BUILD TRUST

The MTA Can Deliver a Capital Program That Puts Riders First
The New York City subway system is at a turning point.
After a long run of rising usage, unreliable subway service has led to shrinking ridership despite growing population and jobs. Unless New York’s leaders reverse this decline, the continued health and prosperity of the region will be at risk.

Cratering subway reliability and a surge in high-profile breakdowns during 2017 and 2018 drew attention to longstanding deficiencies that had previously skirted intense public scrutiny. The signal system is ancient and failure-prone. Hundreds of stations lack access for people with disabilities. Subway cars that should have been retired long ago are still pressed into service.

The consequences of unreliable, inaccessible subways are felt most acutely by New Yorkers who do not have the means to live close to the Manhattan core. Riders with low incomes tend to lose more time to delays than more affluent riders, and accessible subway stations are scarcer in neighborhoods with more affordable rents.

The decrepit condition of the subway system became the main rallying point for congestion pricing in 2019. Until that legislative session, congestion pricing and similar traffic reduction policies had failed to clear the necessary political hurdles in Albany, despite impressive policy merits. The dire transit situation helped ensure that this time would be different. Funds generated from tolls on driving in the Manhattan core will now supply at least $15 billion for a new wave of transit investment.

Leading up to the landmark congestion pricing vote, opponents attacked the Metropolitan Transportation Authority’s track record of high capital costs. They asked how the agency could be trusted with a new source of public funds. Their critique was grounded in truth.

Recent MTA capital programs have been weighed down by the exorbitantly expensive East Side Access mega-project, with costs expected to exceed $11

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billion—vastly disproportionate to its benefit to Long Island Rail Road riders. Phase one of the Second Avenue Subway cost more per mile than subway expansions anywhere else on the planet—riders got a three-station expansion for $4.5 billion.3

Evidence suggests the MTA also pays a premium for more routine work on track and stations. Urgent upgrades like resignaling subway lines and adding station elevators proceed far too slowly. Riders have justifiably lost trust in the MTA’s ability to maintain and improve the subway system.

Securing substantial new revenue was a precondition for turning around the subway system, not a guarantee. Success will depend on prioritizing the right projects in upcoming capital programs, and completing those projects on time and at reasonable cost.

Riders do have cause for optimism. With a renewed focus on the fundamentals of operations, New York City Transit has recently delivered sustained improvement in subway performance. In its Fast Forward plan, NYCT has for the first time publicly embraced the goal of a fully accessible subway system, and the agency has laid out a scenario for much more rapid installation of subway signaling technology that promises to boost capacity and reliability.

If the agency is successful, riders who commute from the Bronx, Queens, or Brooklyn to Manhattan stand to regain days of their own time over the course of a year. Someone taking the train from Jackson Heights to West 4th Street, for instance, would save 26 minutes a day—or 110 hours per year—according to a TransitCenter analysis.4

The outcome of these transit modernization efforts rides on the upcoming MTA Capital Program. If the project list in the capital program is based on public worth, not political calculations, and if the MTA executes these projects competently, New Yorkers can look forward to a subway that works much better for them.

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This report outlines how the MTA can deliver a 2020–2024 Capital Program that puts riders first. In brief, the governor and the MTA must produce a capital program that includes the right investments; the MTA must deliver those projects at the right price; and the MTA and state lawmakers must set up accountability and oversight mechanisms that keep this critical work on the right track. Through this process, the MTA’s political and executive leadership will build trust in the agency.

TransitCenter and our partners call on Governor Andrew Cuomo, MTA CEO and Chairman Pat Foye, and state lawmakers to create the framework for a successful subway modernization.

1 Release an on-time 2020–2024 MTA Capital Program that addresses core maintenance needs, and follows through on public commitments to make 50 more stations accessible, upgrade five of the busiest subway lines with modern communications-based train control (CBTC) signaling, and update the subway fleet with 650 new cars and 1,200 CBTC-equipped cars. The capital program must be accompanied by a five-year implementation plan.

New York cannot afford for the next capital program to shortchange subway and bus riders. Fortunately, New York City Transit has released 5-, 10-, and 15-year targets for overhauling the subway network with accessible stations, CBTC, and new trains.

To deliver the service that riders deserve, the 2020–2024 MTA Capital Program must keep pace with these targets, in addition to funding core maintenance priorities as described in the upcoming 20-year needs assessment.

Though bold, NYCT’s subway modernization targets lack specific timelines, benchmarks, and costs. The
The capital program must be accompanied by a 5-year implementation plan to which the MTA can hold itself accountable. Key elements of an implementation plan will include clear project timelines and construction cost targets, with a schedule for consistent public reporting of progress that does not re-baseline costs or schedules, but rather clearly states original and current goals.

The composition of the next capital program must not repeat the mistakes of previous capital programs, in which spending priorities were misaligned with ridership. New York City Transit accounts for 93% of MTA ridership—including suburban riders who transfer between commuter rail and the subway or bus. But in the 2015–2019 Capital Program, only 76% of the $22.4 billion in maintenance and improvement funds were allocated to subways and buses, with the commuter railroads accounting for 24%, according to an analysis by the Manhattan Institute.

Expansion funding was more skewed, with subways and buses receiving less than 25% of the budget for capacity additions, and the commuter railroads receiving 75%. The LIRR’s East Side Access project, expected to cost $11 billion when finally complete, consumed the bulk of these funds. Yet Long Island Rail Road and Metro-North trains bypass local stations in the Bronx and Queens stations nearly 80 percent of the time during the morning rush, according to an analysis by the New York City Comptroller.
In a normal budget cycle, the MTA would first create an inventory of its assets—such as the condition of its rolling stock—to anticipate its needs to maintain a system state of good repair over the following two decades.

A 20-year needs assessment would situate the agency’s immediate five-year capital spending plan. Chairman Foye has admitted such public assessments will not be ready until months after a capital budget is presented to the MTA board for consideration. Given this dysfunctional process, it is imperative that the full MTA Capital Program Review Board, responsible for approving or denying the capital plan, deliberates and votes on the plan in a public session with public testimony.

State lawmakers have a responsibility to protect the interests of transit riders.

5 Martinez, Jose. “The MTA’s Running a Year Late on its Next 20-Year To-Do List,” THE CITY. July 12, 2019.
2 Review transit capital costs from other large cities with old rail networks, and set benchmark unit cost targets for a station accessibility project, a track-mile of modern signaling, a new subway car, and a mile of subway expansion.

Declaring unit cost targets for major elements of the 2020–2024 Capital Program can help align MTA project management around cost control as an overarching goal. What’s more, benchmarking based on average construction costs of other older transit networks in large cities, such as Chicago, London, or Berlin, will help reveal which MTA practices are out of line with its peers and must be altered. And by making these cost control goals highly visible to the public, the MTA can strengthen its case for politically difficult decisions necessary to achieve lower costs—like resignaling subways quickly by shutting down segments of track continuously, instead of drawn-out night-and-weekend work.

Construction cost bloat is not unique to transit in New York City, but the MTA’s capital costs are uniquely high among transit agencies. Per mile, the Second Avenue Subway and East Side Access are the two most expensive rail expansion projects in the world, by a large margin. Resignaling the 7 line with CBTC has
cost more per mile than outfitting London’s Northern Line with CBTC by a factor of four. The MTA appears to pay a similar premium for station accessibility projects, according to researcher Alon Levy.6

If the MTA brings capital costs in line with peer agencies, the agency can stretch funds for maintenance and improvement farther. Given the practical limits of the agency’s capital budget, there is no path to a consistently excellent rider experience without cost control.

Researchers, reporters, and the MTA’s own internal reviews have identified a litany of factors that contribute to the agency’s excessive capital costs, including but not limited to:

• Project scopes call for inessential or extravagant elements—for instance, the Second Avenue Subway and Hudson Yards stations feature cavernous full-length mezzanines.

• The MTA takes weeks or months to approve construction decisions, adding uncertainty, delay, and expense. At least 17 officials are responsible for approving a project change order, for instance. In a sign of progress, the agency has proposed reducing that number to four officials.

• Construction companies enlarge bids to hedge against the expected difficulty of working with the MTA—known informally as the “MTA Premium.”7

• Rather than using standard “off-the-shelf” components, the MTA frequently calls for customized components that are more expensive to purchase and maintain.

Legislative mandates to address high costs risk unintended consequences. A new state rule requiring debarment of MTA contractors for unexcused schedule and cost overruns, for instance, may incentivize companies to price higher levels of uncertainty into bids. Some may decline future work altogether, reducing competition for MTA contracts and driving up prices.

Cost-savvy scoping, project management, and procurement cannot be imposed—these practices must be developed from within.

After years of defensiveness and denial about its cost problem, the MTA has recently adopted a stance more amenable to reform. Executives now acknowledge

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7 Rosenthal, Brian.
that cost control is possible, the board has formed task forces to address the issue, and the agency reports progress toward more disciplined project management.

While commendable, this activity stops short of making specific, public commitments to cost control to which the agency can be held accountable.

Contrast the absence of construction-related performance metrics with the agency’s public reporting on operations. Setting precise targets for elevator uptime, for instance, is an important component of making MTA service delivery more responsive to riders’ needs. By constantly measuring and reporting on-time performance, average wait times, and other service indicators, the MTA creates a framework for public accountability.

There are no equivalent targets or metrics for MTA capital construction costs. Setting firm public goals for cost control is an essential step toward building trust in the MTA.

3 Report on construction progress and cost control by creating an accurate, user-friendly online project tracker, and by improving the existing capital program dashboard with clearer, more accurate information.

Clear and accurate public reporting is an essential accountability mechanism. To keep the public better informed, the MTA should produce a user-friendly online tracker for key projects in the 2020–2024 Capital Program—including station accessibility projects, signal system upgrades, and rolling stock purchases. This tracker will help the public hold the agency accountable and reinforce internal discipline at the MTA. Likewise, it will help the agency publicize timely, cost-effective project delivery.

The MTA’s subway performance dashboard is a good template for a simplified capital project tracker. It conveys essential information while remaining legible to non-experts. The website is uncluttered and presents key metrics that directly affect riders’ trips. Most importantly it provides accurate and up-to-date information.

In addition, the MTA’s existing Capital Dashboard—an online portal where the agency reports
construction progress—needs an overhaul. The current iteration is neither clear nor accurate.

Project descriptions are outdated, and construction updates are written in jargon that’s indecipherable to non-experts. The dashboard does not easily show whether projects are ahead or behind schedule, or on track to meet a target opening date. Overall, it is not a functional accountability mechanism that helps the public track adherence to project timelines and budgets.

For example, the explanation of a recent change to an ADA accessibility project at 6th Avenue on the L train reads: “Budget increase reflects advancement of stair work. Schedule adjusted to reflect current work plan; construction phasing under review. Delay to coordinate with the revised approach to the Canarsie Tunnel and for additional scope of component work.” These inscrutable descriptions do not illuminate how or why project scopes, budgets, and timelines change.

NYC Transit’s subway performance dashboard is a clear and accurate information portal (top). The MTA’s current capital dashboard is difficult to decipher for experts and laypeople alike.
Reinvent Albany, a good government group, has identified steps to improve the online capital dashboard, including publishing accurate updates; making all data machine readable and available for bulk-download, including click-through budget schedules; providing original project budget numbers upfront on the landing page; noting where project data is still under development; providing additional data for each project such as contract numbers and needs codes; and listing the original capital plan year for projects, noting any rollover from previous plans. The dashboard should clearly show whether projects are on schedule for an opening date—a piece of information about which riders care the most.

Starting in the fall of 2019, Assembly Speaker Carl Heastie and Senate Majority Leader Andrea Stewart-Cousins should pursue meaningful oversight of the MTA Capital Program. Through their oversight role, state lawmakers are vested with an important obligation to safeguard the public interest in the transit system. During the MTA’s modernization effort, Majority Leader Andrea Stewart-Cousins and Speaker Carl Heastie must serve as vigilant watchdogs of the agency. Prior to the final adoption of the capital plan, the legislature has historically held hearings on the draft capital plan. They should do so again in the fall of 2019 before a vote by the MTA Capital Program Review Board. After approval of the plan, to ensure the interests of transit riders and taxpayers are upheld, lawmakers must also conduct at least one joint oversight hearing per session on the agency’s progress toward its capital commitments. These hearings will be high-profile venues for legislators to focus public attention on the MTA’s capital needs and project delivery.

Aside from a February 2019 Senate hearing on each of the state’s transit networks, lawmakers have not held productive oversight hearings dedicated to MTA capital investment or service performance in recent years. Instead, at annual budget hearings lawmakers occasionally needle MTA officials on service minutiae and parochial district concerns.

8 Reinvent Albany, ’’Open MTA’—50 Things NY Can Do Now To Renew Public Trust in MTA,” April 2019.
The legislature is the only representative institution with sway over the MTA. The appointed members of the MTA Board do not represent the geographic or demographic background of transit riders. According to an analysis by Reinvent Albany, only 36% of voting MTA Board members live in the five boroughs, while 89% of MTA riders are city residents. Just over half of riders are people of color, compared to only 29% of the Board. The median household income of riders is $58,000, but $292,080 for the Board. No board members have a publicly-disclosed disability.

Therefore it is especially incumbent on lawmakers to stand up for the interests of city residents, people of color, riders with low incomes, and riders with disabilities.

This is the moment to build trust.

If Governor Cuomo, MTA CEO and Chairman Pat Foye, and state lawmakers make the most of this moment, riders will remember the next few years as a time when the transit system turned a corner and started to work well for New Yorkers again. Otherwise, it will be recalled as yet another chapter in the history of MTA mismanagement.

By prioritizing the right projects and committing to efficiency, transparency, and accountability during construction and procurement, New York’s political leadership and the MTA can deliver a successful subway modernization. Adopting these goals will not only pay dividends via the next capital program, but will set a template for smart, rider-focused transit investment that New Yorkers can trust.
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