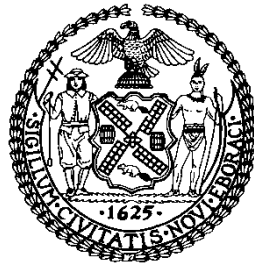


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**THE COUNCIL OF THE CITY OF NEW YORK**

BRIEFING PAPER OF THE HUMAN SERVICES DIVISION  
Matthew Gewolb, Legislative Director

**COMMITTEE ON TRANSPORTATION**

Hon. Ydanis Rodriguez, Chair

February 13, 2017

**Oversight - How Can Public Transportation Better Serve  
the Needs of New York City Residents?**

## **INTRODUCTION**

On February 13, 2017, the Committee on Transportation, chaired by Council Member Ydanis Rodriguez, will hold an oversight hearing on how New York City's public transportation system can better serve the needs of New Yorkers. In particular, the hearing will examine the affordability of the transit system and explore steps that can be taken to ensure that all New Yorkers are able to equitably access public transportation regardless of socioeconomic status. The Committee expects to hear testimony from the New York City Department of Transportation ("DOT") and other interested stakeholders.

## **BACKGROUND**

On January 25, 2017, the board of the Metropolitan Transportation Authority ("MTA") voted to increase fares and tolls on the transportation systems it oversees, including the city's subways and buses. This fare increase was the latest in a series of regular, biennial increases that the MTA has imposed since 2009, a practice instituted in an effort to bring a measure of predictability to fare hikes, as opposed to going many years without an increase, only to blindside riders with steep hikes once escalating costs force the authority to act.

The 2017 fare increase process began in November 2016, when two fare increase proposals were presented to the MTA Board.<sup>1</sup> Similar to proposals during previous rounds of fare increases, one option, Option 1, was to keep the base fare steady at \$2.75 while lowering the pay-per-ride MetroCard "bonus" from 11 percent to 5 percent. Option 2, on the other hand, would have raised the base fare to \$3 while also increasing the bonus to 16 percent. Both proposals would raise the price of weekly and month MetroCards to \$32 and \$121, respectively. Overall, fares and tolls across the MTA system would rise by approximately 4%. The MTA asserted that, together with

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<sup>1</sup>Metropolitan Transportation Authority, *Fare and Toll Proposal Presentation to the Board*, Nov. 16, 2016, available at <http://web.mta.info/mta/news/books/docs/Board%20Presentation%20Nov%202016.pdf>

an aggressive cost savings program, these fare and toll increases were necessary to prevent an “untenable budget situation.”<sup>2</sup> Following a public engagement process that included eight public hearings held throughout the MTA’s service region, MTA staff ultimately recommended, and the board approved, Option 1. According to statements made by members of the board, keeping the base fare steady has the benefit of easing the burden on riders with very low incomes who might not be able to afford adding enough money to their MetroCards to take advantage of the pay-per-ride bonus or who pay with cash on the bus, as well as Access-A-Ride customers who pay the equivalent of the base fare for paratransit trips. The fare increase will go into effect on March 19, 2017.

In the course of the MTA’s public engagement process, many New Yorkers testified about the challenges presented by the cost of public transit in their daily lives. One of the proposals that attracted the most attention was “Fair Fares,” developed by the Community Service Society and the Riders Alliance. Their report, released in April 2016, explored the burden that the cost of public transit often places on the poorest New Yorkers. For example, they found that for “more than 300,000 working poor, transit expenses often exceed over 10 percent of their family budgets, limiting their ability to access jobs and forcing them to forgo other necessities.”<sup>3</sup> Additionally they conducted a survey that found that more than a quarter of poor, working-age New Yorkers were often unable to afford subway and bus fares during the preceding year.<sup>4</sup> Among unemployed

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<sup>2</sup> Metropolitan Transportation Authority, *November Financial Plan 2017 – 2020 Presentation to the Board*, Nov. 16, 2016, available at <http://web.mta.info/news/pdf/MTA%202017%20Final%20Proposed%20Budget%20November%20Financial%20Plan%202017-2020%20Presentation.pdf>

<sup>3</sup> Community Service Society, *The Transit Affordability Crisis: How Reduced MTA Fares Can Help Low-Income New Yorkers Move Ahead*, Apr. 2016, available at <http://www.cssny.org/publications/entry/the-transit-affordability-crisis>

<sup>4</sup> *Id.*

respondents, 27 percent reported that the cost of transit fares prevented them from looking for or taking a job further away from their home.<sup>5</sup>

In order to combat these obstacles that the cost of transit creates for so many New Yorkers and their ability to make a living and accomplish the other tasks of daily life, the report recommends instituting a half-fare program for New Yorkers at or below the federal poverty line. The report says that approximately 800,000 adults would be eligible, excluding seniors and people with disabilities already covered by existing half-fare discounts.<sup>6</sup> They estimate that the program would actually attract 361,000 riders at a cost of \$194 million a year in forgone MTA revenue (not including administrative costs) and that it would save each individual as much as \$700 a year off the cost of 12 monthly passes.<sup>7</sup>

Several other transit systems offer reduced fares for low-income individuals. For example, Seattle and San Francisco provide up to 50 percent savings for households with income of less than double the federal poverty level.<sup>8</sup> At the January MTA board meeting, MTA Chairman and CEO Tom Prendergast called Fair Fares a social service issue that should be under the purview of municipalities, stating that it should not be the MTA's role, nor could the MTA afford, to provide such a benefit. Mayor Bill de Blasio, however, has argued that such a program should be funded by the State, since it controls the MTA.

The idea for a commuter rail "Freedom Ticket," developed by the New York City Transit Riders Council, also gained attention during the recent fare increase process. The Freedom Ticket would lower fares for commuter rail trips between stations within New York City and facilitate

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<sup>5</sup> *Id.*

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

transfers to the bus and subway.<sup>9</sup> Such an arrangement would make existing transit assets, which have excess capacity and offer the potential to decrease travel times, a more feasible option for New Yorkers for whom the cost of commuter rail is currently prohibitive. At the January board meeting, Chairman Prendergast announced that a field study of the idea would be conducted for Long Island Rail Road trips between Atlantic Terminal and certain stations in Brooklyn and Queens in order to test its impact on customer demand, service, and operations.

Although increasing affordability is an important way that the city's transit system could better serve New Yorkers, it is not the only way. Adding new routes, increasing capacity, improving service and connections, and enhancing the experience of riders are all important goals. In its 2016 Strategic Plan, DOT announced that it would conduct a citywide study of transit needs to identify the next generation of Select Bus Service routes, potential street car lines, and strategies to improve transit access to neighborhoods underserved by the subway system. DOT is currently in the midst of conducting a series of public workshops throughout the city intended to solicit feedback and ideas from local communities about how transit service can be improved, which will inform the results of the study.

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<sup>9</sup> New York City Transit Riders Council, *Freedom Ticket: Southeast Queens Proof of Concept*, Dec. 2015, available at <http://www.pcac.org/wp-content/uploads/2015/12/Freedom-Ticket-reduced.pdf>