

## **December 10, 2003: A Breakfast with Katherine Lapp *Executive Director and Chief Operating Officer of the Metropolitan Transportation Authority***

By Shana Kaplan

Katherine N. Lapp, Executive Director and Chief Operating Officer of the Metropolitan Transportation Authority (MTA) appealed to transportation officials to mobilize support and funding for the MTA's next five-year capital plan at a policy maker breakfast conference on December 10, 2003. The event was sponsored by the Rudin Center for Transportation Policy & Management in cooperation with the Council on Transportation.

According to Lapp, between the early 1980s and 2002, approximately \$44 billion was invested in the restoration of the MTA. The current capital plan spanning 2000-2004 is the largest reinvestment ever, reaching upwards of \$19 billion. Twenty years ago, the majority of the budget was directed towards bringing the system to a state of good repair. Today, Lapp said, more visible improvements, such as clean and hybrid air buses, new trains and system expansion demand the bulk of funds.

Lapp noted that although system performance has significantly improved, the MTA is not free from serious financial problems. Though the budget is balanced through 2004, Lapp predicts a \$1.5 billion budget deficit by the end of 2007.

Major financial challenges faced by the MTA include repaying subsidized debts that are expected to increase by nearly 50 percent by 2007, pension and healthcare upsurges, and other non-recurring financial incentives. Additional tasks the MTA must simultaneously confront include maintaining the \$800 million share of federal funds for its capital program and creating a financial forecast for 2005-2009. In October, the MTA instituted a program that would provide a report on its financial structure every four years.

"We have a lot more to do, but this is a good start," she said.

Lapp emphasized repeatedly that the MTA's first and foremost role in the city is as a public service institution. "We're like an Amazon.com," she said. "We do lose a little money, but we provide a great public service."

Lapp finished by requesting the attendees' advice on gaining support for the importance of mass transportation, accomplishing financial success, and improving MTA-commuter communication. In return, she promised the MTA will provide the best possible service, improve its transparency and financial as well as operational reporting, and be open to new ideas.