This is a smart, fair fare hike

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Be Our Guest

The fare increase that the MTA is expected to approve this week is good for public transit and a fair deal for New York taxpayers.

Those who object to the hike say two facts should, for now, rule out placing any new burden on straphangers: First, the MTA is running a surplus this year. Second, state government is shortchanging the system. They say that without an immediate need to balance the MTA's books - and until more public transit money comes from Albany - riders should be spared any pain in the pocketbook.

Unfortunately, neither objection holds up to scrutiny.

It's true that the MTA has more cash on hand at the moment ($222 million) than it had projected - but it isn't a true surplus, because the agency is not paying for all of its annual operating expenses without borrowing. In fact, even with the so-called surplus, the MTA will run a deficit of $3.1 billion in 2007. It will cover that deficit by adding to its debt. In addition, the MTA faces an operating deficit of nearly $4 billion next year and plans to borrow more to cover much of that.

And that doesn't include capital investments that the agency needs to make - both to restore stations and other assets to a state of good repair and to expand the system. The MTA is preparing a new five-year capital plan that will cost several billion dollars more than is currently available.

Those large, looming needs, most of which will require state funding, undercut the notion that state government can and should pony up more to prevent the fare increase. After all, the state faces its own funding crisis - a projected gap of $4.3 billion in the coming fiscal year.

There just isn't enough money to go around.

Plenty of politicians are saying that a fare hike would be a slam on working people.

But riders should keep in mind that, with the introduction of the MetroCard 10 years ago, they have been benefiting from significant discounts that represent, in effect, a fare cut.

In 1996, before widespread use of MetroCards, the average price paid per ride was $1.38; by 1998 it was down to $1.16 - and it fell to $1.07 by 2000 as the $63 monthly card provided unlimited bus and subway trips. Even with the unlimited pass getting raised to $70 and $76 in 2003 and 2005, respectively, and the new proposed increase to $81, straphangers still benefit from significant discounting.

Adjusting for inflation, most monthly riders will still be paying less in 2008 than they did in 1996, when a token - the only alternative - cost $1.50.

There's an important precedent being established by the proposed fare increase. Starting with this hike, the MTA leadership is committing itself to regular, modest and predictable fare increases rather than larger, periodic, politically motivated jolts.

An important debate still to be engaged with respect to future fare increases is whether they should be linked to inflation, as is currently proposed by the MTA, or to the cost of a ride, as proposed by the Citizens Budget Commission.

The first option would make fare increases almost automatic. The second option would allow for the possibility that, with increased efficiency and new technology, fare increases could be less than inflation. It has the added advantage that when bargaining begins with the Transport Workers Union, it will be clear to the public how the