



Testimony of
Staten Island Chamber of Commerce President & CEO – Linda Baran
New York State Assembly Minority Steering Committee – Metropolitan
Commuter Transportation Mobility Tax
October 25, 2011, 10:00 a.m.

Good morning, my name is Linda Baran, President and CEO of the Staten Island Chamber of Commerce. On behalf of the Chamber and our 800 business members who employ over 20,000 people, I would like to thank you for the opportunity to address the Metropolitan Commuter Transportation Mobility Tax, otherwise known as the MTA Payroll Tax.

Where transportation is concerned, Staten Island is much more similar to the suburban areas surrounding the City than the other four boroughs. For proof of this fact, look no further than our mass transit infrastructure. The Bronx has six rail lines, Queens has 15, Brooklyn has 17 and Manhattan has a whopping 22 subway lines. Staten Island has a single train and is the only area within a 50 mile radius that does not have a rail link to Manhattan. This precludes Staten Island business from attracting employees from the other boroughs and forces residents to rely particularly heavily on express bus service (which the MTA threatens to cut time and time again). However, as evidenced by the fact that Staten Islanders are burdened with the longest commute times in the nation, even the bus alternative is a painful option. Why must our businesses pay the costs of infrastructure that almost exclusively benefits the other boroughs?

This point is underscored by the fact that Staten Island businesses and residents must pay multiple tolls to travel between Manhattan and Staten Island while residents of Brooklyn and Queens have the luxury of taking one of several subways, or driving across one of the untolled East River bridges to get to Manhattan. Although the Staten Island Ferry offers a no-cost alternative for residents, it is not a viable option for the majority of the Island.

I know that the MTA has serious internal issues and, like any other business, must streamline costs and operate more efficiently. However, not all of the blame can be laid at the feet of the MTA. The State Legislature's decision to dip into the MTA coffer to the tune of \$143 million in 2009 only exacerbated the MTA's financial woes. This "transit tax" money was collected specifically for the purpose of funding the MTA, but instead was diverted to the State's general fund. Staten Island businesses should not have to pay a tax that is not being used for the promised purpose and is not benefitting transportation on Staten Island. It is that simple.

It is incumbent upon the state legislature to oversee the MTA's funding sources, ensure the agency's solvency, and introduce transparency into the MTA's bookkeeping. Currently, the MTA receives dedicated revenue from seven different taxes and fees including the payroll tax,

property transfer taxes, MTA district sales tax, corporate franchise tax surcharge, corporate franchise taxes on transportation and telephone transmission, petroleum business taxes, motor fuel taxes and motor vehicle fees, and the MTA Aid Trust Account. The legislature must consolidate, simplify, and streamline the MTA's revenue streams so businesses and residents know exactly how much they are paying for their transportation system.

In 2006, the MTA promised a Bus Rapid Transit corridor on Hylan Boulevard. Since then the MTA has laid out at least 3 revisions, the most recent being simply "corridor transportation improvements," which by no means resembles BRT and we are still waiting for implementation. The agency is dragging its feet on completing the North Shore Alternatives Analysis, which is already a year behind schedule, and has not begun taking preliminary steps to prepare for the necessary Environmental Impact Study. Where is our return on investment?

The final point I want to make this morning is that the MTA Payroll Tax has failed. Purportedly, the tax would be used to improve and expand MTA infrastructure without the need for increased fares and tolls. The tax became effective for most businesses on March 1, 2009. Less than four months later, the MTA raised fares 12.5% and in 2010 raised tolls and increased single-ride fares. The reason for these increases? The payroll tax fell nearly 20% short of expected revenue. The legislature must repeal this flawed tax, roll up their sleeves, and find a funding solution that does not provide free bridge crossings to some while charging the highest tolls in the nation to others. This divide-and-conquer technique only serves to pit the outer boroughs against each other and ensure fewer transportation projects get funded. A sustainable and transparent revenue stream for the MTA will allow more projects, such as the North Shore rail, move forward.

The fact of the matter is that Staten Island businesses are footing the bill for this tax, yet their employees lack a viable option to commute locally. With increasingly thinner profit margins, this is not a cost these businesses can afford. A transportation system that adequately serves our community is vitally important to job growth. The Staten Island business community cannot continue to subsidize transit off Island and be left at a competitive disadvantage!

Thank you for taking the time to come out to Staten Island and hear first-hand how this tax is affecting our business community.