Tolls v Buses Are Just Not Equal

It appears hard to equate improved and or new bus service to accepting tolls and even harder to accept any revenue measure that takes \$2 of very \$5 off the top. (See para. highlighted bottom of this page.)

http://www.nydailynews.com/news/2009/01/22/2009-01-22_albany_rolling_toward_mta_bailout_tax.html

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Albany rolling toward MTA bailout tax

BY GLENN BLAIN DAILY NEWS ALBANY BUREAU Thursday, January 22nd 2009, 8:06 PM

<u>ALBANY</u> - Senate Democrats are ready to support a new payroll tax to help rescue the <u>MTA</u>.

<u>Majority Leader Malcolm Smith</u>, who previously opposed imposing new taxes, said Democrats would support the proposed tax if the business community agrees to it.

"It's really the last thing we want to take a look at, however, this is a classic example, I think, of shared sacrifice," Smith said Thursday.

The tax of one-third of 1% is a key component of the financial bailout plan crafted by former <u>MTA Chairman Richard Ravitch</u>. It would affect payrolls in <u>New York City</u> and the other counties the MTA serves.

Smith noted that most business groups, including the <u>Partnership for New York City</u>, have expressed support for the tax. Ravitch's plan, which has the support of <u>Gov. Paterson</u>, is intended to plug the MTA's \$1.2 billion budget gap and head off draconian fare hikes and service cuts.

<u>Assembly Speaker Sheldon Silver</u>, a <u>Manhattan</u> Democrat, also favors the payroll tax, projected to generate \$1.5 billion a year. The fate of another component of Ravitch's plan - placing tolls on the East River and <u>Harlem River</u> bridges - remains uncertain.

Smith and other Democratic senators, who met with Ravitch at the Capitol yesterday, said they could support the tolls but want more information on how the money will benefit their districts.

Ravitch's plan calls for the money, about \$600 million a year, to be used to expand bus service in the MTA region.

Senators "will obviously be looking to see to what extent those transportation needs will be met," said <u>Sen. Bill Perkins (D-Harlem)</u>.

The new tolls are also a tough sell in the Assembly, especially among outer borough lawmakers who last year helped kill <u>Mayor Bloomberg</u>'s congestion pricing plan. "It's wildly unpopular," said Assemblyman Mike Gianaris, a <u>Queens</u> Democrat.

The Senate's Transportation Committee and the Corporations, Authorities and <u>Commissions</u> <u>Committee</u> will hold joint hearings on the Ravitch plan in the city in the next few weeks.