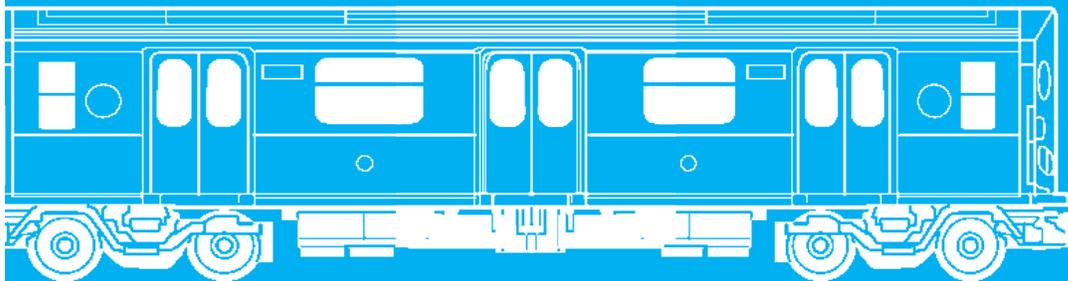




# MOVING TOGETHER

How to Raise Over \$2B a Year  
for a Better NYC Transit System



# Acknowledgements

This report and the underlying research were produced by Jessica Quiason (ALIGN) as researcher and author and Annabel Short (ALIGN) as co-author. Many thanks to New York Communities for Change and their members, Community Service Society, and to Move NY for their review and contributions to this report.

## About us

**ALIGN** is a longstanding alliance of labor and community organizations united for a just and sustainable New York. ALIGN works at the intersection of economy, environment, and equity to make change and build movement. Our model addresses the root causes of economic injustice by forging strategic coalitions, shaping the public debate through strategic communications, and developing policy solutions that make an impact.

**New York Communities for Change** is a multi-racial membership based organization of working families fighting against economic and racial oppression. NYCC members are agents of change, building movements and campaigns from the ground up and fighting corporate power at its core. NYCC members use direct action to defend & uplift our communities, challenge capital, and fight back against racist structures and economic policies that continue to extract wealth from our communities and neighborhoods.

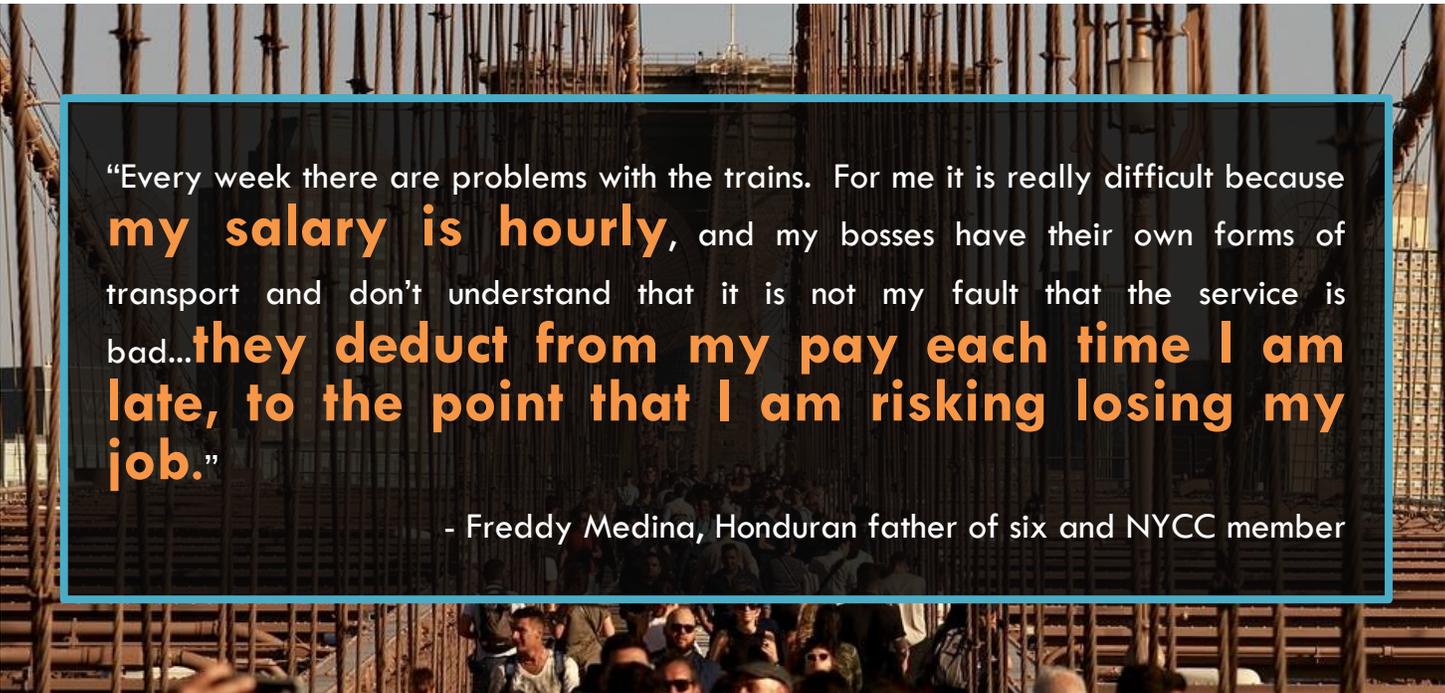
## Introduction

The current political debate over how to fund New York's transit pits congestion pricing against a tax on the wealthiest New Yorkers. At the same time, political news coverage often fixates on the battles between Mayor de Blasio and Governor Cuomo. Here's the reality: de Blasio and Cuomo need to put aside their differences, stop the stalemate, and create a more reliable funding stream for New York's transit system that involves both congestion pricing and a millionaires tax.

Governor Cuomo has the power to create a sustainable funding stream for New York City's public transportation system, which is largely controlled at the state level. The City should work with the Governor to make this a reality. The transit system has reached breaking point, and everyone suffers as a consequence. This is the first report to show the **economic**, **equitable**, and **environmental** benefits of that political cooperation, and what it would really look like to combine congestion pricing and a tax on New York's wealthiest residents.

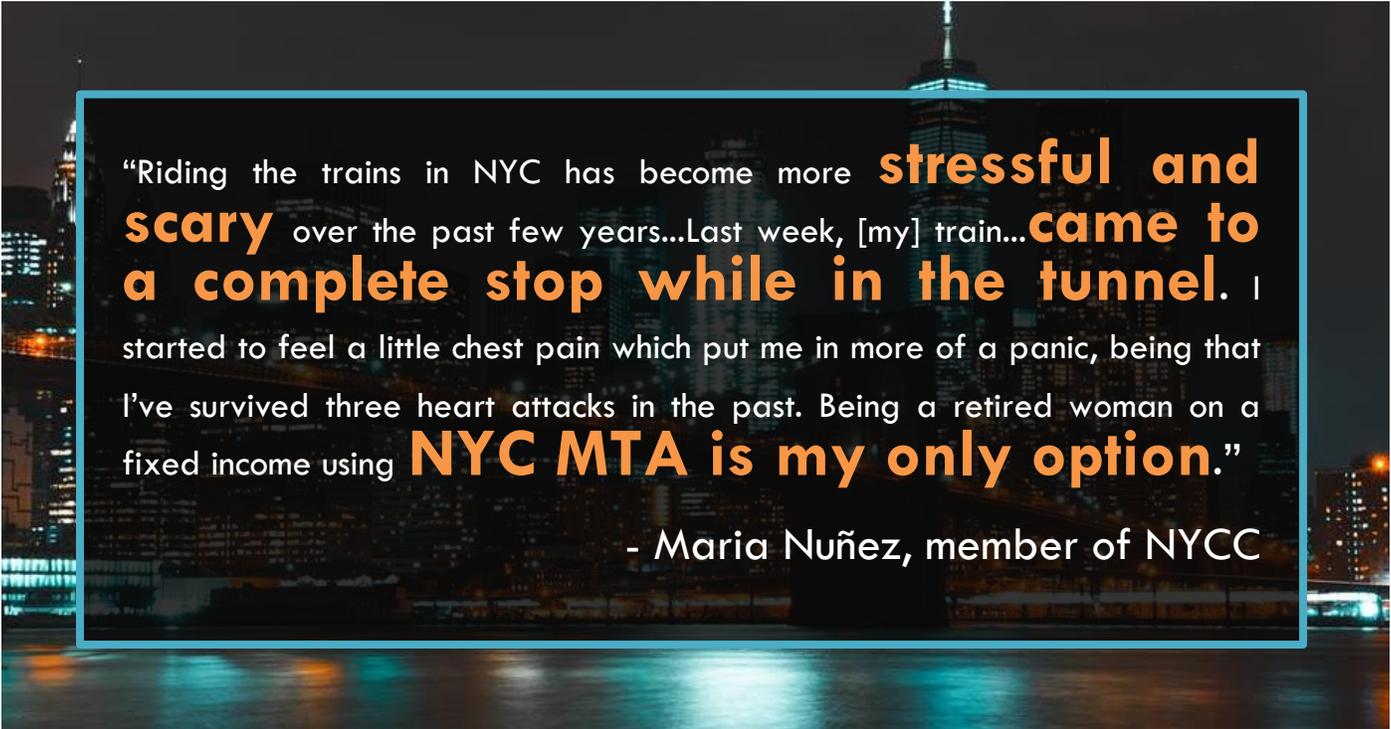
If our mass transit system is going to have a future, these two approaches for raising revenue must be supported by Cuomo and de Blasio. There is no other way forward.

By establishing tolls into Manhattan's central business district and a tax on New York's wealthiest residents, the state can create a reliable funding stream of at least \$2B annually to improve our mass transit infrastructure and keep the city moving.

A photograph of a crowded subway train, showing the interior with many passengers. The image is used as a background for a text overlay. The text is white and orange, with some words in bold orange. The text reads: "Every week there are problems with the trains. For me it is really difficult because **my salary is hourly**, and my bosses have their own forms of transport and don't understand that it is not my fault that the service is bad...**they deduct from my pay each time I am late, to the point that I am risking losing my job.**"

"Every week there are problems with the trains. For me it is really difficult because **my salary is hourly**, and my bosses have their own forms of transport and don't understand that it is not my fault that the service is bad...**they deduct from my pay each time I am late, to the point that I am risking losing my job.**"

- Freddy Medina, Honduran father of six and NYCC member

A night view of the New York City skyline, featuring the Freedom Tower prominently in the center. The city lights are reflected on the water in the foreground. A white text box with a blue border is overlaid on the image, containing a quote and attribution.

“Riding the trains in NYC has become more **stressful and scary** over the past few years...Last week, [my] train...**came to a complete stop while in the tunnel.** I started to feel a little chest pain which put me in more of a panic, being that I’ve survived three heart attacks in the past. Being a retired woman on a fixed income using **NYC MTA is my only option.**”

- Maria Nuñez, member of NYCC

## The task at hand

Millions of New Yorkers rely on the city’s subways, buses, roadways and bridges to keep the economy moving and growing. Workers need to get to their workplaces, students to school, supplies to hospitals, patients to doctors, judges to court houses, and so on. Yet public transportation, which is most heavily relied on by low-income communities and communities of color, is chronically underfunded, causing service delays and disruptions that then disproportionately impact those who are transit-reliant. Public transit commutes that are already longer than other modes of transportation become even longer, and delays bring economic consequences for all New Yorkers. Meanwhile the traffic on our congested streets causes localized pollution and contributes to climate change.

There is an urgent need to identify sustainable sources of funding that **address inherent inequities** in our transport infrastructure and strengthen New York’s **resilience to climate change**. The way we fund our subways, buses, roads and bridges needs to reflect how they are used, who uses them and how the different modes can mutually support one another in a larger infrastructure system. Sustained, reliable, equitable revenue streams must be established to ensure that all New Yorkers are paying their fair share.

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# 1. Economic challenges

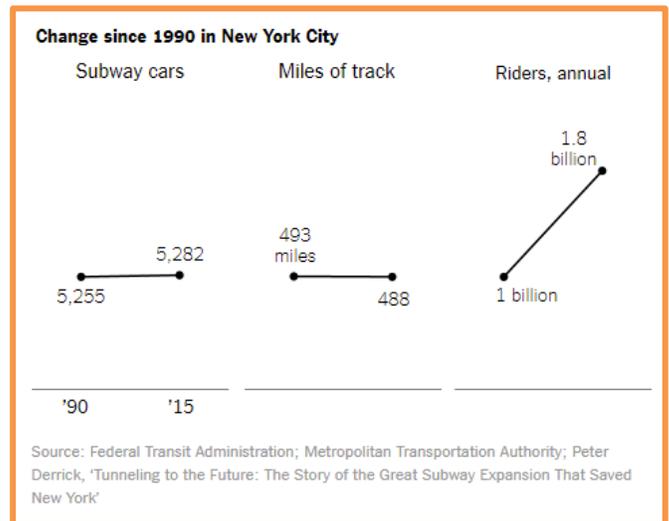
## Current funding streams for subways, bridges, and roads are insufficient, inequitable and unsustainable

Currently, all New Yorkers pay to sustain our transportation infrastructure through taxes. However, the costs to individuals across modes of transportation vary greatly. All subway riders must pay a fare to take the train, and yet car drivers can traverse some bridges and roadways into Manhattan's busiest district for free. And because some bridges are toll-free and others are not, the communities closest to the free bridges - which are often low income communities of color - disproportionately experience poor air quality, congestion, and traffic safety concerns.<sup>1</sup>

Existing funding models for the MTA pose other equity concerns that question the place of private interests for administering public goods. Through the years, the MTA has entered into a variety of strict, long-term financial agreements (such as interest-rate swaps) with private banks like JPMorgan Chase and UBS AG in the hopes of securing steady interest rates. The MTA has paid more and more each year to fund these debt agreements when it could be using those funds for key capital improvements. This year, the MTA expects to spend \$2.6 billion on debt service, equivalent to about 17% of the operating budget. That means that nearly 20 cents of every dollar riders pay in fares goes not to maintaining or improving the system, but to paying off banks. In 2012, the Roosevelt Institute (with NYCC) found that the MTA's credit swap agreements were costing the city \$113.9 million each year, for a total of \$658 million. If loss rates have stayed about the same since the release of the report, losses from swaps would now be more than \$1 billion total.<sup>2</sup>

As a result of flawed funding models, the MTA has not been able to keep pace with the city's population changes and increasing service demands. From 1990 to 2015, the subway has experienced almost a doubling in ridership but has increased the number of subway cars by less than 1% and has actually decreased the total miles of track.<sup>3</sup> And the lack of infrastructure improvements has taken its toll. During the first three months of 2017, 75% of all subway lines were chronically delayed.<sup>4</sup> Delays have skyrocketed to 70,000 per month from 28,000 per month in 2012.<sup>5</sup>

An underfunded, chronically delayed subway system has taken a significant economic toll, both directly on transit-reliant communities as well as the city's economy as a whole. Since 2012, the average number of passenger-hours lost during morning rush train service has increased by 45 percent. The dollar value of such delays amounts to \$1.2M daily, or \$307M annually.<sup>6</sup> The ripple-on individual economic cost to workers, store owners, parents, etc can be staggering. For workers who don't face repercussions in their workplace, delays can still mean less time spent doing non-work activities such as time with loved ones or taking care of personal business, and increased stress.



In 2017, city employees lost over **17,000 hours** at work due to subway disruptions



...which cost the city an estimated **\$555,000** in wages paid while workers were delayed

## 2. Equity challenges

### Inequitable infrastructure disproportionately impacts transit-reliant low income communities and communities of color

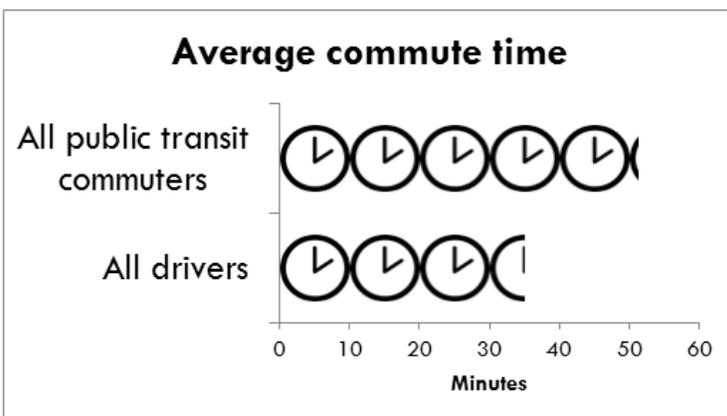
Mismatched tolling and unsustainable financial agreements with private banks have contributed to a broader lack of funding for transport infrastructure that disproportionately disadvantages low income communities and communities of color. According to the American Community Survey,<sup>7</sup> the city's car-reliant populations are typically wealthier than transit-reliant populations as they are more likely to own their own homes and cars. Despite being wealthier than the average transit commuter, car commuters are currently able to take advantage of many of the city's roadways and bridges into Manhattan's busiest districts free of charge.

Less wealthy people, women, people of color, and non-citizen immigrants are more likely to take public transit than drive or carpool to work, and are therefore more heavily impacted when there are subway delays. Additionally, delays make already long commutes even longer for low-income people. Across all zip codes, commute times for public transit riders are already 47% longer than car commuters, and as one's salary decreases, the average length of commute increases.<sup>8</sup>

Subway delays also come with disproportionate economic repercussions for low income communities. A 2017 survey of 1,000 subway commuters conducted by NYC Comptroller Scott Stringer's office found that residents of lower income zip codes in New York City were also more likely to be reprimanded for showing up late to work due to subway delays, and to experience significant delays "Always" or "More than Half the Time," compared to higher income zip codes.<sup>9</sup>

As if it's not enough to struggle to get by each day on a very low salary, these past months the public transport is late almost every day. **My bosses don't understand that it is not me who is late**, it is the **trains and buses** which are so expensive and **have such bad service**.

- Juan Soto, car cleaner in the Bronx and NYCC member



### 3. Environmental challenges

#### Traffic congestion threatens health and contributes to climate change

After buildings, transportation is the second largest source of greenhouse gas emissions in New York City. The city is home to over two million vehicles, the operation of which accounted for 29 percent of the city's total emissions in 2015. Of the city's total transport-related emissions (which includes public transit as well as cars), private vehicle travel accounts for 90%.<sup>10</sup>

Emissions from gas combustion are strongly linked to negative health effects. Particulate matter from gas combustion can aggravate asthma, allergies, and contribute to lung and heart conditions.<sup>11</sup>

Some communities experience the health repercussions of this congestion more than others. Due to inequitable tolling across bridges leading into Manhattan's central business district, the currently toll-free bridges draw the heaviest traffic and incentivize drivers to drive less direct routes in an effort to avoid tolled bridges. As a result, the communities closest to the free East River bridges and the main arteries that lead them experience a disproportionate amount of air pollution and traffic, causing the region's highest asthma and collision rates. Some of these neighborhoods, such as South Williamsburg, are historically low-income and largely of color.<sup>12</sup>

Finally, as sea levels and storm surges rise, our transport infrastructure needs to be resilient to the growing impacts of climate change. New Yorkers need little reminder of this, as the fifth anniversary of Hurricane Sandy approaches and repairs to tunnels damaged by that storm are still underway.



# An Equitable Solution

## Congestion pricing, millionaires tax and fair fares

Over the next several years, MTA Chairman Lhota and Governor Cuomo estimate that there is a need for \$800M in emergency improvements and \$9B in multi-year projects to overhaul the subway system with key technological and structural upgrades. Solutions to more equitably fund the city's infrastructure pose an opportunity to not only address the equity concerns raised here but also to decrease the city's reliance on private cars, protecting the air quality of all communities and helping us reach our carbon emissions goals.

**Move NY's 2015 congestion pricing** plan specifically asks drivers, who have enjoyed free bridges and roadways into the most congested parts of the city, to contribute to infrastructure that supports the entire city. This plan, which was created with support from many organizations including NYC Environmental Justice Alliance and UPROSE, would introduce tolls on the bridges and roadways leading into Manhattan's central business district (below 60th street) and generate an estimated \$1.5B annually. Move NY proposes that a quarter of these funds will be used to improve our roads and bridges with the remaining three-quarters dedicated to transit. By raising tolls on free bridges and decreasing them elsewhere, congestion pricing can incentivize more even distribution of traffic so that the communities surrounding the currently free bridges are not faced with a disproportionate amount of congestion and poor air quality. And it would help the city come closer to its target of reducing carbon emissions by 80% by 2050. While the Mayor is currently opposed to congestion pricing, his September 2017 plan for meeting the Paris Agreement says that to reduce emissions from private vehicles, "the City has committed to an 80 percent sustainable mode share by 2050, meaning four out of every five trips a New Yorker takes will be by foot, bicycle, or public transit."<sup>13</sup>

Move NY projects the plan would create over 30,000 annual recurring jobs, \$2.8 billion in additional annual economic output, and \$168 million in additional annual sales and income tax revenue.<sup>14</sup>

A **millionaires tax**, proposed by Mayor de Blasio, would increase taxes on the city's wealthiest 32,000 residents as a way to create an annual funding stream for the MTA. The proposal would increase income taxes by 0.5 percent for individuals making above \$500,000 and \$1M for married couples. It would generate \$700M annually and increase to \$820M annually by 2022.

Both proposals would allocate some of the revenue generated to funding reduced-fare Metrocards for the city's 800,000 residents living below the poverty line; a core demand of the **Fair Fares** campaign. A report by Community Service Society of New York has found that even though 58% of very low-income New Yorkers rely on subways and buses, one out of four cannot afford their MetroCard. For New York City's over 300,000 working poor, transit expenses consume over 10 of their family budget, forcing them to choose between transit and other necessities<sup>15</sup>.



At a time when state budgets are being decimated by cuts from the federal government, the State and City must hold firm to New York values, ensure that public funds are used for public goods, and lead the way in building a progressive infrastructure. The time for political stalemate in how to fund New York's transportation infrastructure is over. Through bold, forward-looking funding initiatives that combine a tax on New York City's wealthiest residents and introduce congestion pricing, we can create an affordable and efficient transit system that works for all, and that enables New York to lead in the fight against climate change.

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## NOTES

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- <sup>1</sup> Move NY Fair Plan <http://iheartmoeny.org/wp-content/uploads/2015/02/2015-MNY-Final-Ex-Sum-copy.pdf>
- <sup>2</sup> <http://rooseveltinstitute.org/wp-content/uploads/2016/01/Turned-Around-Jan-2016.pdf>
- <sup>3</sup> <https://www.nytimes.com/interactive/2017/06/28/nyregion/subway-delays-overcrowding.html>
- <sup>4</sup> <http://nypost.com/2017/06/17/three-quarters-of-citys-subway-lines-plagued-by-chronic-delays/>
- <sup>5</sup> <https://www.nytimes.com/2017/02/12/nyregion/subway-complaints-strapangers-fuming.html>
- <sup>6</sup> <http://www.ibo.nyc.ny.us/iboreports/we-are-being-held-momentarily-how-much-time-and-money-are-new-york-city-subway-riders-losing-to-delays-october-2017.pdf>
- <sup>7</sup> ACS - Means of transportation to work by selected characteristics, 2015 - NYC Metropolitan Statistical Area
- <sup>8</sup> ACS - Means of transportation to work by selected characteristics, 2015 - NYC Metropolitan Statistical Area
- <sup>9</sup> <https://comptroller.nyc.gov/reports/the-human-cost-of-subway-delays-a-survey-of-new-york-city-riders/>
- <sup>10</sup> Mayor's office of sustainability: [http://www.dec.ny.gov/docs/administration\\_pdf/nycghg.pdf](http://www.dec.ny.gov/docs/administration_pdf/nycghg.pdf)
- <sup>11</sup> [http://ephtracking.cdc.gov/docs/NYC\\_Air\\_Quality\\_Impact\\_2011FINAL.PDF](http://ephtracking.cdc.gov/docs/NYC_Air_Quality_Impact_2011FINAL.PDF)
- <sup>12</sup> Move NY Fair Plan: <http://iheartmoeny.org/wp-content/uploads/2015/02/2015-MNY-Final-Ex-Sum-copy.pdf>
- <sup>13</sup> City of New York: [http://www1.nyc.gov/assets/sustainability/downloads/pdf/1point5-AligningNYCwithParisAgmt%20\(1\).pdf](http://www1.nyc.gov/assets/sustainability/downloads/pdf/1point5-AligningNYCwithParisAgmt%20(1).pdf)
- <sup>14</sup> Move NY Fair Plan: <http://iheartmoeny.org/wp-content/uploads/2015/02/2015-MNY-Final-Ex-Sum-copy.pdf>
- <sup>15</sup> CSS report: <http://www.cssny.org/publications/entry/the-transit-affordability-crisis>