

RPA REGIONAL ASSEMBLY
Chairman Scott Rechler
Morning Remarks
April 27, 2018

- Thank you, Tom Wright and members of the RPA Board.
- And welcome to the RPA's Regional Assembly and welcome to New York City.
- As a native New Yorker, I am admittedly biased, but this is the world's greatest city and there is simply no better time to be here.
- Never in this city's history have more people wanted to live here, work here, or visit.
- By nearly every metric, we are thriving. We have become the world's magnet for the most important ingredient for success in today's economy, and that's talent.

- The most innovative companies from around the world are clamoring to be here. Case in point, Google has now become one of biggest buyers of real estate in New York City.
- The key to attracting this talent has been our region's quality of life, which offers an incredibly diverse range of opportunities for people to live, work, play, and learn.
- The glue that holds this all together is our region's vast transportation network.
- However, you don't have to be a native New Yorker to know that something is seriously wrong with the way this network is functioning.
- Our city streets have become so clogged with congestion that travel speeds are the slowest in recorded history, making it faster to walk than to take a bus.
- Below ground, our subway system suffers from the dubious distinction of having the worst on-time performance...not just in the country, but throughout the world.

- We didn't reach this state overnight. The system is in the condition that it is it today for a whole host of reasons:
 - Decades of under-investment
 - An over-reliance on Band-Aid measures to keep the system running
 - A mammoth bureaucracy, saddled with red-tape, outdated processes, and byzantine rules
 - An explosion in for-hire vehicles
 - An increase in delivery trucks with e-commerce
 - And an increase in tour buses, which move at a snail's pace by design.

- The performance of our subway system has gotten so bad that last summer the New York Governor had to declare a state of emergency.

- Think about that for a second...a state of emergency is typically declared for a major event such as a blizzard, a hurricane, or some other disaster, but the Governor had to do just that to get around the MTA's own cumbersome rules.

- Many of us knew this time would come. For years, groups like the RPA had been the lonely voice sounding the alarm on our region's looming transit crisis.

- And last summer that crisis arrived...with a vengeance.
- Like crime in the 1990s, suddenly our transportation troubles were on the front page of every newspaper and a new traffic term was coined – “Summer of Hell.”
- At long last, our elected officials could no longer ignore our transit crisis.
- It has been a year since our last Assembly and it’s important to take a step back and recognize how much attention has been brought to our ailing subways in the past year.
- In June, Joe Lhota came back as MTA Chairman, and he, with Ronnie Hakim, immediately went to work in putting together the Subway Action Plan.
- Our subway system last summer was like a patient that had gone into cardiac arrest and the Subway Action Plan was put in place to stabilize the patient.
- But there was a recognition that to really fix our subway system will require open-heart surgery and a massive rebuilding of our subway system that would result in a 21st century, world-class system.

- To identify a long-term solution, Governor Cuomo created the Fix NYC Advisory Panel to both address the congestion that is clogging our city streets and to identify a new sustainable form of revenue to modernize and expand our system.

- The Fix NYC plan included the following:
 - Establishing new public transportation alternatives recognizing that if we are going to ask people to reduce their reliance on cars, they need a viable subway and bus alternative
 - Getting more out of our existing infrastructure through better traffic enforcement and use of technology to address issues such as driving in the bus lane, blocking the box, and double parking
 - A fee on for-hire vehicles
 - And a dynamic congestion pricing program to both incentivize less drivers in the Central Business District and to generate a new dedicated source of revenue to create a 21st century subway system.

- There is simply no other plan that addresses all of these issues.

- Despite how comprehensive the Fix NYC plan may be, it shouldn't come as a surprise that our elected officials weren't exactly rushing to endorse congestion pricing.
- But in the face of these political headwinds, the RPA, along with many others in this room, trekked up to Albany and urged our elected officials to act.
- After an intensive month of rallying and advocating, the final state budget includes several elements from the Fix NYC Plan that will help solve our transit crisis, such as:
 - Full funding for the Subway Action Plan
 - A fee on for-hire vehicles that will generate over \$400 million annually and will help fund the infrastructure for congestion pricing
 - An expansion of cameras to keep our bus lanes free and clear so we can get our buses moving again, which is exactly what London did to get their buses moving; and
 - \$50 million to develop new transportation alternatives to those parts of the city that are considered transit deserts.

- In the final budget, for the first time in over a decade, we made real progress on congestion pricing.
- None of this would have been possible without the strong advocacy of the RPA, REBNY, Riders Alliance, Tri-State Transportation Campaign, Transportation Alternatives, Transit Center, the Environmental Defense Fund, 32BJ, the Partnership for New York City and so many other business and civic organizations.
- Let's give them all a round of applause for their herculean efforts in advancing an issue that wasn't even on the minds of legislators a year ago.
- However, by no means is our work finished.
- In the next few weeks our coalition will be launching the next phase of a congestion pricing advocacy campaign and today, I am pleased to announce that the RPA will be dedicating \$100,000 to moving this critical issue forward.
- In the meantime, the MTA still has it work cut out for it.

- The reality is that congestion pricing will never be politically viable unless the MTA can demonstrate that it can spend the public's money effectively and efficiently, and so far, it has completely failed in doing that.
- While all of our transportation agencies struggle with this issue, the MTA offers some of the most egregious examples in the country of projects that have gone over-budget and beyond schedule.
- There is no sugar coating it – the MTA's track record of delivering projects on-time and on-budget is absolutely abysmal. It's project delivery program is completely broken.
- From how the MTA estimates the costs of projects, to how they design and procure projects, to their internal approval and change order processes – if you were to design any of these components from scratch, you would not design them in the way they are today.
- To give an example, a typical change order takes on average, nine months to be processed.

- During this time, the contractor is aware that the change order is coming, but they are still required to perform the work stipulated in their contract, only to have the change order processed, resulting in them having to rip up all of the work that they just performed!
- Who can blame the public for being unwilling to pay more when they see that their money being thrown into what seems like a black hole?
- Now, there is no single factor or a single person responsible for this mess, but there is absolutely no one who can defend the current system.
- The system that is in place today is the result of decades of bad and costly decisions.
- And everyone involved – from the MTA staff, the contractors, and the hardworking men and women that perform the work – is frustrated by the system that's in place today.

- In response to this, I was asked by Chairman Lhota to serve as the chair of a Board Working Group to reform the MTA's broken project delivery program.
- We realized early on that this can't just be about peeling back the onion, because there are far too many layers that need to be addressed.
- Instead of tinkering around the edges, we have begun to pull apart every stage of the capital project process.
- Some of our initial reforms we are exploring include:
 - Creating project CEOs to promote greater accountability
 - Encouraging the use of design-build and other delivery methods
 - Rewriting overly complex and unbalanced standard contract terms to eliminate provisions that drive up costs, discourage competition, and remove risk uncertainties;
 - More flexibility for off-the-shelf components to reduce customization;
 - Reducing bonding requirements to reduce costs; and
 - Streamlining the change order process and provide quick approvals.

- And lastly, if we are to make real, meaningful progress, we must have organized labor at the table.
- We have the most talented construction workforce in the world.
- However, the efficiency and skill of this workforce is overwhelmed by archaic work rules. For example, it takes ten workers to operate a tunnel boring machine in other countries, to operate this same machine here in New York City, it takes as many as 25 workers.
- No one is saying that the hard-working men and women who build and maintain our infrastructure should be paid poorly or that their safety should be sacrificed.
- But organized labor must be a part of the solution to ensure that the public's money is spent in the way that yields the maximum bang for the buck.
- In addition to the Subway Action Plan, Fix NYC, congestion pricing, and changes to the MTA project delivery system, Chairman Lhota has brought on the kind of

change-agents the MTA needs to transition to the 21st Century, such as Pat Foye, Janno Lieber, and Phil Eng.

- And, of course, they have also brought on a complete and total transit Rock star to lead New York City Transit, Andy Byford.
- A transit veteran whose work has taken him across three continents over nearly three decades, Andy most recently served as the CEO of the Toronto Transit Commission, before coming to lead New York City Transit.
- Andy just passed his first 100-days at the MTA and he has already made his mark.
- From implementing the Subway Action Plan to recently unveiling a Bus Action Plan, Andy is putting a plan in place to transform our New York City Subways and our bus system into the type of transit system that New Yorkers deserve.
- It is now my pleasure to introduce our first speaker of the day – the Transit Rock star – Andy Byford.