite to participate in the joint Senate and Assembly hearing on the impact of COVID-19 on the MTA.

The General Contractors Association of New York (GCA) represents the unionized heavy civil construction industry in New York City. GCA members build and rehabilitate the MTA's bridges, tunnels, stations, and other critical infrastructure.

When the pandemic hit full force in mid-March, Governor Cuomo ordered all non-essential businesses to shut down and work remotely where possible. Road, bridge, and transit projects were rightly deemed essential and authorized to continue working. This was critical for ensuring that necessary capital work continued. The MTA and the construction industry worked in partnership to keep those projects moving forward and to protect the health of all workers.

MTA and GCA leadership and staff were in regular communication about construction practices to minimize the impact of COVID-19. The MTA quickly developed guidance documents for contractors and consultants that incorporated recommended practices from the CDC and the NYS Department of Health. Those guidance documents were updated regularly as more information and directions for protecting workers became available and were communicated to not only our Association, but to other interested parties and stakeholders. The guidance documents also covered the procedures to follow and notification requirements if a worker tested positive to ensure that COVID-19 did not spread on a jobsite.

As with every other industry, obtaining adequate supplies of the recommended personnel protective equipment and hand sanitizers was challenging, but not impossible. Where excess supplies were available, some members donated those supplies to nearby hospitals to help with the desperate need for face masks and shields.

In some cases, material supply chains for MTA projects were impacted as inconsistent rules among states shut down fabricators and suppliers in other states. The GCA worked closely with

our construction industry partner associations to stay abreast of activities in other states, as well as the developing rules and best practices in each state.

Addressing the impact of COVID-19 required a herculean effort and partnership from all sides. The unexpected work environment, the need to obtain additional PPE and additional tools, the challenges in obtaining critical construction supplies and materials from other states, and the changed work conditions to allow for social distancing all impacted workflow and costs.

From an actual construction perspective, where feasible, the MTA and the contractors explored ways to take advantage of reduced traffic flow on the bridges and lower ridership on the subway and commuter rail systems to advance projects more quickly and cost effectively.

Unfortunately, while the industry and the MTA were focused on advancing existing projects that were deemed essential, the devastating impact that COVID-19 pandemic had on the MTA's revenue streams eventually impacted funding for the MTA's capital program.

As you know, just last year the MTA planned to embark on a robust five-year capital program that would continue to improve the accessibility of the system, upgrade tracks and signals, rehabilitate stations, and make other essential investments that would have improved the quality and reliability of the transit network and finally achieve significant inroads in making the transit system accessible for people with disabilities.

At a record breaking \$54 billion, that 2020-2024 plan came to a screeching halt early this spring, when the MTA put all its future project work on hold -- something which will impact the MTA's long term ability to provide reliable service to its customers by maintaining and upgrading its capital infrastructure. In turn, as you can imagine, it will have a significant impact on the heavy civil construction industry.

While construction contracts that were underway were allowed to proceed during the COVID-19 induced shutdown of New York as they were deemed essential by Governor Cuomo, the dramatic fall-off in revenue put a halt to nearly all new MTA procurements. PayGo dollars that had been set aside for the MTA's capital program are being diverted to meet operating needs, while congestion pricing, a substantial source of funding for the new capital program remains uncertain at best. An initial, temporary 60-day freeze on new procurements has since turned in to an indefinite freeze and it is unclear if, and when the capital program will restart and what the size of that program will look like.

The unprecedented impact on the construction industry will impact many thousands of solid middle class, unionized construction jobs here in New York City and throughout the entire MTA region, potentially threatening the viability of some of those businesses as well as peripheral industries that provide materials and supplies. Already construction employment in New York City is down nearly 20 percent and unless the MTA's financial picture changes in the near term, that may be just the tip of the iceberg.

The impact on minority and women owned business will be significant as well. Although the MTA is using its best efforts to continue bidding work for MWBES, the fact is that subcontracting opportunities are what provide a significant volume of work for MWBEs and those opportunities are disappearing with the indefinite pause on the capital program.

All this is ironically juxtaposed against the backdrop of reduced ridership volumes and evening shutdowns that would create a unique opportunity to be doing essential construction work that might otherwise disrupt the daily commute for millions of New Yorkers by providing the construction industry with the space and schedule flexibility needed to ensure social distancing among its work force.

One thing that is clear is that Federal funding is essential to help the MTA recover from the economic impact of the pandemic. There are few reductions that together could come anywhere near replacing the billions of dollars in lost revenue the MTA is wrestling with as we speak.

In that regard, the GCA has been active in Washington lobbying Congress for federal aid for New York State, New York City and especially for the MTA. We have highlighted the economic impact of the MTA on not only the New York economy, but that of the region and the nation itself. Without a strong recovery in the nation's center of commerce and finance, a national recovery will be nearly impossible.

While direct federal help must go the MTA almost immediately, we also appreciate the fact that state and local aid will also be affected. The 2015-2019 capital program was dependent on receiving a total of \$11B in aid from the State and the City. That aid was due when the MTA had exhausted all its other resources. The MTA has clearly exhausted its resources and desperately needs the remaining state and local dollars now to complete the 2015-2019 capital program, but it is unclear if that revenue will be able to appear given the lost tax revenues to both parties. We commend the State for recognizing that the MTA has maxed out its bonding capacity and for issuing \$1B in debt on the MTA's behalf and hope that all of the mass transit operating assistance collected will be distributed to the MTA.

Understanding that every billion dollars invested in the MTA's capital program supports 7,300 jobs in New York State, one can see how reductions in the program will not only affect the system's infrastructure conditions, but how it will impact the larger economy.

We hope that you and we will continue to press the federal government to address this crisis in order to head off a devastating blow to our local, regional and national economies in the coming months and years.

Thank you for inviting us and we look forward to working with you and the MTA on solutions to this critical matter for New York.