



THE COUNCIL
OF
THE CITY OF NEW YORK

Joe Lhota
Chairman, Metropolitan Transportation Authority
2 Broadway, MTA Headquarters
New York, NY 10004

October 25, 2017

Dear Chair Lhota,

We write to request the creation of an independent commission to study the MTA's capital construction costs and make recommendations for lowering costs and improving efficiency.

As the leadership of the MTA well recognizes, subway service is in a state of crisis. Delays and disruptions have become a routine part of New Yorkers' commutes and its impact on the city as a whole has been felt loud and clear.

The subways also face another interlocking crisis: The sky high cost of transit construction in New York City. By every available metric, the MTA has the highest capital costs in the world, spending several times more than other global cities for similar projects.

These high costs have had consequences for the ability of the New York City subway to keep up with the need to replace aging infrastructure and meet rising demand. Signal modernization has proven to be so expensive and challenging that the full system is not expected to be up to date until 2045. Elevator installation costs have ballooned such that a fully accessible system is not even on the horizon. The record-setting expense of recent extensions calls into question our ability to meet other high priority transit needs.

Critically, the trend in recent years has been in the wrong direction. The Hudson Yards-34th Street 7 Train extension was the most expensive subway project in history; that is, until Phase I of the 2nd Avenue Subway exceeded it just two years later. Without serious changes, budget estimates for Phase II of 2nd Avenue show the project will again break our own record.

In short, without addressing this crisis of runaway costs, it will be impossible to solve the immediate crisis of service—let alone make the expansions and modernizations New York will demand of its transit system in the 21st century.

We value the steps the MTA has taken toward addressing this issue. In your October 6 letter to Council Members Rodriguez and Rosenthal, you laid out a number of the internal organizational changes the MTA has made in recent months, and they are a step in the right direction. We

appreciate your commitment to tackling the MTA's cost issues and to learning from other cities around the world.

But given the extent of the crisis, more must be done. An independent commission would be an essential complement to internal efforts. In your letter, the MTA identified some potential drivers of runaway costs. This commission would have the mandate to explore those factors, identify more, and, crucially, to study other cities around the world and identify solutions. It would mean bringing in an invaluable outside perspective. It would signal that the MTA is truly committed to making the reforms necessary to meet the challenges ahead.

This is especially important as the MTA's request for additional revenue to meet the current crisis in service is considered. It is our view that whatever the resolution to the immediate budget need ends up being, it must be paired with the creation of an independent commission to study costs.

Simply put, we cannot ask riders, drivers, taxicab drivers, and taxpayers to continue to pay more unless they can be assured that their investment will be worthwhile. A transparent and independent evaluation is the best way to do so. We ask for your support.

Sincerely,



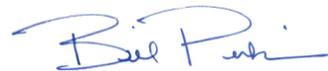
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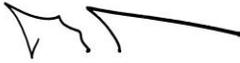
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