

**NYPIRG Straphangers Campaign**  
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**STATEMENT ON**  
**CITIZENS BUDGET COMMISSION REPORT**

(Wednesday, October 10, 2012)

The Straphangers Campaign agrees with the broad principle in the Citizens Budget Commission report that all who benefit from transit should help pay for it, including riders, drivers and sectors of the metropolitan-area economy.

That's similar to the way it is now for the MTA, which is financed by fares, tolls, and dedicated funds, such as vehicle-related fees, payroll and corporate income taxes and real estate levies. We also applaud CBC's emphasis on the vital need for capital repairs to the transit system and the financial impact of the MTA's having to borrow more than \$31 billion to fund its capital program.

**The Straphangers Campaign is concerned that the CBC plan would create more pressure to raise fares and increase the burden on the riders.** In our view, that would be the effect of its plan to: 1) require riders to pay half of operating expenses; and 2) expand those expenses to cover the costs of buying such items as subway trains, buses and commuter rail coaches. CBC acknowledges that NYC Transit already has the highest fare box operating ratio – the share of operating costs covered by fares – in the nation at 53%. That's for a transit system, which operate both subways and buses.

In comparison to NYC Transit's 53% ratio, the average for large systems nation-wide was 38% in 2011, according to the Federal Transit Administration. Looking at big cities that run both subways and buses, the farebox operating ratio in Boston was 38%, Chicago 44%, Philadelphia 37%, and Washington, D.C. 42%.

The CBC writes: "Rather than use this statistic to argue against fare increases in NY, it is appropriate to view New York and other systems with high recovery ratios as heading in the right direction." And CBC says it favors using a different statistic – not calculated by the FTA, but the MTA – which includes the cost of such items as the replacement cost of transit vehicles. Finally, a CBC chart uses the MTA's "revenue per ride," which the agency said has gone from \$1.38 in 1996 to \$1.63 in 2012. This statistic doesn't mean much to many riders:

- If you buy a 30-day MetroCard, your fare has gone up 65% since its introduction in 1998 – from \$63 to \$104.
- In calculating this number, the MTA treats a linked free subway-bus transfer as two separate trips. Hence the low number, which does not reflect reality for the many, many riders who use subways only or buses only.