

**Statement of PCAC Executive Director William Henderson on the
July 2008 Financial Plan**

MTA Board Meeting
July 23, 2008

We recognize that the MTA's financial position is dire. The deteriorating real estate market, increasing fuel costs, and reduced State aid have shifted the MTA's financial position from precariously balanced to a state of crisis. Solutions to the financial plight of the MTA will require cooperation of all of those who are partners in operating and funding the MTA, and we understand that this includes the riders.

We want to emphasize, however, that the riders have long been paying a greater share of the cost of service than in any major transit system nationally, and that they cannot be expected to assume a greater proportion of the system's costs. What the system needs, as we have been saying for a number of years, is a dedicated, reliable, and inflation-sensitive package of public funding.

Second, even as the MTA's financial position is deteriorating, ridership growth that has not been seen for over half a century is occurring. This is a watershed moment for our region, in which the people of the region are turning to transit as a first option for mobility. In this environment, it is critical to maintain adequate levels service throughout the system for both existing and new riders.

Third, the MTA system operates successfully only as a true partnership, and partners share both benefits and burdens. The dependence of the State, region, and City on the MTA system is obvious. While the simple solution may be to close holes in the budget by raising fares, the riders have a right to better treatment than this. In closing the shortfall in the MTA budget We expect nothing less than meaningful contributions from each partner who benefits from the MTA and its services.