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New York Transportation: Big Dreams, Petty Turf Wars

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Beyond the initial cheerleading for a new central terminal at LaGuardia Airport, questions linger about how much will it cost and who will pay for such ancillary projects as an air-train connector.

Funding disputes have impeded the replacement of aging train tunnels under the Hudson River and triggered cattle-prodding from federal leaders, including U.S. Sen. Charles Schumer, D-N.Y.

And the New York Metropolitan Transportation Authority's capital funding dilemma dangles in a messy, three-pronged tussle among the authority, Gov. Andrew Cuomo and Mayor Bill de Blasio.

Loose ends litter the tracks in all three New York-area scenarios. Political strife is a common denominator.

"Those loose ends are called dollars," said Robert Paaswell, a civil engineering professor at City University of New York and director emeritus of its federally supported University Transportation Research Center.

"There is no collective thinking, no unified transportation plan," said Paaswell, a former executive director of the Chicago Transit Authority. "All these agencies are not thinking in terms of innovation, but protecting turf. It's all about turf, turf, turf rather than getting together."

These scenarios play out among two governors, a big-city mayor, the federal government and various agencies including Amtrak, MTA, the Port Authority of New York and New Jersey, and NJ Transit.

"Everyone can blame everybody else," said Nicole Gelinas, a senior fellow for the Manhattan Institute for Policy Research.

According to Emil Frankel, a senior fellow at the Washington think tank Eno Center for Transportation and a former assistant secretary for transportation policy at the U.S. Department of Transportation, a leadership void exists.

"I see a weakening of the institutions like the MTA and Port Authority over the last 30, 40 or 50 years," said Frankel, speaking for himself. "What's happening is a lack of capital revenue and a lack of political leadership. Port Authority has become so politicized it's almost dysfunctional. Hopefully they can get it together on a major project like LaGuardia."

LaGuardia skeptics wonder how far cost overruns will extend past Cuomo's estimate of \$4 billion.

Criticism has come from other fronts as well. In an interview with WABC Radio in New York, retired hero pilot Chesley "Sully" Sullenberger, who commandeered the emergency landing on the Hudson River of a flight from LaGuardia in 2009, said the plan still leaves runways that push into the East River and Flushing Bay dangerously short.

While talk about a new LaGuardia terminal in northern Queens has percolated for years, the air train concept there is new. Gov. Andrew Cuomo trumpeted it last month when he unveiled the airport proposal along with Vice President Joseph Biden, who a year ago derided LaGuardia as "third world."

"Would it be an MTA project or Port Authority project?," Gelinas said of the train-to-the plane proposal.

"Probably make more sense to be a Port Authority project, but no one has stepped in and said 'Hey, we want to pay for this.' "

Air train cost estimates have ranged from \$500 million to \$1 billion.

The MTA, one of the largest municipal issuers with nearly \$36 billion in debt, operates New York City's subways and buses, the Long Island and Metro-North commuter railroads, seven bridges and two tunnels. A state review panel last fall rejected the authority's proposed five-year, \$32 billion capital program, citing a gap of \$15 billion or nearly half the plan.

Some disconnect derives from the MTA's status as a state agency despite its New York City focus.

Frankel, Connecticut's transportation commissioner in the early 1990s and a member of Gov. Dannel Malloy's Transportation Finance Panel in that state, called on Cuomo to provide more backbone for the authority.

"You need a strong MTA to carry out projects. It's [Cuomo's] budget. He has to be strong and provide persistent leadership," said Frankel. "I say, respectfully, about the governor that his support for the MTA comes and goes."

Over the summer, the MTA said it could pare at least \$3 billion off its capital needs through procurement streamlining and other efficiencies. Authority Chairman Thomas Prendergast has expressed interest in alternative delivery methods such as public-private partnerships, though the window needs to open a bit statewide.

"New York-based agencies, including MTA, are constrained from undertaking P3s as New York State does not have P3 legislation in place," said Roddy Devlin, a project finance and P3 attorney at Squire Patton Boggs. "In fact, the two-year design-build trial period has expired, even though it was widely hailed as producing significant cost savings to state agencies."

Cuomo has said he would offer MTA an additional \$8 billion to its capital plan in next year's state budget.

Prendergast is [asking New York City](#) to quintuple its contribution to the capital plan to \$3.2 billion to cover the balance and fully fund the plan. Cuomo is on board with that request.

Mayor Bill de Blasio and city Comptroller Scott Stringer both say the city pays the MTA plenty enough given the state taxes city residents pay.

According to Stringer, the total operating contribution to the MTA from city residents and businesses exceeded \$10.1 billion in fiscal 2014. Of that sum, city taxes, subsidies from the city's budget and direct expenditures accounted for \$4.8 billion, which Stringer says effectively creates an "invisible fare" equivalent to \$130 per month for every household.

Although the city's \$78.5 billion fiscal 2016 budget exceeds by 10% the last spending plan under de Blasio's predecessor, Michael Bloomberg, out-year budget gaps loom and de Blasio of late has warned about another cyclical recession that could occur within the five years of the MTA's plan.

Still, the city is in better shape than the rest of the state, according to Gelinas. That might make Cuomo's extra \$8 billion for MTA a tougher sell in Albany come January.

"We're seeing a tale of two states right now," she said. "De Blasio's whole mayoralty is built around inequality, but New York City is the most unequal part of the state if you will, so we're the ones who owe money to the rest of the state under de Blasio's theory of [take from] the rich and give to the poor."

Looking to break a cross-border logjam as commuter train breakdowns escalate, Schumer - the proverbial adult in the room to some -- recently proposed establishing a development corporation to run point for building two train tunnels under the Hudson River connecting New Jersey and New York.

Under Schumer's plan, New York State, New Jersey, New York City, the U.S. Department of Transportation, Amtrak, MTA, New Jersey Transit and the Port Authority would all participate.

"This would be the Port Authority's sweet spot, being a project serving both New Jersey and New York," said Devlin. "Given the costs of a new tunnel, some degree of federal funding is likely. You could make an extremely strong case that such a tunnel is a regional and national priority, given the importance of New York to the U.S. economy."

Paaswell sees the benefits of a new agency with new bonding capacity and innovative contracting mechanisms. "Schumer has the right idea," said Paaswell. "We need a new authority, though God help us, our existing authorities aren't being managed the way they were when they started out 70 or 80 years ago."

New Jersey Gov. Chris Christie met in [Newark on Tuesday](#) with federal transportation officials after U.S. Transportation Secretary Anthony Foxx prodded Christie and Cuomo to expedite Amtrak's so-called Gateway project, estimated to cost up to \$20 billion. Cuomo, who wants to see more funding specifics, did not attend the meeting.

Christie in 2010 rejected the plan as too costly to New Jersey.

Gelinas worries that Schumer's plan would merely add an extra bureaucratic layer. "He didn't solve any problems," she said. "The corporation needs money. They need revenue. They can't borrow debt unless they have a revenue [stream]."

Citing Amtrak's collaboration with the MTA on East Side access track work, Gelinas also said union rules such as restrictions on weekend work for qualified people have effectively forced up project costs and added delays. "This has added years and years of delays and hundreds of millions in cost overruns," she said. "If we don't take a look at these work rules and other issues, we're going to have the same problems on the Hudson tunnel."