New York transit agency threatens draconian cuts and fare hikes

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Facing unprecedented financial losses resulting from the COVID-19 pandemic, the Metropolitan Transportation Authority (MTA), which controls New York City's buses and subways and two commuter railroads, is preparing cuts that would hurl mass transit service backward more than a century.

The threatened service cuts amount to as much as 40 percent for New York City bus and subway service and 50 percent for Long Island and Metro-North commuter railroads. Such cuts would eviscerate any semblance of a functional transportation system in the New York City area, the only realistic transportation option for millions of residents.

Alongside the service cuts, the MTA is threatening to permanently reduce more than 7,200 jobs and implement a wage freeze and significant fare hikes.

MTA chairman Patrick Foye made these warnings at a virtual hearing of the New York State Legislature on the funding crisis. "Our sole focus now is on survival," he said. Foye followed up his testimony with a letter to all employees warning of the "thousands of positions that could be lost."

Saddled with a continuous drop in ridership, reduced tax revenues, and increased cleaning costs, the MTA has exhausted an emergency $3.9 billion infusion from the federal government that it received in March of this year. The financial losses amount to about $200 million every week. With the pandemic far from under control, ridership remains just 25 percent of its pre-pandemic levels.

While the MTA is pinning its hopes on another rescue package from Washington, there are few indications that one is forthcoming. Both big business parties demonstrated their hostility to the needs of millions of working people facing economic catastrophe by allowing unemployment supplements and eviction protections to lapse. State and local governments have yet to receive any substantial aid.

In contrast, the Democrats and Republicans engineered the transfer of trillions of dollars to Wall Street in March with virtually no debate. Both parties' focus since has been the reopening of the economy, if necessary by starving workers into submission and sacrificing children and teachers with the premature reopening of schools.

Foye, who operates under the direction of Democratic governor Andrew Cuomo, rejected out-of-hand that the state could take action to provide the needed revenues, despite being home to scores of billionaires capable of erasing the MTA's budget gap with their personal wealth. "Unlike Washington," he wrote to employees, "we can't print money." The MTA says it needs $12 billion to cover expenses through 2021 and $16.2 billion through 2024.

In the face of the crisis, the agency is also abandoning any efforts to renew its aging infrastructure. The capital improvement program, which includes extending the Second Avenue Subway, connecting commuter trains at the Pennsylvania station, purchasing a new fleet of electric buses and subway cars, and necessary signal modernization projects, has been placed on indefinite hold.

The MTA is also discussing increasing fares above the already-scheduled four percent hikes in 2021 and 2023.

The budget crisis compounds what has already been a hellish year for New York City transit workers. The criminal policies of MTA and the politicians at all levels have led to the deaths of 146 transit workers. Many of these deaths were concentrated among jobs which interact with passengers, such as bus operators, train conductors, and train operators.

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Nonetheless, restoring revenue collection is the priority advanced by the MTA. Beginning August 31, free rear door boarding on buses will be suspended. Passengers will once again board at the front door, paying at the fare collection boxes in close proximity to drivers. This move, driven by financial considerations rather than safety, increases the chances that more transit workers and riders will contract the virus.

The crisis in New York is part of the crisis in mass transit tasking place throughout the country, which has already led transit agencies to cut service and furlough workers. The American Public Transportation Association, an advocacy group, has called for an immediate federal bailout of $32 billion.

However, even if Congress was to appropriate this money, this crisis has created unprecedented damage to the functioning of mass transit, which will involve even more attacks on the workers and passengers.

Before the pandemic, the New York transit agency was suffering from a huge budget crisis, including a long-term bond debt of $46 billion. Earlier this month, the MTA borrowed yet another $451 million from the Federal Reserve Bank.

New York State Comptroller Thomas DiNapoli issued a report released in March of this year entitled "The Metropolitan Transportation Authority's Rising Debt Burden." It stated that the long-term debt tripled from 2000 to 2019 from $11.4 billion to $35 billion, and is estimated to rise to about $53 billion by 2023. The debt service is expected to rise to $4.2 billion by 2023, an increase of almost 60 percent since 2019. This means that the share of total revenue needed to pay off the debt will reach 22.5 percent by 2023, after averaging 16.1 percent over the last decade.

Even at that time, the report speculated on the need to increase fares above the already-scheduled increases. The coronavirus outbreak has accelerated this preexisting crisis. Now, under the current conditions of widespread job losses, income drops, and increasing homelessness and hunger, the ruling class is attempting to force transit workers and passengers to shoulder the entire burden of the budget crisis.

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