M.T.A. Plans Steep Service Cuts and Fare Increase

By WILLIAM NEUMAN and SEWELL CHAN

Updated, 6:21 p.m. | Faced with its most severe financial crisis since the 1980s, the Metropolitan Transportation Authority announced plans on Thursday to drastically cut service on its subways, buses and commuter railroads starting in the spring and to impose a 23 percent increase in fare and toll revenue in June 2009 and another 5 percent increase in January 2011. [Read the latest.]

The authority’s chief executive, Elliot G. Sander, and its chairman, H. Dale Hemmerdinger, implored state and city officials to provide more aid or new revenue for the authority. If not, they warned, the authority’s only choices are to cut service or increase fares. Mr. Sander called the cuts “draconian” — using a characterization he employed at a presentation to the finance committee authority’s board on Nov. 10, when the authority’s deficit for next year was estimated at $1.2 billion — as well as “very severe, very harsh.”

The deficit-closing plan, outlined by Mr. Sander at a meeting of the authority’s board in Midtown, would involve eliminating 2,700 jobs, saving $261 million next year, and “significant cuts that will affect every part of our operation and cannot be sugar-coated.”

For New York City Transit, the biggest component of the authority, the deficit-closing plan would eliminate the W and Z subway lines; eliminate service on the M line to Bay Parkway in Brooklyn; shorten the route of the G line, which will permanently stop at Court Square in Long Island City, Queens, instead of 71st and Continental Avenues in Forest Hills, Queens; lower the frequency of most letter-line trains to every 10 minutes from every 30 minutes from every 20 minutes from 2 to 5 a.m.; eliminate overnight bus service on 25 routes; and eliminate the X27 and X28 express-bus lines on the weekends.

Mr. Sander said the route alterations “will result in extra transfers, longer travel times, longer wait times and longer walking time.” Trains would be more crowded. Station booths would be closed. Bus service would be cut back on weekends and at nights. The express-bus fare would rise to $7.50 from $5. The cost of the Access-a-Ride paratransit service for disabled riders would rise.

The Long Island Rail Road would cut 173 positions, cancel and combine some train lines, reduce service on weekends and off-peak hours and cut train crews. The Metro-North Railroad would cut 88 positions, shorten trains,
increase the loading guidelines, slow down the restoration of Grand Central Terminal and cut cleaning and maintenance at the terminal. Fares would rise by 43 percent on the Long Island Bus.

After going through a PowerPoint presentation detailing the proposed cuts, Mr. Sander told the authority’s board:

I have just discharged my responsibility to present our board with two important pieces of information: a snapshot of the M.T.A.’s financial position today and the senior staff’s proposals for meeting our legal obligation to have a balanced budget in 2009. No one on this board — and indeed no one should in this room — should leave here today thinking that this mix of service cuts and increase in fares and tolls are actions that I am eager — or that the staff is eager — to implement. Nothing could be further from the truth. Even in a period of austerity, we cannot afford to lose sight of this simple fact: Continuing investment in the M.T.A.’s capital and operating needs should and must remain one of the highest priorities of our elected officials in New York City and Albany.

Mr. Hemmerdinger, the M.T.A. chairman, said afterward: “I think I speak for all the board members when I say wow. That’s quite a presentation and not something any of us wanted to hear.”

Mr. Hemmerdinger said the authority’s hands were tied. “We are charged by law to propose a balanced budget by the end of the year,” he said. “We only have two ways we can handle that: We can either cut service or we can raise fares. That’s all we can do. If we don’t balance the budget by the end of the year, we could all go to jail.”

Mr. Hemmerdinger added, “Remember this is a zero-sum game. This is not like the federal government, we can’t print money.”

The authority is required to pass a balanced budget in December for the fiscal year that starts on Jan. 1. A final decision on the fare and toll increases, and service cuts, will most likely not be reached until after a state commission on M.T.A. finances, appointed by Gov. David A. Paterson and led by a former authority chairman, Richard Ravitch, delivers its report on Dec. 5 and after Mr. Paterson releases the state executive budget on Dec. 16.

The Ravitch commission is contemplating imposing tolls on the four East River bridges — the Brooklyn, Manhattan, Queensboro and Williamsburg Bridges — that are run by the city, unlike the authority’s bridges, like the Robert F. Kennedy Memorial Bridge, formerly the Triborough, which already charge tolls.

How the proposed 23 percent fare and toll increase would be arrived at has not been determined, but an increase of that magnitude would almost certainly require an increase in the base subway and bus fare, which was left unchanged, at $2, in the last round of fare increases.

Under the 23 percent fare and toll increase proposal, the proportion of the cost of operating the subway borne by riders would rise to 89 percent from 69 percent, and the proportion of the cost of operating local buses born by riders would rise to 48 percent from 39 percent.

The fare and toll increases would require a series of public hearings, which would most likely be acrimonious. Already, dozens of witnesses turned up at the authority’s Madison Avenue headquarters on Thursday morning to alternately scold the authority and plead for more state and city assistance.

In a news conference after the board meeting, Mr. Sander took the unusual step of citing transit riders quoted in amNewYork and expressing frustration, anger and even helplessness about the proposed service cuts and fare increases. Mr. Sander said:

Let me to say to Kevin and to Tom and to Alex, I want to use the words that Doreen Frasca used: these cuts and hikes are anathema to us. I used the word draconian at our
meeting on Nov. 10. I would urge Kevin, Tom and Alex to urge their elected officials, our elected officials, legislators, to implement the recommendations of the Ravitch Commission, when it puts forward its report on Dec. 5 so we can forestall these cuts and hikes.

Another looming problem is how the M.T.A. will finance a five-year capital program that could cost as much as $30 billion.

“If we don’t have a capital program, we’re definitely on the road back to where we were in the 1970’s,” Mr. Sander said.

Reaction to the M.T.A.’s dire proposal was immediate.

“New York City riders are not only being threatened with a proposed whopping fare hike and massive service cuts,” said Gene Russianoff, a staff attorney with the Straphangers Campaign of the New York Public Interest Research Group. “If the M.T.A.’s plans are approved, the riders’ share of the cost of running the subways and buses will go through the roof.”

He added: “Riders are being asked to make up hundreds of millions of dollars in lost revenue that used to come from dedicated transit taxes paid by corporations, property owners, drivers and consumers – all of whom derive huge benefits from our transit system.”

Roger Toussaint, president of Local 100 of the Transport Workers Union, called the M.T.A. budget a “Doomsday” proposal. He said in a statement:

We strongly believe that the M.T.A. must complete a reduction of the over 2,000 overlapping managerial positions, eliminate bureaucratic waste and streamline its organization before considering even a single service cut.

With a dramatic and historic increase in ridership, more service – not less – is needed on our subway and bus lines. Failure to maintain and reinvest in our transportation infrastructure now will result in huge costs to riders and all taxpayers down the road.

Before any fare increase, the Bloomberg administration must be required to fund its share of mass transit, and not abrogate responsibility while insisting on even more control. Now is not the time to relieve the City of the hundreds of millions in unpaid obligations it owes the M.T.A. It is not only bad policy, it also fuels fare increases now and in the future.

The longtime labor lawyer Theodore W. Kheel, who was involved in the effort to create the modern M.T.A. in the late 1960s by using bridge and tunnel tolls to subsidize mass transit, called the proposal unveiled on Thursday “a ticking time bomb that will explode in our vital but vulnerable transit system and damage the city’s and region’s economy.”

Mr. Kheel said a 25 percent across-the-board subway and bus fare increase, the proposed service cuts, and a $1 increase in bridge and tunnel tolls, will drive 30,000 more cars into the city’s most congested streets, cause a 6 percent drop in subway ridership and a 4 percent drop in bus ridership, and reduce traffic speeds by 4 percent.

“The M.T.A. can’t keep sticking it to hard-working New Yorkers who already pay some of the highest costs of living in the nation,” Mr. Kheel said. “We know for a fact there is a better solution, in which transit riders pay less in fares, not more. We’re determined to see that happen.”

Last January, Mr. Kheel released a report that urged citywide free transit financed by a congestion pricing charge. Mr. Kheel said his staff would modify that plan to reflect the new fiscal crisis.

An updated article about this topic was prepared for the Friday print edition.
Cutting 2,700 jobs is going to save $261 million? Check the math, who knew the average salary was upwards of $90,000?

Why no mention of the costly 2nd Avenue subway?

— Frascombe Bank

Has The New York Times also been cutting back on expenses, such as for adult journalists and editors? Perhaps that was a comment no one wanted to here. Or even hear, for that matter.

“...H. Dale Hemmerdinger, the M.T.A. chairman, said afterwards, "I think I speak for all the board members when I say wow. That’s quite a presentation and not anything any of us wanted to here."

— Ghost

“We can either cut service or we can raise fares.” Or we can do both.

And this in light of the disability payments the LIRR has been giving to people who didn’t need it.


— Liz

are they proposing a 23% increase in metrocard fares to $2.46. There are also other cost savings besides service cuts; increasing employee productivity, union concessions to name just two.

— Richard

WOW, can we say “more for less with added stress”!!

— JP

How about getting all the money back from the LIRR retired folks

— Tony
"not something any of us wanted to here?"
or hear?
—— spellit

Time to tax the rich, get out of Iraq, and use the money for mass transit.
—— purplecat-nyc

How about a fare hike for NYCT? It's very inexpensive compared to the cost of owning a car. Also, it could be less costly for an individual than being late for work.
—— Russell W

They should all go to jail anyway.
—— R Petrov

Can someone explain how they got in this mess to begin with? How did the MTA manage to get to this point of near financial disaster? As far as I'm concerned, there are people running the MTA who should go to jail.
—— HT

I've got no problem with them all going to jail.
—— jt

The MTA paid $1.7 billion in debt service in 2007. So, while the banks are getting theirs and running off to Switzerland for corporate vacations, working-class people in NYC have to suffer further attacks on our ability to lead decent lives. But hey, capitalism works, or so they say.
—— alex

And starting tomorrow, as we have seen so many times in the past, we will witness the recurring carefully staged drama called “the bus drivers' revenge.” Just add 20-30 minutes to any bus trip, do not expect any courtesy whatsoever, and be prepared to jump out of the way when the bus is pulling in. Is this periodic staging reserved only for the M15?
—— Mary

"Why no mention of the costly 2nd Avenue subway?"
To #1, the MTA has received so much federal money to build Phase 1 of the SAS, that it would cost less to complete it than to stop construction and return the federal funds.
—— Russell W

I have all but stopped using the subway in NYC due to overcrowding and unsanitary conditions for over a year. I commute from NJ and would prefer walking. Why doesn't Mr. Hemmerdinger review all the top executive salaries, bonuses and executives perks (golfing, spas, powwow retreats) and start trimming some of that fat so that the straphangers do not not get
the full hit of fare increases and service cuts.

— C.Mendez

17. November 20, 2008 11:40 am
Link

And how much will it cost to print new maps for every train, bus, station, etc.??

— Eric77

18. November 20, 2008 11:40 am
Link

N.Y. is a dinosaur, the Trump Towers, the Yankees, the 500 dollar meals, the extravagant lifestyle. The great nitelife at 400 bucks a pop, even the Katz sandwiches at 25 bucks a pop, it was a short lived ride to desolation row, and most people say GOD BLESS! Now you will all know what it is like to squeeze a nickel and learn some skills so that you repair your own shoes and fix your own plumbing, you people have lived in the lap of laziness to long. Making all us “hillbillys” look like clowns, the wheels of the gods grind exceedingly slow but they grind exceedingly fine. AMEN!

— Rob Dwyer

19. November 20, 2008 11:40 am
Link

Or, you know, you could trim the fat at the top and not make helpless commuters suffer so you can get expensive shoe shines and escorts to work, or pay track workers a full-time salary for two hours of work per day. But yeah, I can see how you’re really backed into a corner here.

— cara

20. November 20, 2008 11:41 am
Link

I do wonder how much could have been saved and how much was wasted on the false disability claims on the LIRR. Has anyone proposed a number yet?

I just don’t see how they can cut service on some lines. During rush-hour the N/W in Astoria is packed to capacity. How can you reduce it by half?

Not all of us have flexibility to commute at non-rush hour times.

— NYC working mom

21. November 20, 2008 11:42 am
Link

Re Comment #1:

Including health care, pension, and other benefits, it wouldn’t surprise me a bit if the average employee at the MTA cost that much. These are good union jobs, which allow minimally skilled people to work their way into the middle class. For better (in good times) and worse (in bad times).

The 2nd Ave subway is not funded by this budget, which is operating expenses only. Capital projects are funded separately, in this case substantially by the Federal government, and also I think by state and city bonds.

— Harlan

22. November 20, 2008 11:43 am
Link

Speaking as a design professional, I must say that halting all capital projects starting about 2 or 3 years ago would really have been a great help. Too many of these station improvements etc. have been outlandish and overpriced pork. And Frascombe Bank, there is this thing called “overhead” that factors into employee costs - far above a simple wage amount.

— NYC Architect
11:43 am

Link

Re Comment #6:

That LIRR disability scam mostly bilked the Federal government out of money, not so much the MTA itself.

— Harlan

11:43 am

Link

The MTA board would not go to jail should they fail to produce a balanced budget for next year. They could be fired for not producing a proper budget, and for all practical purposes they should be fired for their gross incompetence in running the nation’s largest public transportation agency, but they would not go to jail. That being said, the proposed cuts to service and raises in fares would devastate New York's economy, and would hasten the nation’s financial crisis. Transporation is the backbone of the region’s economy, and reducing service while hiking fares is a catastrophe in the making. It almost seems that the MTA board is having a good old time making fancy PowerPoint presentations and speaking of the “draconian” steps that they need to take to correct our current problems. The board has no clue as to how their actions would affect the people of our city and region. Just recently the board’s EZ-Pass perks were taken away. Wasn’t it Peter Kalikow who had 8 cars with 8 EZ-Pass tags? He and Hemmerdinger have just spat in our faces. It is ironic how the board says that they could go to jail for not producing a balanced budge, when the real reason they should face consequences is for turning its back on the commuting public.

— Daniel Sutton

11:43 am

Link

To propose decreasing service while significantly increasing fares, especially after all of the surpluses that the MTA has simply lost in recent years (for no apparent reason) makes it very clear that they need to have books open to the public and an inspector general with broad powers of inquiry. Something doesn’t smell right.

— shalca

Comments are no longer being accepted.