



NEW YORK STATE SENATOR

Kevin S. Parker

Senator Parker 's MTA letter

KEVIN S. PARKER April 7, 2009

| ISSUE: **TRANSPORTATION**

April 2, 2009

Dear Friend:

As your State Senator, I have been dealing with many issues in Albany, ranging from the state budget, to reforming the Rockefeller Drug Laws, to fighting to ensure programs and services in our district do not get cut.

One of the more contentious issues has been the MTA Capital Plan. The MTA is once again threatening fare hikes and service cuts. They have mismanaged their finances. They are claiming they have yet another deficit, and want to pass those costs on to you.

That's wrong and leaders in Albany will not let that happen. I will oppose the MTA's effort to impose tolls, raise fares, or cause your taxes to be raised.

My view is that in a recession the government should not raise revenues from the most vulnerable people in our state – our workers, our students, or our seniors. I also believe the MTA has been less than honest about their financial management and planning.

I therefore refuse to support their capital plan without further investigation and commitments to transparency.

Please allow me to review recent history.

In 2003, the Office of the State Comptroller conducted an audit of the MTA. The audit revealed the MTA literally had two sets of financial records. One, secret set of books was used for internal management; the second was used to present the public case for fare increases. If they were a private corporation – like ENRON – their officers would be in prison right now.

The State Comptroller made a series of recommendations to reform the MTA, some of which were implemented, but many were not.

In 2007, we had a dramatic and painful transit strike. During the negotiations, the MTA claimed they didn't have the money to pay their workers, and allowed the system to be shut down. Once they negotiations ended, however, they suddenly "discovered" they had a \$1,000,000,000 surplus. They did not bargain in good faith, and commuters had to suffer because of their deception.

Now they are claiming they have yet another deficit. My view is how can we take the MTA at its word?

Let me be clear – I am a huge supporter of mass transit. My father, Sonie Parker, worked for the New York City Transit Authority for 28 years. The MTA and NYC Transit literally put food on our family's table, and a roof over our heads. My father's job provided the foundation for my own education and professional career.

But that doesn't mean I can turn a blind eye to rampant mismanagement and give the MTA a blank check after years of financial failure. I believe there is a better way.

The Senate, under the leadership of Majority Leader Malcolm Smith, has introduced its own plan. The Senate plan eliminates the MTA's proposed bridge tolls and reduces the MTA's

harsh payroll tax to a much more manageable level of only 25 cents per \$100 of payroll (25¢). The Senate also dramatically reduces the MTA's proposed fare increase from up to 25%, down to only an increase of 4% for MTA, LIRR and Metro-North. Finally, under the Senate's plan, all potential service cuts will be restored. In the area of disclosure, the Senate plan also requires greater accountability and transparency from the MTA.

The Senate has made a balanced and measured proposal that MTA has rejected out of hand. Instead of examining the Senate plan's numbers, and trying to work together to a solution that imposes the least burden on those least able to afford it, the MTA instead chosen to attack the Senate and the individual Senators who stood up to defend their constituents. The MTA would rather play politics with your pocketbook and bank accounts, than negotiate a structured recovery with the Senate. Remember, the Senate voted upon its plan, and a majority of Senators felt that the MTA's plan inflicted needless harm upon New Yorkers.

It doesn't have to be this way, especially since there is a lot of funding available to the MTA before they have to dip into your pockets by imposing tolls to balance their books.

The MTA would have you believe we must choose between either massive fare hikes or bridge tolls. It's a false choice, and I have a three word solution for them – President Barack Obama.

The MTA's Finance Plan was presented in late February – before the Federal Stimulus Act was signed into law by President Obama. The Stimulus contains almost a billion dollars in transportation aid for New York, most of which would go to the MTA on the basis of the urbanized transportation formula.

There's more. The MTA produces its own power. As Chair of the Energy and Telecommunications Committee, I know the Federal Stimulus contains \$4.5 billion in energy funding for New York, some of which the MTA could use to reduce the costs of power production and to increase the efficiency of their generation and transmission infrastructure.

A combination of billions of dollars in Federal stimulus funds, modest fare increases, and payroll taxes will solve the MTA's short-term and long-term financial problems without imposing tolls. These are the solutions the Senate supports, and will advocate in our continuing negotiations with the Assembly and the Governor to resolve this latest MTA crisis.

There are two last things I want to communicate to you. First, why should you pay more fares for less service? That is what the MTA wants you to do. Second, as your Senator, I work for you, not the MTA. My opposition to the MTA's service cuts and massive fare and tax increases was because it was in the best interests of my district and the constituents who elected me, like you.

Yours in Partnership,

KEVIN PARKER