

Testimony of Thomas F. Prendergast
President of the MTA's New York City Transit
to the
U.S. Senate Subcommittee on Housing, Transportation, and Community Development
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Good morning, Chairman Menendez, Ranking Member DeMint, Senator Schumer and other members of the Committee. Thank you for holding this hearing and inviting me to testify today. I'm Tom Prendergast, President of the MTA's New York City Transit. The New York MTA is the largest transportation provider in the country.

Every day, the MTA moves more than eight and a half million people—reliably, affordably, and safely—on our subways and buses, the Staten Island Railway, Metro-North Railroad, and the Long Island Rail Road. Our seven bridges and two tunnels carry nearly 300 million vehicles a year.

The MTA is one of the few transit systems in the world that operates 24 hours a day, seven days a week, 365 days a year. And along with the other transportation networks represented on this panel, we are the lifeblood of a \$1.4 trillion dollar regional economy—the largest in the country, making up 11 percent of the nation's GDP.

About two months ago, however, our region came to a complete standstill in the aftermath of Superstorm Sandy -- a disaster that brought our system to its knees. For the second time in our 108-year history, the MTA shut down all service. And despite unprecedented preparations, we sustained damage on a level we have never experienced.

Today, most of our customers are seeing service, but our workers are seeing another reality – a fragile system that's safe but extremely vulnerable. The subway line and the bridge connecting the Rockaways Peninsula and the rest of Queens have completely washed away. The subway tunnel for the R train connecting Brooklyn and Manhattan still isn't operational. We have subway lines running at longer headways, resulting in longer commutes and severe crowding. We've drawn down about 80 percent of our replacement equipment. The useful life for many of our signals, switches, and relays has depleted exponentially.

We estimate nearly \$5 billion dollars in immediate repair needs left in Sandy's destructive wake, and billions in project needs to protect our system from future flooding. And we will repair and rebuild our system as quickly as possible – our 8.5 million customers are counting on it.

We've already spent hundreds of millions of dollars to restore service as quickly as possible. And just yesterday, our Board approved for us to move forward in selling \$2.5 billion dollars in Bond Anticipation Notes that will be used for rebuilding.

But we are simply not able to shoulder this incredible burden on our own and we cannot fully undertake these financing efforts without knowing what Congress plans to do. A federal commitment is needed to ensure that we can rebuild and we build back stronger.

Once a Disaster Relief Supplemental Appropriations bill is signed into law, we are prepared to immediately enter into contracts to begin the projects that are essential to our riders. Projects such as:

- Restoring the South Ferry/Whitehall Street subway station;
- Restoring the Rockaway line;
- Repairing and replacing damaged signal equipment, including switches and relays, and restoring our damaged vents, pumps, and communications equipment; and
- Repairing the roadway structure, ventilation, and communications equipment in the Queens Midtown and Hugh L. Carey Tunnels.

And as we work to bring our system back to normal, we must also make the necessary investments to protect this 108-year old system from future storms. We must rebuild smarter.

Manhattan's South Ferry subway station is a perfect example. This station, which was destroyed during the 9/11 attacks, reopened in 2009. The station cost over \$500 million to rebuild and it serves over 30,000 of riders every day. It was completely destroyed, again, this time by Sandy. This station, eight stories underground, was completely filled from floor to ceiling with corrosive salt water. We estimate that rebuilding the station will cost the MTA around \$600 million dollars. The last thing we want do is to come back to Congress for another \$600 million after the next storm hits but we will if we have to. It is in the best interest of the American tax payers to protect this critical station and other large federal investments or we could be here again seeking billions of dollars to repair our system.

As Superstorm Sandy demonstrated, when the MTA shuts down, the nation's largest regional economy shuts down. It's absolutely critical that we make the necessary investments to protect the South Ferry station and the MTA's 108-year old assets from future storms. Failing to protect these assets places the region's \$1.4 trillion dollar economy, representing 11 percent of the nation's GDP, at risk.

Our needs are great. But this is clearly much more than a New York story, or a New York need. This is a national issue ... a national need. And we need the federal government's help—not only to get us on the road to recovery, but also to protect New York and our nation's economy in the future.

Once again, Chairman Menendez, thank you for holding this important hearing and for giving me the opportunity to testify before the committee. I welcome any questions you may have.