

Memorandum



Metropolitan Transportation Authority

DATE: June 2, 2003

To: Richard Platkin, Counsel to the Governor

From: Christopher P. Boylan, Deputy Executive Director, Corporate Affairs and Communications
Metropolitan Transportation Authority

Re: 2003 Legislative Proposal #5R

1. Purpose:

This bill would facilitate the restructuring of the Metropolitan Transportation Authority ("MTA") in accordance with a plan proposed by the MTA Chairman last fall that reflects new regional transportation demographics, streamlined management and more cost-efficient operation. It would repeal existing sections of the Public Authorities Law creating the MTA and its constituent agencies and would create new agencies that combine like functions, avoid duplication of effort and promote operational and administrative efficiency. This bill would also establish: (1) clear standards for what constitutes a substantial change in service on the MTA's subway, bus and commuter rail systems, as well as the reporting and public hearing requirements for implementing such changes; (2) reporting requirements for safety related statistics and initiatives; and (3) detailed procedures for MTA's auditing, budgeting and financial reporting process. This bill would also require MTA to establish guidelines with respect to certain lobbying activities relating to the procurement process.

2. Summary of Provisions:

Section one of the bill would repeal the existing Triborough Bridge and Tunnel Authority Act, Public Authorities Law §§ 550-571.

Section two of the bill would repeal Sections 1200 through 1271 of the Public Authorities Law, which create and define the New York City Transit Authority (NYCTA).

Section three of the bill would repeal the Metropolitan Transportation Authority Act, Public Authorities Law §§ 1260-1270-b, and enact in its place a new statute that would replace the repealed sections and create and define the MTA and its operating subsidiaries: (1) MTA Bridges and Tunnels (as successor to the Triborough Bridge and Tunnel Authority (TBTA)); (2) MTA Bus (as successor to the former NYCTA bus operations plus the Long Island Bus operations); (3) MTA Capital Construction (a new agency to carry out major capital improvements); (4) MTA Rail (as successor to the Long Island Rail Road Company (to be known as MTA Rail – Long Island)) and Metro North Commuter Railroad Company (to be known as MTA Rail – Metro-North)); and (5) MTA Subways (as successor to the subway operations of the NYCTA).

1 political subdivision shall be deemed to refer to and include MTA bus. For the purposes of
2 subparagraph (i) of paragraph three of subsection (c) of section six hundred twelve of the tax
3 law, the term subdivisions, referring to subdivisions of the state, shall be deemed to refer to and
4 include the former Manhattan and Bronx surface transit operating authority and MTA agencies.

5 §1273. MTA rail – creation. 1. There is hereby created, as a subsidiary of the authority, a
6 body corporate and politic constituting a public benefit corporation to be known as “MTA rail.”

7 2. MTA rail, the corporation created by subsection one of this section, and the Long Island
8 rail road company and Metro-North commuter railroad company, the corporations created by
9 action of the board of the authority, are hereby consolidated into a single corporation, which
10 shall be a continuance of the corporate existence of the corporations and authorities so
11 consolidated.

12 3. In this section, the words “original authorities” refers to the Long Island rail road company
13 and Metro-North commuter railroad company, which are consolidated pursuant to subdivision
14 two of this section before their respective consolidations, and the words “consolidated
15 corporation” refer to the single corporation resulting from consolidation.

16 4. The board of MTA rail shall be the board of the authority and all powers of the
17 consolidated corporation shall be vested in and exercised by such board.

18 5. All property, rights and powers of the original authorities are hereby vested in and shall
19 be exercised by the consolidated corporation, subject, however, to all pledges, covenants,
20 agreements and trusts made or created by the original authorities.

21 6. All debts, liabilities, obligations, agreements and covenants of the original authorities are
22 hereby imposed upon the consolidated corporation.

23 7. All bondholders and other creditors of the original authorities and persons having claims
24 against or contracts with the original authorities of any kind or character may enforce such
25 debts, claims and contracts against the consolidated corporation in the same manner as they



Metropolitan Transportation Authority

State of New York

October 11, 2002

Dear MTA Colleague:

The MTA restructuring strategy I announced earlier this week in the attached press release is designed to ensure that the Authority is better positioned in the 21st Century to meet the region's demands on our transportation network -- from commuter rails, to subways, to buses, to bridges and tunnels. The guiding principles of the strategy are to serve our customers in the most effective and efficient means possible and to respect our employees, their contributions, and the great achievements we have attained in the Authority's 37 years.

First and foremost, the restructuring will enable us to further improve services to our eight million daily customers. The world, our region, and our customer base have changed over the past few years, and we need to be better poised to respond to the changing travel patterns and burgeoning ridership we have experienced in that time.

Therefore, over the next two years, we will systematically put in place a new organizational structure that will efficiently support both ongoing transportation operations as well as the significant system expansion projects that are needed to address growing regional transportation needs.

The details of the entire restructuring will be developed over the implementation timetable through which we will create five distinct companies under the MTA umbrella, each with a single transportation-related mission:

- **MTA Railroad** (bringing Long Island Rail Road and MetroNorth Railroad together as one rail entity)
- **MTA Subway** (which will include the existing NYC Transit subway system and the Staten Island Railway)
- **MTA Bus** (which will include the NYC Transit bus system, MTA Long Island Bus, and MaBSTOA)
- **MTA Capital** (which will oversee expansion projects for all MTA companies, including East Side Access, the Second Avenue subway, etc.)
- **MTA Bridges and Tunnels** (which will largely remain in its current structure)

October 9, 2002

IMMEDIATE

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METROPOLITAN TRANSPORTATION AUTHORITY ANNOUNCES HISTORIC RESTRUCTURING

Peter S. Kalikow, Chairman of the Metropolitan Transportation Authority, today announced a restructuring of the Authority, designed to further improve services to its customers. The initiative, with the most sweeping changes in the Authority's 37-year history, will result in the merging of various umbrella agencies into five distinct companies under the MTA, each with a single transportation mission.

The restructuring, which will begin immediately and be phased in over a two-year period, will result in the creation of the following companies:

- **MTA Rail Road, formerly Long Island Rail Road and Metro-North Railroad**
- **MTA Subway, which will include NYC Transit (subways) and Staten Island Railway**
- **MTA Bus, formerly Long Island Bus, MaBSTOA, and NYC Transit (buses)**
- **MTA Capital, in charge of overseeing system expansion projects for all MTA companies**
- **MTA Bridges and Tunnels**

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