



## **The Nelson A. Rockefeller Institute of Government**

### **Transportation in the 21st Century: Where Is New York Going and How Will We Pay?**



#### **A Public Policy Forum**

**Presented by  
Elliot G. Sander and  
Astrid C. Glynn**

*March 13, 2008*

*Robert Ward:*

Good morning everyone. I'm Bob Ward, the deputy director of The Rockefeller Institute of Government. Thank you for coming today. It's a beautiful day outside, but a difficult day for our state government. At such times, I think, we especially appreciate the many good leaders who, in a figurative way or literally in this case, keep the wheels of government turning. Certainly, among those who are doing good work for the people of the state during this troubling time are our two speakers, Elliot Sander with the Metropolitan Transportation Authority and Astrid Glynn with the New York State Department of Transportation.

We've asked Mr. Sander and Commissioner Glynn each to speak for 30 minutes or so. After that we'll have some time for questions. First, I'll introduce Elliot Sander and then, after he speaks, I'll introduce Commissioner Glynn.

Elliot Sander has been a leader in New York's transportation system for more than 25 years. He has served as commissioner of the New York City Department of Transportation, director of transit for the New York State Department of Transportation, and other important divisions.

Governor Spitzer brought Mr. Sander in as executive director of the Metropolitan Transportation Authority (MTA), as one of his very early and important appointments. The MTA provides more than 2 billion rides on the subway, rail, and bus systems in the down-state area, equivalent to about one in every three users of mass transit in the entire United States and two-thirds of the nation's rail revenues.

The MTA bridges and tunnels carry more than 300 million vehicles a year. I'll let Lee talk more about the particulars of all of that.

In addition to the positions I have mentioned, Lee has served as a leading expert in the private sector. He is the former director and founder of the Rubin Center for Transportation Policy and Management at the Robert F. Wagner Graduate School for Public Service at New York University. He began his career as a budget analyst in the New York City Office of Management and Budget. He's also a graduate of the School of Foreign Service at Georgetown University. Please join me in welcoming Elliot Sander.

*Elliot G. Sander:*

I want to thank the Rockefeller Institute for having me. It's great to see a number of friends and colleagues in the audience and to share the podium with Commissioner Astrid Glynn.

On a personal note, obviously this morning is very difficult for all of us. And so, in that spirit, I appreciate you showing up. I think it speaks to the importance of doing the people's work, moving forward on our agenda, which is very meaningful to me, and that this morning you are all here to talk about transportation.

As some of you may know, I presented a speech, called The State of the MTA, last Monday. I would first like to share with you a video we used to open that speech, which gives you a little bit of the context for the conversation about the MTA.

*Ah, yes. Who can forget the '70s? The music, the fashion, the fads. The City in fiscal meltdown. It was a time when our hopes, our dreams, our City almost came to a grinding halt ... almost. After all, New York is a region where 14 million people always need to get somewhere. So, the MTA got the funding to launch the largest rebuilding effort in U.S. public transportation history. Through successive five-year capital plans and investment of more than \$70 billion, the MTA has overseen a top-to-bottom overhaul of equipment, facilities, and infrastructure. What does it all mean for New Yorkers? It means nearly 4,000 new high-tech subway cars, the largest equipment purchase in mass transit history. It means new technologies to help customers get where they want to go. It means the nation's largest fleet of buses. It means railroads with award-winning on-time performance. It means hundreds of miles of renewed track and over 200 renovated stations, including Grand Central Terminal, the crown jewel of New York. Comfortable? You bet. Safe? Absolutely. Graffiti? Gone forever. This is a new day and we're turning the page to the next chapter in New York's transportation history; it's subway service to the East Side of Manhattan; direct service from Long Island into Grand Central Terminal; extension of the D train to the West Side of Manhattan; faster, easier connection of nine lines in the lower Manhattan financial district; and, ultimately, a world-class seamless regional transportation network. We're the MTA and we're going your way: New York City Transit, Long Island Railroad, Long Island Bus, Metro-North Rail Route, Bridges and Tunnels, Capital Construction, and MTA Bus.*

So, this morning what I'd like to talk about first is the MTA capital plan, which is of tremendous significance to us. Last week we presented the MTA capital program to our board, who gave approval for the submission, though they did not formally approve it. In response to a request from Governor Spitzer, Speaker Silver, Majority Leader Bruno, and Mayor Bloomberg, we presented this capital program one month in advance of the deadline for the federal funds that had been promised to New York if we passed congestion pricing. That deadline is the 31st of this month, so I want to talk about that. That is of the greatest importance to us, and that is why I am up here today. We will be pushing that very hard.

I want to talk just a little bit about the concept of congestion pricing and why it's so important to the MTA. Then I will talk briefly about the seven priority areas that we are focusing on to transform the MTA.

The capital program has \$20 billion for normal replacement, maintaining a state of good repair. That is incredibly critical so we don't go back to the 1970s or 1980s, where we had derailments every 18 days, where we had 325 subway runs abandoned per day (and a like amount in the bus system), and subway crime was common.

Four months into my position as general manager of the Manhattan District for New York City Transit in 1984, I got a phone call and was told that the second floor of one my depots had collapsed. In a minute we had to operate about 190 buses to move hundreds of thousands of people a day off of a pier in the middle of winter on the Harlem River. We had to do that for about four or five months until we reconstructed that second floor. Thankfully, there was no bus on the second floor and no one was killed. But that represents the condition our infrastructure was in into the mid-1980s.

What is sacrosanct to me of our program is that \$20 billion. We just cannot afford to go back into a death spiral and be where we were in the 1970s and 1980s. We are very important in many sectors. Certainly, reducing crime in New York was an incredible component in terms of the resurgence of New York in the 1990s. Going back to the Erie Canal, as many of you know, the vitality of New York is so dependent on our transportation system. The whole downstate area does not work without transit. I'm not sure that it would apply to the other pre-automobile cities in the United States, like Boston, Washington, or Philadelphia. New York is a post-automobile city. New York City and the downstate region, the golden goose for our state to some extent, stops without transit. So, that core program is essential.

There are three tiers to the \$29.5 billion program I presented. Tier 1 is the normal state of repair, a total of \$20.5 billion. The second tier, approximately \$5 billion, is for completing the first segment of the second half of the subway project by 2015 and completing the East Side Access project. For those of you who are not familiar with that project, it is to bring the Long Island Railroad to Grand Central Terminal. This has major network benefits because it then allows us to bring Metro-North into Penn Station and frees up slots. These are very important projects.

Then the last tier, \$3.5 billion, is what we associate with revenues from congestion pricing. Some very important projects are associated with that. The biggest chunk is to put communications-based train control on our number 7 subway line, and to get halfway done in doing that on the Queens Boulevard/Hillside Avenue line. Those are our major corridors into Queens, which is very important from a population standpoint, both now and when we

project 30 years into the future. Those systems will enable us to have 8 to 10 percent more people on the subways and avoid overcrowding, which is a huge issue. Our greatest concern from a strategic standpoint looking forward is that we project an increase in ridership of about 20 percent over the next 25 or so years. That's on top of an increase in ridership of 40 percent since 1996. I don't think everyone really appreciates that our ridership has gone up 40 percent since 1996, which is why we are at capacity in terms of our subway, commuter rail, and bus system. And so, communication-based train control is vital in terms of dealing with the overcrowding conditions that we have and dealing with projected population increases in the future. From a strategic standpoint, this is vital in terms of New York's competition with London, Shanghai, and Hong Kong. Which city is going to develop capital finance? Where is Goldman Sachs? Where is Merrill Lynch? Where is AIG from an insurance standpoint? Where are they going to put their people?

As I think many of you know, transportation is vital in terms of tracking folks who are coming out of the harbors, folks in midcareer, the senior folks. When you talk to Kathy Wylde of the New York City Partnership and others, the transportation aspect of life is vital in terms of locational decisions that CEOs make.

And so, while the core program is sacrosanct, we'll see between now and March 31st whether we get a deal on congestion pricing or not. But the core program is what I throw my body in front of, as some of you would expect. But in terms of the future, if we don't find these additional funds for Tiers 2 and 3 in our program, I will be very concerned about New York's competitiveness over the next 10 to 20 years.

So, I think that, in addition to the communications-based train control I just mentioned, other pieces of Tier 3 associated with congestion pricing are bringing about a third to a half of the money to bring Metro-North up into Penn Station with the completion of the East Side access. As I mentioned before, we can bring two of the three Metro-North lines into Penn Station with stops at Co-op City, Parkchester, and Ellis Point. The total project values are at \$1.2 billion; we have \$400 million in the program for that.

In addition to that, in the speech that I gave on Monday, a lot of play was given to the long-term vision. One of the things that's very important to me is to have a longer-term vision in terms of where we need to go. And so, we propose to do longer-term studies to lay out a 25- to 40-year vision in congestion-pricing Tier 3. Also starting the next segment of the Second Avenue line is in that basket of funds.

One last point to make is that, as with Commissioner Glynn, one of the reasons why that program is so high is due to the increased cost of construction. Last March, we commissioned a blue ribbon panel, working very closely with the private sector and other governmental agencies, to come up with solutions that would address, as best we can, this international/national phenomenon. Some of the issues of our increased costs of construction are local and some are national/international. *The New York Times*, about a month ago, had a front-page story about how this is a national and international phenomenon.

Associated with the capital program, we will be incorporating the recommendations of our panel. That, I think, will enable us to constrain those increases. But that is a factor in terms of the size of the program. We're not considering increases in the cost of steel and labor costs due to the overheated market in New York. It's likely that the program would have been lowered by a couple of billion dollars.

Let me talk briefly about congestion pricing. My primary support for congestion pricing is based on the revenue that it will provide to the MTA. We anticipate that it will yield overall about \$490 million per year if we implement the recommendations of the Congestion Pricing Commission. Those funds would support \$4.5 billion for our capital program, \$3.5 billion for Tier 3, and \$1 billion for normal replacement.

Were we not to get those funds, it would be highly problematic when we have in the capital plan a major funding gap, not dissimilar to what happened in 2005. In 2005, the MTA came up to Albany with about a \$10-11 billion gap. For its 2009 capital program, with a bond act, with one-eighth of the sales tax, with the sale of assets from the MTA, some bonding that we felt we were able to sustain with our existing revenue, we were able to get there.

The gap that I'm now presenting, if you assume congestion pricing, is \$9 billion. If congestion pricing goes down, it's about \$15 billion. And so, first and foremost, I believe that congestion pricing is critical so the gap that we all need to solve between here and City Hall is smaller rather than larger.

In addition, the services we'll be starting before the implementation of congestion pricing to handle the motorists who take the system and who will be displaced, are terrific. And they have not gotten as much publicity, as much exposure. I think the reason for that is primarily political. Obviously, the issue of congestion pricing is an intensely political issue, particularly in the outer boroughs of New York where I live and where I grew up.



We would provide additional services with 12 new bus routes, with added service to 48 bus routes, 309 more buses, and additional subway service on the 1 line, the E, and the C. The benefits to New Yorkers will be profound, forgetting about the funding for the capital program from congestion pricing. And so it would be a shame to lose that because these services would be for Staten Is-

land, eastern Queens, southeastern Brooklyn, and the Bronx, areas that traditionally have been underserved by transit. That is why a number of people take their automobile instead. I think on the merits, from a public policy standpoint and a transportation standpoint, there is no issue that this is the right thing to do. It has worked in London; it has worked in Singapore. The issue of congestion pricing is one that is supported, I think, in large part by the professional transportation academic community. I think on the merits it's the right way to go. But to me the argument is even more important just in terms of the funding of the MTA.

Let me briefly talk about what we're doing most broadly to transform the MTA. Our vision is for it to be "best in class" of large, older transit properties. I'm very proud of the senior staff, the team that we have assembled. For those of you who are of the transit community, you are familiar with the number of people that we have either retained, attracted, or brought back to the MTA. And they are best in class within their peer groups, whether it's commuter rail, transit, bus, or the support functions at the MTA.

The seven strategic areas that we have been focusing on are: workforce development/people; institutional transformation; customer service; projects and planning; finance; safety and security; and sustainability.

Unless I'm in front of the Wall Street investors, I talk about people first. Whenever I talk in front of the Wall Street folks, then I talk about the finances. If my colleagues in labor or the other groups had \$20-30 billion, I would talk about that first.

But other than when I talk in front of the Wall Street groups, we start with people, because people are fundamental to any organization, particularly in the 21st century when people are increasingly mobile. We have really made a priority of addressing the issues of

culture, labor relations, and training sessions. There are some management issues that are very important to us, in terms of employee availability, and so we're very proud of the progress that we have made. When I came here, I asked Dick Ravitch, a distinguished former chairman and CEO of the MTA, to lead a blue ribbon panel. They've finished their work with 61 recommendations that have gotten strong support both within management as well as labor. And we will now go through implementing these recommendations, again addressing the issues that I just raised.

Let me also say that I have just been delighted with the spirit of reciprocity and partnership that I received from organized labor. I have about 70 locals and the response that they have given to these issues has been really terrific. The relationship has been based on integrity, trust, and decency, and I am very pleased with that.

I'll just mention briefly that sadly we lost two track workers in April. We had a track safety task force that was unprecedented in the collaboration from labor and management in dealing with that, as well as the quality of their recommendations. So that's the piece on people.

The second is institutional transformation. Basically, the MTA has not changed very much as a structure since it was founded 40 years ago. The speech I gave last Monday was somewhat a happy 40th birthday for the MTA. From an organizational standpoint, it basically looks the same way: peak pyramids, big silos. I, like a number of others, believe very much in creating value, like breaking down boundaries, by creating partnerships. Particularly in the 21st century, that's where we need to go.

The private sector has created a lot of value by creating matrix organizations, by breaking down boundaries, and there's no question in my judgment, and I think the judgment of most, that the MTA needs to do that internally.

To that end we've done some fairly dramatic things in the MTA. In the speech on Monday, I announced that we would be creating, essentially, one bus company. We currently operate three: New York City Transit bus, the largest, which has about 22 depots; MTA bus, formerly New York City Privates, which was comprised of seven private companies; and two bus depots from Long Island Bus. Frankly, it is insane for me to have three front offices, three chief maintenance officers, three chief transportation officers, three tech support de-

partments, and even worse in the context of 9/11 or post-Katrina, to not be able to deploy those assets in a truly integrated-type manner.

The history of the MTA is that of these seven agencies. I used to, as I mentioned before, work in one of them. I loved them dearly. They would deal as little as possible with their sister agencies. Talk about ships passing in the night. That was the mantra.

We are committed to integrating those bus companies. It won't be a full integration until we get legislation changed. There are labor/management issues that we have in terms of moving routes around the depots, but from a management standpoint, we will be acting upon that in the next several months.

Then we will create our MTA business services center so we have one back office, rather than seven. We anticipate saving \$30 to \$40 million a year. And in doing that I think we'll have better support for the agencies.

In addition, we created an emergency response center. There is no integrated command and control capability within the MTA among these seven agencies, which is crazy because when you look at our route network, we have redundancy between the commuter rail lines and New York City Transit. The most important line I've got is the Long Island Railroad mainline. The Queens Boulevard/Hillside Avenue subway line is maybe half a mile away. And so there's system redundancy there.

Similarly, in the mid-Hudson with Metro-North, there is redundancy between New York City Transit and the three Metro-North commuter rail lines going into Westchester County from the Bronx.

There is a tremendous need in responding to post-9/11 events, storms, strikes, or whatever in an integrated manner. And so, we have a command center that activates when there is an incident or report of bad weather and that has enabled us to respond better to the events that we have had since its creation.

There are a number of institutional changes that we have made to move us along in our vision, which is to be a leaner, flatter, more integrated MTA. The vision is to not have 347 Madison, which is where our headquarters is, be overly dominant and controlling of the agencies. New York City's Transit subways should be run as a somewhat autonomous,

self-capable entity if you will, and the same goes for these other entities that I've described. We don't want to be overly centralized.

But there needs to be some degree of integration and collaboration that makes sense from a job standpoint in terms of people's careers. This makes sense in terms of emergencies and saving money. And, lastly, our customers take each of these systems interchangeably. Thirty percent of the customers on Metro-North take New York City Transit. The numbers are the same for Long Island Railroad. So it is crazy for us to have seven phone numbers for lost and found and so forth.

So, that gives you the sense internally in terms of regional transformation. Externally, we are again trying to break down the boundaries between ourselves and key agencies, working very closely with other public sector agencies like New York City Police Department (NYPD) and the Port Authority in advancing a variety of projects. Working with Astrid on the Tappan Zee Bridge access to Stewart Airport; working very closely with New York City Department of Transportation (DOT) to introduce cross-traffic transit, which is creating kind of a high-quality bus alignment to transform bus services. We have embraced that value very strongly.

And then our direct relationship with the public, where we held our first public workshop on fares and tolls. We also held our first webinar. We'll be doing a series of webinars every quarter. We do a lot to drive home the point that the MTA is not a bureaucracy that has large fortress-like walls, but is really working hard to be connected to our partners and to the public at-large.

Next is customer service. That's pretty straightforward. That's the business we're in. We've implemented about 35 steps to improve customer service, like text messaging. We are moving aggressively on cell phone service. Those of you who have been to the Long Island Railroad at Penn Station know the new electronic signs that we have all the way up on the walls that give information. Giving cell phones to our conductors allows us when there is a stoppage on the railroad to give immediate real-time information to our customers, wire the conductors, and things like that. The rider report cards on the subways, which Howard Roberts used very well in the Southeastern Pennsylvania Transportation Authority (SEPTA). He was able to increase in increments the grades that people gave him. I think we're confident that we will be able to do the same in New York City Transit.

Fourth is planning and projects. I inherited a set of great projects that I mentioned before. But what I was looking to do, which is what we did with the State of the MTA speech, is to have a longer-term vision. What occurred in the transportation arena over the last 20 years was that first there was an absence of metropolitan planning. There was no broader plan for the MTA. I think the projects that resulted, like Second Avenue and East Side Access, were the right projects, but they were not within a broader frame.

I'm committed to the MTA showing the public how we will respond to a million more people in New York and 3 million more people in the region over the next 20 years. In the State of the MTA speech we talk about where we think we can put service where there's not service now, improve service, abandoned or lightly used rail lines, etc. But we want to have a broader vision then for public discussion. Is this how we want to respond to the transit needs into the future?

The fifth item is finance. I put forth a financial plan last July to deal with the \$6 billion deficit I inherited, projected over the next four years. As many of you know, the capital program in 2000 was put on a credit card. The one in 2005 was a lot better; that had real funding. But basically, we just refinanced our debt that created these massive cliffs growing to \$2 billion a year.

We put forward a balanced program of fares and toll increases — a very aggressive cost savings on our part. It's going to be an unbelievable challenge to the MTA to achieve 1.5 percent a year cumulatively growing to 5-6 percent over the next four years and at the same time improve service. But that's what we are committed to doing, and pleased that we were able to get fares and tolls implemented. We're pleased with Governor Spitzer's commitment along with the City to filling a large part of the gap in 2010 when we spend down our surplus, so that on the operating side we see some stability, which is terrific even with the concerns that everyone had about the financial cliff that the MTA was facing. Now we're into the capital program, and the conversation is about whether the region or the state can come up with the \$30 billion or so to fund the capital program?

Sixth is safety and security, which is critical. We've been a target of Al Qaida and others, and we have ramped up on the operating deployment side. We used to do 50 weekly patrols of our intake police. We now do a 1,000 a week. We found that our police officers were in their cars more than in Penn Station and Grand Central. And we added about \$3 million funding and we have a quantum leap in terms of coverage. We still need to do more. In terms of part-

nering, we're working closely with Ray Kelley from the New York Police Department (NYPD), U.S. Homeland Security Secretary Chertoff, and Kip Hawley from the Transportation Safety Administration (TSA). We have TSA personnel on our trains for the first time.

And then, lastly, sustainability. Global warming is a huge challenge. This is one of the most central issues our generation and generations after us will be facing. We commissioned a blue ribbon panel on sustainability and we'll be presenting a report about two weeks in advance of Earth Day, which is April 22nd. We're going to have some pretty strong recommendations of actions that the MTA will be implementing to reduce our carbon footprint, as well as to implement things that will be beneficial from an environmental standpoint.

That gives you a flavor of what's going on in the MTA and some of the critical challenges that we are facing. Thank you for giving me the opportunity to share with you the issues of the day at the MTA.

*Robert Ward:*

Thank you very much, Lee. As Lee indicated, transportation has been a key factor in the entire development of the state, historically, socially, and economically, with the great Port of New York City, the Hudson River, and the Erie Canal. So in planning today's session, we wanted to hear about the very important plans that Lee and his colleagues at the MTA are developing for the future.

But we also wanted to take a statewide perspective. To provide that, we invited Commissioner Glynn to be with us this morning. Astrid Glynn was confirmed as commissioner of the New York State Department of Transportation last May. As DOT's commissioner, she plays a key role in setting transportation policies not only here in New York State but also at the national level. She chairs the MTA Capital Program Review Board and the New York Metropolitan Transportation Council. Within the administration, she is a member of the Governor's Smart Growth Cabinet and the Minority and Women-Owned Business Enterprise Executive Leadership Council.

At the national level, she chairs the American Association of State Highway and Transportation Officials (AASHTO), Standing Committee on Rail Transportation (SCORT), as well as the Intercity Passenger Rail Leadership Group (ICPRLG) and its Special Committee

on Intermodal Transportation and Economic Expansion. So, she has a lot to think about at the national level, as well as here in New York State.

Before she joined DOT, Astrid Glynn was deputy chief in the Massachusetts Office for Commonwealth Development, which is a cabinet-level office with oversight of transportation, environment, and housing. She also served in the Massachusetts Executive Office of Transportation in a number of capacities, including deputy secretary for capital planning and multimodal transportation. She earned her BA from Bennington College and has her JD from right here at Albany Law School. Commissioner Glynn, thank you for joining us.

*Astrid C. Glynn:*

I am delighted to be here today and to have the opportunity to speak with all of you. I am also very glad to be here with Lee. Not only is he a valued and respected colleague, but I'm also a happy customer of his system. So I'm always glad to hear what good things he has in store for us. Every time I go down to the City and use his system, I am amazed and delighted at how wonderfully everything works and how convenient and helpful it is.

Coming from another city with almost as old a system (actually some parts of it I think may be older), I know that's not always the case with transit systems. So I have a great deal of respect for his ability to pull that off.

I want to talk to you today about the rest of the transportation system. And I want to talk a little bit about it from the standpoint of why transportation is important. I would start with the premise that transportation is important primarily because of what it facilitates, not as an entity unto itself.

But what it facilitates are myriad. It facilitates economic development, job growth, and people getting to work. It facilitates our daily lives — getting to school, getting to health care appointments, getting to go shopping, to go to the museum, to come to a lecture such as this. If we didn't have transportation, life as we know it would be a great deal more complicated.

We're used to a very sophisticated and complex transportation system. It's one that we notice primarily only when things go wrong. But it is something that is a mainstay of what we do every day.

Now, one of the things that my side has been doing recently in preparation for our five-year capital plan is holding a series of outreach sessions around the state. We recently completed nine of them. We held them in Watertown, Albany, Rochester, Buffalo, Syracuse, Binghamton, Staten Island, Long Island, and Poughkeepsie.

In those sessions, we heard stories such as the rail company down near Binghamton that helps not only transport some of the manufactured goods there but also the agricultural goods that come out of that area.

We heard about a community college administrator up in Watertown whose ability to get students is pretty well bounded by the transit system and who is desperately looking for a way to reach more people, even if it's just through a van pool system.

We heard from a woman down on Long Island who feels inundated by traffic from developers and wishes that NYSDOT or someone would help explain to the community and to local planners the traffic implications of some of the development decisions they are making.

We heard from a businessperson out in Rochester who is looking to get access to a greater pool of well-trained workers, who can't find well-trained workers within what used to be the normal commuting distance.

So in all of these instances we heard not about transportation as an isolated entity means, but what transportation means as part of the larger societal picture. For this to work, for transportation to really fulfill its mission, we need to address two basic items: one is the condition, the other is capacity.

**System Conditions**  
**Example: Bridge Conditions**

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Bridges

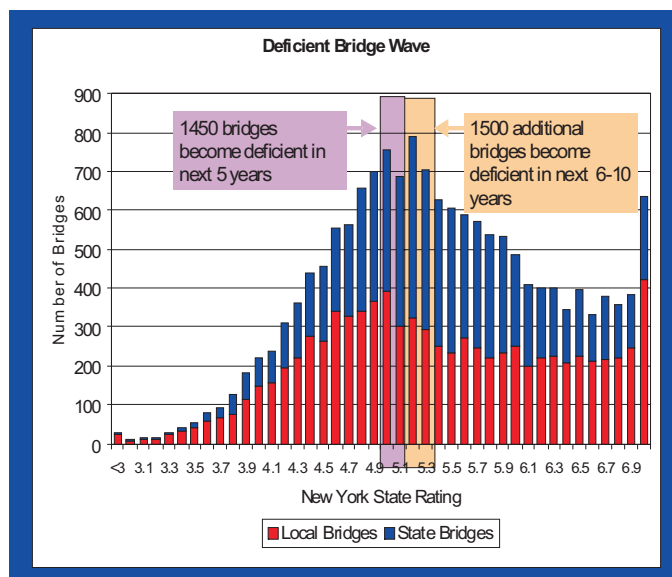
- Heavily used
  - Trucks: more and heavier already ; freight increase projected
- Aged
  - Salt
  - Weather
- Essential
  - Link to global markets
  - Community services
- Expensive
  - steel

When it comes to condition, we have a significant set of challenges. Lee spoke about his core program. We have the same type of situation. We need to make sure that our system across the state is in good condition. We have no better example than the bridge conditions. Bridges in New York are heavily used. We're one of the most truck-dependent states in the country and

the trucks are getting heavier every year. We're also facing a projected freight increase, something like 70 percent over the next 15 years, which could be doubling over the next 25 years.

Our bridges are aged. We have bridges older than some states and they are exposed regularly to salt, which is very destructive, and to weather, which is also not a bridge's best friend. But for all their shortcomings, our bridges are essential. They are a link to our global markets. They are also a link to our communities. We can worry about milk getting to New York City's school systems over the bridges in New York, which, frankly, are not doing as well in terms of local weight cargo as they once did.

But beyond international commerce and mainstay commodities like that, we also have instances where a bridge in a town will be the way the school bus goes, the way the fire truck goes. Those are heavy vehicles and if that bridge isn't sound and capable of carrying a full load, life in those small communities gets disrupted.



Bridges are also expensive. The Tappan Zee, which we mentioned, costs about \$30 million a year to maintain. We've spent over \$700 million maintaining the Gowanus, which is actually a series of bridges disguised as a viaduct, disguised as a roadway, since it was built. That's a lot of money; bridges do not come cheap and we have a lot of them. We also have a lot of them that are reaching an age that is of increasing concern to us.

The effective life span of bridges is about 50 years. (It happens that about 50 years ago we built a lot of bridges.) So we are hitting what could be a wave of deficient bridges. Over the next 10 year, we foresee almost 3,000 bridges becoming deficient; this is one of the reasons why the governor suggested a bridge initiative as part of his Upstate redevelopment strategy. It's a problem coming at us that we are trying very hard to get in front of.

## System Capacity Example: Rail Capacity

- Passenger and freight usage on same lines
  - Different operating characteristics
  - Need for coordinated investment
- Freight owned lines - downsized to profitability
  - Short lines and “last mile”
  - Heavier loads
- Urban connectors - Intercity and commuter usage crowding each other for tracks and stations
  - Mega-regions

In terms of system capacity, the good example may be rail capacity. In New York, as in a lot of places, we have passenger and freight usage on the same lines. They have very different operating characteristics. The fact that they both share the same lines generates a need for coordinated investment. Now this coordination does not always come naturally. First, a lot of the passenger operation is public — either it's

Lee's commuter operators or it's Amtrak, which although it is technically a private corporation, all of its stock is held by the U.S. Department of Transportation (USDOT). The freight operators are, of course, private.

So you have a disconnect in terms of investment patterns and abilities. You also have a distinct disconnect in terms of operating characteristics. Most freight trains go slower than most passenger trains. And even when the Acela high-speed express train was being proposed for the Northeast corridor, and it has been a great success, one of the constraints on that higher speed rail has been the fact that it's not going to go any faster than the freight train in front of it.

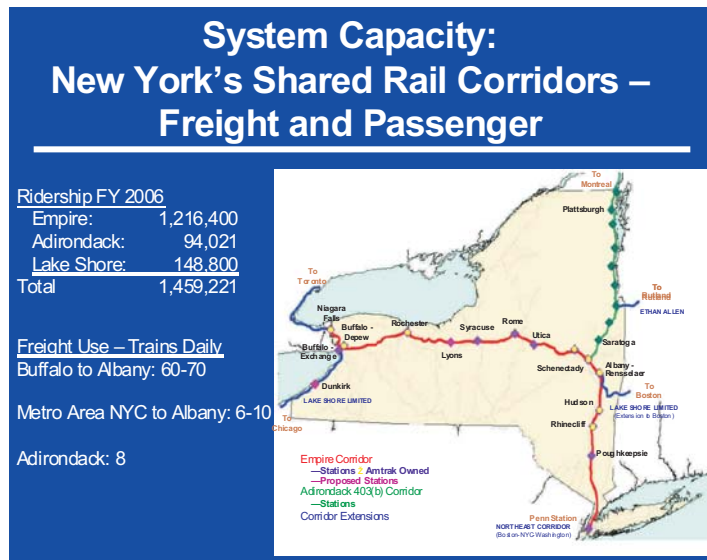
There's a tremendous need to coordinate not only the capital investment in the shared lines, but also the operations of the shared lines. One of the peculiarities of that cooperation is that with the Empire Corridor between Albany and New York City, the line is dispatched in the northern part by CSX and in the southern part by Metro-North. So if you take an Amtrak train from Albany to New York, you are going through two sets of controls on a train operated by another entity. I recently learned from Lee's people that it is perfectly possible for you to be on-time under each set of controls and still have the train arrive late. I'm not sure I'm really grasping how that happens, but it does.

Freight-owned lines are also something where we have increasing concerns about capacity, for the very simple reason that we're starting to expect more freight rail. As I mentioned, we don't have as much of it as some other states do. The freight-owned lines here have basically downsized the profitability over the years. This means that extra tracks have been removed and sidings to companies that may have been marginal in terms of their rail usage have been abandoned.

What we have is not only a main line that has very little, if any, spare capacity. We have a series of short lines that are basically small, private companies, again not a pattern of deep pockets. And we have intermodal connections where the last mile between the freight line and the shipper and/or receiver may be problematic, either because it calls for a truck move or because it is a siding or spur in marginal condition and with marginal operation.

This has meant that we have more difficulty delivering top quality service and maintaining modern standards at the very time we are trying to encourage more freight rail because we want a balanced approach, and not to be as truck dependent.

We also have, in terms of rail capacity, an increasing reliance on rail as a connector of cities. Amtrak is a prime example. Lee's operation shares those same tracks. This is a feature of the mega-regions, which are attracting so much attention in some of the debate going on right now. The Northeast Corridor is, of course, the oldest mega-region and we are right in the middle of it. The Northeast Corridor itself, of course, running from Boston to Washington, is probably the most heavily traveled rail line in the country. It is also the closest thing we have to a viable, economically viable rail line in the country.

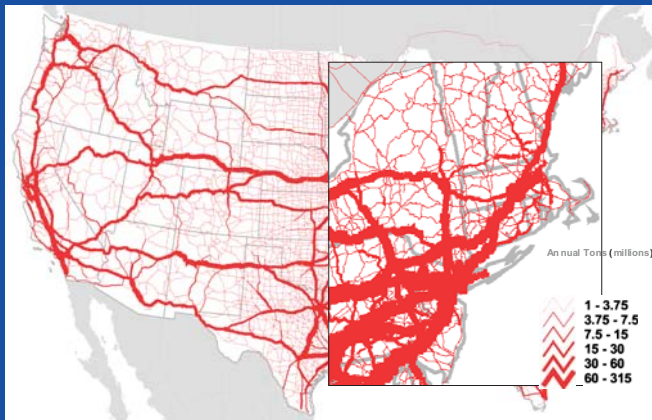


We have feeder services, such as the line from Albany to New York that are also important, but which share the same tracks and share the same competing demand for capacity. Here you have a quick view that will give you sense of what's out there. The Empire Corridor, which goes between Albany and New York City, although it does go west also, is Amtrak's second

busiest line after the Northeast Corridor, with over 1.2 million passengers a year.

Freight, which is mainly between Buffalo and Albany, where the freight use is more dominant, uses 60 to 70 trains a day. That's an awful lot on what is really a fairly small line. And then of course, we have the metro area trains coming up here. We have the Adirondack trains going north.

## Transportation Congestion: Goods Movement



Source: Federal Highway Administration Office of Freight Management and Operations  
Freight Analysis Framework 1

## 20 Year Transportation Capital Needs (2007 \$ in billions)

Asset Class / Program Area	Investment Level
State Highway Bridges	\$ 17.4
Local Highway Bridges	\$ 13.2
State Pavements	\$ 40.0
Selected Local Pavements	\$ 3.9
Traffic & Safety	\$ 1.2
Mobility	\$ 2.7
Pedestrian / Bicycle / ADA	\$ 2.0
Drainage / ITS / Guide Rail / Rest Areas / Fleet & Facilities	\$ 15.7
Public Transit Capital	\$ 6.5
Freight Rail, Passenger Rail, and Ports	\$ 5.2
Aviation	\$ 4.3
Local Capital Aid	\$ 8.6
NYS DOT Other *	\$ 4.5
<b>NYS DOT Capital Program Subtotal</b>	<b>\$ 125.2</b>
Illustrative Major Projects	\$ 50.0
<b>20 Year Total</b>	<b>\$ 175.2</b>

\* NYS DOT Other includes Capital Program Management, Bridge Inspection, Emergency Repairs, and Miscellaneous

Now freight is, as I mentioned, something that is increasingly important. This is transportation congestion of goods movement. And this is what we are looking at in the next, say, 10 years. We call it the heart attack slide. And you can see we're right in the middle of that bad area. That pattern of goods movement is only going to accelerate. We need not just the truck capacity that we enjoy now, but also the rail capacity that we are hoping to revive.

This is the punch line of our presentation that I've been giving in nine outreach sessions. It's a quick summary of what we see coming at us over the next 20 years in terms of multimodal investments statewide. It's a large figure any way you cut it. It's

roughly about twice the level of current investment. Ironically, that disparity mirrors a finding recently made at a national level by the National Surface Transportation Policy Commission, which was established under the last federal authorization — the Safe, Accountable, Flexible, Efficient Transportation Act: A Legacy for Users (SAFETEA-LU) — and which has been looking at the subject of transportation, funding, and needs. Over the last couple of years, they have been studying it. They recently came out with a report that indicated that what we are experiencing in New York, in terms of condition concerns, capacity needs, and a much larger portfolio of concern at a much larger price tag, is not unique. We are part of a national dilemma.

We're hoping to establish a new policy framework that will allow us to address that need and support New York's economic competitiveness. We're hoping we can build one

## A New Policy Framework

- Build a transportation system that supports New York's economic competitiveness
- Invest in strategies that create value and are most cost-effective over the long run
- Ensure that land use is a factor in transportation planning
- Improve the energy efficiency of our transportation system
- Create a balanced network that provides both redundancy and choice for the efficient movement of people and goods

that will be complementary of land use decisions. We're hoping for one that will be an energy efficient transportation system, where transportation is part of the energy solution, not part of the energy problem. And we're hoping for one that will help us create value. As Lee mentioned, inflation has been taking a significant toll on our industry.

## How?

### Strong and responsible Federal role

- Reauthorization in 2009
- Donor-donee dilemma and disconnect

### Balanced modal choices

- Link between land use and transportation
- Energy implications of transportation system

### Making the most of the system

- Improved project delivery
- Technology

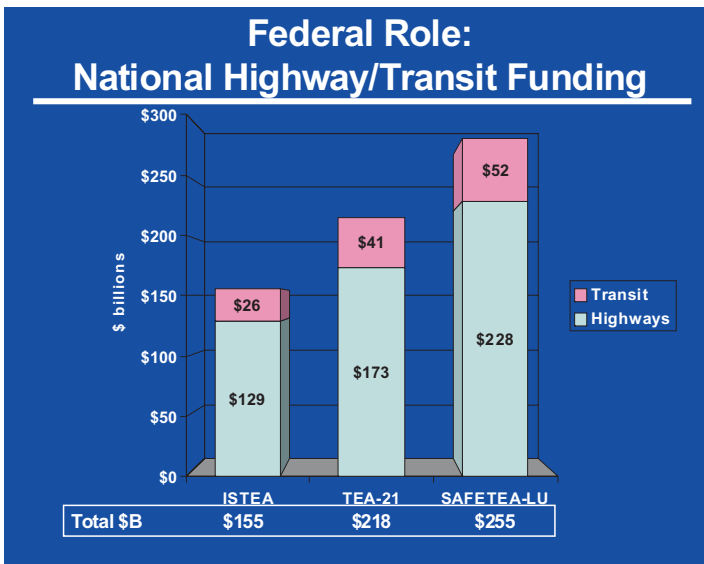
Now, how do we propose to do that? Well, first and foremost, we're looking for a strong and responsible federal role. As some of you know, reauthorization of the federal highway and transit programs is coming up in 2009. The last couple of authorizations have been really marked by the donor/donee debate, which frankly we lose. We have a dilemma if that is again going to be the overarching framework for

reauthorization. New York is a donee state, and the basic principle of donor/donee is that there is no federal system. Everybody should get back from the federal gas tax a significant portion of what they put in. This works to the disadvantage of states such as New York, which enjoyed a healthy transit system and therefore generates less gas tax per capita than, say, Kansas would.

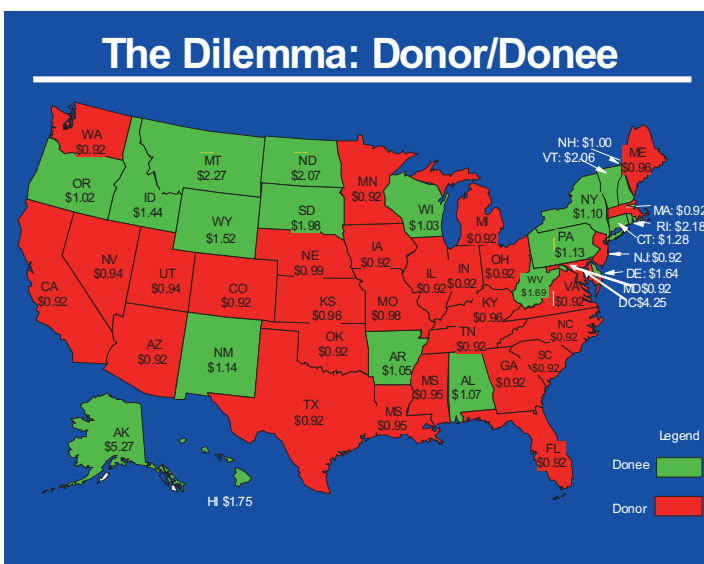
We're also hoping to achieve our policy goals by encouraging balanced modal choices, and "choices" is a key word here. We want to facilitate a link between land use and transportation that has not always been accepted, although I think we've all seen the results of not paying attention to it. We also, as I mentioned, want to pay a great deal of attention to the energy implications of the transportation system.

And we want to make the most of the system we have. This means improved project delivery, getting the projects out the door faster and better, and also making the most of technology, such as Lee mentioned with some of the trade controls.

In terms of federal dollars, I cannot overemphasize how important federal funding is. It's about half of our highway capital budget and about a quarter of our transit capital budget. Now, I will caution that "capital" is a key word here. The federal government no longer does a lot in terms of operating dollars. So as we move into more and more systems that are mixed, richer in terms of operating techniques, and particularly more transit, the role of the federal government will probably start to shift, or we will be looking at a need to reframe whether or not the federal government should take a larger role in operating costs if operations are going to become more important.



In terms of funding, the good news is that in every reauthorization cycle, and they are each about six years, the absolute dollars go up. And the absolute dollars to New York have been going up. The bad news is this: This is the dilemma, the donor/donee map today. As you can see, in New York, which is a donee state, we're not an endangered species yet, but we are if you can count votes. You can count some pretty long odds in that map if the debate on federal reauthorization turns again into simply donor/donee, "I'll take mine and go home and call it good."



We want to change the debate and that's one of our principle goals with reauthorization. One of the reasons why we want

to change the debate is that the donor/donee framework is not only disadvantageous to us, it is also a significant policy disconnect. What we have is a highway formula that rewards

states for increased fuel use. This is not our energy policy. It doesn't connect to it. It is, in a sense, a perverse incentive against our energy policy.

We are looking for a pattern of distribution and perhaps of revenue raising that would not be so totally dependent on a state's ability to generate federal gas tax.

In terms of how we go about doing this, fortunately, Congress established two commissions that were intended to report a little earlier. But government being government, they were not appointed right at the start, so they are coming forward with their recommendations as we are approaching the next reauthorization. The idea was to inform debate before it began, to have a clear and calm discussion by nationally respected experts about what our needs were and how we should address them.

Lee is a member of the National Surface Transportation Infrastructure Financing Commission, and in the question and answer session you may care to ask him about how those discussions are coming.

### **Federal Role: SAFETEA-LU Recognized the Need to Address the Future**

Established two commissions to study future policy and funding issues:

- To inform debate before it began
- National Surface Transportation Policy & Revenue Study Commission
  - Reported January 08
- National Surface Transportation Infrastructure Financing Commission

### **Federal Role: New Ideas/New Vision**

- National Surface Transportation Policy and Revenue Study Commission Recommendations:
  - Increased Investment
  - Federal Government as a Full Partner
  - Investments:
    - Subject to benefit-cost analysis;
    - Support performance based outcomes
    - Generally Mode neutral
    - Driven by national objectives
  - Create National Surface Transportation Commission (NASTRAC) to oversee development of performance based standards; approve funding strategies

The first one from the National Surface Transportation Policy & Revenue Study Commission reported a couple of months ago and really put some very interesting ideas into play. I should mention that 12 people were in the Commission. The Commission report, as it was issued, was a nine to three report. Frank McArdle, who many of you know was with the General Contractors Association (GCA) in New York, was one of the nine. The three were composed of a professor from Cornell (Rick Geddes), Maria Cino, the former chief of staff at the U.S. Department of Transportation (USDOT), and the USDOT secretary, Mary Peters. You can pretty well figure out this overarching split.

But the Commission came forward with some really thoughtful concepts and proposals. One of them, of course, was to increase investment. And this was again, as I mentioned, pretty consistent in terms of scale with what we had been looking at last fall in the needs study. The Commission found that the overarching investment in transportation, state, federal, local, and private really needed to more than double. They also found that the federal role in transportation right now was somewhere around 40-45 percent, which is not too dissimilar from our experience. And they urged the federal government to maintain that goal and, if anything, strengthen it.

They, the majority, reiterated that the federal government needed to be a full partner in a range of activities, not simply the interstate system, but also transit. Also, in some of the smaller modes, such as intercity rail.

They did suggest there should not be blank checks, though. They made the point, and a valid one, that the transportation dollars should be well invested and that the benefits of those investments should be clear. They urged the industry and the states to develop cost/benefit analyses to support performance-based outcomes and they also urged a more modally neutral approach than we have traditionally taken.

They finally did suggest, and this was unfortunately in all the headlines when the report was released, a significant increase in the gas tax. And while that did sort of pull the air out of the report when it was first released, they also suggested (because they recognized the difficulty of that suggestion) creating a commission that would function rather like the Coastal Commission or the Defense Base Realignment and Closures (BRAC) Commission in the future to set revenue and funding levels to try and provide a sustainable system of increasing funding for transportation as needed.

### The Fragmented Silos

	Highway	Transit	Intercity Rail	Ports/ Freight	Aviation	Bike/ Pedestrian
Federal	✓✓✓	✓✓	✓	✓✓	✓✓✓	✓
State	✓✓✓	✓✓✓	✓✓	✓	✓	✓
Local	✓✓✓	✓✓✓	✓	✓	✓	✓✓✓
Private	✓	✓✓		✓✓✓	✓✓✓	
Authorities	✓✓✓	✓✓✓	✓	✓✓✓	✓✓✓	

One of the things that the Commission talked about was the fragmentation of our current system and the lack of a national vision. And this is simply an impressionistic picture. It is nothing more than a momentary sketch of what they meant. I just want to go through it quickly with you. Nothing here is absolutely right, it's all impressionistic. Every entry is arguable.

But it shows how federal, state, local, private, and authorities take different roles in the different modes and how this fragmentation has tended to disrupt our ability to do the type of integrated planning and overarching performance evaluation that we all are coming to look for.

The federal government has had heavy involvement in highways traditionally, less so in transit, some in intercity rail, some in ports and freight, significant in aviation, very limited in bike paths. But again, if you just look at highways, it's primarily federal, state, local, a little bit of private, and a fair amount of authorities. You go to transit and it's some federal, a lot of state, a lot of local, particularly because of the operating expenses, some private, and a lot of authorities.

You can see going through each one, whether you are looking at the level of government or the modal silo that the pattern is scattershot. And this is part of what the national Commission urged us to address; it is well illustrated by the story of the seven lost and found departments.

They urged us to get to a new national purpose. We know we need a federal transportation policy or program; we know it's important. But why? What is it really for?

They also urged us to re-establish a national purpose, establish cross-modal metrics, get past those fragmented silos, to get solid data by which we could evaluate investments and establish the costs and benefits, overcome some of the resistance we've all had over the years to changing funding mechanisms and the funding formulas, and also to look at redefining government and modal roles.

As we go forward, the ability to move between modes is going to become increasingly important because we need balanced modal choices. This is one of the principal goals we have as a state and as a country. We are long past the point where any one mode can do everything we need done. We need all of them. And we particularly need this range of choices when we look at land use implications.

There is a real chicken and egg dilemma going on between transportation and land use. Do we facilitate this problem by building the road? Or do we build the road because the sprawl is already there? Do we put dense development in, in hopes that there will be a transit system to support it? Or do we put the transit system in and hope that the dense development comes along?

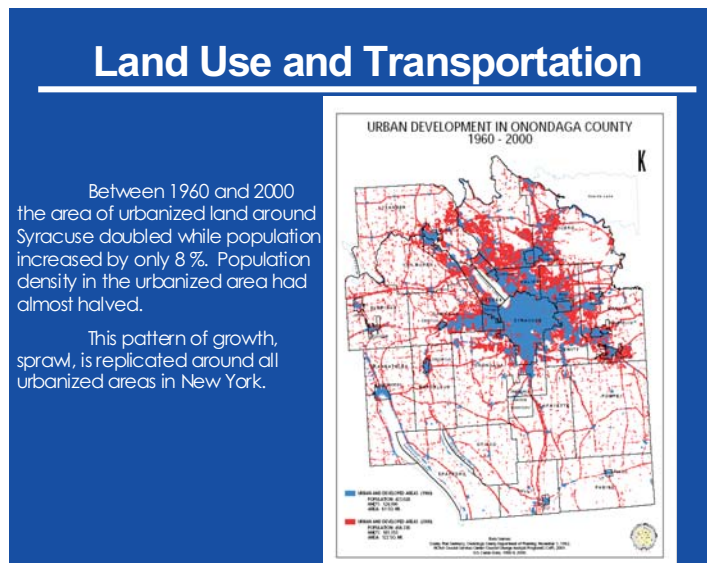
It is an iterative process that land use planners and transportation planners are learning to operate, but it is still a very difficult process and one made more difficult by the fragmented arrangement that you saw on the prior slide.

And there is very little doubt that the costs of sprawl are significant. From an individual perspective, if you choose to have only one car instead of two cars as some families do, you can, over the course of 15-20 years, save over \$200,000. That's enough to send one or two children to college. That makes a difference.

If you are a municipality and you are looking at a traditional cul-de-sac type, low density housing arrangement, it is possible that you are going to spend 50 percent of the property tax revenues that house generates on the infrastructures, roads, and water, that you will need to support that house. Well, that doesn't leave a whole lot for things like schools, libraries, and hospitals.

We want to make sure that in our transportation offerings we support a variety of choices for communities across the state. We want to be modally agnostic and we want to make sure that the choices we offer will help New York maintain a good quality of life. This

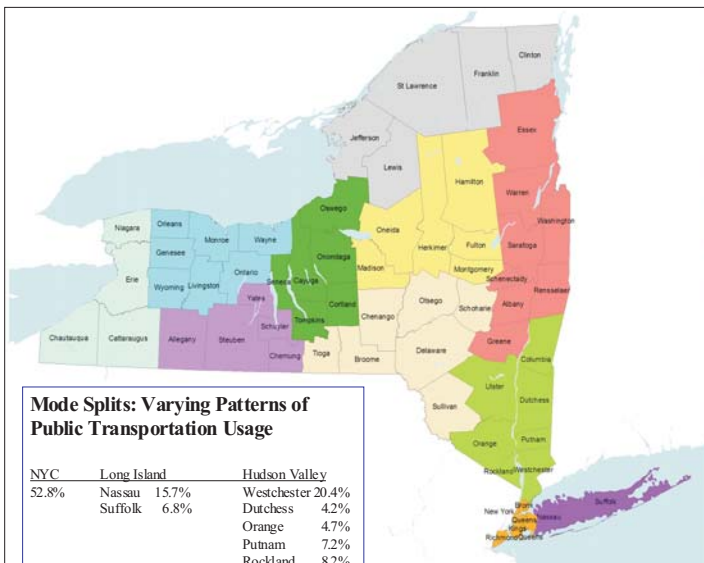
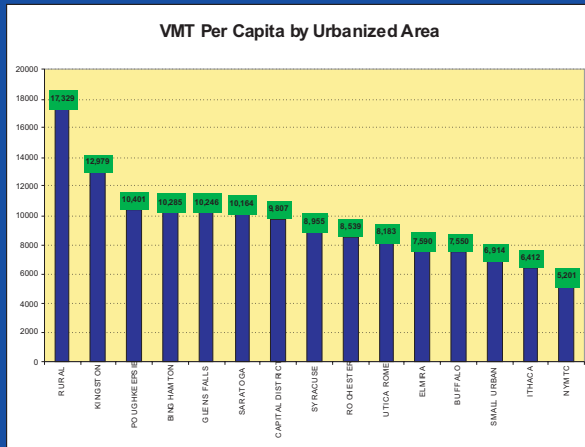
is simply a picture of the trends we're trying to stem.



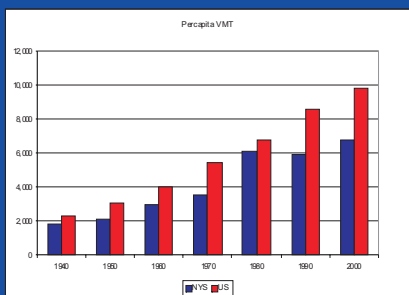
Between 1960 and 2000, this happens to be Syracuse, but it could be any one of a dozen places, the area of urbanized land doubled while the population increased by only 8 percent. This is what we have had for several decades now. It's a question of whether it is what we can choose to continue to have.

The implications of that sprawl play out directly in vehicle miles traveled. These are the vehicle miles traveled (VMTs) per capita by urbanized area (see next page). On the far left is the rural areas. On the far right is New York City. Syracuse is about right in the middle, just to give you a sense of scale.

## VMT in New York



## Energy Use: VMT Trends in New York and the Nation



New Yorkers drive about 25% fewer miles than the national average.

One of the things we're looking at is: Can we provide choices in all of these areas? Can we provide the option of having walkable communities and transit as well as the more traditional automobile dependent choice?

Now, when you come to evolving growth patterns, you can see the implications of some of these choices and some of the work we have to do here. New York City is a little over 50 percent public transit commuting. Lee has at least half the market and on some days I'm sure he has a great deal more of it. On Long Island, interestingly, Nassau is over 15 percent public transit. Suffolk County is a little under 7 percent. Between the near part of Long Island and the far part of Long Island, you have about 50 percent drop off in terms of public transit usage.

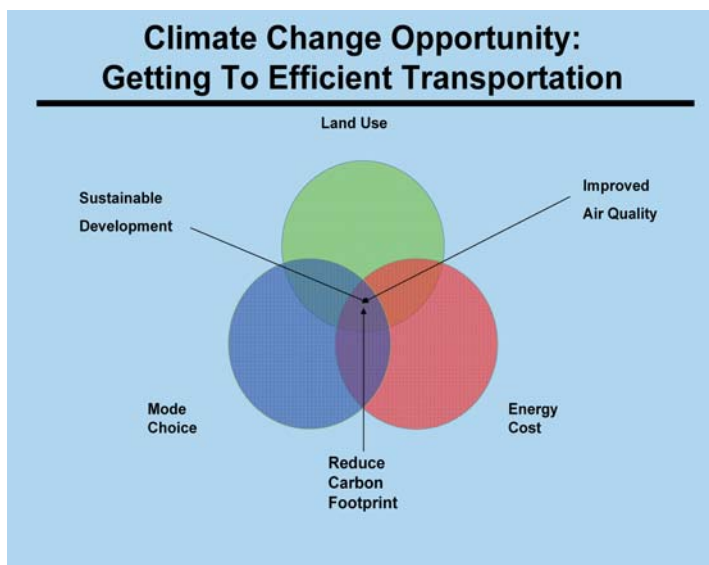
As you go up the Hudson Valley, you can see Westchester is more like Nassau; it's got over 20 percent transit usage. But again, go up a little farther and you are back down to 4 percent, 7 percent, 8 percent. This is the pattern of evolving growth spreading out from the City. This is the pattern of evolving density,

of evolving opportunities for transit as growth continues following traditional routes, but with new forms.

Now again, the VMT translates once more into energy use. The good news is that New Yorkers drive about 25 percent less than the national average and that's due to the MTA. But it is one of the things we are likely to cite repeatedly as we talk at the federal level in terms of reauthorization. Shouldn't New York be rewarded for its reduced VMT and its consequent reduced energy use? Shouldn't there be some incentive for states, such as New York, to continue this pattern? This is going to play out again in terms of climate change, particularly climate change legislation.

We will be looking for ways to urge the federal government, whether it be a carbon tax, a carbon trade regime, or whatever, to create incentives for VMT reductions, to help us move away from the formulas and collection mechanisms that reward fuel use of VMT. This is something that the policy commission looked at. Their estimate was that it will take us at least a decade, probably closer to two decades, to move to a different collection mechanism. That's one point in which I felt they were wrong.

We should be able to do that earlier. It will not be simple. We don't want to go to a plain VMT tax, but a formula that will have a different collection system will be complicated. A 15-year horizon for changing that technology is longer than I think a lot of people are hoping.



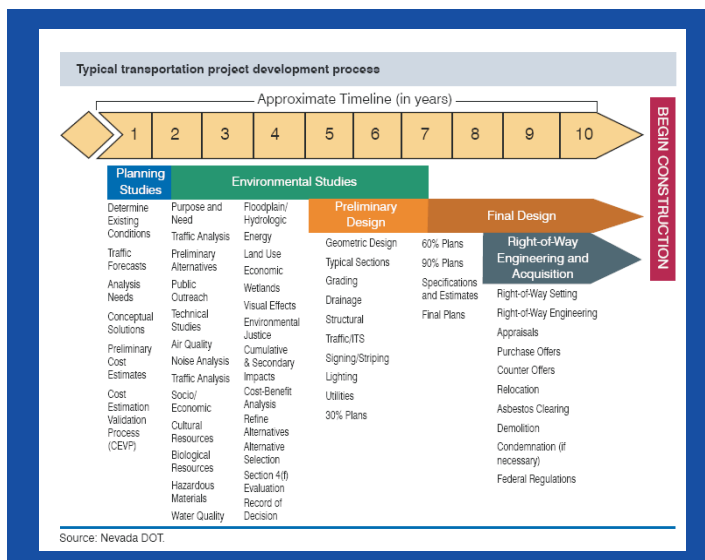
So, with luck, we will be able to develop that shift, maintain the user caps approach, but take a little larger view of what the uses are and what their true implications are.

If we get it right, this is what we can achieve: the combination of land use and modal choice with sustainable development; the combination of modal choice, particularly transit, and energy

cost offering us the opportunity to reduce our carbon footprint, and the interplay between the land use and energy offering us the opportunity to improve air quality.

Beyond those goals, we want to make the most of the system. We have a mature system; it's not a simple system. But to make the most of it we need to counter the effects of time. It is old and we need to spend a good deal of time, effort, and money extending the asset life and simply reducing the life cycle cost of the system that we have. This means more preventive maintenance. It means reducing the backlog to state of good repair. It means building projects sooner so we are not eating up the cost of projects with inflation before we even put a shovel in the ground.

It also means revisiting the project development and delivery process to reduce time to delivery; to make sure that we speak to our customers early; that we don't waste time going forward with the wrong project; that we don't lose touch with our customers and then have to reignite the public debate when we are ready to actually build a project. And I must commend Lee particularly because the blue ribbon commission he established last year to look at the cost of construction has come up with some very valuable recommendations, ones that I'm extremely pleased the industry has been willing to discuss, be supportive of, and explore with us.



Both Lee and I mentioned inflation. This is a slide that illustrates how inflation catches up with us. It takes ten years on average for a critical highway project to go from concept to construction. Ten years at a time when inflation is running 10 percent a year — as the saying goes, “You do the math.”

Beyond getting the project out the door, we also need to make the most of the system we have in terms of technology. This is an area where you see an awful lot of commonality across the modes. Every mode is looking to stretch its capacity by new technology. On the roadways, “vehicle infrastructure integration,” which will allow

automobiles to operate more safely, more closely, and more quickly is the best way I can describe it.

### **Making the Most of the System: The Promise of Technology**

- Stretching capacity: a recurring pattern across modes
  - Vehicle Infrastructure Integration
  - Next Generation Air Transportation System (NextGen)
  - Positive Train Control
- Increasing system efficiency: Intelligent Transportation Systems
  - incident management
  - travel planning
  - real time information

In aviation, it's NextGen. This is the investment that a lot of people are hoping will relieve some of the capacity constraints we're all now experiencing at Kennedy and La Guardia. And then we have positive train control, which basically allows more trains to operate more closely without incident.

We're also looking to increase system efficiency. Intelligent transportation systems can help us by providing our customers with real-time information, allowing them to make their travel plans and travel choices knowing what's running on time, and where the incidents are. Incidents themselves have a tremendous effect on our ability to deliver congestion-free travel. Something like 40 percent of all congestion is attributed to incidents. If we can get those breakdowns out of the way and out of the stream of traffic more quickly, we're going to do an awful lot for the efficiency of the system.

### **Looking Ahead to New Approaches**

- Transportation Authorization in September, 2009
  - Highway Trust fund insolvent this year.
  - Policy recommendations from the National Surface Transportation Policy & Revenue Study Commission
    - Challenge to redefine National Purpose
  - Finance recommendations to come from National Surface Transportation Infrastructure Financing Commission
- Lessons from London?
- Role of Climate Change?

Looking ahead, what we have is a transportation authorization coming up in September of 2009. In case anyone is curious, the Highway Trust Fund is likely to run dry just before that. So, while we normally postpone our federal reauthorizations a year or so, this time the expectation is that Congress may need to reauthorize something close to on-time, simply because there is no cushion, no reserve left in the

bank to carry us during the interim. We have the policy commission that has already reported. We will have the one report from the one that Lee is on.

We also have an interesting report that has come to us from London. This was a report that was referenced by the policy commission, called the Eddington Study. I recommend it to all of you. It is, first of all, very readable. But it is fascinating because it describes a real

## New Approaches: Eddington Study

- “Paradigm Shift” – an economic study not a transportation study
- Reframing the question. Ask:
  - What are the economic challenges?NOT:
  - What are the transportation challenges?
- “Modally agnostic” – support the modes that get to the economic objectives
- The answers to the economic questions drive the solutions and the structures needed to attain them.

paradigm shift in how to look at transportation. It is first an economic study, not a transportation study. It looks at the subject from the standpoint I described earlier that transportation is not the goal; transportation is the means. The activities transportation facilitates are the goal.

The study reframes the question about what we should do for the future of trans-

portation by asking what are the economic challenges, not what are the transportation challenges. And it is modally agnostic. It offers us a lot in the way of new approaches that we may find ourselves calling upon as we go forward to reauthorization.

## New Approaches: Climate Change

- Transportation may be a casualty of Climate Change
  - Adaptation
- Transportation is a contributor to Climate Change
  - 1/3 of all green house gas emissions
- Will transportation be part of the solution?
  - More energy efficient vehicles, modes and settlement patterns
  - Re-connecting federal, state, and local resources

And again, I want to emphasize climate change. I’ve never seen an issue take over in the transportation debate as quickly as climate change has. It may seem like it’s been a long time to get there, but when you have the American Association of State Highway and Transportation Officials (AASHTO), which still has an “H” in it for highways, regarding climate change as one of the two most important subjects that it

has on its agenda, you know that it has really reached the mainstream.

Transportation knows that it can be a casualty of climate change. I heard a presentation from the official in Alaska, where the warming is causing not a melting of the permafrost, but a warming of the permafrost. And there are key transportation facilities, including some oil tanks at the edge of the land where the permafrost is starting to give way. They are learning in slow motion the adaptation issues that some of the Gulf states learned after Katrina.

Transportation is of course, also a contributor to climate change. We contribute about one-third of all greenhouse gas emissions. The real question is whether transportation will manage to become part of the solution of climate change, through more energy efficient vehicles, Corporate Average Fuel Economy (CAFE) standards, a better balance of modes, en-

couraging denser land use patterns, or more walkable communities. We can do this by reconnecting and reharnessing some of the state, federal, and local resources that we will be looking for to maintain and expand the system.

I thank you all very much for the opportunity to be here and to share with you some of the things that NYSDOT is wondering about, worrying about, and hoping to accomplish. Thank you.

*Robert Ward:*

Thank you very much, Commissioner Glynn. We have a few minutes for questions. I'll start with one question for each of our speakers and then open up for questions from the audience. Commissioner Glynn, I'll start with you. Among other things, you talked about the issue of sprawl and whether federal, state, and local policies contribute to that. At the state level, some would argue that DOT, or at least our legislated practices, make it tougher on cities than on towns. For instance, in the surrounding towns around here, DOT plows Route 32 or Route 20, and spends the dollars necessary to take care of that. But that's not the case in the city of Albany, for instance. Is that something that the state should consider changing?

And the second part of my question is: What, if anything, have been the most important things that you have heard from the presidential candidates that address the issues that you raised?

*Astrid C. Glynn:*

Well, in terms of the disparity of where we stop a city or town line and where we don't, that is the product of legislation, well reinforced by history. It is not a terribly logical demarcation and I think it's one that nobody would sit down and write if they were starting with a blank slate. Certainly, it makes a lot of sense for us to assume some responsibility for at least the major routes; but with the legislation framing jurisdiction as it does and the concomitant allocation of resources, I'm afraid we're going to have to continue, at least for the near term, to respect those boundaries, idiosyncratic as they may be.

In terms of the presidential candidates, I just hope nobody asks any of them if they are supporting a gas tax increase. I think they all, the three who are left, fortunately all have sub-

stantial records in the Senate on transportation issues. And I think that we can look forward to those records being carried forward in the future by any of them.

*Robert Ward:*

That's very good, thank you. Lee, let me ask you one question. You said that among your goals is to make the MTA the best in class of the large public transportation systems. How specifically would you measure that?

*Elliot G. Sander:*

Very good question. We don't know how. And that's one of the things that we are doing. And also if I can just briefly mention two things from the last question if I may. I run a nonpartisan or bipartisan agency, and I've served under both Republican and Democratic officials, so please put this in context. But I'm a little concerned about Senator McCain's position previously, and I don't know whether he's spoken since then.

I agree with Senator McCain in terms of his stand against earmarks. We do not like earmarks, and we've been historically shoulder-to-shoulder with USDOT against them. But in terms of robust infrastructure spending, I'm concerned about the senator's position previously. So, hopefully as the conversation continues, his position on earmarks, which I think affected his support for the last three authorizations, will be modified.

Also, I haven't paid that much attention to recent speeches. I suspect, like the commissioner, I will be more focused on the New York stuff rather than the Washington stuff. But I understand that Senator Obama put forward a program for mega-projects, I think in the amount of \$60 billion, kind of pivoting off of what Fred Salvucci, a civil engineer at the Massachusetts Institute of Technology (MIT) who championed the Big Dig, has for some period of time talked about using debt financing and bonding for the federal program. Senator Obama has proposed a \$60 billion fund separate from traditional funding for mega-projects, which aligns with what Commissioner Glynn was talking about the mega-regions. I think that sounds somewhat interesting. I hope that concept, forgetting about partisan issues, picks up.

In regard to that, the reality is that the MTA for some period of time has been somewhat insular. With all due respect to Governor Pataki, transportation was not his highest priority. Governor Pataki's priorities were more in the environment and other areas.

And so, while we've had fine people and they have done great things in the last 12 years, there has not been any benchmarking really in terms of London, Paris, or strong relations with some of our colleagues. They are not quite in the area of peers because of our size, but areas like Washington, DC, Boston, and Chicago are our closest companions in the transit field.

What we have done is created a best practices committee that has now begun to reach out and to benchmark. We have also created a position in New York City Transit to do the scan of new technology.

These are things that we will be looking at in these areas along with the seven priority areas I mentioned. We will be looking at what they are doing in terms of workforce development and institutionally in terms of internal organizational structures and how they relate to the public. There's a little bit of literature about Toronto Transit Camps, where the outside community, through the Web, gives suggestions on how to improve Toronto's transit system. We're very interested in that. We're going to be looking at customer service and will be happy to borrow and copy as much as we can in the area.

In projects and planning, we are going to be looking at what the other regions are doing that are our peers in terms of plan. Paris has a plan. London has elements of a plan in a Public-Private Partnership (PPP), which they have been dependent on in the last 10 or 20 years. That was very controversial. Bob Kiley clashed with Prime Ministers Blair and Brown as they promoted PPP, excessively so.

So we're looking at that and then the others areas as well: safety, security, and sustainability. Some of that is already going on within those areas, but that's the broader view about how we want to be. MTA was also in their focus because we were falling apart in the 1970s and 1980s, so that also needs to be factored into the conversation.

The MTA was not a place where we could talk about best practice. I mean, we were just rebuilding the place in the 1970s and 1980s. So, we are having this conversation in addition to the change in priorities with this administration compared to Governor Pataki. I suspect

Lieutenant Governor Patterson would have the same priorities. It is also a function of the investment that we've made of \$76 billion since 1982 and 1983, and we are in a position to be able to engage more externally.

*Ivan Vamos:*

I'm from the Bicycle Coalition. Thank you for giving me the first question. I appreciate both of you and your support of bicycling and pedestrians through various programs. Just a comment. In terms of the discussion of donor and donee states, there are entire federal programs (like the Bureau of Land Management and the Bureau of Reclamation) that are almost completely Western or Southwestern oriented. There are programs like the forest service that are spending more funds proportionately in other states than in the Northeast, and these should definitely be brought into the argument.

In terms of the issue of congestion pricing, we're for it, not necessarily for the finances, but because it provides a better, safer environment. It's part of what transportation should be delivering. It has worked in London and gotten respect, as well. Thank you.

*Elliot G. Sander:*

My support is financial. But as I said, I don't think I've met an objective transportation expert who does not support congestion pricing. I'm still looking to find such a person. But certainly within the New York frame, I've yet to meet anyone who opposes congestion pricing. I've said that in the media as well.

*Robert Ward:*

Commissioner Glynn, you mentioned that New York is one of the most truck-dependent states in the country. Is that because of deterioration in our rail system over the years? Or what is the reason for that and what are the implications?

*Astrid C. Glynn:*

Well, the limitations of our rail system probably have a lot to do with it. The entire Northeast has not been a very strong rail market. We don't have the truly long-distance trains carrying bulk cargo that you see so much in the Midwest and even in the South.

Because of that, we are basically a smaller market for the rail companies. And any small market tends to be a disproportionately costly market.

Because we are a very built-up area, a certain percentage of our cargo is always going to move by truck; it simply has to. We tend to generate a lot of truck miles going very small distances to a lot of places. We're also a consuming area rather than a generating area for the most part.

One of the ironies is that New York is fortunate in still having a very robust farm economy and manufacturing economy upstate, but overall the Northeast tends to be more of a service sector area. And this means that we tend to import things in. We don't tend to send a whole lot, except garbage, out. This means that in terms of freight logistics, we're unbalanced. And if you combine our distances with our market characteristics, we have not been that appealing to the rail freight industry over the years. They have instead chosen to make a lot of their investments elsewhere in the country.

*Robert Ward:*

We've obviously seen a lot of track pulled up over the years, partly perhaps in response to that situation and others. Do you hope that we will see any new track laid down or is that likely?

*Astrid C. Glynn:*

Well, we do. And we're particularly interested in the possibility that although the track may have been pulled up, the right-of-way may still be there, because right-of-way truly is an endangered species. And trying to generate new right-of-way in a state such as New York would be the hard way to go about doing anything.

We're hoping that we can find enough right-of-way and work with the rail companies to look at a pattern of investment that would allow us to maximize capacity and reap measurable public benefits in exchange for whatever public investment we might make. We have a small rail program now, and the governor has proposed a significant enhancement of the passenger rail system, an enhancement of the freight rail system would marry very well with that.

*Lori Mithen-Demasi:*

Good morning. I'm with the Association of Towns. I have a couple of questions. One, what is DOT's perspective on the Consolidated Local Street and Highway Improvement Program (CHIPS) for the local roads program? And two, with respect to what DOT is doing regarding land use, are you looking at providing more authority for local governments over their own road systems, such as low-volume limited maintenance roads?

*Astrid C. Glynn:*

CHIPS is an incredibly important program. I commend the local governments for making the most out of CHIPS, because it is a pot of money that is always constrained, always has more needs facing it than can be addressed, and is really how most of the roads in the state get taken care of. We take care of the high-volume large routes, but the cities and towns have to (using mainly CHIPS) take care of the roads that carry not only a great deal of the traffic, but that constitute most of the land miles. I hope that CHIPS can continue to be strong and get stronger.

In terms of low-volume roads, this is an issue that I know we've been looking at and there are a lot of proposals floating around. Certainly the desire for some flexibility and more local control is understandable. How precisely we work that is, I think, something that will need to be looked at in the context of some other local government reforms. Perhaps we can look at the idea of shared services and how we can work together to better integrate the land use and transportation planning, because one so directly affects the other.

*Stephen Wilson:*

I'm with the Hudson River Environmental Society. I noted that both of you addressed what I would refer to as the frailty of your systems, but I was wondering if you could address beyond that. What I particularly have in mind is climate change where, at least in the Hudson Valley, we are highly concerned about the aspect of potential flooding and so on. We don't need to be reminded about 9/11 as a fantastic example of frailty of the system. Could you address whatever interactions you might be having with the Federal Emergency Management Agency (FEMA) and the New York State Emergency Management Office (SEMO)? And what hope do you have to get help from those organizations?

*Elliot G. Sander:*

We went through a pretty intense exercise in the aftermath of August 8, 2007, when we had the worst storm, based on a variety of metrics, that we have seen in the past half century. That's where the recommendation came to create an MTA emergency response center. As part of that we have tightened up our interactions both with New York City, the five boroughs, and the Office of Emergency Management, as well as with SEMO. We work particularly closely with Michael Balboni, the deputy secretary, who has oversight responsibility for the old framework.

Because of global warming, we are in a much different alert, particularly since August. We were ambushed by August 8th. I will never forget it, and my number two person at Metro-North, the senior vice president for operations, was telling me that they had never seen, up until a year or two ago, these cells forming and then all of a sudden creating a kind of one-and-a-half, two inches of rain per hour, these kind of downpours.

We are now on a hair-trigger, basically. And that also ties in the more integrated operation between commuter rail, subway, buses, and so on that we're doing internally. Externally, I feel comfortable with the interaction we've had with Deputy Secretary Balboni and the other state entities both on Long Island as well as in the Hudson Region. It's very much on our radar screen.

*Astrid C. Glynn:*

We coordinate regularly with SEMO and to a lesser extent with FEMA. There are enough floods that affect roadways every spring across New York, but this is a well-established pattern. So we have a transportation control center that dispatches resources and works with the local communities. We're pleased that we have been able to come up with a system for providing aid to local communities regardless of funding source or some of those tricky jurisdictional boundaries.

We are also, because of this, paying a great deal more attention to culverts. Culverts are not very photogenic, but they are important. We've started a more aggressive inspection program for our culverts and also have called it out as a separate line item for a lot of funding purposes. This is something that we are going to be looking at more aggressively, and

hopefully we will be able to help with the water distribution to make sure that when we are faced with these dramatic events, the culverts can fulfill the role that we need them to.

*Elliot G. Sander:*

Just one last point. What we're trying to do is to deal strategically, trying to button up the system before events happen. With SEMO and FEMA, it's after things happen. How do you bring it back? What we've done strategically is try to button up the system.

So, we've had one location, Metro-North Mott Haven, that has been a traditional area that has been problematic, particularly when we have high tides. All three rail lines come together there. We have done some engineering work there to reconfigure the water removal structure that we have there. We've gotten the Municipal Arts Society to go to NYSDOT to come up with elegantly designed grates that will go over ventilation systems in the subways. Where you have the panels is where the water comes in. Basically, the subway system has acted, in parts of Metro-North, as the sewer for New York City because there was inadequate development.

Some of the problems we're having are the function of the fact that we've not appropriately planned for the land. The reduction of trees and other landscape issues cause even more water to come into our system. The grates will be elevated, because we still need to have ventilation systems in case there's a fire on the subway. But they will be elevated an inch or two above the surface level so we will be less exposed to flooding.

*Thomas Gais*

I'm from the Rockefeller Institute. I think the commissioner mentioned one of the national commissions was developing national performance criteria. I was just curious if you could tell us more about what their emphases are in terms of what they are trying to achieve. Reduce congestion? Reducing time to commute or vehicle miles per capita? Is there any primary drive behind this, or are they still thinking about it?

*Astrid C. Glynn:*

Well, this is one of the places where I really commend the Commission for putting the concept out there and then not answering that question. As a matter of fact, if there's one

part of the Commission's report that I'm just not quite sure how you would go about doing it, it is that. Yes, we share many of the same problems with other states, but if we had to get down to metrics, relieving congestion in New Mexico and New York are very different.

Part of what I think the discussion will be is: Should those metrics be established at such a high level that every state basically gets to interpret them appropriately for that state? Or is there going to be a real tussle to come up with something more particular and are there going to be winners and losers?

The Eddington Report actually may provide more of an insight, because what they did was proposed some distinct cost/benefit analyses. They also set three overarching goals that, in their view, were the most important for the national system. They were, as I recall, gateways to global trade, interurban connections, and urban mobility. Again, this was strictly for the national system in Britain.

So, they took it almost a step further than the U.S. Commission did by setting forth those sort of emphasis areas and also getting into the nitty-gritty of cost/benefit analysis.

*Robert Ward:*

Well, we have gone past our time. Please join me in thanking Astrid Glynn and Elliot Sander.