



NEW YORK STATE SENATOR

Martin J. Golden

Golden, Malliotakis, Cappelli Call for Waiver on Mta Bond Fees

MARTIN J. GOLDEN February 2, 2012

Legislators, board member object to budget crunch

Brooklyn – State Senator Martin J. Golden (R,C,I –Brooklyn), Assemblywoman Nicole Malliotakis (R,C-Brooklyn, Staten Island) and Metropolitan Transportation Authority (MTA) board member Allen Cappelli are calling for an end to a costly penalty levied against the MTA.

Under current state law, the MTA is forced to pay the state Division of Budget a fee for borrowing money from private investors. These fees have amounted to over \$100 million since 2006, as the MTA has resorted to fare hikes, service cuts and further borrowing to fund their operations. The MTA estimates it will have to pay the State of New York another \$76 million in bond fees this year.

Senator Marty Golden, a member of the MTA Capital Review Board, stated, “The immediate waiver of this fee would be a victory for all Metropolitan Transit Authority bus and subway riders, as it will free up a greater portion of their budget, to be spent on transportation purposes. This fee has been an unfair burden on the MTA budget that is counterproductive to the taxpayers of New York State.”

Golden continued, "In order to make the waiver permanent, I intend to introduce legislation to eliminate the State's ability to levy fees against the MTA in conjunction with financial transactions."

Assemblywoman Nicole Malliotakis stated, "How can we, as a state government, tell the MTA to reduce overhead and cut costs when we are requiring them to pay these excessive fees? It's completely counterproductive to the task at hand, which is making the MTA more efficient so we can avoid the rate increases and service cuts that are hurting riders in my district and across New York City."

Malliotakis continued, "If we are to hold the MTA accountable for their spending practices, state government must do their part to solve the problem as well. By eliminating this requirement for good, the MTA will be able to spend its money where it is needed most and help restore services to our communities."

"The MTA is a transportation agency, not a bank, and we need to direct as much of our revenue towards service as we possibly can," said Cappelli. "The annual compounding of these costs puts pressure on tolls and fares as the annual debt service payments escalate, and in turn hurts our ability to provide world-class service to New York's riders. If we are going to be realistic about providing top-notch service at a low cost, these fees must be waived."

The MTA is the fifth largest debtor in the United States. Golden and Malliotakis are advocating for these fees to be waived in Governor Cuomo's 21 day budget amendment.