

TESTIMONY OF
ARTHUR CHELIOTES
On the Proposed Congestion Tax



March 24, 2008

Council members,

My name is Arthur Cheliotas, President of Local 1180 of the Communications Workers of America representing over 9,000 workers, most working in NYC agencies as supervisors and administrators. Over 90% of our members are city residents.

Reducing pollution is laudable.

Expanding and improving mass transit is laudable

A regressive tax to pay for it... outrageous!

Therefore, Local 1180 opposes the proposed regressive congestion tax.

Government at every level has substantially cut taxes for those most able to pay since Ronald Reagan became president. So while corporations and the rich grew richer from the money they made on the brains and backs of working families, the average citizen saw increases in use taxes, such as CUNY tuition and transit fares and increases in property and sales taxes. Add to that cuts in services, a deteriorating infrastructure, and increases in government debt. All these burdens placed on the backs of working families today and for generations to come.

Funding government to provide vital services must come from a progressive form of taxation that allows working families to survive. Today, an executive secretary earning \$60,000 annually paying NYC income tax, is in the same top tax bracket as her boss earning tens and hundreds of times more. NYC once had a sales tax on stock trades it was repealed during the Koch administration. The stock transfer tax brought in hundreds of millions of dollars from New York's most successful business sector that tax helped our city subsidize mass transit, schools and roads.

Most New Yorkers who own cars are not rich even though owning a car is expensive. It is not a luxury; it is a necessity in many parts of our city. A Manhattan centric view of the convenience of mass transit distorts the reality of limited or non-existing service for most New Yorkers in the outer boroughs. Most New Yorkers who drive into Manhattan every day do so because they have to earn a living. The mass transit system does not offer services to their neighborhoods. Others have to drive due to the demands of family or holding down two or three jobs.

Some members of Local 1180 who do drive do so out of the time demands of work, family and school attendance. Their family responsibilities require multiple stops to drop off and pick up children from day care and school. Others must coordinate their schedules with home attendants caring for elderly parents. Medical necessity is another reason they have no choice but to drive. While they may not qualify for handicapped parking permits, many that drive have medical conditions that make walking up and down subway stairs impossible and getting on a bus difficult.

Some members of Local 1180 are subsisting in a fragile economic and social balance that this regressive congestion tax of \$2,000 annually will send crashing into chaos. Many families with two wage earners are in the top tax bracket for state and city taxes though the total family income is less than \$70,000 annually. Use taxes and sales taxes take a bigger proportionate bite out of their net income than those who can afford million dollar co-ops in Manhattan. Members who are lucky enough to be in an apartment covered by the rent stabilization law still experienced rent increases passed by the rent guidelines board that eroded much of the raise they got from our last union contract. If they own a home or apartment, mass transit service is usually very limited and a car becomes a necessity. As one member said to me, "Thanks for the three percent raise you got me but I've got car payments and a seven percent mortgage."

Their employer the City of New York has not been a model employer when it comes to relieving congestion in New York. In the past, many city workers who are my members could work staggered work hours, compressed workweeks, or a flexible schedule. This reduced the burden on mass transit during peak hours and allowed workers to tend to family responsibilities. In the last decade, these options have been reduced substantially. Instead, workers now face discipline when they are forced to deal with the stresses of family life.

My own experience as a commuting driver from northeast Queens to lower Manhattan most weekdays convinces me that the proposed tolls on the East River bridges is not a congestion tax it is a destination tax. Much of the congestion in the mornings does not occur in Manhattan but on the approach roads in the outer boroughs. In the course of the day when I must travel from the union office to worksites throughout the city, much of the congestion I see is caused by the legitimate business activity of New Yorkers that produces considerable revenue for our economy and the City's treasury. In midtown, I observe an ocean of yellow cabs congesting 6th Avenue as I go uptown, a river of pedestrians flow along the sidewalks and flood crosswalks as they go about their business but also stop turning cabs. Double and some times triple parked trucks are like boulders in a stream narrowing the flow of traffic as they carry out their legitimate business on our city streets.

We have not built the infrastructure to accommodate the masses of humanity in midtown. In my travels around the city I've observed some solutions to congestion that need to be expanded such as the network of tunnels in Rockefeller Center and pedestrian bridges at the World Trade Center. We need more of that type of infrastructure. In Las Vegas, pedestrian bridges with escalators and elevators facilitate safety, access, convenience and traffic flow. Last summer I was in Hong Kong and used the ferry system to reach the central business district. I rarely had to cross the street from the ferry terminal through the downtown business district because pedestrians have a network of covered, elevated and moving sidewalks that keep them safe and comfortable.

The loss of revenue due to the shifting of personal and corporate income taxes from the rich to average working families is the reason we have not invested in our infrastructure, our transit system, our health care and school systems. It is why the transit fare had to be raised, sales and property taxes increased. Another regressive tax carried on the backs of working families to pay for these legitimate improvements in our mass transit system is not the answer. A federal incentive for mass transit from the Bush administration, a subsidiary of the oil companies is suspect. Given their history on environmental issues, I find it hard to believe that the Bush administration is going to give our city any money to improve the environment without a hidden agenda. A prudent person must ask if the funding they are offering is as guaranteed as finding weapons of mass destruction in Iraq? Is the funding more credible than the aid Bush assured us following the attack on September 11th, 2001? What about federal funds promised for our 911 heroes or those stricken ill in the rescue and recovery effort? This lame duck administration has a history of lies, reasonable people must take pause on anything they say.

It is fair to say, 'Beware of George Bush bearing gifts!'

Vote no to a regressive congestion tax. Improve mass transit and clean the environment with a progressive funding mechanism.