

Trump's budget cuts likely to have dire impact on US transit projects

Alan Whyte
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President Trump's proposed 2018 budget includes draconian cuts to federal funding for various transit projects, called New Starts grants. Under terms of the proposal the US Department of Transportation would see its funding immediately reduced by 13 percent, or \$2.4 billion.

The cuts would impact a major project costing \$7.7 billion to build a new train tunnel under the Hudson River between New York and New Jersey, as well as necessary repairs to the current tunnel used by both Amtrak and New Jersey Transit, which was damaged by Hurricane Sandy. The project includes expanding the Pennsylvania Station in New York City that is used by Amtrak, NJ Transit and the Long Island Railroad at a cost of \$5.9 billion. These are part of a host of approved plans called the Gateway project with a total cost estimated at \$23.9 billion.

The cuts would also impact already planned projects in New York City, such as the building of a Second Avenue line extension in the borough of Manhattan, which is expected to cost \$6 billion, with officials having hoped to get \$2 billion in federal funding.

In California, a planned train line between San Jose and Santa Clara, with a projected cost of \$4.8 billion, is now also threatened.

Endangered projects include a subway extension in Los Angeles, a light rail plan in Maryland, and a rapid transit bus line in Kansas City, Missouri, as well as other projects in Phoenix, Arizona; Indianapolis, Indiana; and Jacksonville, Florida.

According to a recent analysis by the American Society of Civil Engineers (ASCE), mass transit, which includes buses, subway and light rail, received a report card rating of D-. The ASCE states, "Despite increasing demand, the nation's transit systems have been chronically underfunded resulting in aging

infrastructure and a \$90-billion-dollar backlog." The ASCE estimates it would cost a total of \$2 trillion to bring US infrastructure up to an adequate condition.

In the New York area, although investigations need to take place to discover the exact causes, it is clear that there is an urgent need for both repairs and expansion of the infrastructure and the trains. This has been demonstrated by a number of recent derailments.

On April 3, in Penn station a New Jersey transit train derailed, forcing the Long Island Railroad (LIRR) to give up four of its tracks, creating a huge number of train cancellations and delays for days. On March 24, an Amtrak train derailed, striking a New Jersey Transit train and resulting in the cancellation of about 30 evening rush hour trains.

On February 8 a train derailed, striking a station and destroying signals on the track. On March 6 an Amtrak switch problem inside one of the tunnels resulted in more than 20 LIRR train cancellations. And a March 17 train collision caused numerous delays in the evening rush hour, with the third rail taking days to repair.

The proposed cuts stand in stark contrast to Trump's claim that he would invest hundreds of billions of dollars to repair the nation's infrastructure. Indeed, all indications are that his whole plan consists of providing tax credits to private investors and/or a government bond fund. In other words, it involves some kind of public-private setup, aimed at providing a handout to big business. Meanwhile, working people would be saddled with the cost in the form of budget cuts, increased tolls and fares, while transit workers will be hit with demands for further pay cuts.

In fact this is exactly what has already been taking place at the Metropolitan Transportation Authority (MTA) in the New York area for years. Last month, the agency increased the commuter, subway, bus fares and

bridge and tunnel vehicle tolls approximately 4 percent, the sixth increase since 2007. The New York State Comptroller has concluded that the fares and tolls have risen about 45 percent between 2007 and 2015, three times faster than the rate of inflation, and six times faster than the increase of salaries. An anti-poverty group discovered that even before the latest increase, one-fourth of all poor people could not afford the fare. The MTA is planning yet another fare and toll hike in 2019.

At the root of the increasing fare and tolls is the MTA's huge bond debt, which will reach \$41.4 billion by 2020. There was a decision made in New York in the early 1980s to spend tens of billions of dollars to save a transit system that, as a result of years of financial neglect, was in a state of disrepair approaching collapse. However, this money was invested without the proper governmental funding for repayment, resulting in ever-growing amounts of red ink.

Not only transit riders but also transit workers have had to pay for this debt through concession contracts. The Transport Workers Union (TWU) Local 100 recently rammed through a deal that provided wage increases averaging 2.14 percent a year, below the current rate of inflation.

The debt, however, is a lucrative source of profit for investors as well as the banks that sell the transit agency financial instruments.

New York Democratic Governor Andrew Cuomo criticized Trump's budget proposal, declaring, "New York has the most ambitious building plans in the nation, and it's absurd that the federal government claimed these projects were a priority one day and then cut funding for them the next."

However, despite this tough-sounding talk, Cuomo's last budget included a cut of \$65 million to the transit authority.

TWU Local 100 President John Samuelson, who pushed through the concessions contract as part of his agreement to support Cuomo in his campaign for governor, has not said a word about these cuts.



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