



February 8, 2010

The Honorable David A. Paterson
Governor of the State of New York
Executive Chamber
Albany, New York 12224

The Honorable Sheldon Silver
Speaker
New York State Assembly
Albany, New York 12248

The Honorable Malcolm Smith
Temporary President
New York State Senate
Albany, New York 12247

The Honorable Brian Kolb
Minority Leader
New York State Assembly
Albany, New York 12248

The Honorable Dean Skelos
Minority Leader
New York State Senate
Albany, New York 12247

The Honorable Pedro Espada, Jr.
Majority Leader
New York State Senate
Albany, New York 12247

The Honorable John Sampson
Democratic Conference Leader
New York State Senate
Albany, New York 12247

The Honorable Richard Ravitch
Lieutenant Governor
State of New York
Albany, New York 12224

Dear Governor Paterson, Democratic Conference Leader Sampson, Temporary President Smith, Majority Leader Espada, Assembly Speaker Silver, Senate Minority Leader Skelos, Assembly Minority Leader Kolb and Lieutenant Governor Ravitch:

As you prepare to debate the state's 2010 – 2011 budget, we write as deeply concerned advocates for our region's transit system.

We know you understand the importance of maintaining good, quality service for the region's 8 million plus daily subway, bus and commuter rail riders. The challenges faced by transit this year have not been unique among public transit agencies around the country, indeed we should be proud New York has been able keep its system afloat amid trying economic times. However, just months after the state passed a rescue package for transit, you have gone back on your commitment to stave off devastating service cuts and provide a start to fund critical capital needs with a devastating, and disproportionate, cut to transit in last November's deficit reduction plan.

Now that the reality of these cuts has come to light – service cuts, including those to student passes and the disabled – and news of the MTA's operating budget growing bleaker by the day, we urge you to correct this mistake. Further, the MTA currently does not have an approved capital program which maintains service and provides jobs and economic stimulus the state badly needs. We offer the following course of actions and recommendations:

This is a tough environment to ask, but the state needs to make good on its commitment to fund transit, and the city should be pitching in more. First and foremost, it was a mistake to cut \$143 million in MTA funds in the Deficit Reduction Plan – the MTA would not be faced with proposing service cuts if these funds were not taken. The state must restore its commitment but also work with the city to fully cover the cost of student transit passes, which cost the MTA \$214 million per year. The MTA should not be shouldering this cost virtually alone. While the city's contribution has remained stable since a renegotiated agreement between the MTA, city and state split the burden equally among the three entities in 1995, the number of dollars the state contributes has fallen and the MTA has had to make a larger and larger percentage of the cost. The governor's restoration of \$18.9 million for student transit passes is a good start but major gaps still exist. The bottom line is solving this problem will require additional assistance from the state and city.

The capital and operating budgets of the MTA are deeply interconnected – and neither can afford to be cut. We need maintenance of service levels to increase our ability to build support for the capital plan and necessary projects. If service is cut, key transit-using audiences will be less likely to support necessary capital expenditures. On the other hand, maintaining ridership and current levels of operations is dependent on capital

maintenance. Capital disinvestment in the past has led to fewer riders and has negatively impacted the region's workforce and tax base, leading to a reduction in operating funds available.

We are also calling on the MTA to hold off on its planned service reductions until all funding options have been exhausted. This includes the MTA finding its own internal savings and efficiencies, which Chairman Walder has committed to doing and has outlined in "Making Every Dollar Count." The chairman has already made inroads in this area by including a 10% salary reduction to all the non-union employees this coming year. He should expedite this process to the extent possible. While we hope the chairman is able to find significant savings through internal efficiencies and belt-tightening, certain actions such as continued salary reductions are simply not sustainable.

In recognition of the benefits of a strong capital program – both to the economy and to customers – we strongly support a robust plan, as well as the submission and approval of a full five-year plan, as many projects and procurements require a longer planning horizon. The MTA is currently reviewing and preparing to submit a revised 2010 – 2014 capital program with the same approach the agency is taking to its daily operations. We are working with the MTA to identify capital priorities and are confident they will be able to apply the same treatment to the capital budget as they are to the operating budget to find some savings.

Finally, any short term solutions now does not obviate the need for Albany and City Hall to come up with long term revenues such as congestion management and variable road pricing, other driver-related fees or revenues that are countercyclical to those that currently fund transit and that help solve the MTA's long term structural deficits. Transit must be hedged to insulate against the ups and downs of the business cycle and we cannot continue to rely solely on debt financing for future maintenance. This is even more important now that it appears that the MTA will face an additional \$391 million shortfall in 2010 due to inaccurate state estimates of revenues from the regional mobility tax, which has not delivered on its promised revenues.

We are encouraged by the governor's directive to restore some funding for school transit passes but we urge you to fully restore the \$143 million state cuts to the MTA, actively support a robust capital program and work with city and other to broker a long term solution to what is quickly becoming a growing and immediate problem. Doing so will immediately and directly save riders money, relieve what is becoming perennial anxiety around threatened cuts to essential transit services and ensure long term reliability and options for the region's transit users.

Very truly yours,

Kevin Corbett
Co-Chair, ESTA
AECOM, Inc.

Bob Yaro
Co-Chair, ESTA
President, Regional Plan Association

Richard Anderson
President
New York Building Congress

Mary Barber
Managing Director, Living Cities Program
Environmental Defense Fund

Joan Byron
Director, Sustainability and Environmental Justice Initiative
Pratt Center for Community Development

Bill Henderson
Executive Director
Permanent Citizens Advisory Committee to the MTA

Rich Kassel
Senior Attorney
Natural Resources Defense Council

Denise Richardson
Managing Director
General Contractor's Association of New York

Gene Russianoff
Senior Attorney
NYPIRG Straphangers Campaign

Kate Slevin
Executive Director
Tri-State Transportation Campaign

Paul Steely White
Executive Director
Transportation Alternatives

Cc:

Senator Martin Malavé Dilan
Senator Bill Perkins
Senator Carl Kruger
Senator Craig Johnson
Assembly Member Richard Brodsky
Assembly Member Keith Wright
Angelo Aponte, New York State Senate
Shelley Mayer, Senate Majority Chief Counsel
Roman Hedges, New York State Assembly
Dean Fuleihan, New York State Assembly
Ken Bleiwas, New York State Deputy Comptroller
Jay Walder, MTA Executive Director and Chief Executive Officer
Matt Trapasso, Policy and Legislative Director, Office of State Senator Martin Malave Dilan
Hilary Ring, MTA Director of Government Affairs
Larry Schwartz, Secretary to Governor David A. Paterson
Timothy Gilchrist, Senior Advisor for Infrastructure and Transportation, Office of the Governor
David Moretti, MTA Acting Chief Financial Officer
Chris Quinn, New York City Council Speaker
James Vacca, New York City Council Transportation Chair
Stanley Gee, New York State Department of Transportation Acting Commissioner
Ed Skylar, New York City Deputy Mayor for Operations
Joe Rappaport, Senate Majority program staff

Members of the Empire State Transportation Alliance include: Regional Plan Association, NYPIRG Straphangers Campaign, General Contractors Association of New York, Environmental Defense Action Fund, Tri-State Transportation Campaign, New York State Laborers', ACEC New York, Citizens Union Foundation, Campaign for New York's Future, Construction Industry Council of New York, Long Island Contractor's Association, Natural Resources Defense Council, New York State Building and Construction Trades Council, New York League of Conservation Voters, Permanent Citizens Advisory Committee to MTA, Transportation Alternatives.