



NYPIRG

Straphangers Campaign

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News Release

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Q. WHO OWES MORE: ICELAND? PANAMA? OR THE MTA? A. THE MTA AND ITS \$34 BILLION DEBT

MTA HAS MORE DEBT THAN THOSE TWO NATIONS COMBINED; MTA'S IOU BIGGER THAN NATIONAL DEBT OF 30 COUNTRIES

WILL ALBANY MAKE THE MTA BORROW EVEN MORE? THAT WOULD MEAN HIGHER FARES AND LESS SERVICE

The NYPIRG Straphangers Campaign today released a comparison between how much the MTA has had to borrow to fix the transit system and the national debt for foreign countries.

Since 1982, the MTA has issued \$34.1 billion in outstanding debt in support of its vital series of five-years capital plans. Coupled with other sources of funding, the MTA has been able spend a total of \$105 billion on buying thousands of new trains and buses, overhauling hundreds of stations and replacing hundreds of miles of track and signals.

The Campaign said there were at least 30 countries worldwide with national debt less than \$34 billion, as measured by *The Economist*, a London-based magazine published since 1843. (See Table One.)

For example, in 2015, Iceland's national debt is pegged at \$14.5 billion, while Panama owed \$16.1 billion. Added together, the national debt for those two countries is smaller than the \$34.1 billion that the MTA has racked up. (See http://www.economist.com/content/global_debt_clock.)

In 2015, the MTA will spend \$2.2 billion in annual "debt service" to pay off the outstanding bonds, which is 17% of the MTA's \$13.5 billion operating budget in 2015.

Albany is currently debating the fate of the MTA's proposed 2015-2019 Capital Program. While MTA bonds are sometimes backed by streams of real revenue, most times these borrowings have only come with a promise to raise fares if needed to pay bond holders.

"Heavy reliance on borrowing to fix transit is crushing riders like a packed subway car at rush hour," said Gene Russianoff, attorney for the Straphangers Campaign, a transit riders group.

Russianoff said that although countries may use differing definitions in calculating national debt, a general comparison did convey the magnitude of the MTA's borrowing.

TABLE ONE

THIRTY NATIONS WITH SMALLER NATIONAL DEBT THAN MTA'S \$34.1 BILLION DEBT LOAD*

MTA Debt	\$34.1
Syria	\$30.1
Cuba	\$28.9
Costa Rica	\$27.4
Serbia	\$26.3
Angola	\$25.5
Uruguay	\$24.8
Ethiopia	\$24.2
Chile	\$24.0
Ecuador	\$23.3
Dominican Republic	\$23.2
Jordan	\$22.9
Jamaica	\$22.3
Yemen	\$21.5
Kenya	\$22.0
Slovenia	\$19.6
Guatemala	\$19.2
Cyprus	\$19.1
Ghana	\$18.0
Lithuania	\$16.3
Panama	\$16.1
Algeria	\$15.7
El Salvador	\$14.8
Iceland	\$14.5
Bahrain	\$14.0
Cote d'Ivoire	\$13.3
Trinidad and Tobago	\$13.0
Latvia	\$13.0
Tanzania	\$12.5
Luxembourg	\$10.9
Bolivia	\$10.4

*Nations with less than \$10 billion in debt, of which we found 25, were excluded from this comparison as we felt this was a fair cut-off.

Sources: http://web.mta.info/mta/investor/pdf/2015/debt_outstanding.pdf
http://www.economist.com/content/global_debt_clock as of 02/10/15