

As New York transit agency seeks more money, big business lobby calls for transit workers and riders to pay

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Last month, the Metropolitan Transportation Authority (MTA) which runs the New York City bus and subway system, two commuter railroads, and nine bridges and tunnels, published its 2025-2029 Capital Plan, half of which is unfunded.

The Capital Plan is the latest in a string of plans over 30 years to maintain and to modernize the more than 100-year-old mass transit system which is currently valued at about \$1.5 trillion. The MTA is critical to the economic livelihood of not just the city and state of New York, but to the tri-state region including New Jersey and Connecticut and plays a central role in the infrastructure of the United States' largest metropolitan area.

The plan calls for such things as the purchasing of 2,000 new railcars to replace aging ones, installing modern signals, modernizing shops, yards, and substations, making more subway stations accessible for the disabled, installing new infrastructure to protect from stormwater, and purchasing 500 zero-emission buses.

However, all these necessary projects come with a hefty price tag of \$68.4 billion, out of which \$33.4 billion, or almost half, is currently unfunded or undetermined.

The authority has estimated that two sources of revenue are the federal government, which the MTA hopes will provide \$14 billion or 20 percent of the funding, and New York State and City governments which will provide \$8 billion or 12 percent of its needs.

The MTA has concluded that it will need to issue new bonds for \$13 billion to cover 19 percent of what it needs to bring funding to 51 percent of the plan. The agency, however, already has a long-term bond debt of about \$48 billion resulting from decades of capital plans that were underfunded.

This has compelled the agency to take about 15 percent of the money from the operating budget which is now used to pay workers as well as some services such as paratransit. The authority claims that these funds will enable it to manage the new debt since it will have cash on hand to pay 15 percent in debt servicing. It acknowledges that anything more borrowed from the operating budget is not practicable.

The MTA board voted for the plan on September 25. The

plan has now gone to the Capital Program Review Board, after which it will be presented to the New York State legislature, which will then decide whether it will accept the plan and how and to what extent it will find the money to pay for it.

The New York big business lobby group, the Citizens Budget Commission (CBC) also issued a report last month on the MTA Capital Plan which has a different view on how much more debt the authority can take on.

It is important to understand that the CBC's proposals come from the ruling class itself. Its chair is Marissa Shorenstein, a scion of a well-connected and wealthy Democratic Party family. She was the leader of Governor Kathy Hochul's transition team when she took office after the resignation of Andrew Cuomo in 2021. Hochul named her state Gaming Commissioner even though, or rather, because, her father was an important lobbyist for the gambling industry. She was Cuomo's communications director in the 2010 election and served as an executive for AT&T.

The CBC's treasurer is Robert Hoglund of ConEdison and its secretary is Merryl Tisch, wife of James Tisch, heir to the Loew's Corporation fortune, and for many years head of the state Board of Regents, when she was reviled by educators for her role in pushing standardized testing.

One of her children, Jessica Tisch, was an official in the NYPD's counterterrorism bureau and later Deputy Commissioner of Information Technology for the NYPD. Democratic Mayor Bill de Blasio appointed her Commissioner for the city's Department of Information Technology and Telecommunication. She is currently the city's Commissioner of Sanitation. According to media reports yesterday, Jessica Tisch is now in line to be Commissioner of Police in the crumbling administration of current mayor Eric Adams.

One vice president of the CBC's Board of Trustees is William Floyd, the director of state and local government affairs and public policy for Google. Its executive committee has members from Red Stone Equity and Wells Fargo. The trustees themselves include figures for Barclays, Bank of America, Morgan Stanley, Deloitte, and a whole range of representatives of big real estate.

Regarding the Capital Plan, the CBC writes, "... \$2 billion of debt for the 2025-2029 Capital Program could be issued. ... This amount is significantly less than prior capital programs but is all that is appropriate for this plan."

One of the possible sources to help pay for the unfunded portion of the plan, the CBC suggests, is what has been termed congestion pricing. This is a plan that would charge \$15 for each passenger car driving into lower Manhattan. The CBC calculates that this would allow the MTA to bond \$15 billion backed by the estimated \$1 billion raised by congestion pricing each year. It would therefore cover about half of the uncommitted money the MTA needs.

However, just before a congestion pricing program was to go into effect a couple of months ago, it was indefinitely postponed by Governor Hochul, who was concerned by the unpopularity of what is essentially a regressive tax on working people. She has indicated that she may allow it to proceed perhaps after election day on November 5.

The CBC report proposed that the revenue be raised from this source and has called to "Unpause congestion pricing."

This leaves perhaps 25 percent of the Capital Plan unfunded, and the CBC sees the need to declare war on transit workers and riders. Its report states, "The MTA should significantly reduce fare evasion—assisted appropriately by enforcement activities by the State and City—which cost more than \$700 million in foregone revenue in 2022."

It is precisely this policy, already in effect, that led to the police shooting on the New York subway in the afternoon of Sunday, September 15. Two police officers, following an alleged fare-beater, fired between the two of them nine shots, wounding two passengers. One of the main defenders of the police pursuing fare evaders is the former police captain and now-indicted mayor Adams.

The Transport Workers Union (TWU) Local 100, which bargains for about 36,000 city bus and subway workers has yet to issue a statement on this incident. Indeed, the union has supported the presence of more police in the system. For example, the TWU issued a statement on March 6 praising Governor Hochul for increasing the number of MTA police and the National Guard but indicated that this was still not enough.

The TWU's position on police action against so-called fare-beaters means that it will play a key role in raising funds for the MTA off the backs of its members. In addition to congestion pricing and a violent clampdown on fare evasion, the CBC understands that it will receive no objection from Local 100 when it proposes, "The MTA should work with labor unions to change work rules and operations to increase efficiency and reduce operating costs."

In fact, this process began in the last contract between the authority and the TWU local 100 that went into effect in May. The contract, under the heading "Availability/Gainsharing" states, "For the term of this Agreement, the parties commit to achieving an average employee availability improvement of

five (5) days. ... Within sixty (60) days of full and final ratification of this Agreement, the parties will convene to discuss gainsharing options that can be implemented once the employee goal is reached."

This second sentence is deliberately vague as to who exactly will be rewarded, but since the union has agreed to participate in the management of the workforce, the possibility the union bureaucracy will get the benefits seems likely.

Another giveback was the denial of the right of about 22,000 retirees to be on basic Medicare. Retirees were forced onto for-profit Aetna plans that are notorious for denying necessary medical procedures. In addition, the paltry wage hike has failed to cover the skyrocketing cost of living in the last couple of years.

The CBC also calls for deeper sacrifices from the riders by calling for bi-annual fare hikes of "... 6 percent instead of 4 percent, as has been the [past] practice..." as well as a further increase of 1 percent for the users of the authority's bridges and tunnels, and various fees "such as driver's licenses and vehicle registration..."

In other words, this corporate think tank is demanding that all working people, including transit workers and riders, pay for the underfunding of the necessary maintenance and modernizing of the New York mass transit system.

The most forbidden kind of discussion as far as the MTA leadership, the TWU bureaucracy and the Democratic and Republican politicians are concerned is the most necessary one: about transferring the money used for imperialist war to upgrade and develop essential infrastructure, and making the very wealthy millionaires and billionaires pay for safe, cheap and modernized public transit.

On the contrary, these forces are preparing far deeper cuts in workers' paychecks and the amount riders must pay to fund the MTA so that increasingly vast sums can be directed toward war.

The ruling class, which does not want to pay a dime for public transportation, has on its side the unions and the corporate-controlled Democratic and Republican parties.

This is why it is necessary to establish rank-and-file committees that will unite transit workers and the riders against the for-profit system.



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