

# Bond Case Briefs

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## 'Existential Peril': Mass Transit Faces Huge Service Cuts Across U.S.

**Reeling from the pandemic, transit agencies are grappling with drastic reductions in ridership and pleading for help from Washington.**

In Boston, transit officials warned of ending weekend service on the commuter rail and shutting down the city's ferries. In Washington, weekend and late-night metro service would be eliminated and 19 of the system's 91 stations would close. In Atlanta, 70 of the city's 110 bus routes have already been suspended, a move that could become permanent.

And in New York City, home to the largest mass transportation system in North America, transit officials have unveiled a plan that could slash subway service by 40 percent and cut commuter rail service in half.

Across the United States, public transportation systems are confronting an extraordinary financial crisis set off by the pandemic, which has starved transit agencies of huge amounts of revenue and threatens to cripple service for years.

The profound cuts agencies are contemplating could hobble the recoveries of major cities from New York to Los Angeles and San Francisco, where reliable transit is a lifeline of the local economies.

Trains and buses carry the office workers, shoppers and tourists who will help revive stores, restaurants, cultural attractions, hotels and other key businesses that have been battered by the outbreak.

The financial collapse of transportation agencies would especially hurt minority and low-income riders who tend to be among the biggest users of subways and buses.

For months, transit officials around the country have pleaded for help from the federal government, but with no new lifeline forthcoming and many systems facing December deadlines to balance their budgets, agencies have started to outline doomsday service plans that would take effect next year.

A glimmer of hope emerged in recent days, when a bipartisan group of lawmakers in Congress proposed \$15 billion for public transit agencies as part of a \$908 billion framework for a pandemic-relief package.

The plan, which President-elect Joseph R. Biden Jr. has said he supports, would provide nearly half of the \$32 billion that transit leaders have lobbied for in recent months and that is intended to provide short-term relief.

But it has yet to be endorsed by Senator Mitch McConnell of Kentucky, the Republican majority leader, who has proposed a smaller stimulus plan that contains no financing for public transit. On Friday, Nancy Pelosi, the House speaker and a Democrat, expressed optimism that a compromise deal could be achieved before the end of the year.

Even if they receive some aid, transit agencies in some large cities have experienced such severe financial losses that officials say they will be forced to pare back service to save operating funds while serving riderships that are far below normal levels.

It is unclear whether ridership will ever fully return to pre-pandemic levels even after effective vaccines become widely available. Some commuters may end up working from home permanently; others may abandon public transit if cuts cause service to deteriorate.

“This is existential peril,” said Ben Fried, a spokesman for TransitCenter, an advocacy group.

“The economic rationale for cities is that people are in close proximity and can do a lot of things without spending a lot of time traveling from place to place,” Mr. Fried said. “If the transit network is seriously diminished in a dozen or so cities that are a focal point for a large share of the nation’s economic output, then that’s going to have severe impacts on the national economy.”

Since the pandemic swept across America in the spring, bringing urban life to a standstill and ushering in new work-from-home norms, nearly all of the sources of money that public transit relies on have been pummeled.

Ridership, and fare revenue along with it, vanished practically overnight after lockdown orders were enacted. As the economy slid into recession, the sales and income tax revenue used to finance many transit networks plunged. And cities and states sunk into their own financial crises, threatening government subsidies for public transit systems.

New York City’s transit agency, which is grappling with the biggest losses of any system in the country, forecasts a \$6.1 billion deficit next year. Officials in Boston are dealing with a \$600 million budget hole, and Chicago’s agency anticipates a \$500 million shortfall.

By September, nationwide ridership on mass transit had crept back to nearly 40 percent of its pre-pandemic levels from a low of 19 percent in April, according to the American Public Transportation Association, a lobbying group.

But the numbers have plateaued in recent weeks as the virus surges throughout the country, making this the longest and most severe period of suppressed ridership for any of the nation’s public transit systems.

In New York, ridership is at 30 percent of pre-pandemic levels, while on rail lines in Washington and San Francisco, it is below 15 percent of its usual levels.

“The effect on ridership in each of our agencies — subway, buses, Metro-North, Long Island Railroad — is dramatically worse than even in the Great Depression,” said Patrick J. Foye, chairman of the Metropolitan Transportation Authority, which runs New York City’s subway and buses and two commuter railroads.

Many big city systems rely on fare revenue more heavily than their counterparts in smaller cities and rural areas and have tended to get a smaller share of federal support relative to their size.

Fares contribute 70 percent of the operating budget in San Francisco, 40 percent in New York and Washington and about 33 percent in Boston.

There is no legislative text yet for the bipartisan proposal that Republican and Democratic Senators are now negotiating, nor are there specifics for how the transit aid would be divided among agencies.

“This is not limited to big, urban cities and states — lots of rural areas depend on buses that also get federal funding — so it has some degree of bipartisan support,” Senator Chuck Schumer of New York, the Democratic minority leader, said in an interview. “But there are some who have never wanted any federal help for mass transit and that’s who we are up against.”

The stimulus package that is being negotiated is likely to face opposition from some liberal lawmakers who consider it insufficient and some conservatives who are unwilling to add to the national debt.

“The real answer to the economic problems is to get rid of what causes the economic problems and they’re caused by economic dictates from governors that forbid commercial activity,” Senator Rand Paul, Republican of Kentucky, told reporters on Tuesday. “I’m not for borrowing any more money.”

When transit agencies have faced financial shortfalls in the past, they have typically turned to city and state governments or they have lobbied elected officials for new sources of revenue like dedicated taxes.

But many municipal and state governments are grappling with their own financial problems, forcing transit agencies to look to Washington.

“Unlike some other transit properties, we don’t have our own revenue source, we have two sources of revenue, it’s either the farebox or the subsidies from our local and state government,” said Paul J. Wiedefeld, the general manager of the Washington Metropolitan Area Transit Authority. “They are both under tremendous financial distress right now, so where do we turn?”

Many urban transit systems have exhausted the money they got from an earlier federal stimulus bill and have also imposed service cuts.

In New York, overnight subway service has been suspended since May. In Los Angeles, bus service has been slashed nearly 30 percent and rail service has also been cut. And the Bay Area Rapid Transit rail system in San Francisco has ended late night service and pushed wait times for trains from 15 to 30 minutes.

The cuts have helped stabilize operations and allowed them to continue providing at least limited service. But officials warn that the cutbacks could become permanent and that more could be added at the beginning of next year, a devastating prospect for the essential workers and low-wage riders who continue to rely on public transit.

Around 2.8 million American workers in essential industries like health care, grocery stores and pharmacies used public transit to get to work in 2018, according to an analysis of census data by the TransitCenter. That was 36 percent of all transit commuters in the U.S. work force that year, the group said.

“We have been the ones that have kept the economy of this country afloat because we do not have the luxury to work from home,” said Mayra Romero, 43, a restaurant worker in Boston who travels by bus from her home in nearby Chelsea, Mass. “We have been the ones who have been risking our lives and exposing ourselves.”

Margaret Dunn, who lives in Clinton, Md. and works at a hotel in Washington, used to work until midnight before she was laid off in March. Now, as she waits for a call to return to her job, she worries that service cuts could leave her with few travel options once her shift ends.

“We direly need some help.” she said, adding that she may have to rely on Uber or her husband to

drive her.

In Washington, transit officials say that if the system receives sufficient federal assistance they will revive service as much as possible to help coax riders back as vaccines are distributed and the cadence of normal life begins to return.

But in other cities, additional federal aid may not guarantee the return of service. In Boston, New York and San Francisco, transit officials have said they plan to recalibrate service to match what they expect to be long-lasting, depressed levels of ridership.

“With the first tranche of money we got, we immediately put it in place to plug the budget gap because there was so much uncertainty, but as a consequence that money will run out this fiscal year,” said Steve Poftak, the general manager of the Massachusetts Bay Transportation Authority, which serves the Boston area. “We want to do as much as we can in this period of low ridership so we have a reserve in place that we can apply to fiscal year 2022.”

“That’s been our approach,” he added. “Preserve our service now, but also keep an eye toward the future.”

Transit experts worry that with more cuts public transportation agencies could plunge into a “death spiral,” where increasingly unreliable service keeps riders away, pushing systems deeper into financial distress.

With public health officials expecting the distribution of vaccines to begin early next year, agencies could wind up cutting service just as riders return to their commutes.

“Transit is not going to be there for people at the exact moment they are ready for transit again,” said Nick Sifuentes, executive director of the Tri-State Transportation Campaign, an advocacy group. “We are looking at millions of people getting ready to head back to their workplaces and the thing they relied on to get there won’t be reliable anymore.”

## **The New York Times**

By Christina Goldbaum and Will Wright

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