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STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

September 16, 2015

Mr. Thomas F. Prendergast
Chairman and Chief Executive Officer
Metropolitan Transportation Authority
347 Madison Avenue
New York, NY 10017

Re: Subway Service Diversions for
Maintenance and Capital Projects
Report 2014-F-10

Dear Mr. Prendergast:

Pursuant to the State Comptroller's authority as set forth in Article X, Section 5 of the State Constitution and Section 2803 of the Public Authorities Law, we have followed up on the actions taken by officials of the Metropolitan Transportation Authority - New York City Transit to implement the recommendations contained in our prior audit report, *Subway Service Diversions for Maintenance and Capital Projects* (2010-S-34).

Background, Scope, and Objective

The Metropolitan Transportation Authority (MTA) is a public benefit corporation providing transportation services in and around the New York City metropolitan area. The MTA consists of six constituent agencies including New York City Transit (Transit), which provides subway service throughout four boroughs of New York City.

Transit is responsible for completing capital projects related to the subway system and for maintaining subway tracks to ensure that trains run safely. To do this work it is sometimes necessary to close down either all or a portion of a subway line (called a diversion). Each diversion has an associated General Order (GO) that states the start and end times for the work. General Order Worksheets are used by Transit to record the actual times for each step in a service diversion. When possible, Transit diverts service to another subway line or uses shuttle buses to take the public from one station to another. For the period January 1, 2011 to December 24, 2014 there were 10,527 diversions that had a service plan. We sampled from a population of 5,993 diversions, which excluded certain diversions, such as those that were cancelled or that may have begun prior to June 30, 2011.

Transit is responsible for planning and implementing subway service diversions. This includes shutting off power to the affected subway tracks, determining how long the tracks need to be out of service, ensuring workers get to the tracks in a timely manner, restoring power and train service when the work is done, providing alternate service, and alerting the riding public about the diversion.

Our prior audit determined that while Transit has a number of policies and procedures for managing and controlling subway diversions, more needed to be done. Specifically, the prior audit found that diversion costs were not adequately monitored, and daily work on diversions often started late and ended early. As a result, Transit could not justify why diversion costs exceeded budgets, and unproductive time associated with the late starts and early end times ranged from 10 to 27 percent. In addition, the public was not adequately informed about diversions, shuttle bus service was not planned using current ridership data, and the budget for diversion advertisements to communicate information about planned service changes due to diversions appeared to be too low for a ridership of 2.3 billion annually.

We issued our initial audit report on July 29, 2011. The objective of our follow-up review was to assess the extent of implementation, as of July 13, 2015, of the five recommendations included in our initial report.

Summary Conclusions and Status of Audit Recommendations

We found Transit officials have made some progress in correcting the problems we identified. However, additional improvements are needed. Of the five prior audit recommendations, two were implemented, two were partially implemented, and one was not implemented.

Follow-up Observations

Recommendation 1

Monitor actual expenditures for service diversions and document the justification and supporting analysis for any spending over budgeted amounts.

Status - Not Implemented

Agency Action - In its 90-day response to our prior report, the MTA stated it was developing a cost-control plan that will enhance the MTA's ability to monitor and control GO costs. However, we found no evidence of monitoring of actual expenditures for the five service diversions sampled. Transit was unable to provide documentation to demonstrate the amount that was actually spent on these service diversions. Instead, Transit provided budgets prepared for two diversions that were for maintenance of way track work. For another service diversion, which was for a project that was paid for by another Authority, Transit provided information about the reimbursement but not the budget or actual costs. A Transit official explained that actual costs are compared to budget on a project basis, not on a diversion basis.

Recommendation 2

Ensure that daily scheduled start and end times for service diversions are adhered to by assigned staff, and commence subway service as soon as possible after diversions are completed.

Status - Partially Implemented

Agency Action - We reviewed GO Worksheets for 57 service diversions and found that 42 (74 percent) of them did not start on time. For example, 9 of the 38 service diversions started at least one hour after the scheduled start time. However, just 6 (11 percent) ended early. These results were better than the 97 percent that started late and 72 percent that ended early in the prior audit. Transit could not provide GO Worksheets for 28 diversions.

Recommendation 3

Implement a methodology for using current ridership data and other appropriate factors to determine bus deployment for transporting riders during a subway diversion.

Status - Implemented

Agency Action - Transit has implemented a system for using ridership data to determine the need for shuttle buses when a service diversion requires their use.

Recommendation 4

Adhere to federal law and Transit procedures related to communicating with the public regarding diversions.

Status - Partially Implemented

Agency Action - Transit officials did not provide us with any formal procedures established to comply with requirements of Title VI of the Civil Rights Act pertaining to Limited English Proficiency. Further, officials stated that there are no written criteria specifying what languages the posted signs should use. We visited 29 stations between February 13, 2015 and April 9, 2015 and found that three stations had English-only signs and platforms were generally well-covered by signs. However, station entrances were not; there were no signs at one of the stations visited, and in one other case, signs were posted the day before a diversion, giving riders less than 24 hours notice.

Recommendation 5

Re-evaluate the budget amount for alerting the riding public about planned service changes due to diversions.

Status - Implemented

Agency Action - The MTA significantly increased the budget, from \$258,000 in 2012 to \$857,997 in 2013 and \$1.06 million in 2014.

Major contributors to this report were Robert Mehrhoff, Daniel Raczynski, Richard Moriarty, and Bei Lei Wang.

We would appreciate your response to this report within 30 days, indicating any actions planned to address the unresolved issues discussed in this report. We thank the management and staff of the Metropolitan Transportation Authority-New York City Transit for the courtesies and cooperation extended to our auditors during this review.

Very truly yours,

Carmen Maldonado
Audit Director

cc: M. Fucilli, MTA Auditor General
D. Jurgens, MTA Audit Services
NYS Division of the Budget