NYC 9/11 Public Portal Document

DAILY NEWS, THURSDAY, DECEMBER 13, 2001

MTA gives fare deal: No hikes

By PETE DONOHUE
DAILY NEWS STAFF WRITER

New Yorkers are getting an early holiday gift: There will be no fare hikes for subway, bus and commuter railroad riders next year.

Gov. Pataki has vowed to provide hundreds of millions of dollars to help close a gap in the Metropolitan Transportation Authority's 2002 operating budget and keep fares at the levels they've been at since 1995, sources told the Daily News yesterday.

DAILY NEWS EXCLUSIVE

The move also would keep tolls steady at the MTA river crossings, including the Triborough, Whitestone, Throgs Neck and Verrazano bridges, and the Midtown and Battery tunnels.

For buses and subways, that would be the longest stretch without an increase since 1948, when fares doubled to 10 cents after 44 years at just a nickel.

Michael McKeon, Pataki's communications director, confirmed the governor's decision last night.

"At a time when we are trying to encourage people to come back downtown and to live and work in New York, the governor feels very strongly that this is not a time to even think about a fare hike," McKeon said. The MTA will receive "the resources necessary to ensure the gap is closed and we avoid a fare hike."

MTA Chairman Peter Kalikow said in October the MTA expected an operating budget gap of $800 million next year, due in large part to the damage and expenses from the Sept. 11 World Trade Center attacks.

MTA officials now believe the agency can reduce that gap to about $350 million without reducing service levels, sources said. It can shrink the gap largely through insurance payments and cost-cutting moves, such as a limited hiring freeze that exempts police, sources said.

The remaining $350 million shortfall would then be made up by the state.

Even before the attacks, the MTA was already projecting an operating deficit next year of $265 million, partly because of the slowing economy and reduced tax revenues.

The World Trade Center attacks will cost the MTA about $531 million — expenses from the rescue and recovery operation, the loss of subway and bus fares, as well as bridge and tunnel tolls and tax revenues, MTA officials have said.

The pledge to keep fares steady was cheered last night.

"That's great news at the end of a very tough year for transit riders and the system," said Gene Russianoff, staff attorney for the Straphangers Campaign, a rider advocacy group.

"Riders are reeling from the attack on the World Trade Center and hurting from the recession. If you want to encourage people to stay out of their cars and go on the transit system, the best thing you can do is keep the fare affordable," he said.

Although bus and subway fares are $1.50, MetroCard fare deals — including weekly unlimited-ride passes, free bus-to-subway transfers and other discounts enacted under Pataki — bring the average cost of a ride to just over $1.

CITY_21MC100_011834228

NYC-WTC_000415883