



PCAC

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March 20, 2023

Hon. Kathleen C. Hochul
Governor
NYS State Capital Bldg.
Albany, NY 12224

Hon. Andrea Stewart-Cousins
Senate Majority Leader
188 State Street
Legislative Office Building Room
907
Albany, NY 12247

Hon. Carl Heastie
Assembly Speaker
198 State Street
Legislative Office Building
Room 932
Albany, NY 12248

Dear Governor Hochul, Majority Leader Stewart-Cousins, and Speaker Heastie:

As the official voice of millions of riders on New York City's subways, buses, and Staten Island Railway, the Long Island Rail Road and Metro-North Railroad, we wholeheartedly support your commitment to fully fund the MTA and recognize transit as the essential service it is. The pandemic underscored that reliance on the farebox is no longer a viable funding model for operating the nation's largest transit system. Historically, the MTA has been more dependent on riders' fares than any other transit system in the country. It is time to change that, and we appreciate your dedication to finding a new funding model that ensures riders will not bear the brunt of looming shortfalls in the form of unaffordable fare hikes and unacceptable service cuts.

Our paramount priority is the long-term fiscal health of the MTA. Each of the proposals put forth – the Executive Budget and Senate and Assembly One-House Bills – aim to place the MTA on solid financial footing, albeit through some divergent paths.

We appreciate and support the proposal for \$300 million in each of the bills as a vital step toward filling the current fiscal year's operating gap. We respectfully request that you go further by baselining these funds for future years and adjust annually for inflation. These funds, and all new revenue in this new funding model, should be placed in a lockbox to shield them from potential diversion to other priorities. This would provide the stable, predictable funding that an essential service should receive.

We endorse the Governor's proposed PMT increase, which would impact only the top 5 percent of the region's businesses. This would offer a more stable funding source than the Corporate Franchise Tax proposals. Ultimately, the goal is to secure significant, sustainable, and recurring funding dedicated to the MTA, and both options will achieve that objective.

Additionally, we support the following key funding strategies that we believe will reshape the MTA's financial landscape, with an emphasis on establishing a lockbox to protect these revenue streams:

- Repeal the Madison Square Garden tax exemption and allocate all future property tax revenues (approximately \$43 million per year) to the MTA: Redirecting these funds will ensure that valuable public resources are invested in transit services that benefit millions of New Yorkers.

- Pass legislation to allow New York City the ability to implement a Residential Parking Permit program, which could provide \$400 million to the MTA.
- Expand automated camera enforcement for dedicated bus lanes (ABLE): Enhanced enforcement will improve traffic flow, reduce delays, and incentivize more people to opt for public transit, thereby increasing farebox revenue.
- Support NYC funding student MetroCards – and soon, OMNY/tap cards – at the current cost of \$104 million, increasing per annum.
- Strengthen aggravated assault provisions for transit workers: Enhancing legal protections for transit workers is both a moral imperative and a practical necessity, as it will improve worker safety, employee retention, and reduce costs associated with worker turnover.
- Improve MTA data transparency through enhanced capital plan reporting: Better data transparency will foster public trust, promote accountability, and enable more informed decision-making regarding the MTA's investments and priorities.
- Expand City Ticket to include the Far Rockaway LIRR station and also consider expansion to additional LIRR and Metro-North stations in other underserved communities. We also request expansion of the program to include an Atlantic Ticket-type option to allow purchase of a weekly transit card. Including these stations in this discounted fare program, and allowing for a greater commuting-focused option, will increase ridership and promote economic growth in surrounding communities.
- Revise gaming legislation to allocate a portion of the proceeds from siting fees and taxable winnings to be dedicated to the MTA, as well as to education. We note that this funding would not be applicable to the current budget but may take place in future years.
- Apply state and local sales taxes to digital streaming services, with revenues directed toward state transportation systems: This innovative funding source is estimated to generate \$29 million for the MTA in its first year, supporting vital transit initiatives.
- Establish a statewide fee on delivery transactions: As e-commerce continues to thrive, a delivery transaction fee would create a new, sustainable revenue stream for the MTA.

Furthermore, we strongly endorse Bill [S00020/A00923](#), which will add four new voting members representing riders from PCAC's three councils and the NYC Transit Paratransit Advisory Committee to the MTA Board. This critical legislation will ensure that the interests of our councils, who currently hold non-voting positions on the Board, are more effectively represented, giving riders a powerful voice in the MTA's decision-making process.

We recognize the challenges faced by the MTA in securing its long-term fiscal health, and we commend your efforts to address these challenges through a combination of innovative and sustainable funding sources. These proposed funding strategies represent a holistic approach that, when implemented in concert, will not only alleviate the MTA's immediate financial pressures but also lay the groundwork for a more resilient and efficient transit system that serves all New Yorkers. We firmly believe that the implementation of a lockbox for these revenue streams will be instrumental in safeguarding the MTA's financial future.

We urge you to implement the aforementioned funding proposals as part of a comprehensive and forward-looking solution for the MTA's fiscal challenges. By embracing these strategies, you have the unique opportunity to redefine the MTA's funding model, ensuring its viability for generations to come.

We also look forward to the FHWA's declaration of a Finding of No Significant Impact to permit congestion pricing to move forward, which will provide sorely needed funds for the MTA's capital budget, keeping the system in a state of good repair, improving signals and stations, and providing critical funding accessibility projects. We note that the capital budget does not impact the expense budget items discussed in this letter. We also support the MTA's ongoing efforts to find efficiencies and contribute to its own fiscal health, including identifying strategies to address rampant and costly payment evasion.

An investment in our transit system is essential to the sustained economic recovery of the region, which is also beneficial to the entire state. Thank you for your attention to this matter. We are eager to collaborate with you in our ongoing advocacy for the millions of transit riders who rely on the MTA's essential services. Together, we can transform the MTA into a world-class transit system that stands as a testament to our shared commitment to innovation, equity, accessibility, and sustainability.

Sincerely,

Andrew Albert

Chair, NYC Transit Riders Council (NYCTRC); MTA Board Member

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