

**Testimony of Veronique Hakim
Interim Executive Director of the Metropolitan Transportation Authority
Joint Legislative Budget Hearing on Transportation
February 15, 2017**

Good morning, Senator Young, Assemblyman Farrell, and other members of the Senate and Assembly. Thank you for your interest in the MTA's finances, and for being here today.

I am Veronique Hakim – and I am the interim executive director of the Metropolitan Transportation Authority. And since this is day 15 of my tenure as interim executive director, I have asked Bob Foran, our CFO, and Craig Stewart, our Senior Director of Capital Programs, to join me to answer questions.

First, I am gratified to note that the Governor's Executive Budget again proposes a year over year increase in state assistance, providing nearly \$4.5 billion. In the past five executive budgets, state operating aid to the MTA has increased by a total of \$450 million. The budget also continues to reflect the enacted commitment of \$8.3 billion in State resources for the MTA's 2015-19 Capital Program, with a new \$1.5 billion appropriation.

I expect that the coming year will be both a challenging and an exciting one for the MTA.

Challenging, because we are dealing with the heaviest ridership we have experienced since just after World War 2.

Exciting because we have plans to continue successful efforts in four areas –

- first, to do everything necessary to assure safety as our first priority;
- second, to keep our operating costs down;
- third, to improve the daily experience of our 8.5 million daily customers;
- and fourth, to renew, enhance and expand the system through our Capital Program.

In the past seven years, we have cut \$1.6 billion out of our recurring annual operating costs.

We will continue that effort and by next year increase those annual savings to \$1.8 billion. Like any business, some elements of our budget will grow. But this cost-cutting rigor has enabled us to keep increases in our fares and tolls to a minimum. The two percent-per-year increases that will take effect in March are the smallest in the past eight years, and less than the projected rate of inflation.

And I also believe this cost management – and our financial transparency – are essential to the MTA's credibility among fare payers, taxpayers and public policy makers like yourselves.

Our customers are your constituents. And the service we provide is absolutely essential. So we aim to be the best stewards of public and fare payer funds that we can possibly be.

Surely, the MTA's biggest news of 2016 came when we opened service on the Second Avenue Subway. New Second Avenue riders frequently tell us the line has changed their lives. In ways

both large and small – and often times downright invisible to riders – we will be working toward changing more riders’ lives in the coming year.

We will do so in several ways:

- by advancing important projects, including those funded by the 2015-19 capital program;
- by improving the quality of our services;
- by continuing to improve our business practices;
- and by tackling the everyday work of keeping our infrastructure – including those 100-year-old portions of our subway system – in a state of good repair that ensures safe and reliable service.

I’d like to take just a minute or two to list some select major projects because they are important and because we are making rapid progress on them.

In the area of safety, we recently launched the nation’s first sleep apnea screening program for employees upon whom the safety of our customers depends. It will include 20,000 of them – subway and railroad operators, conductors, bus drivers and others. Those diagnosed will be required to undergo and verify they are receiving treatment. This is in the best interest of our riders AND our employees – because sleep apnea can affect life quality and shorten lives.

The Long Island Rail Road and Metro-North Railroad had record ridership last year. We no longer refer to these systems as “commuter railroads.” They have become too integral to their service areas, with new employment centers emerging and new travel patterns both for work and leisure. Instead, we are expanding and evolving their services to meet growing needs. For example, Metro-North and Long Island riders now have a new e-TIX mobile ticketing app that has taken us from dependence on a ticket machine to a user-friendly, anywhere/anytime way to purchase tickets. Already, more than 280,000 e-TIX accounts have been opened.

Another user-friendly initiative is our accelerated effort to install cashless tolling at the MTA’s bridges and tunnels. In little more than a year, we will have gone from one open road tolling pilot project to cashless tolling at all nine of our facilities to be completed this fall. Meanwhile, new, more aggressive enforcement is identifying violators, and penalties are discouraging drivers from trying to avoid paying tolls.

Just weeks ago, we opened the new Staten Island Railway station at Arthur Kill, the first new station to be opened in that system in more than 20 years.

Modernizing Long Island Rail Road facilities at Penn Station, Metro-North access to Penn Station with four new stations in the Bronx, the complete renovation of dozens of stations across the subway and railroad systems, and many more projects – even the next phase of Second Avenue –are moving forward. So, too, is the introduction of a fare payment system to replace the MetroCard beginning next year – TWO years ahead of schedule. Finally, the Second Avenue line will continue to reduce crowding AND delays on the Lexington Avenue line.

All of these initiatives – and their timetables – reflect the change that Governor Cuomo has advocated in how the MTA does business. And they also reflect the support you have given us in our capital programs. So I thank you all for that support and for your attention this morning and I am happy to answer your questions.