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Gale A. Brewer, Borough President

Testimony of Manhattan Borough President Gale A. Brewer Given to the Metropolitan Transportation Authority on Proposed Fare Hikes December 13, 2016

My name is Gale A. Brewer and I am the Manhattan Borough President. Thank you for the opportunity to testify today regarding the MTA's proposed fare increases.

We are here to discuss two potential options for increases to fares and tolls over the next two years: The first would raise the base fare for subways and buses to \$3, and increase the bonus on "pay-per-ride" MetroCards to 16% from the current 11% when riders purchase at least \$6 worth of fares. The second proposal would keep the base fare at \$2.75, but reduce the current 11% bonus to 5%, when riders purchase at least \$5.50 worth of fares.

Under both plans the weekly MetroCard would increase by \$1 to be \$32, and the monthly pass would increase by \$4.50 to \$121. Fares and tolls on commuter railroads, tunnels and bridges would rise by about 4%. The additional revenue generated by each proposal is projected to be roughly equal.

These proposed fare increases are troubling to many New Yorkers already struggling to make ends meet. But they do not come as a surprise: they are part of the regularly scheduled increases that were approved by the New York State Legislature in 2009 as part of a plan to ensure the financial solvency of the MTA. The authority also notes that thanks to its ability to keep costs down, the proposed fare increases before us today are the lowest since 2009. This year alone, the MTA managed to achieve \$1.8 billion in savings—and I am told more cost cutting is planned.

It is certainly commendable that the MTA has managed to control costs and keep proposed increases this year to a minimum. But we can't let these achievements distract us from a troubling reality: many low-income New Yorkers struggle to afford MTA fares even under today's current fare structure.

According to a recent report from the Community Service Society, **1 in every 4 New Yorkers cannot afford subway or bus fare.** For more than 300,000 working poor New Yorkers, transportation costs often exceed 10 percent of their family budgets. This, in turn, can have a debilitating impact on the economic realities for these families, limiting access to jobs, medical appointments, or forcing them to forgo other necessities.

The fare increases under discussion today, regardless of which is chosen, will exacerbate these problems, and make the MTA's public transportation network even more inaccessible for many more New Yorkers.

For this reason, I am supportive of a proposal advocated for by the Community Service Society (CSS), the Riders Alliance, and many other advocates to offer half-price subway and bus fares to New Yorkers living below the federal poverty line—about \$24,000 for a family of four. In a report released recently by CSS and the Riders Alliance, the groups estimates that such a plan would save up to 800,000 riders roughly \$700 a year.

But this discount would not come cheap—CSS and Riders Alliance estimate this half-priced MetroCard plan would cost roughly \$115 million during its first year and \$194 million in its second.

The problem with a proposed program of this size, of course, is that MTA's resources are already spread far too thin. We also need to be prioritizing resources on upgrades and repairs. According to the General Contractors Association of New York, 83% of subways stations are in poor condition, and 37% of the MTA's mainline signals have exceeded their useful life. We likewise want to see work continue in a timely and cost-effective manner on needed mega-projects like the Second Avenue Subway and East Side Access. And most importantly for our purposes today, we would like the MTA to be able to pay for these enhancements without balancing its budget on the backs of commuters with drastic and continual increases in fares.

Put more simply: the MTA needs more money. The best way to obtain it, in my opinion, is by implementing a fair tolling system for bridges and tunnels leading into Manhattan. Implementing such a plan could raise billions in transit revenues, which would more than pay for the proposed MetroCard discount for low-income New Yorkers while making sure the MTA meets and exceeds its other obligations.

A thoughtful tolling plan like "Move NY," developed and advocated for by transportation expert Sam Schwartz, would institute higher tolls where more transit options exist and lower ones where there are fewer options. This is not only fairer, but it would also help redirect unnecessary traffic into and out of Manhattan's CBD.

Most important for our discussion today, however, is the dedicated funding stream this plan would create for the MTA. The Move NY plan—estimated to net \$1.5 billion each year—could help fill the MTA's persistent funding gap, ensuring that our transportation infrastructure gets needed upgrades, and provide for a half-cost MetroCard for low-income New Yorkers, all without passing the costs onto transit riders via a series of never ending fare hikes.

We should not, however, hold the promise of discounted MetroCards hostage while waiting for the political winds in Albany to blow in favor of passing a smart and comprehensive plan like Move NY. We should be simultaneously looking at other potential sources to fully fund the proposed discount. For this reason, I have joined with many of the city's elected officials and community groups in calling on Mayor de Blasio to include funding for the discounted MetroCard in the Fiscal Year 2018 Executive Budget. Last year, city revenues reached over \$58 billion, which is a record. Committing \$200 million from the city for discounted MetroCards, then, could be covered by less than .4% of the City's reserves.

Thank you again for holding this hearing, and for the opportunity to testify today.

