



Testimony to the New York City Traffic Mitigation Commission

Public Hearing at Hunter College, Manhattan

October 25, 2007

by

Jeffrey M. Zupan, Senior Fellow for Transportation

Good evening. My name is Jeffrey Zupan. I am Senior Fellow for Transportation for Regional Plan Association, a private, nonprofit research and planning organization serving the New York – New Jersey – Connecticut metropolitan region. We appreciate this opportunity to testify. My testimony will cover three basic topics: why alternative proposals to congestion pricing are not effective, why congestion pricing is most beneficial to low and moderate-income New Yorkers, and some suggestions that could improve the program's effectiveness.

RPA has advocated for some form of congestion pricing for the last 35 years. The program as proposed now would address two critical and seemingly intractable problems – vehicle traffic congestion and funding the public transit system which must continually be rebuilt, upgraded and expanded. I will not belabor these points as both supporters and opponents of congestion charging are largely in agreement that traffic congestion costs our Region billions of dollars in lost time and productivity and something must be done.

The good news is the City and Region are growing – in large part because we do not function solely using the automobile, but have our extensive system of public transit. For the first time in 70 years we are meeting this growth with plans to expand our transit system -- the Second Avenue Subway, LIRR East Side Access, a new commuter rail tunnel under the Hudson, and many more projects that were on the shelf while we first targeted system maintenance as a priority.

Alternatives

Without congestion pricing, it is difficult to see where revenue would come from to complete these important projects. None of the alternatives that have been proposed for congestion pricing, such as improved traffic enforcement or increased parking fees, would produce nearly the amount of revenue as the pilot program, or be as effective in reducing congestion.

I have attached our critique of the set of alternatives put forth by congestion pricing opponents. These proposals overstate both their traffic reduction impact and their revenue potential. Many of these estimates are speculative, and the costs and difficulties of implementation are largely

unaddressed. More importantly, nearly all of these would be far more effective if implemented in combination with congestion pricing.

For example, proposals to increase fines for traffic enforcement and ticketing for blocking intersections could be helpful complements to congestion pricing. But if they are successful in reducing traffic violations, then the number of tickets and the revenue generated will also decline. Therefore, the opponents' estimates of ongoing revenue, which are speculative in any case, are unrealistic.

Similarly, these alternatives include increased tolls on MTA and Port Authority bridges and tunnels. However, this includes expected increases in PA and MTA tolls that cover rising operating, maintenance and debt service costs rather than the new revenue for state of good repair and system expansion that CP would generate. It also means there will be even greater pressure to raise tolls on the MTA's bridges and tunnels across the East River, exacerbating the inequities between those who now pay to drive into Manhattan and those who do not and making congestion even worse in neighborhoods leading to the free crossings.

Other proposals are based on hypothetical scenarios rather than informed estimates, and fail to account for any costs associated with putting them in place.

Fairness

The question of who pays is critical, and it is important that the program be fair as well as effective. In fact, the congestion pricing pilot program will reduce inequities and benefit low and moderate-income New Yorkers to an even greater degree than high-income residents. From each of the boroughs and from the suburbs, US Census data tells us that the share of commuters who will pay will be low and the share still lower for those with lower incomes.

For example, among Brooklyn workers, only 2.9 percent in the lowest income category travel to Manhattan by car, compared to 6.5 percent of Brooklyn workers in the highest income category; for Queens, only 5 percent of the lowest income workers drive, and 9.5 percent of the highest income category. (Attached are a set of charts showing auto ridership by income for each borough and suburban area.)

And these estimates overstate the impact in two ways. First, many of those recorded in the Census data include those driving to Manhattan north of the proposed charging zone. Second, because bridge and tunnel tolls could be deducted from the congestion charge, many of those who drive to Manhattan would pay no more than they do already. Therefore, the number of people in all income categories will be even smaller than these data suggest.

Enhanced Congestion Pricing

There are certainly many questions that the Commission needs to address. In September, the Campaign for New York's Future, of which RPA is a member, submitted a letter to the Commission outlining what we believe needs to be on that research agenda (see attached). Regional Plan Association believes that there are a number of options that could emerge from

this research that could improve the current proposal. In particular, we recommend that the Commission take a close look at the following:

- Adjusting the northern boundary of the zone, making it closer to 60th Street, where Manhattan's Central Business District begins. While this requires further analysis, it would focus the congestion zone on the part of Manhattan with the most intense commercial development.
- Eliminating the \$4 internal congestion charge for traveling within the zone. This would eliminate the confusion of when and how very short trips would be charged, such as moving your car for alternate side parking. It would significantly reduce the cost of implementation by reducing the number of gantries and amount of monitoring equipment that would be needed.
- Varying the charge by time of day. For example, by charging more during the morning and afternoon rush hours and less at midday, or a lower charge at the shoulders of the peak period, it is possible to reduce congestion when it is most intense and even out traffic flows at times around the 6 AM and 6 PM start and end times.
- Rethinking the exemptions for through trips and taxis. These could add to both the congestion relief and revenue enhancement aspects of the plan.

While we urge you to take a serious look at these questions and suggestions about implementation, they should not deflect from the urgent need to enact the pilot program. We have a rare window of opportunity to finally begin to seriously address the problem of traffic congestion, and should not let it slip through our fingers.



**Comments by
Jeffrey M. Zupan, Senior Fellow for Transportation
October 15, 2007**

on

**“Alternative Approaches to Traffic Congestion Mitigation in the Manhattan Central Business District (October 2007)”
by Keep New York Congestion Tax Free**

This report argues for a set of 13 proposals that could reduce vehicles miles traveled and congestion by as much or more than PlaNYC’s proposed congestion pricing pilot program. While many of these measures are worthwhile, the report overstates both their traffic reduction impact and their revenue potential. Many of these estimates are speculative, and the costs and difficulties of implementation are largely unaddressed. More importantly, nearly all of these would be far more effective if implemented in combination with congestion pricing. The following comments address the specific proposals in the report.

Meter 10,000 now free on-street spaces and charge double the current rate: The report estimates that this action would reduce vehicle miles traveled (VMT) by 1.8 to 2.4 percent and increase revenues by \$80 to \$100 million per year. The report indicates that a 1995 study found that cruising for on-street parking accounts for 15 percent of VMT in west midtown during midday, and they extrapolate this to all day for all of the charging zone, an unsupported assumption. The revenue assumptions are equivalent to each parking space being used fully for 13 hours each weekday, which may be overly optimistic. They do not account for the added cost of meter installation, enforcement, and administration. Conclusion: Traffic impacts are conjectural and net revenue gains are likely to be too high.

Reforming placard use: The report indicates such reform could lead to reductions of “perhaps 2 to 3 percent” and add \$50 to \$60 million in revenues. They cite Bruce Schaller’s reports on the subject. There are three problems with their analysis. First, they rely on a hypothetical example by Schaller of a 14,000 reduction in cars driven by government employees, i.e. a “what if” not an estimate. But they also say that a review to identify which workers should receive (or keep) placards must be done. There is no certainty that the resulting review would eliminate 14,000 workers from the placard pool.

Second, they assume that each worker travels 4 to 5 miles per day within the zone, which is much too high since most of the workers are destined for Lower Manhattan and the vast majority are likely to cross into the zone across the nearby East River, and if they do come from the north use the FDR Drive or West Street. Third, the report takes credit for added revenue as former placard users switch to on-street meters. This assumption is flawed in two respects: a) it cannot assume that these workers would continue to drive and switch to on-street meters, as many may switch to public transit or off-street parking, and b) the added revenue has already been counted in the on-street meter proposal discussed above. Conclusion: Both the VMT reductions and revenue potential are likely to be much lower than estimated in the report and implementation will be difficult.

Reduction in taxi cruising: This action is estimated to reduce VMT by “perhaps 2 to 3 percent.” No revenue potential is assumed. They target a goal of 50 additional cab stands to accomplish this, but do not discuss locations or the difficulty in finding locations where it can make sense from a traffic impact perspective. The report states that cruising accounts for 13 percent of VMT and takes credit for reductions in cruising by 10 to 20 percent, not out of line IF you could install 50 cab stands. Conclusion: Ability to implement is unproven.

Higher taxi fares: A \$3 surcharge for trips starting or ending in the zone is suggested, which is estimated to reduce VMT by 1.5 percent. The report points out that taxis are excluded from the current congestion pricing (CP) plan. No revenue gain is assumed for the City. In effect, this is a policy that could also be effectuated through congestion pricing by eliminating or reducing the taxi exemption. There is no discussion of the City’s argument that this could have negative economic impacts, or the political difficulty of getting it enacted. Conclusion: This measure, if included as part of the City’s congestion pricing plan, would increase the revenue potential to be directed toward public transit.

Higher and variable tolls on existing tolls facilities: The report’s proposal is estimated to reduce VMTs by 1.5 percent and bring in \$195 million per year. The assumption about these tolls increase is that the added revenue is a substitute for the revenue achieved by the congestion pricing proposal. However, it tries to take credit for expected increases in PA and MTA tolls that have to be made in any case to cover rising operating, maintenance and debt service costs rather than the new money for state of good repair and system expansion that CP would generate. So the revenue cannot be counted as a replacement for congestion pricing revenue. It does raise the unanswered question of whether the CP charge will increase along with tolls.

This proposal also highlights the inequities and inefficiencies of the current system, flaws that congestion pricing would correct. The increase of tolls on current facilities while leaving other entry points free places the entire financial burden on only a portion of drivers entering the CBD. It will also exacerbate congestion in neighborhoods leading to

the free crossings as drivers seek to avoid higher tolls. Variable tolls would also be far more effective when combined with congestion pricing. In fact, a study commissioned by the Tri-State Transportation Campaign in August found the largest time saving benefits would be realized if MTA instituted a value pricing program consistent with PlaNYC's proposed congestion pricing plan. Conclusion: Periodic toll increases cannot be seen as a substitute for congestion pricing, and in the absence of it would be inequitable and lead to more traffic problems, especially in Brooklyn and Queens, not less. Variable pricing is an effective tool that should be implemented along with congestion pricing.

Two-way truck tolls on the VN Bridge are estimated to reduce VMT by 0.1 to 0.2 percent and add \$10 million in revenue. These estimates are small and conjectural and the proposal, no matter how sound, will and has received tremendous resistance from Staten Island. Conclusion: This proposal, although a sound one is largely irrelevant as part of a substitute for the City's Plan.

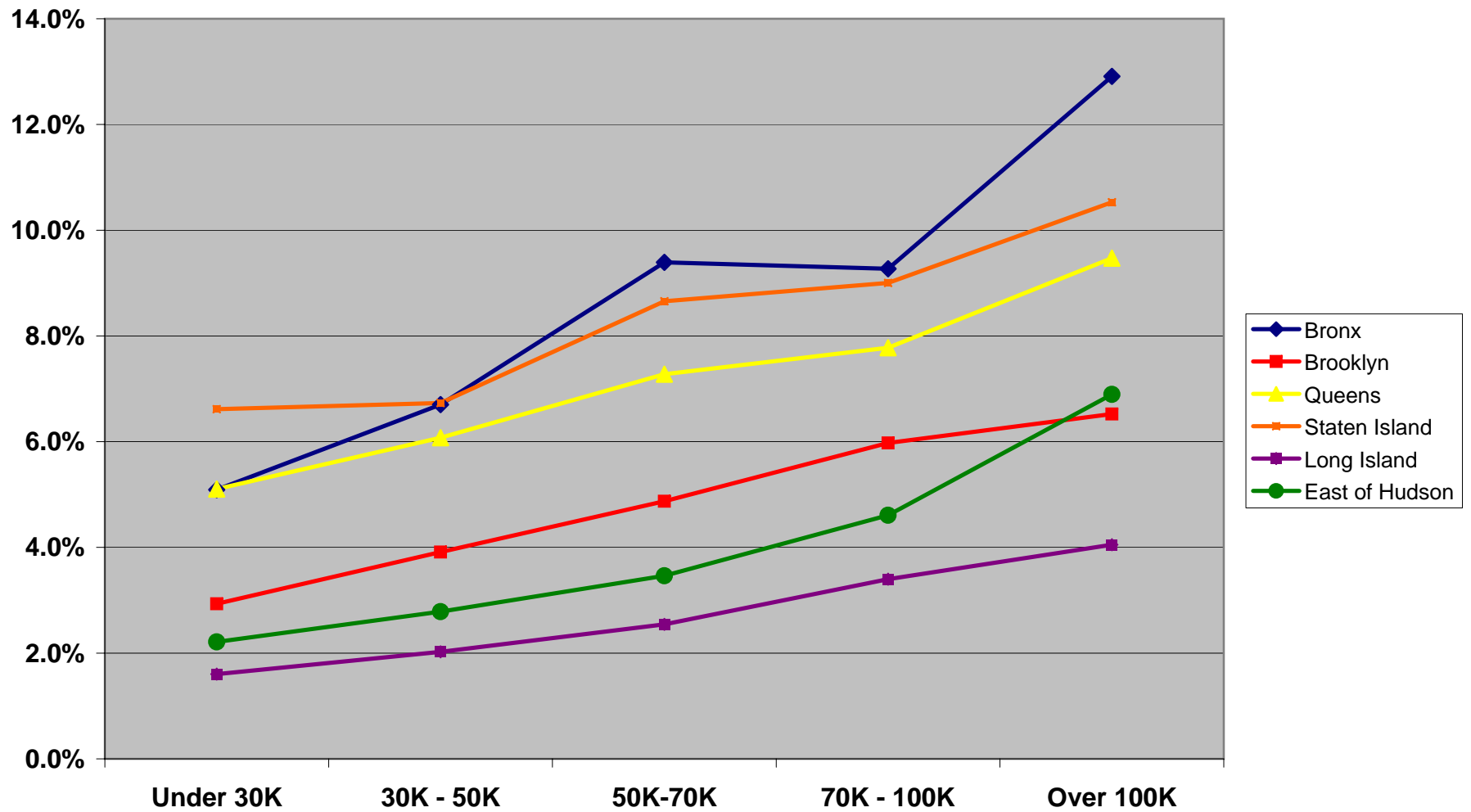
Increased fines from traffic enforcement are estimated to gain from \$75 million to \$150 million in revenue annually. At the proposed fine levels, this would require an average of 6,000 summons a day. It would be useful to know how much of an increase in summons that represents. The estimates are conjectural and the cost of issuing these summonses is not accounted for. If successful in reducing violations, which is not ensured, the revenues would diminish over time. One cannot take credit for both traffic gains and sustained revenue gains from enforcement measures. Conclusion: In the absence of more analysis, it appears that the revenue estimates are overstated and the enforcement costs understated.

Block the box ticketing is proposed and estimated to gain \$15 or to \$25 million in revenue based on 300 to 500 additional summons daily. This is highly conjectural, but like other traffic enforcement measures that issue summonses, even should the program be successful in reducing block the box violations, the revenue gains would diminish over time. Conclusion: The revenue gains are likely to be overstated.

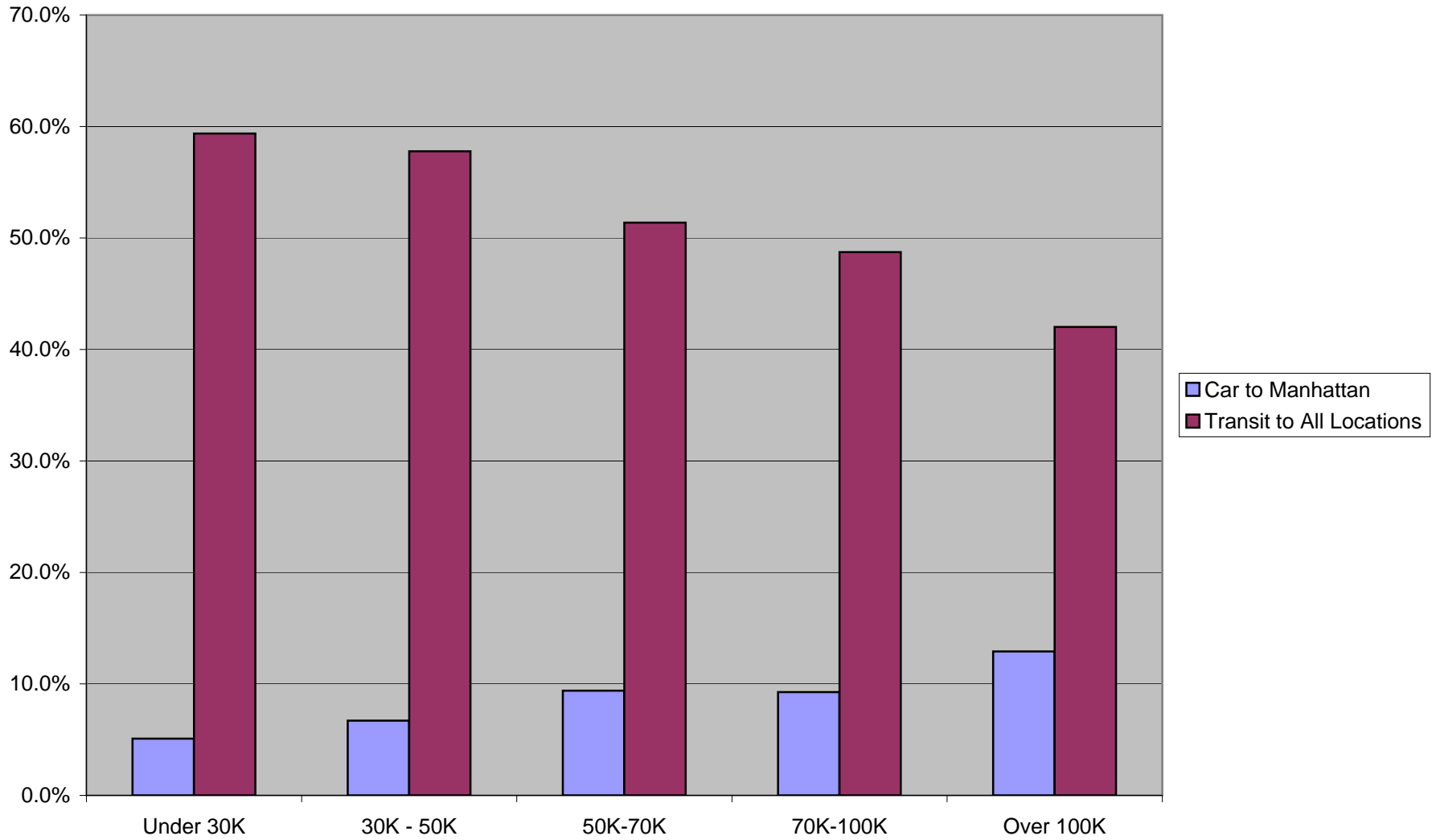
Black car enforcement measures, construction project regulations, traffic signal upgrades, and implementing 511 are proposed but all traffic gains are conjectural and revenue gains, if any, are modest. Conclusion: These measures are useful complements to the City's CP plan, but traffic and revenue benefits are conjectural and modest.

Added bus and ferry services are assumed to attract 5,000 auto commuters, but this estimated is highly conjectural and unlikely; there will be no financial incentive for drivers to shift, as there is with the congestion pricing plan. The shift is presented as hypothetical and none of the net added costs associated with these new services are accounted for. Conclusion: The traffic benefits are conjectural and the net revenues are likely to be exceeded by the costs to implement.

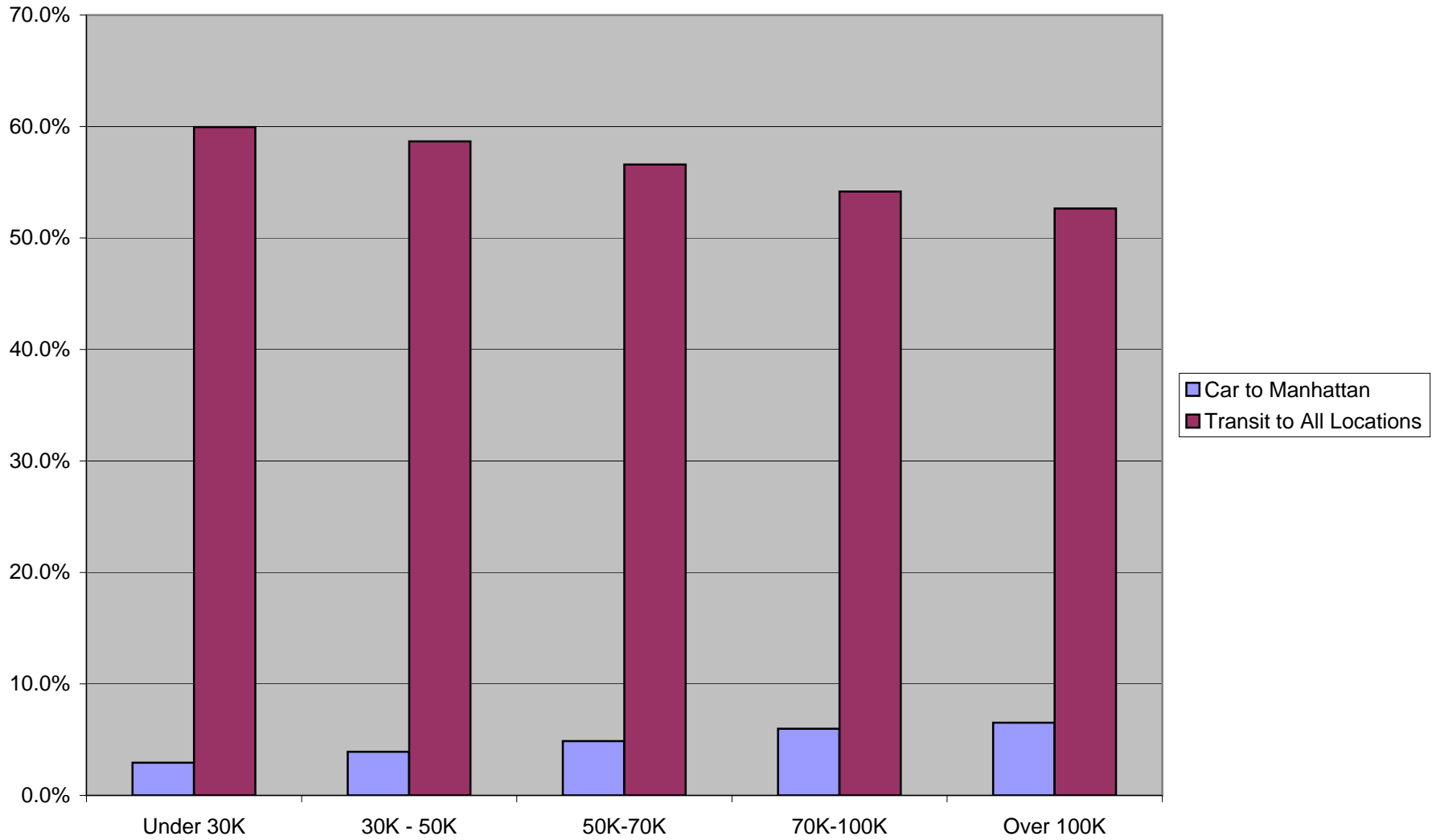
As Income Rises, Likelihood of Driving Into Manhattan Increases No Matter Where You Live



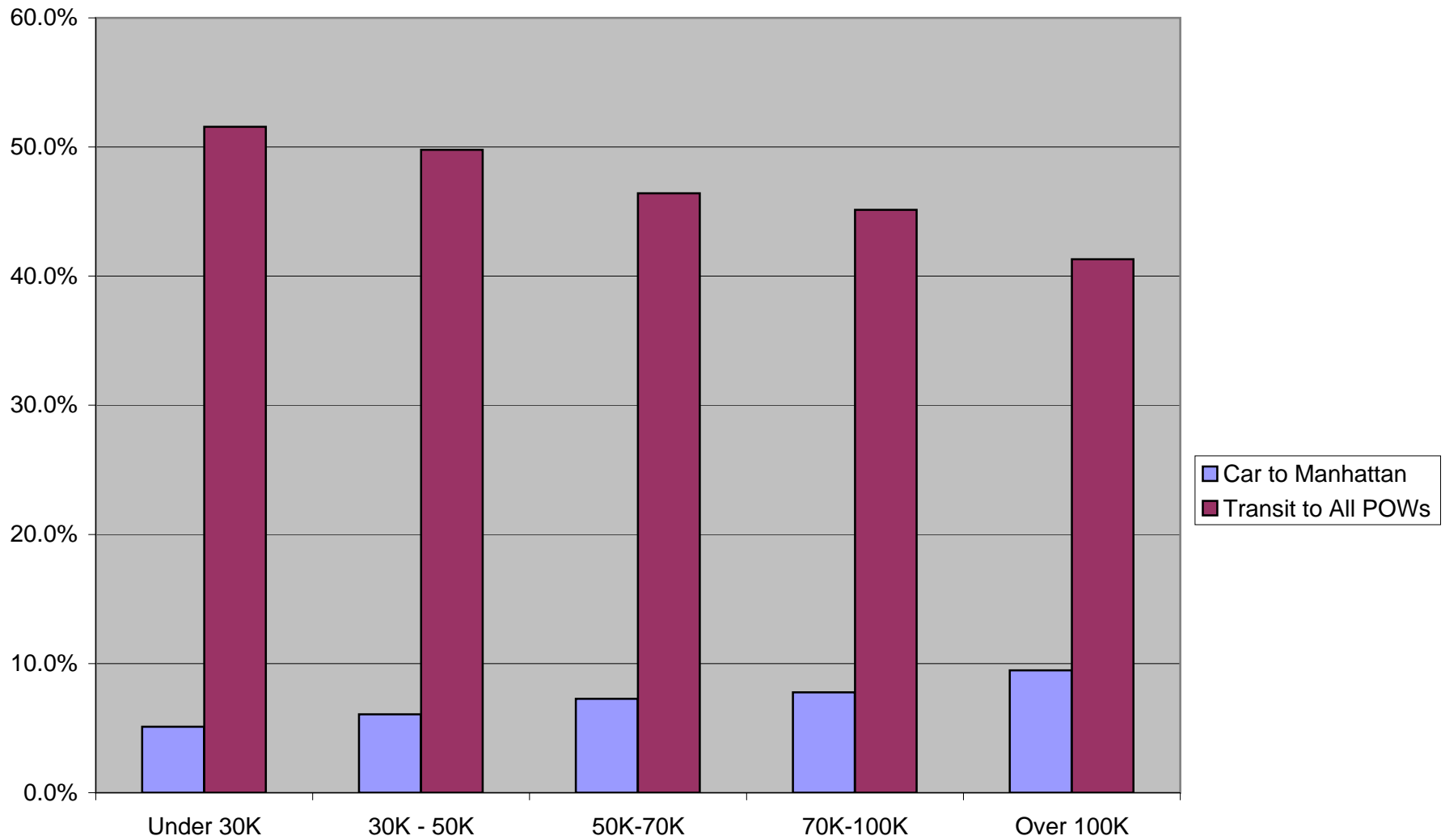
Bronx Commuters by Income 2000



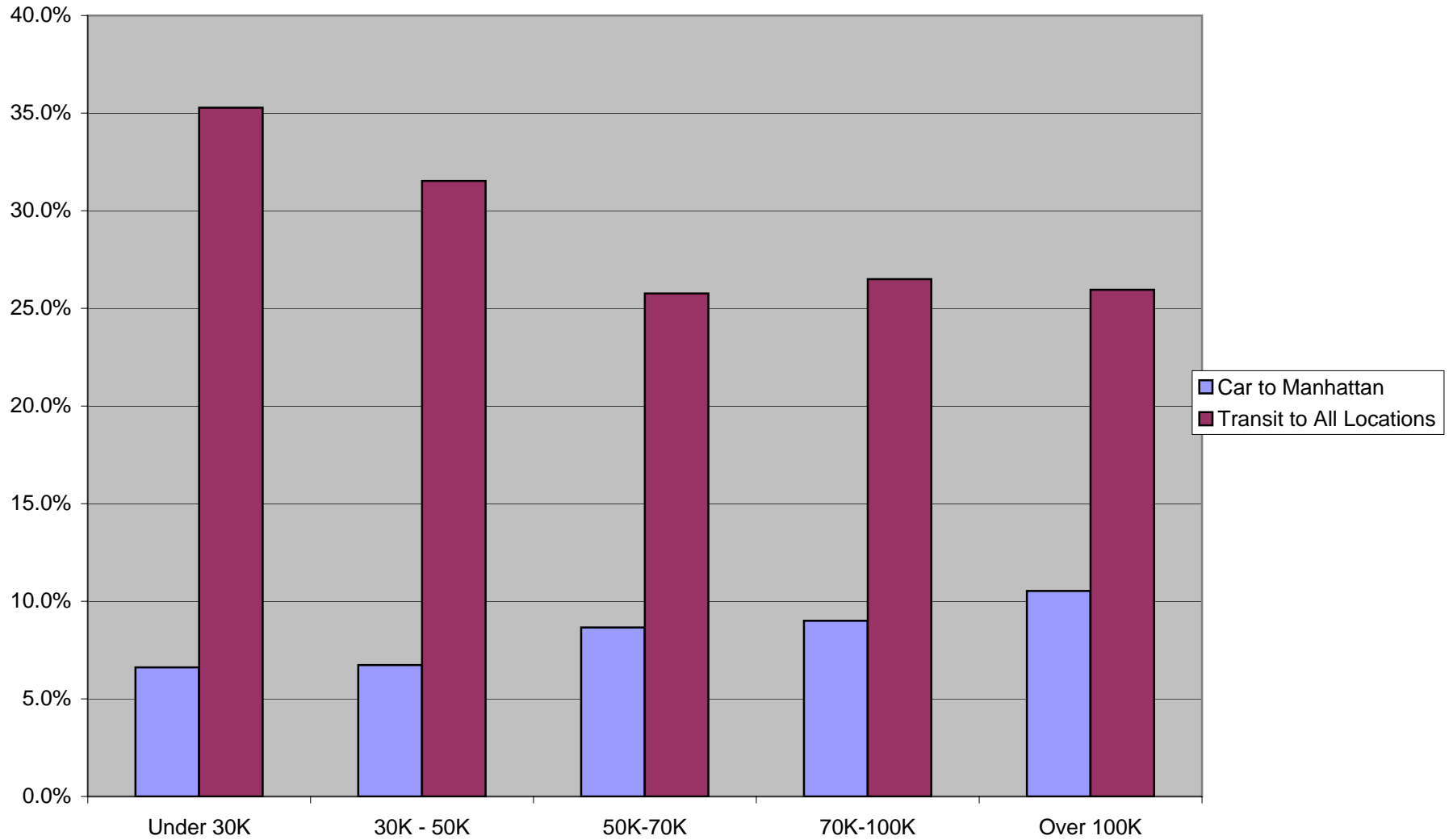
Brooklyn Commuters by Income, 2000



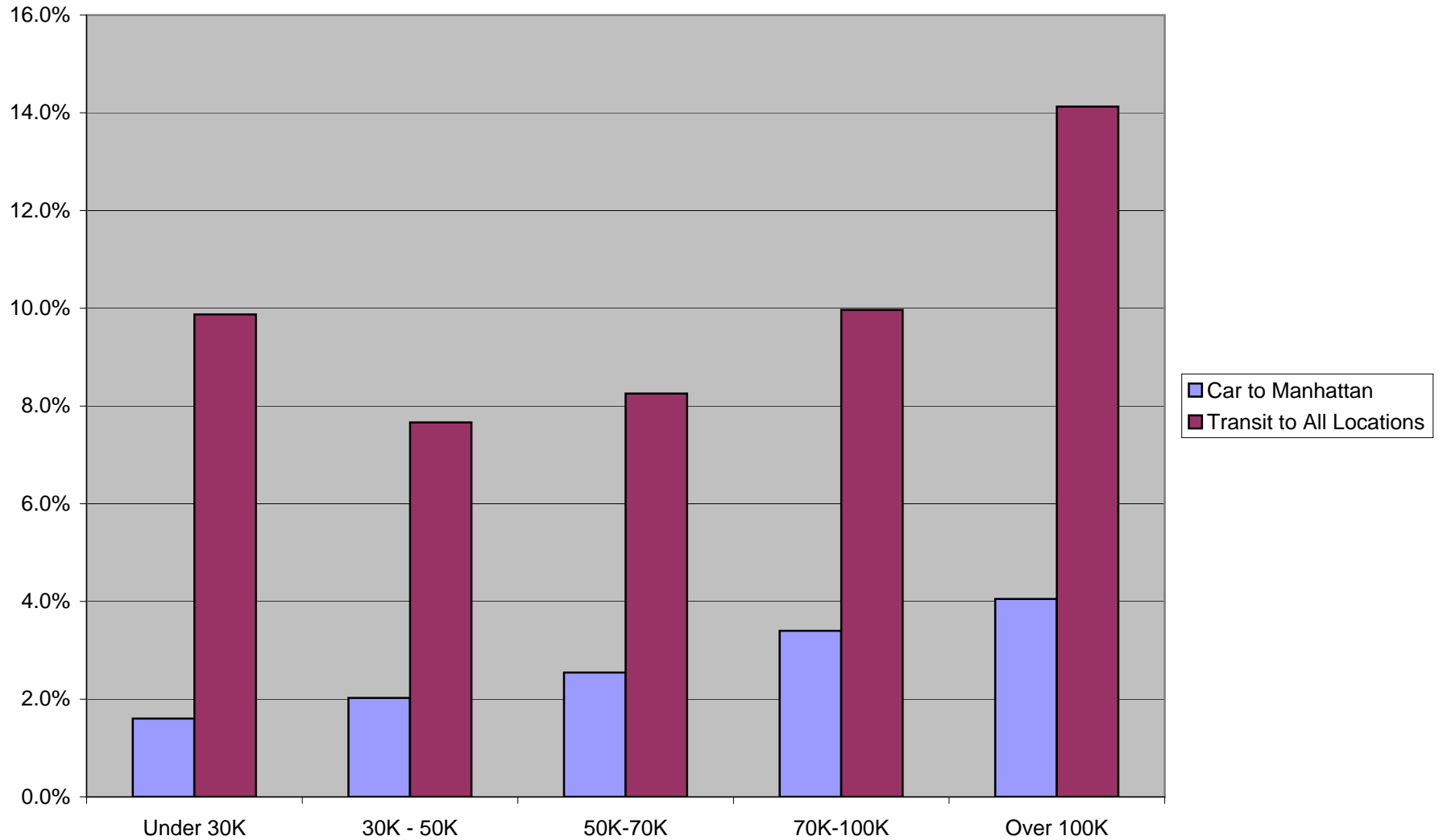
Queens Commuters by Income, 2000



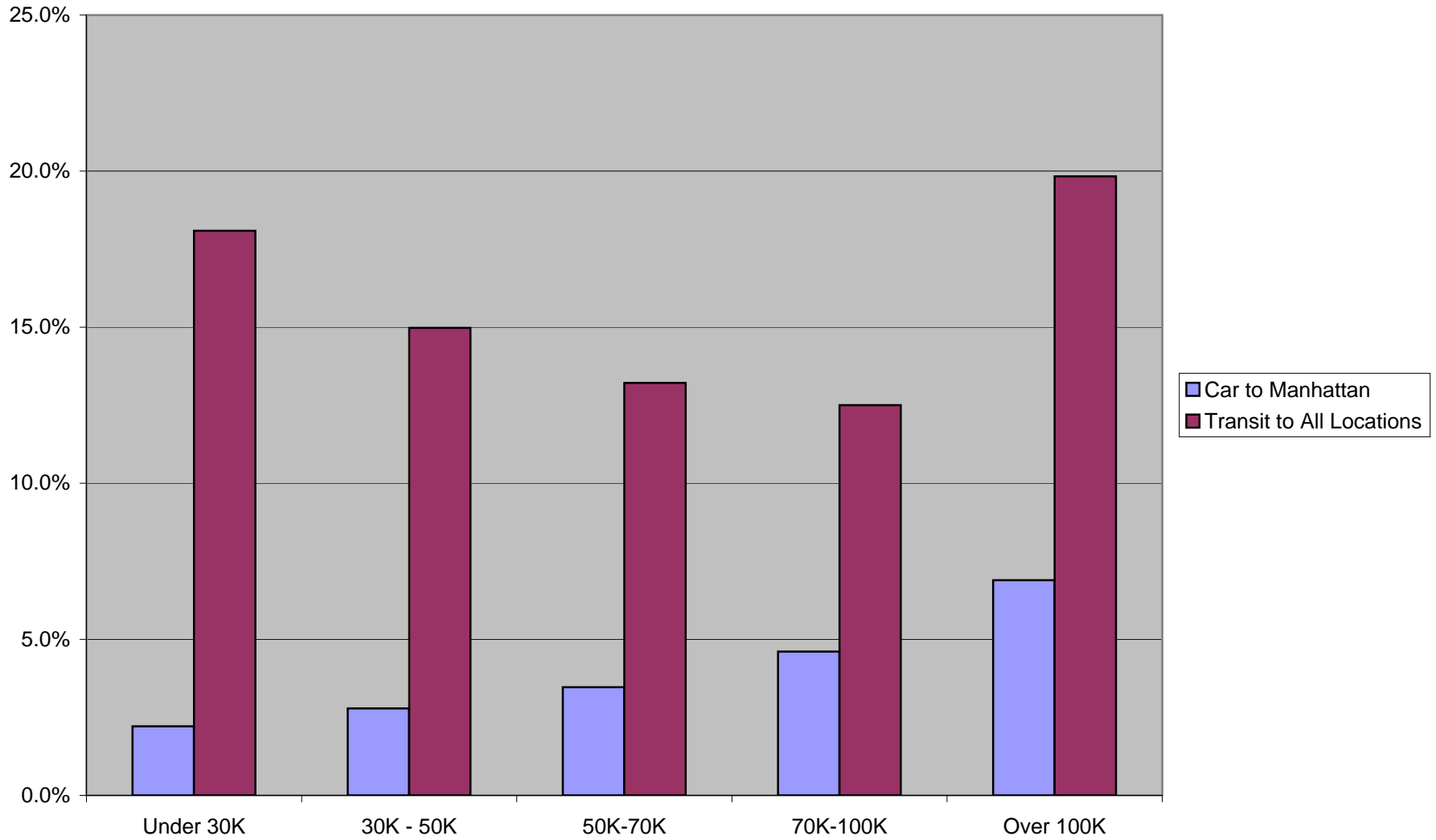
Staten Island Commuters by Income, 2000



Long Island Commuters by Income, 2000



East of Hudson Commuters by Income, 2000





September 24, 2007

Hon. Marc Shaw
Chair
New York City Traffic Mitigation Commission
Extell Development Company
805 Third Avenue, Seventh Floor
New York, New York 10022

Dear Chairman Shaw:

As members of a coalition of civic groups, we are sending you a list of questions that we request that your commission research.

We are participating in the Campaign for New York's Future, an alliance of scores of organizations concerned about the growing problems of congestion, air pollution and transit finance in the metropolitan-area.

Our groups are strong supporters of congestion pricing as the approach that best addresses all of these urgent problems. However, we believe there are important questions about the specifics of how to implement such a system for New York City.

We are sending you a non-exhaustive list of questions, which we believe should be included in the Commission's research agenda. Fair and unbiased answers to these issues—many of which were raised by both pricing supporters and critics—would be very helpful as the debate moves forward.

Please let us know how we can best support your efforts moving forward.

Sincerely,

Ruth Acker
Women's City Club of New York

Sandy Balboza
Atlantic Avenue Betterment Association

Marcia Bystryn
New York League of Conservation Voters

Maria Alvarez Castro
Manhattan Hispanic Chamber of Commerce

Cate Contino
NYPIRG/Straphangers Campaign

Roger J. Herz
TIME/To Improve Municipal Efficiency

Peter Kostmayer
Citizens Committee for New York City

Brad Lander
Pratt Center for Community Development

Peggy Sheppard
West Harlem Environmental Action

Kate Slevin
Tri-State Transportation Campaign

Ron Stein
Vision Long Island

James Tripp
Environmental Defense

Louise Vetter
American Lung Association of the City of New York

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Paul Steely White
Transportation Alternatives

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CC: Richard M. Bivone
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Edwin C. Reed
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Gene Russianoff
Janette Sadik-Khan
Elliot Sander
Andrea Batista Schlesinger
Anthony E. Shorris
Kathryn S. Wylde
Elizabeth C. Yeampierre

CONGESTION PRICING AND MITIGATION QUESTIONS

This memorandum briefly discusses questions that have been raised regarding the implementation of congestion pricing. The intent of these questions is not to suggest that they all need to be answered definitively prior to the authorization of a congestion pricing pilot program. Indeed, many cannot be fully resolved until the recommended pilot is implemented and evaluated. In addition to obtaining the best available information, these questions can also guide a discussion of how the program could be fine-tuned as data is collected and analyzed following implementation.

86th Street

The decision to designate 86th Street as the northern boundary of the zone has come under considerable scrutiny for its inclusion of several areas usually considered residential rather than a part of the Central Business District. The City's modeling results should be reviewed and additional model runs done as necessary, with the aim of examining the results against a set of performance criteria to either strengthen the justification for 86th Street or to suggest alternatives.

Peripheral Impacts

In cities that have adopted congestion pricing, traffic reductions occur both inside and outside the zone. This should especially be true in New York along major feeder routes heading to the central business district at peak commute times. While we recognize that traffic models may not always be able to provide fully accurate predictions at the street-by-street level, we ask that you research the anticipated benefits of congestion pricing for communities outside the zone, and especially for those in areas where CBD-bound traffic tends to funnel now. The effects of the pilot program on air quality in these neighborhoods should receive particular attention, both through the examination of anticipated impacts and monitoring of neighborhood air quality once the pilot is in place.

At the same time, we ask that you investigate more thoroughly one of the most frequently cited concerns about congestion pricing, namely the extent to which drivers may park their vehicles just outside the zone, putting pressure on parking in those areas. To address this, there should be an assessment of the relative time, cost and convenience for different choices that drivers could make: a) driving to the periphery and then using transit or taxis to complete their trip, b) continuing to drive into the zone, or c) leaving their vehicles at their trip origins. In all analyses, the differences for various border zones—i.e. Upper East Side, Upper West Side, Brooklyn, Queens—should be identified. To the extent possible, data on parking supply and demand in those neighborhoods should be collected and assessed to better understand the implications for parking, traffic and air quality, including both on and off street supply, current demand, on street regulations and parking prices. Many communities have expressed interest in permit-parking programs, and we would ask that you identify the areas where this solution might be used to offset any potential concerns about increased parking.

Entry Impacts versus Within District Impacts

To the extent possible, the commission should distinguish between the effects of congestion pricing on traffic at entry points to the zone from effects on traffic within the zone, preferably by time of day. If possible, these distinctions should be examined against a set of pre-established evaluation criteria.

Exit Charges

Alternatives to the proposal of charging any vehicle entering or exiting the zone (but not more than once in any 24-hour period) should be examined for their impact on simplicity of use, revenues and equity. One potential alternative is to charge only those vehicles entering weekdays between 6 AM and 6 PM.

Time of Charging Effects

If large numbers of motorists avoid the charge by entering just before the charging period starts or just after it ends, it is possible that localized congestion points could result. There is particular concern about this issue at the Lincoln Tunnel, where inbound evening traffic is already severely congested. Concerns have also been expressed about the impact on particular industries or districts, such as the theater district.

We ask that you evaluate the potential for these unintended consequences and, if any are found, to press for traffic calming and other solutions to reduce them. These effects might be mitigated by having a variable toll where adjusting one's schedule to save the fee may not be as much of a financial incentive. These options could be part of the research and analysis, or a potential adjustment that could be implemented after the pilot is in place and real impacts are analyzed.

Transit Capacity and Improvements

The MTA's analysis of where the added transit riders might board the existing subways lines, the existing or added bus service, and the existing or added commuter rail service will be important input for making any modifications to the proposal for both congestion pricing and increased transit service. Among the transit improvements under consideration, the Commission should document how LIRR service in Queens will be expanded once East Side Access is in place and how Metro North service to Penn Station can be utilized for Bronx and Upper Manhattan residents as well Hudson Valley and Connecticut commuters. The Commission should also review outstanding requests and studies for new and modified bus routes to reduce congestion and improve connectivity for areas outside the cordon, and consider a policy of buying only low floor buses from this point on to decrease loading and unloading times.

Resident Charge

Questions have been raised about specifics of the resident charge, for example whether a resident of the zone entering the zone in the charging time should pay the full \$8? We ask the commission to evaluate various scenarios for resident discounts to ensure fairness and integrity of the system and its results.

Traffic Data Privacy Policy

For compliers and violators respectively, how long will the ANPR (automated number plate recognition) images be retained? How long will the data gleaned from the images be retained?

How will drivers be given assurances that the data destruction has happened? What other safeguards will be adopted to protect privacy and insure due process for drivers?

Detection Equipment

What equipment will be used and what will they look like? Can the City show the public in advance what the equipment will look like when in place using virtual visual techniques?

Exemptions and Deductions

The Commission should examine the congestion and revenue impacts of the exemptions and deductions now on the table – exemptions for taxis and through vehicles that use only the periphery roads, and deductions for existing MTA and Port Authority tolls. Should any existing policies be reconsidered, or should additional exemptions, other than the ones in the City's proposal, be considered? All existing or proposed exemptions should be evaluated and justified by the same set of economic, environmental, equity and revenue criteria.

Education and Monitoring Programs

It is critical that the public understands what is being done, what it is intended to accomplish and how well it is working after implementation. Using London's comprehensive approach for reporting out impacts regularly as a guide, an education and monitoring program should be articulated as early as possible. This should include the strategy for effectively communicating information on how congestion pricing will work, its intended outcomes and benefits prior to implementation, what data will be collected, and how performance will be monitored and reported following implementation.