Keep NYC Free

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Statement at Joint Hearing of NYS Senate Standing Committees on Transportation and on Authorities and Commissions Thursday, February 19, 2009

Presented by John M. Mullins, Keep NYC Free

Thank you to the State Senate Majority Conference for this opportunity to testify. The Ravitch proposals promote a scheme predicated on reprising a failed effort that your colleagues in the Assembly corrected rejected last Spring. Rather than look solely at broad and fair proposals to resource transit, the Ravitch plan opted to include that famous pit in the mango – tolls aka the congestion tax by charging to cross the currently free East River and Harlem Rivers bridge crossings – including the Queensborough Bridge, the Brooklyn, Manhattan and Williamsburg Bridges, and and Harlem Rivers bridge crossings – which serve as local streets between The Bronx and Upper Manhattan. We already learned this toll tax would function as nothing more than an unfair, inequitable and inefficient boondoggle or a revenue scheme.

Both the congestion tax and this new re-packaged son of the congestion tax scheme would take \$2 for administration for every \$3 for transit. Analyzing revenue numbers released last week by the City's Independent Budget Office (IBO) indicates 65.1% of the tolls proposed to be collected would be **paid** by NYC residents. A 2003 Komanoff study found Non-City residents would pay less than one-quarter of East River Bridge tolls. Tolls on the Free Bridges disproportionately hits the pockets of middle-class and working New Yorkers who use those free crossing and lack the income to use the tolled crossing where they would encounter fewer delays in return for paying a premium to cross into or out of Manhattan. Many outerborough seniors and others rely on hospital and other medical care in Manhattan and now face an additional tax for seeking that care. This becomes all the more compelling since only one-third of all East River bridge car trips involve commuting. (Komanoff, 2003)

Rather than this signature Ravitch toll tax, it makes sense to look at packaging one Ravitch proposal – a regional payroll tax – that Keep NYC Free advocated to the commission with other sound and fair approaches. We also identified enough sound alternatives to ensure a fare hike need not be part of today's conversation on how to resource transit. Keep NYC Free and our coalition members stand ready to partner to achieve the needed outcome: low fares, steady resources to ensure that and stable revenues for necessary projects.

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Now, please allow me an opportunity to make absolutely loud and clear what some folks making policy need just better understand: the resources exist to hold the line on the fare at current levels and – just as important – to ensure that the MTA MAINTAINS AND <u>IMPROVES</u> EXISTING SERVICE LEVELS.

Last month before the MTA, my colleague Walter McCaffrey discussed our coalition's sound and preferable approach* to the incomplete approach offered early last December by the Commission on MTA Financing chaired by former MTA Chairman Richard Ravitch. The "Inc" grade rested not just on it including an inefficient and inequitable toll tax. Even more glaring – an outrageous failure to get City Hall and Albany to make up historical shortchanges in support for transit. The Commission showed a bit too much chutzpah when it let Albany and City Hall off the hook.

New York needs to move beyond talk of tolls that makes little sense and merits rejection. Let's seize the opportunity to recognize that especially in this lousy economic and fiscal climate, investment in transit serves our nation, our state and our city. It represents a consummate form of economic development. Our coalition alternative plan recognizes that imperative; it finds the resources that empower the city and state to step up to the plate and make up their dramatic skimping on supporting transit. Why not earmark a modest \$0.04 state gasoline levy (\$255 million), a reasonable vehicle registration fee (\$250 million), rational fines for illegal parking (\$75 million), appropriate parking meter rates (\$50 million) and more realistic (city) fees for the use of street space by construction contractors and utilities (\$500 million) to fund the City and State shares. Our plan also identifies a fair way for those who come here to work to support transit which benefits them whether or not they use it: a non-resident revenue reform that apportions its proceeds between City and suburban transit projects (\$1.8 billion).

Our website, www.keepnycfree.com, includes our plan and other useful information. The State Senate can help make a difference in this effort by supporting alternative resources, including many advanced by our coalition, and rejecting the imposition of any toll-tax as part of a plan that legislates steady revenues to maintain, improve and expand the transit system. Thank you for your interest.

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*http://keepnycfree.com/media/files/2008-10-15_Recommendations_MTA_Financing.pdf

Attachment: New Revenues for Mass Transit from Keep NYC Free that Save the Fare