

Comptroller lambastes fare hikes

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New York City Comptroller William Thompson on Tuesday made recommendations to the state and city government that would allow the Metropolitan Transportation Authority to indefinitely delay proposed fare and toll increases next year.

In a report titled "Putting the Brakes on the Bus and Subway Fare," Mr. Thompson identified six sources of local revenue that could collectively generate \$728 million annually for the MTA.

"We simply must look at any and all sources of revenue that can be applied to eliminate - or at least to minimize - any fare or toll increase in the immediate future," Mr. Thompson said.

The proposed funding is directed at both the MTA and New York City Transit. The latter accounts for 62.5% of the MTA's operating costs, 90% of its total ridership, and 85% of all transit trips in the state.

Among his recommendation, Mr. Thompson asked the state to restore a historical program that funded the MTA through the state's general fund rather than a transportation-specific reserve, generating \$142.4 million for NYC Transit annually. Mr. Thompson also asked the state to remove funding caps on the program, creating an additional \$390.8 million in city and state funds to NYC Transit.

Other recommendations include updating the distribution formula for the MTA Bridges and Tunnels surplus to reflect inflation and current use and eliminating the practice of using downstate regional tax revenues to support upstate transit systems. Mr. Thompson also suggested increasing the reimbursement for authorized school bus and subway trips and reinstating the funding of the Staten Island Rapid Transit system deficit.

In the report, Mr. Thompson argued that the proposed funding is already owed to the MTA, based on programs that have only been eliminated in recent years. Four of the six recommendations would require state approval.

"We appreciate the Comptroller's report's acknowledge of the vital infrastructure funding needs and \$6 billion in deficits we face over the next four years," the MTA wrote in a statement. "Based on his findings, we hope the Comptroller will partner with us in advocating for the appropriation of this critical funding in Albany and at City Hall."

[From the Comptroller's August 7, 2007 statement]

All of the recommended additional revenue comes from existing dedicated tax funds or subsidy programs, primarily from restoring revenue transferred from NYCT in previous years or from formula payment programs which the State has capped at levels below what NYCT is eligible to receive. The proposals are:

1. The State of New York should resume its previous practice of funding the State share of the State Transit Assistance Program (“the 18-b program”) from the State General Fund.

The State money is matched by localities. In 2002, the State started paying its share out of a separate fund financed by taxes collected only in the MTA region such as the 0.375% additional sales tax. Previously, the MTA was receiving 18-b aid in addition to the money from the separate fund. This shift meant a loss of over \$140 million a year in subsidies to NYCT.

Total annual revenue: **\$142.4 million**

2. The State cap on the 18-b Assistance Program should be lifted.

Total annual revenue: **\$390.7 (\$195.4 from State; \$195.4 from City)**

3. Adjust the MTA Bridges and Tunnels surplus distribution formula to reflect 39 years of inflation. Then alter the formula again to reflect the distribution of users of the toll facilities (55% city residents).

Total annual revenue: **Up to \$83.5 million redistributed to NYCT from the commuter railroads**

4. Stop using dedicated downstate regional transit tax revenue from the Metropolitan Mass Transportation Operating Assistance (MMTOA) fund to finance upstate transit system needs. Instead, fund them from upstate regional taxes or other state-wide taxes.

Total annual revenue: **\$13.3 million**

5. Adjust the school fare subsidy from the City and State of New York to more accurately reflect actual use of student Metrocards.

Total annual revenue: **\$71.5 million (\$32.9 million City, \$38.6 million State)**

6. Resume the practice of the City funding the deficit of the Staten Island Rapid Transit System.

Total annual revenue: **\$26.4 million**

For the Comptroller's report:

http://www.comptroller.nyc.gov/bureaus/opm/reports/080707-MTA_revenue_options_rpt.pdf