



NEW YORK STATE SENATOR

Michael Gianaris

Senator Gianaris' Letter to Governor Cuomo, MTA Chair Opposing Fare Hikes

MICHAEL GIANARIS January 19, 2021

| ISSUE: STATE BUDGET, MTA, FARE HIKE, PUBLIC FINANCE, TAX THE RICH



January 19, 2020

Hon. Andrew M. Cuomo, Governor

New York State Capitol Building

Albany, New York 12224

Patrick J. Foye, Chair

Metropolitan Transportation Authority

2 Broadway

New York, New York 10004

Dear Governor Cuomo and Chairman Foye:

I write with serious concerns about the future financial health of the Metropolitan Transportation Authority (MTA). Specifically, the effect of potentially cutting dedicated state funds in conjunction with the upcoming vote on a proposed fare increase. Raising fares in exchange for decreasing dedicated state funding shifts the burden for our current economic crisis onto transit riders in order to help solve the state's larger budget problems. The last thing we should be doing at this critical time is increasing the obligations of working people as we navigate our way through this unprecedented hardship.

Last July, Chairman Foye issued a statement where he posited the deleterious impact cutting dedicated state funds would have for MTA operating revenue. It would be unacceptable for the executive budget to include those cuts and assume the MTA will raise fares to fill the gap. We should be examining all options, including raising taxes on the wealthy to continue providing necessary services. Indeed, the wealthiest among us have thrived over the last year while transit riders have suffered economically. Further increasing straphangers' financial obligations when they can least afford it would represent a failure of

government.

The fare hike, which is already inappropriately accounted for in the MTA's proposed budget, is the latest poor choice being made by New York's transit agency. Fitch Ratings downgraded MTA bonds multiple times in 2020 and the agency exhausted its borrowing capacity under the Federal Reserve's Municipal Liquidity Facility. The state reneging on its promise of dedicated revenues would have an injurious impact on the agency's financial future, possibly leading to further bond downgrades, increased borrowing costs, and creating larger debt service payments.

Making the choice to transfer wealth from riders to fill holes in the state's general fund would put an additional price on the backs of people who ride mass transit to go to and from work – many of whom are the essential workers we've been relying on to get us through the covid-19 pandemic. The people riding trains and buses daily have given more than their fair share to further New York's recovery.

The unprecedented challenges facing New York and its transit agencies present serious obstacles to maintaining and operating our infrastructure. I stand ready to support additional revenue – including taxes on the wealthiest New Yorkers, which I have long advocated – to keep our transit system running for everyone. The MTA is ill-equipped to serve as the state's ATM during times of fiscal crisis – it is unfair to riders and it is bad policy for our economic future. I urge the administration to reconsider withholding necessary funds and the MTA Board to reconsider this fare hike.

Sincerely,

Senator Michael Gianaris

Deputy Majority Leader