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Congestion Pricing - A Hard Look

by John Corlett and Nicole Sequino

Two years ago, New York City Mayor Michael R. Bloomberg told reporters that congestion pricing was a "political nonstarter." This year, in a dramatic Earth Day reversal, the mayor unveiled "PlaNYC 2030," the city's long-term sustainability plan for a "greener, greater New York." The plan's centerpiece is a congestion-pricing proposal that is projected to generate \$600 million annually.

Mayor Bloomberg said New York stood to gain up to half a billion dollars in federal aid if it was approved by the state Legislature before a July 16 deadline, a tactic designed to fast track the plan. The fast-track strategy ran aground quickly when groups like AAA New York raised concerns about the number of important questions left unanswered. Others like, U.S. Representative Anthony D. Weiner, D-Brooklyn, believed the mayor was trying to cloud the issue, commenting that there is, "nothing in the federal aid program that requires this plan" and urging the exploration of alternative congestion-mitigation programs. State legislators agreed and, instead of approving the plan, established a 17- member commission to study it, along with other congestion-reduction strategies.

What is this policy that moved from political nonstarter to urban planning panacea so quickly—and what does it mean for New York motorists?

Until the mayor's announcement, most New Yorkers had never heard of congestion pricing, but the concept moved front and center when the city's most influential business leaders began to argue that traffic congestion is hindering the city's economic growth and productivity. In its simplest form, congestion pricing is the practice of charging vehicles a fee for road use during peak periods. The concept was slow to catch on because it is widely understood that for congestion pricing to work the fees must be sufficiently high enough to be punitive. New York's plan is modeled on a scheme in central London that its backers claim has been that city's most powerful tool to improve congestion and air quality, but others have referred to it as a "mini-Concorde" of a failure.

Will It Work?

Expert opinions differ on the potential effectiveness of the plan, with supporters asserting that it will shave 22 minutes off the average commute, while others characterize the potential increase in traffic speeds as imperceptible. The PlaNYC report itself projects speed increases of less than 1 mph within the congestion-pricing zone, raising the obvious concern that once imposed, the fee will need to be dramatically increased. In London, the fee was doubled to eight pounds (\$16) within two years. New York's pricing scheme is half that of the London plan and exempts thousands of livery vehicles, which contribute 30 to 40 percent of the traffic volume in Manhattan. Given those facts, AAA New York and other experts continue to question whether the plan, as presently proposed, creates a false expectation of improved traffic congestion.



There is also a real question as to whether New York City transit systems can absorb the additional riders. The mayor has promised that the city will invest hundreds of millions of dollars to upgrade transit services prior to implementation. Nevertheless, those fears were magnified when NYC Transit Authority President Howard H. Roberts said that the "there is no room in the inn" and that many subways cannot absorb new ridership.

"Greening" New York?

Although the plan seeks exemption from the traditional environmental review process, the PlaNYC report estimates that congestion pricing will reduce auto emissions by a modest two to three percent. AAA New York has expressed concerns that vehicles avoiding the zone will end up snarling traffic on the FDR Drive and West Side Highways, offsetting the relatively small gains in air quality. Lawmakers sharing this concern asked city officials about it at a public hearing on the plan. The city replied simply that it "did not expect" any increase in idling vehicles on the zone's periphery, a response not likely to win over skeptics.

Moreover, the computer models and studies that traffic engineers and planners use to evaluate shifting traffic patterns have been conspicuously absent from the public discussion. AAA New York views this data, and the assumptions it contains, as critical to the plan's effectiveness. Yet, despite repeated requests from AAA New York, the city has not released those studies.

Who Is Affected?

Amid all the controversy surrounding congestion pricing, the one thing that is clear is that residents of the city's outer boroughs will pay the bulk of the new fees.

According to a report issued by the State Assembly, outer-borough residents will pay nearly half of the fees, while accounting for less than a quarter of trips into the pricing zone. This has prompted critics like State Assemblyman Richard Brodsky, D-Westchester, to characterize the plan as "a tax on middle-class people from Queens, Brooklyn and the Bronx." Advocates contend that outer-borough residents will be the primary beneficiaries of new and improved transit services funded by the fees.

However, no such claim can be made about motorists. In fact, instead of improving roadways to reduce congestion, the city plans to take the additional money and use it to offset routine maintenance expenses for pothole repairs. Thus, motorists may end up paying \$600 million in fees annually to sit in traffic on the same substandard roads.

Is It Necessary?

Dr. John Falcocchio, director of the Urban Intelligent Transportation Systems Center at Polytechnic University, questions the assumptions underlying the plan. He has stated that much of the traffic congestion in Manhattan is due to a reduction in capacity caused by traffic violations, like parking in bus stops, blocking intersections and double-parking, noting that "the problem builds around midday, not in the morning." A supporter of the concept of congestion pricing, Dr. Falcocchio suggests that the city first try using technology to improve capacity before implementing a congestion-pricing system. Former New York City Deputy Traffic Commissioner "Gridlock" Sam Schwartz, also a longtime proponent of congestion pricing, suggests that city officials work to reduce the more than 50,000 exempt taxis, black cars and limousines and reform the system for issuing thousands of parking permits to city employees.

AAA New York sees these suggestions as examples of more effective and less costly alternatives to the city's plan and is advocating other solutions which could be implemented immediately, including the greater use of technology to inform motorists of traffic conditions and incentives for off-peak freight deliveries.

Further, AAA New York is critical of the plan for not addressing congestion caused by obvious chokepoints in the road system.

What the Future Holds

Assessing prospects for the mayor's plan is a challenging task made all the more difficult by political sideshows. The 17-member NYC Traffic Congestion Mitigation Commission is itself the source of controversy. Seen by some insiders as the state Legislature's way to dodge an unpopular issue, the commission was later revealed to be heavily weighted with advocates for the mayor's plan. This led critics such as city Council Member Louis Fidler of Brooklyn to assert, "The commission is a sham." Councilman Fidler believes that the commission will just "nip and tuck" the original plan enough to sell it to hesitant lawmakers and believes that "this is not what the commission should be about."

What will become of the plan in Albany is more difficult to predict. Thus far, most of the resistance has come from the Assembly, led by Speaker Sheldon Silver of Manhattan.

Assemblyman Richard Brodsky is one of three commission members appointed by the Assembly Speaker. He believes that the plan has not mustered enough support among state lawmakers who will be asked to sign off on the commission's recommendations before the end of March.

There is no question that the city should plan for its long-term growth related issues, including congestion and pollution. PLaNYC represents a comprehensive effort to address these issues, but it seems evident to AAA New York that the plan's congestion pricing centerpiece will not work as promised. Now that the issue is in the hands of the commission, its members should give the public the thorough evaluation of the plan and its alternatives that it deserves. When the motoring public asks elected officials what they are getting for \$8 per day, the answer cannot be "nothing."

At press time, the NYC Traffic Congestion Mitigation Commission was about to begin hearings on the plan. For information on AAA New York's position <u>click here</u>.