

**Testimony of Hilary Ring**  
**MTA Director of Government Affairs**  
**to the**  
**New York City Council**  
**May 23, 2012, 11:30 a.m.**

Good morning, Chairman Vacca and other members of the City Council. My name is Hilary Ring and I'm the MTA's Director of Government Affairs. Thank you for inviting me to testify here today.

I'm joined today by Lois Tendler, Vice President for Government and Community Relations at MTA New York City Transit; Doug Johnson, Director of MTA Budgets; and Aaron Stern, Director of MTA New York City Transit's Office of Management and Budget.

As I'm sure you all remember, the MTA testified before this committee in March on the Mayor's Fiscal Year 2012 Preliminary Budget. Since that time, some things have changed, while others remain the same.

Perhaps the most significant development is that—soon after our hearing—Governor Cuomo and the state legislature agreed to fully fund the MTA's current Capital Program. And that's great news for New York City and our entire state.

The plan will give our economy a critical shot in the arm at a time of great economic uncertainty, and it promises serious benefits for New York City. According to the New York Building Congress, the MTA *alone* is expected to account for 25 percent of New York City's construction industry this year, or 18,000 jobs. All of these jobs would be in jeopardy without the Capital Program.

And the Program's impact reaches far beyond New York City. It also has a profound effect on economic development in every corner of New York State. In fact, according to one estimate, the current Capital Program will provide 350,000 New York jobs and overall economic impact of \$44 billion dollars throughout New York State.

A fully-funded Capital Program also means the MTA can keep moving forward with big projects like East Side Access, which will bring the Long Island Rail Road directly into Grand Central and Midtown East, and the Second Avenue Subway.

We can also now move aggressively forward with funding critical needs, such as 23 more station renewals, addressing defective components at 120 more stations, and eliminating the worst conditions at passenger stations across the system. We will also provide ADA capability at four key stations.

Funding will allow for the modernization of eight major signal interlockings on the Dyre and 6<sup>th</sup> Avenue lines, bringing the entire A Division into good repair and paving the way for installing more efficient Communications-Based Train Control signals on the congested Queens Boulevard Line. Piggy backing on the Queens Boulevard Line signal project will be the installation of tunnel lighting on a 10-mile segment of this line, providing a safer working environment for personnel during important tunnel, track, and signal inspections. Two fan plants will enhance ventilation within tunnels to meet modern standards.

We will also be replacing approximately 1,000 buses and existing equipment operating beyond its useful life. Finally, we will be funding several bus depot upgrades, including washers, paint booths, tank upgrades, and new bus lifts.

So clearly, receiving funding for the final three years of our Capital Program is a big—and welcome—change. Yet when we last met, the MTA's operating budget was at significant risk, and that certainly hasn't changed. For example, our current Financial Plan, which was presented to our Board in February, is predicated on a number of assumptions, including:

- receipt of all anticipated dedicated taxes;
- implementation of biennial, fare and toll increases, consistent with the 2009 state agreement on MTA financing;
- no budget-driven service cuts; and
- wage savings for all employees in the contract discussions now underway.

The bottom line is, our operating budget is fragile but manageable. And because of the enormous efforts we've made over the past few years—including annual expense reductions that recur year after year, to the tune of about \$700 million in both 2011 and 2012, growing to \$850 million in 2015—we've been able to balance the budget this year. In fact, our Financial Plan is in balance through 2013, with deficits projected in 2014 and beyond.

Without these significant cost-cutting efforts, there's no doubt riders would have faced much more severe service cuts or higher fare increases. And our four-year Plan requires us to *continue* our vigilance on expense control, day-in and day-out.

But this Plan is not without risk. We've not yet achieved the needed labor agreements, and subsidy funding is never a certainty. We're currently assessing these and other risks—as well as up-to-date financial information—for an updated Plan that we will present to our Board in July.

As far as the Mayor's Fiscal Year 2012 Executive Budget is concerned, all the details we covered in response to the preliminary budget stand, as nothing has changed in regards to the MTA.

To recap, the Mayor's 2012 budget proposes to allocate \$100 million to the MTA's Capital Program, and about \$786 million to New York City Transit and MTA Bus operations. Here's how that \$786 million breaks down. In 2012, the MTA's budget assumes that our agencies will receive:

- \$45 million for free or reduced school fares;
- about \$14 million for our reduced-fare program for the elderly;
- about \$106 million for paratransit, a service that this year will cost the MTA about \$510 million to run;
- about \$34 million to reimburse the MTA for the cost of Staten Island Railway;
- and nearly \$90 million for station maintenance at the 36 commuter rail stations in New York City.

Our budget also assumes that the MTA will receive \$161 million to pay the local match for state aid payments, and about \$336 million to reimburse the MTA for the cost of MTA Bus—the agency that the MTA created to run the formerly private bus lines at the City's request. In total, New York City's budget will supply about seven percent of our total operating funds.

We know that millions of your constituents use MTA services every day and every night. We at the MTA look forward to continuing to work closely with all of you and to strengthening the partnership between the MTA and New York City that contributes so much to this whole region's success.

Once again, thank you for inviting us here today and my colleagues and I would now be happy to answer any budget questions you may have.

**Testimony of David Yassky**  
**NYC Taxi & Limousine Commissioner/Chair**  
**BUDGET for FISCAL YEAR 2013**

**City Council Transportation and Finance Committees**  
**May 23, 2012**

Good morning, Chairman Recchia and Chairman Vacca and the members of the City Council Committees on Finance and Transportation. I am David Yassky, Chairman of the Taxi and Limousine Commission. Thank you for the opportunity to speak to you today regarding the TLC's Fiscal Year 2013 Budget. So far, we have been very busy in 2012, working on many new projects and initiatives.

The TLC's Budget for Fiscal Year 2013 is \$64.8 million. Of that amount, \$30.9 million is for Personal Service (PS) and \$33.9 million is for Other Than Personal Services (OTPS). The OTPS budget in Fiscal Year 2013 is more than three times the amount allocated in Fiscal Year 2012 due to \$18 million in state-mandated accessibility grants, which was required by the Five Borough Taxi Plan legislation that passed in February. The legislation allows the TLC to sell 18,000 Street Hail Licenses for the boro taxi program. The first 6,000 permits will be sold starting this summer, of which 1,200 (20%) are required to be for wheelchair accessible vehicles. The additional grant money will help incentivize drivers who are interested in purchasing new accessible vehicles. We are hoping that this grant money will help to sell the required 20% of the accessible Street Hail Livery Licenses that are required by state law.

On that note, the Five Borough Taxi Plan is well on its way to creating a better, safer and more reliable service for the riding public of New York City. On April 19<sup>th</sup>, the TLC Commissioners voted and passed a set of rules for a new class of license called a Street Hail Livery. For-hire vehicle owners and drivers who purchase this new class of license and operate an "Apple Green" Boro Taxi will be able to pick up street hails in northern Manhattan, the Bronx, Brooklyn, Staten Island and Queens, excluding the airports. Our licensing department has been working hard to put in place a system to efficiently process the incoming applications, which

will be ready on May 29<sup>th</sup>. Interested licensees will be able to start submitting their completed applications on June 4<sup>th</sup>.

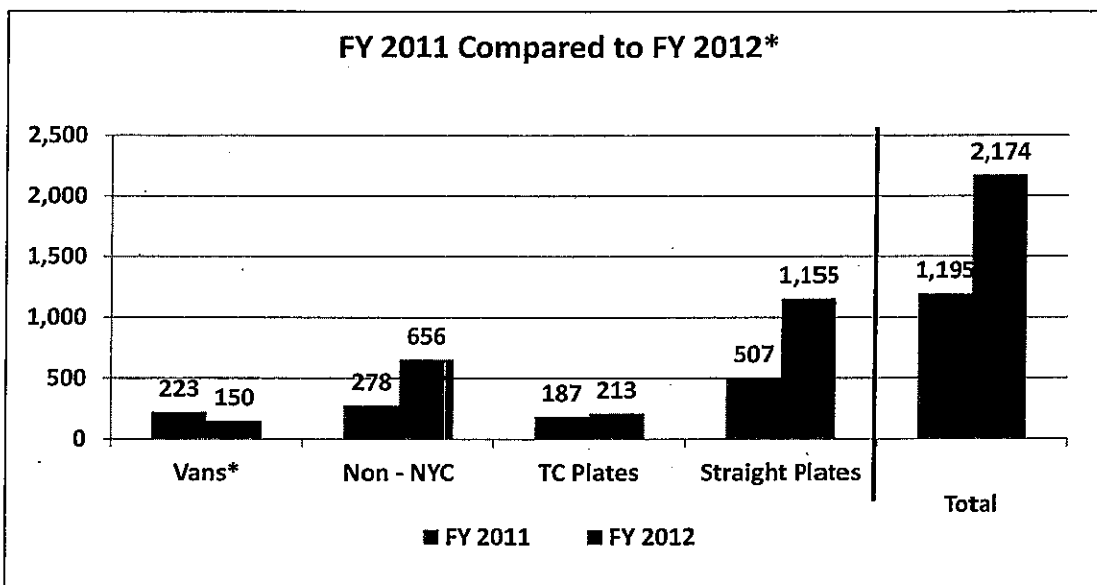
Providing this new service to residents and visitors of New York City is an exciting opportunity for the TLC. The taxicab trip data collected show that 95% of yellow cab pick-ups occur below E96th Street and W 110<sup>th</sup> Street and at the JFK and La Guardia airports, but more than 80% of New York City's population lives outside of this area. Boro taxis will provide on-demand service in areas where yellow taxis are hard to find.

Additionally, we will increase the number of accessible wheelchair vehicles on the road and improve service for wheelchair users with the boro taxis and additional yellow taxis. As part of the Five Borough Taxi Plan legislation, the TLC is authorized to sell an additional 2,000 yellow medallions which are restricted to be used only by accessible vehicles. The first issuance of these accessible medallions will occur by the end of the summer, putting 200 new accessible vehicles on the road. And by the end of the fall, we anticipate to sell an additional 200 accessible medallions. This will bring the total of accessible yellow medallions sold to 400 by the end of 2012, increasing the overall accessible taxi fleet in New York City to 631.

To ensure that licensed for-hire vehicle drivers and vehicle owners who are interested in purchasing a Street Hail Livery License have all the correct information, TLC staff is visiting livery bases throughout the five boroughs. So far, we visited 21 bases and met with over 475 drivers and base owners in each of the five boroughs and the feedback has been very positive. At each visit, TLC staff presents the details and structure of how the plan will work and explains the requirements for eligibility. We have also discussed the new color of the borough taxis, where boro taxis may operate, provided information about the not-for-profit financing organizations that have agreed to finance the additional costs of a borough taxi, and have collected a survey on the financial needs of current livery drivers so we can better understand how to best serve their needs. Additionally, we will host five informational fairs in each borough starting in June, where interested licensees can get additional information about the Street Hail Livery

applications, meet with the financiers, and meet with representatives from various accessible vehicle companies.

Our Uniform Service Bureau (USB) has made significant improvements so far in FY '12. As of April of this Fiscal Year, USB seized 2,174 vehicles. But I would like to update you with our most recent data. We have now seized over 2,500 vehicles to date, and 1,276 of those are unlicensed vehicles. We have seized more vehicles by employing existing resources more efficiently.



\*FY Data For: July 2010 – April 22, 2011 & July 2011 – April 22, 2012

- The number of vehicles seized has increased by 80% since fiscal year 2011.

However, we can do more. To better protect New York City's riding public and the investments of our taxi owners and drivers, we must get more vehicles, whether licensed or unlicensed, off of the streets until illegal activity is even lower. Right now our towing capacity is limited due to the lack of storage space for the seized vehicles. To solve this problem, the TLC has issued an RFP to increase our tow-pound capacity. Once a vendor is selected, the TLC will have the ability to significantly increase the amount of vehicles seized for illegal activity, which in turn,

produces safer service for passengers and ensures that fares are going to licensed drivers operating legally.

We have also increased the size of our enforcement staff which is currently at 115 officers. These additional officers will help to limit the number of illegal activity that is currently occurring on New York City streets as well as increase fine revenue. It should be noted that we will increase our total officers to 150 by the end of this summer.

The passing of the Street Hail Livery License rules on April 19<sup>th</sup> also had provisions to increase the penalties for illegal pick-ups by for-hire vehicles, boro taxis, and by unlicensed vehicles. It is our belief that with increased tow pound space, an increased number of enforcement officers, and increased penalties, we will deter many drivers from performing illegal activity and when they do, they will pay for it.

We have also made great strides in our Safety and Emissions Division (S&E) to increase efficiency. Starting in January of this year, S&E increased the amount of days scheduled for inspections. Instead of scheduling inspection appointments four days per week, we are now scheduling inspection appointments five days per week. Adding this extra day to the inspection schedule has allowed for lower wait times for drivers waiting to be inspected.

We are excited to open an additional inspection facility in Staten Island where vehicle owners and drivers will soon be able to go for their bi-annual inspection. This pilot program will allow vehicles affiliated with Staten Island bases to have their DMV and visual inspections take place on Staten Island instead of at our Woodside facility in Queens. The Commission is set to vote on this pilot program at the May Commission meeting and it will take four to five months to be fully implemented once approved.

The taxi of tomorrow project is moving along and Nissan, our selected vendor, has completed a fully functioning prototype. The completed prototype was on display at the New York Auto Show in April. We expect to register the contract this summer and the NV-200 should be hitting

the streets in October 2013. It is also important to know that the NV-200 is factory designed to be easily upfitted into an accessible vehicle. The conversion to an accessible vehicle will not void the vehicle warranty and the upfitter will also be providing a separate warranty for the accessible components. Once upfitted, the converted vehicle will be crash tested to ensure that safety will not be compromised.

This concludes my testimony for TLC's Budget for Fiscal Year 2013. I would like to thank you for the opportunity to testify today about the exciting programs and initiatives that will improve service for residents, visitors, and TLC regulated industries. At this time, I would be happy to answer any questions you may have.

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