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IMMEDIATE

Statement By MTA Chairman Peter S. Kalikow Regarding Comptroller Letter To Straphanger Group

The State Comptroller, in a recent letter to the Straphangers Campaign, clearly acknowledges that the fare increase was indeed justified and is needed both this year and next. It represents a clear vindication of the MTA Board's March vote to increase fares and tolls.

The Comptroller, however, relies on broad assumptions in his analysis to reach overly optimistic conclusions. The Comptroller's reasoning that the fare can be discounted to \$1.75 for the next few months increasing to \$2.00 in January 2004, relies on possible "productivity savings", possible "potential resources" and a possible reversal of historical ridership trends. For example, with respect to the \$147 million identified by the Comptroller as surplus far too many of his possibilities must occur to reach this number.

In fact, in his April 2003 examination of MTA finances, the Comptroller warned that the MTA's reliance in 2004 on \$121.3 million in increased governmental assistance was risky. He stated, "In light of the fiscal constraints at the State and City level, the MTA should not expect an increase in governmental assistance and there is even a risk of a reduction in subsidies." Curiously, in order to support his recent proposal the Comptroller relies on the very budget possibilities that two months ago he rejected.

This type of budgeting is unwise, and if ever followed would place the future of New York's transportation network in great jeopardy.