NYPIRG
Straphangers Campaign
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Testimony
of
Gene Russianoff
Staff Attorney
NYPIRG Straphangers Campaign
before the
Transportation Committee
New York City Council
December 16, 2008

The Straphangers Campaign supports the central recommendations of the MTA Financing Commission, appointed in June by Governor David Paterson and headed by former MTA Chairman Richard Ravitch.

We share the view of the Governor and Commission that the State must act very soon to ensure that New York's riders have safe, decent and affordable public transportation. And it is critical to address both the agency's $1.2 billion operating deficit for 2009, as well as at least $17 billion shortfall in its vital $25 billion 2010-2014 capital program.

The report of the Ravitch Commission continues a 30-year tradition of asking those who benefit from metropolitan transit to contribute to its maintenance. This includes transit riders, drivers, and businesses. New York City is unthinkable without an unparalleled transit network that moves more than nine million workers, customers, tourists and students each workday.

About half the cost of running the Metropolitan Transportation Authority has generally been covered by fares. That currently is about $4.2 billion, or some 52% of operating costs. A major contribution - about $3.1 billion in 2008 - comes from taxes dedicated to transit. The rest come from tolls ($1.2 billion) and state and local subsidies ($930 million).

Contributions to transit are now made by metropolitan area drivers, who pay toll surpluses and a gas tax; businesses, which contribute through the corporate income tax; owners selling their properties, through several real estate taxes; and consumers, through a portion of the sales tax.

Take, for example, the $5.4 billion sale of Stuyvesant Town and Peter Cooper Village to Tishman Speyer in 2006. It netted the MTA $52 million in real estate taxes. That was fair, since the value of those 110 buildings is directly tied to the nearby L and 6 trains and the M15 bus on First and Second Avenues.

These various sources also have helped make possible a quarter-century of investment in a series of robust five-year MTA rebuilding programs. Since 1982, these plans have turned around the transit system with new trains and buses, rehabilitated stations and critical infrastructure, such as track and signals. While substantial economic stimulus funds may soon come to New York's transit system, clearly a great deal of State and local support will be needed.

However, New York's funding consensus may fall apart unless state leaders come to the rescue of transit riders. If the MTA's current budget plans are approved, the riders' share of the cost of running the subways and buses will go through the roof.

For New York City, the subway farebox operating ratio - the percentage of costs that riders bear for operating the transit system - would go from 69% in 2008 to an astonishing 83% in 2009. For buses, from 39% in 2008 to 48% in 2009.

In comparison, the national average farebox ratio for large transit systems was 37% in 2006, according to the Federal Transit Administration. Among other cities, ratios can range from 29% (Boston) to 43% (Chicago), 37% (Philadelphia), 51% (San Francisco) and 40% (Washington).

At the same time, the MTA is proposing hundreds of millions of dollars in horrendous cuts to service, maintenance and cleaning, with slower trips, more crowding, longer waits and - in some cases - no service at all.

Riders are being asked to pay much higher fares for vastly reduced service to make up hundreds of millions of dollars that used to come from the dedicated transit taxes. In an unsettled economy, these taxes - not including the sales tax - are not providing enough revenue.

Riders should not be asked to bail out corporations or those selling properties or drivers. Instead, each sector should share both the benefits and the costs. A more modest fare without terrible service cuts is possible if every constituency shares the burden fairly, including corporations, drivers and property sellers.

There are several options, from new tolls to business taxes, as recommended in the Ravitch report. City Controller William Thompson has suggested following the lead of other cities and increasing car registration fees.

The state legislature has an important role to play now, as has been the usual case with transit in the past. Without their input and approval, there is no deal. The Straphangers urge both thoughtful and timely action. A lengthy delay will hurt the downstate economy and millions of transit riders, who now face the prospect of whopping fare hikes and horrendous service cuts in the next few months.

The campaign has concerns about some of the recommendations. In particular, we also question the proposal for regular biennial fare increases. The Straphangers Campaign is concerned that an automatic funding source will discourage efficiencies, promote waste and be unnecessary given future possible finances of the MTA.

In addition, a proposed regional bus authority will need to come with safeguards to prevent harmful cuts made in the name of eliminating "duplicative" service. Previous proposals in Albany have contained moratoriums on cuts. Labor unions representing transit workers have understandable worries about how their members would fare under a regional bus authority.

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TRANSALT.ORG TRANSPORTATION ALTERNATIVES

Your advocate for bicycling, walking and public transit

Testimony of Noah Budnick before the New York City Council Committees on Finance and Transportation

December 16th, 2008

My name is Noah Budnick and I am the Senior Policy Advisory of Transportation Alternatives. We are a 35-year old organization that advocates for streets that are safe and inviting for pedestrians and cyclists, and a transit system that is affordable, efficient and accessible. Transportation Alternatives is non-profit, non-partisan and we have a rapidly growing membership of 7,500 dues-paying members citywide.

In coming to terms with the MTA's fiscal crisis, I urge you to adhere to one principle: everyone who benefits from public transit must contribute to the system. Straphangers, property owners, businesses and drivers all pay into the system today. This is the formula that pulled the MTA back from the bring thirty years ago, and it's the only responsible way to pull us back from the brink today. Balancing the books on the backs of riders alone—as the MTA will be forced to do tomorrow—is unconscionable.

The MTA's proposed fare hikes and service cuts will impose a tremendous burden on New Yorkers in every borough and reduce regional mobility. For many New Yorkers, this will mean longer, less reliable commutes at a higher cost—a more grating daily grind. It will mean a drain on the economy, as fewer New Yorkers will travel within the City, period. And for the disabled and many seniors, it could mean an end to independent living, an inability to seek medical care, or drastically reduced employment opportunities.

We cannot let this happen. It is up to legislators here and in Albany to share the burden of these times across every sector that benefits from transit and avert this doomsday scenario.

Our organization has evaluated the Ravitch Commission Report and we support many of its proposals. First and foremost, we support its recommendations to share the financial burden across all New Yorkers who benefit from the transit system, continuing the tradition Richard Ravitch inaugurated earlier in his career. I suspect that many of the Commission's recommendations, like greater transparency and increasing dedicated taxes to the MTA, will meet with general approval, so I will restrict my comments to the one point most likely to incite controversy: tolling the East River bridges.

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Your advocate for bicycling, walking and public transit

I am not naïve to the political atmosphere on this issue of tolling the East River bridges. But the question is not whether New York City residents want to pay for something that is currently free. We all know the answer to that. The question before us is whether tolling the East River bridges is preferable to a constricting public transit system encumbered by skyrocketing fares and plummeting service. In 2003, Transportation Alternatives hired Schaller Consulting to evaluate the costs and benefits of East River bridge tolls and, like the Ravitch Commission, Schaller Consulting found that half a billion dollars would be raised by bridge tolls. In addition, the firm estimated that traffic on these bridges would be reduced 24-26%. Traffic leading into Downtown Brooklyn would be reduced by 12% and traffic leading into Long Island City would be reduced by 14%. There is a strong case for this proposal, both in terms of sustainable funding for transit and congestion reduction. I encourage you to give it your consideration.

If you do not support East River bridge tolls, then we need an equitable alternative be it through vehicle or license registration fees, as some have suggested, or through user fees such as performance-based management of curbside parking. But we must adhere to the principle of shared responsibility, and drivers must be part of the eventual solution. Their movement on the streets depends on 9 million of their neighbors taking public transit every day. A transit system in decline means tens of thousands of efficient transit trips converted to private car, with paralyzing traffic congestion. Thanks to a bill passed last year by City Council—Intro 199—the Department of Transportation recently reported that in the last four years hundreds of thousands more New Yorkers are traveling to work, visiting friends and going shopping, and thanks to investments in transit, they are doing so without adding to traffic congestion on the streets. This shows we can accommodate the population growth that is coming, provided we invest in transit now. The mobility of everyone—drivers and straphangers alike—depends on transit investment.

I thank the City Council for the attention it has given over the past year to sustainably funding the MTA. Regardless of where you stood, nobody won last April when we came away empty-handed at the end of a long and strenuous debate. And no one will win next summer when transit fares shoot up 25%, Access-a-Ride trips cost $5, and riders on the W, Z and dozens of bus routes scramble for an alternative commute. We must all dedicate ourselves to emerging from the present crisis with a fair, balanced plan that puts the MTA back on stable footing.

TRI-STATE TRANSPORTATION CAMPAIGN

Mobilizing the Region

Testimony of Kate Slevin
City Council Transportation Committee Hearing

Good morning. I am Kate Slevin, executive director of the Tri-State Transportation Campaign, a policy and advocacy organization working for a more balanced transportation network in downstate New York, New Jersey, and Connecticut.

Tri-State believes the Ravitch report offers fair and equitable methods of paying for MTA operations and capital needs and reducing the size of the proposed fare increase. We agree with the report when it says that the current fare increase and service cuts proposals are "unacceptable" and the pain of funding the system cannot be "borne exclusively by MTA customers."

We urge our elected officials to move swiftly to pass the Ravitch recommendations, or another fair and balanced approach to funding our transit network. If you cannot support this plan, we urge you to immediately find other, politically feasible ways to secure necessary revenues for the transit system, whether they are weight based fees on vehicles or something else. Simply denouncing the ideas within the Ravitch report instead of proactively working toward a solution is not going to keep our transit system afloat.

We support East River and Harlem River bridge tolls because they are equitable, and good transportation policy. The system we have right now, with some crossings free and others tolled, does not make sense. Drivers go out of their way to travel over the free bridges, causing congestion in neighborhoods like Downtown Brooklyn and Williamsburg. In fact, over 30% of the traffic in Downtown Brooklyn is generated by drivers heading to the free bridges. We expect East River and Harlem River bridge tolls will rationalize this system, reducing traffic for all drivers while raising revenue for our transit system.

There are a number of reasons why new tolls are an equitable means of raising transportation revenue.

1. About half of outer borough households do not even own a car, let alone drive into Manhattan frequently, and rely solely on our transit network to get around.
2. Of the 5 million people that work in Manhattan and live in the five boroughs, Lower Hudson Valley and Long Island, only 3.9% drive alone to work.
3. Households in the five boroughs that do not own cars make about 50% less, on average, than their car-owning counterparts.

4. Drivers benefit from our public transit system, too, because every dollar invested in the system means less traffic for them.

Tolls can be implemented without toll booths, using high speed or cashless tolling technology. Cashless tolling has merit for our region, regardless of whether East River and Harlem River bridge tolls are approved.

Tri-State Transportation Campaign is pleased to see the report's focus on buses. More funding for bus rapid transit projects can improve service and speed commutes in the near term, and will be especially beneficial to residents in southern Brooklyn, eastern Queens, and northern Bronx.

On this note, the creation of a regional bus authority is long awaited, and if implemented, will improve bus service and reliability. For years, counties, the state and the MTA have fought over who will pay for the bus systems in Nassau and Westchester. This has resulted in less reliable service for bus riders and an inability for bus providers to keep pace with increasing ridership. Our economy is regional in nature; our bus system should be regional as well. In other words, better bus service in Nassau and Westchester will not only benefit bus riders in those counties, but also the many New York City residents who travel there for work.

We urge more funding for the MTA and know its deficit is too big to be plugged with administrative and managerial actions alone. However, we also know the agency has a credibility problem with the public. Things have improved significantly under Lee Sander's leadership, but more can be done to improve the public's perception of the agency. Such changes could include easier-to-understand budgets, a more open process for creation of the agency's capital program, and improved customer service.

Tri-State Transportation Campaign is concerned about the idea of automatic, biennial fare increases without public hearings. Fare increases need to be considered in the context of the MTA's fiscal situation and should not be done automatically. Though no one knows when the economy will rebound, when it does fare increases may not be necessary, making this action presumptuous and hasty, and the weakest part of a generally strong package of recommendations.

We understand these are hard choices to make, but hope you can support the recommendations in the report, or find other similar methods of funding our transit network.

Thank you for your time.

FOR THE RECORD

Financing Mass Transit in New York:

Basic Principles / Practical Options

Submitted by

Keep NYC Free
www.KeepNYCFree.com

to

The Commission on MTA Financing

October, 2008

Chairman Ravitch, Members of the Commission:

Keep NYC Free – a coalition of business, labor and civic groups that came together in 2007 to oppose to New York City's proposed congestion pricing system, and to advocate other, more effective approaches to relieving traffic congestion in the City – appreciates having been given an opportunity to submit testimony to the Commission on MTA Financing.

The need to create a sustainable funding structure that will ensure the MTA's continued ability to provide essential transit services is probably more pressing today than at any time during the past 25 years. The challenge is particularly difficult, given the weakness of the national economy – the likely impact of turmoil in the financial services sector on the City's and the region's economy – and the uncertain effects of the capital markets crisis on the MTA's ability to finance its capital program. As New Yorkers, we greatly appreciate the Commission members' willingness to take on this challenge.

The heart of our message to the Commission can be summed up briefly and simply:

- The congestion pricing system that effectively tolled free East River crossings proposed last year by the City, and modified by the Traffic Congestion Mitigation Commission, was seriously flawed – both as a means of raising revenue for mass transit and as a means of relieving congestion;

- There are much better options available to the MTA, the State and the City for financing mass transit – options that will provide much more revenue, and do so more reliably, more efficiently and more equitably, and with fairness.

- New York City and State -- as outlined by the Independent Budget Office -- make up historic underfunding of MTA. Several revenue measures below should apply to making up these shortfalls.

Before identifying sources of financing that we think are far superior, we will first cite some basic principles that we believe should guide the evaluation of any proposals for funding mass transit.

Potential new revenues for mass transit from *Keep NYC Free*

Annual Revenue Options to fund Mass Transit	Potential annual revenue ($ millions)
5% surcharge on Class 4 real property tax in NYC	$295
5% surcharge on Class 2 real property tax in NYC	$261
5% surcharge on Class 2 and 4 property valued over $5 million within 3/8 mile of transit improvement	$100
5% surcharge on new construction over $10 million within 3/8 mile of transit improvements	$85
Non-resident income tax at double pre-1998 rates	$1,800
Increase state motor fuel tax by 4 cents/gallon	$250
Increase MTA bridge and tunnel tolls by 50 cents each way	$147
Increase on-street parking fees, fines for parking illegally in the Manhattan central business district	$125
Increase Street Closing	$500
Increased Registration Fees	$250
Project-based financing of major new MTA capital projects	$200
Regional Payroll Tax (various options)	$400 to $1,000
Regional Sales Tax	$100
Enlisting the Private Sector	$75
Increase transit and commuter rail fares in 2009 by an average of 12.5%	$500
TOTAL	$5,088 to $5,688

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1) Financing transit: Some basic principles

The following are some basic principles that the Commission might find useful in evaluating the many options that are available for financing transit infrastructure and services in the New York metropolitan area.

1) Allocate costs in proportion to benefits.

The cost of financing mass transit should be allocated in a way that is roughly proportional to the benefits that various interests derive from the system's existence, and from the services it provides. Broadly speaking, we believe this means that responsibility for financing transit should be allocated among the following groups – and in the following order:

- The nation and state and city in that order as the NYC economy fuels so much of the economy and the transit investment to date from Washington, Albany and City Hall too often appears anything but ignorant of that imperative based on the dollars each invests in transit.
- Those who own property – especially commercial property – in areas served by mass transit;
- All other participants in the City's and the region's economy.
- Motorists, whose access to the core of the region depends on the existence of high-quality mass transit services; and
- Riders, who are the primary beneficiaries of the existence of the system

2) Ensure that any proposed sources of revenue for subsidizing mass transit operations or financing capital improvements meet four basic tests.

In addition to maintaining a rough balance between the cost of supporting the transit system and the benefits it provides, any proposals for increasing (or creating new sources of) dedicated revenue should be judged by several other criteria as well:

- ***Revenue efficiency.*** Any proposals for increasing revenues dedicated to mass transit should seek to minimize both initial implementation and ongoing collection costs as a share of gross revenues – and minimize as well the "compliance costs" born by those who pay – as a share of gross revenues. For every dollar in additional revenues to be collected, the goal should be to maximize the share that actually goes to transit.

- ***Economic efficiency.*** Any increase in taxes or fees dedicated to mass transit will take money from people who live, work, do business in or visit the New York area. But in terms of the damage they can potentially inflict on the City's and the region's economy, not all tax and fee increases are created equal. If new or increased taxes or charges are needed to finance mass transit, the Commission should focus on those that will cause the least damage to the City's and the region's economy.

- ***Stability and predictability.*** Proposals for new streams of revenue (or increases in existing revenue) dedicated to mass transit should be limited to those that are stable and predictable. The existing real property transfer tax, for example, has in good times delivered truckloads of cash to the MTA, reaching a high of $894 million in 2007. But its inherent volatility and unpredictability make it at best a seriously flawed way to fund mass transit. The MTA predicted in July that in 2009 the yield from this tax would fall to $483 million. In today's environment however, no one really knows what the tax will produce in 2009.

- ***Equity.*** As it develops proposals for increasing revenues dedicated to mass transit, the Commission should avoid any that would unduly burden low-income or working-class New Yorkers; or unduly favor some communities within the City or the region at the expense of others.

3) Deal with mass transit in the context of broader transportation needs.

Important as mass transit may be, it is only one element of the City's and the region's transportation networks. Financing for mass transit should not be addressed in isolation from the financing of other transportation systems in the region. The City and the State also need to focus on the need for investment in highways, bridges, ports, airports, ferries and other facilities as well.

While the Commission's principal focus may be on financing for mass transit, the Governor, the Legislature, the Mayor and will need to address a broader range of transportation needs.

4) Fund investments needed to keep the system in a state of good repair as part of the system's year-to-year operating requirements.

Investments needed to keep the system in a state of good repair should be treated financially as what they are in reality – part of the system's ongoing, year-to-year operating requirements. This means they should be financed from the same revenue sources as operations – and to the greatest extent possible, they should be funded on a pay-as-you-go basis.

5) Rigorously justify and prioritize new projects.

Major capital projects – especially those involving addition of new capacity – should have to be justified on the basis of the most rigorous analysis of costs and benefits, and a full exploration of the available alternatives. Moreover, given the reality of severely constrained resources, New York simply cannot afford to finance every project that can be justified in cost-benefit terms. The MTA will thus have to be smart and disciplined in setting priorities among a wide range of potentially worthwhile capital projects.

Especially given the MTA's (and the State's) current financial circumstances, this might seem to be stating the obvious. But the reality is that in recent years the discipline that should have governed the MTA's capital program broke down. As a result, the agency is now struggling to finance completion of several major projects it probably should never have been started without a certain and stable source of revenue.

6) Separate financing of major new projects from the funding of operations and major maintenance.

The MTA should generally segregate streams of revenue that are dedicated to operations, and to keeping the system in a state of good repair, from the financing of major new projects. The goal here is to ensure that basic operations and major maintenance are fully funded, and don't have to compete for scarce resources with higher-visibility, politically more attractive projects.

One of the implications of this principle is that, except in very limited circumstances, the MTA should not borrow against general farebox revenues to finance major projects that benefit only limited numbers of riders.

7) Don't start construction of projects you don't have the money to finish.

Finally, the MTA should never start construction of a major, multi-year capital project without having reliable commitments in place for funding its completion. Again, this might seem obvious – but it is a principle that public officials, here and elsewhere, have all too often found it politically expedient to ignore.

2) Practical Measures that provide additional financing for Mass Transit

While Keep NYC Free does not claim to have a comprehensive solution to the problem of financing mass transit, we believe there are options available to the Commission, the City and the State that are clearly superior to the congestion pricing system proposed last year by the City.

1) Property tax surcharge

Given the benefits that property-owners (especially owners of commercial property) derive from the existence of the transit system, it is more than reasonable to ask them to be part of the solution to the problem of transit financing. In fiscal year 2008, a 5% surcharge on taxes paid on Class 4 (commercial and industrial) properties in New York City would have yielded approximately $295 million, with Manhattan properties accounting for about 74% of the total. (A similar surcharge applied to Class 2 properties (multifamily housing) would have generated about $261 million

Alternatively a surcharge within 3/8 mile of a subway or rail station, on Class two and four properties valued over $5 million (with this level indexed to inflation), would raise $100 million each year.

Finally, a 5% surcharge over the first ten years of completed new construction in excess of $10 million (with this level indexed to inflation) with 3/8 of a mile of new transit projects values in excess of $200 million (with this level indexed to inflation), would raise $85 million annually and should be applied to reduce the cost of capital borrowing for the projects.

While these surcharges would add to the cost of doing business in New York City, the costs that serious deterioration in the quality and reliability of transit service would impose on commercial property owners and their tenants could prove to be far greater.

2) Non-resident income tax

Residents of the suburbs (both in New York and other states) who work in New York City benefit from the existence of MTA rail and New York City transit services, even if they are not regular users of those services.

Commuters have not been subject to City income taxes since 1999, when the Legislature repealed the City's commuter tax. In February 2008, the New York City Independent Budget Office estimated that if the tax were in place in fiscal year 2009 at the same rates that had applied before 1999 (0.45% on wage and salary income, 0.65% on income from self-employment), it would produce $713 million in revenue for the City, rising to $835 million in 2012.

While projected revenues would now be somewhat lower – in particular as a result of the upheaval in financial services – the additional revenues the City would gain from this non-resident income tax would nevertheless be substantial. Our proposal would double the tax rates and the projected revenues.

Obtaining legislative approval would, of course, be no easy task. Dedicating all or part of the proceeds to operations, maintenance and improvement of New York City transit, commuter rail and other regional transportation infrastructure might help overcome resistance to the tax. As a further step, the Legislature could consider dedicating taxes paid by residents of other counties (Nassau, Suffolk and Westchester, for example) to finance transportation projects in those counties, while taxes paid by non-New York State residents would be dedicated to financing the New York City transit system,

3) An increase in the state motor fuel tax to fund highway, bridge and transit needs

New York imposes several different taxes on the sale of gasoline and other motor vehicle fuels, including state sales and excise taxes, the petroleum business tax, and several other levies, which together averaged about 44 cents per gallon. One of these taxes – the 8 cents per-gallon motor vehicle fuel excise tax – generated about $511 million in State revenues in fiscal year 2008.

Even after taking into account recent declines in fuel consumption, increasing the motor vehicle fuel excise tax by 4 cents – less than a 10% increase in total state taxes on gasoline and other fuels – could generate approximately $250 million in additional revenues. All of this additional revenue could be dedicated to maintaining and improving the state's transportation infrastructure.

4) Increase existing bridge and tunnel tolls

The MTA could also increase motorists' contribution to financing mass transit and other transportation infrastructure in the New York metropolitan area through a further increase in bridge and tunnel tolls. We estimate that increasing one-way tolls on the Queens-Midtown and Brooklyn-Battery Tunnels, and on the Triborough, Henry Hudson, Whitestone, Throgs Neck, and Verrazano bridges by an average of 50 cents, and the tolls on the Marine Parkway and Cross Bay bridges by 25 cents, would yield about $147 million in additional revenue for the MTA, which could be dedicated both to sustaining the region's transit and commuter rail networks, and to maintaining highway and bridge infrastructure.

5) Revenue from higher fines, parking fees and street closing fees

Last year, Keep NYC Free proposed several measures the City could adopt that we believe would be much more effective than the City's proposed congestion pricing system in addressing the real causes of traffic congestion in the Manhattan central business district.

While the principal focus of these alternatives was on reducing congestion rather than financing mass transit, several of them would also generate significant new revenues for the City. We estimate, for example, that:

- Substantially increasing the price of on-street parking in the CBD, and expanding the City's muni-meter system to cover several thousand on-street parking spaces that are not currently metered, could yield $50 million or more in additional parking revenues.

- Sharply increasing fines for the types of parking violations that contribute most to traffic congestion in the CBD – for example, increasing the fine for parking in a bus lane from $115 to $250 – could yield $75 million or more in additional revenue.

- Stricter regulation, including appropriate fees and penalties, for the use of street space by construction contractors and utilities – currently as little as $50 for three months. The fee should be monthly and range from $100 to $1,000 and could raise in excess of $500 million.

The City could consider dedicating these revenues to measures that would help alleviate congestion, such as upgrading traffic signals at key intersections or expanding the number of taxi stands in the CBD; or that would expand the range of transit options available to New Yorkers, such as new ferry and bus rapid transit services, or to finance an increase in its funding for mass transit to address the shortfalls identified by the Independent Budget Office.

6) Increase vehicle registration fees.

A $50 registration fee increase would raise $250 million according to the RPA and would enable the state to finance an increase in its funding for mass transit to address the shortfalls identified by the Independent Budget Office.

7) Increased use of "project-based financing" to fund mass transit capital improvements that increase the value of real estate in proximity to the project.

Project-based financing involves capturing the added property values that result from the construction of a major transit improvement. The planned extension of the 7 train through the Hudson Yards area is unique among the MTA's major capital projects in terms of its reliance on project-related financing – in this case, using payments in lieu of taxes from the Hudson Yards district to support bonds issued to finance the extension.

While the project currently faces an uncertain future, due to increases in costs and continuing uncertainties in the real estate market, the original concept of having the property-owners and developers who would benefit most from extension of the 7 line participate in its financing was sound.

The City, the State and the MTA should explore how that concept might usefully be applied to other projects. It will be important to ensure, however, that property-owners' and developers' contributions reflect the value that transit improvements add to their projects, rather than simply a diversion of funds that would otherwise have been owed the City in real property taxes.

8) Institute a modest broadbased regional payroll tax.

A regional payroll fee – 0.25% rate in MTA counties would raise $600 million.0.5% excluding incomes below $50k would realize $400 million; and 1% excluding incomes below $50k, generates $800 million (RPA). 0.333% across the board would realize $1 billion (CM Fidler).

9) Institute a Regional Sales Tax

An additional sales charge 1 /4% increase would raise $200 annually (RPA)

10) Enlisting the Private Sector

Look at using the private sector to finance, design, build and operate major transportation projects (consistent with prevailing wages) and free any tax levy and federal assistance funding for transit needs better suited for tax levy and federal aid.

11) Increasing transit fares

Finally, the MTA, the City, the State and the riding public all need to start acknowledging the reality that transit and commuter rail fares will have to rise with regularity based on normal system cost increases, in order to meet the cost of operating and maintaining these systems. There should be agreement that the fare cover a set proportion of system operations and annual reviews should indicate whether cost increases occur and thus automatically trigger an increase.

Despite the political sensitivity of this topic, the case for increasing fares is compelling. Because of the impact of various MetroCard pricing plans, and discounts provided to various groups of riders, MTA NYC Transit's actual fare revenue per bus and subway rider in 2008 averages only about $1.25. Since 2003, average fare revenue per rider has declined in real terms (that is, after adjusting for inflation) by 6%.

An increase – one time – of subway, bus and commuter rail fares by an average of 12.5% – an average of about 16 cents per ride for subway and bus passengers – would, even after taking into account a modest decline in ridership in response to higher fares, realize additional 2009 farebox revenues of approximately $500 million. Thereafter regular increase would follow the formula outlined above.

The table below summarizes the revenues that could potentially be generated from the sources described above.

Potential new revenues for mass transit: selected examples

Annual Revenue Options to fund Mass Transit	Potential annual revenue ($ millions)
5% surcharge on Class 4 real property tax in NYC	$295
5% surcharge on Class 2 real property tax in NYC	$261
5% surcharge on Class 2 and 4 property valued over $5 million within 3/8 mile of transit improvement	$100
5% surcharge on new construction over $10 million within 3/8 mile of transit improvements	$85
Non-resident income tax at double pre-1998 rates	$1,800
Increase state motor fuel tax by 4 cents/gallon	$250
Increase MTA bridge and tunnel tolls by 50 cents each way	$147
Increase on-street parking fees, fines for parking illegally in the Manhattan central business district	$125
Increase Street Closing	$500
Increased Registration Fees	$250
Project-based financing of major new MTA capital projects	$200
Regional Payroll Tax (various options)	$400 to $1,000
Regional Sales Tax	$100
Enlisting the Private Sector	$75
Increase transit and commuter rail fares in 2009 by an average of 12.5%	$500
TOTAL	$5,088 to $5,688

As the preceding examples illustrate, there are many ways to increase revenues dedicated to meeting New York's mass transit that from the perspective of revenue efficiency are far superior to the congestion pricing scheme proposed by the City and modified by the Traffic Congestion Mitigation Commission.

Through some combination of these (and perhaps other) options, the City and the State can create a financing structure that meets the operating, maintenance and capital needs of the City's and the region's transit systems – and that broadly and equitably spreads responsibility for supporting these systems among riders, motorists, property owners and others who benefit from their existence. And we can do so without resorting to an inefficient, inequitable and economically counterproductive congestion pricing scheme.

3) Congestion Pricing Doesn't Work As A Viable Funding Resource for Mass Transit

Viewed against the background of the principles and criteria outlined above, it is clear that as a means of raising new revenue for mass transit, the congestion pricing system proposed last year by the City, and modified by the Traffic Congestion Mitigation, is deeply – and probably irreparably – flawed.

- ***Revenue inefficiency***

In terms of revenue efficiency, the proposed congestion pricing system is clearly the least efficient of the major options under discussion. It would be costly to implement and to operate. And by causing a shift of 83,000 riders per day from private automobiles to mass transit, it would impose $767 million in otherwise unnecessary capital costs on the MTA, and increase its annual deficit by $103 million.

After taking into account its capital and operating costs and the additional costs imposed on the MTA, we estimate that of the $462 million in gross revenues that the congestion pricing scheme proposed by the Traffic Commission Mitigation Commission would generate, only about $228 million – only 49 cents of every dollar collected – would actually be available to fund transit operations or capital improvements.

In terms of revenue efficiency, the performance of the proposed congestion pricing system is in fact so poor that this criterion alone should be sufficient to disqualify it from serious consideration by the Commission on MTA Financing. This is not, however, the congestion pricing scheme's only weakness.

- ***Risking damage to the City's economy***

As we noted previously, any new or increased taxes or fees charged to those who live, work, do business in or visit New York City impose real costs on the City's economy. If increased taxes or fees are ultimately needed to support mass transit, it is thus essential – especially when the risks to the City's and the region's economy are as great as they are today – that the City and the State focus on those that will inflict the least damage on the City's economy.

The congestion pricing system proposed by the City could have a significant adverse impact on the City's economy, at a time when the City is particularly vulnerable.

- It would increase costs for a wide range of small businesses in Brooklyn, Queens and other parts of the City that serve customers in Midtown and Lower Manhattan.

- It would discourage discretionary trips into Manhattan by residents of the New York area suburbs, as well as other visitors who drive to the City. (More than 60% of all visitors to New York City arrive by car.)

- It would adversely affect a number of industries – including retail, restaurants, entertainment and automotive services – that are major employers of less-skilled, low-wage workers, and that are already anticipating a difficult 12 to 18 months.

An analysis of the potential impact of the City's proposed congestion pricing system prepared for Keep NYC Free in 2007 estimated that implementation of the proposed system would reduce overall economic activity in the City by more than $600 million, and would result in a loss of more than 7,700 full-time equivalent jobs. A revised estimate of the cost of congestion pricing in lost jobs and economic activity would today be somewhat lower – in part as a result of changes to the City's proposal recommended by the Traffic Congestion Mitigation Commission. Nevertheless, implementation of congestion pricing, even in the form proposed by the Commission, would put hundreds of millions of dollars in economic activity and thousands of jobs at risk.

- *An uncertain revenue outlook*

With private auto travel in New York City already declining due to rising gas and toll costs, it is already clear that the revenues generated by the proposed congestion pricing scheme would be less than the City and the Traffic Congestion Mitigation Commission had forecast last year. And if the system proved to be as effective as its proponents claim in reducing the number of people driving into the Manhattan CBD on weekdays, revenues could be further reduced as well. Moreover, since the full impact of higher fuel and toll costs on auto travel can take several years to play out, the top-line revenues generated by congestion pricing could continue to decline for several years.

Even under more optimistic assumptions about future trends in oil prices, it thus seems unlikely that congestion pricing revenues would show any real growth in the foreseeable future – and they might well continue to decline.

The combination of flat or declining gross revenues and (inevitably) rising operating costs means that over time, the revenue efficiency of the proposed congestion pricing scheme would deteriorate even further.

- *Issues of fairness*

The burden of paying for the congestion pricing scheme proposed by the City and the Traffic Congestion Mitigation Commission would have fallen disproportionately on:

- Working and middle-class residents of areas outside Midtown and Lower Manhattan who need for various reasons to drive into the Manhattan CBD; and

- Small businesses in areas such as Long Island City and Sunset Park that must make frequent trips into the Manhattan CBD to serve their customers.

Although the Traffic Congestion Mitigation Commission sought to address various concerns about the City's proposed congestion pricing scheme, it was ultimately unable to resolve them.

Proponents of congestion pricing have defended the proposed system's fairness by arguing that the median income of those who commute to work in Manhattan by car is higher than the median income of New Yorkers who uses subways and buses to get to work. While that statement may be true on its face, it is also misleading – at least to the extent that it seeks to portray New Yorkers who drive to work as a group of wealth people who aren't paying a fair share of the cost of the transit system. In reality, the majority of New Yorkers who drive to work in Manhattan are by no means affluent – in 2000, according to the Census Bureau, the median income of residents of the other four boroughs who drove to work in Manhattan was about $43,000.

Ironically, Manhattan residents who drive private cars to work are significantly more affluent – with a median income of $103,000 in 2000 – than those who drive in from the other boroughs. But under the system proposed by the Commission, the great majority of them would be exempted from paying the congestion charge.

- *Lack of broad-based support*

The controversy over the City's proposal that arose in 2007 – and the unusually acrimonious debate over the version proposed by the Commission that followed in 2008 – showed that it will be extraordinarily difficult (if not impossible) to come up with a version of the proposed cordon pricing system that will be broadly accepted as being fair and equitable. Including it in any proposed package of transit financing initiatives could jeopardize the whole package.

- *Failure to address the real causes of congestion*

Finally, as our analyses showed last year, the type of cordon pricing proposed by the City is not an effective way to reduce traffic congestion. It simply doesn't get at the real problems and conditions that give rise to congestion in the first place, such as:

- Inadequate enforcement of (and inadequate fines for violating) existing traffic and parking rules;
- Abuse of parking placards – a problem the City has, to its credit, taken serious steps to reduce, but that is not yet eliminated;
- Cruising by taxi drivers in search of fares;

- Under-pricing of on-street parking;
- Under-pricing of street closing permits for construction site and utility repairs; and
- Inadequate off-street space for loading and unloading

There are far more effective and far less costly approaches to reducing congestion that are already available to the City – and it has in fact already started to pursue them.

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Statement on Behalf of Councilman Monserrate
Intro 546, Alternate Side Parking Legislation

Council Member Hiram Monserrate would like to thank the Committee and its Chair, Councilman John Liu, for the its support and consideration of Intro 546, legislation that rights a long standing wrong in our city's public policy. He would also like to thank Councilmember Maria Baez, who has worked with him to sponsor this legislation.

As you know, this legislation states that alternate side of the street parking regulations shall be suspended during any snow storm that causes the Department of Sanitation to suspend its street sweeping operations. This is a bill of common sense and respect for our city's taxpayers. The need for it was revealed last year, when the city was paralyzed by a snow storm that kept street cleaning vehicles parked, but left residents with expensive parking tickets who couldn't move their cars for the snow.

This actually affected Monserrate both personally and professionally. He was one of many to wake up in the morning and find a parking ticket on his car. But he also met too many neighbors that morning complaining bitterly that the city was trying to fatten its bottom line through a cheap shot on their family budgets.

At the time, Mayor Bloomberg announced that those tickets for that storm would be nullified, voided. However, we need a long-term policy that will ensure we don't need special exceptions every time there is a storm. This policy is necessary now, more than ever, due to an economy in recession and the many, many families and residents who might be one parking ticket away from not paying their rent or making a mortgage payment.

Alternate side parking was created to keep our streets clean, not to keep city coffers full. Residents shouldn't have to brave the cold and snow if the city doesn't. They shouldn't have to risk driving in dangerous conditions when street cleaning trucks don't. They shouldn't have to pay unfair parking fines during a recession to create revenue for the city. It is my hope that after the Council's passage this week, the Mayor will sign the bill into law before the snow starts to fall.

Thank you.

Permanent Citizens Advisory Committee to the MTA

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**Statement of the Permanent Citizens Advisory Committee
to the Metropolitan Transportation Authority
before the Committees on Transportation and Finance
of the Council of the City of New York
on the Ravitch Commission Findings
December 16, 2008**

I am William Henderson, Executive Director of the Permanent Citizens Advisory Committee (PCAC) to the Metropolitan Transportation Authority. The PCAC is the coordinating body for three riders' councils, the Long Island Rail Road Commuter's Council, the Metro-North Railroad Commuter Council, and the New York City Transit Riders Council, which were established by the State Legislature in 1981. We represent the interests of users of commuter rail and transit services in the New York region, and our members are riders who are recommended by local government officials and appointed by the Governor.

When Governor Paterson announced the formation of the Commission on Metropolitan Transportation Authority Financing in June of this year, the members of the PCAC were very much encouraged. Chairman Richard Ravitch has time and again proven his skill in cutting to the heart of important public policy issues and crafting solutions, and the members subsequently named to the Commission are talented and experienced persons who take civic responsibility seriously. We were pleased to testify twice before the Commission as it gathered the facts and judgments that would enter into its deliberations.

For many years, the PCAC has advocated an open debate over the means by which the MTA and its operating agencies should receive funding. In particular, the PCAC strenuously objected to the manner in which the MTA's 2000-2004 Capital Program was financed. This Capital Program received minimal funding from the City and State, but instead was largely financed through borrowing to be repaid through operating revenues.

The longstanding position of our members is that if fares cannot support operating costs, the use of operating revenues to support debt service is unwise. For those who wished to examine the out years of the MTA's financial plans the implications of borrowing to support the Capital Program were clear: a rapidly increasing debt burden upon the MTA system and its riders. A booming real estate market and slippage in construction schedules delayed the day of reckoning, but even before the depths of the present recession became known, it was obvious that the MTA had a problem. The successful statewide 2005 Transportation Bond Act campaign was an effort by transportation advocates, the PCAC among them, to guide the funding of transportation improvements in a new direction, but its scale was not sufficient to reverse the impact of rapidly rising debt service expenses.

The Ravitch Commission was established in this context and worked very hard with limited resources to craft reasonable, actionable recommendations for reforming the funding of the MTA. The PCAC has examined these proposals, and, while we have not taken a position on all of the Commission's recommendations, we begin our comments from two basic principles. The first is that we cannot support the implementation of the 2009 budget that will likely be adopted by the MTA Board tomorrow, due to the impacts that it will have upon riders. Instead, we must press for reforms that will provide for adequate and affordable public transportation for all. The second is that we believe that the Ravitch Commission's recommendations must be the starting point in developing a final resolution to the MTA's operating and capital financing shortfalls.

We agree with the Commission on many fundamental issues. Like the Commission, the PCAC is optimistic concerning the future of this region and believes that we must continue to invest in its transportation system. With the Ravitch Commission, we feel strongly that the time to act is now; the imposition of the service cuts and fare increases contained in the MTA's proposed 2009 budget are unacceptable, but they will go into effect if no other action is taken. The PCAC's members also believe that the social contract between the beneficiaries of MTA services, where those who receive benefits from the system pay for its maintenance and operation, should continue. This means that riders will pay, but so also will drivers and those businesses that depend on proximity to transit and the mobility that it provides.

Also, like the Ravitch Commission we believe that the projects to be included in the MTA Capital Program should be chosen through a public, open, and transparent planning process and that any new revenues developed to fund these projects be placed in a "lockbox" so that they are only available for projects properly selected through the Capital Program planning process. The members of the PCAC have discussed and support the Ravitch Commission's recommendation to create a Capital Finance Authority to ensure that the MTA lives within its means and that the new revenues raised to provide for capital projects go to support the Capital Program.

The PCAC likewise agrees with the Ravitch Commission that the MTA must continue its efforts to increase transparency and accountability. As the Ravitch Commission's report to the Governor rightly notes, the MTA makes available a variety of information, but it is often not in a particularly useful form. We would also like to see the quality of the MTA's reporting on its finances improved. We share the Commission's conviction that the MTA must commit to aggressive initiatives to control costs and maximize productivity before the public takes on additional financial burdens, but we also agree that these efficiencies will not be sufficient to eliminate the MTA's operating budget deficit.

While the PCAC endorses the division of responsibility for funding the MTA's capital and operating needs among the beneficiaries of its service, we have not taken a position as to the specific funding sources that the Ravitch Commission has endorsed. However, we do believe that these recommendations should be given all due consideration and that they should not be rejected out of hand. In the final analysis, the important consideration is that the funding mechanisms chosen should be feasible to implement and spread the burden of paying for transit among its beneficiaries.

In sum, the PCAC welcomes the recommendations of the Ravitch Commission and believes that they should be the starting point for implementing an MTA funding package that shares burdens equitably among all those who benefit from the MTA system. We are adamant that these recommendations be given due consideration, but in the end we do not necessarily oppose alternative actions that achieve the same goals. One thing is clear; doing nothing is not an feasible alternative. We demand that our elected representatives to support a process that leads to a constructive and timely resolution of the MTA's funding crisis.

Testimony of
Richard T. Anderson, President
New York Building Congress
Before the
New York City Council
Committee on Transportation
and Committee on Finance

NEW YORK
BUILDING
CONGRESS

Public Hearing
December 16, 2008

The New York Building Congress, New York City's largest and most diverse coalition serving the design, construction and real estate industry, appreciates this opportunity to express its strong support for the recommendations made by the Commission on Metropolitan Transportation Authority Financing in its report to Governor David A. Paterson.

To its considerable credit, the MTA has pursued effective comprehensive capital planning over the past 25 years. Combined with multi-year financial plans, the results have been a high-performing transit system that today gives the New York region competitive strength compared with urban centers in the United States and worldwide.

The 2010-2014 Capital Plan is expected to continue that tradition with a five-year cost ranging from $25 to $30 billion. Funding this latest capital program will be a difficult endeavor, given the current climate of declining real estate tax revenues, high fuel costs and the magnitude of projected City and State budget deficits. In the wake of these challenges, the MTA has made efforts to become a more efficient operation through a series of gap-closing measures intended to generate cost savings in the long-term that help control operating expenses. Those efforts, however, will not come close to financing the next capital plan.

The message is clear. Existing funding mechanisms alone are insufficient to grow, let alone maintain, the reliable transit infrastructure on which the economic health of our City and State depends. That is why, in testimony given before the Ravitch Commission at a public hearing in September, the Building Congress advocated a new financing strategy that involves diverse revenue sources, reflecting the shared responsibility of all who use and benefit from the transit system. And no stakeholder should be exempt from paying its fair share.

There are valid reasons for all to contribute. The average subway and bus fare is lower today in constant dollars than it was in 1996, and on-time service and reliability have seldom been better. Roads and highways are less clogged than they would be without the mass transit options that serve this dense region. The air is cleaner. Proximity to transit increases real estate values. And the transit system is the reason for - and continues to support - our job-dense, high-wage economy.

In carrying out its charge to address the mounting financial pressures facing the MTA as it strives to maintain its system, complete ongoing expansion projects and pursue further capacity expansion, the Commission has devised a cohesive, balanced approach for ensuring that the many beneficiaries of a fully-functioning, interconnected transportation network pay their fair share to keep our subways and roadways moving throughout the region. The Commission wisely recommends the imposition of a new regional Mobility Tax and tolling of Harlem and East River bridges, which will add to existing revenue sources, lessen the need for the MTA's proposed steep fare and toll increases and help spread the burden of funding the MTA over the largest number of stakeholders. In addition, the establishment of a uniform toll policy would rationalize the uneven tolling practice that has been applied to East River and Harlem River crossings for decades, while enabling our transit system and roadways to operate more efficiently, reducing traffic and making the air cleaner.

Though sorely needed, these two new funding sources have not been recommended in a vacuum, but are part of a larger strategy of interdependent proposals designed to secure a healthy future for the MTA and the region in an equitable manner. The Building Congress is especially encouraged by the Commission's recommendations for:

- **the creation of a "lockbox" within a newly-created MTA Capital Finance Authority** to ensure that funds intended for capital-related expenditures are not diverted elsewhere;
- **new approaches to promote the MTA's accountability**, including the development of management changes to reduce procurement timeframes, such as change order processing, and to streamline project execution;

- **enhancing the transparency and repairing the credibility of the MTA**, including the development of a reporting methodology for its capital program that is consistent with the Guidelines of the Government Finance Officers Association; and
- **expanding the regional bus network**, including through increased investment in bus rapid transit, prior to implementation of new tolls.

Now that the Commission has done its work, the fate of the MTA's capital program ultimately rests in Albany. Leadership requires vision and courage, and all eyes will be on the State Legislature to make tough choices, like establishing the proposed Mobility Tax and a uniform toll policy, to benefit the greater good. Removing the tolling of the Harlem and East River bridges or any other recommendation, in our judgment, would jeopardize the Commission's entire strategy, with dire consequences. The MTA will otherwise be unable to maintain a state-of-good-repair, and new starts will be cancelled or deferred. The transit system will fall into decline, as it did in the 1970s, and New York's economy with it.

The Building Congress urges the City Council to endorse these recommendations on their merits and urge the State Legislature to act promptly to ensure they are implemented early in 2009.

Testimony of Denise Richardson

Managing Director, General Contractors Association of New York

December 16, 2008

Oversight Hearing on the Ravitch Commission Report

Before the City Council Transportation and Finance Committees

Good morning. I am Denise Richardson, Managing Director of the General Contractors Association of New York. Thank you Council Members Liu and Weprin, and the members of the Transportation and Finance Committees for the opportunity to testify today. Since 1909, GCA members have built and rehabilitated the infrastructure that has allowed New York to grow and thrive. From roads and bridges to mass transit and water and sewer systems, GCA members are the public works contractors who build New York.

I am here today to express my support for the hard work and findings of the Ravitch Commission.

The Ravitch Commission thoroughly evaluated the capital and operating needs of the MTA and made some difficult funding recommendations. We urge the City Council to support these findings and recommendations in their totality. We recognize that the funding needs are enormous but we will never solve these problems without an even sharing of the costs by all beneficiaries of the system. Hard choices will have to be made to save the mass transit network in New York. A piecemeal approach to funding will only end up creating larger burdens on a few segments of the population and other industries rather than having all beneficiaries of the transportation network share in the costs of operating and maintaining the system.

As a result of unstable funding sources that rise and fall with the economy and enormous debt service the MTA was forced to assume during previous administrations, the MTA now faces an untenable operating and capital deficit. Without bold action, the MTA will be forced to raise fares, reduce service and cut its capital program. Each of these options is devastating to the economy of New York. It is critical that relatively stable revenue sources be found to support the MTA and each segment of the economy that benefits from a quality mass transit system are called on to pay their fare share of the costs of maintaining and operating the system.

Decades of disinvestment in our mass transit system contributed to New York's downward spiral in the 1970s and early 80s. Riding the subway at the time was a scary and unpleasant experience. In 1982, as we all know, the first five year capital plan was put in place and since then over $80 Billion has been spent making up for decades of disinvestment and deterioration. And even with this significant investment stations still need to be rehabilitated and critical components of the signal system still need to be addressed. As a result of these initial investments, the economy of New York prospered, transit and commuter rail ridership skyrocketed and our expectations for a reliable and clean mass transit network increased.

A recent analysis by the Regional Plan Association of transit ridership over the past 16 years, shows that ridership overall is up 68%. Along routes that have seen the greatest levels of economic growth and development, ridership is up 200%. It is clear that for New York to recover from the current financial crisis, sustained investment in our mass transit network is critical. We cannot afford to return to the days of disinvestment and deterioration. We cannot afford to stretch out repairs to the capital network -- the costs will be too great in the long run. We must make the hard funding choices that will allow for the continued investment in the state of good repair and system expansion projects and the expansion of bus service and bus rapid transit in areas underserved by transit.

Investing in the MTA's capital program will also serve to boost the economy of New York State. It will not only create and maintain stable middle class jobs for the construction industry; it will help to support other areas of the market as well by supporting equipment suppliers and manufacturers throughout New York State and other market segments.

In times of economic hardship, it is all the more important to invest in our infrastructure. Given the breadth and depth of this recession, we cannot rely on federal stimulus funds alone. The state and city must do its part to support a long term capital program that will keep the economy moving and create the transportation network for the next cycle of economic growth. We must recognize the important role that our mass transit system plays in our economy, mobility and quality of life.

Thank you for the opportunity to testify today. I urge the City Council to support the proposed changes and revenue increases proposed by the Ravitch Commission.

Testimony of Tiffany Raspberry on behalf of
ACEC New York/Metropolitan Region
Before the New York City Council
Finance and Transportation Committees
December 16, 2008

Good Morning Chairman Weprin, Chairman Lui and members of the Finance and Transportation Committees. My name is Tiffany Raspberry and I am here to speak on behalf of the American Council of Engineering Companies of New York, Metropolitan Region. Thank you for giving me the opportunity to address you today. ACEC represents over 240 consulting engineering firms throughout New York State with the largest concentration of firms being located in the five boroughs of New York City.

ACEC New York strongly supports the recommendations of the Ravich Commission and is willing to work with the New York City Council and the Administration to advance this plan. The Metropolitan Transportation Authority is facing both a huge capital shortfall with a $17 billion hole in its upcoming five-year rebuilding plan and a projected $1.2 billion operating deficit for 2009. The City and the State must act immediately to remedy these conditions. ACEC New York believes that the Ravitch report provides many great recommendations for saving our transit system, but we need move quickly to address the long-term capital issues of repair, maintenance and expansion. It is important that we move forward with this agenda in order to maintain jobs and stabilize the economy during these hard economic times.

Investing in New York's infrastructure can be the catalyst to jump start our economy. Nearly 70 years ago, FDR's New Deal turned around the Great Depression, put millions of Americans to work, and created a legacy from projects that improved everyone's quality of life. Investing in our transportation, environmental and business infrastructure will create jobs, increase tax revenues, improve our quality of life and get this economy turned around. A plan that injects $5 billion into the New York State economy, if done right, will create more than 150,000 jobs initially, and more than double that in spin-off economies and related service and material suppliers. This investment will also spin off new property tax, sales tax and income tax that will pay an immediate dividend of 10 to 20 percent -- a great rate of return. The additional reduction of unemployed and uninsured will reduce other state and local obligations, and the newly employed population will likely spend in excess of $3 billion each year in consumer and related purchases. While improving the economy, this program will provide needed rehabilitation and improvements to our deteriorating infrastructure, which negatively impacts our health and impairs our ability to compete nationally and internationally.

Challenging times require bold leadership and vision. Action must be taken quickly and thoughtfully. Projects need to be started today, and next year's projects need to be planned and designed now. By investing in transportation and infrastructure related projects, New York can lead the nation out of the recession, create needed in-state jobs, and develop the necessary transportation, environmental, energy and business infrastructure that will create and attract jobs for the next century. I have attached a copy of ACEC New York's White Paper entitled "Infrastructure Investment Will Help The New York State Economy" for you review. Please let me know if you have any questions. Thank you.

ACEC New York

American Council of Engineering Companies of New York

INFRASTRUCTURE INVESTMENT WILL HELP NEW YORK STATE ECONOMY

Investing in New York's infrastructure can be the catalyst to jump start our economy. Nearly 70 years ago, FDR's New Deal turned around the Great Depression, put millions of Americans to work, and created a legacy from projects that improved everyone's quality of life. Investing in our transportation, environmental and business infrastructure will create jobs, increase tax revenues, improve our quality of life and get this economy turned around. Waiting for future legislative sessions will only further aggravate the negative economic consequences that we are seeing on a daily basis.

A plan that injects $5 billion into the New York State economy, if done right, will create more than 150,000 jobs initially, and more than double that in spin-off economies and related service and material suppliers. This investment will also spin off new property tax, sales tax and income tax that will pay an immediate dividend of 10 to 20 percent -- a great rate of return. The additional reduction of unemployed and uninsured will reduce other state and local obligations, and the newly employed population will likely spend in excess of $3 billion each year in consumer and related purchases. While improving the economy, this program will provide needed rehabilitation and improvements to our deteriorating infrastructure, which negatively impacts our health and impairs our ability to compete nationally and internationally.

Our transportation infrastructure is an excellent example. Ninety-two percent of the $290 billion worth of commodities delivered from sites in New York is transported on state and local highways. And yet, after improving in the 1990s, the percentage of fair and poor pavement has increased since 2000. Nearly 1,500 bridges will become deficient over the next five years if proper maintenance and repair is not done. In addition to commercial losses, accidents and traffic issues related to poor road conditions cost New Yorkers $19.5 billion each year—more than $1,000 per resident—in medical expenses; lost productivity; and workplace, insurance and legal expenses.

A widespread investment plan will create enormous benefits for the population. It will:

- Help reduce the more than $2 billon on repair and operating costs that New Yorkers spend related to poor roads.
- Reduce commuter time, which has increased by an average of 20 minutes during rush hour versus three years ago. Congestion negatively affects everyone's quality of life whether they are commuting or traveling to a child's sporting or school event, and negatively impacts the efficient operations of businesses.
- Save lives and billions lost each year due to poor road conditions, delays and related accidents.

- Make us more competitive, getting New York State's commodities to market faster and safer.
- Provide access to clean water and safe waste water disposal, which will greatly enhance the health and quality of life for all New Yorkers. Millions of gallons of clean water are wasted daily because of aging pipes and water systems.
- Provide access to more reliable and cleaner energy that will reduce emissions, generate even more jobs, and establish New York as a pioneer and leader in this emerging field.
- Redevelop brownfields, which will help the local tax base, bring businesses back to the cities, and protect our pristine environmental resources that attract tourists to our state.

And while government must invest its own funds to start this process, there are a series of other revenue sources that can offset the initial costs. Congestion pricing, voluntary tolls for service lanes, and public-private partnerships, all of which are already in use in the U.S., can generate billions for infrastructure. Other user fees, in which the beneficiary pays for the services, can also be implemented. Some income streams already exist, such as the Systems Benefit Charge and sales tax collected on motor fuel.

Most importantly, by creating 150,000 jobs, the state will recoup funds from new income taxes of newly employed workers, and will avoid paying on-going unemployment and related costs. More than 10 percent of a $5 billion investment could be recouped every year just from the receipts of these and other taxes, as well as the savings in benefit payments. By leveraging the private involvement and investment, this rate of return can increase dramatically. One additional side effect of this will be a stronger housing market and retail market.

Challenging times require bold leadership and vision. Action must be taken quickly and thoughtfully. Projects need to be started today, and next year's projects need to be planned and designed now. By investing $1.75 billion in transportation, $1.5 billion in environmental and renewable energy projects, $1 billion in brownfields and related development, and providing $750,000 million to local governments for specific economic development projects, New York can lead the nation out of the recession, create needed in-state jobs, and develop the necessary transportation, environmental, energy and business infrastructure that will create and attract jobs for the next century.

The American Council of Engineering Companies of New York
ACEC New York is the leading advocate for New York State's consulting engineering community, striving to enhance the business practices of professional engineering companies in the planning, design and construction industry. Founded in 1921, ACEC New York presently consists of over 240 private engineering firms employing more than 100,000 people worldwide.

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Roger Toussaint President | **Ed Watt** Secretary-Treasurer | **Darlyne Lawson** Recording Secretary

Claudia Preparata, Research Director
Transport Workers Union Local 100
Testimony Submitted to the Transportation & Finance Committees
New York City Council
December 16, 2008

Good Morning Chairman Liu and other esteemed members of the Committee. My name is Claudia Preparata, Research Director at Transport Workers Union Local 100. I am here today on behalf of Roger Toussaint.

TWU Local 100 commends Chairman Ravitch and the other members of the Commission for taking on the task of coming up with proposals to finance mass transit and avert a crisis that could have severe repercussions for the regional economy. This was a difficult undertaking and the Commission did not shirk its responsibilities in preparing a report that puts the issues squarely on the table.

The report advances important principles such as new dedicated funding streams for the MTA. We strongly support the Commission's recommendation to implement a Regional Mobility Tax – or a payroll tax – as it rests upon a principle of equity. Employers benefit greatly from a transit system that carries their workforce to and from work everyday, and therefore, their responsibility to the system is an obvious one. The current economic downturn shows every sign of becoming deep and lengthy. Given the MTA's extensive capital program on the one hand, and chronic underinvestment by both the City and the State on the other, the Regional Mobility Tax begins to address the MTA's funding crisis.

That said, TWU Local 100 would also like to raise several concerns with the report's recommendations.

First, the report proposes that the Regional Mobility Fee would be earmarked to pay for new capital projects. This means the MTA's operating budget would not be called upon to service new debt incurred by future capital work. This seems sensible but there is an important omission. The operating budget is already staggering under the burden of servicing debt incurred by past capital spending. Without relieving the existing debt pressure in any significant manner in the short-term, the crisis that has landed us here remains largely unresolved.

Neil Winberry Vice President *(Private Lines)* | **John Mooney** Vice President *(Stations)* | **Randy Nevels** Vice President *(Rapid Transit Operations)* | **William Pelletier** Vice President *(TA Surface)*

Julio C. Rivera Vice President *(Maintenance of Way)* | **Barry Roberts** Vice President *(MaBSTOA)* | **Ainsley Stewart** Vice President *(Car Equipment Dept.)*

It is also unclear how much relief the monies generated by the proposed tolling of the Harlem and East River Bridges could provide to the MTA's current debt burden. As per the Commission's report, the $600 million in net revenue generated would be used for the upkeep of bridges, to pay for the costs of installing the electronic toll system, as well as support additional mass transit improvements. We believe there needs to be a revenue stream dedicated to bringing down the MTA's current debt load which has already reached $1.5 billion and will rise to $2 billion in 2011.

Second, we believe that the fare should be detached from the budget balancing process. In the absence of a variable pricing fare that delivers relief to lower-income transit users, this arrangement represents a disproportionate burden placed on them. Similar to the Mayor's objection to avoiding regressive increases in Express Bus fares –which we agree with– this logic should be extended to all lower-income New Yorkers. We recommend the delivery of a discounted fare to lower-income riders and a freeze in the fare balanced by a commensurate increase in the proposed Regional Mobility tax. The additional increase would be imperceptible to employers.

Third, unions were not consulted on the issue of creating a regional bus company. Regional Bus was a failed subject of negotiations in the past with various MTA Unions, as well as rejected by the State Legislature. Although we agree bus service needs to be bolstered, as President Toussaint stated, "such a major step cannot be taken without appropriate scrutiny and without negotiations with the unions concerned. TWU will strongly and completely oppose any attempt to accomplish this through the backdoor."

Lastly, with respect to the report's governance recommendations, we advocate for the elevation of riders as a key stakeholder. There should be a greater intersection of interests between transit riders and members of the MTA Board, which could be addressed by providing board members representing ridership concerns with the ability to vote on matters brought in front of the Board. And, the same should be said for the Governor's appointed labor seat.

Thank you.

Statement of Theodore W. Kheel

The MTA, like the rest of the country, is broke. The good news is: we now have an opportunity to create a sustainable transportation system for the future.

President-elect Obama has seen the opportunity for our country. It is time for us to grasp the opportunity for our city.

The Ravitch Commission has a plan to fund mass transit. The best, and worst, thing to be said about that plan is that it changes as little as possible — particularly when it comes to cars and drivers. Ravitch will reduce car congestion in Manhattan by barely 3%, and the vast majority of the funds he proposes to raise come from new taxes — in a state and region already rather heavily taxed.

Ravitch has forgotten that it is the car that destroyed our mass transit system in the first place, and it is the car that is crippling our city's economy and its ability to subsidize our ailing transit system now.

I have said this before, but I am here to say it again. It was the rise of the automobile as a means of transportation into the city that caused the downfall of mass transit. It happened in the fifties and sixties, when new highways and bridges swelled the coffers of the authorities that collected tolls while draining customers from transit, until every suburban railroad in the New York metropolitan area was "either bankrupt or teetering on the brink."[1]

It was the automobile that did this.

On Sunday, the New York Times reported glowingly that transit ridership has increased over the last few years, while car traffic has stabilized.

What the Times fails to note is that transit ridership is still nowhere near the levels of the 1940s, before that massive highway construction began. The peak year for subway use in New York remains 1946, with ridership of 2 billion. This year it barely reached 1.6 billion.

Why? Because in the interim, massive numbers of commuters turned to cars.

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[1] Robert A. Caro, "The Power Broker," Vintage Books (1974).

Not only does the automobile divert riders from mass transit, it drains our economy. The Partnership for New York put out a report two years ago that the Ravitch Commission appears to have forgotten, if they ever read it. The Partnership found that the costs of congestion to our city include two billion dollars in lost business revenue, six billion dollars in lost time and productivity, two billion in wasted fuel and operating costs, three to four billion dollars in lost regional output, and up to 50,000 lost jobs.

Can a city that labors under such a handicap support additional taxes to pay for the transit system that this same traffic is undermining?

Ravitch was charged with raising funds for mass transit. His plan does that, in the short term, but in a way that undermines our transportation system by almost entirely ignoring the automobile and the congestion it causes.

He took this route, I believe, because he thought it politically expedient, after the defeat of the Mayor's congestion pricing proposal.

I am not seeking to re-introduce Mayor Bloomberg's proposal, which had serious flaws — not least of them, its disproportionate burden on what people in Manhattan call, disrespectfully, the "outer" boroughs. ,I agree with Dick Ravitch that that plan is dead — deservedly dead, I would add. Instead, I have proposed a plan that has two parts. Part One offers free transit for most of the day and drastically reduces mass transit fares in other cases, as a way to entice motorists out of their cars and reward New Yorkers who already take transit. Part Two raises tolls on car traffic — the only reasonable way, I believe to reduce the traffic congestion that is choking our city.

My plan gives workers a choice to spend literally nothing on transportation in these hard times. It provides an enormous economic benefit to a large class of New Yorkers and still raises the money needed to fund the MTA's operating costs, while helping our city's economy in dozens of indirect ways by reducing congestion.

For more than half a century I have said that we need a balanced transportation system for our city. This moment of crisis affords an extraordinary opportunity for us to rethink what we are doing, change our ways, and achieve a sustainable system. It's time.

Statement of Charles Komanoff

Our city and region have a transit-finance problem, a traffic problem, and, now, a sick economy.

The Ravitch Plan cures the first but ignores the second and worsens the third. Indeed, its main mechanism to fund the MTA, yet another payroll tax, is also an open invitation to export jobs from our region.

Can't we do better? Can't we attack all three problems and begin solving them simultaneously? As a matter of fact, we can — with the plan created by Ted Kheel's team, based on his vision and with his support.

Here's what the Kheel Plan will accomplish for our city:

- The Kheel Plan will make all New York City Transit buses free, all the time.
- The Kheel Plan will slash subway fares by an average of 75%.
- The Kheel Plan will reduce rush-hour crowding on buses and subways.
- The Kheel Plan will improve daytime traffic speeds in the Manhattan Central Business District (south of 60th Street) by one-third.
- The Kheel Plan will generate enough net revenue, over $1 billion a year, to wipe out more than 80% of the MTA deficit.

The Kheel Plan will do all this with no new taxes. Instead it employs an integrated set of *price incentives* to use our trains, buses and autos more efficiently.

Here are the four basic elements:

1. ***Eliminating bus fares***. This not only supports bus riders, for many of whom a $2 fare is a matter of some consequence; it also improves bus service and labor productivity by dispensing with the need to board and swipe at the front, thus doing away with the human gridlock at the bus entrance that the MTA estimates adds 15 percent to bus travel times.

2. ***A time-varied and always-lower subway fare***. The Kheel Plan proposes a zero fare on weekends and holidays, at night, and between rush hours. A fare would be charged only in rush hour — between 7 and 10 a.m. and between 4 and 7 p.m. Even in rush hour, the Kheel Plan fare would range from 50 cents to $1.25. The

average fare would be 75% less overall than today's. Varying the subway fare will give riders incentive to switch their time of travel. Our modeling suggests that with the Kheel Plan, subway use will rise during 20 hours of the day, remain flat for 2 hours, and fall during the two most-crowded hours: 8 to 9 a.m. and 5 to 6 p.m. Riders who can switch to a lower-fare period will save the most, but riders who can't or don't switch will still pay less than they do now — and get a less crowded ride in the bargain.

3. ***A time-varied congestion toll to drive into the Manhattan Central Business District.*** Unlike the mayor's original congestion toll, our toll varies by time of day. Drivers thus have a monetary incentive to "time-shift" their trips out of the most crowded times of the day. In addition, unlike the mayor's toll and the Ravitch toll, our toll affects all drivers equally, wherever they live. New Jersey drivers, Westchester drivers, Long Island drivers and Brooklyn and Queens drivers will all pay, and at the same rate. Our toll starts at $5 and averages $16. Expensive? Sure. But it amounts to far less than the "time costs" each trip now imposes on other drivers and road users. And it's strategic. Our toll raises most of the funds needed for free buses and discounted subways and dramatically cuts auto traffic into the heart of the city at the most crowded times, vastly improving travel speeds. Drivers benefit from quicker journeys and more predictable arrival times.

4. ***A surcharge on medallion taxi fares.*** Yellow cabs shouldn't pay the congestion toll. It's impractical. But their mileage must be tolled to avoid creating a huge loophole for Manhattan residents, who use taxis the most, and to generate much-needed revenue. We estimate that a 50% fare surcharge (which will raise the average fare by 46%) will generate $700 million a year in new revenue.

There's more, but these are the Kheel Plan's key elements.

I hope you see why Ted and I are so excited about the Kheel Plan. It's ingenious. It's integrated. It's equitable. It's revolutionary. The Kheel Plan, without saddling us with yet another tax, will fund the MTA, improve transit service and auto travel, and make our city and region more efficient — and more livable.

HOW THE KHEEL PLAN WORKS

How New Yorkers Benefit

- Free NYC transit buses 24 hours a day
- Free NYC subways except during rush hour. Significantly reduced fares during rush hour
- $1 billion in revenue for the MTA
- Daytime traffic speeds increase by 34% in Manhattan south of 60th Street
- Less-congested subway cars during rush hour
- 15-20% faster bus service

How It's Paid For

- Automobiles (except medallion taxis) driving into Manhattan south of 60th Street pay average toll of $16 (depending on time of day)
- Trucks tolled at twice the auto rate
- 25% increase in tolls on other MTA bridges and tunnels
- 46% surcharge for medallion taxis

KHEELPLAN.ORG

Kheel Plan Fact Sheet

Assumptions

- NYC Transit buses: free 365-24-7
- NYC Subways: free except 7-10 a.m. and 4-7 p.m. weekdays, when fares are:
  - Pre-peak hrs: 7-8 a.m. and 4-5 p.m. $0.50
  - Peak hours: 8-9 a.m. and 5-6 p.m. $1.25
  - Post-peak hrs: 9-10 a.m. and 6-7 p.m. $0.75

  With these fares, subway fare will average 33 cents — a 75% discount from the $1.30 average now paid by riders (when unlimited farecards, volume discounts, transfers and senior discounts are taken into account).
- Autos (excepting medallion taxis, including "black cars") driving into CBD pay toll ranging from $5.00 to $25.00 on weekdays (less on weekends/holidays). Estimated average will be $15.76. No offsets for existing tolls. For precise rate schedule, see **By Hour** worksheet in the BTA 1.1 spreadsheet at www.nnyn.org.
- Trucks: pay 2x car rate
- Medallion taxis: 50% increase in fare rates (equates to 46% rise in average fare); drivers and companies pocket 10% of increase, transit system takes remainder
- TBTA non-cordon tolls: raised 25%

Results

MTA Finances — ***Net gain of $1,020 million*** (all figures annual)

- **Revenue Gain (and New Savings): $3,290 million, as follows:**
  - Road Tolls: up $2,360 million
  - Taxi Surcharge: $690 million
  - Raise "other" (non-cordon) TBTA tolls: $210 million
  - Direct savings from eliminating bus fare collection costs: $30 million
- **Revenue Loss (and New Costs): $2,270 million, as follows:**
  - Bus/Subway Farebox: down $2,220 million
  - Cordon Toll administration: cost of $50 million

Subway Utilization — Up 12% overall (10% weekdays, 21% weekends) notwithstanding respective 6% and 10% *decreases* in peak hours (8-9 a.m., 5-6 p.m.)

Bus Utilization — Average 15-20% improvement in bus speeds (from fare elimination) attracts new riders without requiring increased deployment of buses and drivers

Street and Highway Utilization

- Within CBD: daytime traffic speeds up by a third, 24-hr speeds up by a quarter
- Roads leading to CBD: traffic speeds up 6-7% (not counting cars taken off the road by free buses, still being tallied)
- Citywide average: gain in traffic speeds still being tallied, will likely average >5%

Not (Yet) Included — following items, not counted above, could be paid for by portion of Comptroller Thompson's weight-based auto registration surcharge:

- Free Express Buses — $140 million farebox loss
- Free Intracity Commuter Rail (L.I.R.R., Metro-North) — $60 million farebox loss

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Partnership for New York City

TESTIMONY SUBMITTED BEFORE THE CITY COUNCIL COMMITTEES ON TRANSPORTATION AND FINANCE

TUESDAY, DECEMBER 16, 2008

KATHRYN WYLDE
PRESIDENT & CEO

PARTNERSHIP FOR NEW YORK CITY

Thank you Chairman Liu, Chairman Weprin and committee members for the opportunity to testify today regarding proposed solutions to the fiscal challenges facing the MTA. The Partnership for New York City represents business leaders and the city's largest private sector employers, for whom the quality of our regional mass transit system is a top priority. The City's status as a global commercial power depends on maintaining a superb public transportation system that provides employers with ready access to a large and diverse talent pool.

It is the Partnership's position that support for transit should be broadly based and require all stakeholders to contribute. This includes federal, state and local governments, MTA management and labor, straphangers and taxpayers. The MTA region contributes the lion's share of tax revenues to the state budget and underpins the entire state economy. All New Yorkers have a stake in the success of the MTA, as do the citizens of New Jersey and Connecticut.

The MTA's current financial problems are not all self-made but rather linked to the economic health of the region. The MTA receives a large proportion of their budgetary funds from dedicated revenue sources including sales, mortgage, and fuel taxes and vehicle registration and driver license fees. This makes certain that downturns in the economy have a direct and immediate impact on the operations of the MTA. It is critical that we use the current fiscal crisis as an opportunity to develop a more sustainable operating model for New York's mass transit system.

We applaud the Ravitch Commission for developing a fair and balanced approach to generate revenue for the MTA's five-year capital improvement plan. Our membership – like other New Yorkers – objects to certain aspects of the plan, but taken as a whole it is hard to think of a fairer way to assess the region for transit funding. The proposed funding formula places a relatively greater burden on employers and workers than on other users of mass transit, including students, seniors, tourists and leisure travelers. Other localities in the US and around the world generate more income from fares than the MTA. I would also note that the Partnership supported congestion pricing as a more equitable approach to traffic management than East and Harlem River Bridge Tolls. Ultimately, however, congestion pricing does not raise enough net revenue to fill the MTA funding gap. So the plan is imperfect, but it is a compromise that our members are generally willing to support if it is adopted as a package.

The regional payroll tax, or "mobility tax", as recommended by the Commission, would require everyone in the MTA region who benefits from the system – including State, City and non-profit employees – to contribute. The broad base helps assure business that the relatively modest tax will not be subject to rate creep, since both government and nonprofits would be affected. The business community is already funding the MTA through a surcharge on the corporate franchise tax. In 2007 this tax generated $737M or 7% of the MTA budget. While this is clearly a tax on jobs, which is counterintuitive during a period of severe recession, it is a logical way to secure contributions from employers to the transit revenue stream.

We support the recommendation that the Independent Budget Office and the Office of the State Deputy Comptroller (OSDC) review and comment on the MTA's budget and financial plans and post those reports on the MTA's website. OSDC has historically commented on the size of the central office budget, hiring practices and the duplicative organizational structure of the MTA and it is time that the MTA respond to the problems uncovered in those reports in order to help build public confidence in the system.

In terms of governance, we would endorse the recommendation that the Chairman & Executive Director roles be reunited. We would go further than the Commission and support legislation to consolidate the six agencies that operate under MTA jurisdiction. One estimate found that the MTA could save $50 million per year if a long-term plan of shared services could be implemented. Current management has begun to move in this direction, but at a pace that needs to be accelerated. We would add that New York City should have more voting members of the MTA board. The Mayor of New York City is in a position to share with the Governor both oversight and accountability for management of a system that frequently seems the captive of anonymous bureaucratic forces.

The Commission has appropriately focused on the importance of increasing and upgrading bus service, including adding more Bus Rapid Transit routes and expanding into poorly served areas in the outer boroughs and suburbs. We think this is an important component to improving transit access. We would add to that the expansion of ferry service and propose once again, as we did in 2004, that the MTA should take responsibility for managing ferries as part of the regional public transit system. These expanded services should go first to the communities that are most affected by new tolls on the free East and Harlem River bridges, demonstrating that drivers who cannot afford the tolls will have reasonable and efficient mass transit options.

In addition to new revenues, there are a several reforms that we would like to see in conjunction with the Commission's recommendations:

First, spending priorities under the capital plan should be revisited to insure that scarce resources are used for projects that generate a large return on investment. Historic commuting patterns are changing and transit investments that made sense twenty years ago may not be as important today. The first priority of the capital plan must be achieving a state of good repair and maintenance of the existing system, as well as accessibility for the elderly and disabled. When it comes to system expansion, bus and ferry service should have the first call on limited dollars.

Second, procurement and contracting reforms should be enacted as a condition for approval of the new capital plan. Last March, a Blue Ribbon Commission produced recommendations to the MTA for reducing capital costs by as much as 15-20% through an improved contracting process and more effective risk-sharing with the private sector. It is time to move on those recommendations as a condition for approving a new MTA capital funding program.

Reform is never easy, and this effort will require leadership and shared sacrifice from all stakeholders. An effort to reform spending priorities, paired with operating efficiencies and a predictable revenue stream will put New York's transit system on track for another century of service. The Partnership stands ready to work with the City Council to insure that these goals are achieved.

Testimony of Carl Hum, President and CEO, Brooklyn Chamber of Commerce, Before the Committees on Transportation and Finance December 16, 2008

Good morning Chairman Liu, Chairman Weprin, Members of the Transportation and Finance Committees. My name is Carl Hum, I am the President and CEO of the Brooklyn Chamber of Commerce, an organization dedicated to supporting and advocating for our 1500 members, and promoting a healthy and robust business environment.

Thank you for this opportunity to comment on the recommendations made by the Ravitch Commission. The Chamber appreciates the hard work performed by the Commission. Ensuring the public transportation network's health and sustainability is a vital business priority for the Chamber as approximately 90% of our Members' employees rely upon public transportation to get to work.

The Chamber is also pleased the Commission recommended improving bus service throughout the region. Among the areas that Chamber members identified a need for improved bus service because subway access is limited are: Boro Park, Brownsville, Bushwick, East NY, Greenpoint, Red Hook, Crown Heights, Dyker Heights, Bay Ridge, Marine Park, Cypress Hills, Brighton Beach, Midwood, Bensonhurst and Mill Basin.

The Chamber also supports the Commission's recommendations to strengthen the MTA's governance, and increase transparency and accountability. Through these initiatives, we hope additional cost savings could be realized and used to offset debt service obligations.

Again, the Chamber is thankful that the important dialogue about the financing of our public transportation has begun but we feel Brooklyn and small businesses, in particular, are being asked to unfairly shoulder the burden.

East and Harlem River Bridge Tolls. The imposition of cashless tolling on the East and Harlem River Bridges will disproportionately affect Brooklyn, its businesses, its residents and our Members.

This pricing strategy may encourage the casual motorist to use public transportation rather than paying the cost to cross the bridge. However, for some, such a choice does not exist. It is difficult to deliver glass window panes from Williamsburg to new housing in upper Manhattan or trays of freshly-baked bagels from Flatlands/Fairfield to a business conference in Midtown using public transportation.

Over half of our members use cars or trucks to deliver their goods and services. For these members and other Brooklyn businesses, public transportation is not an option - they must use the bridges. This strategy would only add another financial burden to the already-high costs of doing business in New York City.

While the Chamber would prefer not to see any tolling of the bridges, the Chamber strongly recommends exceptions be made for business purposes.

Regional Mobility Tax. In a recent report by the Public Policy Institute of New York State, our state ranks almost dead last - 49 out of 50 states - for business-friendly tax climate. And according to last year's report by the Citizens' Budget Commission, local taxes make

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New York City a particularly high-tax liability locality, more than twice as high as in Westchester County. The Regional Mobility Tax is just another tax to burnish the image of our region as inhospitable to businesses.

The Commission recommends that the regional mobility tax be imposed on all businesses regardless of nature or size, and makes no exception for self-employed individuals. This tax would be particularly difficult for small businesses and the burgeoning base of the self-employed who are already bearing the brunt of a tight fiscal market. For Brooklyn's many self-employed individuals, the regional mobility tax would amount to an increase to their income tax.

We urge the Commission to look at alternative means to raise the important funds to stabilize and sustain our public transportation system. Some of these could include imposing registration surcharges on energy-inefficient vehicles and re-instituting the commuter tax.

The Chamber appreciates the opportunity to comment on this important issue and looks forward to participating in this important discussion.

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The Chamber appreciates the opportunity to comment on this important issue and looks forward to participating in this important discussion.

Queens
Chamber of Commerce
75-20 Astoria Blvd., Ste 140, Jackson Heights, NY 11370

December 16, 2008

Councilman Liu, Councilman Weprin and members of the City Council's Transportation and Finance Committees. My name is Jack Friedman and I am the Executive Vice President of the Queens Chamber of Commerce. Thank you for allowing me to testify today on behalf of the Chamber and its 1,500 businesses. While this week marks my 1 year anniversary at the Queens Chamber and the first time I am allowed to speak before this body, it also seems like a déjà vu moment. In short, the Ravitch Commission's plan to toll crossings from the outer boroughs is nothing more than a new congestion pricing scheme. In fact, in some ways this proposal is even worse as we are now being asked to bail out the MTA without first seeing that they are capable and willing to clean up their own house. Sound familiar? Did anyone say the Big 3 automakers or the banks sub-prime mortgage mess?

We certainly recognize the situation the MTA finds itself in. This is an organization that was running in the red well before the current economic spiral which has done nothing but exasperate an already dreadful situation. We recognize the need to find a formula that not only increases revenues, but reduces expenses. We recognize that simply opposing tolls on outer borough crossings is not enough without sound, reasonable suggestions of our own. The problem is that it is bad policy to impose a regressive tax that unfairly and disproportionately affects residents in three boroughs of our City. Many low and middle class residents and a huge number of small businesses come from the outer boroughs. Many of these same people are underserved or have limited access to mass transit. Once again, these same businesses and residents are being asked to carry the lion's share of the responsibility of bailing out the MTA.

We've heard it before; the Commission promises that any new tolls will be preceded by improved mass transit and better commuting options for outer borough residents. If that were true, why hasn't the MTA made any progress in that area since the start of congestion pricing discussions. The reason is simple. It can't and won't be done. The MTA is so busy just trying to stay afloat that any guarantees of investments to our mass transit infrastructure, prior to the raising of capital is insincere and disingenuous. The Queens Chamber suggests putting the cart before the horse and asks the MTA to make those improvements that will allow our residents a real transit option before coming to us to rescue your agency on our backs. Further, businesses making deliveries into Manhattan and points west don't even have that as an alternative.

Just as spending billions of dollars on infrastructure to collect congestion tax revenues would have been ineffective, tolling outer borough bridges is just as inefficient. To spend $400 million dollars to collect $1 billion dollars in tolls is entirely wasteful. The fairness argument raised during the misguided efforts of imposing a congestion tax still applies to taxing bridges. The bottom line is tolls choke the economy and are bad for business.

We need to find a way to distribute the responsibility of filling M.T.A. budget gaps fairly and equally. Some say the M.T.A. needs to stop subsidizing the Metro-North and Long Island Railroads with City revenues. Other interesting proposals that deserve serious consideration are a progressive commuter tax or Comptroller Thompson's car registration proposal, which would raise adequate revenue without unduly burdening New York's outer boroughs. The bottom line is the Ravitch plan to toll bridges is a regressive tax on the middle class, would negatively impact small business owners in the Bronx, Brooklyn, and Queens and is nothing more than another congestion pricing scheme. The Queens Chamber of Commerce vehemently opposes tolls of any kind on the outer borough crossings into Manhattan and urges the City Council to use their authority to defeat this ill-advised measure.

Respectfully submitted,

Jack Friedman
Executive Vice President
Queens Chamber of Commerce

Testimony of
Staten Island Chamber of Commerce President Linda M. Baran
NYC City Council
Ravitch Commission Recommendations
December 16, 2008 – 10:00 A.M.

Good afternoon. My name is Linda Baran, President of the Staten Island Chamber of Commerce. On behalf of the Chamber's Board of Director's and our 900 members who represent 20,000 members, I would like to thank Speaker Quinn, Chairman Weprin, Chairman Liu and members of the City Council for allowing me the opportunity to testify on this important issue. It seems like just yesterday the Staten Island Chamber of Commerce was testifying on Congestion Pricing. Here we are again just a few months later discussing how mass transit services may be funded in our region. Before I express my opinions, I would like to state that the commission clearly did a thorough job examining the plight of the MTA and should be commended for their due diligence.

I sit here today representing small business owners and residents from the county that pays the highest tolls in the country; but also endures the longest commutes. I think that bears repeating…the highest tolls and longest commute! In fact, if Staten Island was the 51st state it would rank 7th in toll revenue generated in the United States…just behind Illinois and ahead of Texas. That's right folks…there is approximately $300, 000 more per year collected on Staten Island than in all of Texas!

It seemed that the catch phrase throughout the congestion pricing debate was "fair and equitable". More recently with the Ravitch Commission, I have heard the term "share the burden". Well, on behalf of Staten Island businesses and residents alike; let me state for the record that it has not been fair and equitable for decades and that Staten Island has borne the brunt of the burden in this city regarding tolls as well. When the Verrazano Bridge toll is raised every few years it doesn't seem to spark the same level of outrage. Sharing the burden doesn't seem to apply at those hearings at the College of Staten Island and Petrides High School. On behalf of everyone in our borough, I extend a big YOU'RE WELCOME!! I know I am laying the sarcasm on pretty thick here; but I am really losing my patience with those who think it is okay that Staten Island businesses and residents MUST pay to leave the borough while others in this city MUST not be charged. Does that sound "fair and equitable" to you? Obviously, the Chamber favors the tolling of East River and Harlem Bridges as opposed to raising existing tolls (like the $10 toll on the Verrazano) or fares (such as the $5 express bus fare).

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The other recommendation of the report that I would like to address in a bit of detail is the Regional Mobility Tax; better known as the payroll tax. This stream of income would be in addition to several region-wide taxes that are already dedicated to the MTA. These taxes include a 17 percent surcharge on business income taxes, 0.375 of all sales tax collected, mortgage-recording taxes, and half of the state's petroleum business tax receipts. Quite simply, placing an additional burden on businesses operating in the highest "cost of doing business" state in America is the wrong move. I am aware that several states impose payroll taxes including neighboring states like New Jersey and Pennsylvania. But it should be pointed out that those states do not impose the local income taxes that our businesses and residents endure here in New York. I would counter that a 0.25% commuter tax should be re-instituted before a payroll tax is imposed. It is critical in this economy that government works with businesses to create jobs and not create an increased fiscal burden which precludes them from expanding their workforce.

A commuter tax combined with new tolls will generate approximately $1.5 billion per year. That income combined with other recommendations made in the report and by members of this legislative body should be enough to maintain the current fare structure while also allowing the MTA to move ahead with aspects of their capital plan. The Chamber acknowledges going forward that there will need to be an increased federal commitment to infrastructure as well to increase the MTA's standard of service.

Before I conclude, I would also like to propose that commercial toll rates are heavily scrutinized prior to the passage of any legislation. Mayor Bloomberg had proposed a cap of $30 per 24 hours for a commercial vehicle with EZ-PASS in his congestion pricing plan and the Chamber feels that this type of cost structure should be replicated before anything is finalized. If a plan goes through without considering the commercial impact, it could be a huge unforeseen expense for businesses. I would just reiterate that is not the prudent thing to do in a recession...or anytime for that matter.

I thank you for allowing me the time and I hope that you invoke fair and equitable legislation whereby all residents and businesses in the MTA region share the burden evenly. Enjoy your holidays!

Queens Civic Congress

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FOR IMMEDIATE RELEASE:
TUESDAY, December 16, 2008

Contact:
Jim Trent
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Queens Civic Congress to Council: Can the toll tax; support smart revenues

Testimony to City Council Committees on Transportation and Finance
Presented by Queens Civic Congress Vice President and Transportation co-chair Kathy Masi (Glendale Civic)
City Hall, December 16, 2008

Queens Civic Congress, an umbrella organization of more than 100 neighborhood based civic organizations representing property owners, including those owning coops and condos, and tenants who reside in every part of Queens County, thanks the City Council and Chairmen John Liu and David Weprin for the opportunity to express the clear concern the Commission on MTA Financing seeks to use the crisis to introduce the toll tax on all free East and Harlem Rivers bridges – the child of the unfair, inequitable and inefficient congestion tax – into the discussion once again on how to make the MTA whole when it comes to resourcing the transit agency. Less then ten months ago at our forum featuring MTA CEO Eliot Sander Queens Civic Congress released a signature proposal to ensure adequate MTA funding. That simple proposal, unlike any of the toll tax/ congestion tax schemes, including this latest Ravitch toll/tax variant, involves almost no overhead and no new infrastructure.

Frankly, tt takes an awful lot of chutzpah to include as a revenue measure anything that eats up two dollars of every five collected to its administration. The last dumb measure to do that, thoughtfully reduced to the scrap heap by your colleagues in the State Assembly, we and many others dubbed the congestion tax. In fact, at the Assembly hearing, Mr. Ravitch sought to recycle the same false and discredited claims congestion taxers tried to foist on New Yorkers.

As Queens Civic Congress several times this year and last, the best revenue plan – advanced by Queens Civic Congress – involves no *new* tax scheme. It reforms an old measure that would net nearly $1.8 billion annually. Unlike any other proposal, this QCC revenue reform would raise hundreds of millions of dollars for the entire MTA systems that primarily serve non-city residents. The Queens Civic Congress sees nothing wrong with making out-of-staters and other non-city residents step up to the plate." The analysis of last year's commission indicates this solid (revenue) recommendation – involving true revenue sharing with the suburban counties – covered by the MTA, nets $1,774,000,000. Tthis plan involves a simple doubling of the then minscule rates dating back to 1971, 0.45% of wages and salaries and 0.65% of self-employment income

As the Queens Civic Congress proposed, let the suburbs keep what their residents pay; the city can do rather well collecting its share from Connecticut, New Jersey and other out-of-staters. This should generate upwards of one billion for NYC projects and the revenue-sharing approach should enable the coalition needed to pass it in Albany. In past years, such organization's as the Regional Plan Association supported this approach. We also understand the NYC Partnership just four years ago described this proposal as the preferred measure to resource mass transit (New York Times, December 4, 2004). At last week's Assembly hearing, Mr. Ravitch also noted that he penned an op-ed that shared this view.

To every thing there is a season and certainly this season seems just the time for this Queens Civic Congress revenue reform to support transit.

The coalition Queens Civic Congress joined to oppose the congestion tax and which opposes its child, the toll tax, includes the non-resident income tax reform at the top of its set of recommendations.

Queens Civic Congress urges all of our elected officials including the Governor, the Mayor and our state and city legislators, to embrace this sound proposal. No Tolls!!

Thank you for your consideration.

-30-

Queens Civic Congress Members may be found below and on the web at: http://queenscivicongress.org/organization/members.php

Queens Civic Congress Members

Association of Old Forest Hills ♦ Auburndale Improvement Association ♦ Bayside Civic Database ♦ Bayside Clear-Spring Council ♦ Bayside Hills Civic Association ♦ Bayswater Civic Association ♦ Bay Terrace Community Alliance, Inc. ♦ Bellaire-BellVill Civic Association ♦ Belle Harbor Property Owners Association ♦ Bellerose Commonwealth Civic Association ♦Bellerose Hillside Civic Association ♦ Bell Park Manor Terrace Community Council ♦ Bowne Park Civic Association ♦ Briarwood Community Association ♦ Cambria Heights Civic Association ♦ Civic Association of Utopia Estates ♦ C.O.M.E.T. (Communities of Maspeth-Elmhurst Together) ♦ Concerned Citizens of Laurelton ♦ Cornucopia Society ♦ Creedmoor Civic Association ♦ Deerfield Area Association ♦ Doug-Bay Manor Civic Association ♦ Douglas Manor Association ♦ Douglaston Civic Association ♦ Dutch Kills Civic Assn. of Long Island City ♦ East Elmhurst Civic Association ♦ East Flushing Civic Association ♦ Federated Block Associations of Laurelton ♦ Federation of Civic Associations of Southeast Queens ♦ Floral Park Community Council ♦ Flushing Heights Civic Association ♦ Flushing on the Hill Taxpayers Association ♦ Forest Hills Chamber of Commerce ♦ Forest Hills Crescents Association ♦ Forest Hills-Van Court Association ♦ Fresh Meadows Homeowners Association ♦ Georgetown Mews ♦ Glendale Civic Association of Queens ♦ Glen Oaks Village Owners, Inc. ♦ Greater Astoria Historical Society ♦ Greater Whitestone Taxpayers Civic Association ♦ Harding Heights Civic Association ♦ Hillcrest Estates Civic Association ♦ Hilltop Village Co-Op #1 ♦ Hilltop Village Co-Op #2 ♦ Hilltop Village Co-Op #3 ♦ Hilltop Village Co-Op #4 ♦ Hollis 11423 Block Association ♦ Hollis Hills Civic Association ♦ Holliswood Civic Association ♦ Hollis Park Gardens Civic Association ♦ Holly Civic Association ♦ Hyde Park Gardens Cooperative ♦ Jackson Heights Beautification Group ♦ Jamaica Estates Association ♦ Jamaica Hill Community Association ♦ Juniper Park Civic Association ♦ Kew Gardens Civic Association ♦ Kew Gardens Hills Homeowners Association ♦ Kew Gardens Improvement Association ♦ Kissena Park Civic Association ♦ Little Neck Bay Civic Association ♦ Little Neck Pines ♦ Long Island City Alliance ♦ Malba Civic Association ♦ Meadowlark Gardens Owners ♦ Middle Village Property Owners Association ♦ Mitchell Linden Civic Association ♦ Neponsit Property Owners Association ♦ Newtown Civic Association ♦ North Bellerose Civic Association ♦ North Flushing Civic Association ♦ North Hills Estates Civic Association ♦ Northwest Clearview Homeowners Association ♦ Norwood Civic Association ♦ Oakland Terrace/ Gardens Community Council ♦ Off Broadway Homeowners Association ♦ Our Neighborhood Improvement Association ♦ Our Neighbors Association of Ozone Park, Inc. ♦ Parkway Village Historical Society ♦ Queensboro Hill Neighborhood Association ♦ Queens Colony Civic Association ♦ Queens Community Civic Corp. ♦ Queens Preservation Council ♦ Queens Village Civic Association ♦ Ramblersville-Hawtree Civic Association ♦ Richmond Hill Historical Society ♦ Ridgewood Property Owners and Civic Association ♦ Rockaway Park Homeowners/ Residents ♦ Rocky Hill Civic Association ♦ Rosedale Civic Association ♦ Royal Ranch Association. ♦ Southeast Queens Concerned Neighbors ♦ South Ozone Park West Civic Association ♦ Springfield/Rosedale Community Action Association ♦ Station Road Civic Assoc. of Auburndale ♦ Sunnyside Gardens/Harrison Place Homeowners ♦ Surrey Estates Civic Association ♦ Union Turnpike Merchants Association ♦ United Forties Civic Association ♦ United Neighbors Civic Association ♦ Waldheim Neighborhood Association ♦ Wayanda Civic Association ♦ West Cunningham Park Civic Association ♦ Westmoreland Association ♦ Woodside Community Council

Testimony of Josh Nachowitz
Policy Director
New York League of Conservation Voters

City Council Transportation and Finance Committees
December 16, 2008

Good morning Chairman Liu and Chairman Weprin. It is a pleasure to be here today to voice our strong support for increased assistance to the MTA. New York City's vast transit network is the lifeblood of the city and it is essential that our elected officials take immediate steps to provide a stable financial base for the MTA.

New York City's enormous, extensive, and relatively inexpensive mass transit system is absolutely fundamental to its survival as a livable city. However, this vital resource is in dire need of financial assistance. The MTA faces a $1.2 billion deficit and has been forced to propose a 23 percent increase in tolls and transit fares.

The seriousness of the MTA's financial situation can not be overstated. The Authority risks reversing some of the progress made in improving the system over the last thirty years. Such a retreat from dependable and high quality service would have enormous consequences for our city's quality of life, economic vitality and environment.

As an environmental advocacy group, NYLCV has long supported mass transit as an environmentally friendly alternative to automobile based transportation systems. The increasingly apparent realities of climate change make the effort to build sustainable and energy efficient transportation systems even more urgent. Our automobile dependence is contributing heavily to climate change. Fully 20 percent of New York City's greenhouse gas emissions come from automobiles. As a coastal city, New York is especially vulnerable to rising sea levels and increasingly frequent and violent storms.

Encouraging the use of mass transit is a central component to the environmental community's campaign to combat climate change and improve our environment. Luckily, New York's massive transit network makes us a national leader in this effort. Largely because of our reliance on mass transit, New Yorkers are responsible for almost one-third less greenhouse gas emissions than average Americans.

As the price of fossil fuels continues to be volatile and unpredictable, more and more Americans are gravitating towards transit and an increasing number of local governments are investing in transit systems. Commuters and business leaders alike are recognizing that transit rich cities have a distinct advantage in what will certainly be a carbon constrained and less petroleum dependent future. While it is not surprising that the MTA's ridership has reached historic highs, it is disheartening that New York has failed to invest in significant expansions of its transit system to meet this growing demand. It is estimated that New York City will add 900,000 new residents by 2030, further increasing demand on our already overcrowded transit system.

Clearly now is not the time to walk away from the critical investment that our transit system needs in order to continue providing quality service throughout the city. It is also not the time to abandon plans to invest in transit improvements to the many communities throughout New York City that have too few transit options. The proposals adopted by the Ravitch Commission offer an excellent formula for saving our transit network. Chairman Ravitch has advocated a set of proposals that spread the burden of supporting transit among all the beneficiaries of the transit system. Businesses that benefit immensely from the ease of mobility provided by transit would pay a one-third of one percent payroll tax, drivers who take advantage of less congested roads would pay tolls on the East River bridges and riders would pay a modest fare increase. These proposals are fair and reasonable measures that will ensure the future of one of our city's greatest assets.

As we try to find a way out of what may be the worst economic crisis in two generations, it is essential that we do not make the same mistakes we made 30 years ago by abandoning our transit system, as well as other important components of our infrastructure. By investing in transit now we will create jobs and lay the foundation for a sustainable future, both economically and environmentally.

ENVIRONMENTAL DEFENSE FUND

finding the ways that work

Environmental Defense Fund
Testimony before the New York City Council
Finance and Transportation Committees
December 16, 2008

The Environmental Defense Fund applauds the Commission on Metropolitan Transportation Authority Financing and its chair, Richard Ravitch, for developing a financing framework for the MTA that incorporates these key criteria:

- more reasonable fare increases,
- significant environmental benefits,
- new and expanded bus service, and
- fairness

A 23% increase in existing tolls, bus and subway fares and commuter rail tickets would be deeply unjust and damaging to the city and the region. The Ravitch Commission must be commended for tackling a difficult challenge, proposing a fair and equitable financing framework to enable the region's mass transit needs to advance without imposing double digit fare increases on the straphangers and commuters who rely on that system. Environmentally, there are many reasons to generally support a comprehensive rescue plan for the MTA as well as reasons to specifically support the proposal for cashless tolls on the East and Harlem River Bridges:

Sustained transit capital investment including expansion of the network is fundamental to building a cleaner and more sustainable city. The Ravitch report rightly recommends expanding express bus lines and bus rapid transit (BRT) in the MTA region in order to more quickly provide reliable, faster transit to people currently underserved by the system. EDF is calling on the MTA to make bus expansion and BRT a high priority in its upcoming capital budget, especially to extend service into communities currently without adequate transit service.The science is overwhelmingly clear that greenhouse gas emissions must be cut 80% by the year 2050 in order to stabilize the climate. President-elect Obama has announced his strong commitment to that goal. America simply can't get there without reducing emissions from transportation. The transportation sector currently accounts for over 30% of greenhouse gas emissions nationwide (over 20% in the five boroughs) and is also the fastest growing source of greenhouse gases. A good transit network is one of the reasons New York's carbon footprint is lower than the national average. Investing in the maintenance and expansion of transit infrastructure today will help the city grow and keep its carbon footprint low. And it will reduce the pressure on other sectors—like energy and industry—to achieve even larger and more expensive reductions in the future.

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- Reducing traffic and increasing transit is essential to public health. Studies are clear that living near heavy traffic raises the risk of lung cancer, asthma attacks, heart disease, stunted childhood lung development and lower IQ in children.

- East River Bridge tolling is expected to cut some New York City transport pollution significantly by reducing traffic and improving transit. Benefits will be especially large for those communities that now face unusually high traffic and roadside pollution exposure because drivers divert through local communities to avoid tolls, for example in western Queens and Brooklyn

EDF believes the Commission's package of recommendations is fair and equitable. Currently, all sectors contribute to the upkeep of the system, and it is imperative that that principle be at the core of future financing. Straphangers, commuters, drivers and businesses all benefit from an integrated mass transit system that moves millions of people a day across three states, unclogging roads that would otherwise be unpassable.

The report's tolling recommendations create a level playing field by eliminating the fundamental unfairness of raising transit fares and some bridge and tunnel tolls while other crossings remain free, which also serves to increase the volume of traffic and emissions in the communities on either end of the free crossings. Cashless tolling technology makes it possible to accomplish this goal without traffic-choking toll booths.

It is important to note that a portion of the revenue raised by new East River and Harlem River bridge tolls will enable those structures to be self-sustaining, both in capital and operating needs. This will provide budget relief to New York City since these structures would be removed from the NYCDOT budget.

We support the Ravitch Commission recommendations, because they propose a fair and equitable way to expand bus service quickly, reduce pollution and avoid dramatic fare hikes. We recognize that other proposals, such as higher vehicle registration fees and parking pricing are also being considered for this and other general revenue purposes. Some of these may also yield environmental benefits.

Cleaner air, better transit. We look forward to working with the City Council and the state legislature to ensure that these goals are met in a fair, equitable and environmentally sound way.

Testimony by Christopher Jones to the Transportation/Finance Committee of the New York City Council on the Findings of the Ravtich Commission

December 16, 2008

My name is Christopher Jones. I am Vice President for Research of Regional Plan Association, a non-profit research and planning organization serving the greater New York region. Thank you for this opportunity to testify on the finances of New York's transit system, one of the most important issues for the city's economy.

Regional Plan Association strongly supports the recommendations of Governor Paterson's MTA Finance Commission, chaired by Richard Ravitch. While much of the attention has been focused on the specific taxes and tolls in the Commission's report, the recommendations offer much more than a way to stave off service cuts and fare increases. More importantly, **the Commission's plan would fundamentally reform the finances of the MTA by bringing greater stability, fairness, accountability and transparency.**

It would bring **stability** by addressing one of the root causes of the MTA's recurring financial difficulties – its rapidly growing burden of unfunded debt. The recommendations in the plan would remove most new debt service from the operating budget and dedicate specific revenue sources to pay for it. Debt service already accounts for 13% of the operating budget and will increase by 46% without additional revenues to support the new capital plan. This means less pressure on transit riders who already pay a higher share of the cost of their ride than the riders of nearly every other major transit system in the U.S. The proposal to streamline MTA Board approval for fare increases that do not exceed the rate of inflation will also provide reasonable expectations for both the users and operators of the system.

The Ravitch plan also improves **fairness** because it spreads the burden among businesses, fare payers and drivers. Businesses benefit from having an efficient and robust transit network to efficiently bring employees and customers to work and shop. The proposed mobility tax of 33 cents for every $100 in corporate income would keep the burden low for any individual business by spreading it broadly among all firms. For fare-payers, the 8% increase is difficult but far better than increases of over 25% that they would otherwise be subject to. And for drivers, they benefit from a transit system that removes cars and trucks from the road that would slow their trips even more than they are today. Charging tolls on the currently "free" crossings eliminates the unfairness of having some drivers pay tolls while others cross for free. And everyone, both bus and subway riders and those who currently drive, would benefit from expanded bus service from the outer boroughs into Manhattan that would precede new tolls on the East River and Harlem River bridges.

The Ravitch plan calls for additional measures of **accountability and transparency** by the MTA, in addition to measures that the MTA has already taken. These include clarifying responsibility by giving the MTA Chair full executive authority, developing a more transparent reporting methodology for the capital plan, and making information more accessible through the MTA's website.

Without the proposed funding plan, the MTA would be forced to make riders pay more for less. But the consequences go beyond that. The impacts would hit the rider everyday and in every corner of every borough of New York City. Night and weekend services would be cut. Waiting time between buses and trains would be longer. Bus and subway stops would be farther away, requiring impractical longer walks for those for whom longer walks are not tenable. More transfers would require more time and inconvenience. In short, those without cars – 56 percent of New York households – would be more isolated. For the other 44 percent with cars the incentive to drive more and clog our streets will be greater. Attached to my testimony is the list of transit service cuts organized by neighborhood within the five boroughs. As can be seen the cuts would be widespread and devastating to the quality of life for all New Yorkers. We simply cannot allow this to happen.

With the proposed funding plan the MTA can continue to bring riders back to the system. In the last fifteen years subway ridership is up an unprecedented 68 percent and bus ridership is up 64 percent. With the funding plan in place the MTA can continue to build on this record, renewing the system's buses and trains, tracks and signals, depots and yards, stations and information systems. Without the funding plan, the MTA will start the slide down the sad path we have gone before when the deterioration of the system went hand in hand with the decline of our great City.

Thank you.

Proposed MTA service cuts and affected neighborhoods

List compiled by Regional Plan Association from service changes detailed in MTA Proposed 2009 budget.

Subway – elimination of service

W Elimination of W service, affects western Queens, midtown and downtown Manhattan
Z Elimination of W service, affects northern Brooklyn and central Queens.

Subway – reduction in route coverage

G Terminate at Court Square, no longer serve Queens destinations to Forest Hills. Impact on western and central Queens.
M Terminate at Broad St, no longer serve Brooklyn destinations to Bay Parkway. Impact on southern Brooklyn.
J Some peak hour trains to terminate at Chambers St. Impact on central and western Brooklyn.
N Elimination of some nighttime stops in Financial District and Downtown Brooklyn. Impact on western Queens, midtown and downtown Manhattan, western Brooklyn.

Subway – reduced weekend frequency (10 minutes)

A, D, E, F, G, J, M, N, Q, R

Subway – reduced off-peak frequency, 125% loading

1, 4, 5, 6, 7, A, B, E, F, N, Q, R, L

Bus – complete elimination of service

B37 Bay Ridge, Boerum Hill, Carroll Gardens, Downtown Brooklyn, Greenwood, Sunset Park,
B39 Williamsburg, Lower East Side
B75 Boerum Hill, Downtown Brooklyn, Park Slope, Carroll Gardens

Bx4 Mott Haven, Union Port, Soundview, Hunts Point, Parkchester, South Bronx
Bx14 Union Port, Parkchester
Bx20 Spuyten Duyvil, Kings Bridge, Inwood, Riverdale

M6 Soho, Greenwich Village, Midtown, Tribeca, Financial District, Chelsea, Garment District
M8 West Village, East Village, Greenwich Village
M10 Midtown, Harlem, Washington Heights, Upper West Side, Garment District
M18 Morningside Heights, Harlem, Hamilton Heights, Washington Heights, Yorkville, East Harlem

Bus – elimination of overnight service

B7 Flatbush, Bedford-Stuyvesant, Flatlands, Gravesend, Brownsville, Bushwick
B14 East Brooklyn, Bedford-Stuyvesant, Brownsville
B31 Gravesend, Sheepshead Bay, Gerritsen Beach, Homecrest
B45 Boerum Hill, Downtown Brooklyn, Bedford-Stuyvesant, Park Slope, Fort Green
B48 Williamsburg, Fort Green
B57 Downtown Brooklyn, Maspeth, Williamsburg, Ridgewood, Fort Green
B64 Fort Hamilton, Bensonhurst, Bay Ridge, Gravesend, Coney Island, Dyker Heights
B65 Boerum Hill, Downtown Brooklyn, Bedford-Stuyvesant, Park Slope, Fort Green
B67 Boerum Hill, Downtown Brooklyn, Borough Park, Park Slope, Greenwood, Fort Green
B77 Park Slope, Carroll Gardens

Bx10 Spuyten Duyvil, Kings Bridge, Bedford Park, Riverdale

M1 Carnegie Hill, Gramercy, Murray Hill, Little Italy, Greenwich Village, Midtown, Harlem, Tribeca, Upper East Side, Financial District, Lower East Side, Chinatown, Yorkville, East Harlem
M2 Carnegie Hill, Gramercy, Murray Hill, Greenwich Village, Midtown, Harlem, Upper East Side, Washington Heights , Yorkville, East Harlem
M16 Gramercy, Chelsea, Garment District
M22 Battery Park, Tribeca, Financial District, Lower East Side
M23 Gramercy, Chelsea
M42 Murray Hill, Garment District, Murray Hill, Garment District
M50 Murray Hill, Midtown
M66 Upper East Side, Upper West Side
M79 Upper East Side, Upper West Side
M96 Carnegie Hill, Central Park, Upper East Side, Upper West Side, Yorkville
M104 Murray Hill, Central Park, Midtown, Morningside Heights, Hamilton Heights, Upper West Side, Garment District

Q30 Auburndale, Douglaston, Little Neck, Jamaica, Utopia

Bus – elimination of weekday express service

X25 Battery Park, East Village, Financial District, Gramercy, Lower East Side, Murray Hill, Tribeca
X32 Auburndale, Bedford Park, Clearview, Flushing, Jamaica, Morris Park, Parkchester, Queensboro Hill, Throggs Neck, Union Port, Utopia, Williamsbridge

Bus – elimination of weekend express service

X27 Battery Park, Bay Ridge, Carroll Gardens, Chelsea, Financial District, Gramercy, Greenwich Village, Greenwood, Midtown, Murray Hill, Soho, Sunset Park, Tribeca

X28 Battery Park, Bensonhurst, Carroll Gardens, Chelsea, Coney Island, Fort Hamilton, Financial District, Gramercy, Gravesend, Greenwich Village, Greenwood, Midtown, Murray Hill, Soho, Sunset Park, Tribeca

Bus – elimination of weekday service

B23 Borough Park
B25 Downtown, Bedford-Stuyvesant, Bushwick, Fort Green
B37 Bay Ridge, Boerum Hill, Downtown, Sunset Park, Greenwood, Carroll Gardens
B39 Williamsburg, Lower East Side
B51 Downtown Brooklyn, Williamsburg, Financial District, Lower East Side, Chinatown
B75 Boerum Hill, Downtown Brooklyn, Park Slope, Carroll Gardens

Bx4 Mott Haven, Union Port, Soundview, Hunts Point, Parkchester, South Bronx
Bx14 Union Port, Parkchester
Bx20 Spuyten Duyvil, Kings Bridge, Inwood, Riverdale
Bx34 Fordham, Bedford Park, Woodlawn, Norwood

M6 Soho, Greenwich Village, Midtown, Tribeca, Financial District, Chelsea, Garment District
M8 West Village, East Village, Greenwich Village
M10 Midtown, Harlem, Washington Heights, Upper West Side, Garment District
M18 Morningside Heights, Harlem, Hamilton Heights, Washington Heights, Yorkville, East Harlem
M27 Murray Hill, Midtown, Garment District
M30 Midtown, Upper East Side

Q26 Auburndale, Flushing, Queensboro Hill
Q56 Kew Gardens, Woodhaven, Richmond Hill, Jamaica, Bedford-Stuyvesant, Bushwick
Q74 Kew Gardens, Flushing, Utopia
Q75 Jamaica, Utopia
Q84 Jamaica, Laurelton, Saint Albans

Bus – elimination of weekend service

B2 Canarsie, Flatlands, Sheepshead Bay
B4 Bensonhurst, Bay Ridge, Gravesend, Dyker Heights
B7 Flatbush, Bedford-Stuyvesant, Flatlands, Gravesend, Brownsville, Bushwick
B16 Bay Ridge, Borough Park, Dyker Heights, Greenwood
B23 Borough Park
B24 Maspeth, Sunny Side, Williamsburg
B37 Bay Ridge, Boerum Hill, Downtown Brooklyn, Sunset Park, Greenwood, Carroll Gardens
B39 Lower East Side, Williamsburg
B48 Williamsburg, Fort Green
B57 Downtown Brooklyn, Maspeth, Williamsburg, Ridgewood, Fort Green
B65 Boerum Hill, Downtown Brooklyn, Bedford-Stuyvesant, Park Slope, Fort Green
B69 Downtown, Fort Green, Park Slope, Williamsburg

B71 Bedford-Stuyvesant, Flatbush, Park Slope, , Caroll Gardens, Fort Green
B75 Boerum Hill, Downtown Brooklyn, Park Slope, Carroll Gardens

Bx8 Morris Park, Parkchester, Throggs Neck, Wakefield, Williams Bridge
Bx14 Union Port, Parkchester
Bx18 High Bridge, Morris Heights, South Bronx
Bx20 Spuyten Duyvil, Kings Bridge, Inwood, Riverdale
Bx33 Harlem, Mott Haven
Bx34 Fordham, Bedford Park, Woodlawn, Nordwood

M6 Soho, Greenwich Village, Midtown, Tribeca, Financial District, Chelsea, Garment District
M8 West Village, East Village, Greenwich Village
M18 Morningside Heights, Harlem, Hamilton Heights, Washington Heights, Yorkville, East Harlem
M21 East Village, Gramercy, Soho, Little Italy, Lower East Side
M27 Murray Hill, Midtown, Garment District
M50 Murray Hill, Midtown

Q14 Flushing
Q31 Clearview, Jamaica, Utopia
Q76 Auburndale, Clearview, Jamaica, Queensboro Hill, Utopia
Q79 Douglaston, Little Neck
Q84 Jamaica, Laurelton, Saint Albans

S42 New Brighton
S54 Great Kills, New Brighton, Ettingville, Port Richmond, Richmondtown, Oakwood, Todt Hill, Westerleigh, Castleton
S57 Port Richmond, Richmondtown, Oakwood, Todt Hill, Westerleigh, Castleton
S60 Clifton, Westerleigh, Castleton
S76 Clifton, Midland Beach, New Brighton, Oakwood, South Beach, Todt Hill

Bus – restructuring of route/service

Bx26 Baychester, Co-Op City, Williams Bridge, Country Club, Bedford Park, Eastchester
Bx28 Baychester, Fordham, Williams Bridge, Country Club, University Heights, Bedford Park, Wakefield-Williamsbridge, Eastchester
Bx30 Baychester, Williams Bridge, Country Club, Bedford Park, Wakefield-Williamsbridge, Eastchester

M1 Carnegie Hill, Gramercy, Murray Hill, Little Italy, Greenwich Village, Midtown, Harlem, Tribeca, Upper East Side, Financial District, Lower East Side, Chinatown, Yorkville, East Harlem
M9 East Village, Battery Park, Greenwich Village, Financial District, Lower East Side
M104 Murray Hill, Central Park, Midtown, Morningside Heights, Hamilton Heights, Upper West Side, Garment District

M15 East Village, Gramercy, Murray Hill, Midtown, Harlem, North Sutton Area, Upper East Side, Financial District, Lower East Side, Yorkville, East Harlem
M20 West Village, Battery Park, Soho, Midtown, Tribeca, Financial District, Chelsea, Upper West Side, Garment District
M21 East Village, Gramercy, Soho, Little Italy, Lower East Side

Bus – shorter hours of service

B2 Canarsie, Flatlands, Sheepshead Bay
B4 Bensonhurst, Bay Ridge, Gravesend, Dyker Heights
B9 Ocean Parkway, Midwood, Bay Ridge, Sunset Park, Borough Park, Canarsie, Brownsville
B11 Flatbush, Midwood, Sunset Park, Borough Park
B13 East Brooklyn, Glendale, Williamsburg, Ridgewood, Bushwick
B16 Bay Ridge, Borough Park, Greenwood, Dyker Heights
B69 Downtown Brooklyn, Park Slope, Williamsburg, Fort Green
B70 Bay Ridge, Sunset Park, Greenwood, Dyker Heights
B71 Bedford-Stuyvesant, Flatbush, Park Slope, , Caroll Gardens, Fort Green

Bx33 Mott Haven, Harlem

M11 West Village, Midtown, Morningside Heights, Hamilton Heights, Chelsea, Upper West Side
M20 West Village, Battery Park, Soho, Central Park, Midtown, Tribeca, Financial District, Chelsea, Upper West Side, Garment District
M21 East Village, Gramercy, Soho, Little Italy, Lower East Side
M100 Morningside Heights, Harlem, Hamilton Heights, Inwood, Washington Heights, East Harlem
M116 Harlem, Upper West Side, East Harlem

Q42 Jamaica, Saint Albans
Q48 Jackson Heights, Flushing, Corona
Q79 Douglastown, Little Neck

S54 Great Kills, New Brighton, Ettingville, Port Richmond, Richmondtown, Oakwood, Todt Hill, Westerleigh, Castleton
S57 Port Richmond, Richmondtown, Oakwood, Todt Hill, Westerleigh, Castleton
S60 Clifton, Westerleigh, Castleton
S66 New Brighton, Port Richmond, Clifton, Westerleigh, Castleton

Long Island Rail Road

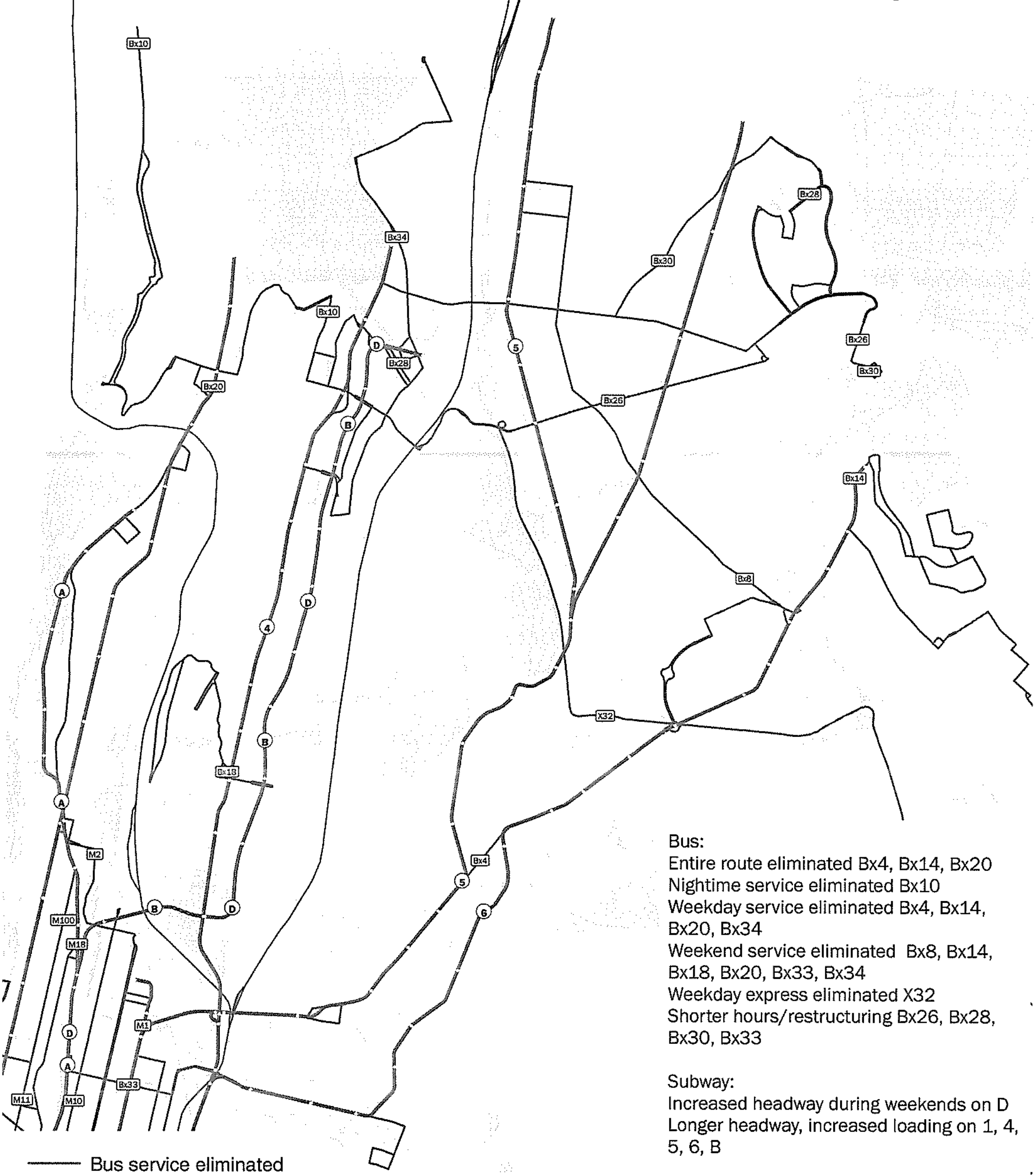
Elimination of Port Washington, non-Stakes Belmont and West Hempstead services.

Reduction in service on Babylon Branch, Long Beach, and Ronkonkoma lines.

Metro North
Reduction in service on Hudson, Harlem, New Haven lines.

Long Island Bus
Elimination of N51, N53, N65, N66, N80, N87, N93.
Reduction in service on N1, N2, N15, N20, N24, N27, N73, N81.

Bronx service reductions



Bus service eliminated

Bus service reduced

Subway

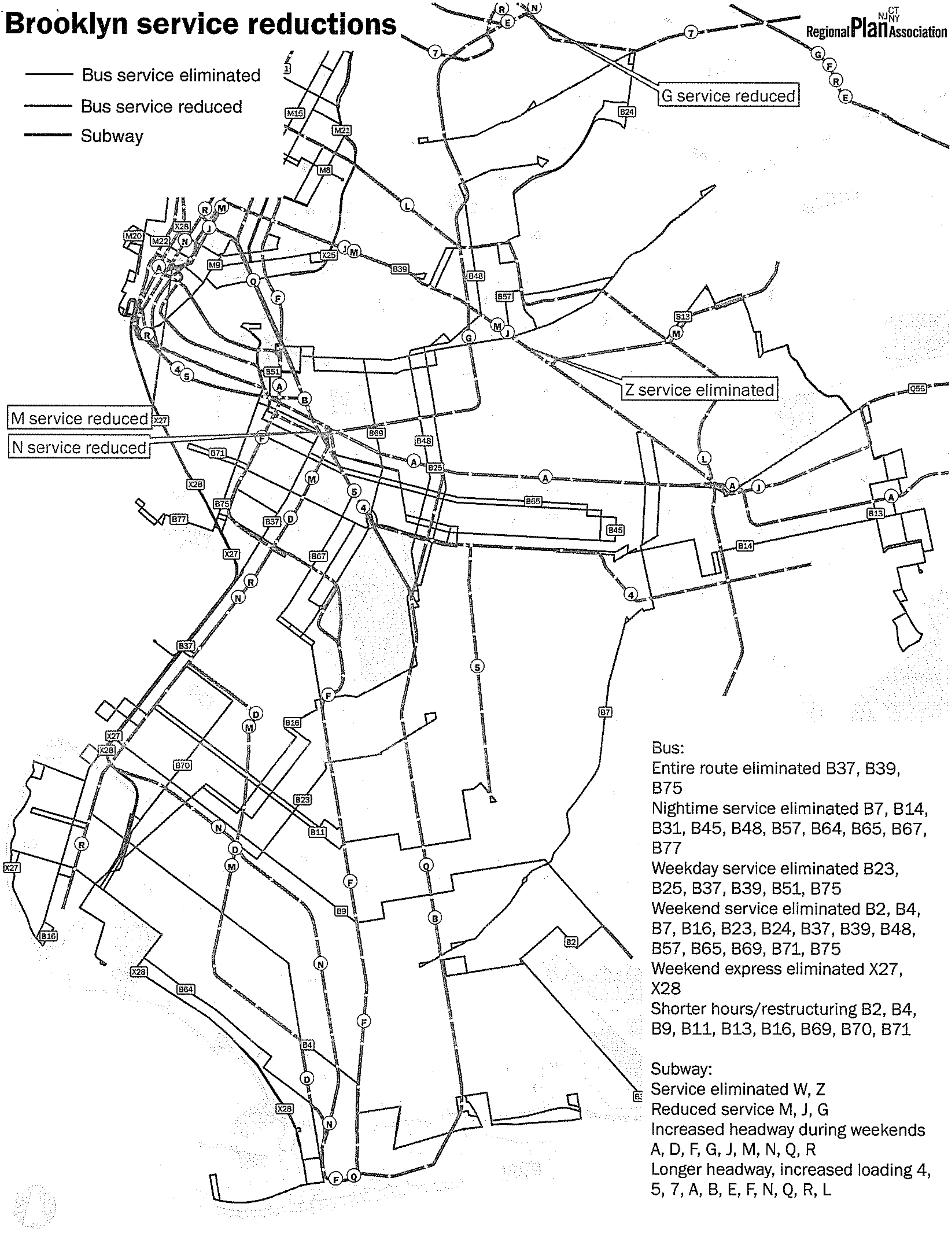
Metro North

Bus:
Entire route eliminated Bx4, Bx14, Bx20
Nightime service eliminated Bx10
Weekday service eliminated Bx4, Bx14, Bx20, Bx34
Weekend service eliminated Bx8, Bx14, Bx18, Bx20, Bx33, Bx34
Weekday express eliminated X32
Shorter hours/restructuring Bx26, Bx28, Bx30, Bx33

Subway:
Increased headway during weekends on D
Longer headway, increased loading on 1, 4, 5, 6, B

Metro North:
Reductions in service frequency on Hudson line, Harlem line, New Haven line

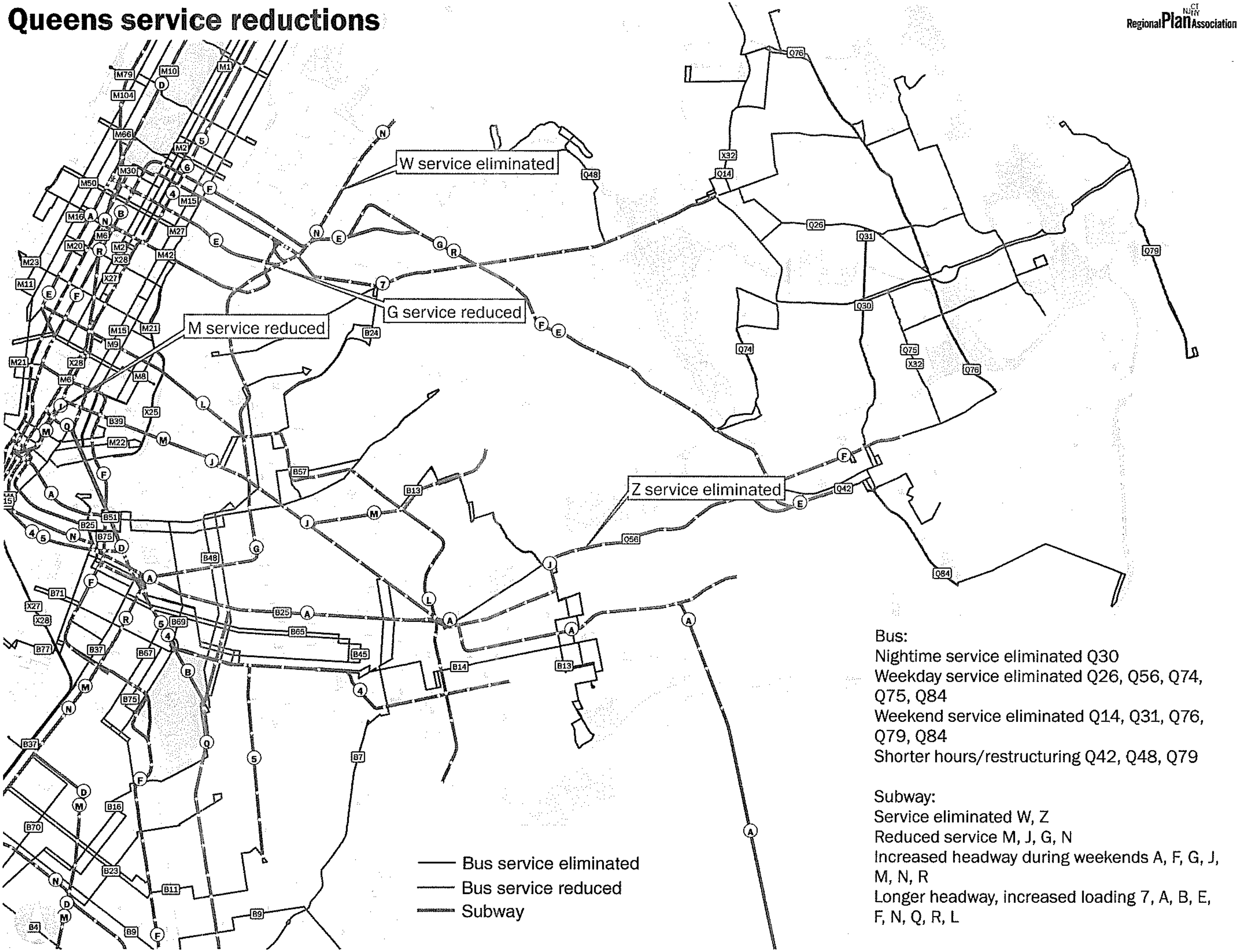
Brooklyn service reductions



Bus:
Entire route eliminated B37, B39, B75
Nightime service eliminated B7, B14, B31, B45, B48, B57, B64, B65, B67, B77
Weekday service eliminated B23, B25, B37, B39, B51, B75
Weekend service eliminated B2, B4, B7, B16, B23, B24, B37, B39, B48, B57, B65, B69, B71, B75
Weekend express eliminated X27, X28
Shorter hours/restructuring B2, B4, B9, B11, B13, B16, B69, B70, B71

Subway:
Service eliminated W, Z
Reduced service M, J, G
Increased headway during weekends A, D, F, G, J, M, N, Q, R
Longer headway, increased loading 4, 5, 7, A, B, E, F, N, Q, R, L

Queens service reductions



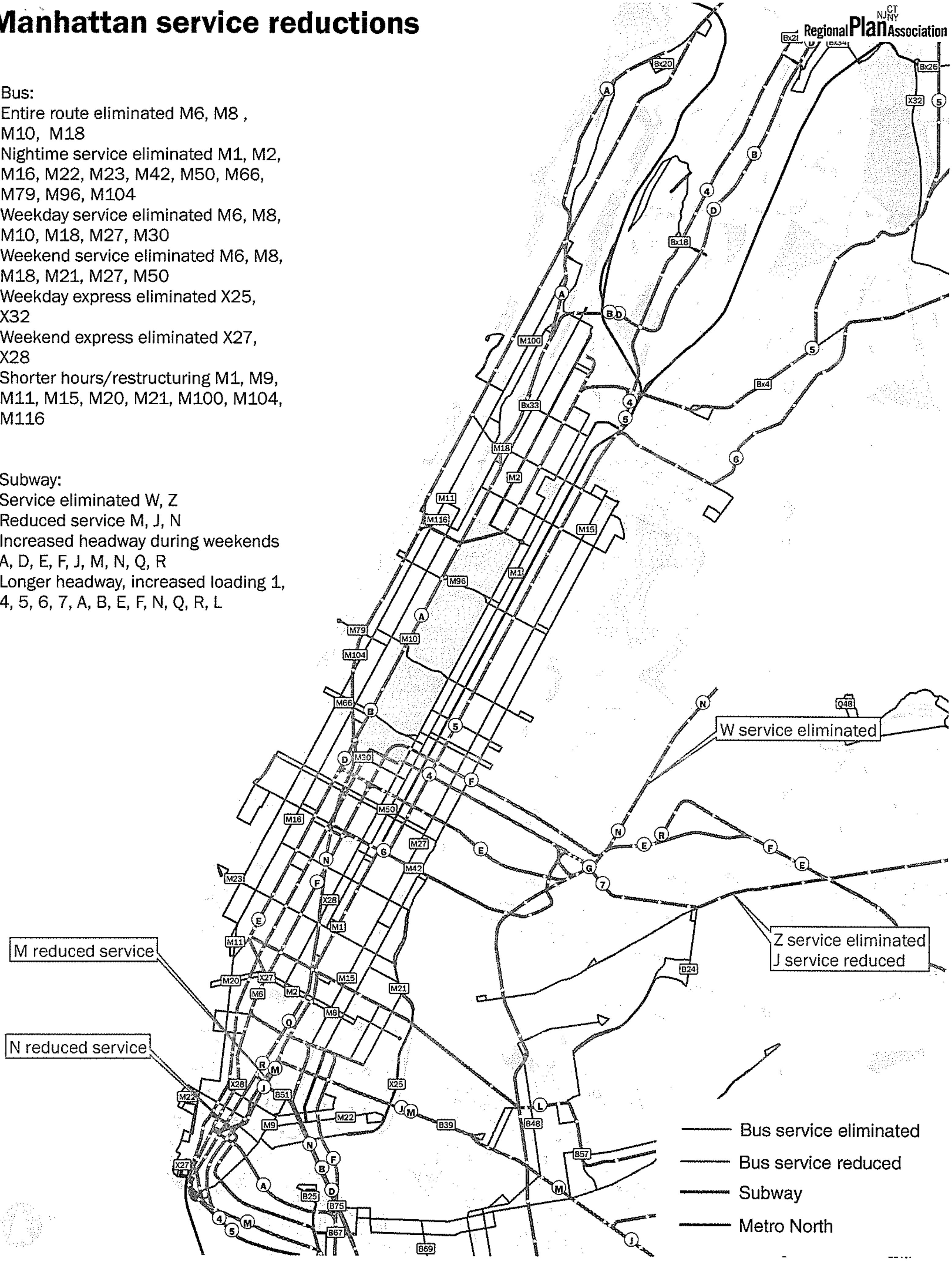
Bus:
Nightime service eliminated Q30
Weekday service eliminated Q26, Q56, Q74, Q75, Q84
Weekend service eliminated Q14, Q31, Q76, Q79, Q84
Shorter hours/restructuring Q42, Q48, Q79

Subway:
Service eliminated W, Z
Reduced service M, J, G, N
Increased headway during weekends A, F, G, J, M, N, R
Longer headway, increased loading 7, A, B, E, F, N, Q, R, L

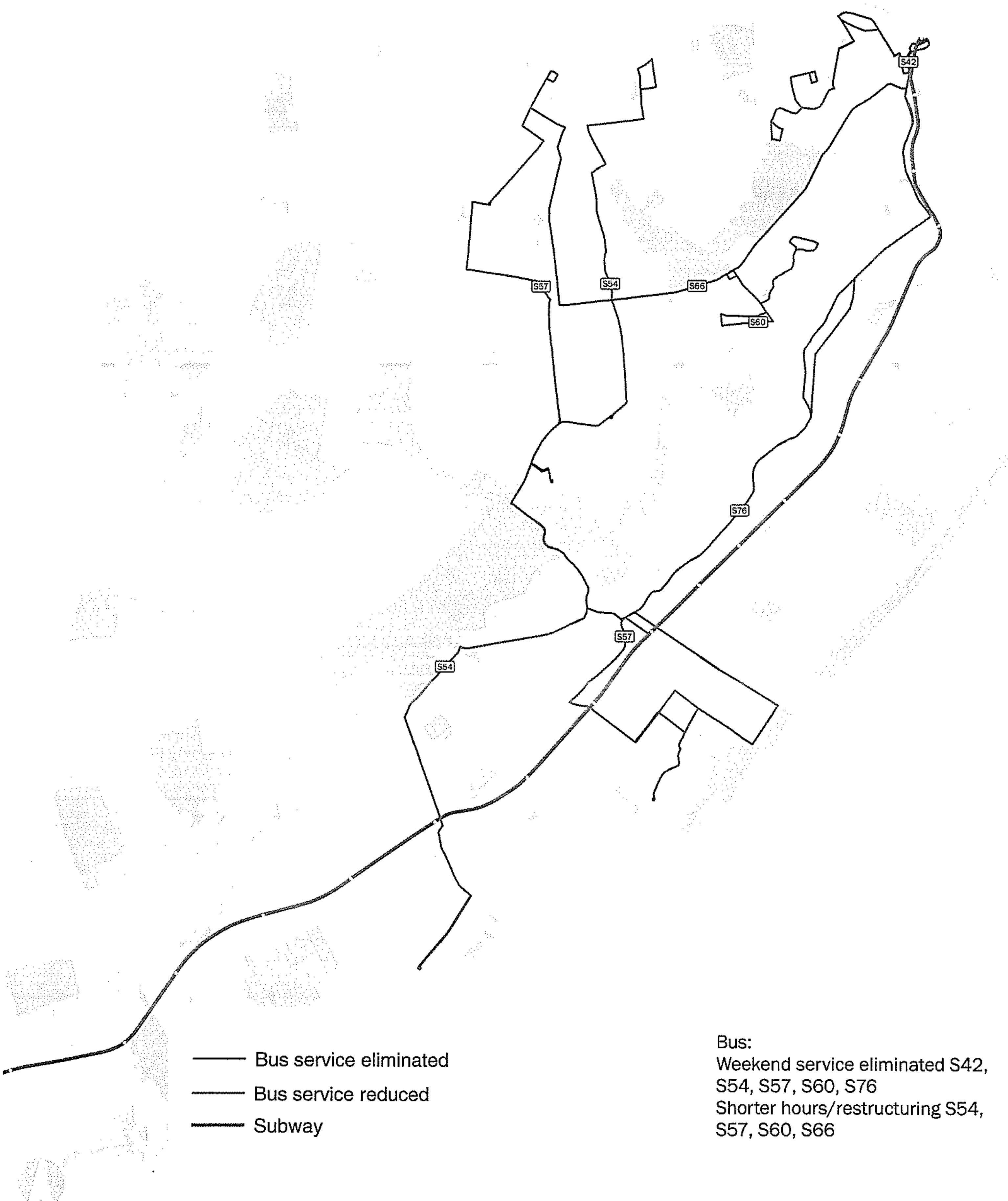
Manhattan service reductions

Bus:
Entire route eliminated M6, M8 , M10, M18
Nightime service eliminated M1, M2, M16, M22, M23, M42, M50, M66, M79, M96, M104
Weekday service eliminated M6, M8, M10, M18, M27, M30
Weekend service eliminated M6, M8, M18, M21, M27, M50
Weekday express eliminated X25, X32
Weekend express eliminated X27, X28
Shorter hours/restructuring M1, M9, M11, M15, M20, M21, M100, M104, M116

Subway:
Service eliminated W, Z
Reduced service M, J, N
Increased headway during weekends A, D, E, F, J, M, N, Q, R
Longer headway, increased loading 1, 4, 5, 6, 7, A, B, E, F, N, Q, R, L



Staten Island service reductions



Bus service eliminated
Bus service reduced
Subway

Bus:
Weekend service eliminated S42, S54, S57, S60, S76
Shorter hours/restructuring S54, S57, S60, S66

Time to Return Tolls to East River Bridges

Testimony to the New York City Council
December 16, 2008
Hope Cohen
Deputy Director, Center for Rethinking Development
Manhattan Institute for Policy Research
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212-599-7000

Thank you, Chairman Liu, Chairman Weprin, and members of the Council, for this opportunity to testify on the recommendations of the state's Commission on Metropolitan Transportation Authority Financing, led by Richard Ravitch, who saved our public transit network thirty years ago by convincing legislators, taxpayers, business leaders, and riders that all must share in the costs of building, rebuilding, and operating this system so vital to the region. I am Hope Cohen, Deputy Director of the Manhattan Institute's Center for Rethinking Development. Let me also note that I bring to my testimony the experience of eleven years at MTA New York City Transit, mainly in:

- planning and budgeting for the capital program overall, as well as for individual capital projects
- planning and project management for strategic investments in information technology and intelligent transportation systems.

The Ravitch Commission's report addresses a range of issues concerning MTA financing, management, and governance. Mazel tov on its sensible recommendation that fares rise predictably with inflation rather than spawning silly and counterproductive political battles year after year.

The report rightly identifies the "over-reliance on self-supported debt to fund its capital needs" as a structural burden on the MTA's operating budget and recommends as a general rule that "fares and current subsidies should pay for regular operating expenses, exclusive of new debt service [while] growth in capital expenses should be funded separately and exclusively."

Capital expenses really are the focus of the report – closing the gap in the current operating budget was an urgent addition to the Commission's mandate in recent months. The report recommends several long-overdue changes to reduce the costs and timeframes involved in managing capital projects (including streamlining the change-order process and limiting the ability of operating departments to delay accepting completed capital work). Perhaps it is the emphasis on the capital program that explains why the report does not recommend any operational efficiencies or discuss the long-term budget issues related to labor costs.

The Commission recommends two major new sources of revenue to support the MTA's capital program (and plug the operating budget hole this year only): a region-wide "mobility tax" on employer payrolls and tolls on the East and Harlem River bridges currently owned by New York City and operated without tolls.

Of all the items discussed in the report, this question of transferring ownership of these crossings to the MTA, which would impose tolls on them, is most likely to come before you in some way. As you did with congestion pricing earlier this year – a program designed to reduce traffic congestion, rationalize traffic patterns in Brooklyn and Queens, and raise funds for the MTA capital program – you should approve this proposal. It is unfortunate that your colleagues in Albany chose not to approve congestion pricing. We are now in essentially the same situation we were in March concerning capital funding – except that the hole is bigger and the state legislature passed up the $350 million head start the Feds wanted to give the city to provide transit alternatives for neighborhoods with the highest proportion of car commuters. Those transit options were a fine use of Federal funds. New Yorkers need them; now New Yorkers will end up paying for them.

It is time to return tolls to the Brooklyn, Manhattan, Williamsburg and Queensboro bridges. Yes, *return* tolls. Toll revenue helped finance the construction of the Brooklyn and Williamsburg bridges. These tolls were discontinued – along with those that existed on the Manhattan and Queensboro bridges – in 1911 by Mayor William J. Gaynor, who proposed making up the lost revenue through an annual tax levy. The result? These bridges – along with the others the city operates – compete for funding with all other municipal budget priorities. Over the years, the lack of a dedicated revenue stream has resulted in deferred maintenance and sometimes dangerous disrepair. These bridges are not "free" as they are so often portrayed; it's just that they are paid for in tax dollars, rusting metal, and crumbling stone, rather than by tolls.

Meanwhile, the *MTA's* tolled East River crossings (the Triborough Bridge and Queens-Midtown and Brooklyn-Battery tunnels) – and the Hudson River crossings, which are all tolled by the Port Authority – are in exemplary condition. Tolls yield enough revenue not only to maintain the facilities to the highest standards, but also to help subsidize the public transit operations of the MTA and Port Authority.

The first new toll revenue will be used to bring the MTA's newly acquired bridges up to the maintenance level of its existing inventory.

After that, revenue would be used for the MTA capital program more generally – which, by the way, includes capital work on MTA bridges, which would now include all East and Harlem River crossings. As you've already heard today, it also includes signal-system upgrades, subway car and bus purchases, and much, much more.

Drivers who now cross the East and Harlem rivers without paying will not like the new tolls. But we all like having the buses, subways, and railroads – whether they bring employees and customers to our place of business, provide transportation to people who would otherwise worsen our traffic jams, or, yes, use them ourselves.

Downtown Alliance

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New York, NY 10271
212 566-6700 Fax 212 566-6707
www.DowntownNY.com

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Shea Communications, George Shea, Mark Faris (212) 627-5766

FOR IMMEDIATE RELEASE

STATEMENT FROM ALLIANCE FOR DOWNTOWN NEW YORK ON RAVITCH COMMISSION REPORT

Lower Manhattan Business Community Urges MTA and Leaders in Albany to "Lockbox" Capital Construction Revenues, Implement Fiscal Integrity Standards and Do What it Takes to Get the MTA Projects Like the Fulton Transit Center Back on Track, says President Elizabeth H. Berger; Mobility Tax Must Be Evaluated Within the Context of Budgetary Deficit Measures Yet to be Proposed by State and City

New York, December 16, 2008 —

Good morning Chairpersons Liu and Weprin;

I am Elizabeth H. Berger, President of the Alliance for Downtown New York.

The Alliance for Downtown New York is the Business Improvement District of Lower Manhattan; the principal organization that provides Manhattan's historic financial district with a premier physical and economic environment, advocates for businesses and property owners and promotes the area as a world-class destination for companies, workers, residents and visitors. Downtown is home to 318,000 employees and 57,000 residents, and last year hosted 6 million annual tourists.

No part of New York City is more connected to the entire metropolitan area than Lower Manhattan, with 14 subway lines and 12 stations, eight local and 25 express bus routes, multiple ferry routes and PATH train service to New Jersey. In 2007, subway ridership was 86 million, total ridership was 123 million and average daily ridership was 338,000.

Downtown's past, present and future as the international capital of finance and commerce -- now redefining what it means to be a central business district with a thriving residential and tourist population -- depend on mass transit. I urge the MTA, the Governor, the Mayor and our legislative leaders in Albany to do what it takes to fix what's wrong with the MTA, starting with completion of the long-delayed Fulton Transit Center and including the JFK Transit Link, which will make new connections to the regional labor market and the full build-out of the Second Avenue Subway. We commend former MTA Chairman Richard Ravitch for taking a hard look at the structural problems behind today's severe operating and capital construction needs and proposing real, long-term solutions.

The Commission's recommendations on governance, fiscal integrity and communication are welcome. We support the creation of a Capital Finance Authority, to "lockbox" revenues generated for the capital construction plan and projects like the Fulton Transit Center as well as improvements in MTA capital program oversight and transparency. We agree that the MTA must share with the public updated commitments and budget for every capital project that costs over a certain minimum threshold, including explanations for major changes in cost and scope and regularly updated project milestones for all projects, including planned and actual starts, completions, and reasons for major changes in milestones.

To be sure, there are no easy fixes and the Ravitch Commission has proposed medicine that is hard to swallow. Increased taxes and fares and a toll on East River bridges may not be popular, but as with the Mayor's plan for congestion pricing which we supported, the Downtown Alliance understands that tough choices must be made. The "mobility tax" deserves consideration in this regard, but must be evaluated in context: other deficit financing proposals not yet disclosed by the State and City; what MTA management and labor will contribute to the solution; and, how the Governor and Mayor propose to close the looming state and city budget gaps.

Despite the profound shift in the economy, now is the time to take a deep breath and encourage our public and private sector leaders to hold on to our collective dreams: to continue to fund the kind of sound investments that will sharpen our competitive edge well into the next century.

Now is the time to defy expectations, not manage them. Let's remember that many of New York City's greatest achievements – many of them public projects – were begun in times of economic and political uncertainty.

We urge the Ravitch Commission to get the MTA back on track and keep Lower Manhattan and New York City the financial and commercial center of the world by maintaining the excellence of our public transportation system.

Thank you.

###

The mission of the Alliance for Downtown New York is to be the principal organization that provides Lower Manhattan's historic financial district with a premier physical and economic environment, advocates for businesses and property owners and promotes the area as a world-class destination for companies, workers, residents and visitors. The Downtown Alliance manages the Downtown-Lower Manhattan Business Improvement District (BID), serving an area roughly from City Hall to the Battery, from the East River to West Street.

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. ______ Res. No. ______
☑ in favor ☐ in opposition

Date: ______

(PLEASE PRINT)

Name: Kathy Wylde

Address: ______

I represent: Partnership for NYC.

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Appearance Card

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☑ in favor ☐ in opposition

Date: ______

(PLEASE PRINT)

Name: Richard Ravitch

Address: ______

I represent: Commission on MTA

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THE CITY OF NEW YORK

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☐ in favor ☐ in opposition

Date: 12/16/08

(PLEASE PRINT)

Name: Linda Baran, Pres. & CEO

Address: ______

I represent: SI Chamber of Commerce

Address: 130 Bay St. - SI, NY 10301

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THE CITY OF NEW YORK

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☐ in favor ☐ in opposition
Date: 12/16/2008

(PLEASE PRINT)

Name: HOPE COHEN
Address: 52 VANDERBILT AVE.
I represent: MANHATTAN INSTITUTE - CRD
Address:

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THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. Charter Res. No. Commission
☐ in favor ☒ in opposition
Date: 12/16/08

(PLEASE PRINT)

Name: JACK FRIEDMAN
Address: 80-15 233rd ST, Queens Village 11427
I represent: Queens Chamber of Commerce
Address: 75-20 Astoria Blvd., Jackson Hts, 11370

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RAVITCH REPORT ☑ in favor ☐ in opposition
Date: 12/16/08

(PLEASE PRINT)

Name: GENE ROSSZANOFF
Address:
I represent: NYPIRG
Address: 9 MURRAY STREET NY, NY 10007

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Appearance Card

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☐ in favor ☐ in opposition

Date: ______

(PLEASE PRINT)

Name: Josh Nachow
Address: 30 ~~Park Pl~~ 12th Street
I represent: NY League of Conservation Voters
Address: 30 Broad St

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Appearance Card

I intend to appear and speak on Int. No. Ravitch Res. No. Report
☐ in favor ☐ in opposition

Date: 12/16/08

(PLEASE PRINT)

Name: John Corlett AAA New York
Address: 1415 Kellum Place
I represent: Garden City, NY 11530
Address: 516 873-2259

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Appearance Card

I intend to appear and speak on Int. No. ______ Res. No. ______
☑ in favor ☐ in opposition Ravitch recommends

Date: 12/16/08

(PLEASE PRINT)

Name: Tiffany Raspberry
Address: 250 Park Ave [illegible]
I represent: ACEC
Address: ______

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THE CITY OF NEW YORK

Appearance Card

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☐ in favor ☒ in opposition

Date: 12-16-08

(PLEASE PRINT)

Name: Bhairavi Desai

Address:

I represent: NY TAXI WORKERS ALLIANCE

Address: 37 E. 28th ST. NY NY 10016

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THE CITY OF NEW YORK

Appearance Card

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☐ in favor ☒ in opposition

Date: 12-16-08

(PLEASE PRINT)

Name: WILLIAM LINDAUER

Address: 21-48 35th ST. ASTORIA

I represent: NY TAXI WORKERS ALLIANCE

Address: 37 E. 28th ST. NY NY 10016

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THE CITY OF NEW YORK

Appearance Card

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☐ in favor ☐ in opposition

Date: 12/16/08

(PLEASE PRINT)

Name: KATE SLEVIN

Address: 50 Lefferts Ave, Brooklyn

I represent: Tri-State Transportation Campaign

Address: ~~2~~ 350 W. 31st Suite 802 NY

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Appearance Card

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☐ in favor ☐ in opposition

Date: ______

(PLEASE PRINT)

Name: Charles Komanoff
Address: 11 Hanover Sq - NYC 10005
I represent: Nurture NY's Nature NYC 10031

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THE CITY OF NEW YORK

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Appearance Card

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☒ in favor ☐ in opposition

Date: ______

(PLEASE PRINT)

Name: DENISE RICHARDSON
Address: ______
I represent: GENERAL CONTRACTORS ASSOC OF NY
Address: 60 E. 42nd St, Suite 3510, NY NY 10165

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☐ in favor ☐ in opposition

Date: ______

(PLEASE PRINT)

Name: Theodore W. Kheel
Address: 75 E. 55 St. NYC 10021
I represent: Nurture NY's Nature
Address: ______

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Appearance Card

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☒ in favor ☐ in opposition

Date: ________

(PLEASE PRINT)

Name: KAZIEM WOODBURY

Address: ________

I represent: DOWNTOWN ALLIANCE

Address: 120 B'WAY NY NY

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THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. RAVITCH COMMISSION Res. No. REPORT

☐ in favor ☒ in opposition

Date: 12/16/2008

(PLEASE PRINT)

Name: CARL HUM, PRESIDENT/CEO

Address: 25 ELM PLACE BROOKLYN 11201

I represent: BROOKLYN CHAMBER OF COMMERCE

Address:

Please complete this card and return to the Sergeant-at-Arms

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

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☐ in favor ☐ in opposition

Date: 12/16/08

(PLEASE PRINT)

Name: Mary Barber

Address: 257 Park Ave. So, NYC 10010

I represent: Environmental Defense Fund

Address: ________

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THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. The Ravitch report Res. No. ______
☐ in favor ☐ in opposition

Date: 12/16/08

(PLEASE PRINT)

Name: Richard Anderson

Address: 44 West 28th Street

I represent: The New York Building Congress

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THE CITY OF NEW YORK

Appearance Card

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☐ in favor ☐ in opposition

Date: 12/16/08

(PLEASE PRINT)

Name: Claudia Preparata

Address: ______

I represent: TWU Local 100

Address: 80 West End Ave NY, NY 10023

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THE CITY OF NEW YORK

Appearance Card

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☑ in favor ☐ in opposition

Date: 12/16/08

(PLEASE PRINT)

Name: Chris Jones

Address: 4 Irving Pl, NY NY 10003

I represent: Regional Plan Associat

Address: ______

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Appearance Card

I intend to appear and speak on Int. No. ______ Res. No. ______
☐ in favor ☐ in opposition

Date: Dec. 16, 2008

(PLEASE PRINT)

Name: Noah Budnick
Address: 127 W. 26th St, NYC 10001
I represent: Transportation Alternatives

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. ______ Res. No. ______
☐ in favor ☐ in opposition

Date: ______

(PLEASE PRINT)

Name: Mr X
Address: ~~9Wind bmt@ hotmail.com~~
I represent: ______

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THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. ______ Res. No. ______
☐ in favor ☐ in opposition

Date: 12/16/08

(PLEASE PRINT)

Name: William Henderson
Address: 347 Madison Ave, 8th FL
I represent: PCAC to the MTA
Address: Same

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