



NYPIRG's
Straphangers Campaign

A FARE HIKE?

the facts:

The MTA says it plans to raise transit fares by up to 33%. The Straphangers Campaign has prepared this fact sheet to explain why a fare increase in 2003 would be unfair—and what we all should demand from city and state officials before they try to raise the costs of taking the subway or bus. (More details on the MTA proposal can be found at www.straphangers.org or www.mta.info.)

Why would a fare hike in 2003 be unfair?

Subway and bus riders already pay more than their fair share—and the system is shortchanged by Albany.

Riders pay nearly 60% of the cost of running the subway and bus system, as of June 2002. The national average is about 40%; in Boston, Los Angeles and Miami, fares cover less than a third of operating costs. That means far less of our ride is supported by city and state government here in New York than in other cities.

City subways and buses move 84% of the state's transit riders. But we only get 63% of state aid for transit coming from Albany. That comes to \$325 million a year we are shortchanged, about what a 35-cent fare increase would raise. In contrast, the LIRR and MetroNorth move just 5% of the state's riders, but get 23% of state transit aid—a windfall of \$275 million a year.

We are also shortchanged on service; the result is crowding and often slow and unreliable service. Ridership on city subways and buses is at its highest level since 1953, with a million more riders on an average day than just five years ago. But service lags badly. Since 1996, annual subway ridership has risen 29%, but service has only increased about 11%. Bus ridership has soared 50% in five years—from 435 million in 1996 to 722 million in 2001, but service has increased only 27%.

A fare hike will be a special hardship to riders at a time when the city is reeling from an economic slowdown and the aftermath of September 11th. A fare hike is a tax hike on the most vulnerable.

But haven't fares gone down in recent years?

It's true that many riders are now taking advantage of MetroCard, like unlimited-ride passes and free transfers between subways and buses. These discounts have dramatically increased ridership and improved mobility for many. But these discounts have not reduced fare revenues for the transit system. The fare box has generated about the same amount—between \$2 billion and \$2.1 billion a year—since 1997, when the discounts started.

AN UNFAIR FARE BURDEN	
% OF OPERATING COSTS COVERED BY FARES, 2000*	
New York City	58%
Boston	29%
Chicago	44%
Los Angeles	32%
Miami-Dade	32%
New Jersey Transit	48%
Philadelphia	41%
PATH	37%

*Source: Federal Transit Administration

SHORTCHANGING SUBWAY AND BUS RIDERS*
% of all state riders moved by city subways and buses: 84%
% of state aid going to city subways and buses: 63%
yearly shortfall: \$325 million
% of all state riders moved by LIRR and MetroNorth: 5%
% of state aid going to LIRR and MetroNorth: 23%
yearly windfall: \$275 million

*Source: NYS Department of Transportation, 2001 Annual Report on Transit Assistance Programs

Also, many riders do not take advantage of these discounts. Fewer than half—43%—of all trips are taken by riders using unlimited-ride discount MetroCards, although employed, low-income riders are more likely to buy unlimited-ride MetroCards than higher-income riders. In addition, the average amount purchased on a MetroCard is between \$9 and \$10, which means there's no 10% bonus on the majority of MetroCard pay-per-ride purchases. Many of these are low-income riders, according to MTA polling data.

The Straphangers Campaign has made several recommendations to the MTA for making discounts more accessible to low- and moderate-income riders, based on the results of a major telephone survey. Our recommendations include replacement of lost or stolen 30-day MetroCards; a 14-day unlimited-ride MetroCard; and a 5-day "flexible" MetroCard good for non-consecutive days of unlimited rides. MTA officials say they are giving serious consideration to these proposals. (Our report can be found at www.straphangers.org/discount.html.)

Who can stop a fare hike?

Governor George Pataki. He appoints the board of the Metropolitan Transportation Authority and picked its current chairman, Peter Kalikow. He stopped a fare hike this year, by finding \$250 million to meet a transit deficit. When asked in late July about the possibility of a fare hike, Governor Pataki said "I certainly hope not." In the coming months, we will need his leadership to keep fares affordable.

Mayor Bloomberg could also speak up for the interests of city riders. Unfortunately, so far he's done just the opposite, saying he will go to Albany for permission to cut city funding for transit. That's wrong, since transit is a vital service like schools, police and social services. Transit deserves city support, especially in tough economic times.

What can be done about a fare hike?

First, the MTA should provide the riding public with complete information on its budget. As City Comptroller William Thompson noted in announcing an audit of the agency: "All New Yorkers need to understand to what degree a fare increase is necessary to solve the TA's fiscal problems. The financial documents the MTA has made public to date have failed to provide such information. While the glaring deficiencies in the MTA's presentation of the TA's budget proposal may not constitute a breach of the MTA's fiduciary responsibilities, it does constitute a breach of responsibility to the citizens of New York City. As offered, the MTA's presentation of the TA's FY 2003 Operating Budget does not provide adequate details and appropriate disclosure to allow for proper public debate on the proposed fare increase."

Before considering raising fares, Governor Pataki and state and transit officials should end unfair state transit aid funding inequities. They should also consider a range of possible new revenue sources, including reinstating the commuter tax and dedicating it to city and suburban transit needs. More than 60% of daily LIRR and MetroNorth riders also use the subways. Mayor Bloomberg has suggested peak-hour tolls on city bridges and tunnels, including the East River bridges. The \$800 million a year this would generate could help keep fares affordable and support transportation improvements, while also reducing rush-hour traffic congestion.

"The public, which has gotten only a murky picture of how the MTA got from a huge surplus to huge deficits in a single year, also deserves fuller accounting."

— December, 2002 editorial, The New York Times

Q. WHO CONTROLS FARES? A. GOVERNOR PATAKI

From Official October 21, 2000 News Release:

Governor George E. Pataki today announced that he has directed the Metropolitan Transportation Authority (MTA) to provide free subway rides home from tonight's World Series game at Yankee Stadium and from each subsequent game throughout the Series. "Whether they're Mets fans or Yankee fans, our free-fare plan for the Subway Series will make sure everyone's a winner," Governor Pataki said.