



**TESTIMONY
OF THE
NEW YORK PUBLIC INTEREST RESEARCH GROUP
STRAPHANGERS CAMPAIGN
BEFORE THE
JOINT HEARING OF THE SENATE FINANCE AND
ASSEMBLY WAYS AND MEANS COMMITTEES
REGARDING THE FISCAL YEAR 2023
EXECUTIVE TRANSPORTATION BUDGET PROPOSAL
February 6, 2022
Albany, N.Y.**

Good afternoon. My name is Megan Ahearn and I am the Program Director of the New York Public Interest Research Group's (NYPIRG) Straphangers Campaign. NYPIRG is a non-partisan, not for profit research and advocacy organization. Our main areas of concern include higher education, consumer rights, environmental protection, healthcare, and mass transportation. Since 1979, the Straphangers Campaign has advocated on behalf of the millions of riders of mass transit in New York City.

The economic and social health of New York City depends in large part on the success of its public transit system. It's a system that provides transportation to a population of more than 15.3 million people.¹ It's responsible for 40% of the nation's public transit rides.² It helps lower New York's high cost of living by ensuring city dwellers don't need a car. In short, it keeps the largest and busiest city in the country running while also providing transit to and from the Long Island suburbs and surrounding upstate communities.

New York State has a central role in the proper functioning of the Metropolitan Transportation Authority (MTA) by providing funding and appointing members to its board of directors.

We appreciate the opportunity to testify in response to the executive budget on transportation and share our perspective on funding for New York City's public transit.

THE MTA DEFICIT

As pandemic recovery efforts unfold across the city and state, the MTA continues to struggle to regain ridership and faces soaring annual budget deficits as a result. Approximately 93% of subway

¹ Metropolitan Transportation Authority, "About Us," <https://new.mta.info/about>.

² Office of the New York State Comptroller, "Existential Questions Facing National Public Transit Systems Create New Fiscal Pressures for MTA," July 2022, <https://www.osc.state.ny.us/reports/osdc/existential-questions-facing-national-public-transit-systems-create-new-fiscal-pressures-mta#:~:text=The%20Metropolitan%20Transportation%20Authority%20>.

stations saw fewer riders in 2022 than in 2019. Only 31 of the city's 475 stations saw ridership increase over pre-pandemic levels.³

Historically, the MTA has relied on fares for a significant portion of their overall revenue. Subway fares accounted for 42% of the MTA's revenue in 2019 but have dropped to 24.5% in 2022 due to a dramatic decrease in ridership.⁴ On Thursday February 2nd, 3.7 million people rode the subway - that's 65% of the ridership on the same day in 2019.⁵ The MTA has relied on fares for revenue more heavily than other U.S. transit systems and as a result was hit especially hard financially by the COVID pandemic.⁶

The federal government has provided \$15 billion in aid to help the MTA recover from financial losses during the pandemic. Due to slower than anticipated gains in ridership, the MTA will spend that money fast. With projected budget deficits of \$600 million in 2023 and \$1.2 billion in both 2024 and 2025, the state must provide additional funding so that the MTA can serve New Yorkers.⁷

The MTA has proposed a 5.5% fare hike to raise additional revenue.⁸ This is the wrong approach, especially at a time when the MTA is trying to attract more riders and taking into account its historic overreliance on fare revenue. In fact, when MTA Chairman Janno Lieber presented budget testimony last year he thanked the Governor for offering more state money to avoid fare hikes, calling it

“a major relief, since a fare hike makes no sense when we are trying to win back riders. It's just bad business logic.”⁹

It was true then and it is true now.

For New York City's college students, affording a Metrocard swipe or OMNY tap can be the difference between earning a degree or dropping out altogether. A recent survey by the Center for an Urban Future found that affording a Metrocard was the biggest financial barrier cited by students and advisors when discussing college costs.¹⁰ Acknowledging the importance of mass transit to education equity, New York City's K-12 students receive free Metrocards, yet that

³ Calder, R., and Worrell, G., “93% of NYC subway stations have fewer riders than before the pandemic,” New York Post, January 28, 2023, <https://nypost.com/2023/01/28/93-of-nyc-subway-stations-have-fewer-riders-than-pre-pandemic/>.

⁴ The Office of the State Comptroller, “Fare Revenue Considerations for the Metropolitan Transportation Authority,” November, 2022, <https://www.osc.state.ny.us/files/reports/osdc/pdf/fare-revenue-considerations-for-mta.pdf>.

⁵ MTA, “Day-by-day ridership numbers,” February 2, 2023, <https://new.mta.info/coronavirus/ridership>.

⁶ The Office of the State Comptroller, “Fare Revenue Considerations for the Metropolitan Transportation Authority,” November 2022, <https://www.osc.state.ny.us/files/reports/osdc/pdf/fare-revenue-considerations-for-mta.pdf>.

⁷ MTA, “November 2022 Financial Plan Presentation,” November 30, 2022, <https://new.mta.info/document/101146>.

⁸ Feldman, A., “MTA proposes fare hike in budget in effort to avoid 'catastrophic' cuts,” NY 1, November 30, 2022, <https://www.ny1.com/nyc/all-boroughs/news/2022/11/30/mta-budget-proposed-fare-hike>.

⁹ MTA - State Legislature Joint Budget Hearing Testimony, February 15, 2022, https://www.nysenate.gov/sites/default/files/mta.22_1.pdf.

¹⁰ Sharp, Naomi, Center for an Urban Future, June 2021, “Opportunity Costs: Affording the True Costs Of College In NYC,” <https://nycfuture.org/research/opportunity-costs-nontuition-barriers>.

resource doesn't exist for higher education. With housing and food cost increases outpacing wage growth in the City, college students can ill afford a fare hike. Instead, to support transit accessibility and college degree completion, the State legislature should include free or reduced price Metrocards for all CUNY students and fare discounts and free transfers for MetroNorth and LIRR for college students in the final budget.

The state must provide sufficient funding this year to avoid fare hikes and service cuts, as well as ensure that all dedicated tax revenue raised to fund public transit is not diverted or withheld.

REVENUES

Last Wednesday, Governor Hochul delivered her budget address and released the executive budget proposal. It includes a one-time \$300 million investment in the MTA, an increase to the payroll mobility tax estimated to bring the MTA \$800 million, a requirement that New York City chip in \$500 million, and a promise of potential casino related revenue in future years. This funding, along with MTA's efforts to save \$400 million through efficiencies without service cuts, is laudable. *But more must be done.* The MTA needs to expand service if it is going to bring back riders. A mix of stagnant service and a sizable fare hike risks ridership at a time when riders are only starting to return.

To increase ridership, the subway and bus system need better and more frequent service. A proposal to run buses and trains every six minutes throughout the day would increase ridership by an estimated 15%.¹¹ It would make service more reliable for riders and service planning more manageable for the MTA. Winning riders back can't be done by maintaining the current system. It will take improving service and reliability for people to choose the subway over private transportation like personal cars or ride-hailing services.

Capital Program

New York City's subway system is among the oldest in the world, serving New Yorkers since 1904. It requires significant upkeep and maintenance with much of its infrastructure aging and its technology antiquated.

As it stands now, The MTA's 2020-2024 capital plan amounts to \$55.4 billion, the largest total in history. But it still has not finished capital projects from previous plans including work related to *Superstorm Sandy*.¹² The MTA also has a backlog of state-of-good-repair projects amounting to \$62.1 billion.¹³ By the end of the 2020-2024 capital program, major asset categories like signals, shops and yards, tunnel lighting, and ventilation will still require significant work to be brought into a state of good repair. Additionally, many subway stations remain inaccessible - only 27% of

¹¹ Levy, S., "Six-Minute Transit Headways Would Increase Ridership 15%: Expert," Streetsblog NYC, October 7, 2022, <https://nyc.streetsblog.org/2022/10/07/six-minute-transit-headways-would-increase-ridership-15-expert/>.

¹² The Office of the State Comptroller, "Financial Outlook for the Metropolitan Transportation Authority," October, 2022, <https://www.osc.state.ny.us/files/reports/osdc/pdf/report-9-2023.pdf>.

¹³ American Society Of Civil Engineers, New York State Council, "Report Card For Infrastructure, 2022," https://infrastructurereportcard.org/wp-content/uploads/2017/01/NY_IRC_2022-report-9.14.22.pdf.

subway stations include elevators or ramps to make them ADA compliant.¹⁴ According to the Citizens Budget Commission, the MTA needs to commit \$35 billion to capital projects in the near future just to ensure that signals, cars and tracks are brought to or remain in a state of good repair. Barring such an investment “service will start to break down.”¹⁵

The MTA must also contend with and respond to the effects of climate change. Climate resiliency has become more and more important as New York must create and implement a plan to shore up its transportation infrastructure to contend with more frequent and severe weather events. The MTA recently announced an investment of \$2.5 billion for a variety of projects related to climate resiliency, green initiatives, and ADA upgrades.¹⁶ These projects and others need to be fully funded and built in a timely manner.

Additional revenues to fill the budget gap

Congestion pricing will provide a revenue stream to help the MTA fund its capital plan. All New Yorkers should applaud the Governor’s continued support for congestion pricing, most recently in her in the State of the State. Before the pandemic, 700,000 vehicles clogged New York City’s Central Business District every day. And now the downstate area is approaching those levels again, with average traffic speed a glacial seven miles per hour.¹⁷ Automobiles are responsible for 11% of New York City’s fine particulate matter emissions and 28% of nitrogen oxide.¹⁸ These emissions are dangerous and a threat to public health. A Harvard study found that pollution from vehicles leads to 1,400 premature deaths annually in New York City.¹⁹ In addition to pollution related deaths, vehicles are responsible for 250 pedestrian deaths per year.²⁰

Congestion pricing will unclog the streets of Manhattan, ease traffic and the amount of pollution that comes with it and lead to more public transit riders. The MTA’s environmental assessment of congestion pricing estimates a 15 – 20% reduction in the number of cars entering the Central Business District of Manhattan and a 1-2% increase in the number of public transit riders.²¹ This

¹⁴ Gold, M., “M.T.A. Vows to Make Subways 95% Accessible. It Will Take 33 Years,” The New York Times, June 22, 2022, <https://www.nytimes.com/2022/06/22/nyregion/nyc-subway-accessibility-disabilities-elevators.html>

¹⁵ Citizens Budget Commission, “How to Fix the MTA’s Huge Budget Deficit,” November 21, 2022, <https://cbcny.org/advocacy/how-fix-mtas-huge-budget-deficit#:~:text=Amid%20concerns%20about%20safety%2C%20service,billion%20more%20than%20its%20revenues.>

¹⁶ MTA, Press Release, “MTA Announces Significant Infrastructure Investments to Combat Climate Change, Expand Accessibility, and Improve Service, Updated December 19, 2022, <https://new.mta.info/press-release/mta-announces-significant-infrastructure-investments-combat-climate-change-expand>.

¹⁷ MTA, “Why New York City Needs Central Business District Tolling,” <https://new.mta.info/project/CBDTP/why-NYC-needs-central-business-district-tolling>.

¹⁸ The City of New York, Environmental Protection, <https://www.nyc.gov/site/dep/environment/transportation-emissions.page>.

¹⁹ Cuba, J. “Harvard Study: Car Pollution in NYC Claims 1,400 Lives, Billions in Costs,” Streetsblog NYC, June 8, 2021: <https://nyc.streetsblog.org/2021/06/08/4lumbi-study-car-pollution-in-nyc-claims-1400-lives-billions-in-costs/>

²⁰ Hindsdale, J. “Data Dive: NYC Traffic Trends, Street Safety and Public Health,” Columbia University Climate School, September 7, 2022: <https://news.climate.columbia.edu/2022/09/27/nyc-traffic-street-safety-public-health/>

²¹ MTA Press Release, “Environmental Assessment Details Effects of Proposed Congestion Pricing Program,” August 10, 2022, <https://new.mta.info/press-release/environmental-assessment-details-effects-of-proposed-congestion-pricing-program>.

would mean improved air quality, more reliable bus service and less time stuck in traffic. Congestion pricing will bring in an estimated \$1 billion per year for the MTA to use on badly needed capital projects.

Despite its overwhelming benefits and the fact that congestion pricing was passed into law in 2019, opposition to the program is loud. Federal approval for congestion pricing is expected soon, after which strong and vocal support from our elected leaders at the local, state and federal level will be needed to ensure that the best possible congestion pricing plan is put into effect. The more carve-outs and exceptions that are made, the less effective the program will be. Congestion pricing, if done effectively, will dramatically improve air quality by decreasing emissions, provide needed revenue for the MTA capital plan, and increase public transit ridership.

In addition to funds from the sorely needed congestion pricing, the state must pass the *Climate Change Superfund Act* (S.2129/A.3351). The bill would require the largest emitters of greenhouse gases, to pay for the climate related damage they have caused. Under the legislation, companies that are responsible for the emission of one billion tons of greenhouse gas emissions during the period January 1, 2000 through December 31, 2018, would be required to pay an assessment to offset the climate damages faced by the state. The bill requires that each such company would be required to pay into an annual \$3 billion fund with each company's assessment proportionate to the amount of emissions that they are responsible for.

It is likely that the companies assessed under this legislation would be the major oil companies. The oil companies have known since the 1970s that burning fossil fuels would lead to climate change. Instead of changing course based on that information they doubled down, both denying climate change was real while continuing to pollute the planet. Now New Yorkers are being asked to pick up their tab for their lies and profiteering.

There can be no doubt that the MTA will be facing enormous costs to protect the downstate mass transit system from the ravages of climate change – rising sea levels and more intense storms. The Climate Change Superfund Act would provide needed resources to deal with these ongoing – and worsening – costs.

MTA Transparency

If the MTA is to win back riders, emerge successfully from its recurring budget deficits and complete the ambitious projects in its capital plan, it will need the support and trust of the public.

One way the MTA can inspire trust is by continuing to reform its FOIL process. That process has already begun with the passage of the MTA Open Data Law in 2021.²² We are pleased the MTA has since relocated FOIL requests to its main website and moved from snail mail FOIL responses to responding digitally. They have also separated out FOIL requests for police incident reports into its own portal. Additionally, by making more data public on their website under the law, MTA may reduce the number of FOIL requests made to gain information.

²² New York State Senate Press Release, Senator Comrie, June 2, 2021, <https://www.nysenate.gov/newsroom/press-releases/leroy-comrie/state-legislature-passes-mta-open-data-act>.

More can be done. The MTA still takes too long to respond to the significant number of FOIL requests. It must be proactive in making data publicly available on their website in a way that is easily accessible. We recommend that the MTA adopt an Open FOIL Platform. This would allow the MTA to easily process, track, and provide responses to the large volume of requests it receives every year. To ensure accountability, transparency, and accessibility of the process, the legislature should pass a bill to require the MTA to adopt Open FOIL.

The MTA should also create and make public a full climate resiliency plan that includes the full scope of projects, the full expected cost to attain resilience, and a timeline for completion. Climate change is the greatest existential threat the world, the nation, and New York faces and the MTA has an important role to play in the state's climate adaptation and reduction in carbon emissions. Many worthy climate related projects are underway already. We recommend the MTA create and make public a big picture accounting of the full scope, cost, and timeline for climate adaptation.

Thank you for the opportunity to provide testimony today.