

**Testimony of the Permanent Citizens Advisory Committee
to the Metropolitan Transportation Authority
before the MTA Board on the
Proposed Fare Increase
November 5, 2007**

Good Evening. My name is Ellyn Shannon. I am the Transportation Planner for the Permanent Citizens Advisory Committee (PCAC) to the Metropolitan Transportation Authority (MTA). The PCAC is the coordinating body for the legislatively mandated commuter councils: the Long Island Rail Road Commuter's Council, the Metro-North Railroad Commuter Council and the New York City Transit Riders Council. The Councils' volunteer members are appointed by the Governor upon the recommendation of local elected officials to represent the interests of the MTA's transit and commuter rail customers.

We have heard much about increased state and local aid, but have no firm assurances of any such additional resources from the MTA's funding partners and past experience does not encourage us. The City and State have consistently underfunded New York City Transit in areas such as reimbursement for student transportation, and City assistance to the transit

system has declined precipitously in recent years. In addition, the State has failed to transmit to the MTA its full share of the Metropolitan Mass Transportation Operating Assistance Taxes, or MMTOA, instead allocating resources from general operating funds. The City notes that it is providing funding to the MTA in other forms, but these include a fixed level of funding for the 7 Line extension, which has never even been a priority of the MTA. Given the track record on many MTA projects, it now appears that the MTA will be liable for hundreds of millions of dollars of cost overruns incurred in its construction. As the expression goes, with friends like these...

The users of MTA subways, buses and commuter trains pay the greatest share of the cost of their rides of any system in the nation. Calculate the relationship between fares and expenses in any of several ways and MTA riders will always be at the top of the list. Elected officials in other large urban areas have found the resources to fund their transit systems; why should our elected officials fail to provide necessary resources to a system that provides a majority of the public transportation service in the nation? The MTA has not received the state and local government aid that it deserves and this situation must be remedied. Yet at present, while many

are discussing additional revenue from these sources, riders have no firm commitments to eliminate the need for a fare increase.

We are troubled by the lack of certainty in the specific fare proposals for NYC Transit, and do not support the the time-of-day variable pricing proposal, which would also do away with bonus cards. There is no assurance that this complex plan would succeed in shifting significant numbers of riders away from peak hour travel, but the burden of paying full fare seems certain to fall most heavily on blue collar and low-income workers, those least able to adjust their work hours.

Both the flat rate and time-of-day pricing proposals include a large differential between the daily cost of 30-day and 7-day MetroCards. We understand there is a benefit to the MTA in encouraging use of longer term fare media and that a 14-day MetroCard has been proposed to bridge the gap between these time based cards, but the the price differential should not exceed the cost benefit to the MTA. This is particularly important as the price differential works to the disadvantage of those least able to afford the monthly cost of transportation.

We recognize that the MTA faces a sobering financial future. A strong economy has delayed the day of reckoning for the MTA, but in coming years, the Authority's costs will increase rapidly. Debt service, which in 2006 was \$860 million and consumed 22% of the MTA's farebox revenue, will rise to \$1.45 billion or 35% of the MTA's farebox revenue by 2011, and that figure assumes two fare increases in that period. This increased level of debt service is a direct result of inadequate State and City funding for capital expenses over the past decade and has led to the back-door funding of capital expenses out of the farebox.

The PCAC has consistently maintained that the quality and quantity of transit service provided by the MTA's operating agencies is our most important concern and we are pleased that the proposals under consideration include service enhancements rather than reductions. While no one wants to pay more for anything, decreases in transit service are a completely unacceptable means of balancing the operating budget, especially with rapidly, rising ridership. While we are very much concerned with the level of fares, we are even more concerned with maintaining and improving service. We certainly do not want a situation like that in Chicago, where anticipated increases in State aid did not materialize until the last

minute, forcing transit officials to plan for severe cuts in service. This region runs on public transportation. Above all we cannot afford massive cuts in service.

We want to state again that the PCAC continues to hold our elected officials primarily responsible for adequate funding of the MTA system. To date we have heard no ironclad assurance that assistance anywhere approaching the MTA's needs is forthcoming. This system is the economic engine of the most transit dependent area in the nation, and funding for its improvement and operation is the sort of prudent investment decision that we demand of our political leaders. We call upon this Board to take its responsibility seriously, to be forceful and forthright with our elected officials, and to craft a solution that protects both the service and the financial well being of the riders.

We thank the Board for the opportunity to testify on this important matter.