New York City transit faces fiscal crisis despite fare hikes

Alan Whyte
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Despite plans for another round of fare hikes, New York City's mass transit agency is confronting a deepening fiscal crisis.

Bus and subway fares in New York City, fares on two commuter railroads, as well as the tolls charged on the bridges and tunnels controlled by the Metropolitan Transportation Authority (MTA) will all increase by an average of 4 percent on March 22. While inflicting another assault on the living standards of average New Yorkers, the increases do not begin to fill the MTA's budget hole.

The most immediate challenge is the shortfall of $15.2 billion out of $32.1 billion needed for the 2015-2019 capital improvement plan, and a projected $322 million deficit in the 2018 operating budget. For the capital plan, $22 billion is needed to repair and replace rails, switches, signals and fans that clear smoke out of tunnels when fires erupt.

The plan includes the purchase of 940 new subway cars, station reconstruction on six lines and replacing tunnel lighting, 84 miles of track and 175 switches that are more than 50 years old, as well as modernizing and repairing power facilities like substations and circuit breaker houses.

There are also proposals for the expansion of the subway system in order to deal with the growing problem of overcrowding. The MTA chairman, Tom Prendergast, acknowledges that while two years ago there was only one day a year when ridership would hit 6 million people, now there are up to 29 days a year when ridership reaches that number. It has been estimated that at least 1 million more riders will crowd the subway system over the next 10 years.

The MTA chairman recently admitted "If you want to go down to a very crowded line like the Lexington Avenue line at Grand Central or 14th street, maybe two, three years ago you wouldn't get on the first train, but you'd probably get on the second train. Now, it may take you three or four trains."

Lee Sander, who was MTA chairman from 2007 to 2009, has said that if these projects don't go through, "…we're going back to where we were in the 80s, with trains falling apart, bridges falling apart, just the system collapsing. We came to a near collapse in the 80s." He also pointed out that "…what will also occur is that we won't have relief for the crowding on the Lexington Avenue subway if we don't continue with the Second Avenue."

The first phase of the Second Avenue subway is scheduled to open in December 2016. However, without the necessary funding, the next phase of construction will come to a halt. In addition, other expansion plans such as bringing the Long Island Railroad into Grand Central terminal, and linking the Metro-North Railroad with Penn Station would be ended. Also, the capital plan includes the installation of a communications-based train control system on a number of lines, allowing trains to run more efficiently and much closer together.

One of the issues discussed in recent state legislative hearings on the capital plan was the transit agency borrowing money to pay for at least some of its projects. However, the MTA is already drowning in red ink. It now has a long term debt of $34.1 billion, an amount that is larger than the debt of at least 30 countries, according to Straphangers Campaign, a passenger advocacy group.

This is the result of earlier measures taken to save the transit system's infrastructure, which had been neglected for so many years that it was on the verge of collapse. Since 1982, the authority spent $105 billion on buying new trains and buses, reconstructing stations, and replacing hundreds of miles of tracks and signals. However, due to a lack of funding by federal, state, and city governments, the agency accumulated massive debt.

The underfunding problem continues. New York's Democratic Governor Andrew Cuomo, has called the capital plan "bloated." His latest budget proposal offers a woefully inadequate $1.15 billion over five years. The self-described progressive New York City Democratic mayor, Bill de Blasio, has offered the authority only $40 million a year, less than half the $100 million previously contributed by the city.

The MTA and both Democratic and Republican politicians, of course, never consider taxing the city's many multi-millionaires and billionaires to pay for the mass transit shortfall. Instead, they constantly seek to make the working population pay more through higher fares and tolls, more sales taxes, as well as financial and productivity sacrifices imposed upon transit workers.

The MTA has already cut $1 billion from its annual spending with more cuts planned every year to bring the annual savings

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to $1.6 billion by 2018.

A state comptroller's report issued last October has concluded that every $1 billion that the authority borrows translates into a 1 percent fare hike. In 2015, the MTA will pay $2.2 billion, or 17 percent from its $13.5 billion operating budget just to pay "debt service." In addition to the fare hike taking place on the 22nd of this month, another one is scheduled for 2017.

Prendergast has stated that he is open to placing an even greater financial burden on working people by charging new tolls on the city-controlled East River and some Manhattan bridges. Others, such as former MTA chairman and lieutenant governor Richard Ravitch, have proposed increasing the regressive state gas tax.

According to two recent reports, more than 20 percent of New York City residents live in poverty, and nearly half of all New Yorkers survive on less than 150 percent of the poverty line. This is in the same city that has the country's highest concentration of the super-rich. These include the world's fourteenth richest man, according to *Forbes* magazine, the former mayor of New York City, Michael Bloomberg, who has a personal worth of $35.5 billion, enough to either wipe out the MTA's long term bond debt or pay for the entire 2015-19 capital improvement program with a significant amount of cash left over. But under the current capitalist set-up, these vast resources will never be used for the benefit of working people and students who both work in and must use the transit system.

As the mass transit system's fiscal crisis deepens, anger over overcrowding and deteriorating conditions continues to grow among both transit workers and riders.

Richard Ballentine, a 19-year veteran subway conductor, told the WSWS: "I think the overcrowding, breakdowns and delays have a lot to do with the mixing of new signals in with the old ones. They are trying to upgrade the system, but you put the new stuff in with the old, and there still a problem.

"When there are many delays or serious delay, sometimes I will have to miss my lunch. Anytime the passengers are stuck, I am stuck. We feel the pain together. There was a problem on the downtown train this morning. My passengers had to get off at Christopher St. and catch another train. When passengers are delayed like that, they are often made late for work. Now, I'm delayed. My train should have been leaving here at 4:21 p.m., but it won't go off until 4:45 p.m. to take me back to the Bronx where I am supposed to go before picking up my granddaughter in New Jersey. But you can't get to a phone here to call and make new arrangements.

"I see passengers up close and personal every day, and I work every line. I don't see why they need a fare increase. There are enough people riding the subway every day. Look how much money they are making with the tolls already. But they want to raise the fares again; I can't see it."

Pavlove Jean-Charles works and is a student at LaGuardia Community College. He emphasized, "The trains are so crowded. With so many more people on the trains that I see every day, there is no reason to raise the prices.

"I work in the morning and go to school in the afternoon and night. There are two or three delays on the trains I ride every day. Then the train announcements only repeat we are delayed because of train traffic in front of us. I've been made late for work in the morning until I decided to get up and leave my house 30 minutes earlier each day."

Quamay Griffin explained. "I take the subway to work every day. I work as a porter at a restaurant in Manhattan. These trains are very crowded. They could speed up the trains, but they have been cutting back instead.

"I don't like fare hikes. I need my job, but one time I didn't have the money to pay the fare to get to work. They tell you when you don't have the fare to talk to the station booth operator and the police will allow you to ride. They told me no, so I jumped the turnstile to get to work. When they caught me, they put me in jail. I didn't get out until the next day. Sometimes I have to call off work because of the delays."

Another passenger said, "Yesterday, I lost almost an hour and a half of overtime pay because two Metro-North trains were disabled at 125th Street. When we arrived at that station, the conductor told the crowds waiting on the platform that there was no room in our train, but 20 or 30 people pushed onto the train anyway. Many said that they had been waiting more than two hours to get on a train.

"Last week I had one of the worst days ever riding the subway. I had to wait for the fifth train to come by at Grand Central station before I could get on. One commuter said to me, 'If they are treating us like animals, we will start acting like animals.'

"When I got to work, someone asked how much money do you think people have lost from train breakdowns, overcrowding and delays this year. I told my coworker that while I don't know how much we have lost, not only will they not pay us back, but before the month is over they are going to raise fares again."

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