New York transit management raises fares

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The Metropolitan Transportation Authority (MTA) board voted unanimously on Thursday March 6 to approve one of the steepest subway fare hikes in its history. The cost of a single train or bus ride in New York City will go up from $1.50 to $2.00, a 33 percent increase. Commuters on the Long Island Railroad and Metro-North will also have to pay an average of 25 percent more for each ride. In addition, tolls on MTA-controlled bridges will rise by 50 cents.

In a budget-cutting move, the MTA will also close down 62 part-time subway token booths. The cutback is a particularly cynical decision in light of the agency's recent internal memorandum claiming that the booths would play a key role as communication centers in the event of a terrorist attack in the New York subways.

The MTA claims that it needs to take these measures in order to offset a projected budget deficit of about $1 billion for the next two years. The authority threatened that if it did not raise the fare it would have to significantly reduce bus and subway service. The new fare rates are scheduled to take effect in May.

The $2.00 ride will be the most expensive in the country, and will place the greatest hardship on the poorest section of the city's working population. While the MTA has claimed it is partially offsetting the fare hikes with discounts on Metro Card multiple-fare cards, for many low-wage workers, paying out $70 at one time—the cost of a monthly card for unlimited service—is close to impossible. For workers earning minimum wage, one full hour of their after-tax income will now be eaten up just by the cost of commuting to and from their jobs. It is precisely the lowest paid—40 percent of New Yorkers earn less than $22,000 a year—who are most dependent on the mass transit system.

Although the MTA is quasi-independent, the governor effectively controls the agency through the appointment of most of its board members. When Republican Governor George Pataki was seeking reelection last year, the MTA deliberately underestimated its fiscal crisis. After he won his third term, the agency suddenly announced that it is facing huge budget deficits, requiring it to cut costs and raise fares.

In announcing his proposed budget this year, Pataki revealed that the state was $11.5 billion in the red, including a $2.2 billion deficit for this fiscal year and a $9.3 billion deficit for the coming year. He has consistently refused to consider raising what he has called "job killing taxes" on the rich and the corporations in order to help balance the budget. According to the state's own estimate, tax cuts implemented by Pataki since he first took office in 1993 have slashed state revenues by some $13 billion annually.

A fare hike is essentially a tax levied against the workers and the poor, forcing them to make up for the money that has been given back to the wealthiest layers of society. In addition to the subway fare, Pataki's proposed budget calls for increases in state university tuition, fees, and surcharges that according to one estimate will cost the average family $2,000 a year.

Pataki's argument against taxing the rich because it will "kill jobs" is a fraud. There is ample evidence that imposing increased costs for public services on the poor and working people, thereby slashing their ability to spend on other goods and services, has a far greater recessionary impact. The state's fiscal policy is driven not by concerns for jobs, but by the naked class interests of the financial elite.

Most of the transit fare increase will go into the pockets of precisely that wealthy layer. The lion's share of the fare hikes will be paid to Wall Street finance houses in the form of interest on bonds that the MTA has used to finance capital projects and even for maintenance of the country's largest mass transit system. The dependence on this form of borrowing has

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become ever greater as the state and city have slashed funding for the subway and bus service.

The fare hike will go into effect as the city's workers already face severe financial hardships. More than 100,000 New Yorkers have lost their jobs since the bursting of the Wall Street bubble and the September 11, 2001 terrorist attacks. Seeking to close the city's current $3.4 billion budget deficits, Mayor Michael Bloomberg is demanding that the public employee unions give up $600 million in contractual concessions or face thousands of layoffs.

The city's unions have failed to organize even the token protests against the fare hikes seen in previous years. The president of the city's hospital union, Dennis Rivera, who voiced opposition to the last increase in 1995, has been noticeably silent this time around. Rivera, previously a leading figure in the state's Democratic Party, endorsed the Republican governor in exchange for Pataki's agreement to divert state funds to enable hospital management to grant workers a raise. Randi Weingarten, the president of the United Federation of Teachers and the chairperson of the Municipal Labor Committee (a body of public employee unions), also endorsed Pataki after he provided a one-time appropriation to achieve a settlement of the city teachers' contract. She likewise has said virtually nothing about the fare hike.

The Transport Workers Union Local 100, which represents the New York bus and subway workers, had loudly opposed the fare hike last year, in an effort to win public support when it was negotiating a new contract with the MTA. After negotiating the contract, however, the union quietly dropped the issue. Failure to implement a fare increase would have led to a reduction of service that could have led to the layoff of TWU Local 100 members, a threat that the TWU officials had no intention of responding to. The unions' quiescence was certainly one of the reasons for the fact that, as one city paper stated, there were more reporters than protesters at the last demonstration held against the fare hike outside MTA headquarters.

The MTA itself went through the motions of holding 10 public hearings on the fare hike proposal, after it was already a foregone conclusion. The chairman of the MTA board, multi-millionaire Republican real estate developer Peter Kalikow, skipped eight of the 10 hearings, thereby avoiding passengers' angry denunciations of the increase.

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