METROPOLITAN DESK

The Return of the Subway Token Dance

By SAM ROBERTS (NYT) 1263 words
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A decade ago, George Fasel, a Bankers Trust vice president, discovered a quirky truism about New York City's subway fare: the cost of a ride roughly parallels the price of a slice of pizza. In the Brooklyn neighborhood that is home to Jay Walder, the Metropolitan Transportation Authority's executive director, pizza now sells for $1.50 a slice.

Whether that means the fare is about to rise is arguable, although virtually everyone involved agrees that the current $1.25 will not last much longer because of growing costs and shrinking city, state and Federal subsidies.

The question, then, is how much the fare will rise, and whether the increase will cover the cost of the proposed discount pricing system that would provide for free transfers between subways and buses.

One thing is certain: before any final decision is made on whether and how much to raise the fare, New Yorkers will be treated to the ritual finger-pointing and posturing over how much money the transit system should get from Albany and City Hall, with warnings of grave consequences for mass transit if the money is not forthcoming.

The M.T.A. had been projecting as far back as two years ago that the fare would rise to $1.50 this month, but with increasing ridership and the promise of subsidies from the state and city, the authority concluded that that increase could be put off for two years if the fare rose to $1.35 in July 1995.

But now, with budget cutting the dominant theme in Washington, Albany and City Hall, money that transit officials have long counted on may suddenly disappear, and the M.T.A. is warning that the fare will have to rise to $1.50 much sooner, if earlier promises of subsidies are not honored.

The M.T.A. says that in the most dire circumstances, the system could find itself in an $800 million hole.

Were riders to bear the full cost of operating the system and fill that $800 million gap, their tokens would cost roughly $2.50, a price that gourmet pizza lovers might stand for but that subway riders would not. As it is, riders now pay about 55 percent of the system's operating costs, a higher proportion than passengers pay on commuter railroads in the metropolitan area and on mass transit in other major American cities.

"There is no right or wrong answer to what level the fare should be," Mr. Walder said. "It's a public policy call."

The latest debate revolves around the Giuliani administration's refusal to reimburse the agency for rides by schoolchildren and its threat to withhold transit police money because the M.T.A. board has blocked a proposed merger with the New York City Police Department.

Mayor Rudolph W. Giuliani, frustrated with an agency that, like the Board of Education, is subsidized but not controlled by City Hall, replied characteristically that the M.T.A. should follow the city's example and cut bureaucratic fat before increasing the subway and bus fare.

Peter J. Powers, the First Deputy Mayor, said, "The burden is on them."

Transit officials counter that since 1990, their operating budget has actually increased more slowly than inflation because the work force is more efficient and executives have generally been more cost conscious.

"We have cut costs while improving the quality of service," said Peter E. Stangl, the M.T.A. chairman.

The M.T.A. argues that though cuts were made, its back is now against the wall with the prospect of reduced subsidies. And even the Giuliani administration, which contends that there is fat in the Transit Authority's budget, acknowledges that the price of a token is unlikely to hold fast even if that fat is sliced away.

Asked whether fares would rise this year, the city's budget director, Marc V. Shaw, said, "Given state and Federal actions, yes."

Conflicts between City Hall and transit officials have been more predictable than train schedules, from as early as the inaugural run of the Interborough Rapid Transit system in 1904. The indulgence of railroad executives quickly gave way to alarm when Mayor George B. McClellan refused to relinquish the controls during what was supposed to be a ceremonial appearance in a subway cab.

"I'm running this train," he declared.

In the 1920's, Mayor John F. Hylan's animus toward what later became the Brooklyn Rapid Transit Company encouraged him to create the city-owned Independent system, which often competed with, rather than complemented, the private lines.

While inflation devalued the nickel and the Depression decimated ridership, the five-cent fare remained politically sacrosanct for 44 years. In 1948, Mayor William O'Dwyer, his left flank shielded by the Transport Workers Union's realization that a higher fare would mean more money for higher wages, doubled the fare to a dime. In the subsequent 44 years, the fare was raised 11 times.

In the 1920's, as Clifton Hood writes in "722 Miles: The Building of the Subways and How They Transformed New York" (Simon & Schuster, 1993), the state kept control over existing lines to protect Republican patronage jobs; the city was empowered to build a municipally owned system, but only if, after three years, the fare would fully cover operating costs and debt. That caveat was later amended.

Even with government subsidies, the transit system fell into decay by the 1970's. That decline was reversed in the mid-1980's only as a result of an innovative partnership with other levels of government, devised by the M.T.A. chairman Richard Ravitch and aggressively applied by his successor, Robert R. Kiley.

Under the latest incarnation of that partnership, approved in 1993, the city was supposed to maintain its contributions. The state, which had already dedicated all or part of nearly a dozen taxes to pay for mass transit, kicked in with more. The partners had other problems, though.

Beginning under the Dinkins administration, the city pared its contribution for construction. Last summer, the city stopped the school pass reimbursement, discovering what City Hall insisted was a $100 million transit surplus but what M.T.A. officials characterized as a dividend to be reinvested to defray costs this year.

Then, the Mayor threatened to withhold $320 million a year from the transit police unless the M.T.A. agreed to the police merger.

Suggesting that transit officials ask the state to reimburse student transporation costs and that they capitulate on the merger issue, Mr. Shaw, the city budget director, said, "Both of our actions can be rationally explained as not leading to a fare increase unless they take certain actions."

Mr. Walder, the M.T.A.'s executive director, said: "We're not arguing that we don't expect to be part of the solution. The Mayor and Governor are right: there are more efficient ways of achieving our objectives, and we should challenge ourselves on that. But we should not lose sight of that objective: ridership growth with better service and pricing incentives."

Given the financial pressures on Mr. Giuliani and on Gov. George E. Pataki, who must submit his first budget Feb. 1 and is mulling a successor to Mr. Stangl, would cooperation rather than confrontation really generate more money for transit?

"The answer is, I don't know," Mr. Stangl said. "But I am naive enough to think that's the best way to go. Because for each of them to suggest that cutting significant amounts of money doesn't have consequences for the public is a bit unfair. To minimize the antagonism that is not in the public interest, someone has to take a leadership role, and the only one who can do that is the Governor."

Graph: "DOLLARS AND CENTS: Subway Fares and the Pizza Connection"

Subway fare increases have generally corresponded to the Consumer Price Index over time, but unscientific surveys have found a more startling correlation: between the price of a tken and the price of a pizza slice. While tha might portend an 10-cent increase in the price of a token, uncertainties like the political mood in Albany and mozzarella prices could undermine the correlation.

Graph compares the price of a subway token with a slice of pizza from 1950 through 1994. (Sources: Metropolitan Transportation Authority; Andrew Bellkucci, pizza expert and co-owner of Lombardi's Pizza in Soho)