

Mobilizing the Region

A Weekly Bulletin from the Tri-State Transportation Campaign

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NEWS

Connecticut Groups Demand Better Rail, Road Funding

In Hartford last Wednesday, elected officials, environmental groups and labor advocates rallied for transportation funding to improve the state's deteriorating roads, bridges, and transit systems. The event was convened by the CT Citizens Transportation Lobby, a Fairfield County group that emerged from Metro-North's 2003-4 winter of woe when snow and cold idled large portions of the New Haven Line's aging train fleet. It drew groups such as All Aboard!, CT Fund for the Environment and the CT League of Women Voters, numbering about 150 people altogether. They voiced concerns about **poor commuter rail conditions** and ever-increasing congestion on highways and roads.

The event attracted sufficient media response to draw a statement from Governor Jodi Rell. It said: "Over the years, rail service has suffered because Connecticut does not have an equal voice before the [MTA]. I believe it is time to assert Connecticut's **rightful place at the MTA table.**"

Connecticut representation on the MTA board may be justified, but the fact remains that transportation in CT **suffers mainly from underinvestment** and poor project choices by the state during the 12-year administration of Gov. John Rowland. The state enacted big gas tax cuts in the mid-1990s and does not raise sufficient revenue to meet infrastructure renewal or expansion needs. Rell said her next budget, due Feb. 8, would increase transportation spending but did not specify amounts.

The rally was just one example of growing calls for transportation reform in the state.

At the rally, state representative Antoinetta Boucher (R-Wilton) said she is proposing a bill to **kill funding for "Super 7,"** which would build a new limited-access highway along the general path of U.S. Route 7 between Norwalk to Danbury. Boucher would direct the money to the Danbury Metro-North branch. In a recent *Hartford Courant* op-ed, Norwich city manager Richard Podurciel, argued that the state's economic future relies on a less car and truck dependent system, and that state government has ignored the findings of the CT Transportation Strategy Board, which urged greater transportation spending. ❖

Pataki Budget: Poses Huge Shortfall for Transit

In his budget speech last Tuesday, Governor Pataki said he was proposing \$19 billion MTA and \$17 billion NY State DOT capital programs. The apparent advantage to the MTA is New York City's \$2 billion plan to extend the #7 subway line into the far West Side of midtown Manhattan, not any state initiative to boost transit funding over road spending.

Including the #7 project, the MTA had recommended an overall capital program for 2005-2009 of **nearly \$28 billion.** The governor's proposal thus **shortchanges** the needs transit officials had outlined by **some \$8-9 billion.** It is possible the MTA will realize additional capital resources during the five year capital plan period, perhaps from the sale of development rights over rail yard and other properties (although at least \$1 billion from asset sales is already factored into MTA budgeting for its "core" capital program), and perhaps contributions from agencies such as the Port Authority. However, those possibilities remain big question marks. And even if they yield as much as \$1-2 billion, the MTA and state leaders will face major decisions about transit priorities if Governor Pataki's funding proposal is adopted as the MTA's capital program.

	MTA capital program proposal	Pataki proposal 1-18-2005
Total program size	\$27.6 billion	\$19.2 billion
City funding assumed for #7 subway extension (included in total).	\$2 billion	\$2 billion
"Core" repair and improvement program size	\$17.2 billion	\$14.7 billion
Security initiatives	\$.5 billion	\$.5 billion
LIRR Grand Central connection & 2nd Ave. subway	\$7.4 billion	\$2 billion
LIRR connection to Lower Manhattan	\$.4 billion	??

As the chart shows, the governor's budget indicates a proposed **\$2.5 billion reduction in the "core"** state-of-good repair and system improvement program and a mammoth \$6 billion reduction for system expansion projects.

The governor's plan would be financed by an increase in DMV fees and mortgage recording taxes collected in the downstate region. While some saw this willingness to raise new money for transit as a good sign, it is clear that it is insufficient to carry New York's transit system into the 21st Century. Indeed, executive budget documents note that they **will not even carry the much-reduced capital program**. Budget documents explain that "additional resources" will be needed "to complete funding of the final two years of the plan."

The budget also anticipates significant pick-up in tax revenues already dedicated to the MTA.

Shorting the Core

The core program is the MTA operating agencies' normal work of replacing worn-out equipment and rebuilding and modernizing system elements that had fallen into disrepair during prior periods of neglect. The governor's plan to spend \$14.7 billion in this area — 17% less than the MTA's recommended \$17.2 billion — may well represent a blow to the upkeep of the existing system.

A report published by NY State Comptroller Alan Hevesi this past October indicated that several MTA operating agencies were uncomfortable even with the core program levels recommended in the MTA program proposal. It cited an LIRR memo that argued against **deferring rail car purchases** into the 2010-2014 capital program, listing concerns about rider capacity and the good price the agency feels it is currently getting for M7 trains.

Similarly, Metro-North wrote that proposed funding levels "are inadequate to continue to bring the Metro-North system to a state of good repair, protect past investments and accommodate projected growth." MTA Bridges & Tunnels said deferring bridge deck replacement would "add to the risk of emergency repairs and revenue loss" and **ultimately add to the agency's expenses**.

At the funding levels proposed by Governor Pataki, there will be tension between slighting the core investment program and possibly scuttling long-anticipated system expansion projects. MTA Chair Peter Kalikow told the MTA Capital Program Review Board in December that without adequate funding in place, he would seek to **transfer funds** for system expansion projects into the MTA core program "by mid-to-late 2005." That logic is hard to argue with.

Expansion Plans: Left for Future Governors?

The MTA was looking to spend \$4.6 billion on the LIRR East Side Access project and \$2.8 billion to begin work on the Second Avenue subway in 2005-2009. With a \$2 billion expansion program (and even if this is somehow augmented), it is difficult to see either project getting far during the period. Ad-

ditionally, although state officials routinely invoke "additional federal funding" when discussing transit budget holes, state funding at the governor's recommended level looks like a plan to **forego billions in potential federal spending** because of local matching requirements for federal investment. Inadequate spending by the state and MTA will probably jeopardize any major funding deal the MTA would be able to strike with the Federal Transit Administration to pay for the major expansion projects. In contrast, voters in a handful of other states approved \$40 billion in **new transit-related taxes** this past November (*MTR #480*). These areas may now be poised to out-compete New York for federal aid.

The answer to the problem is an amendment or negotiated **change to the governor's proposal** that would allow full funding for the MTA's capital program proposal. A variety of business and good government groups support something along the lines of the plan outlined in December by **MTA Chair Peter Kalikow** to raise rates on fuel, real estate and business taxes (*MTR #483*) that already help pay for the MTA, because the stakes for the metro region's future are so high.

While the risks of neglecting basic infrastructure needs transit are known to all who experienced the city subway system in the 1970s and 80s (and now to the hundreds of thousands of riders affected by the loss of A-C line's antiquated signal controls), we will also pay a price if the transit system cannot grow. Since 1990, New York added more people (792,000) than any other U.S. city, and some think the population could be as high as 9 million by 2020. But such growth is not a given. If our basic urban systems cannot provide for it, it will go somewhere else. Can we add to the city's population and economy without increasing subway capacity? Will people buy homes near dark, leaking stations? Can Long Island launch another big round of job creation unless it becomes more accessible to the city's workforce? These are the questions that need to be pondered in Albany before the governor's transit plan is set in stone.

TEA-Never?

With TEA-21 reauthorization now more than 500 days overdue (the 1998 transportation funding authorization expired on September 30th, 2003) TEA-watchers are starting to wonder if a multi-year federal transportation bill is really in the cards. The most recent TEA-21 extension bill, the sixth so far, expires at the end of May.

A growing current of thought in Washington is that it **suits the Bush administration** and congressional leaders to **keep extending** the old bill. Bush has battled with Congress over transportation spend-

ing levels and would like to end the practice of individual Representatives carving out federal money for favorite projects. If there is no new bill, opportunities for big funding hikes and congressional earmarks are limited.

The overall budgetary context may also favor inaction — the President promises expensive social security reform and is feeling the heat on the deficit. Other domestic spending may bear the brunt. The President’s budget, due out February 7th, will provide more clues about the likely course of federal transportation budget battles this year.

Not everyone has given up on a “TEA-3.” One alternative, proposed by Senate Environment & Public Works Chairman Jim Inhofe (R-OK), is to pass a five-year bill of \$271 billion. Though such a proposal may fare well in the Senate, it is unlikely it could pass muster as law, given the administration’s attitude about funding increases and the House leadership’s desire to avoid conflict with the President.

The states, represented by AASHTO, the “industry group” of state DOTs, are pushing Congress with a new “**Get It Done!**” campaign. Arguing that short-term extensions force states to defer major project planning and slash spending that benefits the economy, AASHTO wants the reauthorization bill passed by February, and on the President’s desk by April. ❖

S.I. Residents: Less NASCAR Parking

At recent community forums, Staten Island residents asked International Speedway Corp. (ISC) to further limit parking for its proposed NASCAR facility. Many Staten Island residents worry the 80,000-seat raceway will greatly worsen traffic—despite ISC’s sophisticated **traffic management plan** that limits car-driving fans to an 8,400 space parking lot.

A member of Community Board 2 suggested reducing the parking lot size to 5,000 spaces – and expanding plans for express bus and ferry service to the site. ISC has also had preliminary discussions with NJ Transit about light-rail service between the site and Hudson County, NJ.

So far, concerns about traffic generated by NASCAR events (ISC has announced there will be three race weekends a year) have eclipsed the site’s other use: a 620,000 square foot **retail shopping center** with its own parking lot. The shopping center may indeed be a larger annual generator of traffic than the raceway. ❖

The Tri-State Transportation Campaign web site:

www.tstc.org

Fare Hike a Signal to New Jersey: Get Serious About Transit Funding

NJ Transit director George Warrington outlined a set of bus and rail fare increases last Wednesday. The would raise commuter rail and bus fares an average of 13% and the Hudson-Bergen light rail fare by 25 cents, to \$1.75. The Trenton-Camden’s “introductory” \$1.10 rate will give way to \$1.25 fares, and Newark City subways will see a 13% hike in one way fares, but no increase for monthly passes.

If approved, the increases would **take effect this July**. The announcement was expected, although the exact amounts and distribution of the hikes were not yet known. Riders will have a chance to weigh in on the proposal at hearings throughout February (see Calendar on page 4).

Newspapers also reported that Warrington said NJ Transit needed some form of **increased and regular state aid for transit operations**. “Warrington and others are calling for a dedicated stream of state funding to keep NJ Transit solvent without forcing the agency to rob its capital funds and possibly raise fares each year,” said the *Bergen Record*.

NJ Transit is the largest U.S. mass transit system not supported by a revenue stream dedicated to transit operating costs (see chart below). To make up for this absence as services, ridership and costs have mounted over the years, NJ Transit has **poached** hundreds of millions of dollars **from its capital budget** — which is supported by the gas tax-funded Transportation Trust Fund and federal aid — in order to keep buses and trains running. Essentially, the agency is robbing Peter to pay Paul, straining service and causing neglect of infrastructure. Nearly \$5 billion in capital investments will be needed over the next decade to bring the system back to a state of good repair, according to the state Blue Ribbon Transportation Commission established by Gov. McGreevey in 2003. In other words,

Dedicated Operating Support for Major Transit Systems

	Total Operating Funds	% from State or Local Dedicated Taxes
NYC Transit (NYCT)	\$4,001	28.6%
Los Angeles MTA	\$884	57.0%
Boston (MBTA)	\$1,003	54.1%
Philadelphia (SEPTA)	\$804	21.4%
San Francisco (MUNI)	\$441	19.7%
Long Island Rail Road	\$787	26.1%
Chicago Transit Authority (CTA)	\$919	27.9%
NJ Transit (2005 projected)	\$1,400	0.0%

Source: Federal Transit Administration. National Transit Data base 2002, Data Tables for Individual Transit Agencies, Tables 1, 4, and 5. Dollars in millions.

the agency must devote available capital resources to their intended uses, and find another way to pay day-to-day costs.

The proposed fare hike is a stop-gap pending resolution of this structural budget gap. Transit says the hike will fill a \$60 million hole in its 2006 operating budget. The legislature, meanwhile, is not planning to raise NJ Transit's 2006 operating allocation, even though new services like the Montclair connection to Manhattan, the River Line and other cost increases have caused NJT's annual budget to rise over \$70 million in the past two years. In fact, the state's operating allocation has only increased from \$260 million in 2002 to \$279 million today, not even keeping pace with inflation, let alone additional costs.

Other transit agencies benefit from dedicated operating funds. Of the eight largest transit systems in the country that receive operating subsidies through dedicated taxes, three receive money directly from a state gas tax. Other funding comes from state or regional sales, property, and income taxes.

NYS Workers' Transit Costs Going Down

WageWorks, a leading private provider of pre-tax benefits for health care and commuter benefits, announced New York State will use its "NYS-Ride" program to provide commuter benefits for 35,000 executive branch employees in New York City." The program, pronounced "nice ride," applies a federal law that can provide savings of up to 40 percent on commuting costs. Like the similar TransitCrek program, NYS-Ride allows employees to use pre-tax earnings to purchase transit fares.

NYS-Ride, which was awarded to WageWorks via competitive bidding, will be piloted in the city for one year and may then be expanded to include state workers across New York.

Recently, WageWorks has also partnered with United States Postal Service to enable over 700,000 employees nation-wide to participate in a commuter savings program. The firm also provides services to the State of Ohio and City of Philadelphia. ❖

Calendar

January 27, 12pm. New York City Transit Riders Council Meeting. 5th Floor Board Room, 347 Madison Ave, btwn 44 & 45 Sts., Manhattan. 212-878-7087. www.pcac.org

January 28, 9am-12:30pm. *The Parking Structure and the Train Station* by NJ School of Architecture, Rutgers University, and Urban Land Institute. The Bloustein School of Planning and Public Policy, 33 Livingston Ave, New Brunswick, NJ. RSVP by 1/21/05 to anne.guiney@njit.edu, 917-292-9597

February 7, 8am-12pm. *3rd Annual New Jersey Transportation Conference. The War Memorial Building*, Trenton, NJ. RSVP by 1/28/05, \$95, www.allianceforaction.com 732-225-1180

February 15, 5:30-8:30pm. NJ Transit Hearings on Proposed Fare Hikes. Passaic County Administration Building, Freeholders' Board Room, 401 Grand Street, Paterson. 973-491-7453. www.njtransit.com

February 15, 5:30-8:30pm. NJ Transit Hearings on Proposed Fare Hikes. NJ Dept. of Environmental Protection Public Hearing Room, 1st Floor, 401 East State Street, Trenton. 973-491-7453. www.njtransit.com

February 16, 5:30-8:30pm. NJ Transit Hearings on Proposed Fare Hikes. Camden City Hall, City Council Chamber, Room 201, 520 Market Street, Camden, NJ. 973-491-7453. www.njtransit.com

February 16, 5:30-8:30pm. NJ Transit Hearings

on Proposed Fare Hikes. John Wiley & Sons, 2nd Floor, Cafeteria, 111 River Street, Hoboken, NJ. 973-491-7453. www.njtransit.com

February 17, 5:30-8:30pm. NJ Transit Hearings on Proposed Fare Hikes. NJ Transit Headquarters, Board Room, One Penn Plaza East Newark. 973-491-7453. www.njtransit.com

February 17, 5:30-8:30pm. NJ Transit Hearings on Proposed Fare Hikes. Somerset County Administration Building, Freeholders' Meeting Room, 20 Grove Street, Somerville. 973-491-7453. www.njtransit.com

February 22, 5:30-8:30pm. NJ Transit Hearings on Proposed Fare Hikes. Summit City Hall, Council Chambers/Courtroom, 512 Springfield Avenue, Summit. 973-491-7453. www.njtransit.com

February 22, 5:30-8:30pm. NJ Transit Hearings on Proposed Fare Hikes. Monmouth County Library, Rooms 1 & 2, 125 Symmes Drive, Manalapan. 973-491-7453. www.njtransit.com.

TRI-STATE TRANSPORTATION CAMPAIGN



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