



July 13, 2015

The Honorable Andrew Cuomo  
Governor  
Executive Chamber  
State Capitol  
Albany, NY 12224

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**President**

Carol Kellermann

Dear Governor Cuomo,

I am writing on behalf of the Citizens Budget Commission to recommend you veto S3228/A2607, a bill mandating an increase from one to two free transfers for persons purchasing a ride on Metropolitan Transportation Authority (MTA) subways and buses.

While “free” rides may seem appealing, the benefits are in practice quite limited and are more than offset by the negative consequences in foregone revenue for the MTA. The agency estimates the bill will reduce its revenues \$40 million annually. This sum should not be sacrificed at a time when the MTA faces a large shortfall in funding for its proposed five-year capital plan and projected future operating deficits.

It should be noted that the MTA has already taken multiple actions to keep fares low particularly for high volume users. It offers an unlimited MetroCard, which may be used for as many subway and bus trips as needed during a 7-day or 30-day period. In addition, previously planned fare increases have been lowered and deferred. Owing to policy initiatives over the past 25 years, the bus and subway fare remains an unrivaled bargain. In 1993 the average fare revenue per ride was \$1.21. If this figure grew with overall inflation the equivalent sum would have been \$2.05 in 2014, 20 percent higher than the actual average revenue per ride of \$1.70.

The MTA, which is critical to the regional job market and economy, has daunting revenue challenges and capital needs. Depriving the agency of fare revenue that can support debt service for \$500 million in much needed capital investments to benefit a limited number of riders already paying relatively low fares would be shortsighted. Please veto S3228/A2607.

Sincerely,

Carol Kellermann