

Permanent Citizens Advisory Committee to the MTA

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For Immediate Release**

MTA Receives Lowest Level of Government Support of Transit Systems in Six Major U.S. Cities

The Permanent Citizens Advisory Committee (PCAC) to the MTA today released the results of its study on operating and capital financing for the MTA and other large U.S. transit agencies. The study examined the level of financial assistance provided to the MTA and systems serving Boston, Chicago, Los Angeles, Philadelphia, and San Francisco.

Of the systems studied, the MTA receives the lowest level of government support. Subsidies account for approximately 40 percent of the MTA's operating funds and will provide about 40 percent of the funding for the MTA's 1995-1999 capital program. All of the other systems receive approximately 50 percent or more of their total funds from subsidies and much more support for their capital programs. Moreover, New York State provides almost no direct assistance to the MTA.

Without additional government funding, New York City Transit and the commuter railroads will incur budget deficits beginning in 2000. New York City Transit may have to raise subway and bus fares by twenty-five cents in 2001 in order to close a projected deficit of more than \$340 million that year.

"The PCAC undertook this study because it was clear that government is not doing enough to subsidize the MTA," said Judith McClain, chair of the PCAC. "The report underscores how little the government, particularly New York State, supports the MTA. The MTA's transit system is the largest in the U.S. and is critical to the economic vitality of the New York metropolitan region and New York State. Without more MTA transit subsidies, we are placing the future of the region and the state at risk."

The report discusses several options for increasing the MTA's subsidies. More support from New York State is one alternative. The report discusses other measures if the state is unwilling to provide more aid. These measures include an expansion of the quarter-percent sales surcharge now used to subsidize the MTA.

"The PCAC does not favor increasing taxes, but difficult choices must be made," Ms. McClain said. "Absent more state support, we must look at other ways of raising money

for the MTA because we cannot afford increased fares and service cuts similar to what was experienced in 1995. Nor can we afford to return to the disinvestment the system experienced in the 1970s."

Copies of the full report are available upon request.

The PCAC serves as the coordinating body for three councils created by the state legislature in 1981: the Long Island Rail Road Commuters Council, the Metro-North Railroad Commuter Council, and the New York City Transit Riders Council. The 35 volunteer members are users of the MTA system and represent the interests of the riders. They are appointed by the Governor upon the recommendation of local elected officials.