



Metropolitan Transportation Authority

State of New York

March 13, 2012

The Honorable Dean G. Skelos
Majority Leader
New York State Senate
330 State Capitol
Albany, NY 12247

Dear Senator Skelos:

I was very distressed to learn that the Senate budget resolution (S.6258-C) contained neither the required increase in the MTA's bonding authority nor the appropriation for our Capital Program to maintain the current level of state funding. These provisions were included in both the Governor's Executive Budget and the Assembly's budget resolution (A.9058-C). These items, along with the approval of the MTA's proposed amendment to the 2010-14 Capital Program, are essential to allow us to continue to make the important transportation investments that the twelve counties of the Metropolitan New York Region desperately need.

As you know, the transit system is vital to the region's economy - it both gets people to jobs and creates jobs. Over 80% of commuters into the NY central business districts during peak hours use the MTA systems, and MTA's 2012 capital program alone will account for over 20% of New York City construction jobs. Furthermore, the Capital Program's continued purchase of rail cars, buses and other equipment provides significant economic benefit to New Yorkers far beyond the New York Metropolitan region. With approval of the above items, nearly \$1 billion of projects could be committed right now, but these contracts and the tens of thousands of jobs that would be generated by them are now at risk.

In addition, we are in the midst of seeking a \$3.0 billion loan from the Federal government that will allow us to complete East Side Access, a project that will transform the Long Island economy by cutting 40 minutes off an average commute and bringing Long Islanders closer to higher paying jobs in New York City's economic center. The favorable terms of this loan provide the MTA Capital Program with \$550 million in additional value over what traditional bonds would provide. While the Federal government is looking favorably on this loan, they have made clear that its approval will be contingent on a fully funded capital program. Specifically, they have stated that only by fully funding the capital program will they be satisfied that the State has demonstrated an equal commitment to maintaining the transit network's new and existing infrastructure. If the Senate's budget resolution were enacted, it would clearly call into question the State's commitment to its transit system and

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will jeopardize the loan and our ability to complete East Side Access and the current phase of the Second Avenue Subway as well.

"Mega Projects" are not the only programs at risk. In 2012 alone, in addition to \$3 billion in mega contracts, the MTA anticipates implementing \$2.76 billion in core projects, including over half a billion dollars for essential state of good repair work for the commuter railroads - all of which would be in jeopardy.

I urge you to work with your colleagues to ensure that the Governor's and Assembly's provisions are included in the bill that finally passes both the Senate and Assembly so that the vital projects that the MTA has ready to go, and the thousands of jobs they create, can move ahead.

Thank you very much for your consideration, and I look forward to working with you to continue the progress that New York has made over the last 30 years of consistent investment in the transit system.

Respectfully,

A handwritten signature in black ink, appearing to read "Joseph J. Lhota". The signature is written in a cursive, flowing style.

Joseph J. Lhota

cc: Senator DeFrancisco
Senator Fuschillo
Senator Golden