

Public transportation in New Jersey faces service cuts and fare increases

Philip Guelpa
25 April 2015

On Monday, NJ Transit, New Jersey's public transportation system announced plans for major service cuts and fare increases due to a significant budget deficit. The system encompasses a dozen commuter rail lines, three light rail lines, and more than 250 bus routes. It serves not only New Jersey, but several adjacent counties in New York, as well as providing access to Philadelphia. Many of the riders commute to work in New York City.

It is currently projected that the system will experience a \$60 million budget deficit in the fiscal year beginning July 1. This is after \$40 million in cuts have already been made, including the institution of a hiring freeze.

The rate increases will reportedly average about 9 percent. In 2010, the last time they were raised, fares increased by 22 to 25 percent. Together, these amount to a rise of approximately one third in five years. There have been four fare increases since 2002. Between 1980 and 2010, the cost of riding NJ Transit trains has increased by a factor of nearly five times. In addition, under the proposal, two train runs will be eliminated and bus service on six lines would be reduced or terminated. If approved at a July meeting of the board of directors, the service cuts and fare increases will take effect this fall.

In a press release, NJ Transit blamed the budget deficit on added services for the handicapped as well as the cost of workers' health care and benefits. In reality, the system's budgetary shortfalls are the result of the state's substantial economic problems and a mandated increase in payments to Amtrak, the federal passenger rail system.

NJ Transit ridership increased by only 2 percent during 2014. At 270 million passenger trips, usage of the system has not even risen to the level reached in

2009, indicating the lack of recovery from the 2008 financial crisis.

The proposed service cuts and fare increases are a step in the process of eliminating "unprofitable" routes, with the ultimate aim of privatizing those that remain. New Jersey's Republican governor Chris Christie's administration has been steadily reducing state funding for mass transit. Direct state support dropped from \$309.4 million in 2012 to \$34 million in 2013. Some of the reduction has been made up by looting other state programs, but with a net reduction. Furthermore, instead of a steady funding commitment, these ad hoc "fixes" could quickly be rescinded in future years, leaving a substantial budget gap.

This is of a piece with Christie's systematic policy of austerity for the working class while cutting taxes on the rich. By its own estimate, the tax reductions will cost the state \$2.3 billion once fully implemented next year. At the same time, the Christie administration has reduced state contributions to public pension funds, including a cut of nearly \$1.6 billion this year alone, and underfunded public education. Nearly \$500 million previously projected in this year's budget for the state's Transportation Trust Fund has been eliminated.

The proposed service cuts and fare increases would create additional burdens for the state's working class. New Jersey's official unemployment rate is a full percentage point above the national average. The total number of jobs in the state remains significantly below what it was before the crisis. Of the nearly 260,000 jobs that were lost, only 60 percent have been replaced. A recent study by the Economic Policy Institute found that more than 80 percent of income growth in New Jersey from 2009 to 2012 went to the wealthiest 1 percent of the state's households.

To compound NJ Transit's budgetary problems,

Congress's passage of the Passenger Rail Investment and Improvement Act of 2008 mandated that Amtrak be run like a self-supporting business rather than as a subsidized public service. This means that regional carriers, such as NJ Transit, are being charged more to lease access to rail lines and stations owned by Amtrak. While the final amount has not been set, estimates range between increases of \$20 million to \$80 million in rental charges to NJ Transit.

The attack on public transportation is taking place to the east of the Hudson River as well, despite a marked increase in usage. Subway ridership in New York City hit a 65-year high in 2014, totaling 1.75 billion trips. Overcrowding on trains is becoming increasingly severe, service is declining, and maintenance of the system is deteriorating. Yet, in the richest city in the world, there is a \$15 billion gap in the Metropolitan Transportation Authority's (MTA's) five-year capital budget that the state and city governments have failed to address. This is despite a fare increase that took effect last month. Much of the MTA's budget goes to servicing its huge debt.

Workers and students throughout the New York City metropolitan area, which encompasses not only the city itself, but Long Island, the northern suburbs, and northern New Jersey, are heavily dependent on public mass transportation to reach their jobs and schools, as well as shopping and entertainment. Without the availability of such services at affordable prices, life in the region would become increasingly difficult.



To contact the WSWWS and the
Socialist Equality Party visit:

wsws.org/contact