

Thank you for the invitation, especially to Committee Chairs Krueger, Cooney, Comrie, Braunstein, Magnarelli and Pretlow. I'm Janno Lieber, MTA Chair and CEO. I'm joined by MTA Chief Financial Officer Kevin Willens, Co-CFO Jai Patel, MTA Chief Customer Officer Shanifah Rieara, and NYCT President Demetrius Crichlow.

This is now the fourth year I've appeared before you for a joint legislative budget hearing, and over the course of those years, MTA has faced down many challenges because of the work we have been able to do with the Legislature – none more existential than the 2023 fiscal cliff brought on by the pandemic.

Back then, we had a multi-billion-dollar operating budget hole. At that time, I called on the Legislature to step up and help preserve high levels of transit service despite ridership and financial impacts from COVID. As I always say, for New Yorkers transit is like air and water -- we need it to survive. And to your credit, you acted. With support and leadership from Governor Hochul, you passed a budget that made transit whole and kept New York moving.

Today I want to tell you about the return on your investment. Ridership has grown dramatically in the last two years. The subways are regularly carrying more than 4 million people a day – more than the entire U.S. aviation system. And thanks to your investment, we were able to increase service on 14 lines during the weekend and mid-day – time periods where we've been seeing the most growth.

Both LIRR and Metro-North are coming off their best years ever – ever – when it comes to on-time performance. LIRR's OTP for the year was just under 96% despite running more service than ever before – 13,000 more trains to be specific. And since 2023, ridership has surged and today is roughly 85% of pre-COVID levels. Equally important, customer satisfaction among LIRR riders soared, finishing 6% higher than the year before.

Not to be outdone, Metro-North's OTP was over 98%, while ridership grew more than 12% year-over-year. We got a huge thumbs up from riders – an 85% customer satisfaction rating.

And we didn't forget about buses. The final plan for the Queens Bus Network Redesign was just approved by the MTA Board last week. It includes a \$35 million annual investment to increase bus frequencies and to create new, more direct routes, with better connections to the subway and also the LIRR.

Access-A-Ride paratransit is doing best of all. 2024 was a record-breaking year – are you sensing a trend? – with a nearly 20% increase in trips provided throughout the year. We carried more than 13.3 million riders – more than the entire transit system in many major U.S. cities -- and there was also historically high on-time performance, with customer satisfaction in the high 70s.

And that's just the operating side. Funded by the MTA Capital Program, we are cranking out elevators and accessibility projects at an unprecedented pace. There are now 150 fully accessible subway stations systemwide, with another 36 in construction right now. Even more are on the way: 23 projects that are being funded by congestion relief revenues plus another 60 in the 2025-2029 Capital Plan, assuming we get the funding to move forward.

But with every project – not just ADA projects – we are advancing MTA's equity agenda and growing the number of companies that bid on projects. For many years now, we have ranked number 1 out of 97 New York State agencies and public authorities in dollars earned by certified MWBEs. In 2023 – the last year for which we have complete stats – almost 40% of all MTA contracts awarded went to MWBEs, accounting for over \$800 million across more than 500 businesses. And together with our work with DBEs – the federal program that includes companies helmed by minorities, women, and others – it adds up to \$1.3 billion a year.

There is a lot of chatter about the value of diversity in government and the term “DEI” has been made into something of a boogeyman. I don’t get it, and I continue to believe that growing opportunities for small businesses, new businesses and companies from traditionally underrepresented communities is not only good for those businesses, but it also grows competition, which is good for our bottom line.

And while our workforce has always represented the diversity of our region, today’s MTA has the most diverse leadership in its history – and, if you ask me, the most competent and qualified leadership.

Together we are running a much smarter business. We hear from anti transit politicians the same tired criticisms of the MTA, a lot of them about our cost structure. The “not-so-Golden Oldies.” Since Day One of my term as Chair, I have pushed for efficiencies. Let’s talk about the results.

MTA’s budget is actually 3% lower now than it was in 2019. That’s right – 3% lower even with a ton of extra subway and rail service, not to mention a new 714,000 square foot terminal at Grand Central Madison and hundreds more elevators to maintain. How many other agencies can say the same? Delivering much more, at a lower cost. The MTA Board was given a presentation last week and told that we are actually the most cost-efficient transit organization in the United States, and we have the lowest per-rider operating cost and the lowest per rider subsidy in the country.

You all have played a part in that success. We did some serious belt-tightening as part of that 2023 budget deal, which challenged the MTA to come up with \$400 million in annual recurring savings. We hit that target, and this year we’ll exceed it with \$500 million in new efficiencies, without resorting to layoffs, service cuts or fare hikes.

And we’re not stopping there. We have a wide range of efficiency initiatives underway – from reducing how long it takes to hire staff, optimizing the cycle for subway and rail car overhauls and inspections, to canceling licenses for software that an employee isn’t using. And

we're systematically reviewing every device issued to MTA employees, so we can eliminate phones and other tech people don't need. I know this because they took away my iPad.

Ladies and gentlemen, that is good government at work. So, I think it's time to retire the old talking points about how the MTA doesn't manage its money. This is a new MTA.

Obviously, we still have a long way to go on issues like public safety and fare evasion. But we are making real progress. In the last six months, subway fare evasion is down 25%, and bus fare evasion has dropped 12%. That didn't happen by accident.

Our strategy – publicity, stronger physical barriers and plenty of enforcement – is starting to pay off. The gate guard program has been worth every penny – likewise our EAGLE teams on buses -- and you've all heard about the surge in police in the subway. Thank you to Governor Hochul for funding the latest increase in deployments overnight, and to Police Commissioner Tisch for implementing it so quickly. This is the enforcement piece of the four Es highlighted by the Blue-Ribbon Panel I convened a few years ago to study fare evasion.

There's also the "E" for environment. We've proposed to fully replace the turnstiles – which just ain't cutting it anymore – in the next capital plan. But until then, we're shoring up the physical barriers. We're reconfiguring emergency gates – the superhighways of fare evasion – so that they open on a slight delay. We've made it much harder to back-cock the turnstiles to slip by. And – yes – we're adding steel fins with serrated edges to make it a little harder to vault over the turnstiles.

But we're also doing the education – another E – working with schools to teach young New Yorkers good habits about paying the fare. The launch of the Student OMNY card has been a huge help in that effort. Student usage is way up compared to the old MetroCards.

High fare evasion works to create a sense of lawlessness right where you enter the system, when we want the transit system to feel like a safe and welcoming place. The support from Governor Hochul, City Hall, and

the NYPD has been critical. Customers tell us again and again that they want to see more uniformed officers in the system. It's the one thing that all our riders – from every demographic group, income level, and neighborhood – agree on.

We know that recent high-profile incidents have New Yorkers on edge – pushings and even assaults on employees and on cops. In addition to advocating for more cops, we will keep pressing the criminal justice system to come down hard – much harder – on subway criminals. If you commit a crime or harm one of our riders or employees, you're going to get caught since (thanks again to Governor Hochul) we have cameras everywhere now, and we will seek the maximum penalty. We are working closely with our partners in the justice community (the DAs especially) to keep bad actors out of the transit system.

We are not going to stop shining a light on ways we can improve how the criminal justice system deals with transit crime because it has such a huge impact on how New Yorkers – and visitors – feel about our City.

The question before us this year is clear – do we keep up the momentum, or do we go backward? This is where the 2025-2029 Capital Plan comes in. As you know, our team put forth a detailed \$68 billion plan this past fall. But development of that plan actually started several years ago, when the Legislature mandated MTA to complete a comprehensive 20 Year Needs Assessment. As a result, staff spent two years reviewing the condition of 6 million assets and identifying the most urgent projects needed to bring our \$1.5 trillion network into a State of Good Repair.

To help figure out how to size the program we also looked at external benchmarks. We asked JP Morgan Chase to look at what other industrial organizations with old infrastructure – utilities, freight railroads, etc – are doing and they came to the conclusion that MTA would need to spend between \$16-23 billion every year on Capital – \$100 billion or more over five years – to put us on the path to a State of Good Repair.

Even the NYS Comptroller – who doesn't usually push for more spending – says we need to be investing as much as \$92.2 billion in the 2025-2029 Capital Plan. So – bottom line -- \$68.4 billion is a minimum figure.

More than 90% of that money is dedicated to core infrastructure – structure, power, signals, fleet, escalators and elevators, maintenance shops, train yards and bus depots – so we can stop the accelerating decay of aging elements in our system. But I need to emphasize, that although SOGR is mostly unsexy work, these investments will also bring real improvements for riders.

Old subway and railroad cars break down 6x as frequently as new cars, so having 2,000 new cars will dramatically cut equipment delays. Likewise for buses. Buses only last about 12 years and the entire fleet of 5,800 vehicles is going to need replacement by 2044. The 2025-2029 plan will purchase 500 new zero-emissions buses to help us get started.

New Yorkers are accustomed to hearing announcements about signal system delays. So, replacing and upgrading 75 miles of signals reduces that risk to service and increases reliability. On the #7 line, OTP surged 23% when we turned on a CBTC system. We can do that in your neighborhood!

Bottom line: it's time to get back to basics. We can build all the expansion projects and other shiny objects we want, but that won't stop the system from falling apart.

It won't change the fact that we have many train yards and shops that make work inefficient and even impossible, and which are simply not functional for 21<sup>st</sup> century employees. That we have extremely vulnerable and old power substations, where transformers can blow and shut down service, stranding thousands of riders in tunnels – like what happened in Brooklyn and at Columbus Circle in the last few weeks. Do we really want another Summer of Hell?

And this is made even more concerning as we face growing uncertainty about transportation funding from the federal government. Historically, no matter what political party they were from, New York elected officials in Congress fought for transit funding the way the Florida delegation fights for hurricane relief, or Iowa electeds fight for their corn farmers and ethanol subsidies.

As we have known since Senator Moynihan started reporting out on this issue 30 years ago, we don't get our fair share back of the taxes we send to Washington. This is especially true of transit funding, where the MTA carries 43% of the nation's mass transit riders but we received only 17% of the federal money. If our delegation doesn't put New York first, it's New Yorkers who suffer. And, weirdly, rather than pitching for the Empire State, it sometimes seems like some of our representatives in Washington have decided to run an I Hate New York "campaign."

Every day, we have elected officials and constituents alike begging the MTA to do the work to make sure transit doesn't slip back. We want to! Transit – like health and education – is crucial to the success of this State, even though it is treated as an off-budget item. But we need you – the leaders of our State – to act first and fund this Capital Plan.

I know you all understand where we can go from here. We have laid out the vision. You've put your trust in us before – to great success, I might add – and now we need you to do it again. I am hopeful you will rise to the occasion, and I look forward to working together. Now we're happy to take your questions.