

New York governor picks right-wing Republican to head transit agency

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New York State's Democratic governor, Andrew Cuomo, announced his nomination last week of Joseph J. Lhota, a former New York City deputy mayor under Republican Rudy Giuliani and Wall Street banker, to become the chairman of the state's Metropolitan Transportation Authority (MTA). Lhota, who has virtually no experience in mass transit, will succeed former chairman Jay Walder, who left office on October 21.

The leadership change comes at a time of enormous fiscal crisis for the MTA, which runs the New York City buses and subways, most of the toll bridges and tunnels, and the metropolitan area's two major commuter railroads, the Long Island Railroad and the Metro-North system.

Before becoming Giuliani's top aide, Lhota made his career on Wall Street as an investment banker. He is currently an executive vice president of Madison Square Garden.

He became a member of Giuliani's staff in 1994 and served under the law-and-order Republican mayor for six years. Lhota worked as Giuliani's budget director and then as deputy mayor for operations, a position that essentially placed him second in command under the mayor. He served on the MTA board for about 18 months during Giuliani's second term, and was also an advisor in Giuliani's failed attempt to win the Republican nomination for president in 2008.

The son of a police lieutenant, Lhota was raised in New York City and Long Island. His wife is a prominent Republican fundraiser.

The MTA position is one of the most important appointments a New York governor can make, and Cuomo's nominee is a right-wing Republican. This choice is a very good indication of his approach to public services like mass transit, which have been hammered in New York and all over the US by the financial meltdown

and the resulting budget crises facing almost every state in the country.

Lhota's views and his record, including more than 15 years as a friend and advisor to Giuliani, indicate that he can be expected to implement the most ruthless attacks on New York City transit workers, while presiding over further service cutbacks in the city's buses and subways.

In December 1999, Giuliani obtained a draconian court order against Transport Workers Union (TWU) Local 100, representing more than 35,000 transit workers, on the same day their contract expired. The court order threatened the union with astronomical fines if it went on strike or conducted any kind of job action. Included in the restraining order was a ban on the advocacy or discussion of strike action on any bulletin boards, the Internet or any other means of communication.

Lhota was charged with enforcing these threats. The *New York Times* reported that he posted a sign outside his office with a quote from former President Calvin Coolidge, the Republican who first achieved fame for breaking a Boston police strike. "There is no right to strike against the public safety by anybody, anywhere, any time," said the sign. The union quickly agreed to a tentative contract deal.

Lhota has been pressed back into government service, under conditions that have been turned upside down since the boom year of 1999, to make both transit workers and passengers pay for the current crisis.

New York State Comptroller Thomas DiNapoli issued a report last month that spelled out the fiscal crisis of the MTA. With government support drying up, the agency is nearly \$10 billion short of its current \$28 billion, five-year capital program to continue needed repairs, restoration and improvement of the transit system, parts of which are more than 100 years old. The MTA has proposed cutting almost \$4 billion from these programs, involving urgently needed maintenance and

modernization.

In addition, the authority has proposed borrowing a whopping \$14.8 billion. This means that outstanding debt would rise from \$30 billion at the end of 2010 to \$41 billion by 2017. About 17 percent of the MTA's current operating budget is already being used for debt repayment. New borrowing would put even greater stress on its budget, with debt service projected to reach \$3.3 billion annually by 2018. Even with 7.5 percent fare hikes projected for 2013, 2015 and 2017, the budget gaps would grow to \$1.2 billion by 2018.

MTA Finance Committee chairman Andrew Saul, referring to the growing debt even before the issuance of the state comptroller's report, called it "an absolute ticking time bomb." Another MTA board member declared that the agency needs to have "some sense of what kind of monster we're creating here."

The departure of MTA chairman Walder, unexpected when it was announced this past summer, was undoubtedly bound up with the kind of cuts and class confrontations that are posed by the deepening budget crisis. Walder, after two years of faithfully serving the interests of the financial aristocracy, perhaps felt it was time to cash in. He left to obtain a high-paying position as head of the MTR Corporation, a transportation company based in Hong Kong. During his two-year tenure, the former chairman eliminated 3,500 jobs out of a total workforce of 70,000. The authority also increased basic fares for three years in succession, in 2008, 2009 and 2010.

The MTA, with Governor Cuomo fully involved, has decided that transit workers and passengers must pay for the "ticking time bomb" described by the MTA's own officials. The agency is demanding that when the current arbitrators' award expires on January 15, 2012, the 38,000 bus and subway workers accept a wage freeze for three years or agree to concessions on work rules to pay for any wage increase, no matter how small.

Cuomo, the son of former liberal Democratic Governor Mario Cuomo, who held office in the 1980s, aptly symbolizes the rapid shift to the right by Democrats at every level of government. He has vehemently refused to consider renewing the so-called "millionaire's tax" on wealthy state residents, declaring last week, only days before the appointment of Lhota, that "the fact that everybody wants it, that doesn't mean all that much."

The MTA's demand for a three-year wage freeze is patterned on the deal that Cuomo, using the threat of layoffs, imposed on tens of thousands of civil service

employees. The membership of one of the two state employee unions, the Public Employee Federation (PEF), rejected the contract, and Cuomo responded by beginning the layoff process. This led in turn to a backroom deal with the PEF leaders to carry out a revote on the three-year wage freeze, in exchange for minor cosmetic changes in the agreement.

The TWU leadership will proceed exactly as their civil service counterparts have. When Walder announced his resignation as MTA head earlier this year, TWU Local 100 president John Samuelsen issued a statement calling him "antagonistic" to transit workers, and adding, "we will urge the Governor to appoint a new Chair who will view his workers as allies, not the enemy...."

When Lhota's nomination was announced, Samuelsen declared, "If Lhota wants to continue the policies of where Giuliani left off in 1999, then he's likely to have a problem with organized labor." He added, in a clear signal of the role of "organized labor," that he was looking for "a working relationship."

"I've read that Lhota was a positive influence on Giuliani and possibly had a calming effect on Giuliani," said the Local 100 president. "We would welcome an MTA chair who is looking to have a calming effect on the whole entire labor-management relationship."

The TWU is one of the New York City unions that have loudly proclaimed its sympathy for Occupy Wall Street. Samuelsen's call for "calm" and his plea to allow the union apparatus to function as the "ally" of the ruling elite in the midst of mass unemployment, devastating budget cuts and record inequality shows how much this anti-Wall Street pose is worth.

It is all about covering up the real role of "organized labor" as an integral part of the Democratic Party and the loyal servants of the financial and corporate elite. The fight against the attacks that are guaranteed to come under the leadership of Mr. Lhota can only be waged independently of and in opposition to the unions, which function as the henchmen of the Democrats and of Wall Street.



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