



News from the Fiscal Policy Institute

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New report:

www.fiscalspolicy.org/WhitePaper_BuildingTheFutureThroughMassTransitInvestments.pdf

New Group Calls for Boosting New York Mass Transit Manufacturing: Enhanced MTA Investments Could Create Good Jobs and Bolster New York's Recovery

While unemployment news remains bleak across the state and country, there are real opportunities to create more jobs and business development geared to capital spending by the Metropolitan Transportation Authority (MTA). That's the message of a white paper, "Building New York's Future: Creating Jobs and Business Opportunities Through Mass Transit Investment," released by a new group, Building New York's Future, in connection with a well-attended leadership conference held September 27 at the Brooklyn Navy Yard.

The conference was sponsored by major transportation unions, the national Blue Green Alliance, the New York Apollo Alliance, the Fiscal Policy Institute (FPI), and good jobs and transportation equity organizations. The report was presented and discussed at the conference. Conference participants included John Porcari, Deputy Secretary of the U.S. Department of Transportation; Congressman Jerrold Nadler; Jared Bernstein, Senior Fellow of the Center for Budget and Policy Priorities and former Chief Economist to Vice President Biden; Charles Monheim, Chief Operating Officer of the MTA; NYC Deputy Mayor Robert Steel; Larry Hanley, President of the Amalgamated Transit Union; John Samuelson, President of the Transport Workers Union Local 100; and Chuck Wochele, Vice President of Industry and Government Relations for Alstom Transportation, one of the largest transit manufacturers in the U.S. with two plants in New York State.

The report, which was authored by Brian Lombardozzi of the Blue-Green Alliance, Timothy Mathews of Transport Workers Union Local 100 and James Parrott of the Fiscal Policy Institute, points to the benefits of a mass transit investment strategy that would both enhance sorely needed mass transit infrastructure, and provide good jobs in both upstate and downstate communities by investing in New York's manufacturing sector.

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Over the last decade New York State has lost 220,000 jobs in the manufacturing industry. These were good jobs, with wages and benefits capable of sustaining families. Building the manufacturing sector also strengthens the economy, since, much more than most sectors, manufacturing contributes to sustainable growth and supports entrepreneurship, technological innovation and productivity improvements.

The good news? New York State is centrally positioned in the Northeast's rail corridor, is home to the largest public transportation system in the United States, and has the largest base of transit-related manufacturing firms in the U.S. with many factories upstate, including Alstom's plants in Hornell and West Henrietta near Rochester. Enhanced and more consistent investments in passenger and transit rail could further expand New York's transit manufacturing capacity. At the same time, more concerted efforts to work with the MTA and its major suppliers could boost in-state procurement and with it, jobs and businesses in New York State producing equipment and services needed by the MTA.

James Parrott, the Fiscal Policy Institute's Deputy Director and Chief Economist, said, "These are exciting and complex opportunities. Building New York's Future is committed to working closely with existing civic-labor-business-environment-community coalition efforts in New York and nationally. We want to keep the focus on exploiting MTA procurement opportunities, creating supportive state and local economic development investments, fostering skills of New York workers, and increasing state and national investments in our mass transit infrastructure."

The paper highlights three major objectives that are being pursued by the Building New York's Future group:

- Develop and implement a mass transit-related economic development strategy that creates middle class jobs and fosters business development in New York State through transportation-related manufacturing;
- Build political commitment to the strategy on the part of state and local elected officials and regional economic development councils in New York State
- Promote adequate funding for the MTA and New York State's other transit authorities' capital and operating budgets, and for national mass transit infrastructure, and promote adequate, sustainable funding for advanced manufacturing investments.

In a [posting on the White House website discussing the September 27 conference](#) and the transit manufacturing strategy, John Porcari, Deputy Secretary of Transportation, said, "Transit literally connects people with opportunities. It connects them to jobs, to school, to the grocery store. It connects customers to businesses. For many Americans and American businesses, it's an absolute lifeline. But in many places, that lifeline is crumbling." Noting that the country's major transit systems were built and paid for by our parents and grandparents, Porcari said that President Obama's proposed American Jobs Act would provide \$9 billion for thousands of jobs repairing bus and rail transit systems.

The transit manufacturing white paper is available at:

www.fiscalpolicy.org/WhitePaper_BuildingTheFutureThroughMassTransitInvestments.pdf.

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