



NEW YORK STATE SENATOR

Pedro Espada Jr.

Senate Majority Leader Espada's Letter to MTA Chairman

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State Senate Majority Leader Pedro Espada, Jr. has asked Senate Democratic Conference Leader John Sampson and Senate Finance Committee Chairman Carl Kruger to immediately commission an independent forensic audit of the Metropolitan Transportation Authority.

The MTA bailout legislation passed by the Senate last spring authorizes the State Legislature, in Section 1276-d, to "commission an independent outside audit of Authority finances and operations." The bill's language mandates a 2009 audit. Sen. Espada said that before any action is taken that impacts the most vulnerable populations who rely on mass transit, the MTA must make a full accountability of its financial records.

The Senate Majority Leader had strong words for the MTA regarding its doomsday budget vote.

"No more blank checks - we thought this message was clear to the MTA last spring when we enacted bailout legislation whose aid was based on MTA calculations. Neither the State Legislature nor the public will allow the MTA to threaten its way to a blank check. The MTA is in this predicament because of its own miscalculations and inaccurate financial projections, and now it wants to lay blame on others and put the burden for its own

mismanagement on school children, the handicapped, families and others who have already been severely hurt by the economic crisis," Sen. Espada said.

Sen. Espada has also fired off a letter to MTA Chairman and CEO Jay H. Walder pointing to the MTA's real estate empire as a practical, long-term solution to its budget woes, and demanding a full accounting of its finances.

In the letter, Sen. Espada said, "...the MTA has access to vast real property resources which I believe can result in long-term revenue for the Authority through leasing and sales. Before any action is taken that impacts the most vulnerable populations who rely on mass transit, the MTA must make a full accounting of its financial records, including an inventory of all real property holdings."

The letter continued, "MTA budget gap needs must be measured against real numbers, and the MTA must prioritize fiscally prudent lease and sale of assets before deciding to leave children, seniors and hard-working citizens stranded without a safe, reliable and affordable means to get to and from work, school, grocery shopping and doctor's appointments."

In addition to a creating a permanent revenue source through the lease of its real estate holdings, Sen. Espada is exploring how Federal "Race to the Top" funding could be applied to the MTA in a way that would preserve free transportation for thousands school children.

"These funds could be applied to this critical ancillary service that truly is more education-related than transportation-oriented. If children can't get to school, they can't learn. We need to act upon these funds if pupil transportation qualifies," Sen. Espada said. #