



MTA TAXPAYER ABUSE

Motivation for MTA Payroll Tax Lawsuit

I am the President of Hampton Luxury Liner and Classic Coach located in Bohemia on Long Island. I am outraged that I am forced to subsidize my competitors, the LIRR and the Metro North, owned by the MTA, with this illegal unconstitutional Payroll Tax to bail out the MTA.

Hampton Luxury Liner is a unique luxury commuter coach operating scheduled service from NYC. When we run to the Hamptons we compete with the LIRR. When we run to Woodbury Common Premium Outlets we compete with Metro North. On our Hamptons run, our promotional fare is 15% less than the MTA, our service is far superior, and we remain profitable, and pay taxes. Why should I be forced to subsidize my government funded competitor who is a tax drain.

I got started in the transportation business with Classic Coach in 1976. I purchased Hampton Luxury Liner 11 months ago in February 2009. I then invested millions of dollars in Hampton Luxury Liner. Hampton Luxury Liner is better for the environment than the LIRR as trains give off 2.5 times more carbon than a motorcoach. Hampton Luxury Liner is good for the economy. We hired 30 motorcoach drivers in spite of the recession. The MTA is bad for the economy with absurd high salaries for its 78,000 employees causing inflationary pressures and wasting taxpayer money. Paying \$283,000 for a LIRR car repairman and \$241,000 for a LIRR conductor plus they both could get a \$10,000/month pension - is beyond the pale. A more detailed analysis of the excessive MTA salaries is in the lawsuit.

I am the proto-typical entrepreneur. I love my business despite its low profit margins and have been willing to take tremendous personal risk to support the cash flow needs of the business. Since 1976 I have mortgaged my house a total of 12 times to generate cash for the business. At one time when things were dark, I actually had a third mortgage at 23% on my house. I was willing to take a risk with my house but I am not willing to take a risk with the MTA.

When is enough, enough? The MTA is the most fiscally irresponsible organization in New York State. In 2008 the MTA cost NYS taxpayers a total of \$13.5 billion composed of \$5.9 billion in its absurd overpriced service fees, tolls, fares, etc.. plus \$7.6 billion in additional taxes and subsidies from NYS taxpayers. And now they want an additional \$1.8 billion with the new Payroll Tax. NYS Taxpayers will now be subsidizing the MTA on top of their fares a total of \$9.4 billion.

There are 800 authorities in NYS. The MTA is the best example of NYS government at its absolute worst. The MTA bailout is illegal and unconstitutional. The authority concept is a failed business model that no bailout can save. Enough is enough - starting right now. That's what this lawsuit is all about.

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