BEFORE THE NEW YORK STATE SENATE FINANCE
AND ASSEMBLY WAYS AND MEANS COMMITTEES

JOINT LEGISLATIVE HEARING
In the Matter of the
2023-2024 EXECUTIVE BUDGET
ON TRANSPORTATION

Hearing Room B
Legislative Office Building
Albany, New York

February 6, 2023
11:40 a.m.

PRESIDING:

Senator Liz Krueger
Chair, Senate Finance Committee

Assemblywoman Helene E. Weinstein
Chair, Assembly Ways & Means Committee

PRESENT:

Senator Thomas F. O'Mara
Senate Finance Committee (RM)

Assemblyman Edward P. Ra
Assembly Ways & Means Committee (RM)

Senator Timothy M. Kennedy
Chair, Senate Committee on Transportation

Assemblyman William B. Magnarelli
Chair, Assembly Committee on Transportation

Senator Leroy Comrie
Chair, Senate Committee on Corporations,
Authorities & Commissions

Assemblyman Kenneth Zebrowski
Chair, Assembly Committee on Corporations,
Authorities & Commissions

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PRESENT: (Continued)

Assemblyman Jonathan G. Jacobson

Senator George M. Borrello

Assemblyman Charles D. Fall

Assemblywoman Emily Gallagher

Senator Shelley B. Mayer

Assemblywoman Jessica González-Rojas

Senator Jessica Ramos

Assemblyman Steven Otis

Assemblywoman Jo Anne Simon

Senator Peter Oberacker

Assemblyman Robert C. Carroll

Senator John C. Liu

Assemblywoman Gina Sillitti

Assemblywoman Marcela Mitaynes

Senator Brad Hoylman-Sigal

Assemblywoman Taylor Darling

Senator Roxanne Persaud

Assemblywoman Rebecca A. Seawright

Senator Jeremy A. Cooney

Assemblywoman Patricia Fahy

Assemblyman Philip A. Palmesano

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PRESENT: (Continued)

Senator Kristen Gonzalez

Assemblyman John Lemondes

Assemblyman Erik M. Dilan

Assemblywoman MaryJane Shimsky

Senator Mario R. Mattera

Assemblywoman Karen McMahon

Assemblyman Robert Smullen

Senator Andrew Gounardes

Assemblywoman Jodi Giglio

Assemblyman Michael Durso

Assemblyman Matt Slater

Senator Michelle Hinchey

Assemblyman Brian Curran

Assemblyman John W. McGowan

Assemblyman Michael J. Norris

Senator James Skoufis

Assemblyman Zohran K. Mamdani

Assemblyman Brian D. Miller

Assemblyman Tony Simone

Assemblywoman Sarahana Shrestha

Assemblyman Kenny Burgos

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PRESENT: (Continued)

Senator Nathalia Fernandez

Assemblyman George Alvarez

Assemblyman Alex Bores

Assemblyman Brian Cunningham

Assemblyman Ron Kim

Assemblyman Manny De Los Santos

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CHAIRWOMAN WEINSTEIN: Good morning.

I am Helene Weinstein, chair of the New York State Assembly Ways and Means Committee and cochair of today's hearing.

And today we begin the first in a series of 13 hearings conducted by the joint fiscal committees of the Legislature regarding the Governor's proposed budget for fiscal year 2023-2024. The hearings are conducted pursuant to the New York State Constitution and the Legislative Law.

And today our committee will hear testimony concerning the Governor's budget proposal for transportation.

I'll now take a moment or two to introduce the members of the Assembly Majority who are here. After that, Senator Krueger will introduce her colleagues, and our respective rankers will introduce their colleagues.

So with us in the Assembly we have Mr. Zebrowski, chairman of the Corporations Committee; Mr. Magnarelli, chair of the Transportation Committee; a number of

colleagues of ours -- Assemblyman Dilan, Assemblyman Otis, Assemblywoman Shimsky, Assemblyman Carroll, Assemblywoman Mitaynes, Assemblywoman Shrestha, Assemblywoman Sillitti, Assemblywoman Simon, and Assemblyman Jacobson. There may be some others who will join us as the meeting progresses.

Senator Krueger, your colleagues, please?

CHAIRWOMAN KRUEGER: Good morning, everyone. It's an exciting morning, Day One of our marathon, the first time in-person in -- I guess two years we weren't in-person, so we're going to try to remember all of the rules of the road for these kinds of live hearings.

I am joined today -- I'm sorry, I'm Liz Krueger, I'm the chair of the Finance Committee in the Senate. I am joined by Tim Kennedy, our chair of our Transportation Committee; Leroy Comrie, our chair of our Corporations Committee; and various members of all three committees, including, so far,

Senator Gonzalez, Senator Gounardes, Senator Hinchey, Senator Hoylman-Sigal, Senator Liu, Senator Persaud, Senator Ramos, Senator -- I think -- did I miss any Democratic Senators? I think I got everyone who's here so far.

And I'm going to turn it over to the ranker on Finance to introduce his members.

SENATOR O'MARA: Thank you, Chairwoman.

I believe at this point we have Senator Oberacker with us from our side.

CHAIRWOMAN KRUEGER: Thank you.

CHAIRWOMAN WEINSTEIN: Assemblyman Ra, for your colleagues.

ASSEMBLYMAN RA: Thank you, Chair Weinstein.

Good morning, everybody. We are joined on our side by Assemblyman Lemondes, who is our ranker on the Corporations Committee; Assemblymembers Smullen, Giglio, Durso, Curran, Miller, Slater, and McGowan. And our ranker on Transportation, Mr. Norris, will be joining us a little later for the

Transportation commissioner.

Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

So now some ground rules. Just as a refresher from the last time we had our hearings, the time limits for witnesses will be governmental witnesses have 10 minutes to make their presentation; nongovernmental witnesses will have three minutes. In terms of time limits, questions and answers in terms of legislators, the chair of the committee relevant to each governmental witness will get 10 minutes and a second round of three minutes, if desired. Ranking members of these committees will get 5 minutes each. And all other members of the relevant committees will get 3 minutes each.

And I just remind witnesses both here now and those who are watching for a future hearing, that all written testimony has been submitted to the legislators in advance, so we ask witnesses to please not read your written testimony to us. Instead, please summarize.

And to legislators, please let myself, Senator Krueger or the respective rankers know if you wish to question each witness or panel of witnesses. After the opening remarks of each governmental witness or panel of governmental witnesses has been concluded and members indicate their desire to ask questions, the list will be closed.

Everyone -- legislators, witnesses -- just keep an eye on the time clocks. We have them here. And the clocks will count down. Just to remember, again, that the time for questions in terms of legislators is both for the question and for the answer.

And we're trying to not have our hearings run to midnight, as they have in the past when we've had these hearings. So we want to make sure we're able to ask questions and get answers without having to cut off any witnesses.

So with that, I'm delighted to call our first witness, Janno Lieber, Metropolitan Transportation Authority, and colleagues who are here with him. So please, the time is

yours.

I should just mention that you're the MTA chair and the CEO of MTA.

MTA CHAIR LIEBER: Thank you. Thank you.

CHAIRWOMAN WEINSTEIN: Perhaps you want to just introduce your colleagues.

MTA CHAIR LIEBER: Thank you, Madam Chair. Thank you for having us today.

I'm joined by MTA CFO Kevin Willens, by Deputy CFO Jai Patel. And you also may hear from Mr. McCarthy, our director of external affairs, and Mr. Schwartz, who runs intergovernment relations.

I'm thrilled to be with all of you again. We've worked together for some time. But I think you know what we're here to talk about today, which is the most pressing issue that we have in front of us, the incredibly challenging financial situation faced by the MTA.

We have been raising the alarm on this issue for over a year, so this is not news to anybody in this room. But the reality is

MTA, our agency, is facing a prospective $2 billion deficit in 2024. And that figure grows to $3 billion by the end of the current financial plan period, which takes us through 2026.

As I've said many times, we're in dire need of new funding, a new funding model, to preserve our vital transit system and the regional economy it makes possible. Thankfully, we have a Governor and a Legislature that recognize the importance of the MTA's financial situation. In her Executive Budget address last week, Governor Hochul proposed a bold but balanced plan to ensure the financial stability of the MTA, as she committed to doing in her State of the State address a few weeks ago.

The Governor's plan keeps the MTA and the New York metropolitan region, which accounts for 70 percent of our statewide economy -- keeps us moving forward with, as I said, a balanced plan that combines $400 million in savings from the MTA without cutting service, realigning some outdated

financial arrangements we have with the City of New York: Cost-sharing that has become outdated and burdensome to the MTA. An increase in the Payroll Mobility Tax, which will apply only to 5 percent of business. Only 5 percent of businesses will experience that, the largest businesses. A near-term one-time infusion of state General Funds to deal with this year's deficit, and longer-term security for the MTA financially in the form of a big stake in the casino -- the future casino revenues.

I want to acknowledge the members of the Legislature who have separately and together come up with a range of different ideas and proposals for the MTA in the last few months, and which have also raised awareness in their communities about the existential crisis facing the MTA, which is due directly to the persistence of remote work post-COVID. That's why we are here.

We recognize your commitment to frequent, safe, and reliable public transit, and we're going to work with you to get a

budget, a final budget, that addresses the situation that we're all so concerned about.

Listen. Everybody understands the vital importance of public transit to the New York metropolitan region. As I always say -- and I'm a bit of a broken record on this -- for New Yorkers, transit is like air and water. We need it to survive. And, lo and behold, COVID proved that exact point. Remember? Everybody insisted during COVID that the MTA keep running full service because we needed to get essential workers to hospitals, to pharmacies, to grocery stores, to distribution centers, so our economy could continue to function.

Even the brief late-night closure that we put in place during the height of COVID to facilitate cleaning, that was met with howls. And when the city's recovery got underway, everybody urged the MTA to provide full service to power the region's revival.

People coming into the city, it's not just about office workers, it's about the middle-income folks and lower-income folks

who depend on those service jobs that the office economy generates. And so mass transit is needed not just for people going to offices, but also to try to attract people back to theater, to shopping, to restaurants, to everything that makes it possible for New Yorkers to survive and thrive.

And today transit is as essential as it ever was. Here's the truth. This is -- you know, this is the absolute reality. In working- and middle-class communities, ridership is 70, 80, sometimes 90 percent. I met with the Speaker. His home station at the end of the line in the northern Bronx is like 90 percent of pre-COVID. Those New Yorkers are back to work five, six, sometimes seven days a week, and they can't afford a $50 Uber. They deserve the same frequent, reliable, safe service that they've come to depend on, even if more affluent New Yorkers, mostly in white-collar jobs, are not using mass transit as frequently.

It doesn't make sense that low-income folks should see service slashed because

others can work from home or dial it in from East Hampton or Aspen. So service has to be frequent, and it has to be safe. Again, this is an area we've gotten incredible support for from Governor Hochul and from Mayor Adams. Their Cops, Cameras and Care initiative announced back in late October really kicked in our multiyear effort on public safety, kicked it into overdrive. The NYPD surged their numbers into the subways with 1200 more officers on platforms and on trains.

I -- when I see folks, and it's a lot, I thank them. Because what I say to them is -- you know, and it's not always an exciting job to stand on a subway platform and to patrol up and down a subway mezzanine. And I say to them "Thank you." Because crime numbers are down double digits since October, and our riders are telling us that they're thrilled. The riders are saying that they feel much safer. This is the surveys that we do -- we do a ton of it -- show riders are feeling significantly safer month after

month, and they're letting us know -- for the first time, more than 40 percent of them think that there's the right number of cops in the system. Actually, a lot of them want more. So it is a huge improvement both to the facts of public safety and to the appearance as well.

When compared to the same span of three months -- since, you know, November, December and January -- we're currently at the second-lowest overall crime level since 1995. And for the month of January, crime was down 30 percent versus last year, reversing what had been a disturbing trend. Thirty percent down, a big turnaround.

As I said, customers are feeling the difference. We want our customers to keep coming back, so we're doing everything we can to make transit easy, safe, convenient. Fare promotions. Finishing major capital projects. We have never, never, never done anything like the pace of accessibility improvements. We've got 70 separate ADA projects either in contract or in

construction or, you know, 20 of them have been completed since the onset of COVID. Never before at that pace.

But I have to say, again, everything is a risk if we don't achieve fiscal stability. The MTA is ready to work with all stakeholders -- Albany, all of you, Washington, City Hall, advocates, budgeteers, comptrollers, and more. Tom DiNapoli has been very explicit on the need to solve this problem and the urgency of solving this problem. And we're ready to do our part with, as I said, plans for cutting 400 million from the MTA's operating budget without cutting service.

There's a series of strategic moves that we've undertaken. We've been at this, planning this, since the beginning of the year. It's not a latter-day activity. Previous MTA fiscal crises have been solved in large part by service cuts. It has to be different this time. We have to rethink the way mass transit is funded. Pre-pandemic, the MTA was achieving farebox recovery

ratios -- that's the portion of our operating budget that's funded by revenues from rider fares -- we were over 50 percent while other transit systems nationwide were in the 25 to 35 percent range. We cannot continue to rely solely on the farebox as the principal driver of the MTA's operating budget.

Now, we have made significant progress in recent years. We have -- as I said, we have the on-time performance in January -- it's the highest in 10 years. Metro-North, the two commuter railroads, out of sight: 97 and 96 percent. We're delivering the major projects you've all heard about: Third Track, on time, $100 million under budget. We dragged that Grand Central Madison project over the finish line. I inherited this five years ago, it was a mess. We tore it apart, put it back together again, and we got it done.

We've -- as I said, expanding subway accessibility faster than ever. We're redesigning the bus system. Anybody have the guts to redesign the bus system in New York,

kind of a high-profile, controversial issue? We're doing it. Be it -- it's the first time in 100 years that anyone's really looked at where people are trying to get and where -- you know, what are their natural origin destinations and how do you redesign the system so you can maximize the speed of bus travel. We're taking on the hard issues.

And most important -- well, I talked about on-time performance. But the bottom line is if we can't balance the budget, we can kiss those gains goodbye. In that case, the decision-making would revert to the MTA Board, which is statutorily obligated to balance the budget and has only three tools: Layoffs, service cuts, and massive fare hikes. The fourth doomsday lever we don't want to pull is shifting funds from the $55 billion historic capital plan.

Remember 2017, the "Summer of Hell." That came after the fiscal crisis in the late aughts and early 2010s when there was dramatic cuts in basic state-of-good-repair capital work. I'm not going to do that. As

the agency's CEO and chair, I'm determined, with your help, to keep moving forward, to keep service improving, to keep safety improving, to keep getting accessibility and all the other projects that we're delivering for New Yorkers.

Thank you, Madam Chair.

CHAIRWOMAN WEINSTEIN: Thank you.

Before we go to questions, just a number of members have joined us. I'd like to acknowledge Assemblymembers Gallagher, Seawright, Simone, Fall, Mamdani and Alvarez. I believe I've gotten all of the new Assemblymembers. And now --

CHAIRWOMAN KRUEGER: Just quickly -- I'm sorry -- are any new Senators here? Raise your hand in case I didn't call on you before.

Oh, hello, Senator Mayer. Do you want to come sit back here?

CHAIRWOMAN WEINSTEIN: And Assemblyman Palmesano also has joined us.

And now for our first questioner, chair of our Corporations Committee,

Assemblyman Zebrowski.

ASSEMBLYMAN ZEBROWSKI: Good morning.

MTA CHAIR LIEBER: Good morning.

ASSEMBLYMAN ZEBROWSKI: I appreciate you being here and appreciate the conversations we've already had, and certainly 10 minutes today won't suffice for them. Certainly in my capacity as chair I pledge to work with you.

And I won't get through 10 minutes of questions, but we will follow this up after this hearing. So thanks for the presentation today.

I guess I'll start off with the planned fare increases and toll hikes. You know, it was 5.5 percent, so higher than I think the every other year projected 4 percent. So now that we know what the Governor is proposing in revenue-raisers, do you think that those estimates would remain at 5.5 percent? Do you think there's room to reduce those? What's the -- what is the current thinking of the agency after seeing the budget presentation?

MTA CHAIR LIEBER: Thank you for the questions. Affordability is one of our principal goals. I've talked about it again and again. We are -- nothing in New York is cheap, but one thing that makes New York more affordable, the region, is transit. Ten thousand dollars a year, on average, to own a car, 1500 to ride the subway, 2000 to 2500 if you're a commuter rail passenger.

So it contributes to affordability, and we want to keep it that way. We're much cheaper than London and all the major cities in Europe. And the 5 percent fare increase proposal that you see included in the Governor's budget plan, it would, in combination with the other elements -- and you know it's a balanced plan, we keep talking about that -- would allow us to achieve fiscal stability.

That -- basically what you're doing is restoring the very gradual fare increase that we skipped. We haven't increased the fare since 2019. We haven't increased the base fare since 2015. So the 5.5 percent would

allow us to catch up with those 2 percent per year increases we had for about 10 years, which were abandoned -- for understandable reasons -- during COVID.

ASSEMBLYMAN ZEBROWSKI: So I know that you've projected what may have to happen, depending upon what does or does not eventually get passed in the State Budget. But sort of broadly, and you talked about them a little bit in your testimony, if nothing was passed in the State Budget to give us a broad sense of what we'd have to do -- you talked maybe having to take from the capital plan, service reductions and those types of things. Without, you know, giving the full doomsday scenario, what would have to happen?

MTA CHAIR LIEBER: Listen, we're -- I'm not in the doomsday business, because this is exactly why we cannot even contemplate it. You're talking about massive fare increases. I think the Comptroller's folks estimated that to get at the size of the deficit we're talking about something

between, you know, 75 cents and a dollar on the base fare. You'd have dramatic service cuts. At one point we had to plan for a 40-plus percent service cut during COVID because we didn't know whether the federal government was going to come through. It might be something of that scale.

So people would be waiting for commuter rail trains, they'd -- you know, that now are, say, 20 minutes apart, for probably maybe as much as double that time. Similar kinds of increases in waits and delays on the subway. And we would be accelerating -- you know, it's a downward spiral. Because when you provide poor service, people ain't going to come, and then the financial hole gets deeper.

So it's a pretty scary situation. We can run all the different versions you want, but they're all ugly, ugly, ugly, and killers for the regional economy. If nobody comes back to the city, if people don't go to their jobs, honestly, in the suburbs, which are getting reverse commuting -- remember, so

many of those jobs in the suburbs depend on people coming out, whether it's Metro-North from the Bronx or now, for the first time, Long Island Rail Road is going to operate reverse commuting. So this is our future, and we'd be throwing it away.

ASSEMBLYMAN ZEBROWSKI: So I know that ridership has bounced back in certain areas, certain stops better than others. It certainly remains below pre-pandemic levels. Have you been able to align service to deal with these ridership levels? When you talk about the 400 million in efficiencies, is that part of it, looking at the new ridership levels and you're trying to project out into the future?

MTA CHAIR LIEBER: I think the consensus is that there's a tipping point where you start to cut service and you're losing riders. So as I said, it's a downward spiral financially, as well as in terms of the benefits to the regional economy.

So we've not really taken -- we've been trying to maintain service in support of

people coming back to work, getting back to their normal lives, getting back to going to medical appointments, to school, all those things that the regional economy does. We have not dramatically cut service. We have made -- you know, we've tinkered at the margins in a very small way, but it's really a -- I think a service pattern consistent in most ways with our pre-COVID levels.

ASSEMBLYMAN ZEBROWSKI: So suffice it to say that the service will remain the same projecting a return of the ridership.

MTA CHAIR LIEBER: Very much so. And in fact, let's just be honest, the Long Island Rail Road is on the verge of experiencing a massive increase in service due to the completion of those major projects. East Side Access and now Grand Central Madison and Third Track have enabled us to increase it by 40 percent. Forty percent more Long Island Rail Road service, a lot of that reverse commuting. So those Long Island businesses can get -- can recruit from a huge, much larger regional footprint than

was possible in the past.

That is a significant uptick in service and in cost. But you can't just mothball those projects and throw them away; that costs money too.

ASSEMBLYMAN ZEBROWSKI: Speaking of projects, what level of capital plan commitments do you anticipate for this fiscal year in 2023, and have you had to make any changes, you know, post-pandemic, looking at changes to that capital plan?

MTA CHAIR LIEBER: Thank you for the question. We've -- you know, it's a $55 billion capital plan. And last year, which was the first normal year in terms of the availability of funds and our ability to actually award contracts and do these complex procurements, we did $11 billion, which is about -- if you push it out over a five-year period, would be consistent with the size of the capital plan.

We think we're going to do even more this year and next year, the final two years of the capital plan. So we lost some time to

COVID, we lost a year and a half to two years to COVID when we didn't know if we were going to have to use capital money just to keep the lights on. But I'd say we are on track. And I'm excited because we are moving forward at the pace that was originally intended.

ASSEMBLYMAN ZEBROWSKI: Let's turn to the Penn Station redesign. Can you give us a status of MTA's role and also a status of the project to expand it south and add additional track capacity?

MTA CHAIR LIEBER: Okay. So -- and let me be a little parochial with you. One thing that -- when people talk about Penn Station, they know the reason I'm passionate and the Governor's passionate about fixing existing Penn is that's where the New Yorkers go. The Gateway project, incredibly important. But it's principally going to be used by New Jersey Transit and Amtrak customers. What the Governor said was, Let's fix existing Penn, where the Long Island railroad customers go and the subway passengers go now. Let's do that as soon as

possible. It's especially important because we will have Metro-North customers. Thanks to that Penn Access project in the Bronx, Metro-North customers will start coming in in just a few short years. So we've got to get it going. That is her priority.

But I will say this to you about the West of Hudson folks. Two things I've been fighting for as this whole Penn Station/ Gateway project unfolds: One, make sure they keep slots for what we hope will be direct service from Rockland and Orange through the Pascack Valley Line and the Port Jervis Line. You know, it's in the future, but we've got to make sure that they keep room for those trains. And two, that we are making room for the Hudson Line trains which should be able to come straight down the West Side instead of having to go detour and come down the middle of the East Side.

So those are two things that I know that you and I are passionate about that have been very front of mind as we push to have a very -- you know, Gateway/Penn Station

project that benefits New York as much as our partners in New Jersey and Amtrak.

ASSEMBLYMAN ZEBROWSKI: I appreciate that, and you and I have had conversations. And certainly for West of Hudson commuters, which are in the MTA district, ensuring that there's that capacity and that we continue to move down the road towards a fully understood project with Gateway and the additional tracks is important to those.

MTA CHAIR LIEBER: If I might just add, you and I have talked about it and I just don't want it to be missed. We need to do some things to make sure that West of Hudson folks can get to the very substantial and timely service on the East Side of Hudson; basically, the Hudson Line. And you and I have agreed that that's something we should work on.

ASSEMBLYMAN ZEBROWSKI: Yeah. I appreciate that. I only got about a minute left, but that was where I was going to go.

Do you believe that there's additional things that we could do to get folks from

that side of the river over to access Metro-North, you know, use mass transit more? Certainly as we try to make it more accessible and available and as, you know, things like congestion pricing go in, we need to give those commuters a better ability to get there.

MTA CHAIR LIEBER: You're absolutely right. I don't want to put it all on like waiting for the Bergen Loop to happen or, you know, the Penn Station expansion to happen. Let's make it possible for people to go to Tarrytown or some of the other stations on the east of Hudson side, make sure they can get parking if they need that, if they take a bus, if they take a ferry, that it's easy and fast and reliable. I think it's something we ought to prioritize in the near term.

ASSEMBLYMAN ZEBROWSKI: Thank you so much for that. Appreciate that.

Thank you, Madam Chair.

CHAIRWOMAN WEINSTEIN: Thank you.

Now to the Senate.

CHAIRWOMAN KRUEGER: Thank you. Our

first questioner will be our chair of Corporations and Authorities, Leroy Comrie.

SENATOR COMRIE: Good morning, Chair Lieber. Good morning. Thank you, Chair Krueger and everyone else.

Good morning, Chair Lieber. Let me start right away. Let's talk about West of Hudson. What exactly is being done to ensure that the capital project for West of Hudson -- what's the updated status of the capital project for the new {inaudible} facilities that's supposed to be happening?

MTA CHAIR LIEBER: The new what facilities?

SENATOR COMRIE: The new -- the expansion of the repair and shed facilities, I believe it was, that were ...

MTA CHAIR LIEBER: The issue is, as I understand it, is we have to work with New Jersey -- New Jersey Transit operates that service, so there are two things that we're talking about, passing sidings so that we could actually have more service --

SENATOR COMRIE: Am I the only one

having problems hearing, or -- maybe.

MTA CHAIR LIEBER: Should I speak more into the mic? Is that better?

SENATOR COMRIE: Yeah, that's better.

MTA CHAIR LIEBER: Okay. So we're working with NJT. You know, there's 100 million in the current capital plan for passing sidings. And we're also having discussion about if there's a possibility of having a mid-point yard that could allow us to have more capacity, especially during the peak.

So those conversations, which are with NJT, are unfolding. You know, they run the service, they get to decide what type of equipment goes on the system, and those are issues that we are pushing forward with NJT. I'm happy to get more data for you on the specifics of that.

SENATOR COMRIE: Okay. I have a bill, Senate Bill 2872, which would exempt the MTA from bond issuance charges. This legislation would waive the bond issuance charge for the MTA with respect to bonds, notes and other

obligations, the intent being to reduce the cost of doing business for the MTA and to reinvest the savings into improving service and enabling the reduction of the need for future fare increases.

As of 2019, the MTA carried approximately 48.3 billion in outstanding debt. What is the current amount of debt? And how would the bond issuance exemption save -- how much would the bond issuance exception save the authority annually?

MTA CFO WILLENS: Thank you. The bond issuance charge --

SENATOR COMRIE: Can you identify yourself for the record, please?

MTA CFO WILLENS: Sure. It's Kevin Willens, the CFO.

SENATOR COMRIE: Thank you.

MTA CFO WILLENS: So the bond issuance charge is a charge that is put on new bond issues, not existing debt. So the -- not having to pay that issuance charge to the state would allow us to, for every capital dollar we raised, to have less debt service,

because we also wouldn't have to be issuing debt to pay for that expense.

That charge does get waived in many instances by the budget director, but it makes a lot of sense for the MTA, which is doing projects on behalf of the state and the city, not to -- not to pay that issuance charge. It would make our capital program cheaper by that amount.

MTA CHAIR LIEBER: And I just would add -- thank you, Kevin -- right now the debt restructuring that Kevin has set in motion as part of the effort to balance the MTA's operating budget has brought the level of -- the impact of debt service, our borrowing costs on the operating budget, down to its lowest level in quite some time.

Kevin, would you explain that, please?

SENATOR COMRIE: And how would that debt restructuring be detailed, so -- because you -- that was my next question. How are you getting to this 400 million in savings without service cuts?

MTA CFO WILLENS: To first answer the

question on the debt, we are -- you know, if this package goes through -- and part of what we're doing is using the resources that we have that were enabled from, you know, part of the COVID relief, we're using it to bring down our debt service costs down to no more than 15 percent of our total budget. Which is down considerably from where it's been over the last few years. It has been growing.

So part of the -- part of the package is by -- by keeping the debt costs down and not having to have those consumed -- or not having farebox revenue and other taxes consumed by debt service makes us -- well, it makes it easier for us to balance the budget.

So that's part of the strategy of how we shrunk what was a $2.6 billion deficit down to the billion, billion-two that this package then addresses.

MTA CHAIR LIEBER: And you asked the right question, Senator, which is the debt restructuring, that's before the MTA does -- finds $400 million in efficiencies. So

Kevin's organized that debt restructuring that brought our borrowing costs down. But in addition to that, the MTA is going to cut $400 million from our budget a couple of different ways.

We're using technology to be more efficient in when we bring in equipment for service. Right now we just kind of wait for the check-engine light to go on, or check things on a routine annual or semiannual or two-year basis. Now we're going to use data about when systems and buses and railcars actually wear out or fail, to more efficiently do those kinds of checks and inspections and maintenance cycles. That's one thing.

And the other is trying to bring back availability. We lost 10 days -- we had an average worker -- average worker at the MTA, and there are 60,000 of them, showed up for 205 days before COVID. We're down to 195 days a year. And a lot of that is people out on sick leave or worker's comp or other things that are keeping them from coming

back.

And we're going to -- there's a variety of different strategies that are being set in motion to try to help them get the right medical and other support so they can come back to work earlier. Because 10 days, that's worth close to $200 million a year to the budget.

SENATOR COMRIE: Okay. But -- so can you talk about how you're going to get to the other 400 million in efficiencies? And also addressing the two articles that came out about 400 million in waste that the MTA does every year. And can you address how you're going to balance that? Because you talked about maintenance, but how about in personnel and administrative inefficiencies? Can you gives us any idea on how you're going to reduce those?

MTA CHAIR LIEBER: Yeah. Those things are a slightly -- a little overlapping. I just talked about how we're using data and technology to identify inefficiencies. Those are in some cases areas that I think were

talked about -- for example, maintenance of equipment or maintenance of facilities. Those were talked about in that series of New York Post articles I think you're referring to. So we are attacking that.

But what the article made clear is that there are some areas where inefficiencies may be partly the result of, you know, antiquated collective bargaining arrangements, work rules that, you know, came from another era. So we're going to raise those in discussion with our labor partners, but we can't just overturn them overnight if it's a collective-bargaining-based work rule.

But outside of collective bargaining, we are looking for efficiencies, as I said, through availability and through technology and data analysis of our maintenance and operations patterns.

SENATOR COMRIE: Okay. So just to -- and how are these -- the issue of getting public confidence back into ridership, and in maintenance of the system and also the cleanliness of the system. Can you give us

an update on your level of cleanliness in the system so that people can feel safe, in the ridership, in taking the trains during the day?

MTA CHAIR LIEBER: Yeah. Well, I think ridership confidence, our evidence is it has moved in a very positive direction because of on-time performance: Subways, best in 10 years. Commuter rail, best ever, except for the very height of COVID when no one was riding.

So performance and reliability, very high. Safety, up, up, up, resulting in dramatic improvements to rider confidence in -- that we test in constant surveys.

Cleanliness. Good point. We have transitioned away from -- during COVID, because of the -- what we understood, rightly or wrongly, about transmittal, there was a whole COVID cleaning program that was staffed mostly by outside contractors. That has been ditched, and we are hiring up all the cleaners. And they're being held to, you know, obviously an appropriate standard of

cleaning. So we think we're moving towards a good cleaning regimen. The cars are still --

SENATOR COMRIE: I've got 45 seconds left, and I have two questions, so --

MTA CHAIR LIEBER: Sure, sure.

SENATOR COMRIE: Two quick questions.

There's been a proposal sent by some of my colleagues to try to eliminate bus costs altogether. Have you assessed that, and have you come up with a response to it?

And also, with the fact that the New Jersey governor and other New Jersey elected officials are hell bent against congestion pricing, do you have an alternative plan? Or what is your plan to address that issue?

MTA CHAIR LIEBER: Well, the -- first of all, congestion pricing was adopted by the Legislature of the State of New York in 2019. It's the law of the state.

I'm the implementer, so I get to receive the comments and disapproval from some people, but also positive feedback from a lot of others. We had people actually

rallying on the New Jersey side of the George Washington Bridge in support of congestion pricing. So, you know, not to -- I don't think you should be misapprehended that everybody in New Jersey thinks it's great to pump more cars --

SENATOR COMRIE: I didn't say everybody, I said the governor.

MTA CHAIR LIEBER: Yeah, okay. All right.

SENATOR COMRIE: And the bus question, of free --

MTA CHAIR LIEBER: Listen, I love -- affordability, as I said before, is a huge priority for us. I don't know if I'm ready to do an experiment of that scale with -- on New York. People haven't really, you know, thought about unintended consequences.

CHAIRWOMAN KRUEGER: I'm sorry, I have to be rude and be mean and cut you off.

MTA CHAIR LIEBER: I would prefer targeted affordability, Fair Fares Program and otherwise, targeting affordability to people who need the bus.

CHAIRWOMAN WEINSTEIN: Time.

CHAIRWOMAN KRUEGER: Time. Thank you.

Sorry, Leroy.

I want to just introduce Senator Fernandez, who joined us, and also Senator Mattera, who joined us.

Assembly.

CHAIRWOMAN WEINSTEIN: We've been joined by Assemblywoman Darling, Assemblyman Kim, Assemblywoman Jessica Gonzalez-Rojas, Assemblyman Cunningham, Assemblyman McGowan, and Assemblyman Bores. Now --

CHAIRWOMAN KRUEGER: And Senator Skoufis. Sorry.

CHAIRWOMAN WEINSTEIN: No problem.

Next we go to the ranker on Corporations, Assemblyman Lemondes.

ASSEMBLYMAN LEMONDES: Thank you very much. I really appreciate it.

And Chairman, thank you for your testimony.

My question goes to safety. I want to peel the onion back on that a little further, because I'm a firm believer that if we're not

safe, we don't have anything.

So are you declaring that the system is safe, safer than it's ever been, and that there's no further safety improvements that need to be acted upon, enhanced, or brought into existence?

MTA CHAIR LIEBER: No. No to all those questions. I'm telling you the system -- that we've made tremendous progress on safety in just three short months. We've reversed, you know, a trend that was concerning. And we are now -- the feedback we're getting from our customers is that they are much happier with the safety situation on the subway, so I am thrilled about that. But we're going to keep going. We're not going to take our foot off the gas.

ASSEMBLYMAN LEMONDES: That's good to hear, and I appreciate that.

Is it possible that the number of crimes could be leading to metrics that aren't telling the whole story if the police can't arrest and apprehend people for crimes that they used to be able to? Is it possible

that the metrics are skewed?

MTA CHAIR LIEBER: I would shy away from hypotheticals. Here's what I can tell you, is every day I see all of the crimes that are committed. And they're reported not exclusively by the police, they're reported by our transit personnel. So the idea that somehow, you know, there are law enforcement officials who are closing their eyes or turning their heads doesn't -- that doesn't stand up to how data is collected.

Yesterday there was one crime, one felony crime in the New York City Transit system.

ASSEMBLYMAN LEMONDES: Perfect. Thank you very much. I appreciate your testimony.

CHAIRWOMAN WEINSTEIN: To the Senate.

CHAIRWOMAN KRUEGER: Thank you.

Our next questioner is Senator Tim Kennedy, the chair of Transportation.

SENATOR KENNEDY: Good morning, Chairman.

First of all, thank you to the chairs of Finance for their leadership here today.

Chairman Lieber and your team, thank you for your continued leadership.

I want to just follow up on some of the questions that have already been asked about the budget and balancing the budget. I want to flip around the question from Assemblyman Zebrowski where he asked about the funding, if it were not to be contained within this budget, what that would do to the fare increase.

What I'd like to know is, number one, if in fact everything is included that has been proposed in this budget, when will we be able to see a fully balanced MTA budget in the outyears? And secondly, what sort of funding would be necessary to prevent a fare increase of any kind?

MTA CHAIR LIEBER: Okay. So, number one, the Governor's budget plan balances the budget starting in our calendar fiscal 2023. MTA is on a calendar fiscal year. So it balances the budget for this year, the current one that we're already in. It also balances it for the remaining years of our

financial plan, which is until 2026.

But it goes further, because it thinks out to 2028-2029 and uses the potential casino revenues to give security to the MTA's budget even in that time frame.

SENATOR KENNEDY: And as far as a fare increase goes?

MTA CHAIR LIEBER: Listen, you know, I think it was Comptroller DiNapoli who took a look at what scale of fare increase would be required to balance the budget, in combination with service cuts, and I think he said it was between 75 cents and a dollar to the base fare. I mean, we're talking about an unheard-of, massive fare increase.

So, you know, the Governor's proposal is let's resume these small incremental fare increases, which were a very successful feature of our financial recovery from the 2008-2010 financial crisis. That's what you see reflected in her proposal.

SENATOR KENNEDY: No, understood. But for those who are opposed to any fare increase of any kind, in order to fill that

gap, what would be the amount of funding you would need to fill that gap?

MTA CHAIR LIEBER: It's about $350 million a year.

SENATOR KENNEDY: Another $350 million on a yearly basis.

MTA CHAIR LIEBER: Annual basis. It would go up a little bit, but in the current year, in 2024, it would be 350.

SENATOR KENNEDY: Okay. And just diving a little bit deeper into these numbers regarding the budget that we are faced with here, and the decisions that we are faced with, in the additional money that's been proposed, what impact would that have on service times? Would there be an improvement in service times? Would it be status quo? There's a lot of conversations about increasing the efficiencies.

MTA CHAIR LIEBER: You know, I'm always thrilled to say I will never -- I'm the chair of the MTA. I'm never going to argue against more service.

The Governor's proposal supports the

existing level of service on buses and subways and commuter rails, which I think is pretty solid. The performance says it's solid, and the Long Island Rail Road is getting a hell of a lot more, they're getting 40 percent more service in that plan because of those big megaprojects. So that's what the plan is.

SENATOR KENNEDY: There's discussion publicly about six-minute service throughout all the subsidiary elements of the MTA. What sort of funding would be necessary to make that happen?

MTA CHAIR LIEBER: Listen, I mean, again, I'm always in support of more service. I'm not certain that six-minute service could be achieved at the price points that some people have been talking about, because it requires -- as a practical matter, six-minute -- right now we have 77 percent six-minute service in the peak on subways. I mean, we're talking about most of our riders, when they're going to and from work or traveling in the morning to school, to work

or whatever, are getting six-minute service.

But when people talk about six-minute service, they're sometimes forgetting we would require -- we wouldn't be able to do work if we take away the middle of the night. We would need a ton more subway cars, and more buses as well. And frankly, more buses aren't the answer for better service. Because the problem with buses is not the frequency, it's that you can't move a bus because of congestion in New York and because of -- the bus lanes are blocked. Those are the issues.

So better service on buses is very achievable with enforcement cameras and bus lanes and more attention to the things that block buses. And six-minute service is hard to accomplish at the price points that have been talked about.

SENATOR KENNEDY: Thank you.

MTA CHAIR LIEBER: I'm talking about 24-hour-a-day six-minute service, which sometimes people talk about.

SENATOR KENNEDY: Thank you.

You know, a major priority of our conference has been focusing on accessibility at the various stops throughout the MTA, as well as the service provided in general. There's a $500 million cost associated for the City of New York for paratransit services as part of the overall plan.

Can you talk about that? And has New York City agreed to take on that $500 million cost at this moment?

MTA CHAIR LIEBER: Listen, when the ADA was passed, a lot of things happened. One is the MTA was given responsibility for paratransit, as the city handed over the then-bankrupt subway system to the MTA. Now, we've all -- this is a partnership arrangement; everybody has contributed.

But we are spending literally billions on subway accessibility. We have so many more stations under construction actually being delivered than ever before. We had more stations delivered during COVID -- elevators accessible for people with disabilities and family with strollers and

seniors, it's a great thing -- more during COVID than had been done in the seven years before. We now have, as I said, close to a hundred stations. So our investment in accessibility, off the charts.

On the flip side, paratransit is an operation that we have made much, much better, but it is about half-funded by the MTA. It's principally a system that now uses for-hire vehicles. So it's black cars -- not Ubers, but black cars in the neighborhoods and so on. That's an industry that's regulated by the city.

This is an area of specialized transportation that really is a city -- and in both Westchester and Long Island, this is a service that is funded by the county, by the localities. So we're saying of all the things that we share -- the Governor has proposed to give the city a lot of money in other ways -- this is one where we think the city ought to be paying the whole tab rather than just half. That's the proposal.

SENATOR KENNEDY: Thank you.

MTA CHAIR LIEBER: The five -- yeah, the 500 million you're talking about includes not just the paratransit but also the bus passes and some other elements as well --

SENATOR KENNEDY: That's funding the city would assume.

MTA CHAIR LIEBER: Yes, sir.

SENATOR KENNEDY: Okay. And have they agreed to that assumption?

MTA CHAIR LIEBER: No. As of this morning, even, the Mayor went on TV and expressed disagreement. That's okay, because this -- you know, he was thrilled, I know, with the Governor's proposal, broadly speaking, and a discussion has to unfold. The partnership between the Mayor and the Governor is fantastic, unprecedented, as evidenced by the success of the subway safety initiative. So it will get -- I hope and expect it will get worked out. It's still on the table.

SENATOR KENNEDY: Yeah. And if not, we have a $500 million gap to fill.

MTA CHAIR LIEBER: Yes, sir.

SENATOR KENNEDY: Okay. So let me talk -- because you mentioned safety on the subways and throughout the service area of the MTA. I want to commend you and the MTA for making safety a priority. I'm pleased to hear that the trend is positive, moving in a positive direction.

There's $150 million fund proposed in the budget for MTA safety personnel. Can you talk about what that funding is for specifically? And will it be used in the subways and commuter lines as well?

MTA CHAIR LIEBER: So the safety profile on the commuter lines is very strong. We have a new police chief who's been doing a heck of a good job. We have put a ton -- redeployed a lot of the officers on the commuter rails onto the trains. So again, there are very, very, very few crimes on the trains in the commuter rail system. But in addition to that, we want people to see the cops. And it also helps to defray some of these like tensions that break out between conductors and so on, sometimes over fare

issues.

We're -- you know, what we are proposing to do with that amount of money you see is technology. We've got to get on top of the issue of people getting on the tracks. It's not just a human tragedy, but it's also delaying service. We have great service, but one of the sources of delay is people getting on the tracks -- it actually happened today on the Metro-North -- and harming themselves or otherwise.

So that would allow us to more quickly deploy camera technology to see people at a great distance, to do more intrusion detection technology. We also want to put an unarmed -- more unarmed personnel -- you know, some are a revenue enforcement function, but also just generally a law enforcement function -- on the buses.

The buses, you know, have historically not had issues, but they have had some recently. And we're seeing more the kind of disorder that sometimes you see on the subway system break out on buses. We would like to

have more of our so-called Eagle Teams, unarmed but uniformed folks, on the buses, and that's what that would pay for, in addition to the technology.

SENATOR KENNEDY: Thank you. I'll have more questions in the second round. Thank you.

MTA CHAIR LIEBER: Thank you.

CHAIRWOMAN KRUEGER: Assembly.

CHAIRWOMAN WEINSTEIN: We go to Assemblywoman Simon for three minutes.

ASSEMBLYWOMAN SIMON: Good morning. I had to move. Thank you.

So let me just say thank you very much for your testimony and for the progress the MTA has made. I am one of those people who took the subway all the time through the pandemic, and I find the subways overwhelmingly safe. And safer when more people use them, so we want to encourage that.

So I have a couple of questions for you, two basic questions. One is you've spoken on a number of occasions -- you talked

about it today -- about how the MTA is like a public good. And, you know, like fire or firefighting or trash pickup. So how is it that your proposal going forward retains a fare hike? That's one question.

And then the other, sort of a little more locally, I know you're familiar with my district, which has had dramatic population growth and usage in certain stations. Two cases in point, York Street, which is really dangerous, very expensive, and Smith and Ninth, which is the tallest in the system and has no elevator because the MTA wouldn't do that a few years ago.

So what can you do to help us advance additional funding through the Bipartisan Infrastructure Act to get those stations in particular? Because once upon a time nobody lived there; now tons of people live there.

Thank you.

MTA CHAIR LIEBER: I know both those stations really well. And, listen, the whole prioritization of which stations get the ADA elevators is a decision we make in tandem

with the disability community and with data.

So rather than just responding to you -- because I don't know where Smith and ninth falls on that schedule, let me just -- let's just -- let's get back to you and, you know, make sure that at least it's made clear.

The York Street thing is a pain in the neck. You have a station that unfortunately -- and you're absolutely right, there's a lot of ridership and businesses have developed down there. It's not just people living in DUMBO, it's businesses. But the structure of the station is connected to that cast-iron tube, which is the tube that goes under the river. And for that reason, it is especially somewhat dangerous and complicated to talk about penetrating and doing major construction on that cast-iron tube. That is what made the cost, when they looked at it a couple of years ago, so high. It was in the hundreds of millions of dollars, I think, just to start to open a new entrance and get elevators in and so on.

So that -- again, happy to get into it more, but that is a, you know, one of those headaches from having a really old system that we have inherited. And at this point it looks like, you know, a nine-figure number.

ASSEMBLYWOMAN SIMON: Yeah, I'm familiar with that. The problem is of course it is money, and there's only one entrance and exit, which is what makes it dangerous.

But also if you could talk about the fare hike and how that is consistent with your --

MTA CHAIR LIEBER: Listen, again, I'm prioritizing affordability and equity. We think keeping -- returning to these moderate fare hikes that existed before, at 2 percent a year on average -- that's all we're doing, is restoring that -- is consistent with the commitment to affordability and, like, not burdening riders with a huge -- you know, we're down to 35 percent farebox recovery from 55.

We're trying to keep some balance between all of the stakeholders contributing

to this. It seemed like a reasonable level, but you guys get to decide in the end.

ASSEMBLYWOMAN SIMON: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

To the Senate.

CHAIRWOMAN KRUEGER: Thank you.

Our next questioner will be Senator Mattera, who is the ranker on the Corporations and Authorities. Five minutes for the Senator. Thank you.

SENATOR MATTERA: I know, it says Senator Tom O'Mara, but you know what, he's the better half.

(Laughter.)

SENATOR MATTERA: (Mic off.) I thank so much the MTA. It means a lot to me, especially my district is Old Smithtown and Old Huntington -- of course, you know, from Huntington to Port Jefferson, we all know, we have those old diesel --

MTA CHAIR LIEBER: Really?

(Laughter.)

SENATOR MATTERA: So my question is, what is the feasibility that this is going to

happen any time soon? Do we have like any kind of time frame? Very excited about the Lawrence Aviation site and like that. You know, it seems like everybody is excited about, you know, electrification of our train system. So can you give me a little bit of {inaudible} on that?

MTA CHAIR LIEBER: Sure. So number one is the folks who live in your region -- I don't know your district exactly, but in that region generally, are getting dramatic upticks of service, 50 percent more service coming to Huntington, Long Island. Forty percent more service coming to Ronkonkoma. A lot of folks are choosing between those two branches. Whichever one they choose, they're going to have dramatically more service.

You're right that four stations beyond Huntington to PJ are diesel territory. We studied -- a couple of years ago we did a full-on study of that and what's required in terms of a second track, you know, 17 or 18 substations. And all the technology to do that looks very expensive. It's a totally

legitimate project, but it has to compete in the very fact-based, what we call comparative evaluation process that will be released to everybody next fall, to see which projects fared on economic grounds and ridership grounds the best. That is being evaluated through that process.

But I have to be honest with you, it is expensive relative to the ridership issue.

SENATOR MATTERA: So you really can't put a time frame --

MTA CHAIR LIEBER: I can't --

SENATOR MATTERA: Is there any design right now?

MTA CHAIR LIEBER: Well, like I said, that feasibility study had a ton of work that went into it. We should sit down and go through it so you have full information.

SENATOR MATTERA: Okay, great. Thank you so much.

MTA CHAIR LIEBER: You bet.

CHAIRWOMAN KRUEGER: Assembly.

CHAIRWOMAN WEINSTEIN: We go to Assemblyman Curran.

ASSEMBLYMAN CURRAN: Hello, how are you? Thank you, Chairman, for taking the time to testify today.

My questions are local in nature, and I don't expect you to recognize both of the stations that I'm going to talk about. But just for context, my district, the 21st, runs from Valley Stream down on Long Island out to Freeport. And there's two particular stations that I want to talk to you about today. I'm going to follow up on a letter that was written to you by County Executive Bruce Blakeman, dated August 31st, about the Valley Stream Station. And in that letter he described the dangerous condition of the station, consisting of crumbling concrete, rusting metal, peeling paint, weakening overpass with rebar now showing through, corrosive fluids dripping down on people and cars, and a leaking and flooding condition in all of the waiting rooms.

In that letter he also talked about how that station was scheduled for a $5 million capital project improvement back

in 2018 that they haven't seen. Again, I don't know if you are aware of the situation there, or do you have any notes with you today just to give me a status about where we stand with any possible repairs? Because this station is truly dangerous for all of the riders that go to it.

MTA CHAIR LIEBER: Okay. So I do know -- I remember that letter, and I remember the TV story that came with it. And we responded. We talked about the condition -- I would go so far as to say we rebutted the description of the conditions of that over -- that station, the suggestion that the steel was somehow unsafe.

And you and I should get together and go over some of those details. But I know that we responded. And, you know, Valley Stream is your district, and the areas you're talking about are important, and service is increasing. And we're confident in the condition of that station. I don't know as we sit here about the cause of the delay of that capital project, but I'm happy to get

into it. We don't -- we don't shut down capital projects just for the heck of it.

ASSEMBLYMAN CURRAN: And I appreciate it. And I will get a copy of that response. And I appreciate you responding to him, I just don't have that copy.

But what I do have is I have 50 photographs showing the dangerous condition of that -- of that station. And if you don't mind me giving them to you so that you can take a look at them and then, you know --

MTA CHAIR LIEBER: I think I saw -- I'm happy to have it. I think I saw them, along with the TV news story that came with it, at the time that that public debate unfolded. But we did respond specifically about those conditions, and you and I should go over that.

ASSEMBLYMAN CURRAN: I would love to. Thank you very much. Just one other question, Chairman.

So the next station down, on both the Babylon and the Long Beach line, is Lynbrook.

And thankfully -- and I appreciate this -- there was significant capital money that was put into Lynbrook back in 2019, after we fought for it for about eight years. But the capital money that was put in wasn't sufficient enough to improve the entire station. I have here a folder of correspondence over the last two years regarding crumbling concrete falling on people, along with paint peeling along the trestles areas throughout the village.

I was hoping to provide that to you as well, and hoping that maybe we can actually talk about some progress or possible monies to address those problems at this --

CHAIRWOMAN WEINSTEIN: You'll -- you'll have to --

MTA CHAIR LIEBER: Happy to have it.

CHAIRWOMAN WEINSTEIN: You'll have to do that offline.

But you can respond to the committee, and we'll make sure to share it with all the -- all the members.

Before we go to the Senate, we've been

joined by Assemblymembers Burgos and McMahon.

CHAIRWOMAN KRUEGER: Thank you. I don't think we have any additional Senators right now, but our first post-chairs questioner is Senator Hoylman-Sigal.

SENATOR HOYLMAN-SIGAL: Thank you, Madam Chair.

Good to see you, Mr. Lieber and your team, and thank you for helping to build back confidence in our mass transit system after COVID.

I wanted to ask you about Penn Station in particular, and what you think we should be doing to make Penn better, safer, work better for riders.

MTA CHAIR LIEBER: You know, I'm -- thank you for the question. Being so open-ended, I could go on at great length.

Listen, the bottom line is if you walk into the existing Penn Station that the New Yorkers depend on -- two subways, major subway lines, together the biggest subway complex in our system, 8th Avenue Line, 7th Avenue Line. Then you have the

Long Island Rail Road. It is the busiest transportation facility in North America. The MTA actually took about 20 percent of it, that corridor between 7th and 8th Avenue, and redeveloped it. So if you're standing there with blinders on, you'd think it was a modern transportation facility. But then you take the blinders off and you look to the left, and it's the dump bequeathed to us by the 1960s. Which is really unusable for our riders.

And my push, and the Governor has been very much in support, is we've got to fix the station now. We have --

SENATOR HOYLMAN-SIGAL: So what's the price tag on that now?

MTA CHAIR LIEBER: I think you and I have talked about it. It's -- right now we're not in final design, but we estimate it at six to $7 billion. A lot of the play is whether you include some of the outdoor streetscape improvements.

One of the things we want to do is get Madison Square Garden's loading off of 33rd

Street. They're just -- they're loading on the street. It's a public street. We need to make the changes so that their loading docks can accommodate --

SENATOR HOYLMAN-SIGAL: What would $40 million a year toward the redevelopment of Penn Station do for you?

MTA CHAIR LIEBER: I haven't done the math. But the bottom line is it's not just money, it's time. We got Metro-North coming in in a few short years, 2027. Unless Amtrak can't give us outages; that's its own problem. But 2027. So we need to get started now, while Long Island Rail Road cuts through half of them, have moved across -- or a big chunk of them have moved across town --

SENATOR HOYLMAN-SIGAL: But suffice to say --

MTA CHAIR LIEBER: Get started on the work now, we've got to tear the station up, make it great, and now wait till -- people keep debating Madison Square Garden forever. I want to fix it now, it's possible, let's get started.

SENATOR HOYLMAN-SIGAL: And let's get some revenue into that project. And I think you would not turn down $40 million a year from the state and/or the City of New York. That's 12.5 percent of what the city is asking.

Just to acknowledge, Madison Square Garden pays no property taxes. That's worth $43 million a year out of the pockets of New Yorkers. By the year 2030, that's going to amount to a total of $1 billion -- and no taxes -- that Madison Square Garden has not paid and not contributed to the redevelopment of Penn Station.

Thank you.

MTA CHAIR LIEBER: Point taken.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRWOMAN WEINSTEIN: Next we go to Assemblyman Carroll. Bobby, three minutes.

ASSEMBLYMAN CARROLL: Good afternoon, Chair Lieber. I fully respect the fiscal cliff that the MTA is facing, but I fear the direction that the MTA is going may be

shortsighted. I fear that the increase in the fare to $3 will end up having the opposite effect that you hope, because I still think the most pressing problem for the MTA is luring riders back to the system. We're at currently about two-thirds of capacity of where we were prior to the pandemic.

What is the MTA's plan to lure that final 33 percent back into buses and subways?

MTA CHAIR LIEBER: So I think I said it before: Quality, service, safety. We do a fair amount of promotion as well. And we are focused on affordability. I just want to make it clear that if you look at the way we have structured fares, you know, we're trying to give promotional fares. The OMNY Lucky 13 fare, which makes it possible for people to get a weekly automatically, rather than having to put the money up front.

ASSEMBLYMAN CARROLL: But Chairman, that's still more expensive than the old traditional monthly MetroCard.

MTA CHAIR LIEBER: All right, you and

I can debate this, but at the end of the day we think that -- the history is that these small incremental increases, like the ones we are resuming, do not suppress ridership.

The real issue on ridership: Work from home. And we think that as long as we keep providing high-quality service, safety, and other -- you know, the other aspects of a first-class mass transit system, hopefully in time work from home will diminish and people will come back to work, theater, shopping, and everything that New York --

ASSEMBLYMAN CARROLL: In your financial plan are you contemplating a full implementation of congestion pricing with no exemptions?

MTA CHAIR LIEBER: I think that the way that you guys, the Legislature, structured the law --

ASSEMBLYMAN CARROLL: One billion dollars, right?

MTA CHAIR LIEBER: It has to get to 1 billion. But it leaves open the question of some of the exemptions.

ASSEMBLYMAN CARROLL: But does your plan contemplate that $1 billion?

MTA CHAIR LIEBER: Yes. One billion turning into 15 billion of capital, correct.

ASSEMBLYMAN CARROLL: And does your plan contemplate what the decrease in ridership into the Central Business District is, and how that will impact ridership on the subways?

MTA CHAIR LIEBER: We have a -- our plan is -- we've laid it out publicly. It's a study that we did projecting the return to 80-plus percent of ridership in a couple of years.

ASSEMBLYMAN CARROLL: By 2026.

MTA CHAIR LIEBER: Correct.

ASSEMBLYMAN CARROLL: But so I presume that in that plan that you did with McKinsey that you probably looked at how high that toll was and whether it would directly correlate to more ridership on the subway?

MTA CHAIR LIEBER: Yes, it was taken into account.

ASSEMBLYMAN CARROLL: And I'm assuming

that the higher that toll is and the less exemptions there are, the higher subway ridership is?

MTA CHAIR LIEBER: Listen, you know, one of the --

ASSEMBLYMAN CARROLL: I only have 22 seconds. I think that's a yes, right?

MTA CHAIR LIEBER: Remember, congestion pricing, they're talking about 10 percent of the people who come. We have a huge congestion problem, but it's a relatively small piece of our commuting population. So --

ASSEMBLYMAN CARROLL: If those 10 percent go back into buses and subways, that would help tremendously.

MTA CHAIR LIEBER: I'm not -- I'm not -- the goal is -- we're going to hit the $1 billion goal consistent with the legislation. That's the --

ASSEMBLYMAN CARROLL: But don't we need more riders? Won't you be back here every single year if we don't get more riders, and we should be focused desperately

on getting more riders into the system? Because if we don't have more riders, we'll never get out of this.

MTA CHAIR LIEBER: I think my time is up. And yours too.

ASSEMBLYMAN CARROLL: I know you agree with me.

(Laughter.)

CHAIRWOMAN WEINSTEIN: Thank you.

The Senate?

CHAIRWOMAN KRUEGER: Thank you.

Senator Ramos.

SENATOR RAMOS: That's okay, I can pick up right where Assemblyman Carroll left off.

I too wish that we had more riders on the MTA. In fact, to learn that there's a $2 billion deficit while we have 120 billionaires in the State of New York whose collective wealth is around $478 billion -- and to think that we can't collect the political will to actually tax them the way we should. Particularly Valerie Mars, Stephen Ross -- one of my newest neighbors,

Steve Cohen, owner of the Mets. All of these folks employ so many people who ride the subway, and who should really be paying their fair share of taxes so that we can have a functioning system.

But it's okay, Janno, I'm not going to ask you for your opinion on that.

I do want to ask about bathroom accessibility, which I love to talk about, as you know --

MTA CHAIR LIEBER: It's tradition.

SENATOR RAMOS: -- as is our tradition. So it's one year later, and the MTA has reopened 18 bathrooms, leaving a remaining 115. So when do you think we can see those open up?

MTA CHAIR LIEBER: Like I think you and I always discuss this. We are hiring new cleaners. You've been a supporter of the fact that we're getting rid of the contract cleaners and we're actually hiring MTA folks to be the cleaners.

Once we have enough cleaners so that they can perform the additional duties of

working the bathrooms in a secure way -- that's always also been an issue -- we're going to continue it. We love that people treated it with enthusiasm, and we're going to keep doing it, because we love positive feedback. We're very simple that way.

SENATOR RAMOS: Okay, great. Well, I'm glad that it's -- that it's happening slowly but surely.

Have any attempts been made to work with us, as the Legislature, to avoid these hikes? Is there any data on how much it would cost to stabilize fares at the current rate?

MTA CHAIR LIEBER: I think I said before that -- you know, that the Governor's plan balances between the MTA coming up with cuts, the city coming up with more money, the business community coming up with money, to your point, in part because it is work from home -- which is a business community decision, for better or worse -- which is requiring us to -- we're coming up short. But also to restore those very gradual fare

hikes that have historically made our system, you know, economically viable.

But as I said, 300, $400 million is the value of the fare hike that's been proposed in the Governor's balanced budget.

SENATOR RAMOS: Seniors and people with disabilities in particular are having a hard time, of course, paying their fare as it is.

MTA CHAIR LIEBER: It's half. It's a half-fare.

SENATOR RAMOS: Most of them -- well, even the half-fare.

MTA CHAIR LIEBER: 1.37, $1.37.

SENATOR RAMOS: I'm talking about the half-fare. The half-fare is too much for them, given inflation, given the fact that most of them are on a fixed income.

Can you talk a little bit about how you're going to deal with the impact on that particular population?

MTA CHAIR LIEBER: Again, we're thrilled that there are a million people in New York who get reduced fare, and they pay

$1.37 for, you know, the amazing mass transit system in New York.

I, you know, leave to the Legislature and the Governor the balancing of all the social equities issues.

SENATOR RAMOS: I'm out of time, but I'll have more.

MTA CHAIR LIEBER: I'm sure.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRWOMAN WEINSTEIN: Assemblyman Otis.

ASSEMBLYMAN OTIS: Hi, there, Janno and team. Nice to see you all. Thank you for all your good work on so many issues.

I'm going to hit three questions, and then you do what you can with them. But very quickly, in terms of any forecast on the prospect of additional federal funds that maybe we're not expecting, maybe a possibility of us doing better to fill some of these gap issues.

Question number two is I'm interested in what your plans are for expanding EV

charging infrastructure at Metro-North train stations on either Metro-North or Long Island Rail Road, which is certainly something I'm hearing from constituents would be helpful.

And number three, on the Metro-North line, there are sometimes trains that are less than full and sometimes trains that actually are full at certain times. What are your metrics in terms of ability to adjust number of cars on trains based upon real-time clogging of cars with people and not enough seats? Thank you.

MTA CHAIR LIEBER: Okay, so let me just take it backwards. So we do look at ridership levels on trains constantly. We now use weight-loading data that we have to tell us how -- it's not just how many tickets we collect, we're actually using the actual weights of trains. So even if the conductor doesn't get through the whole car, which does happen sometimes, the whole train, we still know how many people are on that.

We do use it to adjust service. I'm happy for you to talk to Cathy Rinaldi, who's

running the railroads, about specific conditions. We're very focused on it.

EV charging. Listen, we are really excited about making it easier for folks at the end of the subway line or in the city or in the commuter railroads, whether in the city or without, to get better last-mile connections. So we love the idea of more bikes, more electric bikes, and we're doing a ton of work on that. We just put out a report with a full-on strategy on that. EV charging is part of that, and we're getting started on that.

And finally, on additional federal funds, I have been urging the federal government to consider them. You know, the deficit the MTA has is a huge number but it's much lower than the other major transit systems. We're 12 percent, our deficit is 12 percent of our operating budget. Chicago and New Jersey are double that. I think L.A. is three times that. So it is a national problem.

The politics in Washington doesn't

look like it will produce operating assistance for transit, which has been on and off, on and off over the years, mostly off. But we'll keep pushing for it. I've written to the secretary, I've talked to Schumer's office about it, and we would love to resume -- get the feds to in effect do a new COVID relief bill for transit, 'cause COVID ain't over for the mass transit systems.

ASSEMBLYMAN OTIS: Great. Thank you very much. And just on EV charging, the electricity's already there in most of these locations, and it's another way for you to attract customers. Because that may be an added attraction if they can charge at your lots. So thank you very much.

MTA CHAIR LIEBER: Amen to that. Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

Senate?

CHAIRWOMAN KRUEGER: Thank you.

Senator Roxanne Persaud.

SENATOR PERSAUD: Thank you.

It is great to see you,

Mr. Chairperson. I know we had a conversation a couple of weeks ago and I'm looking forward to you coming to my district so we can walk the corridors that we discussed.

We're all talking about the trains, but we've not spoken about the buses. We have a major problem with buses in my district, particularly in the Gateway area where there's a new mall and the tremendous amount of housing that's there, and that's a transit desert.

Has the MTA -- because you haven't put forward anything to us -- begun plans on how we're going to move buses into that area?

And -- I just want to give you all my questions --

MTA CHAIR LIEBER: Sure.

SENATOR PERSAUD: -- all at once, because -- and there's a major problem there.

And what are we doing to operate the Access-A-Ride system that still sees so many issues on a daily basis for those riders most in need, especially riders who are part of

our disabled community. It is unfair what they have to go through, and we really have to revamp that service.

And then last but not least is my question that I ask every year. It's about the express buses. The timeliness of the service of the buses, particularly when you talk about the BM2 bus, the BM1 bus. The BM2 bus in particular is never on time -- well, I shouldn't say never. It's probably like 2 percent that the BM2 bus is on time. (Laughing.) And I know you've heard me say, over and over, what are we doing with the express buses that people rely on? Because where I'm from, it's a transportation desert and the express buses are the mode of transportation to get into the city.

What are we doing with that?

MTA CHAIR LIEBER: Yeah, I'll go fast.

So express buses, I'm with you. Because I ride that darn bus from sometimes home from the corner of State Street and Battery Place. And it's not -- it's not totally reliable. And you're not wrong.

It's an incredibly long route. Which is why the conditions, the congestion and the unpredictability of the street conditions is so important.

So the same way we're pushing for bus lanes and speed -- and automatic bus lane enforcement cameras and traffic signal prioritization, all those things will benefit express buses. Even more, in some ways, than local buses, because they have so far to go and their schedule can get screwed up.

So I'm with you. That Spring Creek Depot, where they run those buses out of, needs to get better, you're right about that. And let's keep talking about that.

Access-A-Ride. We've made dramatic improvements. You know, the on-time performance and the rate of no-shows on the Access-A-Ride -- you know, the blue-and-white vans are only 30 percent of our paratransit operation right now. The rest is for-hire vehicles. People are getting black cars to go where they're going, usually alone, sometimes with one other person. So it's a

much more reliable system, much better on-time performance, much better in the rate of no-shows.

And for the first time, we've got -- Access-A-Ride is back to almost 100 percent of pre-COVID. It's a sign that we are -- we have improved it. I'm happy to give you those stats.

And the final thing was buses. And I'll come back to you with some more detail about buses in general. We're redoing the Brooklyn bus routing system, and that process is underway. It's a dialogue with the community, with you, with other stakeholders.

SENATOR PERSAUD: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRWOMAN WEINSTEIN: Assemblywoman Seawright.

ASSEMBLYWOMAN SEAWRIGHT: Thank you, Madam Chair.

And thank you for your testimony today.

The OMNY tap-and-go system has been

successfully installed in subways and buses around the city. However, the Roosevelt Island Tramway still continues to lack having OMNY. Can you tell us why this has been delayed and when you expect it to be installed so that our Roosevelt Island residents and visitors can benefit from this service?

MTA CHAIR LIEBER: Okay. So I think the thing you're concerned about is when will we have OMNY adapted for the Roosevelt Island Tram. The answer is it's projected to happen in the second half of this year. I'm happy to get into specific dialogue with you.

The background to it is OMNY, for good reasons, was rolled out before the software was finished. We wanted to start to get people to adapt it. And then during COVID, we took advantage of the fact that there were fewer people riding to install it in the whole subway and bus system. That was great.

But we didn't have the software at some of the specialty locations like Roosevelt Island Tram, like the AirTrain in

Jamaica Station and a few other places.

The software has to catch up, and we are working on it. But that is right now the projection: It's going to be the second half of this year.

ASSEMBLYWOMAN SEAWRIGHT: Are you having troubles with your vendor?

MTA CHAIR LIEBER: Always. I mean, this is the -- you know, really complicated.

We just completed something that was hugely important, which is we got OMNY for all our reduced-fare customers, which was its own complicated version of the software. That was accomplished, and we're now helping a lot of people to make that transition. They can do it in person, they can do it online. I'm rolling out customer service centers all around the system, so they're not just -- they don't have to come down to the MTA headquarters.

So that was a big step in the OMNY direction. The next one is to get some of these affiliate entities like Roosevelt Island Tram, AirTrain, and also the NICE bus

in Nassau and the B Line in Westchester. We need specific software and installation for those, and we're working on it.

ASSEMBLYWOMAN SEAWRIGHT: Thank you.

CHAIRWOMAN WEINSTEIN: Senate?

CHAIRWOMAN KRUEGER: Thank you.

Next, Senator John Liu.

SENATOR LIU: Thank you, Madam Chair.

And thank you, Mr. Lieber and your team, for doing your best to get our folks back on the subways and buses.

I have a simple question for you, Janno. You know, there's been this long, longstanding rivalry between New York City and Washington, D.C. You know what they did? You know what they recently did? They made buses free. Forever. What are the chances that we could do that in New York City?

MTA CHAIR LIEBER: Well, it won't be my decision alone. But here's what I think is relevant, is that, number one, my job is to make sure the MTA gets balanced. So I love talking about more service and better service and cheaper service, but first we've

got to like -- let's cook the cake before we talk about extra frosting. That's my personal responsibility.

And number two is I am concerned about moving quickly into something which is a massive experiment without having thought through the unintended consequences. Our own people estimate that free buses without doing subways, without other modes being free, would shift that 5 percent of subway ridership onto buses. They would have longer commutes, but there would also be financial consequences to that.

So we need to spend some time looking at -- you know, some people have experimented with this, which is interesting, but not on a massive scale. I'm also concerned about the ethics of fare -- the ethos of fare payment in the city. When we turned off fares on buses during COVID, which was an experiment of sorts in this, and told people to get on the back, we've gotten a really hard time getting them back in the habit of paying and of paying on subways. We all know fare

evasion has gone up dramatically.

So I want to -- I want --

SENATOR LIU: All right, I'm --

MTA CHAIR LIEBER: We've got to make sure we can pay for it. And two, I want to work on understanding what would or wouldn't be the unintended consequences.

SENATOR LIU: Well, and I think -- I think you -- over the years you and the team at the MTA have come up with possible scenarios and different pricing mechanisms for various plans. I would encourage you to take a look at what those unintended consequences are, as well as the potential cost impact for providing free buses.

I don't think most New Yorkers consider buses or even free buses icing on the cake, or frosting, as you suggested. It's the cake itself. It's the cake itself. And we want people to have an easier time getting to and from work, from school, all sorts of things that they need to do. Mass transit is a very important part of it, and buses are integral, especially outside

Manhattan. If Washington can embark on this, if Boston, if Denver -- I know those are much smaller cities. But I think it's time for the MTA to at least consider the possibility, as opposed to just casting it often as a pipe dream and frosting on the cake.

MTA CHAIR LIEBER: Well, I don't think that's a fair characterization of what I said. But I take your point.

And we always do study. And one of the ways we're assuring affordability is to make sure that people who come to your district to get on the Long Island Rail Road are paying five bucks, or a little bit more in the peak. Dramatic, targeted affordability in that case.

CHAIRWOMAN KRUEGER: Thank you.

Next is Assemblywoman Jo Anne Simon.

Oh, excuse me, Assemblymember, I apologize. A new Assemblymember -- who I know quite well, because he overlaps me. So I apologize. Assemblymember Tony Simone.

ASSEMBLYMAN SIMONE: Hi, everyone.

Previously you said, Janno, that we

need a system that's frequent and reliable. Do you think 10-minute head-count time, wait, really waiting 20 minutes -- the C Train I usually take is considered frequent and reliable. And to follow up on that, how do you reconcile that with the fact that this year's budget puts no money towards increasing frequency?

And I have a second question. Janno, you also responded to the question about Penn Station indicating fixing existing Penn was a priority for New Yorkers and should happen as soon as possible. With Vornado having declared it cannot provide funding for years, maybe a decade, is it time to reconsider the GPP and put together a state-financed plan, in sync with Leader Schumer, to expedite the Penn project? With no dependence on a private developer who claims to be in fiscal crisis now, building 10 office buildings I feel we don't need.

MTA CHAIR LIEBER: So on your last question, I am -- on that transportation project, I am not in the ESDC or the GPP. I

do know that the way that the Legislature set things up with the Governor -- and I know that Senator Krueger and Senator Comrie had a role in this, and others as well -- was that none of those developments are going to move forward without an agreement about how the development rights would be priced, and so on.

So I'm not counting on any of those for rebuilding -- you know, fixing existing Penn now. We have, you know, hundreds of millions of dollars that were previously appropriated for that. I would like to go whole hog to get the federal money to make sure that this project happens on the time frame that I've talked about.

So I think you and I are maybe looking at it in a similar way. Let's go get the money, let's make sure that New Jersey and Amtrak are on board. We've got to build this before Metro-North comes in, in a few short years, and get it going so that they'll have a first-class station that looks more like that corridor that we built, on time,

$100 million under budget, than that hellhole that is the rest of the station.

I can answer your other question, but it's -- are we running -- 10-minute headway. Look, sometimes people like to throw around numbers. Let's just remind ourselves what the headways really are. We have 77 percent six minute or better in the morning. All through the day, it's 69 percent six minutes or better. And 95 percent -- 98 percent in the morning are 10 minutes or better.

So when people start throwing around, you know, that we have 20-minute headways, that's not true. The average wait for a six-minute headway train, which is overwhelmingly the majority, is three minutes.

So let's -- I'm for more service. I'm always for more service. That's my business. But let's just not mislead folks about how much people are waiting for subways, because the subway system is rock-and-roll.

CHAIRWOMAN KRUEGER: Thank you very much. Thank you.

Next is Senator Hinchey.

SENATOR HINCHEY: Thank you very much.

I represent a Hudson Valley district, so I am always very jealous of my colleagues who have good public transportation. So thank you for your testimony and for your work.

But I do represent part of Dutchess County, so we are in the MTA region with Metro-North. And I want to take a moment to ask about the Payroll Mobility Tax. I represent -- Dutchess County is a pretty rural county, and especially the portion of Dutchess that I represent, the northern portion, quite frankly most if not nearly the vast majority of nearly all the people who live in Northern Dutchess are not commuters. These are people who live locally.

And so while it is a nominal increase, it's still nearly $300,000 just to the county, an increase to the county, which is substantial.

And so wondering, twofold -- first, is there a way for the -- what's the plan for

these payroll taxes? And are they going to be -- stay more locally to where they're connected to help with service where they're collected? And two, is there a way to rate -- is this planning to be weighted by the rest of the county and rural areas, even though within that PMT region?

MTA CHAIR LIEBER: Okay. So I'm going to ask CFO Kevin Willens to answer. But just an important point is only 5 percent of businesses will be paying, only the top of the income scale of businesses will be paying this.

SENATOR HINCHEY: It's 1.7 million, though, am I right?

MTA CHAIR LIEBER: For the PMT, yes.

MTA CFO WILLENS: The total PMT is approximately 1.7 billion.

MTA CHAIR LIEBER: Billion.

MTA CFO WILLENS: From all the --

SENATOR HINCHEY: I guess what's the threshold, then, for the business?

MTA CFO WILLENS: It's 1.75 million for the top-rate 1.25 million payroll. At

1.25 million payroll and below, no businesses are paying PMT, which as the chair said is approximately 95 -- 95 percent of the businesses, by count, in the 12-county region, pay no Payroll Mobility Tax ever, and they won't be paying it under the new proposal.

SENATOR HINCHEY: I will say, though, Northern Dutchess is a rural community, and so a lot of our farm businesses or ag businesses -- 1.7 actually is pretty low in the scheme of an agricultural business or a farm, based on the amount of money they make that has to go back into the farm.

And so I imagine many of those would be impacted.

MTA CHAIR LIEBER: It's $1.75 million payroll.

MTA CFO WILLENS: Payroll.

MTA CHAIR LIEBER: Payroll. If that payroll is in excess of a million and three-quarters, yeah.

SENATOR HINCHEY: Thank you. Is there still, though, talking about the dollars that

are located -- is there any way to keep some of those local, or does that go back into the --

MTA CHAIR LIEBER: We should talk about it. Because we want to invest in our, you know, Dutchess County, which I know well, as well as, you know, the MTA system.

The concept is based on the analysis that they -- Dutchess County would pay less than 1 percent of the payroll tax. But we can talk about the services that are being provided, making sure places like -- you know, Wassaic and others, are getting -- are getting good service, and making sure we're investing.

SENATOR HINCHEY: I would like to talk more about that, especially also the breakdown by county. Thank you.

MTA CHAIR LIEBER: You bet.

CHAIRWOMAN KRUEGER: Thank you.

CHAIRWOMAN WEINSTEIN: Assemblyman Kim.

ASSEMBLYMAN KIM: Thank you.

Thank you for your testimony today.

So according to a 2021 study by the Community Service Society, 48 percent of eligible New Yorkers do not apply for the Fair Fares program. What percentage of eligible New Yorkers applying would mark a successful program?

MTA CHAIR LIEBER: You know, it's a good question. The Fair Fares program is operated by the City of New York. It was a little underfunded in the de Blasio era. Mayor Adams and Speaker of the Council Adams increased that.

But the important thing is your point, which is how many people who are in that low-income category know about it and have the eligibility and are getting that reduced-fare MetroCard.

We are -- we actually went over to City Hall and started pushing them, and it's a collaboration, to market this more aggressively. We only have, I think, less than -- less than 40 percent of eligible New Yorkers in that low-income category actually have the benefit. We want to push

it more so the numbers go up.

ASSEMBLYMAN KIM: Okay, is there a tangible kind of internal goal that --

MTA CHAIR LIEBER: You know, I think you've got to -- you've got to get well over 50 percent before you feel like you're really making a difference to that -- folks who need it most.

ASSEMBLYMAN KIM: Okay. So if you reach 50 percent above UB, is the MTA okay leaving behind the other percentage --

MTA CHAIR LIEBER: No, absolutely not. As I said, our goal is everybody who qualifies to get it. It will make -- it will be such a benefit in terms of access to opportunity and jobs and school and everything.

ASSEMBLYMAN KIM: And speaking of fares, are the fares like tied to the MTA's debt financing? I mean, in other words, like is MTA's ability to borrow tied to the fares?

MTA CHAIR LIEBER: There's -- you're right in the sense that historically we've had our borrowing, since the early 1980s when

Dick Ravitch was the chairman, it was sort of revenue-backed bonds, the different MTA revenues. Because the market wants to know you have the ability in a crisis to generate that revenue.

But the decision that the -- what the Governor's put on the table is not -- has nothing to do with the borrowing. It has to do with balancing the budget and contributions coming from the city, the state, the business community and a little bit from the riders. That's the fare increase that we're talking about.

ASSEMBLYMAN KIM: But the revenue-backed bonds, it's backed up by the state, correct? So it's something, if there's a default, we still have a moral obligation to make sure that we're -- you know, we're good on the bond, right?

MTA CFO WILLENS: There's no specific, quote, moral obligation on MTA's debt, so the bonds you're talking about are secured both by the farebox revenue and all the other taxes and subsidies that float MTA, but

there's not a state guarantee or what was historically considered moral-obligation debt.

ASSEMBLYMAN KIM: Okay. I just want to -- I'm just making that point, because it's -- if there's no linkage, then there's no financial reasoning why you can't work toward finding new revenue streams to provide the free buses that other members have suggested, and making sure we find other sources of revenues.

That's all. Thank you so much.

CHAIRWOMAN WEINSTEIN: Thank you.

Senate?

CHAIRWOMAN KRUEGER: Thank you very much.

Senator Gonzalez.

SENATOR GONZALEZ: Hello? Hi. As someone who represents three boroughs and has also taken public transit my entire life, I'm really excited to be on the Transportation Committee, to make sure that we have more reliable, more accessible, and hopefully more affordable service.

I'm a cosponsor on the "Formula 3" Act, a bill by Assemblymember Mamdani and Senator Gianaris, which as you likely know would provide adequate state funding for the MTA to reject upcoming fare hikes, increase the frequency of service on trains and buses, and make buses free.

Knowing that the Executive Budget fills the current year's operating deficit and that Formula 3 would provide billions of dollars of additional operating aid to the MTA in the outyears, with certain requirements regarding fare increases, union contracts and service frequency, I'm really trying to understand if you're saying today that you support the 5.5 percent fare increase -- and you've also said in previous statements that you're concerned whether these increases are a burden on lower-income New Yorkers and contribute to declining ridership -- if your position has changed. And then given your opening remarks, would you support a final state budget that includes money to avert a fare hike this

year?

MTA CHAIR LIEBER: So just to be clear, I get -- I have to be agnostic about our ability to continue to run the high level of service. I understand that we're engaged in a process that there's going to be a discussion between the Legislature and the Executive. I'm not unrealistic about that.

I -- honestly, we've made a proposal, the Governor's made a proposal which I think is responsible and balanced and does achieve that goal. Now begins the discussion between the Legislature -- the houses of the Legislature and the Executive about which elements to include, to modify, or to exclude.

SENATOR GONZALEZ: Absolutely. And have you -- considering it's on the survey, have you any evidence to support that riders can afford these increases?

MTA CHAIR LIEBER: Listen, all I can tell you is what's happened in the past, that the moderate increases that we had in effect and the Legislature supported for more than

10 years, did not suppress ridership. We actually consistently went up over that time period.

So we -- I understand that we all would like a very, very affordable system. I'm not as down for subsidizing better-off people. I like targeted affordability as a strategy. And we have been pursuing that in many different ways.

SENATOR GONZALEZ: We'll definitely need more data there.

I'm also the chair of Internet & Technology and trying to understand the $150 million that will contribute to more safer security, considering that we already have 10,000 cameras. And as you mentioned, crime is down, over 60 percent of New Yorkers feel safe. I'm trying to understand, one, are these cameras and additional cameras you're proposing using facial recognition technology or collecting biometric data? And two, if you'd commit to working with the State Legislature to better understand how you're using -- how you're collecting data,

how you're using it, how you're storing it, and how you're disposing of it, to protect New Yorkers' privacy.

MTA CHAIR LIEBER: Okay. Well, the great thing about being a member of the Legislature is you get to tell us what to do.

SENATOR GONZALEZ: Yeah, fantastic.

MTA CHAIR LIEBER: So have at it. We've all been very successful in complying with the open data requirements. But --

SENATOR GONZALEZ: Do you mind a yes or no on the facial recognition technology, though?

MTA CHAIR LIEBER: The answer is no, we're not using it for -- what we're doing, what that money is -- clearly is for technology to keep people off the tracks, out of the tunnels and, honestly, unarmed. We're trying to do more with unarmed fare enforcement but also unarmed law enforcement on buses, which have started to have some crime -- not crime, but disorder problems that we think are best addressed with an unarmed force.

SENATOR GONZALEZ: Great. Thank you.

CHAIRWOMAN KRUEGER: Thank you. Thank you.

Next, Assembly.

CHAIRWOMAN WEINSTEIN: Assemblywoman Gallagher.

I just want to remind members asking questions to leave time for the answers so you're not -- we don't have to keep cutting the chairman off. Thank you.

ASSEMBLYWOMAN GALLAGHER: Hello. It's nice to see you all. I'm Assemblymember Gallagher, representing the 50th District with the G Train. But we'll get to that in a minute.

I'm very much looking forward to this bus lane enforcement program. And I know from riding the B62, the B48, the B43 in my district that often the culprits of parking in the bus lane are the police and city vehicles.

So I'm wondering, do you have a plan to work with the city and the NYPD to manage -- if they are parking in the bus

lane, what will the enforcement look like?

MTA CHAIR LIEBER: You know, we have great collaboration with the NYPD on the everyday policing of the system. We've made a lot of progress. That's one area where historically it has been tough for all of us who work in government to make progress. There have been -- we have had -- talked about some specific precincts that have a little bit of a problem of bus lane parking. It is -- you're not the first one to raise that issue. Are happy to work with anybody if we can try to move the dial on that.

ASSEMBLYWOMAN GALLAGHER: Okay, great. I would love to get involved in that. It might be really difficult (laughing).

But I also -- I was wondering -- I think Senator Gonzalez covered this, but do you have any data of what happens to ridership when the fare does increase?

MTA CHAIR LIEBER: Yeah, the data so far is in the last 10 years, with these moderate increases, basically 2 percent a year, it has not suppressed ridership. And

I'm happy, since that's come up a couple of times, to share the data. We went up, up, up over the time since that pattern was established, and it was a positive trend. But we can certainly share it.

ASSEMBLYWOMAN GALLAGHER: Additionally, I was wondering -- I know that for about 40 years in the earlier period of the MTA's storied history, that the ridership and the -- or, sorry, the fare that was really reliable about New York City.

Is there a cap on when we will say we cannot ever raise money -- raise the fare again?

MTA CHAIR LIEBER: Look, I mean, I don't need to remind you, because you obviously know the history, that 40-year period ended with the people who operated the New York City Transit system going bankrupt and handing this leftover asset over to the city. So not such a good outcome.

ASSEMBLYWOMAN GALLAGHER: Oh, well.

MTA CHAIR LIEBER: But -- but your point is well taken. We're not disagreeing.

We want to keep the fares affordable. The question, what we're debating, is like how -- you know, what constitutes affordability and how to maintain it. That is a fair debate to have.

But as I said, I think the history has been that these moderate increases, which just allow us to keep up with inflation and our labor costs -- remember, we were making labor deals over that period in the last 10 years that were about two and a quarter, 2.50, 2.75 percent per year, but the fare was going up 2 percent a year. So it created a structural imbalance that came home to roost even before COVID, and now we're dealing with a maximum version of it.

ASSEMBLYWOMAN GALLAGHER: Okay, thank you.

CHAIRWOMAN WEINSTEIN: Senate?

CHAIRWOMAN KRUEGER: I'm sorry. Thank you very much.

Is Senator Mayer still here with us?

Hello, Senator Mayer. Can you get to a microphone?

SENATOR MAYER: Hello. Thank you, Madam Chair.

Pleasure to see you. Three quick questions to answer as you can. On the receipt of the federal COVID funds, the 14 billion received I think in 2020 -- not that you have to go through it now, but can you give us a breakdown of how those were used?

MTA CHAIR LIEBER: Simple. Very simple. It was used to maintain the system and to fill the gap that we're all talking about, which was more extreme during COVID.

Literally every dollar, as required by the Congress and the law, went to maintain service and to pay our workforce without cutting -- doing layoffs or service cuts. That was what the law required.

I make no -- but people attack us sometimes on that money. I don't apologize for paying people to run service at the height of COVID. Those people were brave, they came in before we understood transmittal. And that's where -- why we

needed that money, and that's how we used it.

SENATOR MAYER: Okay, understood. And we agree about that, as you know.

Secondly, in your proposal, what would be the average fare increase for Metro-North, as opposed -- you've talked about the subway. But what would be the Metro-North fare increase anticipated?

MTA CHAIR LIEBER: I think we're -- it's 5.5 percent across the system. Exactly -- exactly how that will be structured, TBD.

We like to -- right now, post-COVID, what we like to do is to give more discounts to people who are using it more frequently, who tend to be more essential workers, more people who need affordability. So you see with Lucky 13 on the subway and some of the other discounts we're doing, we're trying to skew the fare structure to recognize people who are greater users who tend to be lower on the income spectrum.

SENATOR MAYER: But the average, 5.5 percent anticipated?

MTA CHAIR LIEBER: Rough -- yes, right now.

SENATOR MAYER: Okay. And thirdly, you referenced it earlier, your excellent MTA Police Department. Can you just explain, as briefly as you can -- or later -- the interplay between the NYPD and the MTA Police Department with respect to trains? Because I don't think ordinary riders understand that both are working together to make safety a priority.

MTA CHAIR LIEBER: Yeah. I mean, the MTAPD, the PD is responsible for the commuter rail system, broadly speaking, and the NYPD is responsible for the subways and the buses. It's that simple.

Although we have, as part of this safety initiative begun in October by the Governor and the Mayor, the MTAPD took over for the subways at four major railroad terminals -- Atlantic, Jamaica, Penn, and Grand Central -- because we already had big presences there because of the commuter railroads.

Other than that, that's the separation. They do collaborate, as they did in one case where there was, you know, a guy who was threatening to attack a synagogue and he was coming in on the Long Island Rail Road and then he was in Penn.

SENATOR MAYER: Right.

MTA CHAIR LIEBER: But they collaborate regularly. It's a very strong relationship.

SENATOR MAYER: But it's been enhanced by this connection at these four other locations in Manhattan. Or and --

MTA CHAIR LIEBER: Well, yes. Good point. Yeah, good point. We are doing more collaboration than ever.

And you walk into Grand Central or Penn, you'll see both -- both varieties of police, depending on where you are.

SENATOR MAYER: No, appreciate it. thank you very much. Thank you for your help on all these issues in my district.

MTA CHAIR LIEBER: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

Assemblyman Bores.

ASSEMBLYMAN BORES: Thank you for being here, and thanks for all of the work you do to support the lifeblood of New York City.

I share your goals of bringing more people into the subway system, to return ridership to as much as we can, given the exogenous changes. And there's many reasons that people give for not riding, among those accessibility, which we've addressed, and cost. But I want to focus on safety and a few parts of safety specifically.

A number of residents in my district were very concerned about incidences of riders being shoved under the platform. I know the MTA is looking at different sorts of platform barriers that could prevent those instances, which all have come with really high costs attached to them, and you need to balance the different demands.

In 2020 the MTA released a study on platform barriers and the different options. You're familiar with that study?

MTA CHAIR LIEBER: Yes.

ASSEMBLYMAN BORES: At 3,920 pages, I would say it's quite extensive. There's one sentence in there about potential fences, just fixed to platforms, that says that that was discarded early because of concerns of people being dragged.

MTA CHAIR LIEBER: Yeah.

ASSEMBLYMAN BORES: Was there a study behind that? Was there more done? It just feels like that's a light sentence, versus a 4,000 page report.

MTA CHAIR LIEBER: It's a fair question. In fact, notwithstanding that one sentence, we are actually looking at whether there are some places where it does make sense to have a -- you know, a stationary barrier.

There are a couple of places in the system, I think in the shuttle and a couple of other places where --

ASSEMBLYMAN BORES: Canal Street as well has one.

MTA CHAIR LIEBER: We do have them.

The -- so the idea is what we're looking at is in that boarding area where we kind of encourage people to locate -- tends to be right next to the conductor's position. Maybe there are places where you could safely do that kind of barrier, people could feel like there was additional protection, even if you didn't have one of these multi-million-dollar platform door systems.

So we are looking at that, notwithstanding what was in that.

ASSEMBLYMAN BORES: Wonderful. I think it's so much cheaper than other solutions and obviously can work where a lot of the automated heavy ones that require more equipment can't. So --

MTA CHAIR LIEBER: And the reasons for not doing it kind of go away if you're already -- if there are pillars on the platform, columns that would already interfere with, God forbid, someone being dragged.

ASSEMBLYMAN BORES: I very much appreciate you looking into that, and hope to

see more on there.

The second piece of safety I wanted to follow up on was just the cameras. Obviously there was an OIG report, December 2022 --

MTA CHAIR LIEBER: Yup.

ASSEMBLYMAN BORES: -- that I'm sure you're familiar with that gave recommendations on how to staff the levels. You rightly point out, and I quote, that recommendations regarding staffing levels, training, relying on manufacturers' preventative maintenance protocols are acknowledged. However, these are business decisions.

Given your emphasis on the cameras that you brought up earlier, and rolling them out to more in the cars, could you just give an update on how you're thinking about those tradeoffs?

MTA CHAIR LIEBER: So -- and listen, the -- you know, a lot of this drama came out of the incident on the N line, on the 4th Avenue line -- and I'm just going to finish this one -- and our cameras were

operating 99 percent of the time. And on that day, we had dozen of images of Frank James, which actually helped the cops find him. We would never have gotten him.

So the whole idea that the cameras are a problem is a little bit of a red herring to us. And the idea that we would throw a ton more staff in making sure that every camera in the system is operating every minute of every day didn't seem like it was based on, you know, weighing the thing.

So we're going to always try to be better, but I'm not ashamed of the fact that we've got 10,000 cameras and the police are literally taking hundreds of images from us on a weekly basis and giving us the highest kudos for that system. It helps.

ASSEMBLYMAN BORES: Agreed. And I'll just follow up on the tradeoffs.

CHAIRWOMAN WEINSTEIN: Thank you. Thank you. Senate?

CHAIRWOMAN KRUEGER: Thank you.

Senator Gounardes.

SENATOR GOUNARDES: There we go. Good

afternoon.

Janno, you know, I think you and I have adopted a lot of the same rhetoric and language around funding public transit. And I just want to call attention to some of the tension that exists between making a case for more public funding of the public transit system while at the same time calling for more revenue to be raised on the backs of riders to help fund that same public transit system.

And I know other folks have kind of walked down this path with you, so we don't have to go have the fare hike discussion again. But there is a tension between both of those ideas. And we recognize that the system is in a crisis, and we want to help address that crisis. But if we're going to fundamentally shift the way we pay for mass transit, it can't come on the backs of riders. Whether that's 5 percent now, 5 percent five years ago, 5 percent next year or beyond.

So I appreciate the situation we're

in. I think we have to do a lot more to think about how we can get beyond the need for regular fare increases and revenue to be raised on the backs of, you know, riders and user fees, so that we can have a fully funded transit system.

You know, so my first question to you is, with what the Governor's proposed right now, that gets you whole for how long?

MTA CHAIR LIEBER: Through, again, 2026. And beyond that, it depends in part on -- she projected, it's a broad projection, 450 million would be available to the MTA through her prioritization of mass transit for casino revenues. That's a little less certain.

But certainly through 2026, and then beyond it depends in part on the casino revenues.

SENATOR GOUNARDES: If that doesn't come through, we'll have to come back here again and figure out something else, perhaps. Hopefully not, but perhaps. Right?

MTA CHAIR LIEBER: But, you know, in

fairness, the prioritization of casino revenues, which is a very significant future and predictable revenue stream towards mass transit, is thrilling to the MTA. Because what we've said is we need recurring revenues in a significant number. And the idea of taking that new source and prioritizing mass transit is a very positive development.

SENATOR GOUNARDES: And this plan calls for raising $500 million from the city. You know, the city is cash-strapped, they're dealing with a lot of extra costs being placed on them as well, due to a number of crises. They are picking up a huge cost of the social service delivery in the subway system right now. If we don't force the city to eat this tab, we have to come up with that $500 million. If we want to fight the fare hike, we have to come up with that $350 million. We have to eat that, basically, $850 million if we want to avoid those things happening to keep you in the black for this year and beyond. Correct?

MTA CHAIR LIEBER: I don't know

absolutely the math, but you're -- it sounds like you're on the right track.

SENATOR GOUNARDES: Okay. There's a report by Reinvent Albany that came out recently saying that the -- you know, we routinely, when we do our budget allocations, we sweep about $375 million out of your -- the Transit Assistance Fund. So perhaps we should look to keep that funding back in, and that gets us a part of the way there.

Thank you very much, and look forward to working on this issue with you guys.

MTA CHAIR LIEBER: Thank you, Senator.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRWOMAN WEINSTEIN: Assemblyman Jacobson.

ASSEMBLYMAN JACOBSON: Thank you, Madam Chair.

I represent a district in the Hudson Valley: Orange, Ulster and Dutchess. And I represent Beacon and Poughkeepsie. So I have two stations.

First of all, I want to say I'm

opposed to the new payroll tax. It sends the wrong message to businesses, especially locally owned small businesses. It would be a real big impact. If you can make a case that the MTA should be supported, then let's use the general revenue funds. It's not fair to the -- to most of the people in the Hudson Valley. And we only have a quarter-vote, as you know. So it makes no sense.

Concerning the Beacon Station. I don't know if you've gone there. It has a very, very impressive aroma when you go there, and that's because there are no bathrooms. It stinks. The stench is terrible. Nothing has been done.

So I want to know, is there any chance that we can get some bathrooms? They don't have to be elaborate. They have them at construction sites. There's a way to do it for temporary bathrooms. And it would be a lot better. It's a very busy station on the weekends. Everybody goes to Beacon, we know that. So what are you going to do about

that?

MTA CHAIR LIEBER: I don't know. First I learned about it. But I'm definitely on the idea of a porta john for Beacon.

ASSEMBLYMAN JACOBSON: The other thing is while --

MTA CHAIR LIEBER: Can I -- can we -- can I just respond to your earlier comment? I -- I don't know whether it was taken into account as you were thinking through your response to the PMT. But as we said, this is only 5 percent, the largest 5 percent of businesses that would actually have any impact from what the Governor has proposed.

So when you say small businesses, local businesses, I respect that. Based on the analysis to date, they would not be impacted.

ASSEMBLYMAN JACOBSON: Well, we'll agree to disagree.

Next, there has been an uptick in traffic in -- from Poughkeepsie and Beacon, especially more in Beacon, but not every day of the week. There's a lot of factors on

that, a lot of factors of people having remote work and so forth.

But one of the things is when you -- in the beginning, after the pandemic was pretty much over, you came up with a brilliant idea, let's lower the fares, supply and demand, and that would increase traffic. It did. Now we've raised it again.

Why not lower the fares on the commuting? It will increase traffic, and I think you will net a more positive outcome.

MTA CHAIR LIEBER: Okay. Well, not what our analysis is showing. But we very much are trying to jump-start ridership, and we have used fare structure in the past to do it. And we're going to keep looking for discounts that have the effect that you're suggesting.

ASSEMBLYMAN JACOBSON: Thank you.

CHAIRWOMAN WEINSTEIN: Senate.

CHAIRWOMAN KRUEGER: Thank you. Excuse me. Thank you very much.

Senator Skoufis.

SENATOR SKOUFIS: Thanks very much,

Madam Chair.

And pardon the musical chairs here. Good to see you, Chairman Lieber.

And whatever differences we may have about West of Hudson's vision, I always do genuinely appreciate the transparency and responsiveness from your leadership team, Will Schwartz and anyone that I do engage with at the agency.

I do want to drill into a little bit the proposed increase in the Payroll Mobility Tax. I do understand, and I heard you just say, again, for the second or third time, that yes, this affects a slice of businesses. Not all businesses, mostly not small businesses.

A quick question before I get to my main remarks here. Does this extend to municipalities as well?

MTA CHAIR LIEBER: I'm not certain. But there are substantial exemptions that I know included all of the schools. Does it include the municipalities as well, Will?

SENATOR SKOUFIS: Municipalities

currently pay the tax. And so I'm guessing, unless there's some new carveout, that they will pay increase --

MTA CHAIR LIEBER: I guess it depends on the size of the municipality's payroll.

SENATOR SKOUFIS: They would have to exceed the threshold. But there's no carveout specifically for municipalities for this --

MTA CHAIR LIEBER: Not that I'm aware of at this point.

SENATOR SKOUFIS: Right. And so in effect every single taxpayer, every single property taxpayer -- forget about businesses. If you're a municipality getting hit by this increased mobility tax, every property taxpayer will pay a slice of that increase in their property tax bill. I think that's fair to say.

MTA CHAIR LIEBER: Well, I don't know how it's translated.

SENATOR SKOUFIS: I think, you know, in West of Hudson and Orange County -- previously also Rockland Country, where I

used to represent -- there is enormous frustration because it seems every year, and I think among some legislators too, every year we're back having a similar conversation: How do we shovel more money into the MTA?

And in addition to farebox revenue, we recently had an historic and enormous capital program that included state resources. We have the payroll tax, which I mentioned. The congestion pricing, which will establish about a billion dollars, once it's implemented, a year. We have DMV transaction fees, mortgage recording taxes, a petroleum tax that goes to the MTA, the COVID bailout.

And now you want more state money, more city money, you want to increase payroll tax, casino revenues -- as if that has anything to do with anything here. And the long story short is my constituents are taxed to death for a service they get little to nothing out of. There are times in the middle of the day -- not overnight, there are no trains overnight West of Hudson. In the

middle of the day, they're waiting hours and hours and hours for the next train.

And we have no subways, obviously. We have no MTA buses, obviously. Yet what is being proposed is the same 47 percent tax increase, mobility tax increase, as every borough, as Long Island, as East of Hudson.

My question is, how do you justify to West of -- Orange, West of Hudson, including Orange constituents of mine, that this is a fair tax increase?

MTA CHAIR LIEBER: All right, did I run out of time? Am I allowed to respond?

CHAIRWOMAN WEINSTEIN: Short answer.

MTA CHAIR LIEBER: Bottom line is mass transit is what makes this region, the region's economy function. And that the West of Hudson counties, along with the whole MTA region, since the PMT was adopted 10-plus years ago, have had much higher job growth than adjacent counties that did not have a PMT.

So the idea that it's a job killer and that it's suppressing economic growth I don't

think is fact-based. I'm always happy to talk about, you know, the level of service and how we ought to work together to improve and increase service to folks in your district, because we've got to get them over to the Hudson Line. I'm sick of them having to rely solely on New Jersey Transit to get to Hoboken, yadda, yadda, yadda.

So let's talk about how we can connect people to the service that exists and that's more frequent.

CHAIRWOMAN WEINSTEIN: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRWOMAN WEINSTEIN: Okay.

Assemblywoman Mitaynes.

ASSEMBLYWOMAN MITAYNES: Hello. Hi.

The question is, do you agree with the Governor and the Mayor's "New" New York Panel goal to maintain peak subway service and improve the frequency and reliability of subway service during off-peak hours?

MTA CHAIR LIEBER: The goal? Yes, absolutely.

And our on-time performance has been stellar, off peak and on peak. It is history-making, best in 10 years.

ASSEMBLYWOMAN MITAYNES: How do you reconcile the fact that there's no money included for this in the budget?

MTA CHAIR LIEBER: I'm sorry, I did not hear the question.

ASSEMBLYWOMAN MITAYNES: How do you reconcile that there's no money in the budget for this?

MTA CHAIR LIEBER: Well, I'm -- you know, I don't know what the right analogy is. I think that we've got to fill the bucket back to make sure that the MTA, at the current service levels, which I believe are pretty solid -- we can always improve -- has enough money to maintain that level of service.

And then, if the consensus is to go beyond that and to have more service or to do other things, certainly talk about it. You'll never have arguments from us about improving service -- increasing service.

ASSEMBLYWOMAN MITAYNES: What do you think the impact of increasing frequent buses and trains would be on ridership levels?

MTA CHAIR LIEBER: I don't know.

Again, we have -- 77 percent of our folks who are traveling in the daytime are getting six-minute service. So we have to talk about where and how we're going to increase service, if we're going to do it, in order to give you a meaningful response on how much it's likely to increase ridership.

I would like to increase -- if we have a choice, to increase it in the evenings, up to 10 o'clock, and on the weekends. We're trying to find ways to do that within the constraints of the existing workforce, how much equipment we have, and also getting our capital work done.

ASSEMBLYWOMAN MITAYNES: So we agree that increased service of trains and buses would mean that there would be more trust in the ridership, and therefore increase the service?

MTA CHAIR LIEBER: At 85 percent

on-time performance, we're getting very good feedback from riders, but we can always hope for better. Absolutely.

ASSEMBLYWOMAN MITAYNES: Can you explain the thought behind spending over a million dollars to hire security for the subway stations? And what was the thinking behind where these were going to be placed?

MTA CHAIR LIEBER: So one of the problems we have in the -- fare evasion is -- historically, I grew up in New York City, there was turnstile jumping, all kinds of ways people got in in the old days.

But what happened is we have this exit gate, which apparently is being required by the code authorities about a Fire Code issue. And that exit gate, people just open, and they stream in.

So it's some select locations where we knew we were having a problem, where people were breaking vending machines and opening up the gate and taking money. We started putting unarmed security guards -- it's a great investment, because it's actually

deterring people from opportunistic fare evasion.

I actually stop people who walk up to the turnstile with their OMNY cards on, with their OMNY phone in their hand, and see the gate open, and they go for the gate. And I say to them, "You know better than that," and then they go pay.

So we're stopping that kind of opportunistic fare evasion. It's the right thing to do. We're not -- we're not -- you know, we're not the police, but we're doing it in a gentle way by discouraging people from walking in that exit gate.

ASSEMBLYWOMAN MITAYNES: It definitely says a lot about your priorities. One of the places that this happened was at my local train station --

CHAIRWOMAN WEINSTEIN: Time. Time.

ASSEMBLYWOMAN MITAYNES: -- where the shooting happened.

CHAIRWOMAN WEINSTEIN: Thank you, Assemblymember.

To the Senate.

CHAIRWOMAN KRUEGER: Thank you.

Senator Fernandez.

SENATOR FERNANDEZ: Good afternoon. Thank you so much for being here today and taking our questions.

I am Senator Fernandez. I represent District 34 that has parts of Westchester County and the Bronx.

It's been mentioned by many here that we're looking to increase taxes, fares for New York City riders, more from New York City taxpayers to pay for this, and the payroll tax that would affect my Westchester constituents.

Why do we want to tax the working New Yorker instead of somebody who does -- and hey, billionaires -- to pay their fair share to assist in the needs of the MTA?

MTA CHAIR LIEBER: Well, I mean, again, the Payroll Mobility Tax is hitting only the 5 percent of the largest companies. So I think it kind of speaks to some -- you know, some of your comment.

It's a narrow, carefully tailored tax

that goes to the companies who are permitting remote work -- it's not an illegitimate choice -- but who want us to have five-day-a-week quality service. So for them, they're letting their employees come in one to three days a week, but they want our service to be there five days a week so that folks can come in.

And that's why we're saying it's appropriate to ask them to contribute along with the city, to take up some, you know, things that have become skewed in our financial relationship with the city --

SENATOR FERNANDEZ: But it's appropriate to have New York City riders, still New York City taxpayers --

MTA CHAIR LIEBER: Yes.

SENATOR FERNANDEZ: -- to pay more for the entire MTA fund?

MTA CHAIR LIEBER: Well, in this case, there's a division of labor. Remember, the MTA operates -- the city owns the subway system. We took it over because it was bankrupt and we were subsidizing it with

fares from -- you know, revenues from the Triborough Bridge and Tunnel Authority. That was the historical deal.

Over time, there has been a lot of cost-sharing. The city has equally shared in the Subway Action Plan, in the capital plan, and again and again. This is -- the proposal that the Governor's made is consistent with that idea that there's shared responsibility between the city, the owner of the subway system, and also the -- you know, who handed us paratransit and Access-A-Ride and express buses and many other things, and the state. It's consistent with that vision and that history.

SENATOR FERNANDEZ: Thank you. I just want to put on the record I do think we need to advance and update the Access-A-Ride program, possibly with an app, in the future, because it is crazy that we still have seniors waiting hours, at times, for their Access-A-Ride to show up.

But I do want to touch on OMNY and the weekly fare-cap pilot program that was

started. Has it been decided that this will be a permanent policy?

MTA CHAIR LIEBER: I missed the question.

SENATOR FERNANDEZ: The weekly fare-cap program by OMNY --

MTA CHAIR LIEBER: Yes, we're still in the -- technically, it's a pilot, but I think that the idea of using fare-capping, that automatic, weekly, when you reach a certain number of rides --

SENATOR FERNANDEZ: Twelve rides.

MTA CHAIR LIEBER: -- I believe is here to stay. And it's important because that way people don't have to decide, when they walk up on a Monday or whenever, do I take a weekly, do I take a monthly. Let the system give you the best fare.

That's a lot of wasted money where people are buying products that they didn't get the full advantage of. And it's a real benefit to the consumer, so I'm expecting we're going to keep that.

SENATOR FERNANDEZ: Okay. I

appreciate the accessibility that OMNY has brought. But surveillance, does a third party have access to riders' card information and location history? And what has the MTA done to protect that?

CHAIRWOMAN WEINSTEIN: Time.

CHAIRWOMAN KRUEGER: Time.

SENATOR FERNANDEZ: Oh, man.

CHAIRWOMAN KRUEGER: You'll have to answer Senator Fernandez afterwards because you've run out of time.

MTA CHAIR LIEBER: With pleasure.

CHAIRWOMAN KRUEGER: Thank you.

CHAIRWOMAN WEINSTEIN: Assemblywoman Giglio.

ASSEMBLYWOMAN GIGLIO: Good afternoon. Thank you for being here, and thank you for the South Fork commuter rail. It is tremendously popular and very much used.

The question that I have for you is -- or the couple, is the 6:20 a.m. train on Fridays, from Memorial Day until Labor Day, was discontinued due to the Cannonball train that was coming out from the city. I'm

wondering if you have any plans to restore that line so that the businesses and hospitals and schools, who employ many people, can continue to use that train during the summer months.

It's been a big problem. And I know that it was rejected again last year --

MTA CHAIR LIEBER: Is this the Friday train or the Monday train?

ASSEMBLYWOMAN GIGLIO: The Friday train, the 6:20 a.m., and then the 5 p.m. westbound. The 5 p.m. westbound doesn't seem to be as much of a problem as the 6:20 a.m., while people are trying to get to work.

MTA CHAIR LIEBER: Listen, we love -- you know, there's 40 percent more service coming to Long Island Rail Road within a matter of weeks when we switch over to the new schedule because of Grand Central Madison.

So I will take a look at which trains are there for the ridership pattern you want to get into, and we'll get back to you. But we -- there's going to be a ton of reverse

commuting service, and I think that train falls in that category. It's going the opposite direction on a Friday morning. So let's take a look.

ASSEMBLYWOMAN GIGLIO: Yes, so that would be very helpful to many of my constituents.

And then the second line is the capital plan to electrify the train on the main line and the Port Jeff line and also the Speonk to Montauk line, if that is anywhere in your future projections. Because we talk every day on the floor in the Assembly and the Senate about contaminations to our environment, and the diesel is really a big problem. We need to electrify that rail.

MTA CHAIR LIEBER: So -- so the good news is Long Island has gotten literally fifteen to $20 billion of megaprojects that are making this possible, this 40 percent increase in service. That's a good. Hope we don't forget that.

All new megaprojects like the multi-billion-dollar electrification projects

are going through what we call comparative evaluation, looking at all the projects that might ask for money at that scale in our capital plan. We have to give you guys and the world a report, a 20-year needs assessment, in the fall. That's when you'll have an answer to those questions about those particular projects.

ASSEMBLYWOMAN GIGLIO: Well, please keep that at the top of your list, as we've just completed the Third -- the Third --

MTA CHAIR LIEBER: Third Track, Double Track, Grand Central Madison --

ASSEMBLYWOMAN GIGLIO: -- Rail, Third Rail, Second Track, East Side Access --

MTA CHAIR LIEBER: -- all the tracks are fixed. A lot of investment in the Long Island Rail Road.

ASSEMBLYWOMAN GIGLIO: Long Island needs some love. Thank you.

MTA CHAIR LIEBER: They get a lot. And the Ronkonkoma -- yes.

ASSEMBLYWOMAN GIGLIO: Yes.

CHAIRWOMAN WEINSTEIN: Thank you.

Just colleagues and MTA, we're going to take a five-minute break so people can stretch their legs and use facilities.

So we're going to set the clock for five minutes, just a reminder to everybody.

(Brief recess taken.)

CHAIRWOMAN KRUEGER: We're back for round -- well, it's not Round 2, we're just a continuation.

And I don't see my colleague Tom O'Mara back, so I'm going to take my questions first. Thank you.

And many questions have been asked and answered, and I really hate referencing the New York Post ever for anything -- sorry if you're in the audience --

MTA CHAIR LIEBER: They're right here.

CHAIRWOMAN WEINSTEIN: Sorry.

But they had an article or two referencing how much more you're spending on Long Island Rail Road staff than seems to be conceivably justifiable. Multiple people overlapping and not working, people getting paid more when there's baseball games going

on, multiple shifts that you just don't need that many people -- there's a long list. I can read you the Post article, but you've probably read it.

Tell me what's going on and why your numbers are so different than for the Metro-North or the subways.

MTA CHAIR LIEBER: So listen, some of that is -- I mean, broadly speaking, I never apologize for the fact that my predecessors had railroad agreements, many of which date to the early 20th century, because the Long Island Rail Road has been around that long, that govern how work is distributed in jurisdiction among different crafts and how many people you have to staff a job. It's all fairly achieved in collective bargaining, most of those issues.

But sometimes you need to update, and that's what we will do. We'll put those issues on the table -- the legitimate ones, at least -- in collective bargaining. However, in the meantime, what we're doing is we're taking advantage of the fact that we

have one person, a fantastic woman, Cathy Rinaldi, running both railroads, to look at opportunities to compare and contrast cost and efficiency. And we are using Cathy's knowhow and also data that shows us the difference between these two railroads, to identify those inefficiencies and where we can, without violating collective bargaining agreements, to get better at it.

That is one of the ways we're knocking out the $400 million in savings that's in the Governor's plan, is using data and also technology to identify opportunities for efficiencies. Some of that will address some of the issues that you read about.

CHAIRWOMAN KRUEGER: And there was a report, I believe, that because of new federal infrastructure money -- oh, sorry, mine went off. Thank you. -- that because of new federal infrastructure money, our roads and bridges were going to see about another 13 billion in money from the feds.

Does any of that go to the MTA?

MTA CHAIR LIEBER: Listen, we -- the

Biden infrastructure plan had an increase in the formula money. That was about $3 billion. The balance of what Chuck Schumer -- who is our guardian angel in Washington -- projected that the MTA would receive is in discretionary categories. We have to compete for the money, so it's very early days for us to say for sure how much extra money we're going to get. But they have money for zero-emissions buses. We are on the verge of putting out the largest zero-emissions bus contract in the United States, 470. It's money for ADA, which you know we're committed to, because we're doing so much more than everybody else ever did. And other categories. So we have to compete for the money, but we're after it, every category.

CHAIRWOMAN KRUEGER: And there seems to be a little confusion between your operating funding cliff and your capital funding cliff. So just to make sure that I'm understanding it correctly. So congestion pricing, when it ever comes, that was

intended to borrow money for capital, am I correct?

MTA CHAIR LIEBER: Yes. Correct.

CHAIRWOMAN KRUEGER: And there's no plan to move that into operating.

MTA CHAIR LIEBER: Absolutely not. We need every dollar for making sure this hundred-plus-year-old system that wants to fall apart does not fall apart.

CHAIRWOMAN KRUEGER: And so the proposal by the Governor to increase revenue to the MTA on an annual basis from a number of different streams is intended to address the operating deficit that you are facing --

MTA CHAIR LIEBER: Yes.

CHAIRWOMAN KRUEGER: -- moving into the future, correct?

MTA CHAIR LIEBER: I'm thrilled that the chair of Senate Finance knows that difference between the operating budget and the capital budget; I know you do.

You know, I sometimes explain to people it's like the educational environment: You've got to build the school, and then

you've got to pay the teachers and the custodians and the professionals who work in the school. Build the school's capital budget, operate the school's operating budget.

CHAIRWOMAN KRUEGER: And because when you read real estate, I guess -- what are -- they show up every -- real estate blogs, you see that some of the major real estate entities in New York City, particularly in Manhattan, which I represent, are discussing that, you know, it's just their -- they're just not going to fill those commercial buildings the way they ever did before, and they're now recognizing it and they're taking it off of their books from a projection of revenue.

So when we talk about where you are on people returning to the MTA, do you have a sense of if we're all doing, quote, unquote, everything right, because of changes in the economy and how people approach work and where they work, what level we actually think is reasonable to expect to get back to?

MTA CHAIR LIEBER: Yeah. I mean, we've -- our projections that we're operating from in the budget that you have in the Governor's proposal, is based on that. They show us getting back into the 80s percent-wise, versus pre-COVID, in 2026.

But, you know, I'm in the never-bet-against-New York business. I spent 14 years on the World Trade Center project, where people said, Eh, downtown's gone, forget about it, turn it into a farm or a putting green or all kinds of crazy ideas. And we rebuilt the most dynamic business district and all kinds of people came there to live and work and play, and it's a one-of-a-kind place.

So I am fundamentally optimistic about New York. But we do have our projections, and we put them together with professionals. So I'm not giving up. I think we're going to exceed it.

CHAIRWOMAN KRUEGER: But are your -- so I'm also fundamentally optimistic about New York. I'm also fundamentally a believer

that we've always tried to crowd everything onto the head of a pin called Manhattan Island, and it's okay with me if we're expanding our business opportunities through the other boroughs and through other parts of the region.

So for me, it's almost more important to see and hear how the MTA can address making sure that we target better mass transit to other areas within the 12-county region, that people could actually be working and living without an expectation that it all has to be aimed for Midtown and Lower Manhattan.

MTA CHAIR LIEBER: No, you're absolutely right. We have a transit system that's still in some ways a legacy of the early 20th century in terms of its design. That's why the bus system is so important, because we have much more flexibility to direct people to destinations than we do with a heavy rail system that can't move, and why we have to make buses so much faster.

It's also why the Governor's IBX

proposal is exciting, because there are more people working -- moving between Brooklyn and Queens for work than there are coming across the river to Manhattan, but they don't have really a direct way of doing it. So the IBX, along with the G Train and a more dynamic bus routing system, which we're working on right now with folks in Brooklyn and Queens, is an answer to your question, which is well-made.

CHAIRWOMAN KRUEGER: So the Mayor and the Governor I think both talked about supporting the interborough rail between Brooklyn and Queens. Is that expected to --

MTA CHAIR LIEBER: Yeah, that's the interborough express. That's --

CHAIRWOMAN KRUEGER: Is that expected to be an MTA project or independent of the MTA?

MTA CHAIR LIEBER: Yeah, it's supposed to be an MTA project. We just announced with -- the Governor announced that we've completed the phase of the environmental review that allows us to choose light rail as the mode, and now we're going into full-on

environmental review and design. And then hopefully, you know, if it makes the cut, it will be in a position to compete for capital dollars in the next capital plan.

CHAIRWOMAN KRUEGER: I'm going to cede back my other three minutes. Thank you very much.

MTA CHAIR LIEBER: Thank you.

CHAIRWOMAN KRUEGER: Assembly?

CHAIRWOMAN WEINSTEIN: We go to Assemblywoman Sillitti.

ASSEMBLYWOMAN SILLITTI: Hi.

MTA CHAIR LIEBER: Hello.

ASSEMBLYWOMAN SILLITTI: So I think some of you know me. I represent a commuter district that is exclusively on the -- majority on the Port Washington line.

And so I just want to first -- you know, on the record -- thank you for working with us on the restoration of the express line. It was appreciated, your willingness to work with me and the thousands of constituents. So I wanted to get that out of the way first, on the record.

So you mentioned before in your testimony, you were talking about there was this, you know, increase in service for the Long Island Rail Road, better commute, 40 percent increase. So for me, my issue is -- for the Port Washington line specifically, is that we're using -- we made massive cuts during COVID, obviously. But I feel like it's the base -- you're using that as the baseline for the comparison.

So for example, in 2019 there were I think 18 a.m.-peak trains and then 19 trains in the evening. And in COVID we had about 11 going in in the morning and I think 14 in the evening. So with the timetables that you guys worked on with us, which again I want -- again, I appreciate so very much -- it's still 11 in the morning, and then we have 10 from Penn and 10 from Grand Central.

You know, we want people to return into the city. You know, the Governor wants people to return into the city. My constituents, many of them have the option of working from home. And if this new schedule

doesn't work, they're going to do that. And we don't want them to. We want to increase capacity, we want people to be back on the trains. And now that you mentioned before that they're safer, get back on the trains, get back into the city.

So I guess my question is this, in two parts. You know, you have -- in conversations Long Island Rail Road said they'll review ridership, you'll make adjustments as needed. So I just really want to emphasize, you know, will you monitor the situation for the entirety of the Long Island Rail Road -- and I'm speaking to the entirety of the Long Island Rail Road -- and the Port Washington line. And if there's overcrowding and other issues, will you address it in an expedited manner?

MTA CHAIR LIEBER: Yeah. I mean, your -- your point is well taken. The constraint that we've got -- as you know, Assemblyman, you were incredibly helpful in us, you know, resolving that -- the question of the express trains and how we would

configure it. But the constraint on the Port Washington line is we have no yard space. And that was a bad decision made many moons ago, long before you and I were around here. And we're living with it, and now people have woken up to the fact that it keeps us from running as many trains as we should be able to on that big piece of our --

ASSEMBLYWOMAN SILLITTI: Part of it's that. And then also, you know, there was an increase in service in Queens. That was the second part of it.

MTA CHAIR LIEBER: Yeah, but --

ASSEMBLYWOMAN SILLITTI: And I think the Port Washington end --

MTA CHAIR LIEBER: All over the Long Island Rail Road we used to run 406 trains a day in and out of Penn, and now, between Penn and Grand Central, we're going to run, you know, seven -- 650-odd --

ASSEMBLYWOMAN SILLITTI: With one second left, all I want to do is just make sure you keep track and, if there is issues, address them in the quickest manner possible.

MTA CHAIR LIEBER: I will be thrilled to work with you if we achieve overcrowded trains (laughing).

ASSEMBLYWOMAN SILLITTI: There you go. Done, thank you.

CHAIRWOMAN WEINSTEIN: To the Senate now. Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Senator Tom O'Mara. Five minutes, please.

SENATOR O'MARA: Thank you, Chairman. And again, thank you for your visit this past late in the year to Hornell, New York, and Alstom, our car-manufacturing entity. As you know, we have a strong railcar manufacturing base across the Southern Tier, but other places in New York State too.

So even though I'm from way upstate, I truly understand the value of the MTA, and to the economy of New York State as a whole, particularly New York City. So I thank you for your commitment in allowing -- or working with New York State manufacturers for these capital needs that you have.

I want to ask a couple of questions, though, on the buses and the Green New Deal and the electrification of buses in New York. And I am fully supportive of the electrification of buses in our urban areas. I think that's a critical aspect to be focusing on initially. But I read recently that you or somebody from the MTA had submitted some comments to the Public Service Commission that it was costing you two to three times as much to charge your electric buses that you have than it would to fuel a diesel or a natural gas bus.

You stated you have 15 electric buses now -- that seemed awful low to me -- but you've got a fleet of 5800 buses that would have to be converted to electric. And there's a recent I think bid out there right now of 1.1 billion for just 500 buses. Which would come out, per bus, at 2.2 million. I assume there's some costs in there for the charging stations as well, because that seems high per bus.

But, you know, what is the cost going

to be to the MTA for this? And what's the feasibility of, you know, transferring to electric buses, which I think we should be pushing. But we also need to look at the feasibility and the affordability of it, both of which were really left out of the climate plan when it was done.

So if you could just comment on the overall electrification of buses in New York City.

MTA CHAIR LIEBER: So, yeah, thank you for the question. It's a hugely important area. We have to get there. I mean, there's no question that we need to have an -- you know, use our bus fleet to achieve our environmental goals. We don't have any choice. We're out of time on -- on the consequences of climate change.

So we're taking -- we have a goal of having a fully electric fleet by 2040. I think that gives us the time to get there, both in terms of procurement, testing of the buses in the New York environment, and the installation of charging infrastructure.

But you're not wrong that it would be incredibly helpful if we had a special transit tariff through the PSC that would enable us to, you know, to have an appropriate, not -- we're not looking for something that's a freebie, but that would be appropriate to the scale of what we're doing.

We are working with NYPA on the installation of charging infrastructure at several of our major depots. Senator Comrie's home district, the Jamaica Bus Depot, is one of the first. Incredibly bus-dependent neighborhood.

But we're in full gear to try to switch over to electric, and the cost structure, in these early days -- we're going to get more capacity in the system, I know -- is -- you know, there is an incremental cost to it, and we'd love to work with the Legislature to deal with that.

SENATOR O'MARA: Well, thank you for that. And I think that the overall cost of the timeline really needs to be something that needs to be fleshed out and just how

it's going to be paid for. Because this whole scheme is overwhelming and proposes a lot of impact to our economy as a whole in New York State.

But just to where I started out, under the current tariff that you have right now, it's costing you two to three times as much to charge an electric bus than it is to fill it up with diesel?

MTA CHAIR LIEBER: I don't -- my apologies, I don't know the exact numbers. We'll get back to you with that. It is more than old-fashioned, dirty fuels, yeah. And I know that the state is making huge investments in renewables and working to bring that cost down. For us, it's really a challenge to make sure we have the capacity, in addition to the cost. We have to put all that charging infrastructure in and make sure we can run the system.

So -- but we'll give you specifics on it. And as I said, we would be thrilled to work together on some special accommodations for transit, which has this huge collective

value.

SENATOR O'MARA: Well, thank you.

And in addition to the strong railcar manufacturing industry we have in New York, I hope that we are working as a state to have an equally as strong electric bus manufacturing that entities such as the MTA can utilize. Thank you.

MTA CHAIR LIEBER: You bet.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRWOMAN WEINSTEIN: Assemblywoman Shimsky.

ASSEMBLYWOMAN SHIMSKY: Thank you very much, Madam Chairwoman.

And thank you very much, Mr. Chairman.

I represent a district in the Hudson Valley and Westchester County. I have the Hudson and Harlem lines going through.

My first question concerns something that came up in the Governor's State of the State address. She has an Innovative Mobility Initiative, which covers upstate areas and areas outside the MTA. But the

reason I bring that up is there are large swaths of real estate within the MTA's territory where things like fixed-route buses simply are not cost-effective. And one of the things I wanted to know from you is, at what point is the MTA looking at how to reimagine mass transit in a more cost-effective way in those areas?

MTA CHAIR LIEBER: Listen, I -- I don't know all the specifics, but I'll tell you, what I'd like to go over with you is our -- the concept of the last mile, strategies to deal with the last mile. If we can get people that connection to a rail station, ideally, or even to a bus station, so that it becomes -- makes sense for them to do it on a -- as a pedestrian, on some electric vehicle, on a bicycle, however, and that we have enough parking and charging and support for that, that will make a difference.

Also, we're trying to experiment, you know, with these circulatory feeder services or on-demand services. These are all things

that could make the difference between making MTA fixed rail an option for somebody. And you don't want to just keep having to build more parking lots.

So it's an area where I think there's huge opportunity for growth and creativity, and we're into it. So let's have the discussion.

ASSEMBLYWOMAN SHIMSKY: Oh, absolutely.

My second question concerns safety equipment and upgrades. In my region we still have a lot of at-grade rail crossings. We have the old-fashioned gates that were around when I was growing up, probably when you were growing up too --

MTA CHAIR LIEBER: Well, I lived in the city.

ASSEMBLYWOMAN SHIMSKY: -- that the cars -- that a lot of cars can end up getting into catastrophic situations with, and that has happened in my district.

What are we doing to access more money from the federal government to help make sure

that these various forms of safety upgrades, these signal changes, dealing with some of the challenging topography in our area can have and --

MTA CHAIR LIEBER: One thing that we did is we became experts on the Third Track project in Long Island, in knocking out grade crossing eliminations in a single weekend. It had never been done before, at least to my knowledge, in the New York area, and maybe even in the United States. But we were like digging underneath -- closing on the railroad on Friday night and digging a hole under -- a huge, big pathway for cars and humans underneath, and restoring the railroad, pushing in a concrete box so that you had an under-grade crossing.

So having had that experience, we would love to spread it all over where appropriate. We do need the money. We go after every dollar at the federal level. I'll give you a specific -- I mean, some specifics on which categories there are and how much New York gets. That's the question,

are we getting our fair share.

ASSEMBLYWOMAN SHIMSKY: Yeah, that would be great to find out for Metro-North. Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

Senate.

CHAIRWOMAN KRUEGER: Thank you.

We're now on to our second round for our two chairs. First, with Authorities, Leroy Comrie.

SENATOR COMRIE: Thank you.

CHAIRWOMAN KRUEGER: Three minutes, sorry.

SENATOR COMRIE: Ten minutes, I heard.

(Laughter.)

CHAIRWOMAN WEINSTEIN: No, no, no.

SENATOR COMRIE: As you indicated earlier, fixing Penn is a priority for all of us New Yorkers, including myself and anybody who wants to see transportation. Clearly, with Vornado's declaring that it can't provide funding, it's shaky on funding -- you had talked earlier about the lack of people coming back, with Senator Schumer now coming

out against the original plan -- doesn't it make sense to void the GOO {ph} and work with Senator Schumer to immediately prioritize the plan if it gets -- passed muster with the federal government? And how are we going to make that happen?

MTA CHAIR LIEBER: So yeah, the answer to any question "Would you work with Senator Schumer," in my case is yes, because he is -- you know, he's the guy who makes things happen for New York in the Congress, especially in the transportation money category.

Listen, I think I said it earlier, I am -- I think that the priority has to be we've got a certain amount of money from the Legislature for Penn. Now we've got to go whole hog -- you know, all out to get the federal money. That means we need Amtrak and New Jersey Transit to support that.

SENATOR COMRIE: I was very disappointed that the Amtrak Gateway plan seems to be another situation of they only want to be able to have Amtrak cars run

through there and not have throughway service or an ability to support all cars. I hope that you can work with Senator Schumer to make a new plan that would incorporate Penn and create access for all systems to be able to work together. It's important for New York, if it's going to remain a financial engine of our country, to have access from all over the country, since people are moving farther and farther out to come back to work --

MTA CHAIR LIEBER: I agree with you, but right now we're in a race to get the existing Penn renovation going before Metro-North comes in from the Penn Access project. That's the thing that we've got to get going, and we've got to get money for as soon as possible. That is my focus.

But I agree with you, we need to make sure that that expansion, when it happens, accommodates through running and other strategies.

SENATOR COMRIE: Well, I hope we can get the COO to renegotiate it quickly so that

that can happen.

A question on MWBE. I understand you're losing your MWBE czar. And where are you with MWBE, and how are you going to replace someone that has been a historic --

MTA CHAIR LIEBER: MTA is a leader on MWBE. We are the number-one state agency by a lot. I think we are a third of the MWBE achievement statewide, of all the state agencies. We give -- we do about a billion dollars a year in contracting with M's and W's and DBE's.

And we are -- in addition to what we've already accomplished -- you mentioned Mike Garner, who's going over to work for Mayor Adams. He was the leader. We're going to replace him. But my goal is we need more M and W companies that can fill categories of work that we don't have enough M's and W's in, honestly. So we're hitting the numbers, but we need more participation. That's a priority for me.

SENATOR COMRIE: Where are we with the test platforms that were supposed to be put

in, the Times Square, Third Avenue, and at Sutphin Boulevard? The test platforms that were going to be done after the pushing incidents. Have they been designed, implemented?

MTA CHAIR LIEBER: We're in -- we're in the preliminary design that will allow us to do the procurements now.

Those are -- let me just emphasize, those are so expensive and they're only applicable in a very small portion of our stations because of the structural load that they impose on the platforms. So we're looking -- in the $100 million we put in -- the Governor put in her proposal for MTA law enforcement, it includes a ton of other technology innovations to try to keep people off the tracks. That's another thing that we're hard at work on.

CHAIRWOMAN KRUEGER: I'm sorry, I have to cut off this --

SENATOR COMRIE: I'm sorry, my time is up. Thank you. Thank you, Madam Chair.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRWOMAN WEINSTEIN: We've been joined by Assemblyman De Los Santos.

And we go to Assemblyman Burgos for a question.

ASSEMBLYMAN BURGOS: Thank you, Madam Chair.

Thank you, Chairman and the team, for coming here today.

In your testimony you mentioned the bus redesign plan --

CHAIRWOMAN WEINSTEIN: Can you check if your mic is on?

ASSEMBLYMAN BURGOS: Can you hear me?

MTA CHAIR LIEBER: Yup.

CHAIRWOMAN WEINSTEIN: Yes.

ASSEMBLYMAN BURGOS: You mentioned the bus redesign plan. And I'll tell you, since I'm from a district that has the 6 Train but the overwhelming majority of my district relies on bus service, I appreciate, you know, the effort your team took -- you know, the transparency and the communication.

So with that in mind, I do want to

speak a little more on buses. It's my belief that, you know, buses and trains within New York City are very different, not just in the way they operate, but who actually utilizes them. Are you able to provide me a picture of bus service, bus revenue and bus ridership, like peak pandemic versus what we're looking at now?

MTA CHAIR LIEBER: Yeah. I mean, we're -- you know, our bus ridership numbers are not far off our subway ridership. It's in the low 60 percentile relative to pre-COVID. Our revenue situation on the buses has declined more. We have, honestly, a higher rate of fare evasion on buses.

But, you know, as I always say, irrespective of the economics, we've got to make the bus system much better. And the Bronx was a good example. Like a real collaborative, transparent dialogue yielded savings in time for routes that are life or death for people: Can I get to a job? Can I get to a hospital? Can I get to school in a reasonable time frame? And we made some

progress in collaboration. We're doing it for Brooklyn and Queens now. We've got to make buses run faster. I need people out of the bus lane. I need them out of the bus lane. That's why you're seeing some of the other proposals we have.

ASSEMBLYMAN BURGOS: So in that same respect, I know Senator Liu mentioned earlier about the possibility of free buses. And I know you made the comment saying, you know, we don't want the frosting before the cake. And I can appreciate that. But I also don't want to underestimate the value in showing people what a service MTA can be, and how that can even translate to an increase in ridership for pay fares, right, on the subways. So I would love to see how we can work towards that goal.

In my last time, I think you mentioned you have about a million people on reduced fares.

MTA CHAIR LIEBER: Yeah.

ASSEMBLYMAN BURGOS: Do we have the data on -- I know they're using bus and

subway. But do we have an idea of how many people on reduced fare are using the buses, in comparison to subways?

MTA CHAIR LIEBER: We can -- we can tell you that. I mean, there's no question that you have a lower income profile, broadly speaking, on buses than on subways. I'm sure that will be borne out when we give you the data. But if that's your point, it's well made. And we love to give -- make sure more people are on Fair Fares and that they're getting the discounts that they're entitled to.

ASSEMBLYMAN BURGOS: Again, so in the last bit of my time, I think we just have to take that data into account, all the comments you made, obviously, on what people in outer boroughs and lower income rely on bus service. I think we should really genuinely look at the possibility of free bus service, even if it begins as a pilot program in certain boroughs or outer boroughs. But we are not Manhattan. We are not serviced the same way with subways, and I think we should

look at the buses.

Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

To the Senate.

CHAIRWOMAN KRUEGER: Thank you very much. I think, for the Senate to close, is Tim Kennedy, our chair of Transportation, three-minute second round.

SENATOR KENNEDY: Yeah, thank you again, Chairman. Thank you for your answers.

I think it can't be understated the importance and the impact that the workforce has had on the system, particularly over the last few years with the pandemic raging. Those that showed up to make sure that the system continued to move and function for the ridership not only risked their lives but, in many cases, gave their lives.

I just would like you to speak to what's happening with this budget and its impact on the workforce, on the members of organized labor, and does this budget give them the support that they need to do their jobs every day?

MTA CHAIR LIEBER: The number-one response to your question is the proposal that the Governor's budget puts on the table would fully fund our existing workforce, making unnecessary layoffs. That's the number-one issue. We all want to avoid that. Layoffs equals service cuts equals the death spiral for transit. Right? So we don't want to be doing that. That's the most important thing.

The other is the -- we are using what resources we have to kind of grow our partnership with labor. We have a new safety committee that John Samuelson sits on that is breaking new ground in terms of labor/management collaboration. I think we are both very much of a mind to try to deal with the worker availability consequences of COVID, and I think there's a partnership there. But the bottom line is we want, you know, jobs to be secure. We're reverting some of the contract cleaners, both of the cars and cleaning in the stations, to unionized TWU full-time employees. I think

we want to be on the same page and our interests are aligned.

We do -- I've spoken earlier, like I think we -- you know, it makes sense to look at opportunities to become more productive. But I think they have contributions to make as we figure that out, and we're going to be calling on them, and not just in collective bargaining but in everyday as well.

SENATOR KENNEDY: Thank you.

And just for the purposes of time, my last question will be around Penn Station Access and the project that broke ground over a month ago. We're already hearing that there may be delays because of Amtrak. Can you speak to the delays? And what is the holdup with Amtrak?

MTA CHAIR LIEBER: So the situation is this. Look, East Side Access, now known as Grand Central Madison -- because I don't want the shadow of that failed project to hang on forever to what is actually a positive development for transit in the region -- what we learned with East Side Access is that you

need -- when you need outages -- you need outages, you need access to the track to do work, and you need flaggers and you need other supervisory personnel for Amtrak, which owns the track.

That cost the East Side access project probably a billion dollars, because Amtrak couldn't or wouldn't -- and again, I wasn't there for most of this stuff. Work couldn't get done on time, and contractors were told to walk away and delay and delay and delay, and money, money, money.

So when we did Penn Access -- and I will just finish this answer -- when we did Penn Access, we insisted that Amtrak sign a commitment to provide outages on a schedule and to provide the workforce to support the work. And notwithstanding that contract commitment, which subjects them to damage claims, they still haven't been able to do it now. I know they're working on it, but it impacts on the project. We can't do work, we can't finish the project. That's what you're hearing about.

I've raised it with the highest levels of Amtrak. They're offering us, you know, some -- some new strategies for getting the work done. The time that we've lost, that's still being negotiated.

SENATOR KENNEDY: We expect Amtrak to be better partners.

MTA CHAIR LIEBER: We are hoping. The heart's in the right place, but they have struggled to let work get done so projects can finish on time and on budget.

That didn't happen on the Long Island Rail Road, because we controlled the Third Track. It was us and the railroad, and they gave us the outages and they gave us the personnel, and we finished $100 million under budget.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRWOMAN WEINSTEIN: Assemblyman Palmesano.

ASSEMBLYMAN PALMESANO: Yes.

Thank you, Mr. Chairman, good to see you again. I also wanted to echo what

Senator O'Mara said about coming out to see Alstom and visiting them this August so you can see the {inaudible} we have right there in Hornell and the critical workforce they have that is --

CHAIRWOMAN WEINSTEIN: I'm not -- Phil, excuse me. Can you pull the mic closer?

MTA CHAIR LIEBER: I heard you. I heard you.

ASSEMBLYMAN PALMESANO: -- the critical projects that they continue to do for both the MTA and other customers.

With that being said, I know you've seen the significant investments Alstom has made there to deliver projects for the MTA. They're the subcontractor on the R211 project. They've invested $40 million in the steel car body shell there. They also have the Amtrak high-speed rail contract and others. Given that, I want to kind of pivot to the next generation of railcars for the city, the R262 contract.

What is the time frame, from your

perspective, of that being let? How many cars are you talking about? And also I know that there's an option for more cars, 430-plus cars for the R211 contract. If that's exercised, will that delay the R262? And also -- you can start with that.

MTA CHAIR LIEBER: Okay. So I don't recall the numbers, but it's a lot. It's multi-billion-dollars. The 262s, you're talking about the next generation of IRT cars. That's the A division; those are the numbered lines.

We need them. And we want to get them. And we wanted to use a New York -- ideally, a New York company, like Alstom. And Kawasaki does a bunch of their work -- not as much, but they're also, for manufacturing railcars, a significant New York player.

We would love to use it. The question is, is the price affordable? And we are in the middle of negotiations about that. My -- my team's job is to make sure that the numbers can be supported and justified

compared to what the rest of the world is paying for railcars.

So that's where we are, honestly. Yes, the -- our options with other contracts, depending on the price for -- that we are ultimately able to exercise for the 262s, it's conceivable that other contract options could be alternatives. But the main thing is what are the terms and the schedule and the budget and the cost for that Alstom or any other manufacturer is able to offer, and that is -- that procurement discussion is still underway.

ASSEMBLYMAN PALMESANO: So as far as a time frame, you don't really -- you can't really give a time frame --

MTA CHAIR LIEBER: Well, the time frame is either they'll come to a reasonable agreement or there won't be a contract.

ASSEMBLYMAN PALMESANO: Gotcha. Fair enough. Thank you, sir.

MTA CHAIR LIEBER: Yeah, that's -- that's the real time frame. Just telling you the emis {ph}, as we say in Brooklyn.

ASSEMBLYMAN PALMESANO: Thanks again for coming. Really do appreciate it.

CHAIRWOMAN WEINSTEIN: Thank you.

Assemblywoman Gonzalez-Rojas.

ASSEMBLYWOMAN GONZALEZ-ROJAS: Thank you so much for being here for many hours.

Earlier Chairman Kennedy referred to the six-minute bus service, and last year I sent a budget letter advocating for that service and we're continuing to do so as a full package, as you're aware of, the Fix the MTA package.

But to clarify, the six-minute service proposal was not 24 hours, as much as I'd love it to be 24 hours. We were really looking at six-minute service between 5 a.m. and 9 p.m. during the week and 8 a.m. to 10 p.m. during the weekends, with an estimated cost of 250 million.

How does this change the infrastructure concerns and barriers that you relayed earlier?

MTA CHAIR LIEBER: Listen, I -- I've -- the issue for us is that -- I'm

pushing back a little only against the idea that the frequency and reliability of the bus service is based on how many buses we put out there. It is in large part based on the traffic conditions that buses encounter. And again, as we're debating where to take the transit system, I just want that to remain front and center.

I very much respect the idea, I love the idea of frequency and more service and more service. We have to, one, solve the budget gap and, two, be honest about the conditions that are preventing buses from getting around the city. It's congestion, it's folks of goodwill -- and some not, but mostly goodwill -- parking in the bus lanes, parking in the bus stops.

We have a plan on the table with all of you, in the Governor's proposal, to actually allow for camera enforcement, not just of the bus lanes but also of people who are lingering in bus stops. Not one -- not a drop-off, but staying more than five minutes.

So I want to make sure we don't lose

sight of attacking those problems as we figure it out. And I will respond to you on the six-minute -- the numbers impact of six-minute service on the time frames that you've asked for.

ASSEMBLYWOMAN GONZALEZ-ROJAS: Thank you.

And I know that fiscal solvency of the agency has been an ongoing issue. Given that the internet marketplace sales tax generates a total of 320 million -- about 100 million from New York State and 170 million from New York City -- might this be a source of revenue that could be directly remitted for the purposes of investing in improvements in service?

And again, you're hearing a lot about bus service from the New York City members because it is so vital to our communities.

MTA CHAIR LIEBER: All right, I don't -- I'm going to let Kevin answer that, but I'll just say one thing. When you think about the -- what's causing our drop in ridership, which has the fiscal consequences,

the internet is the thing. Right? It's work from home, facilitated by the internet teams, Zoom and so on.

So there is some kind of a -- you know, upfront I'd say there's a connection that you're pointing --

ASSEMBLYWOMAN GONZALEZ-ROJAS: So it should just go right back into the system.

MTA CFO WILLENS: The internet marketplace tax that we receive both from the state and the city is by law dedicated into the capital lockbox for the capital program. And we have committed fully against that revenue for the projects.

So the $11 billion in capital commitments that we executed in 2022 is in large part being supported by that internet marketplace tax. So it is -- it's going to good projects, no longer -- not available for the operating budget, either by law or in a practical sense.

CHAIRWOMAN WEINSTEIN: Thank you.

Next, Assemblyman Cunningham.

ASSEMBLYMAN CUNNINGHAM: Good

afternoon. Thank you so much, Mr. Chair, and for your team, for all the incredible work you do to keep New York City moving. And also Will for always being a quick responder to our emails and inquiries.

I represent the 43rd Assembly District in Brooklyn, New York, which is Flatbush, Prospect Lefferts Gardens and Crown Heights. Recently we've had a couple of issues.

Number one, our constituents are most concerned with safety, reliability, and affordability. From a safety perspective, Winthrop Train Station has recently made news because of the nurse who was thrown acid on, as well as a woman -- a young woman, 18 years old, who was sexually assaulted on New Year's Eve. Both instances went to the toll worker behind the toll booth, and both times they were told to contact law enforcement.

What's the MTA's responsibility, the workers' responsibility to report crimes that happen that they're aware of?

MTA CHAIR LIEBER: I -- honestly, that doesn't -- doesn't make a lot of sense to me.

I'm happy to look into that one. They should be able to help somebody who's been the victim of crime as much as possible. At the end of the day, we do rely on the NYPD, who polices the system to manage, you know, situations, crime situations.

But one of our goals -- I'll just say one other thing -- is to bring the people who are in the booths, we have almost zero transactions taking place at the booths now. We want them out of the booths, and the union has agreed. So they're going to become stronger participants in creating a safe and friendly environment -- directions, OMNY help, vending machines, and better eyes and ears in the station. So I hope they'll provide a more effective tool in the future.

ASSEMBLYMAN CUNNINGHAM: Yeah, and just to be clear, I don't expect the MTA worker to get involved in an active crime or to stop an active crime. But when a crime is reported to them, to have some level of responsiveness beyond "Contact the NYPD."

MTA CHAIR LIEBER: Absolutely.

ASSEMBLYMAN CUNNINGHAM: On the affordability piece, I know you've mentioned throughout the hearing a 2 percent increase on fare increases. It sounds like the number is, what, 4 percent, based on numbers you've projected, 4 percent and 5.5 percent? Just wondering what the precedence for that drastic hike is.

MTA CHAIR LIEBER: Sure. The 4 percent -- it was 4 percent every two years, so it was like 2 percent a year. That's what you heard me say.

The 5 percent that the Governor's proposed just catches us up -- doesn't all the way, but catches up a little bit for the increases that got missed, that annual cycle, during COVID when we were trying to get people back to normal life. So that's what the 5 percent adds up to, as if we had continued the 2 percent a year.

ASSEMBLYMAN CUNNINGHAM: Thank you for your answer.

I would be remiss if I didn't say that 24 percent of residents throughout the State

of New York, including the city, still have difficulty making essential visits like doctor's appointments and other things. So just wanted to kind of add that to the variables of people getting back on the train and people who still can't get on a train to get to vital services.

Thank you so much for your time.

MTA CHAIR LIEBER: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

Assemblyman Ra, five minutes.

ASSEMBLYMAN RA: Thank you very much, Chair, and your whole team. Thank you for your attentiveness today and for being here. I know it's been a long morning into the afternoon here.

So it's the first day of budget hearings, so I want to start off on a positive note and certainly say thank you as we've gotten through -- I think it's no secret I've been -- was a skeptic throughout the Third Track project, but I think the new stations look great. And, you know, there was a lot of investment made into our local

communities that will hopefully help maybe get some of those riders back that we're hoping for as people return to the office and all of that.

So thank you for that. And certainly I hope we can continue to dialogue about any -- you know, any types of items that are outstanding out there, representations that may have been made to the communities by 3TC and making sure those are followed through on, because I know it is a concern in some of the communities.

I did want to go back, though, to the MTA payroll tax question. A number of my colleagues have brought it up. Certainly I appreciate the relative number of businesses that it's going to impact. But as I'm sure you can imagine, you know, this budget, when you look at it as a whole, there's a potential minimum -- a minimum wage increase, some of our local governments are looking at monies being intercepted. And as my colleague mentioned earlier, a lot of our municipalities do pay it, particularly on

Long Island where we tend to have some larger municipalities, as opposed to the rest of the state.

So I'm just wondering, playing devil's advocate a little bit here -- I'm sure you've seen this in the news, and the question out there is how do we get from here -- suppose we do this whole -- you know, this whole proposal, the MTA tax, the additional money from casinos, the efficiencies internally to the MTA, and certainly your fare plans included in that, where does that take us in the years to come? Because over the course of time, every decade or so we tend to end up in the type of situation we're in now. And maybe it's for a different reason, but we tend to end up here where there's a deficit that we need to come up with some new revenue stream to plug.

MTA CHAIR LIEBER: Listen, you know, this is an essential service. And our job at the MTA is to make sure that we can provide it. I don't apologize for the fact that we come, in the wake of a pandemic where we've

lost a third of our ridership, we come to the Legislature with the Governor and say, We need a new funding model. That's not proof of anything other than the pandemic happened and our way of life has been seemingly -- maybe not permanently, but significantly affected over a much longer period than just the initial pandemic.

So listen, you know, the debate is on. I respect all sides. But I will say this. Long Island, because of that Third Track project, because of Grand Central Madison, is -- we're putting $300 million more in the years to come on the operating budget of Long Island to provide that extra 40 percent of service enabled by the Third Track. I don't think it's unreasonable to ask the businesses, who are for the first time getting reverse commuting, which is going to enable them to have incredible reach in terms of their workforce, to participate in that. Just as I also don't feel bad about asking businesses who are letting people come in, for good reason, you know, one to three days

a week, to help in a small way, for a small portion, to shoulder some of the costs of the MTA continuing to provide seven-day-a-week quality service.

So I think it is a balancing. I very much respect all sides of the debate. But when 5 percent of the businesses, only the very largest businesses -- and given the other factors that I have just kind of tried to enumerate within your time, I understand -- I think this is a reasonable, balanced proposal. It's not what happened with the first PMT before the Legislature carved it back and created a lot of exemptions for small business, and it only affects a very, very small portion of business, the folks who are really doing the reverse commuting, because they have the white collar, high-end workers who are allowed to reverse commute. That's the reality.

ASSEMBLYMAN RA: And I'll just say, you know -- I will leave some time on the clock here. But as we go forward, you know,

I look forward to seeing what that impact is, now that the construction is over with the Third Track, seeing what the numbers look like in terms of the reverse commute and people taking advantage of that, as well as all the other new changes that have been there.

So thank you.

MTA CHAIR LIEBER: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

So I'm the last questioner. And very briefly, because I know everybody is -- you're looking to get on the train.

Just a follow-up question about the capital plan and borrowing costs. As we all know, the cost of borrowing has been raising over this past year in particular. How much of an impact is this having on the MTA capital program? And now that interest rates are higher, is that assumed within the capital plan? And will the capital plan be able to be completed without additional funding?

MTA CHAIR LIEBER: So the capital

plan, one, I'm going to let Kevin answer it, because he's really an expert on this, spending his career in the municipal bond business.

But the capital plan will be completed, provided we get the revenue from congestion pricing. Everybody -- you know, I know that there's always differences of opinion on that. But that's the last 30 percent of our capital plan, and we're counting on it. And I am moving forward, albeit at what sometimes feels like a glacial pace with the authorities in Washington who supervise environmental reviews of big projects. So we're moving forward, but that is the -- that's the linchpin of us being able to complete the whole capital plan.

But as to the percentages, Kevin?

MTA CFO WILLENS: Yeah, so a couple of things. Certainly higher interest rates are not helpful when you're borrowing money. But that said, you know, north of 90 percent of the debt that we've issued in the past is fixed rate to maturity. So those costs on

all that debt have -- are not going up.

As a matter of fact, part of the debt plan -- and what we're doing is bringing debt costs down by about 300 million a year throughout the financial plan, through the debt restructuring, which will reduce the costs but not impact the future. For example, we just did two large refundings that even in this higher rate environment we were able to generate 150 million of savings that are helping to achieve the plan.

Currently, based on current interest rates, we -- we have the financial plan, we -- it has been updated for those rates, and so the capital investment that we've got in there is affordable in the new rate assumptions. And, you know, again, we've brought debt service down to 15 percent of the budget and see that pretty much staying flat for the next four to five years.

CHAIRWOMAN WEINSTEIN: Thank you.

And I'm going to have a question from one of my colleagues who isn't a member of either of these committees. So let me just

read it, and I'd like a response.

You've said that it would cost $350 million a year to make up for the revenue that a fare hike of up to $3 would generate. We've seen estimates, however, that show that the subway and bus fare hikes alone, absent tolls and commuter rail, would actually bring in $245 million a year, not $350, with a breakdown of 114 million in '23, 193 million in '24, 313 million in '25, and 360 million in '26.

I don't know whether these numbers are accurate or not, but can you clarify the difference between what I've just read and what you've said?

MTA CHAIR LIEBER: I mean, Kevin will give you the numbers that we have at hand. But it's -- this is one of those issues that has been asked about enough that it really bears us writing to you, clarifying what the revenue impact of the proposed, you know, 5 percent fare hike is.

CHAIRWOMAN WEINSTEIN: That would be helpful, right. So if you could just give us

the brief thing and then the more detailed --

MTA CFO WILLENS: The 350 includes subways, buses, commuter rail and bridge and tunnel. So that's the revenue from all of them. We can give you a further breakdown by mode of --

CHAIRWOMAN WEINSTEIN: So then if you could give us the breakdown on those increases year by year, going out --

MTA CHAIR LIEBER: Yeah.

CHAIRWOMAN WEINSTEIN: -- for the next handful of years, and we'll make sure to distribute it to all of our colleagues.

And I believe -- so I believe that that is the end of questioning. We appreciate your being here to lead off for our budget hearings.

And just as you leave, the next witness will be Commissioner of DOT Marie Therese Dominguez.

MTA CHAIR LIEBER: Thank you.

CHAIRWOMAN KRUEGER: Thank you very much.

(Brief recess taken.)

CHAIRWOMAN WEINSTEIN: We welcome our next witness, NYSDOT Commissioner Marie Therese Dominguez.

And, Commissioner, as we mentioned earlier, we do have your testimony. There will be a 10-minute clock. And then once we go to questions, just keep an eye -- colleagues, just a reminder, keep an eye on the clock in terms of questions and answers before it gets to zero.

Colleagues, can we just have some quiet?

Commissioner, whenever you're ready.

DOT COMMISSIONER DOMINGUEZ: Can you hear me? Okay, great.

Good afternoon, Chairpersons Krueger, Weinstein, Kennedy, Magnarelli, and members of the Legislative Finance, Ways and Means and Transportation Committees, as well as all members of the State Legislature that have joined us here today.

On behalf of Governor Kathy Hochul, I'd like to thank you for inviting me here to talk about the State Department of

Transportation, our people, the communities that we serve, and how the work that we do makes a real and positive difference in the lives of all New Yorkers.

I'd like to first take a moment to salute our dedicated DOT workforce, particularly our snow and ice team, who work tirelessly to make sure that our roads and bridges are safe. This season alone, they have cleared more than 3.4 million lane miles of roads. As you know, our state was hit with a record-setting lake-effect snow in November that brought seven feet of snow to Buffalo and the North Country, only to be followed by another historic and tragic storm in December which brought 37 hours of treacherous blizzard conditions.

During both events, hundreds of dedicated public servants at DOT from across the state worked 24/7 for days on end to help clear the snow and restore the roadways. I was in Buffalo for both storms, and I personally want to thank the DOT team and everyone who assisted them for their service.

It was really heroic.

With me today are two members of our DOT team from the Capital Region who were deployed to Buffalo: Justin Grimes, who was in Buffalo managing contractor support in our staging area, and Gary Casso {ph}, who performed hauling operations.

Gentlemen? Right behind me (pointing).

(Applause.)

DOT COMMISSIONER DOMINGUEZ: Both of them worked through the storm, all the way through New Year's Eve. And this was truly an all-hands-on-deck operation. And Jason and Gary are just two of the hundreds of dedicated DOT personnel helped Buffalo and the North Country recover from this most recent storm.

I want to thank them again, and the entire team, for their outstanding service.

But DOT is not just in the snow and ice business. Simply put, DOT is part of every community in New York State. And thanks to Governor Hochul's leadership and

your continued commitment to making smart and significant investments in our transportation infrastructure, New York is investing more in its infrastructure than at any time in our history. The Governor's $32.8 billion five-year capital plan is historic, with the projects that we are advancing representing more than just concrete and steel -- they are investments to better the lives of individuals and communities across New York. This last year DOT has put these dollars to work to carry out the Governor's vision of enhancing the quality of life for all New Yorkers, by making our communities more livable, more walkable, more bikeable, and certainly better places to live, work and raise a family.

The Executive Budget continues the unprecedented state support for local municipal governments to renew and modernize their roads and bridges. Our projects, large and small, are transformational to the people we serve. This year DOT is advancing a number of signature projects to reconnect and

revitalize communities, projects like the Kensington and Cross-Bronx Expressways, Interstate 81, the Livingston Avenue Bridge, and Hunts Point. These are multigenerational investments that will fundamentally change for the better places like East Buffalo, the South Bronx, South Syracuse, and the City of Albany.

So despite the challenges of extreme weather and climate change and the ups and downs of the economy, inflation, and the supply chain, DOT remains fully committed to the implementation of the Governor's capital plan.

Over the past year we've had great success in executing on the first year of the capital plan, completing more than 430 bridge rehabilitations and replacements on the state system, and funding more than 150 projects on the local bridge network. Direct support for local roads and bridges has increased to more than $6.1 billion over five years for the capital plan -- an increase of nearly $2.5 billion from the previous five-year

capital plan, with $1 billion alone invested in local aid for the programs in the last year.

This level of investment in our local highway and bridge programs is truly historic and unprecedented.

The five-year capital plan also made critical investments in aviation, in freight rail, in transit, including $230 million to enhance nine regional airports upstate and $76.4 million for freight rail projects. The plan also supports passenger rail service, providing $44 million annually for four routes, including supporting expanded passenger service on the Ethan Allen and Maple Leaf lines.

Here's an example of what DOT is working to accomplish this year, in 2023:

1,353 lane miles of pavement on state roads will be constructed or improved;

589 total state bridges will be rehabilitated or replaced;

352 projects, at a total construction cost of almost $2.9 billion, will be let;

And more than $8 billion will support transit systems statewide, which will be critical to our climate, providing alternative modes of transportation to the public.

We're also making key investments in safety and connectivity, which are cornerstones of the Governor's transportation vision for the future. Which is why we're building off our decade of experience implementing Complete Streets projects statewide.

New legislation signed by the Governor in December encourages localities to do the same. And this year, DOT will also be developing a statewide Active Transportation Plan to further our efforts toward enhancing safety for all users of the transportation network.

Multi-modal transportation also plays a key role in reducing our carbon footprint under the Climate Leadership and Community Protection Act. DOT played a key role in helping develop the Scoping Plan, and we're

committed to the recommendations put forward by the Climate Action Council in the final plan.

Over the next five years, New York State will receive $170 million from the IIJA for the National Electric Vehicle Infrastructure program, or the NEVI program. Under this program, DOT is taking the lead to help increase the electric vehicle charging infrastructure on our state's interstates.

Smart climate policies also mean building a resilient infrastructure for the future, as the more we invest now in hardening our infrastructure, the more we will be able to withstand the effects of extreme weather on our roads, bridges, and certainly our culverts. At DOT we are currently building infrastructure designed to last at least 75 years for our bridges.

To ensure longevity, we use the most resilient building materials available, including high-performance concrete on our roads and stainless-steel reinforcement on our bridges.

Knowing the weather extremes, we must prepare for, we do that across the board. And a good example of that is two Van Wyck Expressway viaducts that we just constructed in Queens, which will accommodate a 128-degree temperature change over the course of one year.

And with the passage of the Environmental Bond Act, more opportunities will be available across the state to make our transportation system more resilient and more sustainable.

What I've laid out today is just a small sample of the work our team at DOT undertakes each and every day. The operations and maintenance of our transportation system, snow and ice, resiliency and climate, executing and constructing the investments in roads, bridges, aviation, trains, buses, bikes, pedestrian safety -- all with equity and accessibility to transportation for all -- these are all elements of our critical safety mission that NYSDOT carries out each and

every day.

But I saved the best for last -- the thousands who work for DOT, the dedicated women and men who wear many hats and face unique challenges every day. Over the last few years, DOT staff have confronted and overcome every challenge that has been put in front of them, COVID and otherwise. Our people are our most valuable asset and truly what I call our "secret sauce." Their work represents the best in public service, and I count myself lucky to be a member of Team DOT.

Thank you again for the opportunity to be here today, and I'm happy to answer your questions.

CHAIRWOMAN WEINSTEIN: Thank you, Commissioner.

And we go to our chair of the Assembly's Transportation Committee, Assemblyman Magnarelli.

ASSEMBLYMAN MAGNARELLI: Is it on now?

DOT COMMISSIONER DOMINGUEZ: Yes.

ASSEMBLYMAN MAGNARELLI: Okay.

Commissioner, thank you very much for being here. Always good to see you. And I want to also thank all the workers at DOT, as you have so said eloquently today, including Jason and Gary, who I think just left.

(Laughter.)

ASSEMBLYMAN MAGNARELLI: But I do thank them all for all the hard work that they do, and sometimes very dangerous work too.

DOT COMMISSIONER DOMINGUEZ: Yes.

ASSEMBLYMAN MAGNARELLI: Commissioner, the Executive proposes 6.97 billion for the second year of the five-year, $32.8 billion DOT capital plan, an increase of $326 million, or 4.9 percent above the first year of the capital plan.

What percent of the roads and bridges are currently in a state of good repair statewide? And has this metric decreased over the past year?

DOT COMMISSIONER DOMINGUEZ: Currently we have about 57 percent of the roads throughout the state in good to excellent

condition, and about 74 percent of the bridges. And so with this level of investment, we expect that that percentage will go up. Given the level of investment that this state, the Executive and the Legislature have put forward over the course of this steady five-year plan, we expect those percentages to go up. And we've already seen it happening.

ASSEMBLYMAN MAGNARELLI: So you're expecting this will help matters, basically.

DOT COMMISSIONER DOMINGUEZ: Yes.

ASSEMBLYMAN MAGNARELLI: Okay. Is there a further level of investment that the state should be making to make sure that these roads and bridges are safe?

DOT COMMISSIONER DOMINGUEZ: I think, given the record level of investment that the state has put forward for this five-year capital plan, it truly is extraordinary on several different fronts.

One, it's $6.1 billion more than we've seen in the past. And when we really compare, it increases the plan levels by

about 9.4 billion, or about 40 percent from the previous five-year plan.

And what we're really trying to do is leverage the incredible investment that the state has made with the federal investment that we have through the IIJA. And matching those two funding streams, that's how we came to the 32.8 billion for our five-year capital plan.

ASSEMBLYMAN MAGNARELLI: Does the Executive Budget incorporate funding from the IRA, the Inflation Reduction Act, into this budget? You're telling us it does, right?

DOT COMMISSIONER DOMINGUEZ: It incorporates -- the IRA portions of that are -- there's provisions that -- what this incorporates -- let me be clear.

What this incorporates is the Bipartisan Infrastructure legislation, or the IIJA, whatever you want to call it. It's the transportation bill. And that has the direct formula funding that governs state DOTS across the nation. For New York, ours went up from 36 percent to about 40 percent. So

we matched that level of funding with the state investment.

ASSEMBLYMAN MAGNARELLI: Okay, I couldn't understand the last part of what you said. The -- so that 33 percent, or 40 percent -- say it again.

DOT COMMISSIONER DOMINGUEZ: It goes -- the 40 percent of funding that we got from the IIJA has been matched with the state investment --

ASSEMBLYMAN MAGNARELLI: With the city --

DOT COMMISSIONER DOMINGUEZ: And those two capital investment figures comprise the 32.8 billion for five years.

ASSEMBLYMAN MAGNARELLI: Okay. And so you're administering these funds that are coming in this way.

DOT COMMISSIONER DOMINGUEZ: Yes.

ASSEMBLYMAN MAGNARELLI: This is a DOT function.

DOT COMMISSIONER DOMINGUEZ: Yes. Per the MOU that --

ASSEMBLYMAN MAGNARELLI: You're the

person I go to when I have questions on this. Okay.

DOT COMMISSIONER DOMINGUEZ: But we're administering it based on the MOU that the Legislature agreed to last year for the five-year capital plan.

ASSEMBLYMAN MAGNARELLI: You mentioned in your remarks Hunts Point, Route 17, Kensington Expressway, 81. Okay. Are all of these mega -- the Livingston Avenue Bridge, which is very important to me. Are all of these projects progressing favorably at this point?

DOT COMMISSIONER DOMINGUEZ: Yes, sir, they are.

ASSEMBLYMAN MAGNARELLI: Just a plain yes, they are. Okay.

How does DOT ensure -- also going to another thing that we've talked about before, how does DOT ensure that bike and pedestrian infrastructure is included in state road and bridge projects? I held a hearing here a few months back, and I'm still looking for answers on just how far we mandate that these

things go.

But I think more on a state level, I think the leader has to be the state, the DOT, on most of these projects. So how are you incorporating walkability, bikeability, et cetera, into, you know, these street projects?

DOT COMMISSIONER DOMINGUEZ: So I'm happy to say DOT's been implementing the state law on Complete Streets, which was passed about a decade ago. And with the new legislation that the Legislature passed and the Governor signed into law last year, what that does is give the local governments additional flexibility to do Complete Streets projects.

This last year alone -- I can give you some statistics here -- with projects on Complete Streets elements that we completed as the State DOT, we had about 1266 ADA ramps that were -- that are in the process of being installed, 166 miles of bike lane improvements, 27 miles of sidewalks and shared-use paths, and about 453 other

elements for pedestrian improvements.

I think the bottom line, sir, in answer to your question, is like how do we actually be a leader to make sure that everyone has opportunities to learn and grow on the Complete Streets elements. And in answer to your question, one of the things that you and I have talked about is how we can better leverage the Cornell Local Roads program that we sponsor for all DPWs, highway, county, municipalities, to actually take advantage of learning all about Complete Streets, what those elements are. And then again --

ASSEMBLYMAN MAGNARELLI: So is there -- I don't mean to interrupt you --

DOT COMMISSIONER DOMINGUEZ: Sorry.

ASSEMBLYMAN MAGNARELLI: -- and I just did, I'm sorry. Go ahead.

DOT COMMISSIONER DOMINGUEZ: I just think it's an opportunity to make sure everybody has access now that the legislation passed, and local governments can also take advantage of this need.

ASSEMBLYMAN MAGNARELLI: So this is an education part of what you're trying to do. Okay, is there anything in the budget that funds this education process?

DOT COMMISSIONER DOMINGUEZ: Yes --

ASSEMBLYMAN MAGNARELLI: How do I get it out to local governments, to highway departments?

DOT COMMISSIONER DOMINGUEZ: There's money in the Executive Budget that's been put forward, recognizing that the legislation that was passed for Complete Streets last year becomes enacted at the end of this year.

We're going to -- the Executive put forward about $10 million to help plan for additional Complete Streets work. I would look at that as an opportunity to really not only do education, but also design and execute on some additional opportunities moving forward.

ASSEMBLYMAN MAGNARELLI: To be a little parochial about my own area, so how is 81 doing?

DOT COMMISSIONER DOMINGUEZ: 81 is

presently -- as you know, we've got a -- we're under litigation. And with that, I can't really talk about the litigation.

But that said, we were -- the judge in the case did allow us to move forward with our first contract, so that's been issued.

ASSEMBLYMAN MAGNARELLI: I haven't read the article yet today, but I saw something in the news about $10 million. It doesn't sound like a lot of money, but something's been let for $10 million?

DOT COMMISSIONER DOMINGUEZ: What's been -- no, I think what you were reading today was perhaps maybe the housing initiative for Pioneer Homes, that is obviously smack in the middle of the community that we're looking to serve best, as a result of the community grid option.

ASSEMBLYMAN MAGNARELLI: Thank you. I'm looking forward to seeing what happens.

Another part of this -- that we have talked about in the past is the capital plan allocating monies for transit, rail, aviation, et cetera. I was in a meeting last

week, and you know how we have talked in the past about freight trains and passenger trains and making sure that passenger trains can get to one place from another relatively on time. And I was told that sidings are being torn up and done away with by CSX.

Are you familiar with anything like that?

DOT COMMISSIONER DOMINGUEZ: I'm not, but I'm happy to look into it.

ASSEMBLYMAN MAGNARELLI: Okay. I am too. But I appreciate that.

I'm concerned that we do everything we possibly can through the DOT to make sure that passenger rail is enhanced. Without taking away from our freight as well, which I feel is also very important. But rail is one way to help deal with climate change, if we can get more people on rail.

Thank you.

DOT COMMISSIONER DOMINGUEZ: I agree with you.

ASSEMBLYMAN MAGNARELLI: I'll reserve for my second time around. Thank you.

Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

To the Senate now.

CHAIRWOMAN KRUEGER: Thank you.

And to our chair of Transportation, Tim Kennedy, 10 minutes.

SENATOR KENNEDY: Thank you, Chairwoman.

And Commissioner, welcome. Good to see you again.

DOT COMMISSIONER DOMINGUEZ: Good to see you, sir.

SENATOR KENNEDY: Thank you again for your leadership. Thank you for your testimony here today.

I want to start where you began, talking about the storm. My hometown of Buffalo ravaged. Forty-seven people lost their lives -- at least -- during that horrific weather event in Buffalo.

I want to recognize again those workers that are here with you today, and those that are not, for being out there in the elements.

Can you talk about that storm, and can you speak to how you feel the Department of Transportation's response was during that storm and what we can do moving forward to make our response better.

DOT COMMISSIONER DOMINGUEZ: I have to start off by saying that my heart really goes out to the families of those who actually lost a loved one during the storm.

You know, I was on the ground -- I have to, you know -- sir, you're from Buffalo. When people from Buffalo characterize it as something that they've never ever seen before and they compare it to being worse than the Blizzard of '77, that's their perspective. And certainly they live that. But I have to say, given the severity of the storm, it truly was a once-in-a-generation storm in every technical sense of the word.

And what I mean by that, it was the longest, most sustained blizzard below 5,000 feet of elevation in the history of the United States. So basically this is

record-setting on so many different levels.

There was zero visibility for 37 hours. And it's hard to conceptualize actually what that means, but the weather was just incredible to deal with.

SENATOR KENNEDY: Sure. And, Commissioner, we recognize that this was a historic weather event. We also know, as you mentioned in your testimony, it wasn't on its own. A month earlier we had a seven-foot snow event. These are becoming more and more commonplace with the climate change that we're seeing.

So one thing that we've done is requested a response for an assessment of all relevant partners in the response to that event and how we can be better moving forward. We were looking for recommendations for the future from every relevant entity. DOT is no different. So we look forward to those continuing conversations with you and your team.

One issue that came to light through this particular event was the fact that there

are no gates or gantries to enter the 33, Kensington Expressway. There are on the 90; we implemented those about a decade ago or so through the previous administration, the DOT, the Thruway Authority partnership.

I want to see what your thoughts are on adding those gates to the 33 and Kensington and other roadways as well.

DOT COMMISSIONER DOMINGUEZ: As you noted, Senator, we have definitely installed gates on various portions of the state highway system in and around Buffalo.

The 33 and the 198 are a little bit more challenging, I'll say, because they're part of a very intricate local road network. But we'd like to -- the city has definitely raised the issue. I know the City Council has asked directly for that. So we look forward to working with the city to see what the opportunities are there.

As you know, there's hospitals in and around that area, so I think we have to have a very thoughtful review about how do we actually -- because I understand exactly what

the concerns are.

SENATOR KENNEDY: So you're open to the additional --

DOT COMMISSIONER DOMINGUEZ: Oh, absolutely. Well, I'm open to having the -- to make sure that we look at it and see what the possible solutions could be.

SENATOR KENNEDY: Of course. Great. Thank you.

You and I have discussed the Limousine Task Force and the various pieces of safety reforms that this Legislature has passed, signed into law by the Governor, and implemented here in New York State. The state budget only includes one proposal from that Limousine Task Force, expanding the seizure of faulty vehicles to include all commercial motor vehicles.

Is there a reason why the remainder of those recommendations were not included in the budget? And what are your thoughts on including them in the final budget legislation that we put forward?

DOT COMMISSIONER DOMINGUEZ: So,

Senator, I very much appreciate the question. And with pending legislation, I'm not going to be able to comment further on it, but recognize that the work of the task force was indeed very thorough, and I very much appreciate the opportunity to work with the members of the task force to make those recommendations.

SENATOR KENNEDY: Thank you.

Last week the Senate passed seven pieces of legislation including the legislation that was included in the Executive Budget proposal. We would like to see all of those proposals included in the final outcome, just as a note.

DOT COMMISSIONER DOMINGUEZ: Thank you.

SENATOR KENNEDY: I want to get into what's already been discussed, the five-year capital plan. Last year's Senate one-house included another $10 billion. What we finally resolved in the three-way agreement was what is characterized as a historic five-year capital plan, $32.8 billion. But

what we're recognizing is that that's not enough. And we're hearing from industry leaders, those on the ground, that especially due to the cost of inflation, supplies, the cost of doing business, particularly in the implementation of this funding, is much higher than was originally anticipated.

So what are your thoughts on increasing that funding by at least $10 billion, if not 12 billion, which could be resolved by a five to $700 million bonding to get $2.5 billion per year added to that five-year capital plan?

DOT COMMISSIONER DOMINGUEZ: Sir, I appreciate your advocacy. And I would say to that that indeed what we received last year was unprecedented on a number of fronts.

One, we now have steady -- a steady means of transportation funding for New York State in a five-year capital plan that we have not had for years. And that level of stability alone, and the remarkable amount of money that was put forward, is going to work immediately. And I shared some of the

numbers in my opening statement.

But, you know, we've got 589 total bridges that are being constructed and improved just in the first year alone, and 1353 lane miles of pavement that are being constructed.

What's unique about this five-year plan is it gives more flexibility to local governments than it ever has before. And even when you look at Bridge NY, we doubled it -- you doubled it -- from 100 million to 200 million worth of investment. That equates to a billion dollars over five years.

And when we look at how we factor in inflation and recognizing that, one, DOT has been working with the industry, recognizing the costs of concrete, asphalt, steel, and accommodating those in our contracts, I think we have to play out inflation, the costs, et cetera. Because what we're seeing is depending on who you ask -- you know, inflation's going up, it's coming down.

How is this going to play out over the cost of an entire -- the entirety of the

five-year plan? What we're trying to do is manage to the dollars that we have. And we're doing it, I think, extremely well, given what the Executive and the Legislature have provided.

SENATOR KENNEDY: There's funding from COVID relief, upwards of $7 billion. Are those funds going to be used at all to enhance the funding that's already been appropriated for infrastructure?

DOT COMMISSIONER DOMINGUEZ: So the way that I understand it is that money was put forward as part of an amendment for the federal appropriations bill at the end of last year. And it's directed at the spend-down of COVID relief dollars from local governments.

And so we're digging into the details of it, but the U.S. Department of Treasury right now is responsible for putting the rules and regulations and requirements about how to spend those dollars -- they haven't issued those yet. They're supposed to come out sometime in the next 60 days. So

depending on what those provisions are, we'll make sure that we share with you what our understanding is of what the feds have put forward and how we might leverage it.

Certainly the local governments will likely have more opportunity.

SENATOR KENNEDY: Well, I can tell you we will be pushing for more funds for the five-year capital plan, including in this upcoming budget. I think that would be a way we can enhance those dollars. Something we should look at.

I'll be back for a second round. thank you, Commissioner.

DOT COMMISSIONER DOMINGUEZ: Thank you, sir.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRWOMAN WEINSTEIN: We go to Assemblyman Norris for five minutes.

ASSEMBLYMAN NORRIS: Thank you, Commissioner. And again, I want to just thank the workers. You know, I come from Western New York, and as Senator Kennedy

mentioned, we appreciate, particularly during the blizzard and the storm in November, the work that the workers did in your entire team.

I would like to just follow up, though, with a question. What assessment is being done by the DOT to ensure that all the safety mechanisms for the public will be taken into consideration for the next storm? What is the DOT actually doing right now?

DOT COMMISSIONER DOMINGUEZ: What we're doing is much like we've approached all of our operations. We're looking for continuous improvement in everything. And so one of the things that we're actually doing is having that larger conversation within our team to look at all of the operations, how did they go, et cetera.

Moving forward, as I said, the severity of this storm cannot be underscored, and what happened. I think the bottom line is is that everybody, in my humble opinion, did an amazing job, especially those that were on the ground and actually fighting the

fight.

That said, there's always opportunity, and we will look for it, for improvements.

ASSEMBLYMAN NORRIS: I look forward to seeing the assessment. And again, the director, Frank Cirillo, in the region, did a tremendous job. His entire team, your team. And I thank you for that, and I look forward to seeing the assessment when that is produced by the DOT. It's important to the people of Western New York, and I know also up in Watertown, where the storm was intense there as well.

DOT COMMISSIONER DOMINGUEZ: Yes.

ASSEMBLYMAN NORRIS: I'd like just to turn your attention now to the proposed Executive Budget. CHIPS remaining flat at $538 million, Extreme Winter Recovery remaining flat at $100 million, Bridge NY, 200 million, and PAVE-NY at 150.

And, you know, I represent many municipalities that rely particularly on these programs, including CHIPS, for the investment into our local roads, into our

economy. So I would just ask you, is that enough? Considering that, as mentioned before, inflation is up for some of these costs, up to 25 percent, to help our local municipalities, who really rely on this as a major source of funding to repair those roads in our communities.

DOT COMMISSIONER DOMINGUEZ: So thank you for the question, sir.

I think, you know, we have to look at it in the totality of all of the programs, and certainly the local programs. So the five-year capital plan that we started to implement this year, is $6.1 billion that has gone directly to local highway programs. That's an increase of 78 percent over the previous five-year program, which is quite remarkable.

And when you take that in totality, between CHIPS, EWR, Marchiselli, PAVE-NY, the State Touring Routes opportunities, and a new program that was created last year under the Governor's leadership, Pave Our Potholes, you know, that's where we're getting the

$6.1 billion. And to say that we have a 78 percent increase over last year just on our highway projects alone is pretty significant -- excuse me, 78 percent increase over the previous five-year plan.

So the great news is that, you know, I just want to -- I want to assure you that the localities are indeed taking advantage of it. We're getting the reimbursements in, people are putting these dollars to work, contracts are being let, work is being done. And that's how we improve the condition of our state roads, is by this level of investment.

ASSEMBLYMAN NORRIS: Thank you, Commissioner. And I will continue to advocate, particularly from being upstate, for upstate New York, more dollars going back in. For eight years -- and I know for a long time we had flat in terms of the CHIPS funding. And I know that was supplemented by the Recovery money. But keeping it flat for a long period of time -- and I know there was just a recent increase, but for eight years it was flat. It's very important that we

continue to increase those funds for our local municipalities so our roads can be repaired and our culverts as well.

And I would just like to just mention -- and take a little local privilege as well -- is, you know, I represent the Erie Canal. And we have many historic bridges that go over the Erie Canal, as well as just regular bridges, to make sure that our farmers can transverse their crops over both sides of the canal.

What is a long-term plan to address the bridges and the upkeep along the Erie Canal?

DOT COMMISSIONER DOMINGUEZ: As you know -- we've had this discussion -- I think the Erie Canal is one of the great gifts that New York State has, indicative of our history and our history certainly in transportation.

So many of the bridges are beautiful and iconic. They're also very old. And so we look to -- we look to reinvigorate and rehabilitate a number of those. Unfortunately, given the cost and the age,

some of the tools have to be done by hand, and so we take them on as we can. But we hope certainly to get some of the ones that are in your district soon.

ASSEMBLYMAN NORRIS: Thank you very much, Commissioner. I appreciate the opportunity.

CHAIRWOMAN WEINSTEIN: Thank you.

To the Senate.

CHAIRWOMAN KRUEGER: Thank you very much. The next is our ranker, Senator Oberacker, for five minutes.

SENATOR OBERACKER: There we go.

DOT COMMISSIONER DOMINGUEZ: Hello, sir.

SENATOR OBERACKER: Good to see you in person. Thank you, Commissioner. And again, thank you for all you do, especially for my upstate counties that I represent.

You know, as a former chair of public works for Otsego County, I understand the importance of the local municipalities and the impact that all of these funding streams have, which are incredible. One of the

things we had talked about previously was the EWR, the Extreme Winter Recovery funding. And I wanted to just kind of plant a seed and get, again, some feedback on looking at a potential additional form of funding which would be called Extreme Weather Recovery. We had some really interesting storms -- and I use that term loosely, "interesting" -- come through my area in the springtime. And the damage that those springtime storms posed to the local municipalities were devastating.

And it would be extremely, I think, valuable to look at a metric where we would look at the damage being a percentage of an overall local municipality budget. When I was the supervisor for the Town of Maryland, the Town of Maryland highway budget was about 83 percent of my total budget.

So I was really wanting to get some feedback from you on what your thoughts were about putting together a program that would also address extreme weather as opposed to extreme winter recovery.

DOT COMMISSIONER DOMINGUEZ: I think

that there are -- I very much appreciate the fact that you're focused, first and foremost, on what I would call -- what you're calling weather, I would call resiliency. Because basically what we have to really do is make sure that we're leveraging the dollars that we're receiving from this budget to make sure that we've got that level of durability.

I mentioned in my statement that we build for a 75-year lifespan for our bridges. That's because we build for resiliency. And when you look at that and you couple that with opportunities that we now have, we're leveraging the dollars in the capital plan right now for a very specific culvert program, where we're rehabilitating over 400 culverts in the state. That's critical because, as you know, roads and bridges are dependent on appropriate drainage systems. And if they fail, the road fails and the bridge fails.

So we've got an entire program within DOT where we focus on monitoring drainage systems, culverts, et cetera. But we're

building and identifying and we're taking all that data and assessing where do we need to further invest in that resiliency factor related to weather.

But I'd be happy to talk to you about what we do and how we can actually build for additional resiliency.

SENATOR OBERACKER: Thank you. I appreciate that answer.

Also, under the PAVE-NY, which was 150 million for the PAVE-NY fund, some of the local municipalities had the ability or the timing to plan for when we changed our costings for hauling aggregate for local municipalities. Is there a way that maybe some of that could help offset their budgetary stresses? Because they didn't get a chance to budget for that when we passed that legislation. Is there a way that that can be used to help offset some of the hauling?

DOT COMMISSIONER DOMINGUEZ: I don't know, but I'd be happy to explore it.

SENATOR OBERACKER: Perfect. Perfect.

I thank you again for that.

And then lastly, is there a breakdown, if you will, from an upstate-downstate transportation investment maintenance perspective? You know, I kind of span both, if you really start to think about it. So just kind of interesting, I'm asked a lot, Where does upstate and downstate start? If you want to educate me on that, Commissioner, I would appreciate the answer. So thank you.

DOT COMMISSIONER DOMINGUEZ: I would never presume to define where upstate and downstate -- there's entire blogs, Twitter --

(Laughter.)

DOT COMMISSIONER DOMINGUEZ: -- accounts devoted to that.

But with regard to how we actually utilize the funding, I want to assure you that first and foremost the way that DOT approaches, you know, how we actually compile the capital plan is really on an asset basis. So we literally look at the conditions -- roads, bridges, culverts, et cetera -- and make sure that we're accounting for all the

data that goes into that, to really understand where the needs are greatest.

That said, we try and apply that statewide across the board, upstate, downstate, et cetera.

SENATOR OBERACKER: Perfect. And thank you.

And my last question is more of a statement. I would appreciate all of those that have never had the opportunity to stand on a highway when a vehicle is traveling 55 miles an hour down the road. As a member of my emergency squad, you get a feel for that. Those that are out there every day, everybody, we need to slow down and save lives.

Thank you.

DOT COMMISSIONER DOMINGUEZ: Thank you, sir. Greatly appreciate that.

CHAIRWOMAN WEINSTEIN: Assemblywoman Simon. Is she here?

Just to colleagues, Assembly and Senate, the end chair on the left is for people who don't have a seat with a

microphone at it. There's a sign there for ...

CHAIRWOMAN KRUEGER: And, I'm sorry, for the Senate, we didn't put a sign up yet. But for tomorrow, just know the seat on the far right in the front -- wave for us, Senator. Great. So as of tomorrow, that will be the seat we leave open for any Senator who comes in and then is going to ask questions and doesn't have a seat with a microphone.

Thank you.

ASSEMBLYWOMAN SIMON: Thank you for the time to find my notes. I appreciate it.

Good afternoon, Commissioner. Thank you so much for being here. And thank you for the conversation we had the other day as well.

You know, as we have talked, a major concern in Brooklyn is the deteriorating triple cantilever of the BQE. And while the city owns that portion, you literally can't get on it or off it without the state ramps, et cetera. And most of the BQE itself is

under state control. And we've had several false starts with this project, and one of the concerns we've heard from the community is about the state involvement.

Can you explain to us what the state is doing to assist the city moving forward with this project, including access to federal funds, if you can.

DOT COMMISSIONER DOMINGUEZ: Yes.

So New York State DOT is working directly with the city, all elements of the city that are involved, including City DOT, on the NEPA requirements. Meaning that this is -- the triple cantilever project, the reconstruction of the triple cantilever, which is what the city's putting forward right now, is going to require a full environmental impact statement. And the scope of that is currently in development.

And I would argue that this is one of the most critical things that you can do in a project of this size and this magnitude. So that's where we're directly engaged with the city, helping them certainly with technical

assistance on their bridge elements, but more importantly on the NEPA requirements.

And, I'm sorry, you asked me a second part to that question.

ASSEMBLYWOMAN SIMON: Well, mostly of access to federal funds. I know we have discussed that as well. Because several of the members here represent parts of the roadway, and access to federal money under the Bipartisan Infrastructure Act is critical.

DOT COMMISSIONER DOMINGUEZ: So the city's looking at applying for discretionary grants under the bipartisan infrastructure legislation. And so they've got full ability -- the great thing about the bipartisan infrastructure legislation is that it opened up opportunities for municipalities certainly, you know, New York City, let alone local municipalities, to apply for discretionary grants.

And so part of the work that we're doing right now with the city on the NEPA process will help them with their application

for discretionary grants.

ASSEMBLYWOMAN SIMON: And you'll support the request, the city -- the state?

DOT COMMISSIONER DOMINGUEZ: Their support for the discretionary grant?

ASSEMBLYWOMAN SIMON: Yeah.

DOT COMMISSIONER DOMINGUEZ: I think across the board, if -- you know, the bottom line is to make sure that the project comes together and is supported by a strong environmental component. That will be the baseline for everything. So yes.

ASSEMBLYWOMAN SIMON: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

To the Senate.

CHAIRWOMAN KRUEGER: I'm sorry. Thank you so much. Excuse me. Too many things happening sometimes at the same time.

Senator Liu, please.

SENATOR LIU: Thank you, Madam Chair.

And thank you, Commissioner, for joining us. Good to see you.

You mentioned that -- you actually mentioned in your testimony $153 million for

the electric vehicle infrastructure plan. That's part of -- I'm being told that the state expects about $14 billion from the infrastructure -- from President Biden's infrastructure plan?

DOT COMMISSIONER DOMINGUEZ: Yes.

So that was just specific to the NEVI program that I'm talking about, the electric vehicle --

SENATOR LIU: Well, that's a good thing. But the rest of the 14 billion, is that already baked into that five-year capital plan that you testified about?

DOT COMMISSIONER DOMINGUEZ: Yes, sir.

SENATOR LIU: And are there -- is there like a specific list that -- is all of the capital plan spoken for, the federal as well as state-funded portions?

DOT COMMISSIONER DOMINGUEZ: At the end of the budget process last year, the MOU was signed between the Legislature and the Executive which defines how those dollars will be spent in the five-year capital plan.

SENATOR LIU: Even though the federal

infrastructure plan had not yet been passed at the time.

DOT COMMISSIONER DOMINGUEZ: It had.

SENATOR LIU: It had? A year ago. Okay. All right.

So it's all spoken for, there's nothing left. That's --

DOT COMMISSIONER DOMINGUEZ: It's been programmed.

SENATOR LIU: Okay. I do want to thank you and your team for putting in -- I guess they're supposed to be innovative green barriers to help local residents contend with noise emanating from highways going through residential neighborhoods.

DOT COMMISSIONER DOMINGUEZ: Yes.

SENATOR LIU: So thanks to you for that. And hope to see some more of that through I guess the list that's already been developed?

DOT COMMISSIONER DOMINGUEZ: It's a whole mix of programs in the five-year capital plan, so we've got projects in every corner of the state. So yes, some of them

will include some green noise opportunity -- green noise reduction opportunities.

SENATOR LIU: All right, great. And thank you for highlighting your DOT team.

DOT COMMISSIONER DOMINGUEZ: Thank you.

SENATOR LIU: They make things work, they make us move, and I guess I'll give a shout out to your assistant commissioner Jan Ho there, sitting quietly there.

Thanks for your team, and thanks for your efforts.

DOT COMMISSIONER DOMINGUEZ: Thank you, sir.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRWOMAN WEINSTEIN: Assemblyman Jacobson.

ASSEMBLYMAN JACOBSON: Thank you. Thank you, Madam Chair.

I can't predict the weather, but I can guarantee you that when we go from sub-zero weather to weather in the forties and higher, we're going to have more potholes. Yet all

our great programs, well intentioned -- CHIPS, Extreme Weather, Pave Our Potholes, BRIDGE NY, PAVE-NY -- no increase this year. And as far as I know, paving costs have not been immune to inflation. There hasn't been an increase on many of these in a number of years.

So are you going to tell the Governor, Hey, it's a great budget, but I really think you should change this funding and help the people that need help so we can do the paving?

DOT COMMISSIONER DOMINGUEZ: Well, I think what we're doing is executing on the five-year plan that was agreed to last year that did include increases in those funding pots.

So, you know, the bottom line is is that we've got a very significant amount of money that we're putting to use for the infrastructure that is across our state. And whether it's local bridge, local highway money, we've seen -- we've seen a good amount of investment. We're trying to put it all to

good use --

ASSEMBLYMAN JACOBSON: These are for the local roads.

DOT COMMISSIONER DOMINGUEZ: Correct.

ASSEMBLYMAN JACOBSON: And we've got this extra federal money. So a lot of these municipalities can match out. And if you had more to match, they could do it.

Another is I represent in Orange County -- you've been in my district. I have Route 84. We have the interchange with the Thruway. From the Newburgh Beacon Bridge to the Thruway, it's terrible.

I was told last year that this is a priority for this year. I mean, if you go on Exit 37, which goes -- going east, getting off, it's nothing but potholes. And you have to pray in the evening that you remember on the ramp that you can't -- even though you're going to make a right-hand turn, you've got to stay in the left lane, and you've got to make sure that you don't forget where the potholes are.

So is that going to be done this year?

DOT COMMISSIONER DOMINGUEZ: We do have a project programmed to address that area, and I think our team has been able to meet with you and go through some of the details. But I'll make sure that we follow it up directly.

ASSEMBLYMAN JACOBSON: I hope so, because then you can come by and -- believe me, next year, if it's done, I will praise it, your good work.

Now, as far as Route 17, the expansion of Route 17, I've been hearing for the last four years it's just around the corner, so much that we're in a circle and going no place. When is the environmental impact statement going to be done, and when are we going to get in the ground?

DOT COMMISSIONER DOMINGUEZ: So as you know, sir, we completed the linkage study last year, and now we've moved into the EIS phase. We've secured a contract, and we've started on the study.

And the one thing I can tell you really quickly, because I know the time is

short, is that one of the things that we're going to be doing is making sure we address some of the -- there's an exit that has a linkage to the existing 17 that we're going to improve before we even tackle the larger 17. So there will be progress along the way.

ASSEMBLYMAN JACOBSON: Which means when?

CHAIRWOMAN WEINSTEIN: Thank you. Time.

ASSEMBLYMAN JACOBSON: Thank you. My time is up.

CHAIRWOMAN WEINSTEIN: To the Senate now.

CHAIRWOMAN KRUEGER: Senator Leroy Comrie.

SENATOR COMRIE: Thank you. Good afternoon, Commissioner. I want to thank you for your work and reaching out and consistently keeping us informed about your concerns and issues. So I want to congratulate you for the Kew Gardens exchange, finally getting that done after a hundred years. But it looks good, and it's

not -- there's no water, so that's a wonderful thing, that weakened concern.

Can you give us, for the public, what is the thought process behind the delay in designation for the Van Wyck, and what's going on with the Van Wyck? Because I know we just finished a -- there's a lot of work happening over there, and what can be done to give people some hope that the Van Wyck will get completed in -- in --

DOT COMMISSIONER DOMINGUEZ: So we have a very large project going on on the Van Wyck. It's a three-phase, multi-million-dollar project. But basically we're looking at adding an HOV lane. In order to do that, it means that we actually have to -- we're not expanding the footprint of the Van Wyck; what we're doing is creating additional space within the existing footprint. And in order to do that, we have to address the bridges along the way.

All of that means that basically we're looking to make sure that, one, the purpose of the program is fulfilled, which is, one,

to ease movement across the Van Wyck. But also we're planning for what the future might be. So today, you know, it is an HOV lane allowing for additional persons to move, you know, multi-passenger cars. But in the future it could be a dedicated bus lane.

The bottom line is is that we're looking to make sure that we can take advantage of every opportunity as technology advances, as well as ridership and the use of our transportation system. So thank you for your patience. We're getting there. We're making a lot of good progress.

SENATOR COMRIE: Can we work on a community meeting? Because there's a lot of folks concerned about the on and off ramps and the accessibility right now. So if we can get a timeline for that for the public, I'd appreciate it.

DOT COMMISSIONER DOMINGUEZ: Yes, I'd be happy to share that with you.

SENATOR COMRIE: Cross-Island Parkway. I have to ask you, when am I getting my Cross-Island Parkway expanded from, you know,

the interchange with the Southern State Parkway to -- through the -- you know, through to the -- all the way through to Grand Central? We need to get the Cross-Island Parkway expanded.

Has there been any development or design updating -- to update on that?

DOT COMMISSIONER DOMINGUEZ: Not that I have for you today, sir. But I can tell you that it's something that we continue to look at.

SENATOR COMRIE: Okay. And also can you get us an update on how you're doing with MWBE and procurements within your agency to give to the community so we can get an update on how well you're spending money within our MWBE footprint?

DOT COMMISSIONER DOMINGUEZ: Yes, sir.

SENATOR COMRIE: Thank you. Oh, right on time.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to Assemblywoman Gallagher.

ASSEMBLYWOMAN GALLAGHER: Hello.

DOT COMMISSIONER DOMINGUEZ: Hello.

ASSEMBLYWOMAN GALLAGHER: Can you hear me?

CHAIRWOMAN WEINSTEIN: Yes.

ASSEMBLYWOMAN GALLAGHER: Okay. Hi. Ooh, that's much better. Hi, I'm Assemblywoman Gallagher, and I represent the northernmost part in Brooklyn of the BQE. And there's been a strong perception in my community that the state is not at the table in the same way that the city is in terms of the revisioning of what the BQE can look like.

We have been divided, my communities have been divided by the BQE. We've suffered enormous environmental impacts. We've also suffered environmental justice impacts with childhood asthma and other situations caused by the presence of this major highway.

Additionally, we have trucks and traffic cutting through our residential streets to get to the BQE. And I know that my community really wants to see a totally

different vision.

So I'm wondering what is the state's vision for the BQE, and what will that look like in terms of community engagement?

DOT COMMISSIONER DOMINGUEZ: So as I was saying before, Assemblymember, we're at the table directly with the City DOT working on the EIS that they're developing, the environmental documentation for the rehabilitation -- or, rather, reconstruction of the triple cantilever.

But, you know, in the last 10 years DOT, New York State DOT, has invested more than -- I want to say over a billion, $1.2 billion along the BQE. And so what we're looking at right now is future needs within the city's study area. We anticipate that our investment is going to be somewhere around an additional 300 million over the next five years, and we're going to really be looking at some of those structural deficiencies as well as some of the rehabilitation --

ASSEMBLYWOMAN GALLAGHER: I don't want

to interrupt you, but I want to make sure I get my point across. My community does not want the BQE to be repaired, we want it to be revisioned and totally changed. And that includes decking some of the parts that are underground. And it also means maybe thinking differently about the part that is aboveground.

Currently the part that's by my community has paint flaking off. We've tried to have multiple meetings with State DOT, and they haven't worked out over the last 10 years. And I just know that we need to have a stronger dialogue about what the BQE repairs and changes look like, because we are not part of the city BQE portion, we are only state. And we do not feel like we are being heard or seen.

And I would really like to build a stronger dialogue about what is happening with the BQE. Thank you.

CHAIRWOMAN WEINSTEIN: Perfect timing.

Senate?

CHAIRWOMAN KRUEGER: Thank you.

Senator Mattera.

SENATOR MATTERA: Great. And Commissioner -- thank you, Madam Chair. Thank you, Madam Chair.

And Commissioner, it's just wonderful to see you, and I thank you so much for you coming to my office and -- you know, and I gave you my wish list, and I'm hopeful that you really went over that, you know, before you came here today. But I appreciate all -- especially all the DOT workers for what they do every day, all the union workers that work so hard.

So in -- the budget includes an additional 48 million in General Fund appropriations for operations, and yet full-time employees are not increasing. What are the additional funds being used for?

DOT COMMISSIONER DOMINGUEZ: Forty-eight million for operations? That goes to literally everything that we do within the state system. So operations literally funds our snow and ice, our highway maintenance program, everything that we do to

maintain the system itself. Those all come directly into our operations.

SENATOR MATTERA: Okay. But our full-time employees, we're -- they're actually -- what's happening with them with the increases of decent wage, decent healthcare and decent pension? Are we looking --

DOT COMMISSIONER DOMINGUEZ: Yes, sir. Actually, we have just looked very seriously at our snow and ice team in particular and have made adjustments accordingly, recognizing that they absolutely do deserve a living wage.

SENATOR MATTERA: Please. It's very, very important. We know what's happening right now with inflation and everything like that. And, you know, we're all praising our DOT workers, but you know what, they need to -- you know, they need to --

DOT COMMISSIONER DOMINGUEZ: And we have acknowledged that and --

SENATOR MATTERA: -- they need to be compensated, please.

DOT COMMISSIONER DOMINGUEZ: They have been.

SENATOR MATTERA: And I thank Assemblywoman Gallagher. Thank you so much, because leaving Long Island and going to -- it's scary, that BQE. That is -- it is so scary, you go with a truck and -- I'm into cars, okay. Driving with a truck and trailer, that is a disaster. And right, not to just put down new pavement, that needs to be totally engineered. Me being in construction, it is just a disaster.

So we can't just do a pothole repair; it needs to be totally revamped. So I know that's a tough one, but that really has to be looked into. And I thank you, Assemblywoman, for bringing that up.

On the CHIPS fund, can you explain to me what your role is to help CHIPS? And I thank the Assemblyman that he brought that up. What is your role in helping CHIPS? And I always want to thank our Senator O'Mara for always having our CHIPS Day and, you know, the superintendents come up and you know

what, and of course to look for CHIPS money. Because you've got to remember something, these Prime trucks and these drop-shipping trucks are driving all over our neighborhoods right now, and really, seriously, there should be like toll booths and they should be, you know, paying for driving all over our roads right now. I understand it's progress. But what can we do to help our CHIPS funds out to -- seriously, these trucks are driving all over our neighborhoods. Everybody knows that.

That can't be three minutes.

(Laughter.)

SENATOR MATTERA: Senator Krueger --

(Laughter.)

CHAIRWOMAN KRUEGER: I don't -- you know, I don't make the rules.

SENATOR MATTERA: Can she just answer the question, please, if you don't mind?

CHAIRWOMAN KRUEGER: Can you quickly answer the question?

DOT COMMISSIONER DOMINGUEZ: So, one, I want to thank you for your advocacy for our

highway workers. I greatly appreciate it. We have made huge strides, and I really thank the Governor for that, to make sure that they are compensated for the incredible work that they do.

With regard to CHIPS, one of the things that I was trying to point out is we really have put -- the Legislature and the Executive put in a lot of money to -- actually, $6.1 billion, for local programs, leveraging that across a whole variety of reimbursement programs. So my role in particular, DOT's role in particular, is to make sure that we work with the localities to spend those dollars as wisely as possible.

SENATOR MATTERA: Thank you so much.

CHAIRWOMAN KRUEGER: Thank you.

You might have to become a Democrat now.

SENATOR MATTERA: Thank you, Senator Krueger.

(Laughter.)

CHAIRWOMAN WEINSTEIN: Assemblyman Otis.

ASSEMBLYMAN OTIS: Hi, Commissioner, how are you doing here? I'm over here.

DOT COMMISSIONER DOMINGUEZ: Hello, sir.

ASSEMBLYMAN OTIS: Thank you for your testimony and for all the hard work of everybody at DOT.

I have three topics. I'll run them off quickly, and you can tackle them.

Number one, curious to get more detail in terms of EV charging infrastructure for travelers. And especially, I think the concern generally across the country is that we're not rolling out EV charging stations that are going to meet the demand very quickly for the purchase of electric vehicles with all the manufacturers moving very quickly to that. So that's topic number one.

Topic number two is in terms of solar arrays near highways, it's something that is a popular thing around the country. I don't know whether DOT is working on that with NYPA or whatnot, but it's something -- curious as to whether -- how deep you're into that. But

there is land near highways that isn't being used for other things. We're not taking away farmland. A good place for solar.

And number three, your reflections on the experience of the storm recovery in Western New York and Northern New York. And DOT did a great job of trying to get resources, mutual aid, to those areas. And what occurs to me is that this is an opportunity to institutionalize and expand that kind of mutual aid concept for the storms that are sure to come in the future.

So any thoughts on those three topics are very welcome. And again, thank you for everything that the department does.

DOT COMMISSIONER DOMINGUEZ: Well, thank you for your questions.

The first one, with regard to electrification, I had mentioned that we're getting $175 million through the Federal Highway Administration. They have accepted the plan that New York State DOT has put forward for electrification under NEVI. What that's going to do is fill the fast-charging

gaps per the requirements that FHWA has put out.

So basically you have to have, within 50 miles or more, along the corridor that's been designated by USDOT, electric charging capability. And so the complete map was actually approved, and now we're in the process of actually working with our partners at NYSERDA and NYPA and DEC and DPS and everybody to make sure that we're actively developing that, building off the great success that New York has had.

I have to say, I talk to my counterparts in other states; the great thing that we have is we've got NYSERDA and NYPA and other entities that have been installing fast charging through the existing programs that we have, Make Ready and others. And so we're leveraging all of that expertise to make sure that we develop it.

With regard to the solar panels, we have done that in the past. We've installed them. We're more focused right now on what the global partnering with our state's --

with the other entities like NYSERDA on renewable energy. So transmission from wind and water.

ASSEMBLYMAN OTIS: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

Senate?

CHAIRWOMAN KRUEGER: Thank you.

Next is Senator Ramos.

SENATOR RAMOS: Thank you, Senator Krueger.

Commissioner Dominguez, good to see you again. I want to focus my questions today on e-bikes. We legalized three different classes in 2019, and it was a big win for my constituents, for delivery workers, for the environment. But of course the proper use and safety continues to be a concern, I think, to all of us.

And unfortunately the City of New York continues to ignore the clause that actually mandates the city to enact traffic regulations.

So I'm wondering, what is it that the State DOT can do to educate e-bike riders

about the laws about use without relying on overpolicing?

DOT COMMISSIONER DOMINGUEZ: You know, part of the education process is actually a collaborative effort. Right? When you're talking about anybody who's using a bikeway, a pedestrian access point, let alone the roads. And I think that one of the opportunities that may exist is to work through the Governor's Traffic Safety Council to really look at what kinds of educational signage and other mechanisms, to make sure that we're reaching people. Right?

Not just by language but literally by international, global signage that people can understand. What are the rules, quote, unquote, of the bikeway, what are the rules of how you operate a motorized vehicle like --

SENATOR RAMOS: You know, it's true, I mean the city at this point, since 2019, is yet to post any speed limits, like we do have for cars, for example. It's very unfortunate that the city continues to ignore and fall

out of compliance with the law.

Along those lines, actually, Senator Krueger carries a few bills to regulate lithium ion batteries that, as you know, have been the source of a few fires, including in my district, unfortunately. Lithium ion batteries are actually banned for second use under every circumstance except for e-bikes, unfortunately.

Is there anything that the DOT can do to promote the safe use of those batteries? Are there any plans for the state to aid in the storage of batteries of e-bikes?

DOT COMMISSIONER DOMINGUEZ: I have to tell you that I know enough to be really dangerous here. Because of my former job at USDOT, I actually regulated hazardous materials in transportation, and it really is a federal issue with regard to lithium ion batteries. And so I think there's an opportunity to look to see, under the federal requirements, how do you actually have those safety provisions in place.

It's not a state jurisdictional issue

per se. You can imagine, you know, e-cigarettes when they were on planes -- again, having to do with lithium ion batteries and the safety of them. So ...

SENATOR RAMOS: Okay. Well, I'd very much like to work on this issue with you. Thank you.

CHAIRWOMAN KRUEGER: Assembly.

CHAIRWOMAN WEINSTEIN: Assemblywoman Mitaynes.

ASSEMBLYWOMAN MITAYNES: Hello? Okay. Thank you.

I want to know what the state is doing to apply to the federal government for Reconnecting Communities grants from the federal government. Communities north and south of the cantilever have been divided by the BQE for 70 polluting years.

In my district in particular, of Sunset Park and Red Hook, they've been divided by a hulking elevated viaduct. And so the communities need reconnection and they need environmental justice.

DOT COMMISSIONER DOMINGUEZ: So one of

the things that we were just talking about earlier with regard to the BQE is we're helping directly to provide some assistance to the city in the form of technical assistance on their environmental review process. That will in turn help inform their application for a Reconnecting Communities grant or whatever they decide to go after the discretionary programs at USDOT.

But there are opportunities for discretionary grants.

CHAIRWOMAN WEINSTEIN: Senate?

CHAIRWOMAN KRUEGER: Okay. I wasn't quite sure whether they were done. Thank you. Somebody was so fast.

Next we have Senator Hinchey.

SENATOR HINCHEY: Thank you, Madam Chair.

And hello, Commissioner.

DOT COMMISSIONER DOMINGUEZ: Hello, Senator.

SENATOR HINCHEY: Thank you for being here.

I want to touch on -- or ask something

that we've talked a lot about, which is upstate public transportation. I'll say upstate being Hudson Valley to -- in this context. I represent a district with very little public transportation. And it was exciting to see in the budget $3 million set aside for innovative public transportation options, understanding these are kind of based on a pilot rollout.

But $3 million to me sounds very low as it pertains to anything in transportation, but especially for that large swath of an area, especially trying to generate -- the way I read this, generate public transportation options in places that don't have it.

Would you recommend, would you think that we should have more money allocated to these types of projects in our upstate communities?

DOT COMMISSIONER DOMINGUEZ: Well, I definitely appreciate -- first and foremost, I think this is a step in the right direction. The Executive put forward an

Innovative Mobility Fund, recognizing that we really need to look at how we actually provide transit service in all parts of the state.

And what I mean by that is, you know, you had the chance to talk to the MTA about what they're doing in the city, but when you look outside of the non-MTA areas, we've got transit deserts across the state. And what we're -- what we've been trying to do is figure out how we can best fill those gaps. And whether that's micro-mobility, you know, coming up with on-demand services -- some of the authorities, as we've talked about, upstate have really experimented with this to a lot of success.

So the question is is how can we leverage this innovative pilot fund to better service all people --

SENATOR HINCHEY: But that requires one of those communities to have an authority already.

DOT COMMISSIONER DOMINGUEZ: Well, I think we should -- I'm not quite sure that

the rules of this have all been put together. So I think that, you know, recognizing that what you're pointing out is, you know, do you have to have an authority to actually make this -- to access these funds.

But I think we should go through what the requirements -- I don't believe, and I'll correct myself on the record later on if I'm wrong. But I'm not sure that the requirements have been defined yet on how -- but it's intended to be -- the 3 million to be a competitive process.

SENATOR HINCHEY: Thank you. Yeah, we'll look into that. Because as we know, the Hudson Valley doesn't have a transit authority, and so sometimes it's difficult to find those.

In my last few seconds I want to switch gears really quickly. You know, what is DOT's role in helping expand cellphone service? As a safety measure for drivers on the road?

Many of our state roads don't have cellphone service. We have bridges that have

signs that say "Call for help" and then no cellphone service. So what do you think DOT's role is there?

DOT COMMISSIONER DOMINGUEZ: We work directly with the cellular companies to make sure that wherever they're looking to install additional service, that we provide safe access to the highway, to the state right of way.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRWOMAN WEINSTEIN: Assemblyman Slater.

ASSEMBLYMAN SLATER: Good afternoon, Commissioner.

DOT COMMISSIONER DOMINGUEZ: Good afternoon.

ASSEMBLYMAN SLATER: I think this is on. It is? Great.

Just a couple of quick questions for you. Again, great seeing you. Thank you for taking time to visit me in my office last week.

I wanted to bring up again the

five-year transportation plan and the MOU that allocated about 25 percent, roughly 4.4 billion, for the Governor's priority projects. And we've heard a lot today about the impact of inflation and the costs of construction these days. So my concern is if we've allocated those dollars for the Governor's priority projects, do we know for a fact that we allocated enough of the 4.4 billion? And if not, is there a concern from your standpoint that you're going to have to shift dollars from other road projects to complete them?

DOT COMMISSIONER DOMINGUEZ: No. What we're looking to do is manage -- we -- the bottom line is is that we've got opportunity in the five-year budget. And what I was trying to explain before is we're monitoring all the costs with regard to inflation. The cost of supplies, we've definitely seen an increase over the last year and a half, certainly. But those prices are adjusting themselves.

And so I think it's incumbent upon us

to actually monitor it over the course of time here. We're seeing a lot of -- you know, for instance, some of these prices are actually coming down in the last quarter, certainly over the last six months. So we have to look at it over the course of the five-year plan, how do we adjust those costs accordingly.

ASSEMBLYMAN SLATER: Thank you.

And I want to pivot quickly in my remaining time to the TOD proposal for transit-oriented development.

As you know, in my region and in my district, state roads are our main arteries. And so I'm just curious, from your standpoint, if we're implementing this housing program and the infrastructure specifically for state roads cannot support the increase of housing, what's your department going to do or what's your vision on how you can address that to meet the needs of my communities?

DOT COMMISSIONER DOMINGUEZ: I think one of the things that's really innovative

about the project -- so I like to look at it as mobility, not just transit-specific, but any mode of transportation that can be accessed. Because that's what we're basically trying to do, right? We're trying to connect people where they live to where they need to be, regardless of what mode of transportation is accessible to them.

And so that's the opportunity. And when you marry that up between housing opportunities, DRI, all of the other economic development programs that the state has, we've seen great success in how we can leverage train, transit, highway, rail service, et cetera, for the betterment.

ASSEMBLYMAN SLATER: I completely understand that. But considering that my district is a commuter district, and right now they use state roads to get to the local Metro-North stations. If you're going to be populating around those stations -- and right now the infrastructure isn't there to support what we currently need -- how are we going to support an influx of people who are utilizing

those arteries?

DOT COMMISSIONER DOMINGUEZ: Well, we look at it very holistically through the planning process at the MPO and how we can better serve everybody with leveraging those investments.

ASSEMBLYMAN SLATER: Thank you, Commissioner.

CHAIRWOMAN WEINSTEIN: Thank you.

Senate?

CHAIRWOMAN KRUEGER: Thank you.

Senator Gounardes.

SENATOR GOUNARDES: Great, thank you.

Good afternoon, Commissioner.

I just want to put the debate to bed. Upstate begins north of Newtown Creek, everybody.

(Laughter.)

SENATOR GOUNARDES: And I want to just echo what Senator Kennedy ended on about looking to increase the capital plan as it relates to state roads, especially because in my district of Brooklyn, I represent 11 of the 19 miles of the BQE.

And, you know, I want to follow up on the questions that my colleagues have asked. Because just helping on the EIS is not enough. We know that the city controls the city cantilever and that they have to get the application in. Everyone understands that. Everyone at the table understands that.

But this highway is more than just a damaged 1.5-mile structure along the Brooklyn Heights Promenade. This highway is 20 miles, it's a scar through the face of Brooklyn and Queens. And we can't make any changes to the center of this highway, necessary changes, unless we do them everywhere. Otherwise we're not changing anything.

And to Assemblymember Gallagher's point, communities are hurting and they've been suffering for decades, for decades. And the state has not been anywhere in this conversation. We have community vision meetings with the city where we're told that State DOT officials are on the calls but they can't reveal themselves, they can't show up on a Zoom meeting.

And so how do we go back to our communities that have been crying in pain and say, Don't worry, we're fighting for you, but the state agency responsible to help us, that owns this highway, won't even show their face on a Zoom meeting? That's just not an acceptable answer. It's absolutely not.

We need the state to be part of this process, with the city for the cantilever, but for the southern portions and the northern portions. And we understand that the southern and northern portions are on a different timeline, they have different needs, different funding. But if you guys are not at the table now, none of this is going to happen.

So I really, really, really have to impress upon you and the entire department: We need you to be part of this process and not just to provide technical expertise on the city's application for the cantilever. Because otherwise this whole thing is going to fail and we're just going to rebuild what we have, which is going to condemn another

five generations to the highest asthma rates in Brooklyn, to more decades of environmental racism, to more impact of freight truck traffic and truck traffic, flooding off the Gowanus that comes down to Third Avenue and just pools there without any mitigation in sight.

So please, please, please, please, please -- pretty please -- we need State DOT at the table. And not just on a nameless, faceless Zoom call. We need you guys at the table.

And I'll let my last 17 seconds go back to you. Thank you.

DOT COMMISSIONER DOMINGUEZ: I appreciate your passion.

SENATOR GOUNARDES: It's more than passion. It's a necessity.

DOT COMMISSIONER DOMINGUEZ: I understand. You know, we have really significant issues that we've been addressing across so many communities across New York. That's the whole purpose of the Hunts Point project in the South Bronx. So I do

appreciate exactly what you're saying and the communities that you're serving.

And so again, we're working with City DOT on this project.

CHAIRWOMAN KRUEGER: Thank you.

Next is Assemblymember -- I'm going to get it wrong -- Pirozzolo? Is Assemblymember Pirozzolo here? No.

Well, okay, then Assemblymember Giglio. Gig-lio? Sorry, I pronounced it wrong. Sorry.

ASSEMBLYWOMAN GIGLIO: So thank you for being here. And thank you for visiting my office also. Thank you for the Long Island Expressway improvements that was done on time and under budget. And I care about the safety of the workers as much as you do.

Being an operating engineer with Local 138, I am curious as to the transition to electric vehicles for the heavy equipment on the roadways, especially snow removal. With concerns for all of my colleagues in Buffalo and in the heavier winter areas where

an electric vehicle -- heavy load or diesel, that operates for 12 hours. An electric vehicle may only be able to operate for four hours. And I want to know if you have it in your budget plan to make sure that you have three times the vehicles so you can do three times the work with the electric vehicles.

DOT COMMISSIONER DOMINGUEZ: So the way that we're approaching it -- and I very much appreciate your understanding of all of this -- is making sure that as the technology comes on-board for especially heavy-duty vehicles like a plow truck, we're working directly with the OEMs to understand when they're going to have vehicles ready, when we can test them, and when we can actually purchase them that would actually do the work that we require for them.

In the meantime, our focus has been making sure that we convert the DOT fleet where we can, and so we've focused on the light-duty fleet. We're almost in compliance. We're very close; we're almost, I think, about 75 percent. But within the

time period -- I think we've got another couple of years to finish the conversion. We're working on that. But then we'll focus on the medium and the heavy-duty as well.

But our conversations are ongoing with the OEMs to see exactly how quickly we can convert our fleet to make it safe.

ASSEMBLYWOMAN GIGLIO: Okay, thank you.

And then my next question would be for the Governor's planned 4.3 percent increase in housing stock on Long Island within a half a mile of a train station. And, knowing how congested the parking is at the train stations as it is, and what other towns within the state have done as far as eliminating a requirement for transit-oriented development housing, how that would affect the state roads on Long Island for not only the commuters -- would there be the state investment in new parking so that if the developer does not have to provide it, that there will be parking for the commuters as well as the

hundreds of apartments or thousands of apartments that will be built around train stations?

DOT COMMISSIONER DOMINGUEZ: So we've had success on Long Island working with the Long Island Rail Road to look at what all of those options are, whether it's parking, additional mobility, additional literally not just parking, so it's not just cars, there's also bike and ped access opportunities.

So as the density of the housing is compiled, how do you make sure that you've got access across the board. So it will be a little bit more of a holistic approach. We've already had direct conversations, multiple conversations with the housing authority, the housing commission, HCR, to make sure that as this gets developed, it's more comprehensive.

ASSEMBLYWOMAN GIGLIO: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

Senate?

CHAIRWOMAN KRUEGER: Thank you.

Senator Gonzalez.

SENATOR GONZALEZ: Hi, Commissioner. Thank you so much for being here.

I also want to thank the chairs. As this is my first hearing, I am finding both how long and how hard it can be to run these.

But I wanted to echo, you know, what Assemblymember Gallagher mentioned and Senator Gounardes. I represent the northern part of the BQE. And as we've spoken about before, from an environmental justice and environmental racism perspective, there is particular concern in our communities.

So I'm curious, we've talked a lot about how working with the federal government on funding and then working with the city on reimagining, truly and deeply reimagining what it can be. But if you are willing to commit to working with us and our communities on proposals led by our communities, like BQGreen, that account for these environmental justice factors, and also ask you if you have any plans as the commissioner and as the state-level DOT to address these issues or investigate them further.

DOT COMMISSIONER DOMINGUEZ: So we've had multiple conversations over the course of a long period of time. But fundamentally, I think that we have an opportunity with regard to environmental justice across the board. And you see the level of commitment from New York State DOT in projects across New York City.

And I'll point to Hunts Point, literally trying to address decades of trucks on the roads. And the three-phase, multi-billion-dollar project that we've got to help take trucks off the road and make it more efficient for freight to move through New York City is just one example.

So the opportunity now with regard to the BQE is really how do you define -- and the EIS process allows you to do that: What are some of the alternatives that need to be looked at. And so that's why I'm emphasizing this opportunity to work with the City DOT, because that's what the environmental process is intended to do, look at what all the possible alternatives are as you look at the

project writ large.

SENATOR GONZALEZ: Thank you so much for that.

And on another note, you know, a couple of weeks ago I stood with several community organizations in support of Sammy's Law, and then recently I had a press conference around a death, recent death in my district, in Astoria, that was due to unsafe, you know, liens. I know that's a city issue, but we talked and you talked also about more Complete Streets and safer streets.

But I am curious, you know, as we push to pass Sammy's Law and as working across city and state adds another layer, right, of -- or another barrier between getting those streets actually safer for pedestrians -- you know, are you willing to work with the city or at least give some more flexibility for the city or control on the city level so that they don't have to go through the state for some of these?

CHAIRWOMAN KRUEGER: Hold that answer. You will get back to Senator Gonzalez

afterwards. Okay? You agree?

SENATOR GONZALEZ: Okay, fair.

CHAIRWOMAN KRUEGER: Yes, good. Thank you.

Oh, Assemblywoman, sorry.

CHAIRWOMAN WEINSTEIN: Assemblywoman Fahy.

ASSEMBLYWOMAN FAHY: Thank you.

Thank you, Commissioner. Thank you for being here. I know it's been a long afternoon, so forgive me if a couple of these have been asked already.

First, I just want to start by saying thank you for your responsiveness on I-787, with reimagining that. It's something I'm immensely proud of, is securing that 5 million in the budget, and look forward to our continuing to work together on that. So I just want to get that on the record, and really appreciate your responsiveness there, as well as our traffic-calming work on Route 156.

A couple of -- three questions, and I'll just throw them out, knowing the time is

short.

The 25 mile per hour, the ability for towns to lower speed limits, was a bill that was passed last year. Have any towns taken that up, or have you seen any traction there?

Unrelated to this is the question of fuel taxes. We know that they make up about 29 percent of state highway funds. Any -- and yet with -- as we move hopefully aggressively toward E-vehicles, electric vehicles, is there a plan to make up that revenue in the future, and any thoughts about how that might be done?

And then a very short one, I hope, is the child safety zones. Again, legislation that was passed last year. Child safety zones with school buses. And if -- what the status of those regs might be.

So any of those that you can take up. And I just wanted to echo some of the comments as well before I stop, the concerns about the electric bikes and storage, particularly some of the fires. And also would welcome working with you, because I

think they're a critical part of this micro-mobility that you referenced earlier. And I do hope we can find some solutions, because it is essential and it is a growing and popular form of transportation.

And I hope -- happy to repeat any of those questions, Commissioner, if at all helpful.

DOT COMMISSIONER DOMINGUEZ: Thank you, Assemblymember.

I'll start with the child safety zone legislation. So we've been working -- the Legislature passed, we have gone to work with SED to make sure that we've got a regulatory framework that we've drafted. We're working with them to get it -- you know, to work with them on making sure that we have to partner with them. So we're hoping that we get something soon. But that level of engagement and communication is ongoing with SED to put that out, and I hope it's sooner than -- sooner rather than later.

ASSEMBLYWOMAN FAHY: Terrific.

DOT COMMISSIONER DOMINGUEZ: So I have

to tell you that we've literally rolled up our sleeves right away and got on that as soon as you passed it.

ASSEMBLYWOMAN FAHY: Thank you.

DOT COMMISSIONER DOMINGUEZ: With regard to the 25-mile-an-hour speed limits on towns, I would have to actually ask, I don't know which towns have actually taken advantage of that. I don't know, but I'll be happy to get back to you.

ASSEMBLYWOMAN FAHY: Sure. I know we're running out of time. And we may need to look at some incentives for that. I understand it's a little more complicated than the bill we passed.

And I guess you got saved by that last question on --

DOT COMMISSIONER DOMINGUEZ: Okay. And I'll get back to you on the last one.

ASSEMBLYWOMAN FAHY: -- fuel taxes. But maybe somebody else will ask that.

CHAIRWOMAN WEINSTEIN: Thank you.

Senate?

ASSEMBLYWOMAN FAHY: Thank you.

Thank you, Chair.

CHAIRWOMAN KRUEGER: Senator Roxanne Persaud.

SENATOR PERSAUD: Can you hear me now?

DOT COMMISSIONER DOMINGUEZ: I can.

SENATOR PERSAUD: Great.

Thank you, Commissioner. I think I'm the only one whose office you weren't in, because I think I -- my appointment, you were stuck in my colleague's office, I was told. So I hope my appointment will be rescheduled.

DOT COMMISSIONER DOMINGUEZ: Please forgive me.

SENATOR PERSAUD: Thank you.

I would like to find out from you the process for having sound barriers or the green sound barriers that you were talking about installed, because across my district, certain areas across the district, there's a desperate need for that. When the Mill Basin Drawbridge was lifted, no one took into consideration the noise impact. And now we're suffering through that. And DOT has not revisited the request that was made to

install some kind of sound barrier.

And also along other parts of the Belt Parkway, there's a desperate need for that. What has happened, as more houses were built closer to the parkway, the level -- the noise pollution has increased, and no one is really addressing that. What is the DOT doing to address that? And, you know, as we're building closer to highways, is there a plan in place that DOT will say: As you build, you must install these sound barriers?

DOT COMMISSIONER DOMINGUEZ: So we definitely look at it as part of projects that we execute. And actually that's -- that's exactly where we look at it. So as we look to improve roadways, et cetera, we look at what the noise implications are and oftentimes do studies to make sure that what we're about to remediate is actually what needs to be done.

And so it's usually done directly, especially if we're using federal funds in connection with the documentation and the requirements that we have to meet through the

federal process to leverage those dollars. So sometimes it does -- we can't go -- it limits us in our ability to go back after a project's been completed.

So -- but I will be happy to follow up with you, ma'am, and make sure you have a decision --

SENATOR PERSAUD: Okay, in certain areas.

And, you know, my colleagues are all talking about education, road safety education. I spoke with your deputy also that the need is great. NYPD I know this week put out a video talking about turning -- you know, telling the community about the importance of the speed limit when you're turning.

What is DOT doing to ensure that we are educating the public on road safety?

DOT COMMISSIONER DOMINGUEZ: Well, I've -- I very much appreciate your question because we are very passionate about it. In fact, one of the things that we're doing is investing in our own capability to make sure

that we have -- we do a lot of videos, we do a lot of direct education when we put in roundabouts and other safety features. We want to make sure that we educate the public on what this means and how you actually operate.

SENATOR PERSAUD: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRWOMAN WEINSTEIN: Assemblyman Durso.

ASSEMBLYMAN DURSO: Thank you, Commissioner. Good to see you in person.

DOT COMMISSIONER DOMINGUEZ: You too.

ASSEMBLYMAN DURSO: So just a question that we had discussed briefly.

The New York State DOT Pavement Condition Report that was provided to the Legislature from your office, in regards to specifically Long Island, shows a 6 percent decline of pavement in good or excellent condition on Long Island for 2020-2021, and more than a 20 percent decline since 2017 do. You know what we could really attribute that

to as far as why the road conditions have gone down so much on Long Island?

DOT COMMISSIONER DOMINGUEZ: I think that basically those numbers reflect the conditions before we actually put in about $121 million last year on the roadways in Long Island, improving 442 lane miles.

So my expectation is those numbers would go up based on current data.

ASSEMBLYMAN DURSO: Is there enough funding currently in this budget right now, and with the monies set for the next five years, to get those conditions back up to par, essentially?

DOT COMMISSIONER DOMINGUEZ: We have money dedicated through the five-year capital plan. Additional paving will absolutely be done in Long Island, and that's been designated. We've got the Northern State Parkway about to start soon.

ASSEMBLYMAN DURSO: Okay. And then just my last question to follow that up with.

So with obviously a possible influx of people coming to live on Long Island,

obviously projects that are being done on Long Island, and also electric vehicles, which weigh a substantial amount more than gas vehicles, and that being something of the future of where we're going, do you think that the roads on Long Island -- which were not originally built, obviously, to handle that much traffic. It was really supposed to be more of a vacation place.

Do you think that the roads that are currently in place on Long Island can handle the influx of more people, more school buses, heavier vehicles and more projects that are going on?

DOT COMMISSIONER DOMINGUEZ: So one of the things that we factor for at DOT is the weight of what a road can withstand. And right now our factor is, I think -- and I could be wrong; I'll correct it for the record if I am -- but I think it's about 80,000 pounds. So right now even the heaviest electric school bus doesn't even weigh that, let alone any other, you know, multi-use vehicle.

So the bottom -- we're building according to what the standards are and, as things change and the weight levels change, we'll adjust accordingly. But our engineering standards are built for -- to make sure that there's durability in what we're putting down.

ASSEMBLYMAN DURSO: So you think, in your opinion, that the Long Island roads will be able to handle the influx of people and new types of vehicles?

DOT COMMISSIONER DOMINGUEZ: Look, I think that there's multiple factors that go into our road condition: The age, the weather, the climate. Last year alone, part of the reason why we saw such degradation on the roads in Long Island is because we had extreme temperature fluxes. It was freeze-thaw, freeze-thaw, freeze-thaw. And so it just beat up the roads. And that's why we have to constantly look at it.

ASSEMBLYMAN DURSO: Thank you, Commissioner. Appreciate it.

CHAIRWOMAN KRUEGER: Ranker Tom O'Mara

for five minutes.

SENATOR O'MARA: Thank you, Commissioner. Good evening already, unfortunately.

CHAIRWOMAN KRUEGER: Not that bad.

SENATOR O'MARA: Yup, okay.

I just want to express my concerns, as has been stated many times here, with the flat level of the CHIPS and other local roads programs. Certainly in light of the inflationary times that we've had, and the increase in oil prices, asphalt prices, gasoline prices has really eaten into the ability of our local governments to keep up with their programs.

So I think that that should be increased, and I'll be working towards that throughout this budget process over the next month.

I want to ask you again, as I think I ask every year, about our local rural transit systems and the impact they were hit with several years ago with non-emergency Medicaid transportation being really taken off of them

and distributed to taxis and other individual ride services. Which seems to be in opposition to what the whole goals of the state are, is to increase use of public transit and less individual rides.

So -- but yet this continues. And the rural public transit systems have suffered as a result of this loss of ridership for years. And we've had a Band-Aid approach where we try to give them some money every year. It's never enough. We're still seeing routes reduced, some counties eliminating their public transit altogether.

What's your position on our rural public transit? And should we be getting these non-emergency Medicaid rides back into the public transit system, as opposed to the private car service?

DOT COMMISSIONER DOMINGUEZ: So I'll address the first issue with regard to the Medicaid reimbursement process. I think, you know, it's been a struggle for the transit systems. And one of the ways that we were trying to alleviate that is to work directly

with the Department of Health and look at how we can flex these federal dollars in ways that meet the demand from the customers that they're trying to service. And one of those is giving them a little bit more flexibility in an on-demand service as opposed to a permanent service that may or may not be utilized in the way that it's intended. In other words, the usership goes up and down and up and down and up and down.

But the question is is how can we create some of those innovative ways of addressing public transit, particularly in rural areas. And that's what I think the intent is behind -- I know the intent is behind the Executive's proposal for this Innovative Mobility Fund, to look at how do we work with rural communities to address the public transit issues.

So it's a good way to start. We've got an opportunity for the seven systems upstate as well as some of the more rural communities. The other thing is last year the Legislature passed a rural transit

working group, and we would love to get going on that and start to explore some of the different ways that we can make all of -- we can look at what the opportunities are for rural transit.

SENATOR O'MARA: I was pushing that legislation for that working group since the time of the change to the Medicaid answering service, and it took years to get that legislation passed. And now at least we're supposedly requiring them to meet. It still hasn't been done yet. It needs to be done.

What in this budget, fiscally, is going to help our rural public transit systems?

DOT COMMISSIONER DOMINGUEZ: Well, there's the dedicated money that goes directly upstate to the transit systems, and that money is actually increased this year. So let me give you the number here really quickly. For some reason it's escaping me right now.

But the bottom line is is that we've actually looked at -- and overall I believe

it's an 8 percent increase in the upstate transit dollars that we've had. So again, being able to leverage that investment across the board for all of the transit services.

SENATOR O'MARA: Okay, thank you. I'll look for that. I didn't notice that.

But my time has expired. Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRWOMAN WEINSTEIN: Assemblyman Ra for five minutes.

ASSEMBLYMAN RA: Good afternoon, Commissioner. Thank you for being here with us.

I just had a couple of questions in and around the district I represent.

One was a constituent recently reached out to the office regarding Hempstead Turnpike, and, you know, we reached out to DOT regarding this. A few years ago, I think right before COVID, there had been a resurfacing project really on the western end of things, but I think there's an area that was not part of that. So I'd just ask if you

can go back and take a look at that. It's West Hempstead, in particular in the Cathedral Gardens area as you get towards the Village of Hempstead.

I've had a lot of constituent complaints regarding that, and your staff was kind enough at the time when it was coming through the Franklin Square area, to, you know, meet with our local civic associations and just let them know what was going on, and that was much appreciated. So if you could just --

DOT COMMISSIONER DOMINGUEZ: Happy to.

ASSEMBLYMAN RA: -- you know, follow up with our office regarding that particular issue.

The other one is, as I'm sure you're aware, and we've been through many iterations, and I think we have discussed in past budget years, this specific location. The interchange is further up Hempstead Turnpike, in the vicinity of the Nassau Hub property, where the Meadowbrook meets Hempstead Turnpike. There are several

interchanges in the area. And there is now a proposal for a fairly sizable development that may or may not include a casino at that Nassau Hub property.

And I'm just wondering -- I know we're in the infant stages of that, but if there's been any dialogue with prospective developers as to what might be needed from an infrastructure standpoint to finally upgrade some of those interchanges if there is going to be an increase of people coming into that area.

DOT COMMISSIONER DOMINGUEZ: I would be happy to circle back with you as I do some more -- touch base with our folks on Long Island and see -- they may have already started to take a look at this.

ASSEMBLYMAN RA: Okay. And then the last thing -- and again, I think this is something we've discussed in the past. I know you gave an answer to one of my colleagues earlier about the current state of the roads in the state in terms of which ones were up to par and maybe below that.

Is there a formal document -- my understanding is there is some type of report that's supposed to be given to the Legislature. If there is one, if that can be provided -- you know, that goes through our state highways and the current state of repair of them?

DOT COMMISSIONER DOMINGUEZ: Yes, there's a Bridge and Pavement Condition Report which we publish, and we're in the process of pulling together this year's. But last year's is available.

ASSEMBLYMAN RA: Okay, great. When would this year's be available?

DOT COMMISSIONER DOMINGUEZ: I'm hoping sometime in the next couple of months.

ASSEMBLYMAN RA: Okay. Great. Well, I will leave a couple of extra minutes on the clock. Thank you.

CHAIRWOMAN WEINSTEIN: Senate?

CHAIRWOMAN KRUEGER: Thank you.

Hi. I'm going to take my time with you now. Not 10 minutes worth, trust me.

So in the materials you submitted,

we're talking about 130 -- oh, my --

(Lights went out.)

CHAIRWOMAN KRUEGER: Well, let's -- obviously no one liked that question, so we'll --

(Laughter.)

CHAIRWOMAN KRUEGER: No panic. Somebody will figure out how to turn the lights back on. Somebody might have leaned against a wall incorrectly -- aha.

(Lights restored.)

CHAIRWOMAN KRUEGER: A plot, or just someone leaning against the wall wrong. I knew it, Heath. I've been around a long time.

DOT COMMISSIONER DOMINGUEZ: Just so long as this is not some Agatha Christie --

(Laughter.)

CHAIRWOMAN KRUEGER: Not to worry, the Canadians are not attacking.

(Laughter.)

CHAIRWOMAN KRUEGER: That's always my theory, that somehow we're going to go to war with Canada and they're going to show up

here. Sorry. I have to stop that. Let's try again.

So we're talking about 32 billion more in capital over five years, and we're talking about 13.5 billion from the feds in highway and bridge formula aid. So help me understand why some of my colleagues think that funding is staying flat for roads and bridges.

DOT COMMISSIONER DOMINGUEZ: It's not.

CHAIRWOMAN KRUEGER: It can't be staying flat with that much money being added.

DOT COMMISSIONER DOMINGUEZ: It's not. There's been an infusion, a significant infusion of dollars, when you match the federal dollars with the state dollars.

And honestly, I mean, I should have started off with this, but a big thank you to the Legislature and to Governor Hochul. The level of stability that has been provided for transportation funding is truly remarkable. I've worked in transportation my whole career, and to have this level, a five-year

capital plan that we can execute on, you know, is -- it's really a -- it's a great place to be.

CHAIRWOMAN KRUEGER: So sometimes some programs might appear to stay flat because other programs have shown up and are, you know, new programs, that they're called something new. So even if somebody's describing a specific line is staying flat, it is your argument that there is more capital money for all these types of programs for roads and bridges at the state level and at the local level. Is that a fair statement?

DOT COMMISSIONER DOMINGUEZ: There was an increase in the CHIPS last year, but then we also added to the pavement improvement and highway -- local highway programs along the way. We included -- Governor Hochul included a new program called Pave Our Potholes. I know Senator Kennedy was a big advocate for the State Touring Routes the year before. And so there's multiple opportunities now for local governments in particular to actually

take advantage and really advance the investment across the board in our roads and bridges.

And as I said before, 200 million now, as opposed to 100 million in the bridge program.

And in the first year of the five-years capital program, I want to assure you that NYSDOT has literally -- we've put forward $3.1 billion in state and local projects. So we're getting the money out the door and we're putting it to work, and it's creating jobs, and that's matched with the federal funding at about $1.8 billion.

CHAIRWOMAN KRUEGER: And then in your testimony on page 2 you also reference "and more than 8 billion will support transit systems statewide, including both on- and off-budget resources, which are critical to providing alternate models of transportation to the public."

So given the discussion with the MTA -- it feels like days ago, but that was just a few hours ago -- tell me what that

8 billion in mass transit is going for.

DOT COMMISSIONER DOMINGUEZ: So what that goes for, the 8 billion is -- MTA's going to receive 8 billion. The total operating assistance from the state is 9.1 billion: 8 billion to the MTA, and non-MTA downstate suburban systems, meaning -- are going to receive about 522 million, which is an increase of 40 million from last year. And the upstate systems are going to receive 286, almost $287 million, which is an increase of 7 percent from last year.

CHAIRWOMAN KRUEGER: And is the 8 billion for the MTA region and billion-something for the rest of the state, is that over five-year capital or in this coming year capital?

DOT COMMISSIONER DOMINGUEZ: This is annual operating, just for this year.

CHAIRWOMAN KRUEGER: I'm sorry, say that one more time?

DOT COMMISSIONER DOMINGUEZ: Annual operating.

CHAIRWOMAN KRUEGER: Annual operating.

But this -- in your testimony you say it's capital, the 8 billion. So do you mean operating or capital?

DOT COMMISSIONER DOMINGUEZ: It might have been miswritten. But it's 8 billion in traditional operating aid.

CHAIRWOMAN KRUEGER: Okay. In your page 2 of your testimony you have a subtitle "The Capital Plan," and then a set of bullets that I assumed meant for capital. But the 8 billion listed here is not for capital?

DOT COMMISSIONER DOMINGUEZ: No. It's for -- the 9.1 billion is for operating support for all statewide transit systems, and it breaks out that MTA is going to receive 8 billion for operating aid -- which is a combination of appropriated and non-appropriated resources -- and the other non-MTA systems are going to receive 809 million in annual operating assistance.

CHAIRWOMAN KRUEGER: Okay. So --

DOT COMMISSIONER DOMINGUEZ: Which breaks out to be, again, 522 million for

non-MTA downstate and upstate systems at 386 million.

CHAIRWOMAN KRUEGER: Okay. So I don't want to take up the time now, but when you have a chance, go back to your testimony, because it appears to be capital money. And you talk about the five-year capital plan in the second paragraph of this section, and then list things out in the third paragraph.

So that's why I'm confused, because I thought that must be capital money.

DOT COMMISSIONER DOMINGUEZ: I'll be sure to correct it.

CHAIRWOMAN KRUEGER: Okay, thank you.

So there's a lot of reference I think both in some of my colleagues' questions and in the testimony to all the money being spent improving our roads and bridges and improving the condition of our roads and bridges to be in good repair. So will everybody be in better repair when we're done with this five-year investment than it was before?

DOT COMMISSIONER DOMINGUEZ: Yes. Yes.

CHAIRWOMAN KRUEGER: And is there sort of a standard of measurement that DOT uses for that so that you'll look around and go, Oh, look, the potholes are done, the bridges aren't falling down, people have roads when they didn't have roads?

DOT COMMISSIONER DOMINGUEZ: So we are constantly assessing the conditions of our roads. And we do an enormous amount of data collection using all kinds of systems from LiDAR and other technologies to make sure that we understand what the condition of the roadway is. We measure it, we calculate it, we make sure that it's a complete asset management process.

So when you talk about literally tracking the condition of the roadways, that's how we assess it. It's data driven. And so yes.

CHAIRWOMAN KRUEGER: And that kind of information is publicly available so legislators can see that and say, okay, over here in my district, look at the improved state of repair for my roads and bridges?

DOT COMMISSIONER DOMINGUEZ: Yes. It's a constant process and one that's completely dependent on weather and age of the system and use.

But that said, we're constantly investing in this level of investment that the Executive has provided, and the Legislature. With this 32.8 billion total in our capital program, we expect that it will indeed help over the course of five years the state of our roads and our bridges.

CHAIRWOMAN KRUEGER: Thank you. I cede back my 2½ minutes.

Assembly?

CHAIRWOMAN WEINSTEIN: Assemblyman Palmesano.

ASSEMBLYMAN PALMESANO: Hello, Commissioner.

DOT COMMISSIONER DOMINGUEZ: Hello, sir.

ASSEMBLYMAN PALMESANO: Good to see you again.

I have more of a brief statement, point to make, to you and to my colleagues as

well.

As you know, 90 percent of the local roads are not eligible for any of the federal dollars that came in through the federal plan. And a lot of our projects are not signature projects throughout the local communities, like I-81, like the Bronx project, or Buffalo.

And given the fact that, you know, fuel costs are up 256 percent, asphalt costs are up 77 percent, steel costs are up 115 percent, and we went three hours on the MTA budget talking about how that's the lifeblood of the downstate transportation network, the fact of the matter is -- and to my colleagues, we've said this over and over -- CHIPS is the lifeblood of our upstate transportation network. It's not getting an increase.

These costs, these inflationary costs are hammering these local communities, which will basically be on the local property taxpayer to deal with this now. So we should be making a stronger commitment and

investment to CHIPS.

So now to my question. I know you're a member of the Climate Action Council and there's a big push by this Governor and the members and my colleagues, some up here, to push for electrification. And that electrification is going to be good for the environment, it's going to be good for our overall emissions. But the fact of the matter is mining these materials has a significant impact on the environment. We've seen in countries in Africa and Asia where there's water pollution, but also, in the Democratic Republic of Congo, where they're using child labor to mine for these materials, these cobalts that are used to make lithium ion batteries. These children, it's well documented, children are dying, they're being maimed, they're being paralyzed.

Don't you as the commissioner and doesn't the Governor have a responsibility, if we're going to be working to move to full electrification, don't we have an obligation

to lead on this and make sure that materials that are being sourced to produce these batteries -- which right now is being used with these kids as child labor, using child labor to produce these batteries -- shouldn't we take a step back and say we're not going to move forward with this unless you can demonstrate and document child labor isn't being used to produce these materials, to produce these batteries? Don't we have an obligation, if we're going to lead on climate change, to also lead on human rights and child labor violations, which is well documented?

CHAIRWOMAN KRUEGER: Thank you.

To close for the Senate, Tim Kennedy, second -- oh, I'm sorry, you have 49 seconds. Excuse me. I'm so sorry.

ASSEMBLYMAN PALMESANO: She has time to answer it.

SENATOR KENNEDY: I'll take it.

CHAIRWOMAN KRUEGER: No, no, no, Tim won't take it.

Please.

DOT COMMISSIONER DOMINGUEZ: I think -- I'm not familiar, sir, with what you're talking about with regard to the production.

But I will tell you that it's been my experience working in New York State that there's a great deal of thought that's put into everything that we look at. Certainly in the materials that we source, whether it's, you know, the Buy American provisions, how we work with organized labor, how we actually get our work done.

So the level of what we actually need to do in terms of our climate agenda is pretty significant. And we're leading the nation right now with regard to that. And I think that there's opportunity along the way as we define what those are, to make sure that we look at it holistically.

ASSEMBLYMAN PALMESANO: But we shouldn't be using child labor to do it, should we? Right?

CHAIRWOMAN KRUEGER: You got to answer, and I apologize for cutting you off

before letting her answer.

And now, to close for the Senate Dems, Tim Kennedy for his second round, three minutes.

SENATOR KENNEDY: Thank you, Commissioner, again, and thank you for your leadership. You know, we're talking about a lot today. I really appreciate our work together, and you do a tremendous job. Although, you know, we do have our disagreements and I think this question about funding is one of those disagreements.

Look, we've put a lot of money into roads, a historic level. I agree with all of that. A historic $32.8 billion over five years, historic levels for PAVE-NY, BRIDGE NY, Pave Our Potholes program, a new program there, the Touring Routes program -- all wonderful stuff. The money's flowing, we're happy about that. But I submit and I stand by the fact that when we take that funding compared to the inflation numbers that we're seeing, 16 to 20 percent, the moment that we passed that bill that was historic levels of

funding, it was still underfunded. That's why the Senate Democratic Conference spoke to another $10 billion necessary for this program.

We'll continue these deliberations moving forward. I just want to make it clear that there is still work to be done for more funds, and we look forward to working with you on that.

That being said, I want to talk a little bit about STOA. You alluded to it, we talked about it -- we talked about a lot today. I want to get right to it because there's only a million and a half left here. STOA have increased by 7 percent; you mentioned that. Again, we need more than that. The New York State Public Transit Association, who will be speaking later, is looking for 20 percent. All other respective authorities across New York State are looking for another 20 percent.

This is operational funds. We are seeing dedicated resources going to the MTA. We don't see a new revenue source going to

upstate non-MTA transit. So we would like to rectify that number. Pleased to see it moving in the right direction; 7 percent's great. We think we need to get 20 percent or as close to that 20 percent as possible.

You could speak to that if you'd like, but I also want to just mention one other thing about the $5 million for a program advancing projects that utilize Complete Streets. You mentioned it earlier. The Governor signed the law that I passed, along with Assemblywoman Fahy, recently. We're excited about that. There's $5 million in the budget about moving forward with Complete Streets.

Can you talk about how the DOT is going to use those funds? You know, what's the process, that $5 million for the Complete Streets program.

DOT COMMISSIONER DOMINGUEZ: So the way that we're looking at it -- so thank you for your leadership and that of Assemblymember Fahy on the Complete Streets bill.

The $5 million that's included in the Executive Budget actually starts to go towards some planning and really looking at -- recognizing that the implementation doesn't occur until the end of this year, take that initial $5 million and start to plan out how we can -- how we can move forward. Because the legislation as you passed it really is for locals, and how do we start to reconcile those.

SENATOR KENNEDY: So will municipalities be able to tap into that $5 million for studies?

DOT COMMISSIONER DOMINGUEZ: We're defining that now.

SENATOR KENNEDY: Okay, thank you.

And STOA, would you like to speak on that STOA question that I mentioned?

DOT COMMISSIONER DOMINGUEZ: With regard to STOA, I just -- you know, you all had a great chance to talk to the MTA. The fundamental difference between the MTA and their sourcing, you talked to them about their financing, what they're looking at,

what they're drawing from. It's a -- what I'm talking -- in other words, local taxes, additional revenues that they can pull from.

Upstate, what we're talking about is straight-out state-level funding coming from -- for state operating assistance. There's not the same level of fees and taxes that can be drawn from localities to support upstate operations. And so it's really apples and oranges in terms of being able to draw from dedicated funding sources. There's just not the same level of dedicated funding for upstate.

SENATOR KENNEDY: Well, thank you, and I look forward to our work together and rectifying that percentage. Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

ASSEMBLYMAN MAGNARELLI: I think I'm it. This will be the end.

First of all, I'd like to let everyone know that Assemblyman Jensen has joined us as well at the hearing.

Just a couple of questions to bring

this to an end, I guess. First of all, thank you for being here and answering our questions for a couple of hours. This is -- thank you.

I'd like to reiterate what Senator Kennedy said, though, as far as local monies: CHIPS, PAVE-NY, BRIDGE NY, all of those things. I do believe that we need more monies into those pots for what is going right now. And also STOA, we need more money there too. And if you're saying we don't have enough dedicated funding, then give me some ideas of where we can allocate some dedicated funding to these organizations.

I think mass transit is absolutely essential to what we want to do as far as climate control is, you know, going forward. So without those kinds of monies I don't see how we build out these systems at all. I don't.

I also know that there's money in here for new electric buses and things like that, but not enough. It's nowhere near enough.

So, you know, I don't know exactly

where we're going with all of that. Just wanted to say that, put it on the record.

The questions that I have for you, though, deal with staffing. I've heard this in a number of different areas. This is our first hearing, budget hearing, but I'm hearing it almost on every agency. I want to know how it's affecting the DOT, how it's affecting your being able to use these monies that we're receiving from the federal government, using monies that we're putting into the budget. Are we going to be able to do what we say we're going to do with the staffing that we have?

DOT COMMISSIONER DOMINGUEZ: Well, I think, like every entity, corporation, public service entity, et cetera, across the nation, we've all seen a peak on Baby Boomers retiring. And so New York State DOT is not immune from that, I'm sure you'll hear it across the board.

One of the things that the Executive did was put forward some very good look at Civil Service on how we can really enhance

our recruiting and retention for state employees, which is --

ASSEMBLYMAN MAGNARELLI: And are you going to take part in what the Governor is proclaiming here about Civil Service and redoing some of the classifications, et cetera? Because we're finding this across the board, not only with our roads and bridges, but with aviation, for sure. I've got real problems.

So, I mean, those are things that we need to look at.

DOT COMMISSIONER DOMINGUEZ: So I want to first assure you that we have the people to do the work, fundamentally.

Secondly, I do look forward to the Executive's proposals because it's an issue that affects every business, and I applaud the Governor for her leadership on looking at the state workforce.

And -- but just know, what we've got right now in terms of the programs, the policies, we're always looking to recruit more engineers, more planners, more, you

know, geotech folks, you name it. But the bottom line is is we've got a great workforce at DOT, very experienced, very seasoned. And they're ready, capable and are actually executing on that capital plan.

ASSEMBLYMAN MAGNARELLI: I heard a new term last week that I -- I've heard similar ones, but the new one was the Silver Wave. And, you know, I thought just meant older gentlemen like me, the Silver Wave. But it's the retirement age. People are retiring and that's causing a problem in a lot of areas, especially engineering.

We'll do this off -- you know, outside of the hearing, but I'd like to hear about that $10 million pilot program in support of innovative transit mobility. That's something I wanted in the budget last year, I had a bill for it. But mine was $10 million for two pilot projects; I think you're doing it over like ten $1 million projects or something like that. So I'm not really sure how that works, and I'll talk to you about it as we go on. Okay?

DOT COMMISSIONER DOMINGUEZ: Okay.

I wanted to address your one question with regard to electrification. And there is opportunity specifically for school buses in the Environmental Bond Act to help pay for that. So I'm sure you're aware of that, but I just wanted to flag it.

ASSEMBLYMAN MAGNARELLI: Okay. Not enough. Okay, thank you very much, Commissioner. I think that ends this part of our hearing, and we appreciate it.

CHAIRWOMAN KRUEGER: Yes. Thank you. We do appreciate it, thank you.

And for people who are keeping score, we are moving on to the third and fourth testifiers today: The New York State Department of Motor Vehicles, Mark Schroeder; and the New York State Thruway Authority, Frank Hoare. We'll give everybody a few minutes to move into position.

And don't take it personally, I think much of the Assembly had to go to conference, so I think they'll only have a few or a fewer number of Assemblymembers repping for a

while. I'm not telling them to leave for conference, trust me, but there's a rumor that there's a conference out there somewhere.

(Off the record.)

CHAIRWOMAN KRUEGER: So if we could ask people who are moving on to move on and people who are coming to sit, to sit. And then people who want to have conversations, take them out in the hallway, please. Thank you. You can come back after you've finished chatting with each other.

Okay. So now that it's 3:00 in the afternoon -- oh, excuse me, 5:00 in the afternoon, thank you for being here with us.

And are we going to start with the DMV? Yes, we are. Thank you. So please, Mark, start. And -- oh, sorry -- DMV gets 10 minutes, then Thruway Authority gets 10 minutes, and then we'll all ask questions.

And for anyone who's come in new since -- I was going to call you Senator Magnarelli. Perhaps not. Assemblyman Magnarelli, if you're an

Assemblymember, you want to let him know if you want to be on the question list. And Senators should let me know or Tom O'Mara know.

Please, Mark.

DMV COMMISSIONER SCHROEDER. Good afternoon. And thank you very much for this opportunity, Chairpersons Krueger, Kennedy, Magnarelli, Weinstein, and other members of the New York State Legislature, for inviting me here today. My name is Mark Schroeder. I am the commissioner of the Department of Motor Vehicles. I also serve as the chair of the Governor's Traffic Safety Committee.

When I became the commissioner four years ago, there was no shortage of DMV jokes -- long lines, slow service, outdated technology, you name it. So we embarked on a strategic plan to change how we operate, focused on our customers and employees, first and foremost. We updated our vision statement to reflect our goal of shattering perceptions of the DMV, and we initiated a variety of transformative projects to make it

happen.

As I sit here today, I am so proud to say that our progress has not gone unnoticed. Moreover, because of the foundation we laid during the past few years, we are uniquely positioned to build upon our success in fulfillment of Governor Hochul's proposal to enhance and improve access to state government services.

So I want to take a moment to share with you just three compliments we recently received from our customers, and I quote:

"What an amazing experience! The staff was very kind, welcoming and friendly. Ms. DeJesus was thorough and friendly."

Next compliment: "This was the best DMV experience I've had in 30 years! Travis was amazing, helpful, efficient, and incredibly sensitive to my transaction."

Last compliment for today: "Makes coming to the DMV fun! Great, quick service -- had all the answers to my questions and took care of my service efficiently." Fun, that's a new one, but

we'll take it.

Every day, every day our customers are reaching out to thank us for improvements we made. And more than 300 times this past year, you and your staff have given us compliments for helping you serve your constituents across New York State.

My point is that these comments and so many others like them reflect our ongoing transformation and the commitment of our nearly 3,000 employees. Through some of the toughest times our agency, our state, and our nation have ever seen, DMV employees have not only overcome challenges and loss, but they have also gone far above and beyond to support the critical functions of our agency and the nearly 16 million New Yorkers that we serve each and every year.

DMV engages in more than 35 million customer interactions annually and collects approximately $2 billion, $2 billion in yearly revenue. Governor Hochul's Executive Budget plan provides $477.6 million for DMV to support its statewide operations,

Traffic Violation Bureaus, and state- and county-operated offices. One of those locations is our Innovation Center in Albany, where I gave my testimony last year. It has become the test lab for groundbreaking products and services. And just a few weeks ago we opened a satellite innovation center in the Empire State Plaza Concourse to further our goal of meeting customers where they are. Customers, your constituents from all over New York State, come here to see you. They are now our customers in the Concourse.

We also remain unwavering in our commitment to providing equitable service to residents, and we strive to make sure our workforce and the vendors who support us are as diverse as our customers. I am thrilled to say that more than 60 percent of our discretionary spending is done through Minority- and Women-Owned Business Enterprises, and 30 percent is done through Service-Disabled Veteran-Owned Businesses, which is five times the amount required by

law.

The DMV also was awarded last year for its consistent support of the state's Preferred Source Program, which employs individuals with disabilities through New York State Industries for the Disabled member agencies.

And this past year I had the esteemed privilege of presenting the first New Yorkers with state-issued IDs with "X" gender markers. It was truly an historic moment for DMV and for New York.

In accordance with the Governor's proposal in her 2022 State of the State address, the DMV and the Department of Corrections and Community Supervision established a process to provide incarcerated individuals with state-issued IDs prior to their release. We know that a valid identity document is critical for finding quality housing and employment, and we are so proud to support this vital project. We are currently operational in three facilities, with the goal of expanding to 20 facilities

this year.

We also continue to work with DOCCS to prepare incarcerated individuals for their return to the workforce, including commercial driver education and automotive technology instruction.

The DMV has also proudly been at the forefront of the Governor's decisive actions to address the shortage of truck and bus drivers. Under her leadership, the DMV launched a third-party commercial road test program; expedited the licensing process for qualified drivers; expanded the validity of the Commercial Learner Permit; created resource and study guides; and we are currently working to implement the federal waiver for the "under the hood" portion of the road test, which many of you know about.

The Governor's budget plan will enable us to continue these important efforts and many others that will improve overall customer service, promote traffic safety, and protect consumers. Among those projects is our expansion of digital services. We now

have 74 online transactions, including our very successful REAL ID pre-screening process. This new service allows customers to come to our offices fully prepared to complete their transaction in one visit. We call it "one and done." It is just one of many ways we are preparing New Yorkers for the upcoming implementation of the federal REAL ID Act.

I also toured 11 airports statewide to get the word out. Many of you joined me, so thank you for that.

We also expanded touchless payment options, both in-person and online, and we created a new online transaction to make it easier and cheaper to request DMV records.

But we are not stopping there. This fiscal year, we expect to roll out a completely redesigned website and a fully revamped MyDMV customer portal. Additionally, DMV is undertaking a transformation of its customer contact center. This initiative will allow DMV's customers to interact with our agency in the

way they most prefer -- by phone, through live chat, self-service, or email.

To achieve our lofty goals, Governor Hochul's Executive Budget continues to invest in our new technology infrastructure. This will allow the department to eventually replace hundreds of legacy systems that are difficult to support and modify, and often restrain innovation.

Beyond these operational changes, we also remain committed to improving traffic safety, delivering secure identity documents, and administering the laws you have enacted to promote safety, transparency, and consumer protections. Last year our field investigators and automotive inspectors conducted 87,000 investigations. We also secured restitution for more than 570 New York motorists.

And our driver license document was nationally recognized for its use of cutting-edge security features proven to reduce counterfeiting and prevent identity theft. We are also committed to working with

tolling authorities, such as the MTA and the Triborough Bridge and Tunnel Authority, to ensure that motorists who do not pay their tolls are held accountable.

In closing, I spoke to you last year about DMV's transformation. I've come now to realize that everything we do at DMV is transformative. Every project we undertake, every engagement we have with the public, and every transaction we complete is truly transformative to the millions of New Yorkers who we serve every year. We have fully embraced being the doorway into state government for most New Yorkers, and I am proud of our continued success and the success we will build on this coming year.

I'll answer and entertain any questions you might have.

ASSEMBLYMAN MAGNARELLI: Okay. Acting Commissioner Frank Hoare, you're next.

INTERIM EXECUTIVE DIRECTOR HOARE: Good afternoon, Chair Kennedy, Chair Magnarelli, thank you for this opportunity to address you and speak with you and the

distinguished members of the fiscal and transportation committees.

My name is Frank Hoare. For the past two-plus years I've been the general counsel at the New York State Thruway Authority, and for the past six weeks I've also been the interim executive director of the authority.

I am joined by Matt Howard, who is the chief financial officer of the Thruway Authority.

I have submitted testimony, but in the interests of time, I'm going to just summarize some of the highlights from my testimony.

During this period between executive directors, we continue to move ahead with a $412 million capital program for this year, making necessary investments into the Thruway system. The overall 2023 Thruway Authority budget represents a total financial commitment of $1.2 billion. It is a budget that is balanced and provides the resources required to maintain the current levels of maintenance, safety and service that our

customers have come to expect.

The Thruway Authority is operated and maintained solely as a user-fee system and is not supported by any federal, state or local taxpayer dollars. Also, we did not receive any portion of the $13 billion that New York received as part of the federal infrastructure funds over the past couple of years.

Our toll revenues go directly toward making the Thruway one of the safest highways in the nation.

Underscoring its importance to the state and region, the Thruway is a dependable and cost-effective transportation system and serves as a vital link to interstate travel, providing a major route of access to our state's tourism anchors. It's also a principal artery of commerce and serves as a catalyst of the state's economic activity, with 17 percent of our total traffic coming from commercial vehicles and a third of that traffic coming from out of state.

A recent transformative project that

spans the entire Thruway is cashless tolling, which went live in November 2020. Since that time we have successfully processed more than 744 million transactions. The benefits of cashless tolling include nonstop travel that reduces congestion, improves traffic flow, includes convenient payment methods, and is safer and better for the environment.

Since the conversion to cashless, E-ZPass usage continues to increase and is now up to 84 percent of all users of the Thruway. This demonstrates our customers have embraced modern toll collection. And in case you're wondering, there are about 874 locations throughout the state that you can purchase an E-ZPass.

With more and more customers familiar with the cashless toll collection system, we recognize that we need to continuously improve. We've significantly increased our outreach and education efforts, enhancing the online system through account management, and expanding the payment options to meet customer needs. We expect all motorists

using the Thruway to pay their tolls, and we have enforcement tools to encourage payment, because again, the Thruway receives no federal or state funding. We believe these incentives are balanced to ensure that everyone pays their fair share, and we make every effort to collect every single dollar owed to the Thruway.

The vast majority of customers pay their tolls. Approximately 90 percent of all toll revenues are collected in a timely manner, and the remaining 10 percent is an ongoing process. Six percent of that 10 percent is paid within two months of being billed, and the remaining 4 percent remains subject to ongoing collection efforts.

The authority has the ability to charge violation fees for nonpayment and contracts with a collection agency after multiple attempts to collect over a 120-day period. Finally -- we hope that it doesn't come to this -- we work with DMV partners for vehicle registration suspension. This is a serious penalty for toll scofflaws, and a

last resort. These enforcement tools, though, enable us to maintain fairness and to offer the lowest prices for our customers.

To bolster our toll collection efforts, I want to express our support for Governor Hochul's Article VII toll violation, which you'll find in the TED bill at Part F. This bill will outlaw certain common toll evasion practices that render license plates difficult or impossible to read. This will enhance enforcement by increasing fines, seizing materials affixed for the purpose of blocking numbered plates, and allow for the denial and suspension of registrations.

Our current large-scale project that began in July 2021 is the redevelopment of the Thruway's 27 service areas. This project is part of a $450 million investment with the Empire State Thruway Partners, where 23 out of 27 service areas will be completely rebuilt and the other four extensively renovated. The project is funded through a public-private partnership with no toll dollars -- let me say it again -- no toll

dollars and no federal or state or local taxpayer funding being used.

Operating and maintaining the Thruway while enhancing and modernizing our system is not free. Additional revenue is required for the authority to fulfill its ongoing debt services and capital needs through the upcoming forecast period. This is why, in December of 2022, the Thruway's board of directors authorized the first step of a public toll adjustment process.

This proposal represents the first toll adjustment for New York E-ZPass customers, outside of the Governor Mario Cuomo Bridge, since 2010, which is 14 years without an increase. The proposed rates will remain below the current rates of many other toll roads across the nation.

The assessment released by the Comptroller's office on Friday fails to appreciate these points. The document was released outside of the Comptroller's own audit procedures and without the Thruway's response, as is the accepted practice. As a

result, the assessment, which is not an audit, contains inaccurate and misleading facts and does not address the revenue needed to operate, maintain and construct a safe and reliable transportation system.

And this assessment does nothing to contribute to a serious public discussion.

Our accomplishments remain possible because of the commitment from the 1700 men and women of the Thruway Authority. Their dedication and professionalism ensures that the Thruway continues to be a safe and reliable highway for all motorists. The most recent example of their selflessness and dedication is the back-to-back historic storms in the Buffalo region. Our team worked nonstop through the holidays, plowing the roads, rescuing stranded motorists, and assisting with medical emergencies, among many other heroic acts. The Thruway Authority, hands down, has the best team in the nation.

In closing, please know that I remain committed to keeping the Thruway the safest

and most convenient means of travel in the state. Whether one is commuting to work, visiting family or friends, or enjoying the recreational opportunities around our state, or supporting the freight economy, the Thruway will take you there.

That concludes my testimony, subject to your questions.

ASSEMBLYMAN MAGNARELLI: Well, I guess I'm going to be number one here, okay?

Let's start with Commissioner Schroeder. The '22-'23 enacted budget included $106 million for IT upgrades at the DMV. Whole bunch of questions on that. Will any additional funding be required for that project? When will the upgrades be complete? What improvements will our customers experience as a result? I guess you've already told us everybody's happy. Are there any specific benchmarks for improving service further? And will these IT upgrades result in any savings?

So just an overall how did the IT project go, where is it, and where are we

going.

DMV COMMISSIONER SCHROEDER: Yeah. Thank you, Mr. Chairman.

And so first of all, the Executive Budget, which I mentioned in my testimony, is $477.6 million. And also to answer your further questions, this gives us the ability to continue our partnership with ITS in terms of the very important transformation and tech redesign that's going on with our agency.

And also, you mentioned the reappropriation of last year's funding included this year to continue to support these most critical efforts.

In terms of IT overhaul and what the status is and what we've been able to do, thanks to your agreement last year, we have initiated a new Live Chat on the new DMV website. So this is something that's beneficial for your constituents. We have new payment options that we put in place this year, in-office and online.

On the REAL ID, that has been really very helpful. REAL ID is very complicated.

The requirements come from the federal government. So what we've established, Mr. Chair, is uploading and downloading, so your constituent can upload to us all of the information we need; we download it; and then they then come in and they're able to get their REAL ID or their enhanced driver's license. And it's one and done. And that's important to us. That has happened this year.

New training, self-development, self-development on programs. We also too, I heard in the previous testimony, we have a reason to try to retain our employees. So we've entered into an MOU with Empire State College to help our employees go back and get their degrees.

We also have partnering programs, and we work with the dealers, as you know, Mr. Chair, you work with the auto dealers across New York State. And so -- and we are now developing also, because of the initiative last year through the Governor and through you, the development of Mobile

Driver's License. We will be able to have that ready by the end of the year.

And the most important thing is we are retiring legacy lines. These legacy lines have to be retired. These legacy lines go back to Rockefeller, 1961. No wonder there were outages and glitches in all of our offices. We recognized it, and we're doing something about it, with your support.

ASSEMBLYMAN MAGNARELLI: Okay. Another question, Commissioner. The Executive proposal recommends increasing staffing levels at the DMV by 200. Can you tell me, what are these additional staff? Can you provide any kind of a breakdown? What kind of improvements is this going to bring to the customers? And will the IT upgrades that are underway have any impact on the staffing levels required by the department?

In other words, you're increasing people, but you're also increasing the IT. Is there any savings? What's going on?

DMV COMMISSIONER SCHROEDER: Yeah,

thank you, Mr. Chair.

And so to the 200 FTEs, they -- what they will be doing, essentially, they will assist with the enhanced customer service and federal grant management of a lot of the different programs that I explained during my testimony.

Also during our transformation process, the customer service and the contact centers, in terms of the chats and trying to be -- use the technology the best we can. Some of the safety initiatives.

Also, with the cannabis management, it gives us responsibility, and we take our responsibility very seriously to help manage that. As you know, we train law enforcement across New York State and the drug enforcement -- and the DREs, the drug recognition experts. So that will also help by having these new employees.

ASSEMBLYMAN MAGNARELLI: Can I interrupt you there just one second?

DMV COMMISSIONER SCHROEDER: Yes.

ASSEMBLYMAN MAGNARELLI: Do you have a

problem with the way "impaired" is being defined at this point in our Vehicle and Traffic Law?

DMV COMMISSIONER SCHROEDER: Mr. Chair, I don't -- I'm not certain if I understand what you're asking me. But I will say one thing.

Impaired is something that we take very seriously at the Governor's Traffic Safety Committee. So it could be drowsy driving, it could be alcohol. It could be cannabis, it could be drug-related. It's not good, and it's unlawful.

And so we are preparing right now to do everything we can to be helpful to law enforcement across the state so that they recognize, you know, what they see when they're on a traffic stop.

Thank you for that.

ASSEMBLYMAN MAGNARELLI: I appreciate that answer. Thank you.

DMV COMMISSIONER SCHROEDER: The last point I wanted to make with where some of our employees will be going to is that there --

the adjudication of increased tickets resulting from a proposal for New York City -- and, Senator Krueger, you might be interested in this. I know you are interested -- in terms of New York City to lower its speed limit.

If that does happen, you know, by this honorable body and the Governor, we are preparing to make sure that we have the proper managers to be able to do all of these initiatives that you would expect us to do.

Also, I am very aware -- I have a list in here somewhere of all the laws that go -- are enacted this year, in 2023, that DMV that has responsibility to, and we will do it on time.

ASSEMBLYMAN MAGNARELLI: Another question, Commissioner: Article VII budget language to change the percentages due county clerks. Are they going to stop knocking on my door now? Is this what they want? Is it not what they want?

DMV COMMISSIONER SCHROEDER: Mr. Chair, so I take the -- I'm a former

comptroller, and so I take the $13 million very seriously.

And I will say to this transportation committee of the Assembly and the Senate, you represent -- this body alone represents 28 counties in New York State. And so I am very confident that that Article VII will make your one-house bills as we get to March.

And the reason? One reason, respect. Respect for the county clerks.

The county clerks, at your charge 100 years ago, began being involved in motor vehicle business across New York State. They've been operating under the same retention model for the last 23 years, and the whole world has changed. And so in our strategic plan alone, Mr. Chair, I say 59 times in that strategic plan, we want to reach customers to where they are.

That's completely opposite in terms of how the county clerks get paid. They get paid when a customer comes in their office, and they get 12.7 percent.

So in short, I do believe that they

won't be knocking on your door anymore. The clerks are very interested in this 10.75 percent flat rate. It's fair, it's equitable for all parties.

ASSEMBLYMAN MAGNARELLI: Okay, thank you, Commissioner.

Mr. Hoare, I just want to say you are the luckiest guy in the world to take office and then have a blizzard and seven feet of snow on the Thruway. I don't know why you deserved something like that.

But I want to commend you on the way the Thruway is being handled. I do know that it takes a lot of money to run the Thruway, and we will look very closely at these rate increases that you are suggesting, or that the Governor is suggesting, and we will go forward from there.

And I thank you for being here today.

INTERIM EXEC. DIR. HOARE: Thank you, Mr. Chairman. It is -- the Thruway board is recommending these changes. Again, it speaks to --

ASSEMBLYMAN MAGNARELLI: I misspoke,

you're right.

INTERIM EXEC. DIR. HOARE: And it speaks to that there's not been a raise in 14 years, there's no state or federal funding for those -- for the operations of the Thruway Authority.

And if you look at the numbers -- and my colleague can speak to give you some specific examples -- it is -- the percentage of increase that we propose is far below any of our neighboring states in the region. We go from 4.5 percent a mile for vehicle traffic, passenger traffic -- 4.5 cents, cents, to 4.9 cents over the next four years.

So we think it's a de minimis increase in order to address the needs over the next several years, over the next four years, to address our operation, maintenance, and capital needs.

Matt, if you want to give an example or two --

ASSEMBLYMAN MAGNARELLI: Perfect timing. We're down. Thank you.

CHAIRWOMAN KRUEGER: Thank you very

much.

Hi, gentlemen. Our first questioner will be Senator Kennedy, our chair of Transportation.

SENATOR KENNEDY: Thank you, Chairwoman.

Good evening, gentlemen. Commissioner Schroeder, thank you so much for your testimony. Thank you for your leadership.

DMV COMMISSIONER SCHROEDER: Thank you, Senator.

SENATOR KENNEDY: Executive Director Hoare, thank you as well for your testimony and leadership.

I'm going to start right where you left off. The Thruway board authorized the start of the administrative process to increase tolls on the Thruway, and that would be for all users. Last week Comptroller DiNapoli came out and said that an increase in tolls should only be an absolute last resort. I agree with him.

He also suggested looking at other forms of revenue to supplant the gap in funds

that is being suggested.

That being said, how did the Thruway come to the conclusion that this is a time to increase tolls?

INTERIM EXEC. DIR. HOARE: The primary conclusion was that it's been 14 years since there has been an increase.

So if you look at prices and costs back in 2010, just in the last two years our equipment and vehicle costs have gone up by 40 percent. In 2010, structural steel was $1.31 a pound; it is now $4.08 a pound. That's a 212 percent increase. Roadbed gravel, 123 percent. Asphalt, 87 percent. Our -- obviously our personnel costs, people have gotten raises over the last 14 years.

So that primarily is the reason, that it's been 14 years. There's never a good time to raise prices. I know that. Every one of us, you can go to the store, you'll see nobody likes to pay more. But if you look at prices and you look at expenses and what the needs were in 2010 versus now, it's gone up. And if we want to maintain a safe

and reliable system so people can get to work, people can visit family and friends, they can come visit the sights in your district, commerce can flow from one end of the district to the other, we're going to need to continue to invest in that.

I defer to our chief financial officer, who was involved in some of the more -- the details of putting that proposal together.

THRUWAY CFO HOWARD: Yeah, I'll just continue to follow up on one of the points that the director was making earlier, that the result of the proposed toll change would be to increase our base rate per mile from 4.5 cents per mile today to 4.9 cents per mile by 2027.

When you compare that to what other states currently charge today, the Pennsylvania Turnpike is currently today charging 14.5 cents per mile. The New Jersey Garden State Parkway is 6.5 cents per mile. The Indiana Toll Road, today, is 8.6 cents per mile.

So to use an example, the trip from Buffalo to Albany today currently is a $12 toll to go from Buffalo to Albany. As a result of the proposed toll change, by 2027 that toll would increase by about 91 cents, to $13. If you were to drive that same trip on the Pennsylvania Turnpike today, instead of paying $13, it would be 39. And that's an important point that oftentimes gets lost in terms of the need and relative, you know, context of the rate change being proposed.

INTERIM EXEC. DIR. HOARE: And we also dealt with the impact of COVID. Just in 2020, the Thruway lost $125 million in toll revenue from that year because of the impacts of COVID. That will grow to $240 million over a five-year period. That is money we will never see again and, again, will not be -- cannot be used for maintenance and operations and rebuilding a structure that's been around since the early '50s.

My colleague talked about Governor Rockefeller. We're talking about Governor Dewey here, right? And the roadbed,

the roadbed that was built in the '50s is still the same roadbed. And 870-odd bridges that span the Thruway have not been -- many of them have not been refurbished or renovated in years. So that money is needed now.

SENATOR KENNEDY: What other sources of revenue are available other than a toll increase? You know, we talk about it being a last resort. What else can be done?

INTERIM EXEC. DIR. HOARE: Well, let me just say, Senator, we certainly agree with the Comptroller that a toll increase should be the last resort. That's why we've been looking at this for -- intensely for the last several years. But really this review started years ago as we started seeing these costs escalate since 2010.

So 90 percent of -- 95 percent of our revenue comes from tolls. The remaining 5 percent will come from leases. We lease cell towers, we lease fiber. We make some money, not much, but off the service areas. But that's where the remaining amount comes

from.

So 95 percent comes from tolls.

SENATOR KENNEDY: And you cannot tap into federal infrastructure funds. Can you explain that?

INTERIM EXEC. DIR. HOARE: The federal infrastructure dollars that came into New York were part of the capital program that Commissioner Dominguez was referring to before. That money is spent, as she said. It's been programmed. And we were not included in that.

There are some small discretionary fund programs that federal DOT has. We are attempting to access those. We have applied for two. One is approximately $20 million, the other is approximately $22 million. So there's not much there even if we get those funds, and they're the famous one-shots. We won't see them again.

SENATOR KENNEDY: And how much of a funding gap would occur if these toll increases do not happen?

THRUWAY CFO HOWARD: Our current

projections are that beginning in 2024, we'd have a gap of about, you know, $4 million. That gap would grow over time so that by 2031 it would be roughly in the $250 million range if we don't act before then.

SENATOR KENNEDY: And then as far as getting the public's input on this -- public hearings are necessitated here. How many hearings do you expect to have? Where are these hearings going to be held?

INTERIM EXEC. DIR. HOARE: The hearings are held pursuant to the State Administrative Procedure Act for public regulations, and also pursuant to the Public Authorities Law. So there's a minimum of three hearings that are required to be held. We are working on that and looking at where we can hold those hearings, probably mid-to-late spring. I know we had a conversation with Senator Hinchey when we visited with you, about moving around and making them accessible. We are committed to making them accessible and having every voice heard.

Public hearings are not the only -- are not the only way to make your voice heard. We've opened a website for that, folks have been commenting since -- since December when the proposed increases were authorized by the board of directors.

SENATOR KENNEDY: Okay, I do have more questions on that, but I'm going to just switch gears here -- I only have a few minutes left. I want to talk about the Thruway Service Center construction. Can you talk about that, the three new ones open but others that are opening in the future? You know, what is the date that every single service area will be open for use by the general public? And are we ready to take action if in fact there's delays on these projects?

INTERIM EXEC. DIR. HOARE: There is a delay. They project at this point to be finished in late May, early June of 2025. They're approximately eight to 10 months behind, depending on location. Again, because of COVID and supply side issues and

even the war in Ukraine has been cited as reasons for impacting scheduling.

So I can assure you -- my predecessor was very involved in staying on top of the project and pushing them along, and now we're in the process of trying to accelerate that and make up some of that time. We have multiple weekly calls with both the operator that we have contracted with and with the design-builder that the operator contracted with.

SENATOR KENNEDY: And are we expecting with the new service areas that the Thruway Authority gets a cut of the sales at these areas, that that revenue will increase? Is that what we're anticipating?

INTERIM EXEC. DIR. HOARE: Pursuant to the contract, there's a small -- but it is a very small, admittedly, percentage that comes to the Thruway. And that's because the $450 million cost of those 27 areas is coming completely from the operator. There's not a dime -- again, it's said -- that comes from the Thruway and its toll revenue or a dime

from the state.

SENATOR KENNEDY: Thank you.

And just again, to be mindful of time here, I've got a little less than a minute left.

Aside from being chair of transportation, I'm also chair of the Subcommittee on Native American Affairs, and we know that there's been issues with the various Native nations whose land the Thruway runs through.

What is the Thruway Authority doing to restore relations with the various nations?

INTERIM EXEC. DIR. HOARE: Well, you're referring to -- there's a federal court case with the Seneca Nation relating to the three-mile stretch of Thruway that goes through the Cattaraugus Reservation. We've been in litigation with them for years now. This is actually Round 2. And the earlier case, commenced in the '90s, was dismissed in the early 2000s.

We stay in touch with them. They -- the most recent development is that the

Second Circuit Court of Appeals denied the Thruway's motion to dismiss the matter. So now we'll be -- we're currently exploring our options on what the next step is. The Thruway Authority is represented by the Attorney General's office.

SENATOR KENNEDY: All right, thank you all again. And I'll reserve the rest for Round 2.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

ASSEMBLYMAN MAGNARELLI: Assemblywoman Gallagher.

ASSEMBLYWOMAN GALLAGHER: Hello. Thank you so much. And I have to say I'm really excited, maybe even want to come work at the DMV now. It sounds amazing.

(Laughter.)

ASSEMBLYWOMAN GALLAGHER: So I was very excited to see that Hochul has -- or, excuse me, the Governor has included higher fees and fines associated with obstructing or defacing a license plate. But I know in my district we still see many, many license

plates that are destructed or we have ones that are on pieces of paper that look like somebody printed it off their computer. It just seems like there's a really big problem with the license plates being the metric that we are using for the bus lane -- the new bus lane provisions where we're going to be checking to see if people are blocking the bus lane, the enforcement of paying tolls.

So I'm wondering, is there any innovations that you're seeing coming up to prevent these kind of obstructions? And is that something that we can work on together?

DMV COMMISSIONER SCHROEDER: Yes. Thank you very much for your question.

And the answer is several -- in 2020 we actually changed the license plate. And also the DOCCS, who are the ones who do the RFP, they came up with a vendor. The vendor equipment and the plate has been able to get through all of the different, you know, Thruway Authority and not on the Thruway, through the different testing. And so things are going really well.

There are a number of plates, though, across New York State that are peeling. And those plates that are peeling, we have had a program for several years that if your constituent lets us know, we will replace their plate for no fee whatsoever. So if that's something that's happening, you please let me know.

ASSEMBLYWOMAN GALLAGHER: Can we let you know if someone's else's plate is peeling? Because I think often people are taking advantage of their own plate peeling.

DMV COMMISSIONER SCHROEDER: Yes. But we have a system in place, and so we would look at that.

And I do get people from across New York State to send me photos of the plates. And what I do is I go to our commissioner within communications, and she's able to figure out what to do about it. Because it's not safe. It's not safe when these plates are not readable, especially for law enforcement.

ASSEMBLYWOMAN GALLAGHER: Well, I

think you just gave a lot of people in my district a new hobby of taking photos of these plates and sending them to you.

DMV COMMISSIONER SCHROEDER: Send them to Schroeder.

ASSEMBLYWOMAN GALLAGHER: And then -- well, I only have 11 seconds left, so I'll let it go. But thank you.

DMV COMMISSIONER SCHROEDER: You're welcome. Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Senator Comrie.

SENATOR COMRIE: Thank you, Madam Chair.

Good afternoon, Commissioners. I want to just --

CHAIRWOMAN KRUEGER: (Inaudible; mic off.)

SENATOR COMRIE: Thank you. Good evening, gentlemen. I just want to start -- did neither one of you submit testimony for us? It's down there? Oh, okay. All right. All right. Thank you. I didn't -- anyhow, good evening, everyone.

I wanted to find out first, Director Hoare, where are we with the ability to do last mile/first mile connection to DOT to ensure that they can run fiber throughout the rest of Western New York? And can you explain to us how the Thruway Authority is helping to make that happen?

INTERIM EXEC. DIR. HOARE: Well, Senator, we have a robust fiber program ourselves where we're using the Thruway right of way from one end of the state to the other, to put our own fiber, to lease ducts, and to have -- lease with other companies to put their fiber in our system.

SENATOR COMRIE: And you had said before or it was said before, prior to -- by the previous commissioner that your fiber system was in robust shape and was able to -- already at 5G speeds and above, and connect.

Are you gaining revenue from your ability to work with profitable companies that want to connect to your system? And how much of that revenue do you expect to increase over time?

INTERIM EXEC. DIR. HOARE: Yes, we're working with such companies as Verizon, and there are others.

In terms of the amount --

THRUWAY CFO HOWARD: Yeah, so within the last two years we've changed how we operate and manage the fiber system. As a result, we've -- over the last two years have had significant contract activity with firms coming in to access that fiber.

As a result, we saw about $8 million in revenue in 2022, we estimate. We think that that number is going to go to about 11 next year.

However, I would say that we also anticipate that given that activity, that a large portion of the fiber duct itself, the capacity, will be accessed by those outside entities. So that we kind of anticipate the revenue figure to kind of begin to abate a little bit. Because right now we're in the process of entering into those lease agreements, and it won't, you know, continue at that growth rate, you know, indefinitely

into the future.

INTERIM EXEC. DIR. HOARE: To clarify, many of those lease agreements call for up-front larger payments in order to access the right to be in there. And then after those one-time payments, then it's a yearly rental.

And not only are we on the Thruway, we're on the Grand Island Bridge and the Governor Mario Cuomo Bridge as well.

So we're looking for every effort to increase those revenues and increase that opportunity that fiber brings.

SENATOR COMRIE: So do you think that -- well, you're saying that because of the up-front payments that were initially done, the continual payments are going to be lower. But do you think that you'll be able to get other providers to continue to purchase into the system to be able to get access?

INTERIM EXEC. DIR. HOARE: Yes. We have a robust program that looks to market our right of way for fiber.

SENATOR COMRIE: And on the other end, my initial question, you know, a lot of my colleagues upstate are complaining about the inability to access high-speed internet. And I keep mentioning it every year, how the Thruway Authority could hopefully tie into State DOT to give them that access to run fiber into their new roadways.

So I would hope that we could get some feedbacks on improvements on how that's happening.

INTERIM EXEC. DIR. HOARE: Yes, Senator.

SENATOR COMRIE: Thank you.

Now, my pet question. The Governor vetoed my Tollpayer Protection Act again. You know, we have a lot of constituents that -- all over the state that, due to the fact that their credit card or bank account changed, find out themselves at the end of the month with a major bill from different authorities that they don't know which.

I have constituents that travel interstate to go to work every day because

they have to. Some people go from Suffolk County to New Jersey or Connecticut to go to work, and at the end of the month they find themselves with a major bill.

Can you give us an update on how those folks that are legitimately having problems can get their bills either in some amnesty program or get their bills reduced because they're legitimately showing you that they didn't have -- they didn't hide their plates or they didn't do anything illegal?

INTERIM EXEC. DIR. HOARE: Yes, Senator. Well, if they're driving from Long Island into Manhattan and then on to New Jersey, it's not the Thruway Authority, it would be the Triborough Bridge and Tunnel Authority.

But what we do, what we do when people have issues or they believe a mistake has been made -- which is a small number out of the 740 million transactions that have been conducted since November of 2020, when we went to cashless tolling. First of all, there's a -- we have a contractor that runs a

customer service center. And it is the same center for whether it's TBTA or the Port Authority.

But there's a customer service center that folks can call, and that number is on their bill and is on our website so they can access that and call. Most of the time their issue is taken care of right there on the phone.

For those that have not had it taken care of, they then -- we have a tollpayer advocate since 2019 that works within the Thruway Authority, and there's been some 5,000 cases resolved since 2019 for customers who feel that their bill is not -- is not accurate.

In addition to that tollpayer advocate, other staff members get calls. We get many calls from the Legislature, from your colleagues here, with a constituent that has come in with an issue. And we make every effort to resolve -- to resolve that issue on their toll.

And again, I would just say that the

number, out of that 740 million transactions, is low. And we're proud of that. We work with folks to pay a bill and to pay a right bill. And we want them -- we want them to pay their bill, and we want them to -- but only pay their fair share.

SENATOR COMRIE: And if a person calls your agency and they actually have -- the penalty is with another agency, do you automatically send them over to the proper agency, to that advocate or the Port Authority or the MTA to correct --

INTERIM EXEC. DIR. HOARE: We do. We refer them. We identify that and say, That's not us, here's who you need to call. We share the same contractor, but there are three -- they maintain three separate desks, so to speak, scripts. But we're actually working on trying to consolidate that so there would be access. But right now, we don't have that access.

But we do refer them on, we don't just say it's not us, we explain to them that your toll was incurred with another tolling

agency.

SENATOR COMRIE: Thank you.

INTERIM EXEC. DIR. HOARE: The Bridge Authority also. That comes up with the Bridge Authority at times as well.

SENATOR COMRIE: Thank you. Appreciate that.

And so you're saying that those -- and you add those numbers into your percentage of calls also, to -- you said your -- do you add those numbers into your overall percentage of complaints that come in as well, the ones that are referred to other agencies?

INTERIM EXEC. DIR. HOARE: They -- they are not -- I don't know how they're kept. I know -- but I -- is it a number we keep? The 5,000 I mentioned is what we track coming into the tollpayer advocate.

SENATOR COMRIE: Thank you.

And just quickly on the service centers, can you assure the public that the service centers that are going to be built will have the same amount of amenities, restroom facilities, as the existing ones

that were removed? And can you detail that for members? Because the -- as we talked previously, there were some concerns that the size of the new centers were not -- did not seem large enough to have the same amount of restroom facilities that were in the previous facilities.

INTERIM EXEC. DIR. HOARE: Well, no, they won't have the same amenities. They're going to have better amenities. They're going to be much more modern and serve the public much better in terms of the food they're offered, the spaces there.

Many of them will have -- four of them will have venues for truckers to shower and sleep and do laundry and rest. So they're going to be better.

The -- there are three sizes to the service areas. The three that are opened up right now -- and I think Senator Kennedy was asking about this before. Three are currently open west of Albany. There will be another seven open by the end of May, by Memorial Day weekend. And then the remaining

17 will open on a rolling basis. As one goes up, we take down another one. And we make sure that there's -- no two consecutive service areas are down, so that we can convenience the public.

But they will be -- of those service areas, there's three different sizes. The size of a particular service area is determined by the amount of traffic and the amount of folks that would be stopping at that on the prior -- on the prior service areas.

SENATOR COMRIE: And they'll be handicapped accessible throughout the --

INTERIM EXEC. DIR. HOARE: Yes. Yes.

SENATOR COMRIE: And then just my final question, if you can get back to us with the numbers on how you're doing with MWBE and procurement throughout your agency, so we can know what your percentage of MWBE and procurement is, with New York-based businesses and with MWBE.

INTERIM EXEC. DIR. HOARE: I can tell you that for MWBE, we were at 33.4 percent

for 2022, so over 3 percent above the state goal. And for servicemembers, it was 4 percent on a goal of 6.

SENATOR COMRIE: Thank you.

Thank you. I have to do a Round 2 because I didn't get to Commissioner Schroeder.

CHAIRWOMAN KRUEGER: Thank you.

Assembly?

ASSEMBLYMAN MAGNARELLI: Assemblymember Jensen.

ASSEMBLYMAN JENSEN: Thank you very much Mr. Chairman.

This is for the Thruway Authority director. We've heard a couple of times about the thought process on the construction of the new rest stops. And my question pertains to the oversight over the newly opened ones. Certainly being a Thruway user and stopping at the rest stops and being very excited to see the new ones, I've been disappointed since they've opened that the quality of service, while the food is tremendous and the cafe is nice, the upkeep

is failing already.

At the rest stop at Indian Castle, you see in a men's room with six places to use the facilities, you have one that has been down for weeks. You have two all-gender family restrooms, one of which was down for two months. At the early morning hours when I travel, it looks like the facilities have not been cleaned.

So my question to you is, who has the oversight over the operational aspects of these locations? Because certainly when users have a problem, they don't direct it to the public/private partnership, they judge the Thruway Authority itself.

So who has the oversight over the maintenance?

INTERIM EXEC. DIR. HOARE: Well, we have oversight. The responsibility for maintaining and upkeeping those service areas is with the operator who we've contracted with. We have quality control, quality assurance folks on our end looking at that.

I'm not aware of those complaints.

We'll certainly look into that and act on that. When we do get a complaint or question about a particular service area, we respond to that and get on the phone to the operator and say, Hey, you've got to take care of this, you have an obligation, a contractual obligation to us to take care of that. And if you don't, then there's going to be penalties.

ASSEMBLYMAN JENSEN: So that's good to hear. I mean, I thought about calling myself, but it shouldn't take a member of the New York State Legislature to ensure proper maintenance, especially when you have bathrooms that are down for weeks at a time.

Going back to talking about the different sizes of the rest stops, whose decision was it to build in the order that they did? I know you said it's based on traffic volume. But I would think if you're doing wholesale reconstruction, you would have built the larger ones first, to address any capacity concerns where you have overloading of the existing stops, especially

as more vendors are pulling out.

So I know there's stretches, especially going from Long Island up towards Albany, where you have no food vendors at existing pre-renovated rest stops.

INTERIM EXEC. DIR. HOARE: There are some down. And again, there are no two consecutive ones down.

In terms of the determination, again, of the particular size, it was determined by the studies and the data as to how big the existing service area had been.

In terms of the order and which ones go first, I don't know. I can ask that question. I wasn't at the Thruway at that point, but happy to find that out and get back to you.

ASSEMBLYMAN JENSEN: Thank you, Director.

Thank you, Mr. Chair.

CHAIRWOMAN KRUEGER: Thank you.

Next, Senator Mattera.

SENATOR MATTERA: Thank you. Thank you, Chair. I appreciate the time.

And to the director, I appreciate all you guys are doing.

But, you know, this is something important; everybody knows what's happened with inflation and everything. Comptroller DiNapoli recently issued a statement expressing his disapproval of the proposed toll hikes, stating that the Thruway should be focusing first on improving its operations.

Given how expensive life is for New Yorkers, do you believe now is the right time to put additional burdens on all New Yorkers.

INTERIM EXEC. DIR. HOARE: Yes, because it's been 14 years. We're at a point where we cannot continue to push the can down the road.

SENATOR MATTERA: So, you know, you and I, we had a discussion -- and I thank you so much -- when you came to my office and everything like that. I know there was a toll, right, the toll for the bridge. Do you really -- again, do we really need to do both

the bridge and the Thruway? I know you're going to say yes to me again, but you know what? I mean, you know, can we help New Yorkers?

INTERIM EXEC. DIR. HOARE: Again, you're referring to the tolls in --

SENATOR MATTERA: Yeah, well, the bridge -- the bridge toll is going to be going up also. Everybody needs to know it's not just the Thruway, it's going to be the bridges also.

INTERIM EXEC. DIR. HOARE: Yes. And it's -- the Governor Cuomo Bridge went up 50 cents in 2021, 50 cents in 2022, and the proposal is 50 cents over the next -- over the next four years.

Again, let me just finish that. Right? Again, as we said, if you look at the percentage, if you look at the percentage of those increases, compare the Governor Mario Cuomo Bridge to the cost of the George Washington Bridge, the Verrazano, and other bridges in the region. The percentage is -- the raw number is still way down.

SENATOR MATTERA: You know, so 14 years ago, you said, for the Thruway -- that was the last time that it was increased, am I correct?

INTERIM EXEC. DIR. HOARE: Yes, for the main line E-ZPass.

SENATOR MATTERA: All right. But we just did the bridges, not even within a year.

THRUWAY CFO HOWARD: Yeah, so, you know, as you mentioned, there was an increase in 2021 and 2022. The proposal would provide for additional 50 cent increases beginning in 2024 through 2027. That would bring the bridge rate in 2027 up to $7.75.

If you compare that to what the George Washington Bridge toll is today, that number is over $14 today. So we're -- we would be raising, over a four-year period, the toll to a level that is about half of what, you know, comparable crossings currently are today. That's really the underlying logic behind that.

SENATOR MATTERA: Okay, thank you.

And for Commissioner Schroeder -- and

I thank you. And I know someone had mentioned this and you already discussed it about, you know, since the legalization of cannabis, it is not uncommon to see and to smell cannabis being used as people are driving around.

What is the DMV doing to address this drugged driving? And I know we had this discussion, but this is something very dear to my heart that, you know, right now our law enforcement cannot detect anything. How -- you said there's going to be a time frame. When do you think this time frame is that we're going to be working with the DMV and law enforcement to make sure that this is not happening?

Because I drive down 95, I'm driving up the Thruway, and that's all I smell. We got now edibles, obviously, with this cannabis. It's just out of control.

DMV COMMISSIONER SCHROEDER: Thank you, Senator.

And so my response would be that at the Governor's Traffic Safety Committee we

take this very, very seriously. And so there are currently 400 -- 550 drug recognition experts. These -- these are law enforcement experts that we've helped train over the last several years. Our goal is to go up to 550.

In addition to that, we have eight more classes scheduled for this year. I've been to the classes. It's intense. It's almost like -- when they get done with the training, it's almost like sitting for the bar exam or the three-part CPA exam. It's intense. And the knowledge that they have and the knowledge that they're able to share with other law enforcement officers will prepare them for exactly what you're concerned about.

And finally, there's another program that we spend a lot of time on, and it's called the ARIDE program. And it's the Advanced Roadside Impaired Driving Enforcement. We have trained now 3,000 officers, and it's an intense 16-hour training program, so that they are equipped to do exactly what they're supposed to do to

have safety on the road.

SENATOR MATTERA: And time frame? Just quick, time frame for us? What do you think? Do you think -- when can this really come and be effective?

CHAIRWOMAN KRUEGER: I'm sorry, no more time to add another question.

(Overtalk.)

SENATOR MATTERA: Thank you. Thank you, Senator Krueger.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

ASSEMBLYMAN MAGNARELLI: Assemblymember Smullen, please.

(No response.)

ASSEMBLYMAN MAGNARELLI: Okay. Assemblymember Jacobson.

ASSEMBLYMAN JACOBSON: Thank you, Mr. Chairman.

My questions are for the Thruway concerning the renovation of the rest areas. There's a number of them that I pass south of here, and they have signs on the road going there, and it says "No Restrooms Available."

Now, I understand if you're building over and there's no restrooms, and that's fine. I understand that. But couldn't we at least have some of these portable toilets, the ones you see on construction sites or that people rent when they have a large gathering outdoors?

INTERIM EXEC. DIR. HOARE: We considered that and determined that it was a risk because it's an open construction site.

ASSEMBLYMAN JACOBSON: Because what?

INTERIM EXEC. DIR. HOARE: It's a construction site, and that would be risky for -- to have folks drive in and use porta-potties, porta-johns.

ASSEMBLYMAN JACOBSON: I don't understand. You're saying we couldn't do that? Or it would delay construction time?

INTERIM EXEC. DIR. HOARE: Assemblyman, you're talking about where the site is currently under construction, is that correct?

ASSEMBLYMAN JACOBSON: I'm saying I don't -- why don't we have the portable

toilets at these sites that say "No Restroom Available"?

INTERIM EXEC. DIR. HOARE: Because those sites would be under construction, and the determination was made that it would be a risk to have folks driving in onto a construction site to use those facilities.

ASSEMBLYMAN JACOBSON: Couldn't we put them off to the side? I think -- I think the engineers can figure that out, that if you put it to the side of the parking lot, away from the construction, I think it could be done.

My second question is last year it was brought up at the hearings concerning having electric vehicle charging stations at all the areas along the Thruway, and I'm wondering how that is coming along.

INTERIM EXEC. DIR. HOARE: That is coming along. The commitment in the contract is for -- again, with the operator, is for 120 charging stations at the 27 sites. The contract also calls for that to be renewed and to be constantly reviewing --

ASSEMBLYMAN JACOBSON: So you're talking only four per site?

INTERIM EXEC. DIR. HOARE: There would be approximately four per site. Some will have six.

ASSEMBLYMAN JACOBSON: Okay. To me, that's totally inadequate. I think you need at least eight. Because people are going to come there, we don't want them to get into fights over who was there first. And you should have at least eight because this is going to be the way of the future.

So that's a nice start, but while you're doing it, let's have eight, maybe 12. It wouldn't take that much, because once the initial cost goes in to doing it, you can have it.

So I would appreciate that, and that's it. Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Next is Senator Hinchey.

SENATOR HINCHEY: Thank you, Madam Chair.

And hello. Thank you all for being

here.

My question in my quick three minutes is going to Executive Director Hoare. Great to see you. Not surprising. As you know, much of my district encompasses the Thruway, and so thank you for your work.

The last time we spoke we talked about emergency services. And so, as you know, many of our fire departments and our EMS services are all volunteer. In the four counties that I represent, only one of them is paid. And right now many of those first responders are servicing the Thruway. Should there be an accident or something happens, it's our volunteer firefighters and our volunteer first responders who are the ones showing up at the scene first.

When we spoke, you had mentioned that you have an agreement with the State Police to help patrol those streets, and you were interested in possibly figuring out something with our first responders when we brought this to your attention. Because all of them are really struggling. Right? Many of them

are closing. They're shutting their doors because they just don't have the ability to operate.

Has there been any additional thought for that? We met before the budget was released. I didn't see anything in the budget for that type of funding. But what are your thoughts on that?

INTERIM EXEC. DIR. HOARE: So as a result of our meeting, we went back and there is a program that's been in existence for a while to pay a set amount to those responding. We acknowledge and recognize that --

SENATOR HINCHEY: It's really low.

INTERIM EXEC. DIR. HOARE: It's low.

SENATOR HINCHEY: It's too low.

INTERIM EXEC. DIR. HOARE: And we appreciate that. And we are -- I will commit to you to take a look at that.

We're not in -- again, we're not in the state budget, so you wouldn't see it there. But we will take a look at that because, again, we value -- we value the work

and we need them to do that work and we understand that some of them are in precarious financial shape.

SENATOR HINCHEY: And it would save you money in the long run by continuing that, as opposed to having to hire your own department, right, to service those accidents and crashes.

And so I think it's really important we work together on that. Let me know how we can help. Because the sooner, the better, on that front.

As it pertains to Senator Kennedy's questions, I understand why -- how you were not allocated in the federal infrastructure funding. But could you shed a little light, for those of us who may not know, why you're not represented in the state budget or looking at -- you're really only based on rate increases? Can you talk about that structure? Or toll increases, I should say.

INTERIM EXEC. DIR. HOARE: Well, I mean, the decision was made from -- dating back to the '50s when --

SENATOR HINCHEY: I guess I'm saying, is it changeable? Right? Is there a way that we would be able to change that payment structure for you, or the way that you operate in funds?

INTERIM EXEC. DIR. HOARE: I would say that would be above my pay grade.

SENATOR HINCHEY: Okay. I have 20 seconds left, so I'll wait and we'll follow up. Thank you.

INTERIM EXEC. DIR. HOARE: You're welcome.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRWOMAN WEINSTEIN: Assemblyman Norris for five minutes, since he's the ranker on Transportation.

ASSEMBLYMAN NORRIS: Thank you very much, Madam Chair.

My question is first to Commissioner Schroeder. Thank you very much for what you do. I know we contact your office very often and you're very helpful to our constituents.

One of the areas -- and I'm grateful

to see the shift to help our county clerks. That's very important in our local municipalities, contained within the state budget.

But what are we doing for Donate for Life, and increasing that? As you know, organ donations in New York State is one of the lowest across the entire country. What are we doing at the DMV to improve that?

DMV COMMISSIONER SCHROEDER: Yeah, thank you for that. And we -- we are going to beat Colorado. So Colorado is the best state in the nation for Donate Life. Right now New York ranks real low.

And so this year is a significant year. I and my staff, we work not only with the 51 county clerks, but we are seeing incredible progress in the 27 district offices that we run, mostly in metropolitan New York. I was just in Manhattan a month ago, and also last April during Donate Life Month, to award the Manhattan district office License Express because of their good work for Donate Life.

And so in all of the 108 offices of county clerks and all 27 district offices that we run, starting in March we will have what is -- it's a -- when you go up to the counter, you see this little computer? It's called a customer-facing device. And right now it's essentially used to voter motor -- Motor Voter, right? Now, in March -- we're installing it now -- that that -- the other half of all the people who come into a DMV, do registration work, they will be able to automatically enroll into Donate Life.

And so over the next year our goal is to enroll 2.5 million more New Yorkers, and then that takes us out of the low level and puts us into the high threshold.

We are totally committed to it. I have my button on. All of our -- all of our -- and during the month of March and April, we have -- just this last March we had a little person, five years old, she's had a heart transplant -- twice. They call her The Warrior. And she came to the DO office, the district office, in Albany and she danced

and she ran around. And it shows to all of our employees how important it is for us to know.

Training, also. We are training, along with the Donate Life organization, we are training, right now we're training all of our DMV offices across New York State. We are committed.

ASSEMBLYMAN NORRIS: Thank you, Commissioner. Thank you for the work.

I'd like to ask a couple of questions of Director Hoare. Thank you very much.

My first question is procedurally, how do you make the determination to close the Thruway through -- with significant events such as the recent blizzard in Buffalo?

INTERIM EXEC. DIR. HOARE: Our first concern, consideration, is always safety. So we talk to our partners in state government, we talk to our partners in localities, we talk to the National Weather Service, and we try and make a determination what is the safest approach to take for the traveling public.

ASSEMBLYMAN NORRIS: Thank you.

Is there a review being done after the two blizzards to see if the procedures are actually in place for communication purposes with the general public?

INTERIM EXEC. DIR. HOARE: After every storm we reevaluate, we do after action reports. And you heard those comments from the DOT commissioner. So yes, we're looking at the big picture on what the response was, and we're always looking to do better.

ASSEMBLYMAN NORRIS: Thank you very much.

Now I'd like to ask you about the Thruway staffs. I travel, of course, every week back and forth, out west towards Buffalo. What is being done to thoroughly examine the capacity at these sites as we go forward? I mean, the one stop I have, there's like restrooms there, there's very limited space for people to actually eat their food, to sit down or rest. We're concerned about drowsiness in drivers. I personally do not find them to be sufficient

as they're being designed right now. And I know many of my constituents don't either.

What's being done to look at that before the other ones are being constructed?

INTERIM EXEC. DIR. HOARE: Again, the sites -- the size of the sites were determined based on the traffic and based on the data from the other sites.

The three that are up online now, that opened first, are busier now. They're busier now because there are other rest areas down.

We anticipate that -- and our planning says that when they're all open, that you're not going to see, at some of the smaller sites, the crowds you're getting. Now, Chenango is one of the smaller sites, and it gets crowded, right, but -- but when the system is entirely open and functioning with all of them, we anticipate seeing a decrease in the crowds, with that feeling of crowdedness, at any individual site.

ASSEMBLYMAN NORRIS: And for our tourist buses who are going to go back and forth, particularly -- I represent, well,

Niagara County and Niagara Falls is part of that. Is that going to be considered as well, the number of tour buses that are going?

Thank you, Madam Chair. Thank you for answering my question.

INTERIM EXEC. DIR. HOARE: There's a relationship with bus companies. So we're constantly advising them what's open and what's not and where the bigger places are -- to go are.

ASSEMBLYMAN NORRIS: And make sure there's space. Thank you very much.

CHAIRWOMAN WEINSTEIN: Thank you.

To the Senate now.

CHAIRWOMAN KRUEGER: Thank you.

Senator Borrello.

SENATOR BORRELLO: Thank you, Madam Chair.

First of all, thank you all for being here. I just want to direct my questions to the executive director.

Let me start off by saying that I -- you know, I travel the Thruway a lot, and if

you had a frequent flyer program, I would be at your top tier, tens of thousands of miles a year.

I have lots of friends and family who work for the Thruway. They do an amazing job with keeping safe, they do a great job with construction.

But with all that being said, I want to address the toll hike. Now, you mentioned that I believe in 2024 you're going to have a $4 million deficit. I have concerns about the nontransparency of the Thruway Authority's operations. And so a specific question, how many millions of dollars were wasted on those nonfunctioning wind turbines that are at the exits, at the Thruway exits?

INTERIM EXEC. DIR. HOARE: There was litigation over that, and the state was not successful in suing the manufacturer of that -- of those wind turbines.

SENATOR BORRELLO: Well, you know, when these things happen, there's supposed to be a process. You know, when you put up a wind turbine, you're supposed to get --

you're supposed to follow local zoning laws, there's public hearings. None of that happened.

So it doesn't surprise me that you guys bought these things from a company that went bankrupt, and now these things are sitting there.

So my question again was, how much money was wasted on those?

INTERIM EXEC. DIR. HOARE: I'd have to get back to you, Senator, on that. I don't have --

SENATOR BORRELLO: Well, I'd like to know, because $4 million I think is a drop in the bucket. I think that one of those wind turbines was multiple millions of dollars to construct, and now they sit there rusting away, as a testament to waste.

So also, with that being said, I'm going to -- I want you to understand that I believe that -- I understand the tolls are going up, or that's your recommendation. But didn't we just save a lot of money with cashless tolling? And what about all of the

hundreds if not thousands of employees that were at toll booths? There was a savings there. How did that -- how are we going, all of a sudden so quickly, into a deficit after what should have been, you know, hundreds of millions of dollars in savings?

INTERIM EXEC. DIR. HOARE: All-electronic tolling was not meant to save money. It was meant to provide safety, convenience to our customers, and help the environment.

The cost for -- in shifting to that program, costs were made. The gantries had to be built, we still have costs related to back office expenses. Sixteen percent of the public do Tolls By Mail, so that entails personnel.

So we have our -- so that's the answer why AET is not saving money.

SENATOR BORRELLO: So it didn't save any money with the tolling, all right.

All right. Well, I'll move on, because I have a very short period of time.

I just want to associate myself with

the comments of some of my colleagues on these new service areas. They're small, they're crowded, they're already -- in my opinion, they're not consistent on their hours. But this company -- it's out of Ireland, I believe? I'm just trying to figure out what qualifications they had to build Thruway Authority rest areas, because the only qualifications I could find for this company was that they made the right political donations. Where did these guys come from, and why are we not -- why are they operating? How did they get this contract?

INTERIM EXEC. DIR. HOARE: Well, I'm not here to do a public service plug for the company, but I'll tell you they responded to a public RFP and they met a very public and transparent process. I want to tell you they run service areas in New Jersey, Pennsylvania, and throughout Europe. So there was some basis.

SENATOR BORRELLO: All right, thank you.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRWOMAN WEINSTEIN: Assemblyman Otis.

ASSEMBLYMAN OTIS: Thank you, Chairs. And thank you, Mark and Frank and Matt. Nice to see you all.

DMV COMMISSIONER SCHROEDER: Thank you.

ASSEMBLYMAN OTIS: I have some questions for the Thruway Authority, but first a thank you, which is we've had a lot of construction activity the last few years with the last-mile project in my area, and really appreciate the responsiveness with the Thruway Authority. Anytime we've had a problem with constituents and neighbors or local governments, you've been great. So kudos there.

And also, with our turnaround on I-95 with the Mamaroneck/New Rochelle border, excellent job.

I have a follow-up question on the EV charging situation. In your contract with your outside partner there, you have the

ability to ramp up even more ambitiously than the numbers that were stated here today. As need is, you're able to ramp up the number of charging stations at each rest area. That's in the contract.

Could you give a little more detail about what the mechanics of that are so that people can hear, you know, what the legal details are? Because I think we are probably going to have to grow it to bigger numbers than they're going to start off. And so what are those details?

INTERIM EXEC. DIR. HOARE: Well, right, we agree with you. The details are that we will work with them cooperatively as demand and capacity increases. There's also a capacity issue, right? We're working with PSC, the Public Service Commission, and utilities to ensure that there's capacity at these service areas so that we can increase.

Right now the commitment is 120. We know we're going to need to grow that. Right? That is our plan. We want to improve and increase and add to those sites.

We also have charging stations at the Governor Mario Cuomo Bridge landings, on both sides. We have them at our commuter lots, and we have them at the welcome centers. So there's -- in addition to the service areas, they will be throughout the system.

And we will continue to assess and reassess to ensure that we get more and more as demand grows.

ASSEMBLYMAN OTIS: So we met a few weeks ago, and one of the things that I suggested -- and you're already doing solar projects with NYPA, and that might be an opportunity to expand that and get more electricity online for charging as well.

So -- but thank you. That's all I have. I'm even going to yield back some of my time.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to the Senate now.

CHAIRWOMAN KRUEGER: Thank you.

Senator Cooney.

SENATOR COONEY: Thank you, Madam Chair.

And my questions are directed to the Thruway Authority.

Following up on our conversation tonight about this Thruway capital project, I want to direct my questions through the lens of the Senate's Procurement and Contracts Committee, which I chair -- specifically, about the opportunities that may be coming about through this renovation project.

How many jobs, directly or indirectly, are estimated to be constructed over the course of Phase 1 and Phase 2.

INTERIM EXEC. DIR. HOARE: Related to the construction of the service areas?

SENATOR COONEY: Correct.

INTERIM EXEC. DIR. HOARE: I don't have that. I'll have to get back to you on that. Unless you know.

THRUWAY CFO HOWARD: No.

SENATOR COONEY: You can get back to me about that.

Senator Comrie brought up a great point about the opportunity for these large-scale projects to engage with minority

and women-owned business enterprises. MWBE participation is terrific -- you cited 33.4 percent. Thank you for your leadership on that.

I just want to make sure that with the increase in costs that you referenced earlier, Director, that these MWBE firms are actually getting paid and getting paid on time. Can you comment on that?

INTERIM EXEC. DIR. HOARE: We've had no complaints about somebody not getting paid.

We have a very active program. We have a whole office that deals with these issues, not just on the service area agreements, but on all our contracts, to ensure that there's an MWBE presence and they're meeting the state aspirational goals.

Our folks go out to job fairs, we go out to schools. They're working with our partners at OGS and Economic Development to ensure that that program flourishes. And we will -- we often give lists of MWBE companies to bidders to make sure that they have them

available to them, because sometimes they'll say, Well, you know, we're trying, and you really do a job to hold their feet to the fire to ensure that they're complying with the program.

SENATOR COONEY: It's often these smaller companies that fall victim to having to deal with cost increases that were unexpected. You talked about the cost of steel, the cost of asphalt, which is why you need to have this toll increase.

But I'm sure that there are additional costs for the construction of these facilities, and so I'm concerned that that might fall upon the contractors involved with the project. And so I want to make sure that this program is successful. I want to make sure that folks who have bid on these contracts have the opportunity to get this work and to earn a decent wage.

This Legislature did pass legislation in the past noting the cost increases due to the global health pandemic that we went through. The Governor did veto that

legislation. But I am conscious of the fact that -- I am worried that this project may go over budget. And I know you're working very hard to make sure that it continues to go on forward, but I wanted to be on the record that this is a job-creation program as much as it is about amenities for our state residents.

So thank you very much.

INTERIM EXEC. DIR. HOARE: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you. We go to Assemblywoman Simon.

SENATOR SIMON: Thank you.

Commissioner Schroeder, I want to thank you for the conversation the other day and your commitment to revisit disability access issues throughout the DMV and its operations. I'm looking forward to hearing more about that.

DMV COMMISSIONER SCHROEDER: Thank you.

ASSEMBLYWOMAN SIMON: I also wanted to ask -- you know, you were asked a question about impaired driving, and Senator Liu and I

have a bill to reduce the blood alcohol content to .05, which is recommended by the National Transportation Safety Board. Is this something that would -- how would your agency interface with that, if at all?

DMV COMMISSIONER SCHROEDER: So thank you, Assemblymember. So I am very aware that in the State of Utah, that's exactly what the rate is, it's 0.05 percent.

So this would be a legislative matter. This would be something for the Assembly and the Senate to deliberate on.

And -- and -- you also know that I also serve as the chair of the Governor's Traffic Safety Committee. So we would be willing to work with you in any way to provide information for you, because we have it readily. We do major reports each and every year. We distribute about $48 million worth of grants throughout the State of New York. These are federal grants coming through the Governor's Traffic Safety Committee. So we would be very willing to work with you and with Senator Liu as well.

ASSEMBLYWOMAN SIMON: Great, thank you.

DMV COMMISSIONER SCHROEDER: You're welcome.

ASSEMBLYWOMAN SIMON: And then with regard to the Thruway Authority, I'm not going to get into the toll angle, although I think the tolls are higher from Brooklyn to Albany than they are anywhere else. I'm joking.

But I also would, with regard to the replacement of the rest stops, I would implore you to put Shake Shack in the ones that I go to the most often.

(Laughter.)

ASSEMBLYWOMAN SIMON: Thank you.

INTERIM EXEC. DIR. HOARE: We'll get on that.

CHAIRWOMAN WEINSTEIN: Senate.

CHAIRWOMAN KRUEGER: Thank you.

Senator Oberacker, a ranker, for five.

SENATOR OBERACKER: Thank you.

And, gentlemen, thank you all for coming in and giving us your testimony today.

My first question would be to our DMV, Commissioner Schroeder. So as a owner of horses -- an equestrian, I guess would be the word that they use -- and as I've traveled around, I see a lot of out-of-state plates that are on trailers for horses. Not to kind of berate the State of Maine, but a lot of them I know are registered in Maine.

And so what I was wondering is, is there a way that maybe we're missing out on some potential revenue stream by not looking at or changing some of our processes. I know you can get like a longer registration in the State of Maine for a trailer. I know the rates seem to be a little bit better for longer. So is that something that maybe we could look at and --

DMV COMMISSIONER SCHROEDER: Yes. Yes. In fact, you know, I've been prepping now for months, and so this has not come up one time. So I'm glad you brought it up. And I will work with staff to look into this, because this could be an opportunity for New York. This is exactly the reason why

you're presenting it to me.

So I appreciate it, and we will get back to you offline and tell you what we've found and how we might be able to work together. We may be able to be helpful without any legislation or amending the VTL. So we'll look at that first. But if we do need help, you'll be the first one to know about it.

SENATOR OBERACKER: Well, I thank you for that. And if you could, if it affects rates too much, please strike this so my wife doesn't, you know, kick me out of the house, so to speak. So thank you, Commissioner --

(Laughter.)

DMV COMMISSIONER SCHROEDER: Yeah, it'll be between you and me.

SENATOR OBERACKER: -- on that. I appreciate that.

My next question would be for our Thruway Authority. It's actually two questions, quick, that I think could probably be answered together.

Is there any thought or is there any

process involved with the study of increasing the speed limit on the Thruway?

And if there is any thought process to reissuing, if you will, the exit and the mile markers. When I've traveled around a lot to some of the other highways, if you will, there seems to be like a -- if it was a 200-mile marker, the exit's 200 and so on. So I'm just wondering if there's any thought process down the road for instituting that on the Thruway.

INTERIM EXEC. DIR. HOARE: On your first question, no.

On the second, we're looking at that. Senator Griffo has raised that. There's a number of issues and complications to doing that. But we certainly again always will take the time and be respectful to the Legislature to look at any issue that's raised.

SENATOR OBERACKER: Great. And you've answered my questions in such a concise and quick manner, I'd like it noted that I'm giving back my two minutes. Thank

you.

INTERIM EXEC. DIR. HOARE: You're welcome.

CHAIRWOMAN KRUEGER: And we thank you.

And the Assembly's done, so the Senate's just -- oh, wait. Oh, they just keep popping up like flowers.

(Laughter.)

CHAIRWOMAN WEINSTEIN: I'm sorry. Assemblyman.

ASSEMBLYMAN BURGOS: Thank you, Madam Chair.

My question is for the Thruway. So you guys obviously are responsible for 570 miles of highway, and part of that is your contractual relationship with E-ZPass. I'll be honest with you, there is not a single issue I think in New York State that unifies New Yorkers more than their disdain for E-ZPass.

I hear countless stories of, you know, overcharging and really just terrible administrative policies. Just last year, I believe, your authority acknowledged that

59,000 people were overcharged at the Lackawanna toll gantry near Buffalo. And, you know, I've heard stories of bills not being mailed, bills sent to collections -- I mean, it's really not uncommon for me to hear from constituents that they have a $6,000 bill, or $12,000 -- I've heard of $18,000 in unpaid fines.

And these are not fines that they don't want to pay. The problem is that we have many counts of E-ZPass not mailing it to the constituents in a timely manner, not mailing at all, and instead the first notice they get is for collections.

Now, this has a huge impact. I mean, one, it's a huge bill, but constituents can then no longer register their car. And in my district, where the average median income is about $35,000, having a car is not a luxury, it's a means to feed your family, to get to work, to just do everyday things.

So in your testimony you mention about 10 percent of bills are not through E-ZPass, but only 60 percent are paid. So out of that

10 percent, 40 percent of people are not paying.

But again, I reiterate -- am I not clear on that? Out of the 10 percent it says here -- it says 10 percent don't have an E-ZPass -- 6 percent have paid in a timely manner, and the remaining 4 percent are subject to the ongoing collections process. So 40 percent of that 10 percent are not paying.

And what I'm saying is you cannot throw all the blame on New Yorkers there. Part of this is administrative. So what are you -- because right now we're proposing an increase in tolls in 2024. I think before we can talk about an increase in tolls, we have to fix the E-ZPass system. I mean, New Yorkers' cars are being taken away. They're hit with thousands of dollars of bills.

So, you know, I just want to know at the Thruway Authority, what are we doing to basically clean up E-ZPass's act?

INTERIM EXEC. DIR. HOARE: Well,

again, let's acknowledge that if somebody doesn't pay their bill within 30 days, they get a second letter, a warning letter, the first one. Then another one 30 days later, and another one 30 days after that.

So they don't -- it's not sent to collections until 120 days, four months after that. Right? So we -- we're not in the law enforcement business. We're not looking to take anybody's car. We just want folks to pay their bill, not only because they owe it to the Thruway Authority, but it's fair to everybody else who's actually paying their bill.

And as we said, 90 percent pay within that first 30 days.

I would say to you if you know somebody that has a multiple-thousand-dollar bill, you should call me and we will go through that and review that. Because that process of going to a collection agency doesn't happen until at least a four-month period.

ASSEMBLYMAN BURGOS: I have two quick

things I just want to say again, because people just are not receiving it sometimes. This is not uncommon.

So I'm saying I understand the mailing, but we just have to clean it up, where, you know, again, people's cars may be registered somewhere else -- I know it's difficult, but we have to clean this act up so people can be notified of the bills.

CHAIRWOMAN WEINSTEIN: Thank you.

INTERIM EXEC. DIR. HOARE: And people need to contact their E-ZPass when they move, right, so that the bill keeps up with them.

ASSEMBLYMAN BURGOS: (Inaudible.)

CHAIRWOMAN WEINSTEIN: Thank you, Assemblyman Burgos.

So now we go on to the Senate.

CHAIRWOMAN KRUEGER: Thank you. And we go on to Senator John Liu.

SENATOR LIU: Thank you, Madam Chair.

I -- I'm going to be quick. I just want to thank Commissioner Schroeder for being proactive with the DMV and helping New Yorkers get their REAL ID. In fact, he

came out to Queens to do some on the ground outreach, and lo and behold, the same day we were going to announce the REAL ID effort to get everybody done by this coming May, the federal government announced a two-year extension.

So I don't know how you worked that magic, Commissioner, but it just gives New Yorkers more time to get compliant with REAL ID on their licenses. But we still want New Yorkers to just get it done quickly. Don't wait for another two years before the deadline approaches.

And with regard to the Thruway Authority, I concur with everything that my colleagues have said about the rest areas. I will only thank you for, you know, I read that we're getting rid of McDonald's and replacing them with Burger King, is that right?

INTERIM EXEC. DIR. HOARE: Yes.

SENATOR LIU: Thank you!

Thank you, Madam Chair.

(Laughter.)

CHAIRWOMAN KRUEGER: All right. Thank you, John Liu.

Senator Gonzalez.

SENATOR GONZALEZ: Thank you, Madam Chair. And thank you all so much for being here.

My question is for the commissioner of the Department of Motor Vehicles, Commissioner Schroeder. So I am the chair of Internet and Technology, and a priority of mine is expanding personal data protection and preventing governmental and corporate surveillance.

So this is a question I asked in our previous session, but, you know, in regards to that, last year the Department of Motor Vehicles was granted roughly 100 million in appropriations for a Transformation Plan. The stated purpose for these increases is investments in technology and process improvements to enhance the DMV customer experience.

I'm curious what technology investments you are making, what customer

experience investments does that include, and then does this plan include any new data protections for New Yorkers?

DMV COMMISSIONER SCHROEDER: Thank you. And so the way I would explain this, we were very grateful to the Governor last year and to the Legislature for underwriting the $108 million for the transformation and tech redesign of DMV. It's been very, very important, because as I mentioned earlier, some of the data lines date back -- the legacy lines date back to the 1960s. This is the reason why there are so many different outages and also glitches around New York State.

So what we've done is we've taken this very seriously. This will not be just a one-month project or a one-year project. Right? This is probably going to be three to five years to totally be able to transform DMV and all of our offices.

I ask the question each and every day -- and this would fit into the committee that you run -- I ask the question to DMV,

what will DMV look like in 2030, because of all the technology, because right now New Yorkers have the ability to do 74 transactions online.

And so we have had a very successful year. I mentioned earlier we have the Live Chat. So rather than have customers wait on the phone and get aggravated, there are ways for customers to be able to do the Live Chat back and forth, and we give them the information that they need.

SENATOR GONZALEZ: Okay, that sounds great. Sorry to cut you off, but very quickly --

DMV COMMISSIONER SCHROEDER: No, that's okay.

SENATOR GONZALEZ: The Driver's Privacy Protection Act allows State DMV to sell driver data for both marketing and distribution, if the state has obtained express consent from individuals. Does the DMV do this currently? Are we getting -- so do you sell that data, and are we getting individual consent? As it's permitted under,

again, the --

DMV COMMISSIONER SCHROEDER: There -- there is a process through the authorization of the Legislature for us to work with, like, insurance companies and things of that nature, so that they have the information that they need. For instance, for like recalls and things of that nature.

But we at DMV are very clear in terms of who we share information with and who we don't share information with. We're very clear about that.

SENATOR GONZALEZ: I'll follow up another time, but curious how that individual consent is obtained, as under the Federal Privacy Protection Act.

DMV COMMISSIONER SCHROEDER: Okay.

SENATOR GONZALEZ: Great. Thanks.

CHAIRWOMAN KRUEGER: Thank you. Thank you, Senator.

I guess I'm the last one to go.

So for the Thruway Authority, I know you talked about the percentage that we're so much below other states, and we have talked

about that. And I can't believe we kicked the can down the road so long that now we find ourselves having to do a significant jump. And personally I would have preferred to see it go up every year a little bit.

But can you tell me, if you know, what percentage of the people who pay tolls are actual New York residents versus out of state versus national trucks?

THRUWAY CFO HOWARD: So for passenger cars, about 74 percent of, you know, our customer base is New York E-ZPass accounts.

The remaining 24 percent, it's about 16 percent I think are non-New York E-ZPass accounts, and about 10, I believe, are Toll by Mail customers.

So I know that, you know, when you look to the commercial side, the vast majority of that 17 percent of our commercial traffic are New York accounts. There's only about 3 percent of the 17 that's commercial that are either non-New York or Toll by Mail customers.

CHAIRWOMAN KRUEGER: So, so many

trucks come from out of state; do they just not take the Thruway?

THRUWAY CFO HOWARD: No, actually, you know, we have a disproportionate share of commercial traffic use New York accounts. A big reason for that is we have, you know, commercial discount programs that are advantageous to truckers. So, you know, many of the companies actually sign up for a New York E-ZPass account.

CHAIRWOMAN KRUEGER: Thank you. Mark, for DMV. Hi.

So I had a couple of mechanics in my district -- now, I have a little weird of a district, I have zero gas stations in my district. Because no one can afford to have a gas station in my district. I know everyone else is going, What is she talking about, there's not one gas station. But I have a few mechanics who still do vehicle inspections.

And they've said, why are we still doing it this way? Cars aren't what they were 40 years ago. Cars that were built in

the last -- even they'll say 15 years, they don't have problems every two years. Or they don't have problems when they're two years old, four years old, six years old, eight years old. Why do you make everybody have such frequent inspections? Because frankly we don't have enough people to work in our shops, and it's taking away from our ability to do other work because we have to do all of these vehicle inspections.

And they were telling me that even gas stations in New York City are talking about pulling out of being inspection stations because it's actually such a problem for them.

Is there any logic to our thinking about changing the rules of how often you have to have modern cars inspected?

DMV COMMISSIONER SCHROEDER: Yes, Senator, we are totally open to it. In fact, several years ago it was talked about from a DMV perspective, the Chamber and the Legislature, about really changing that.

This would be the time really to look

at it. Right now I'm sure the mechanics may have told you about what is called NYVIP3. This is new equipment that they are required to get because the old equipment is 10 years old. And so we're working with all of the inspection stations across New York State.

But this would be the perfect time for us to really look at it and to figure out a way, is there some permanent different situations that could take place so that they don't have to do these things, you know, every year or every two years.

We are totally open. And I would be -- we work with a lot of different organizations. The auto dealers, they also have inspection stations across New York State. So this is a great subject matter, and we would be willing to take it to the next level with you, Senator.

CHAIRWOMAN KRUEGER: Okay. Thank you.

DMV COMMISSIONER SCHROEDER: You're welcome.

CHAIRWOMAN KRUEGER: And this is a perpetual problem for New York City -- I

don't know about the rest of the state. If you just go up and down streets and look at the cars parked on the streets, half of them have out-of-state licenses. Personally I think half of them come from Vermont. I think there are more cars with license plates from Vermont in New York City than there are people living in Vermont.

Is there anything ever we're going to be able to figure out to do about that? Because I think they're registering in other states probably to save some kind of insurance money or fees money, but then they're taking up the very limited street parking spaces in New York City, which has actually become a crisis issue in some neighborhoods.

And, like, somebody must have come up with some way to be able to track that this car isn't really from Vermont, it's really from, with all due respect, Brooklyn or Queens or Manhattan.

DMV COMMISSIONER SCHROEDER: Senator, believe it or not, I did anticipate this

question because you have been concerned about it in the past. And the real question would go to Connecticut and New Jersey and the other states --

CHAIRWOMAN KRUEGER: Any other state you want, fine.

DMV COMMISSIONER SCHROEDER: Yeah. So what we're trying to do is -- there is an organization, a nationwide organization called AAMVA. AAMVA's like DMV on steroids. It's for all DMVs across the nation. All 50 states belong to AAMVA. And so this is a question that we have posed to them to find out why does this happen. And there would be no doubt disadvantages to New York if people who reside in the City of New York and have license plates that don't reflect that, that's a disadvantage.

So we -- I will have an answer way before next year's hearing.

CHAIRWOMAN KRUEGER: I have to wait a whole year?

DMV COMMISSIONER SCHROEDER: No. No, no, before. Like in a month.

CHAIRWOMAN KRUEGER: Okay. All right. Thank you.

DMV COMMISSIONER SCHROEDER: You're welcome.

CHAIRWOMAN KRUEGER: I think that's it. For us.

CHAIRWOMAN WEINSTEIN: Thank you. Thank you for being here. Sorry, I had to make a presentation, so I wasn't able to hear the beginning of your testimony, but I do -- I have read it.

So thank you all for -- thank you both for -- all three of you for being here.

And we are now going to move on to the -- that's it.

CHAIRWOMAN KRUEGER: Thank you, everyone.

CHAIRWOMAN WEINSTEIN: Thank you. Thank you.

INTERIM EXEC. DIR. HOARE: Thank you.

DMV COMMISSIONER SCHROEDER: Thank you for having us. Thank you.

CHAIRWOMAN WEINSTEIN: You can drive away.

So now we are going to move on to the public portion of our Transportation Budget Hearing, as the agency folks leave. And as published on -- posted on the website, we have three different panels.

We're just going to wait.

(Off the record.)

CHAIRWOMAN WEINSTEIN: So we are -- if people could take conversations out of the room. If people could take conversations out of the room.

So we have several panels as we move on in the Transportation hearing. If you're following along, Panel B: The New York Public Transit Association, Bill Carpenter, president; Permanent Citizens Advisory Committee to the MTA, Lisa Daglian, executive director; Associated General Contractors of New York State, Walter Pacholczak -- I'm sure I totally mispronounced that -- vice president of government affairs. Now you know why I call you "Walter."

So if we can go in that order. And I just remind these witnesses and those ones

coming that we do have your testimony and it was distributed to all members over the weekend. And so just in terms of the verbal presentation, there is a three-minute clock, and so we encourage you to summarize your testimony.

So why don't we start with New York Public Transit Association.

MR. CARPENTER: Thank you, Chairwoman Weinstein and Chairwoman Krueger, for your support of public transportation and giving NYPTA the opportunity to testify today. And thank you, Chairmen Kennedy, Comrie, Magnarelli, and Zebrowski, and members of both your houses that are so supportive of public transit.

I'm Bill Carpenter, president of NYPTA. Earlier -- much earlier -- you heard from the MTA addressing their financial needs. Addressing their financial needs is critical to the state economy, and we support their priorities. I will focus my comments on upstate transit systems and downstate suburban systems.

The COVID-19 pandemic underscored the importance of good public transportation services, and now our customers are returning and communities are demanding more transit service and new mobility options.

The state climate plan states that New York can achieve its climate goals through historic investments in expanded public transportation and micromobility. Expanding public transit and mobility is the way of the future and not only supports goals for climate change but also for economic development, affordable housing, downtown revitalization, social equity, and access to healthcare and education.

But financial challenges are holding us back and will grow in the future if not addressed. All transit systems face similar financial challenges as the MTA -- loss of revenues, impact of inflation, rise in capital needs from the costly transition to zero emission vehicles, and customer demands for more services.

Upstate transit faces a further hurdle

in being dependent on state general funds. In the state executive budget, 40 percent of upstate transit funding is from general funds, only 60 percent from dedicated funds. The MTA and downstate suburbs -- 99 percent of state aid is dedicated -- is from dedicated funds.

We thank Governor Hochul for recognizing the importance of public transit in her Executive Budget. The MTA has a 25 percent increase; downstate suburbs an 8.5 percent increase; upstate transit systems, 7.1 percent.

Importantly, the Executive Budget proposes new dedicated revenues for the MTA. NYPTA supports the Governor's commitment to put MTA's financials on a sound footing and urges the same commitment to upstate communities. Fixing upstate funding challenges requires robust dedicated revenues to replace the current underperforming sources.

In closing, the MTA is NYPTA's largest member, and we strongly support the

Governor's funding for the MTA and new dedicated revenues. But why would the state only address the financial needs of its largest transit system when all smaller ones face similar circumstances? Finding sufficient, dedicated resources to address the transit needs in the rest of the state takes only a little more lifting beyond what's required for the MTA.

We urge the Governor and the Legislature to act this year. Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

Lisa?

MS. DAGLIAN: Thank you, and good evening. I know it's been a long day.

I'm Lisa Daglian, and I'm the executive director of the Permanent Citizens Advisory Committee to the MTA, or PCAC. We were created by the State Legislature -- thank you -- in 1981 to represent riders on the Long Island Rail Road, Metro-North, and New York City subways, buses, and Staten Island Railroad.

Our work primarily focuses on

advocating on behalf of riders and advising the MTA on operational performance and capital projects. Our work also includes support for adequate funding and improving transparency, and that's why we're here today.

We're thrilled that 2023 is shaping up to be the year of trains and buses -- and riders -- and we really appreciate your support and look forward to working with you as you continue to work through the budget, and are ready to answer any questions that you may have.

The commitment of $8.3 billion in the Governor's Executive Budget in total state operating aid will go a long way to keeping the MTA away from the edge of the fiscal cliff. And I was really happy to hear Chairman Leiber today saying that they were looking at the $400 million in operating efficiencies as a way to cut from the budget without cutting service. Because cutting service is in fact a way to drive riders away, at a time when we really need to bring

riders back and to make sure that there is the best, most affordable, most reliable and accessible service that there can be so that more people will want to get onboard.

We think the $300 million direct payment to the MTA is a great start, and we think it should happen all the time off-budget and that it be adjusted for inflation. If we can find $300 million for this year, let's find it for every year.

We also think that the PMT and the casino funding mechanisms are great starts, but that there are other options and opportunities. And we look forward to working with you on those and are developing a funding thermometer that's a great visual tool that we'll be able to share with you more thoroughly in the next week or so.

In our testimony we look at other areas of support and on the TED Act, in terms of A, B, F, H, and I, which I won't go into too much detail, as you're aware of them. But I really want to talk about the Fix the MTA proposals.

We're largely in support of almost -- we're in support of just about all of them. And, you know, giving our members the opportunity to have a voting role on the MTA board would really bring home the importance of riders in the entire equation of developing a budget and representing the millions of riders on the board with a voting membership.

So I'm happy to answer any questions that you may have and speak with you after or before or any other time.

Thank you.

MR. PACHOLCZAK: Good evening, Chairs Krueger, Weinstein, Kennedy, Magnarelli, and members of the Legislature. My name is Walter Pacholczak. I'm vice president of government affairs for the Associated General Contractors of New York State.

AGCNYS is a group of about 600 or so construction companies that represent both union and open-shop businesses. We have nearly 80 years of experience working in this

field of work, and we are the state affiliate of the Associated General Contractors of America.

Given the time of day today, I'm going to forgo reading my testimony today. But I wanted to talk about two themes that occurred here throughout this hearing -- and I've been here all day, so it's been a very long one.

I think the first theme here is that the Legislature and your constituents want better service on your trains. You want better tunnels. You want trains that are on time. You want to make sure they are safe and people are safe on trains.

We also heard a lot today about potholes and the pothole situation. And no matter how much we throw at paving our potholes, it never seems like it's enough here. It never seems like it's enough.

We talked about old bridges, both on the Thruway and on the DOT side of things.

People want more. You want more as legislators. You know, part of that wanting more comes with a cost. That cost is

reflected in, again, another recurring theme here today -- inflation. Inflation is not only just driving, you know, your day-to-day operations, but it's the cost of gasoline in your car, buying a $5 now dozen of eggs that I guess they are now that I bought yesterday.

But inflation on construction materials is severely limiting the amount of projects the MTA has, the amount of projects that the DOT has, as well as the Thruway Authority -- and any infrastructure, for that matter.

You know, this also comes into play with some of our partners. It's not just contractors that are saying, you know, we need more money for roads and bridges and mass transit; it's our partners in organized labor, it's our partners at the municipalities, whether it's the towns, the counties, the highway superintendents. You know, it's a much broader group of us -- a much broader group than just contractors saying, Here, give us more money, we need it.

I think if you also look back at the

various inflation adjustments that this Legislature has made, most recently last year, in 2022, when we had a COVID materials price escalation bill that was passed but unfortunately vetoed -- look back at '04, when the Legislature realized that steel was a problem, there were adjustments made there. And look right here at the South Mall, here in the building of the South Mall and the Empire State Plaza back in '69, '73, and 1976. The Legislature took action and adjusted prices for those materials, price escalations and increases.

So two, one here -- my time is up. Thank you all, I appreciate it.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to Assemblyman Ed Ra.

ASSEMBLYMAN RA: Thank you, Chair.

Lisa, I was wondering if you could elaborate a little bit -- you mentioned having a member having a voting role on the MTA board. Obviously this is -- we have a proposal dealing with giving the MTA more funding that will be on a sustainable basis.

I think we all recognize the importance of the MTA and the importance of all of the component systems, but one of the things that has come up, I would say certainly with my constituents when they hear about these proposals, is what structural reform is going on within the MTA. Because we do tend to every decade or so end up in this type of situation where we're looking for some new funding source.

So do you or your group have any further thoughts about things that might be done within the MTA to -- along with this infusion of a new funding source -- put them on a good solid track going forward?

MS. DAGLIAN: Sure. So PCAC has been looking into these -- into fiscal responsibility and transparency at the MTA for decades. But it's never as important as it is now. And transparency, I think, is really critical, particularly as more information is available and it's so dense.

So there are a number of pieces of legislation that are before you that are part

of the Fix the MTA package, and a part that are separate, to improve and enhance transparency, including fixing the capital program dashboard.

So I urge you to look at those. And, you know, Senator Comrie has certainly been on top of that and a major advocate of that for years.

For the voting membership that I spoke of -- so our -- we have three non-voting members on the board, including a Metro-North representative who is a West of Hudson rider, including the longest-serving MTA board member, who brings a lot of knowledge but not a vote.

So having that actual voice who is not at the -- who can't be removed when somebody leaves office but who is selected by fellow riders, to be able to weigh in and to make change from within, we think is very important.

ASSEMBLYMAN RA: Great. Well, I just want to say thank you to all three of you for your patience today. I think your

perspectives are very important to our discussion.

MS. DAGLIAN: Thank you.

CHAIRWOMAN WEINSTEIN: Senate?

CHAIRWOMAN KRUEGER: Senator Tim Kennedy.

SENATOR KENNEDY: Thank you, Chairwoman.

Lisa, thank you for that explanation. You actually answered my question that I had for you.

I want to go to Bill quickly about STOA. Tell us the need for STOA. You're looking for 20 percent for upstate non-MTA. Can you explain how that will be used and the problems with only getting a 7 percent bump?

MR. CARPENTER: Yeah, the increased demand that we're seeing in our communities -- communities like Rochester, where in order to move out of poverty the state is investing in a lot of other services, but they lack the mobility to take advantage of those services -- mental health, healthcare, job access.

The move to zero-emission vehicles amend training the employees. So operating dollars to make our communities better, make the transit system better.

We saw downstate last year get a 36 percent increase because they had the dedicated revenues afforded that. Upstate had 15 percent, so there's about a 20 percent gap last year. And this year again, the dedicated resources downstate are allowing a little bit more of an increase than upstate.

SENATOR KENNEDY: So it sounds like there is systemic instability for these authorities upstate?

MR. CARPENTER: Upstate.

SENATOR KENNEDY: Okay. We need to rectify that. We look forward to working with you and your organization over the next several weeks. Hopefully we can get the numbers up where they need to be.

When I go back to Walter, describe for us really the issues on the ground with the lack of funding. Again, you heard me earlier, I saw you here all day -- again,

thank you all for your patience. You heard what was said about the historic levels of funding.

How is that being undercut on the ground, what you're seeing in the workforce on these construction sites?

MR. PACHOLCZAK: Well, absolutely. Thank you, Senator, that is a great question.

Last year when you advanced and the Senate advanced that $44 billion transportation infrastructure proposal for DOT, a lot of contractors were very, very pleased by that. And for good reason. Costs are going up across the board. Whether it's just construction materials, there's workforce shortages, there's also new mandates that the state puts on us, and it costs us more time and money on back-office stuff.

I think that, moving forward, we can't let it come to a point where we let maintenance fall too far behind. And I think having a five-year capital program with certain additions to that in this budget and

of future years, particularly on some of those signature projects that are unfunded in those final two years of this five-year plan, that will take us a long way in rectifying and making this a better system of infrastructure for taxpayers.

SENATOR KENNEDY: Do you believe that the roads will get better or deteriorate over the next five years if we do not put more money into the five-year capital plan?

MR. PACHOLCZAK: I think a lot of that depends on what happens in both the Assembly and the Senate and the final budget agreement with the Governor. And we have time to make changes and make the right changes.

CHAIRWOMAN KRUEGER: Thank you.

Assembly?

CHAIRWOMAN WEINSTEIN: Assemblywoman Shimsky.

ASSEMBLYWOMAN SHIMSKY: Thank you very much, Madam Chairwoman.

Mr. Pacholczak, I'm basically going to address this to you, although if anyone else has any other ideas, I would be happy to hear

them.

We all know that the amount of money that is being proposed -- whether it's to fix the roads, whether it's to fix the bridges, whatever it is -- is only going to fix a relatively small percentage of what should be fixed today. We're not talking about two or three years down the road.

What, in your mind, are some of the things we might be able to do in the budget to get the most bang for our buck in terms of funding more repairs?

MR. PACHOLCZAK: Well, thank you, Assemblywoman.

Don't delay. The longer you wait, the more expensive it becomes to fix things. Okay? If you have a leaky roof, you know, you can put patches on it, but eventually the leak is going to come through your whole home and ruin your house.

So investing now and investing down the road so that when businesses can plan for these things, businesses can plan for capital expenditures, businesses can plan to try to

settle or solve workforce shortages, giving contractors that stability moving forward, will bring other players in, other subcontractors and others here into the state.

And competition is a good thing. And the more work we have, the more competition, and the better it is for the taxpayer as well.

ASSEMBLYWOMAN SHIMSKY: Do you think a transportation bond might be a good idea at this point?

MR. PACHOLCZAK: Yes, we've had transportation bond acts in prior years.

But I think a more dedicated stream, something like what the Senate proposed last year and something that the Governor has proposed this year -- there needs to be a big -- maybe more of a middle ground on that.

MR. CARPENTER: Yeah, I think -- to answer your first question -- to have it be a certain period of time, five or 10 years. When you've got assets that need to be repaired or replaced and you have a one-year

bill or a two-year bill -- you make different decisions when you know this is the funding you'll have for the next five or the next 10 years.

So you can make wiser investments. Lower investment up-front can go a lot longer. So immediacy and then a long-term commitment.

MS. DAGLIAN: If I can just add, I think the more money the better, but it has to be spent wisely and it has to be transparently shown how the money is being used and that it's being used in the best way possible.

And I think there's so much to do and there's just not enough money, so the more the better. I said yes to a bond act, but we're happy to work with you on that. But maybe that's not my place right here.

ASSEMBLYWOMAN SHIMSKY: Thank you.

CHAIRWOMAN WEINSTEIN: Senate?

CHAIRWOMAN KRUEGER: Senator Leroy Comrie.

SENATOR COMRIE: Thank you,

Madam Chairs.

I don't have any direct questions. I just want to thank you for your consistent focus on reviewing this from the different areas.

I'm happy to support -- I understand the need for funding for the upstate roadways. Thanks to President Carpenter and Walter. Thank you for continuing to focus on making sure that contractors not only are able to get the work, but produce it and turn it around quickly.

And Lisa, I can't thank you enough for the information that you've imbued and your consistent focus and your dedication to trying to make the system better by your positive outlook and focus on making sure that people really think about how the MTA is funded.

MS. DAGLIAN: Thank you.

SENATOR COMRIE: So I would ask you, you know, just one brief question on Penn Station. Where do you -- what do you -- where do you see this going?

MS. DAGLIAN: Right into it.

So Penn Station -- the Penn Station project is really important. And our most -- our number-one priority is fixing it for riders as soon as possible. Understanding that making sure that it's a transit and transportation system, not just for now but for the future, is -- must also be a priority.

But making sure that it's a place that people don't want to get out of, but they want to go. I spent an hour and a half in Grand Central Madison the other night walking around. Nobody does that in Penn Station unless they've missed the last train.

All right? So making sure it's a place that people want to -- don't want to just run out of, but a place that is, in fact, a train hall. And maybe not a destination, but a place where people can see some of the rebounding of transit and our entire region encapsulated right there.

But we do have to look at what it means to be a completely regional system.

And if that means looking at through-running, we would probably be one of the last systems that did that, but we need to.

SENATOR COMRIE: Thank you. I appreciate your overview.

I'm at the short view with the fact that the federal government has put it in Tier II of review. Our -- it seems our United States Senator says he doesn't like the plan.

Do you think that they can turn around and stop fighting with each other and get something done this year?

MS. DAGLIAN: Well, I think that -- I don't want them to stop progress to make it a workable, livable, viable station for the commuters that need to use it. And not just for now, but for Penn access also.

If there's a way to make that -- to make it a better station and to use future money to make it really the place it needs to be to be a regional hub and a through-running -- a through-running hub, then I think it can be better. But I don't

know that it needs to be stopped.

SENATOR COMRIE: Thank you.

CHAIRWOMAN KRUEGER: Assembly? No?

I think we're good.

CHAIRWOMAN WEINSTEIN: That's it for you folks. Thank you --

CHAIRWOMAN KRUEGER: Thank you.

MS. DAGLIAN: Thank you.

MR. PACHOLCZAK: Thank you all.

MR. CARPENTER: Thank you.

CHAIRWOMAN WEINSTEIN: -- for being here.

CHAIRWOMAN KRUEGER: Thank you.

CHAIRWOMAN WEINSTEIN: Now we move on to Panel C: New York State Association of County Clerks, Holly Tanner, Columbia County Clerk and New York State Association of County Clerks DMV Committee Chair; New York State Highway Superintendents Association, Kevin Rooney, president; New York State Association of Town Superintendents of Highways, David Miller, president; and Rebuild New York Now, Fred Hiffa, technical consultant.

So if you can go in that order. So I guess, Holly, starting with you.

Just a reminder, it's three minutes. And your testimony has been circulated to all of the members over this weekend.

MS. TANNER: Good evening. My name is Holly Tanner. I'm the Columbia County Clerk and 20-year cochair of the DMV Committee for NYSACC, the New York State Association of County Clerks.

Thank you for this opportunity to address this esteemed body on the important issue of local DMV retention. As you may or may not know, 51 county clerks across the state serve as agents of the commissioner of the New York State DMV, processing DMV transactions the same as what happens in state-run DMV offices.

Since 1998 the rate of retention to local governments to provide this service to our constituents has remained stagnant at 12.7 percent for most transactions. The Clerks Association has been bringing this issue to the forefront of our legislative

package for years. Many of us have met with many of you to discuss this important issue.

Clerks pride themselves on providing excellent customer service to our customers, and we work closely with the New York State DMV to provide this excellent service, ensuring that the motoring public is safe on the road and following applicable laws and procedures, and we have happily been doing this for New York State since the Legislature first created the method for tracking and licensing drivers, which was first done by the Department of State.

State DMV was not created until 1962, and county-clerk-run offices continue to provide these much-needed services to residents throughout the state, again receiving a portion of the revenue generated by said transactions.

Our value to New York State and the public was never more evident than during the pandemic shutdown several years ago. Being separate elected officials, many of us were able to provide services to constituents who

were in dire need of them. The Governor had deemed that auto dealers were essential, and who was there to process these transactions and keep the state moving? County-clerk-run DMV offices.

State DMV, specifically Commissioner Mark Schroeder, has been a great champion for us, recognizing that without county-clerk-run DMV offices these DMV transactions would have ground to a halt during this very difficult time. The association wants to thank Commissioner Schroeder and his team for recognizing our value and sharing it with state leadership.

We were very happy to note that Governor Hochul in her budget address has announced a plan to provide equity for county-clerk-run DMV offices by putting forward a plan, developed in partnership with New York State DMV, of a flat rate across the board, whether in office or online.

Online is another issue that has impacted county-clerk-run DMV offices in the digital age. Clerks have recognized and

supported the digitization of processes that our offices provide. Many of us already accept e-filing of court documents for years, and also the e-recording of land records. That DMV services moved online was inevitable, and you heard the commissioner earlier talk about e-licensing and that 75 transactions currently are available on-line.

And while clerks want to support these initiatives, we often found ourselves at odds with it, as it was keeping customers out of our offices and lowering retention in a time of ever-increasing costs to local governments to keep local DMV offices open.

I guess I have to finish up, so I'm going to say thank you very much. I'm available for questions. We do support Donate Life. And we're hoping that we can move this transaction forward so that we can be true partners with State DMV and keep our doors open for those transactions that cannot be done online.

Thank you so much.

CHAIRWOMAN WEINSTEIN: Thank you.

Kevin Rooney?

MR. MILLER: Excuse me. Yes, me and Kevin are here in partnership, so I'm going to start, if you don't mind. Thank you.

Good evening, Senator Krueger, Assemblymember Weinstein, and other members of the New York State Legislature. I am David Miller, president of the New York State Association of Town Superintendents of Highways, and the highway superintendent for the Town of Lockport in Niagara County.

With me, representing the New York State County Superintendents, is their president from Wayne County, Highway Superintendent Kevin Rooney.

As always, we appreciate the annual opportunity to discuss the Executive Budget proposal and the needs of New York State's local transportation system.

We'd like to begin by thanking you and your colleagues for your steadfast support of local roads, bridges and culverts. As you know, our collective membership is responsible for insuring the safe operation

of 87 percent of the state's public roads, half of its bridges, and plowing not only our huge system but over a quarter of the New York State DOT's roads.

This massive system is owned by 1600 local governments and consists of over 97,000 center-line miles of roadways and 8600 highway bridges.

Every time there is a weather event, major snow accumulation, freezing temperatures or severe flooding, the hard-working people of our local crews ensure that New York's drivers get to and from work and to their destinations safely.

Governor Hochul's Executive Budget proposal continues the second year of a $32.8 billion five-year investment plan for the New York State Department of Transportation and the local roads system. This means we are held to $1.2 billion per year to be distributed to all localities throughout the state, including New York City, to address the needs of our systems.

Despite our best efforts, this level

of funding for local road and bridge programs is simply just not enough. Record-high inflation rates on highway construction materials has severely increased costs, and as a result, local governments are seeing almost a 25 percent reduction in the real dollars from local highway maintenance programs.

It is critical that an additional $270 million be added to the '23-'24 budget for local highway programs like CHIPS and Extreme Winter Recovery just to keep the funding at the same level as it was when the five-year program was initially adopted in 2022.

According to a report issued by New York State Comptroller Thomas DiNapoli titled "Local Owned Roads by the Numbers," local government -- excluding New York City -- spent $2 billion on road maintenance and improvement in the 2020 fiscal year. The report highlighted a 2013 study of local highway and bridge needs published by our association, based in part by the

transportation.

I'd like to now turn this over to Kevin.

MR. ROONEY: Thank you.

Good evening to the chairs and to the members of the Legislature.

I'd like to speak a little bit about the BRIDGE NY program. We're very excited that the BRIDGE NY program continues to be in the Governor's budget. It's a great program. And as you know, this signature program directs state and federal funds to our local bridge and culvert projects throughout the state.

In all three of the previous rounds of BRIDGE NY, the number and value of project applications have exceeded the funding available for each region of the state. In 2021, only about one in five bridge projects were able to be funded, and one in eight culvert projects got an award. Obviously it shows that we need more money. We don't have enough to cover these projects.

Periodic review of this program has

proven beneficial to us all. As a result of this process, the New York State DOT is implementing the BRIDGE NY program with the existing capital program, rather than the state-wide solicitation used in recent years. We think this approach is going to give money to the locals where we need it, where we know we have the needs.

So what do we need now? The Legislature has responded to the dire conditions of the state's transportation system and augmented the CHIPS and other local programs. Funding shortages mean many local governments' preventative pavement preservation strategies to apply well-timed and targeted maintenance treatments fall well short of what is necessary to avoid more costly major rehabilitation and reconstruction projects down the road.

So based on this, we are asking for the following. We'd like the support of increasing the CHIPS program by 200 million annually, to 738. We also ask that you increase the Extreme Winter Recovery program

by 70 million, to 170 million. And we also ask that you continue to support the other programs, being the Marcheselli, BRIDGE NY, PAVE-NY, the touring routes, and the pothole program.

Both the town and county associations also ask for your support in the worker assault prevention program. That basically, if there are assaults that occur out there on any of our staff working daily, these constitute an assault in the second degree. This is important.

We also ask that the CHIPS bidding threshold be increased from $350,000 to $750,000. By increasing this CHIPS bidding threshold, it will give municipalities more flexibility to pursue the most cost-effective option to bid out or perform the work in-house if possible.

In conclusion, as fellow public officials, we understand the difficulty in trying to meet all the needs of our constituents. We must work together so that all the state and local critical

infrastructure needs are being addressed. Thank you for your time and consideration.

MR. HIFFA: Good evening. My name is Fred Hiffa. I'm with the ReBuild NY Now Coalition, and I want to thank you for the opportunity to discuss the second year of the DOT's five-year capital program as proposed in the Executive Budget.

As you look at the Executive's proposed funding levels for the DOT five-year plan, we should note DOT's road and bridge system is massive. It has the 12th-most lane miles of any state or territory in the country, and the 13th-most bridges. The condition of this massive system is troubling at best.

Nationally, New York has the seventh highest percentage of poor pavements on the National Highway System: 87 percent of the state roads are on the National Highway System. And we have the sixth-most deficient bridges by number in the country.

Our roads and bridge conditions are currently some of the worst in the country,

and I can tell you, if the funding levels put forth in the Executive's budget proposal for DOT's capital plan were adopted at the current levels, we will very well have, by the end of this five-year plan, the worst bridges and pavements in the country.

The Governor's budget ignores two critical issues that are literally gutting state and local governments' ability to adequately maintain their transportation infrastructure: inflation and underfunding the priority signature projects.

Record high inflation rates on highway construction materials has severely increased costs and, as a result, reduced DOT's core program to its lowest real spending levels since 2015.

The other significant issue not addressed in the Executive Budget is the department will need an additional $2.2 billion, potentially a 50 percent increase, just to deliver the currently programmed signature projects.

New York's roads and bridges have been

on a steady decline for many years. Over the past 10 years, New York's paving cycle -- how long it takes for the state to go around and do all of its pavements -- has averaged 15.6 years. Unfortunately, the treatments they use to maintain the roads only last 9.5 years. So the treatment lasts 10 years, but they can't re-treat it for 15. That's the problem.

NYSDOT staff do an outstanding job of tracking the system's conditions and know the level of funding necessary to maintain these vital assets. Regrettably, there's currently no correlation in the Executive Budget between funding levels and system needs.

In December of '22, two months ago, NYSDOT engineers released a report stating that the department's estimated needs to bring their state roads to a state of good repair -- just 13 percent of the state roads -- an extra $6.7 billion.

In closing, I ask you to look at the true needs of the state's road system and provide it with the necessary level of

funding to stop its deterioration. We look forward to working with you in ensuring our transportation systems are getting the funds they need.

Again, on behalf of ReBuild NY Now's membership, thank you very much for allowing us to address these issues today.

CHAIRWOMAN WEINSTEIN: We go to Assemblyman Norris.

ASSEMBLYMAN NORRIS: Thank you, Madam Chair.

My questions are directed to Superintendent Miller. I happen to know him quite well; he is my superintendent, and he makes sure all the roads in the Town of Lockport are well-maintained.

We appreciate your leadership in charge of the association of 932 towns, I believe, as we appreciate that as well.

But can you explain to the panel -- because CHIPS funding is so important, we understand that -- how directly does it impact your municipality and other municipalities for the reduction of how the

roads are being actually done?

MR. MILLER: Well, Mike, especially when our costs are up 25 percent, it's more important now than ever. As we know every day, as we go to the store and everything we're buying is really crazy high right now, our dollars are not going as far. So we can do about 25 percent less. As it is, we are not keeping up.

I can speak for a lot of the small towns. The only money in their budget that they get to do their roads is the CHIPS money. A lot -- you know, I'm fortunate, in my town, that they kick in a little bit more than we get from CHIPS. But I know for a fact, just talking to my constituents, that they only get what the CHIPS money is. That makes it very tough to give up. A lot of times they can only do oil and stone treatments and stuff.

And it's important that we get this funded because, as Fred had said, 15 years is too long to let a surface go. We can't get that many years out of it.

ASSEMBLYMAN NORRIS: And also, in terms of culverts, correct -- it's a real issue in the rural areas to making sure that you replace our culverts and having the funding available for that.

MR. MILLER: Absolutely. Culverts -- I had one in my town that we had to close down, and we actually had to do a detour.

We have, right now, applications in for BRIDGE NY. I've had it in for the last round; I put in again for this round. And the culverts, they're just deteriorating. A lot of those concrete culverts don't stand up to the salt. And it's just not taking -- they're not faring well with the years and the conditions.

ASSEMBLYMAN NORRIS: Pretty good.

And then recently we just had a blizzard up in Western New York, I know our town was hit pretty hard, 24 to 36 hours straight. How was the coordination with the Department of Transportation? And what is the budgetary impact on our local municipalities in Western New York?

MR. MILLER: Well, the coordination was great. Our emergency services coordinator kept in contact with us, we kept in contact with him. Just as a story, 22 straight hours my guys worked. We started at 5:00 in the morning on Christmas Eve, and then we went until 3:00 in the morning Christmas morning. These guys did a great job, 22 straight hours. And I can tell you that it is the first time I have ever had to put two guys in a truck.

It's not only the cost of these events when they happen, it's the cost afterwards. The amount of, you know, the cleanup, the hauling of snow, the damage, the curbs, the signs -- these all go into these big events that we get in Western New York.

ASSEMBLYMAN NORRIS: Thank you, Superintendent.

MR. MILLER: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Senator Tim Kennedy.

SENATOR KENNEDY: Thank you all. It's good to see you. Thank you all for your

testimony.

I want to talk quickly about CHIPS. Superintendents, I know that, you know, you both made that a major part of your focus in your testimony. You know, just a couple of years ago we increased CHIPS funding by 23 percent, $100 million. It was the first increase in nine years. It was a priority for our Democratic conference, and we got it done.

We also increased funding for the Pave Our Potholes program, a new program by the Governor, the PAVE-NY program -- we increased everything. But what you're telling us is it's not enough.

I support more, just so you know. This $200 million I support, $70 million for Extreme Winter Recovery I support. I think we need to continue to invest.

What has the increase in funding that you've already gotten demonstrated on the ground? And what will a further increase, do you believe -- what will you see?

MR. ROONEY: I'll take that.

Yeah, so we were excited to see that, for one, the five-year plan. That's exciting because we can plan for it. The increase was also excellent, very exciting.

But then we had COVID, and we had cost increases, so everything that was steel-related went up in price. Everything that was petroleum went up in price -- gas, pipe, plastic pipe, rubber tires, all that went up in price.

I did the same amount of lane miles in work last year as I did the previous year, before the increase. So that increase got eaten right up.

So for us to continue to do -- I have 406 miles of road in my county that I'm responsible for. In order to continue to do 50, roughly, miles of road a year, I need more money.

SENATOR KENNEDY: Thank you.

And, Fred, thank you again for your testimony, for your leadership, the work that you do with my team. It's extremely valuable, so we are grateful for your

leadership.

Can you talk to what the superintendent just spoke to on CHIPS and how that will relate to an increase in costs in the five-year capital plan and why it's important that we add to that?

MR. HIFFA: Sure.

I think one of the most important things to do -- and I think Walter mentioned it earlier -- is that, you know, DOT runs a curve. And it basically shows you that as the deterioration of the pavement gets worse, the cost goes up.

So if you're doing a simple maintenance on a proper timeframe of like a five-year life of a pavement, that's going to be two to three times -- literally it will be 16 times, if you let it go to a full death, for the reconstruction that has to happen.

So it's just a smart way of doing it. It's like the thing of repairing a few shingles versus waiting till the entire roof is gone. And so if we're able -- and that's when we talk about having the DOT pavements

and the treatment lifes. By having it off by four years, that significant deterioration costs you a lot more money to go back and do it, because you're not on a 12-and-12 cycle. Which, when I was at DOT, we were on a 12-year cycle, 12-year treatment life.

SENATOR KENNEDY: All right. Thank you all.

CHAIRWOMAN KRUEGER: Thank you.

CHAIRWOMAN WEINSTEIN: Assemblyman Magnarelli.

ASSEMBLYMAN MAGNARELLI: (Mic off.) First of all, I'd just like to thank all of you for being here, as always, and the long way back.

Madam County Clerk, it's good to see you again. And hopefully we can move this thing along for you.

As far as CHIPS and all the other areas that we have in the past increased, I agree with Senator Kennedy. We've been pushing for those increases, we will continue to push for those increases going forward.

Just as a sidebar, are there any other

monies that can be used on these roads that have come either from the federal government or our counties to help with some of the things that are going on now? There's an awful lot of money going {inaudible} at this point.

MR. HIFFA: I just want to make one quick note. And, you know, with COVID relief what we saw was, you know, healthcare providers and hospitals got about $6 billion, schools got 14, the MTA got 15. There was literally prohibitive monies coming to localities from us being able to use them on infrastructure. And it wasn't until the December bill that the feds passed that allow us now to take some of that COVID money and use it for the highway side.

So, you know, everyone's getting hit with inflation, but there was at least some offset of consideration of those expenses. We never got that on the highway side.

ASSEMBLYMAN MAGNARELLI: I'm asking you, is there anything now, going forward.

MR. HIFFA: Well, I would say back to

that federal bill, you -- the way the Comptroller, he keeps a spreadsheet on the available amount of COVID money. And I believe we've gotten 13.6 and, according to his last look at it, it was like 5.3 had been spent.

So there are monies potentially within that category that now can be used for highways based on the federal legislation passed in December, Assemblyman.

ASSEMBLYMAN MAGNARELLI: Right. Okay. Thank you all for your testimony.

CHAIRWOMAN WEINSTEIN: Senate?

CHAIRWOMAN KRUEGER: Michelle Hinchey. Senator Michelle Hinchey.

SENATOR HINCHEY: Thank you very much. And don't tell any of the previous panels, but this might be my favorite, because I've got Columbia County in the house --

(Laughter.)

SENATOR HINCHEY: -- we've got our highway supervisors, who I love. So thank you.

MR. MILLER: Your secret is safe with

us.

(Laughter.)

SENATOR HINCHEY: Broadcast across the internet.

First, thank you for being here. And also I echo the thanks for holding out with us here.

I too support the increase in CHIPS funding and all the other road funding that we have, and I want to thank Senator Kennedy for his leadership and helping -- and yours as well -- for helping us get that in the budget and being a real champion for increasing it more. Because I have seen firsthand, in communities like mine -- 56 towns, lots of roadways -- how important the funding is.

I want to ask a little bit of a different question as it pertains to highway garages and equipment, because one of the biggest requests that we get for help with funding, my office gets, is help replacing old equipment, because it's incredibly expensive.

Can you talk a little bit about what that looks like generally for your associations, and that structure?

MR. MILLER: Sure.

Well, just a little bit here. The Climate Action Council final scoping plan, which will be moving forward over the next several years, will impact our local governments and requires significant changes to our garages, our equipment, our vehicles, and even the materials that we're allowed to buy and maintain.

So these mandates will require significant funding and additional financial investments well beyond what our traditional needs have been. So -- and those are going to vary, depending on where in the state the municipalities are, so --

SENATOR HINCHEY: Can you talk about, if you were to buy new equipment for your highway garage, what would be the cost from what you're using now to buying brand-new?

MR. ROONEY: So I can tell you I budgeted for a 10-wheel truck, and this is

not even with a plowing upfitted, so he'll be surprised how cheap this was. This was $200,000 that was in my budget for this year.

And after going through a state contract and cutting some bells and whistles, you know, I ended up paying $238,000. So just that -- you know, that kind of shows the magnitude of the increases that we're paying.

SENATOR HINCHEY: Thank you.

And as it pertains to the road funding and CHIPS funding and others, can you talk about how many projects typically are in a queue to be done and, if there was more funding, how many more of those you'd be able to reach in a year?

MR. ROONEY: That's tough to -- tough to kind of put a quantity -- you know, some of my projects are very small projects. Culvert replacements could be a $30,000 project. And then I will do some reconstruction and some drainage improvements that are $300,000-plus projects.

I do a lot in-house. I'm lucky to be able to do that, because I have the

abilities, the staff, that are able to do those, have been trained in that. Not everybody has that.

SENATOR HINCHEY: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Assembly?

CHAIRWOMAN WEINSTEIN: Assemblyman Ra.

ASSEMBLYMAN RA: Thank you.

I'm just wondering if you can -- Mr. Hiffa, I think you talked about the bidding threshold. And, you know, you've all mentioned the impact inflation has had on these projects and how much additional money is needed to really pave those same miles of roads that would have been with the lower cost.

So can you elaborate, though, on what impact the inflation has had on the bidding threshold and how that impacts getting those types of projects done? Because I would assume that a project that was formerly below that threshold is now well over it, with this increase in costs.

MR. HIFFA: Yeah, it's -- the math is

real straightforward. And I think the thing that is helpful, too, is the industry supports it. This is not where, you know, the municipalities and the industry that supports us are on different pages. I think everyone feels the same way. They know it's a necessity.

It makes a lot of sense, and it's something that we really need to think about doing. You know, that's the low-hanging fruit, let's put it that way, compared to the other things that we're dealing with right now as far as our limitations.

MR. ROONEY: And if I could add to that, my own county has a small engineering staff. We're are able to design some of our own work, build our own work, inspect our own work.

So that means I'm not putting bids out, I'm not taking that time to do the bidding threshold, having a set of plans designed to put out -- you can just imagine the cost savings that are available there. Not everybody can do that, but some of the

larger municipalities can operate that way.

SENATOR RA: Thank you.

CHAIRWOMAN WEINSTEIN: Senate.

CHAIRWOMAN KRUEGER: Thank you.

Senator Oberacker.

SENATOR OBERACKER: First off, I want to say thank you all. I swear, each and every one of you is a magician to be able to do what you do on the tight budgets that you have.

I also would like to take a moment to thank our chair for Transportation for his work on this. And again I too, as a former chair of public works for Otsego County and a former town supervisor for the Town of Maryland, fully understand the challenges that you have.

A couple of quick things. One of the areas I think that we really do overlook is maintenance, and the ability to go in and have ditching programs and to cut the canopies back and those type of things that would help with the overall condition of our roads moving forward. It's not just simply

paving, it's getting a return on our investment as we pave. And I'm sure you understand that.

Otsego County has 477 center-lane miles that we would -- which, if you're familiar with that, you double that to get your lane miles. And we would approximately try to pave 50 miles a year.

So is there some things that we're missing on the maintenance side? Is there things that maybe -- I think you heard me earlier say instead of using the words "Extreme Winter Recovery" I'd like to change it to "Extreme Weather Recovery" and maybe look at some funding that would be specifically noted or specifically designed for maintenance for ditching purposes and things of that nature.

Am I off the mark on that? Or is that something down the road that we could have maybe a further discussion on, if there's true value in that part of it?

MR. ROONEY: Yeah, I'll take that.

I don't believe that ditching is an

operation that would be CHIPS-eligible.

SENATOR OBERACKER: It's not.

MR. ROONEY: It's not. So --

SENATOR OBERACKER: Right.

MR. ROONEY: But ditching as a linear project, if you're going to put it together with a project, you ditch the first year, you change your culvert pipes, and then you do your roadwork. So it can be lumped together as a project, and that's what we do in our county.

Believe me, I'm not far Western New York, so I'm not dealing with snow, and this year we've been able to do a lot of ditching in the winter months this year, which we usually don't have the opportunity to do.

But yeah, ditching is super-important to be able to try to get your roads to drain, and then they'll stay longer.

MR. MILLER: If you don't mind, I'd like to add to that. You know, we have a motto in our business, which is to "keep your good roads good." And that reason being is

you try to pave a road and a few years later it might need a chip sealer or a light coat, but you try to keep your good roads good to make them last as long as you can.

What would be great in the future would be some funding for all the rehabilitation, and you take your bad roads, recycle them, redo them, now make them your good roads. And then you spend the next 10, 15 years keeping that good road good.

So, you know, we have a policy and a way we do it. But you're right. And some funding for total rehabilitation of roads would be great.

SENATOR OBERACKER: Thank you. I appreciate that.

CHAIRWOMAN KRUEGER: Thank you.

Any other Senators? No?

CHAIRWOMAN WEINSTEIN: Thank you for being here and speaking as well as submitting your written testimony. Thanks.

So we're going to move on to our final panel.

SENATOR OBERACKER: Thank you very

much. I appreciate it.

CHAIRWOMAN KRUEGER: Thank you, everyone.

CHAIRWOMAN WEINSTEIN: Our final panel: Empire State Passengers Association, Steve Strauss, executive director; New York Aviation Managers Association, Gregory Topping, president; and Railroads of New York, Scott Wigger, executive director.

So if you can go in that order, that would be helpful. Are we ready?

CHAIRWOMAN KRUEGER: We're ready.

MR. STRAUSS: Chairs Krueger, Weinstein, Magnarelli, and Kennedy, ranking Minority members, my own State Senator, Senator Comrie, and the general members of the Transportation, Finance, and Ways and Means Committees, thank you all for staying this late to hear about railroads.

My name is Steve Strauss, and I am the executive director of the Empire State Passengers Association, a statewide intercity passenger rail advocacy organization with parallel interests in the downstate commuter

rail systems and local transit across the state.

In addition to the written testimony that ESPA has submitted, I would like to focus this evening on four key points on how you can help bring higher-speed passenger rail to the Empire Corridor and improve Amtrak service throughout the state.

First, for those of you who are new members of the Legislature this year, or new members of these committees, the most important thing that you can take away from today's hearing is that under federal law passed in 2009, New York State, or states in general, pay for all Amtrak service that is shorter than 750 miles in length. That means that all Amtrak service in New York State is paid for by the State of New York taxpayers after you subtract fare revenue -- except for the Lake Shore train that runs from New York City to Chicago. That's a long-distance train, and it is paid for by the federal government.

Like the MTA, the Governor and the

State Legislature, subject to negotiation with Amtrak, largely control the quantity, speed, and reliability of passenger train service here.

We don't particularly need more money right now. That may be hard to believe, but we think it's true: We need leadership and vision to create a strong state rail program.

Second, all of the federal infrastructure money appropriated for intercity passenger rail improvements in the IIJA is discretionary. The rail program is different from the highway and transit programs, which have formula money. New York State must develop projects, write grant applications, and compete against other states for this money.

In December the state submitted a large number of applications for projects, and ESPA thanks them for this aggressive action. But the pipeline of projects beyond this we believe to be quite thin. The competition in other states is better staffed, and they have more projects ready to

go.

Third, the long-delayed Empire Corridor EIS is going to be released very soon. There will be a preferred alternative, probably 90 miles per hour with some 110-mile-per-hour segments. This will set off a public discussion process of how the state wants to implement the EIS, and we hope that the Legislature will be very involved in that as well.

And then finally -- excuse me -- lastly we ask you to ask Governor Hochul and Commissioner Dominguez for a multiyear capital plan for intercity passenger rail. Just like the transit program and the highway program, we need a public multiyear plan.

I could go on, but I know you have time limits. Thank you very much for the opportunity to speak today. I would be happy to answer any questions that members may have.

CHAIRWOMAN KRUEGER: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

Gregory?

MR. TOPPING: Good evening, Senator Krueger and Assemblymember Weinstein and members of the committee. I'm Greg Topping, president of the New York Aviation Management Association. I would like to express my appreciation for the opportunity to provide comments on the Executive Budget as it relates to airports and the aviation industry in New York.

NYAMA represents over 13,000 members and affiliate members comprised of commercial service and general aviation airports and various aviation industry professionals who believe that the economic development efforts at the state and regional level necessitate strong public investment in our aviation assets and facilities.

New York airports are beginning to recover economically from the post-pandemic world of travel, but we have a long way to go. NYAMA commends Governor Hochul for recognizing the unique capital needs of airports. State-supported investment drives new economic development, creating

high-quality and sustainable jobs as well as attracting greater private-sector investment.

The '22-'23 capital program included a high state level of funding for airport projects through a $250 million program that transformed upstate New York airports and fostered regional economic development. These investments are helping New York State reestablish itself as a place for national and international aviation businesses to locate and grow.

While these signature projects primarily take place in the larger commercial service airports throughout the state, smaller and medium-sized airports that provide vital access points for business and tourism opportunities and communities from Long Island to Western New York are also in need of funding to carry out their important mission as part of the national air service system.

Airport capital funding is provided through two programs: The Airport Improvement Program, which delivers a portion

of the local share required to match federal AIP grants, funded in the Executive Budget at $14 million; and the Aviation Capital Grant program that, unlike the AIP money, can be used to finance revenue-producing projects at airports such as parking lots, fuel farms, hangar construction, and concessions and development.

Unfortunately this program continues to be grossly underfunded at $12.5 million per year. NYAMA calculates that the capital needs of airports that are eligible for state assistance require a commitment of $40 million to the Aviation Capital Grant program. We also look for an increase in the the maximum grant size in the capital funding from 2.5 to 5 million.

Thank you for giving me the time to speak.

CHAIRWOMAN WEINSTEIN: Thank you.

Scott?

MR. WIGGER: Yeah, good evening. And thank you to the chairs and members for the opportunity to speak here today.

My name is Scott Wigger. I'm the executive director for Railroads of New York, and I represent the freight rail industry in New York State, which is comprised of four Class I railroads and 36 short-line regional railroads employing approximately 2600 people in New York State alone.

In 2019 we enacted the CLCPA law. It was an ambitious environmental initiative meant to cut emissions across all sectors of the economy, including transportation. According to the USEPA, the transportation sector counts for approximately 27 percent of total US greenhouse gas emissions.

In order to help achieve these statewide emissions reduction goals as outlined in the CLCPA law, shifting long-haul freight movement from trucks to rail will significantly contribute to reducing emissions in the transportation sector.

When it comes to the transportation sector, emissions are directly related to fuel consumption. According to the Association of American Railroads, moving

freight by rail instead of truck reduces greenhouse gas emissions by approximately 75 percent.

Railroads on average are approximately four times more fuel-efficient than trucks and can move one ton of freight more than 480 miles on one gallon of diesel fuel, and a single freight train can replace several hundred trucks on the road.

Many investments in the freight rail industry are devoted to implementing new technologies that make freight rail transport safer, more fuel efficient, and more environmentally friendly.

According to the AAR, in 2020 U.S. freight railroads consumed 675 million fewer gallons of fuel and emitted 7.8 million fewer tons of carbon dioxide than they would have if their fuel efficiency had remained constant just since 2000.

Included in the Governor's Executive Budget proposal is approximately 35.5 million for freight rail infrastructure projects and a separate $10 million allocation for a mix

of freight rail, passenger rail, and port railyard projects. In addition, also included in the proposal is a $100 million allocation for a local bridge and highway improvement fund that includes highway-railroad crossing projects as eligible.

On behalf of RONY and its members, I wish to express our support for this funding, which many of our rail companies rely on to maintain the state's rail network in a state of good repair and to remain economically viable in an increasingly competitive freight-based economy.

Thank you, and I'd be glad to answer any questions.

CHAIRWOMAN WEINSTEIN: Thank you.

And we go to Assemblyman Magnarelli.

ASSEMBLYMAN MAGNARELLI: First of all, I just want to say thank you for waiting all this time and testifying in front of this budget committee. I do appreciate the information. We have all talked in the past on different things.

I just have one question for Mr. Wigger. I heard -- and it's just something that came up at a meeting -- that there were CSX sidings that were being dismantled. And those sidings are used so that, you know, if something goes wrong with a freight train or a passenger train, other trains can still go by. You know, the main line.

Have you got any information on that? And if you want, we can talk later or some other time. But that's very troubling to me at this point in time.

MR. WIGGER: I don't have any information specific to that. I defer to CSX on that.

But I do understand that the route that goes through Albany all the way up to Syracuse and Buffalo --

ASSEMBLYMAN MAGNARELLI: That's the one I take, right.

MR. WIGGER: The passenger rail on-time performance has been very, very good in recent years. Their metrics have been --

ASSEMBLYMAN MAGNARELLI: It's been good, but I'm always looking for ways of making it better. And, you know, anything that causes a major delay is what I think is really hurting passenger rail from the standpoint that people won't take it because they can't depend on it leaving and arriving at certain points in time that are on the schedule. That, I think, is the most important thing.

Whether we can get the trains to go 60, 70, 80, 90 miles per hour I think all depends on what we do to the infrastructure that is there, and making sure we don't get rid of infrastructure that could help. I would just like some kind of an explanation on that.

I saw your hand go up.

MR. STRAUSS: Yes, sir, Assemblymember Magnarelli.

It is ESPA's understanding that CSX has taken out of service some sidings, passing sidings on the Empire Corridor. One of the issues that affects this decision is

that the freight railroads are running longer freight trains these days and in some cases the existing sidings may not be long enough to fit a freight train in the siding anymore because the trains are now longer than the siding.

But it's still -- the sidings have value because you can store maintenance-of-way equipment for the railroads there. If a passenger train breaks down, you can put the passenger train in the siding and the freight trains continue to pass.

So it's ESPA's position that these sidings are valuable and that they should remain in service.

ASSEMBLYMAN MAGNARELLI: I appreciate that. Thank you.

CHAIRWOMAN WEINSTEIN: Senate?

CHAIRWOMAN KRUEGER: Senator Kennedy.

SENATOR KENNEDY: Yes, I just want to say thank you to each of you. We've worked together respectively in your various roles, and each one of you has been extremely professional and helpful in my office's

ability to move a number of different initiatives forward.

So you are constantly communicating with me and my team, and I just want to say thank you again. Chairman Magnarelli mentioned your patience here today. It has been an almost nine-hour -- actually, a nine-and-a-half-hour event today in this hearing.

They tried to kick us out about four hours ago. They turned the lights out on us. We didn't relent.

But in all sincerity, you all play pivotal roles in the transportation network in this state. Commercial rail, passenger rail, and aviation -- we are investing in all of the above. I look forward to our continued work together. So thank you.

MR. STRAUSS: Thank you.

MR. WIGGER: Thank you.

MR. TOPPING: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Senator Hinchey.

SENATOR HINCHEY: Great, thank you so

much. I also echo my colleague's sentiments, so thanks for hanging on with us here.

My question is for Mr. Wigger, but open for anybody who can answer. We have CSX that runs through -- I have now the luxury of representing both sides of the Hudson, so I picked up new passenger rail. But I have -- I'm continuing to represent our freight rail, and I have seen the pretty dilapidated rail lines that CSX runs on, especially along the Hudson. And so my question, I guess, to you is -- freight rail inspectors. Do we have enough of them? Do we need more? Is that a funding thing that we need more support from the state?

How can we help -- how can we help your members, right, and how can we help CSX do the right thing but also hold them accountable to make sure that the important and often questionable things that they're carrying within those cars -- "questionable" meaning we don't know what they are -- right along the Hudson we're working so hard to clean up -- God forbid something happens.

But again, I've seen firsthand kind of the state that much of this rail line is in. So can you talk a little bit about what that looks like and what we need?

MR. WIGGER: Sure, I'd be glad to.

As far as the inspectors, I know, you know, we've got state inspectors -- and also the FRA also has their inspectors too. And, you know, just anecdotally what I hear from my members is they're always out there. They're always looking at tracks and their yards, and you know --

SENATOR HINCHEY: We hear something very differently.

MR. WIGGER: Okay.

(Laughter.)

MR. WIGGER: I'm sure.

But, you know, safety is the number-one priority for the whole industry. And that's, you know, what they focus on.

As far as, you know, the infrastructure, you know, it always comes down to dollars, you know, putting money into the ground. And we have a freight rail program here in the state that we've really been able to boost up over the past 10 years or so. It was after the 2005 bond act money ran out. It was zeroed out, so we had -- there was no money.

We've been -- gradually been able to build this up. It's more for like kind of the smaller railroads and everything. Like when you talk about CSX, their products are just so much bigger in scale, you know. So this program that we have for the state really can only take it so far.

SENATOR HINCHEY: So the answer -- what I'm hearing is no, we don't really have a funding mechanism to help.

But also, I don't have the numbers in front of me. I wish I did. We'll follow up

separately. I know that the numbers for state inspectors is very low. And what we've actually been told is they do not have the capacity or the time to be able to look at much of the freight rail.

And the same with federal. They're looking at -- across the nation, right, and they're not actually in our backyard. I know it because I've seen the lines effectively held together with duct tape and wood along the Hudson.

So it's something maybe we can work on together to actually get some changes and safety brought to the rail line along the Hudson River.

MR. WIGGER: Be glad to follow up with you, absolutely.

SENATOR HINCHEY: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you. Thank you for being here today with us.

This concludes the Joint Budget Transportation Hearing. Tomorrow the committees will reconvene at 9:30 a.m. for the Public Protection Hearing.

Thank you all for your participation today.

CHAIRWOMAN KRUEGER: Thank you very much.

MR. WIGGER: Thank you.

MR. STRAUSS: Thank you.

CHAIRWOMAN KRUEGER: Thank you for waiting so long for us.

(Whereupon, the budget hearing concluded at 8:03 p.m.)