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THE SENATE
STATE OF NEW YORK

SENATOR CARL L. MARCELLINO

5TH DISTRICT

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EDUCATION
FINANCE
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August 31, 2010

Mr. Jay H. Walder, Chairman and CEO
Metropolitan Transportation Authority
347 Madison Avenue
New York, New York 10017-3739

Dear Chairman Walder:

As the Metropolitan Transportation Authority (MTA) prepares to hold hearings in September to solicit public comment on fare and toll modifications proposed for implementation on or about January 1, 2011, I want to register my strong objection to any fare increase for the ridership of the MTA region.

When I voted against the \$2.2 billion MTA bailout plan and the horrific MTA payroll tax in May of 2009, I said repeatedly that it was little more than a massive new unfunded mandate that would drive up costs for the residents and ridership throughout the MTA region. The plan did little to reform the bloated and wasteful spending of the MTA that has led us to the fare increases being proposed now.

Since 1995, fares have increased by almost 50%, with a 10% increase in 2009 alone. Pair these costly increases with the fact that New York State lost over 50,000 jobs between July 2009 and July 2010 and it is clear that the ridership cannot afford a penny more for the MTA. Take a Huntington rider for example. The monthly cost to ride the LIRR will increase from \$274 to \$299 a month, a \$300 yearly increase to an astronomical \$3588 a year. Add to that a proposed monthly \$130 Metrocard and that Huntington resident will pay over \$5,000 a year just for the privilege of using the MTA to get to work. For someone making \$50,000 a year, that is more than 10% of their income. That cost is simply unaffordable and totally unacceptable.

Four million fewer riders used the Long Island Rail Road and more than 3 million fewer riders used the Metro-North Rail Road between October 2008 and October 2009. Do you believe that fare increases will reverse this trend? These increases are unsustainable and will drive more and more New Yorkers out of the State. Between 2000 and 2008, New York State had a net domestic outflow of more than 1.5 million residents, the biggest exodus of any state in the Country. Out of control fare increases drive people off the trains, into their cars and out of the State

New York State Comptroller Thomas DiNapoli reported earlier this year that MTA overtime costs soared 26 percent between 2005 and 2009, nearly \$3 million more than anticipated this year alone. MTA overall spending has grown at an average annual rate of 7 percent during the past five years, more than

twice the rate of inflation. The MTA's outstanding debt totals about \$27.5 billion, 54 percent higher than it was five years earlier. The MTA Real Estate Taxes are coming in short by \$105 million. The MTA Payroll Mobility Tax will be over \$200 million short of projected returns by the end of the year. These muddled numbers and others leave you with an \$800 million deficit; a deficit that seems to grow by the day. It is no wonder that Moody's reduced the rating on the MTA's transportation revenue bonds to A3, the fourth-lowest investment grade.

Facing proposed fare hikes as high as 9.4%, I am left wondering why and how this proposed fare schedule will prevent future fare increases. What is being done to fundamentally change the perpetual dysfunction of the MTA financial plan? What structural changes are being proposed to achieve long term fiscal solvency? What is the blueprint to get more riders on the trains and off the roads? Perhaps instead of always focusing on outside sources to balance your budget, you should pursue a dramatic internal cost-savings strategy.

Until I see a concerted effort to change the course of the MTA, I will stand with the taxpayers and ridership in opposing this apparent endless parade of fare increases. I hope there is more to come than simply the next round of fare increases, service cuts and layoffs. I hope there is a long term plan. Lacking one, I will continue to call for the passage of my legislation, Senate Bill 6645 creating a MTA Interim Finance Authority. My plan would allow an impartial, fresh set of eyes to monitor, oversee and most importantly, **control** the MTA's finances. We have given you and the MTA Board every chance to right the ship. You have failed. We need a more decisive approach.

In January of this year, you were quoted as saying, "Making every dollar count — that's the only way we can restore the MTA's credibility and continue improving service in difficult times." It is time for you to make good on that statement. To the people and businesses of the MTA region, every dollar does count and they have already given you more than enough of their hard earned money. It is time for you to find a better way.

Sincerely,

A handwritten signature in black ink, appearing to read "Carl L. Marcellino", with a long, sweeping flourish extending to the right.

Carl L. Marcellino

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