



Written by [Bruce Walker](#) on October 26, 2011

New York Subway System May Stop Station Trash Pickup

The Metropolitan Transit Authority of New York, a state agency which controls the New York Transit Authority, has run the city's subways since 1965. (The two privately owned systems, the Brooklyn-Manhattan Transit Corporation [BMT] and the Interborough Rapid Transit Company [IRT] were bought by the city in 1940.) The mass of New Yorkers simply cannot get around their city without subways, and government owns the subways. The MTA is facing a budgetary crisis, and its director, Jay Walder, left several months ago after a \$10-billion capital shortfall was revealed.



How is the MTA going to handle this financial problem? The “amenities” offered to its customers are already scant. There are only 129 public restrooms for the 468 stations. Rats have become an extremely pressing problem in some MTA stations. Now New York is considering [removing all trash cans](#) from some of the subway platforms as a cost-saving measure.

This plan is already being tested at the Main Street Station on Number 7 line in Flushing, Queens, and at the Eighth Street N and R stations in Manhattan. If it succeeds, then it may be expanded to other stations. The no-bin experiment is being justified on the grounds that the MTA has more trash that it can handle. Crews remove 8,500 trash bags from MTA stations each day.

The authority optimistically believes that riders will get rid of trash before they get to the subway platform, but MTA riders at some stops have already reported seeing garbage simply pile up on platforms when there are no garbage cans. Gene Russianoff, a member of MTA riders' organization Straphangers Campaign, remarked: "NYC Transit doesn't have the money to keep stations clean. So even a ridiculous idea sounds good to them."

State Comptroller Thomas DiNapoli recently issued a “red alert” warning that the current operational budget shortfall, which is \$900 million, will jump to a \$2.1-billion operational budget shortfall by 2014 — in spite of three fare hikes in two years as well as cuts in service.

This is not news. On October 28, 2004, State Comptroller Alvin Hevesi announced that the MTA was not producing financial plans as required by law, and that the authority was keeping relevant information about its operations from elected officials and the public. The report also revealed specific examples of waste and inefficiency in operations. Nothing happened.

What is the problem? The pay for MTA workers is substantial, even in a city such as New York with a high cost of living. There were over 8,000 workers last year who earned over \$100,000 per year. Laying off workers is difficult because Transit Workers Union Local 100, which represents MTA workers, protects their jobs and it also haggles about organizational changes and shift in work assignments and keeps the pension and benefit package for its members high. The MTA itself is a municipal bureaucracy with a captive customer base, so it is not responsive to market changes.



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Does it have to be that way? New York is a crowded city which needs to move lots of people around every day; however, another city very similar in many ways to New York has found a way to run a profitable and efficient subway — Hong Kong. The difference is that the subway system in Hong Kong has been partially privatized. Investors can and do buy shares of stock in the company. Predictable consequences result: The subways are clean and they run on time. Private investors avoid businesses which provide poor goods and services or that have sloppy management or rapacious unions, but they are glad to invest in well-run businesses producing a profit.

The situation in New York with the MTA is, in many ways, the “perfect storm.” The authority itself is insulated from voters by a system of recommendation appointments. Some members are selected by the Governor, some by the Mayor, some by unions, some by various county governments. This diffused authority makes it hard to place blame on the incompetent or corrupt officials (mob subornation of authority activity has been one of the myriad problems it faces). There are no stockholders who can dump their investments and drive down the value of held stock. The authority has a government monopoly on operations: No other subway can operate in New York (except for the PATH [Port Authority Trans Hudson] trains running under the Hudson and a small section of Manhattan’s lower West Side which are operated by the Port Authority of New York and New Jersey). And there are public-employees unions, which are politically active, to press for more pay, more job security, and more benefits for their members.

It is the ordinary New Yorker who ends up paying for the filthy, rat-ridden stops, the threats of strikes that have shut down the city in the past, and the increasingly higher fares for the middle class and poor New Yorker. The “tax” on these folks who cannot travel around Manhattan in a limo is regressive, but those champions of the poor and middle class do not offer real solutions, like privatization, but only more government involvement and more audits that seem to be generally ignored.



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