



Citizens Budget Commission

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The Honorable Andrew M. Cuomo
Governor of the State of New York
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State Capitol
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President

Carol Kellermann

Dear Governor Cuomo,

I am writing on behalf of the Citizens Budget Commission to recommend you veto A3439/S2560, a bill mandating 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 revenue by \$40 million annually. This sum should not be sacrificed at a time when the MTA faces less than previously expected operating and non-operating revenues and implements a \$1.5 billion Subway Action Plan to stabilize the system.

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 \$2.25 in 2017, 17 percent higher than the 2017 year-to-date average revenue per ride of \$1.91.

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 \$650 million in much needed capital investments to benefit a limited number of riders already paying relatively low fares would be shortsighted. Please veto A3439/S2560.

Sincerely

Carol Kellermann
President