

STATE ENVIRONMENTAL REGULATION

Expert Analysis

State (Probably) Will Bring Congestion Pricing to New York City

With the election over, Gov. Andrew Cuomo reelected, and Democrats having taken control of both houses of the New York state legislature, it appears likely (or at least more likely than ever before) that Albany finally will bring congestion pricing in one form or another to New York City as a way to cut traffic and finance mass transit improvements.

Before advocates rejoice, however, it is worth noting that congestion pricing has been on the table for New York City for many, many years and has not yet been adopted. Michael Bloomberg was a strong supporter when he was mayor, and earlier this year Gov. Cuomo pushed to include at least some funding in the budget for the infrastructure required for congestion pricing. Gov. Cuomo has referred to congestion pricing as “an idea whose time has come” and, in his 2018 State of the State address,

By
Charlotte A. Biblow



referred to it (somewhat obliquely) as “an exclusive zone in Manhattan where additional charges could be paid.” Nevertheless, the budget that the legislature adopted this past Spring did not include funding for congestion pricing (although it did add fees on taxis and other for-hire vehicles on trips into Manhattan south of 96th Street).

With growing recognition of the dismal state of the city’s transportation system, the fact that legislators (especially from the outer boroughs) who have been reluctant to vote in favor of congestion pricing will not have to face the electorate next year, and now that Mayor Bill de Blasio seems less opposed to the idea than in the past, the time appears to be right for the state to act.

This column explains the basics of congestion pricing, including how it has been adopted in other places, and what it might mean for New Yorkers if it finally becomes law.

The New York Model

The concept underlying congestion pricing is not that terribly complex: Make people who drive into a particular area of a city pay a toll to do so depending on the time of day, the amount of traffic in

It is worth noting that congestion pricing has been on the table for New York City for many, many years and has not yet been adopted.

the area, or the area itself. In addition to raising revenue, congestion pricing works to discourage people from taking vehicles into the most congested part of a city during the busiest times of day.

Although different people have different ideas about how congestion pricing (a global term this

CHARLOTTE A. BIBLOW, a partner in the environmental, land use and municipal law and litigation departments of Farrell Fritz, can be reached at cbiblow@farrellfritz.com.

column uses to refer to a variety of road pricing systems and programs) should work in practice in New York City, the general idea that apparently has taken hold and that was championed by the “Fix NYC” task force convened by the governor is to charge \$11.52 to every passenger vehicle, and \$25.34 to every truck, that enters Manhattan below 60th Street.

Proponents suggest that this system would raise as much as \$1.5 billion per year that could be used to make improvements to the city’s transit system. (That is a significant amount of money, but recent reports suggest that the Metropolitan Transportation Authority needs a five-year capital spending plan of \$60 billion to adequately repair and maintain its system.)

The congestion pricing concept has its supporters and detractors, and there may be a variety of big or small changes to it when it ultimately becomes law, ranging from exceptions for drivers coming in from the boroughs, at least if they do not go south of 60th Street, or other changes such as discounts for pool trips. Congestion pricing may begin with trucks alone, and then may expand to all vehicles, and there may be consideration given to allowing credits to drivers who pay tolls at bridges or tunnels. All of these issues, as well as other concerns, will need to be considered and resolved, as the task force observes on its website, <http://fixnyctransit.org/>.

Answers to some of these questions, and to the larger issues surrounding congestion pricing, might come from the cities that already have adopted a program.

Other Cities’ Models

The Tri-State Transportation Campaign (TSTC), a non-profit policy advocacy organization dedicated to mobility, accessibility, and livability in New York, New Jersey, and Connecticut, recently issued a report examining the congestion pricing systems in effect in London, Stockholm, and Singapore.

As noted in the TSTC report, London’s congestion pricing system, which it launched in 2003, covers an eight-square-mile area in London’s inner city. Vehicles pay a flat daily fee of £11.50 (approximately US\$15). The fee is payable from 7:00 a.m. to 6:00 p.m., Monday through Friday. It is not charged on weekends, certain holidays, or between Christmas and New Year’s Day, and never at night (that is, from 6:00 p.m. to 6:59 a.m.).

Stockholm’s system, which began in 2007, provides for variable pricing based on the time of day. The highest charge, according to the TSTC report, is 35 krona, or about US\$4. Charges are incurred only on weekdays and only from 6:30 a.m. to 6:30 p.m. There are no charges on public holidays, or on the day before holidays, and no charges at all during July.

Singapore adopted an “electronic road pricing” (ERP) system in 1998, replacing a “cordon pricing” system

that it had adopted in 1973. Now, as described in the TSTC report, drivers must purchase an in-vehicle unit (at a cost of approximately US\$100) for their dashboard that has a smart card with funding stored on it. Fees are collected from the smart card at more than 50 places in and surrounding Singapore’s central business district from 7:00 a.m. to 8:00 p.m. Monday through Saturday. There are different rates (ranging from US\$0 to US\$3) depending on the road, the time, and the amount of traffic. Fees are not collected on Sundays, holidays, or after 1 p.m. on the day before a holiday.

All of these programs required a significant investment, as the TSTC report pointed out: US\$214 million in London; US\$236.7 million in Stockholm; and US\$110 million in Singapore.

These cities’ programs have significant annual net revenues, as noted in the TSTC report: US\$182 million in London; US\$155 million in Stockholm; and US\$100 million in Singapore.

Naturally, they also all have annual operating costs: US\$172 million in London; US\$11.8 million in Stockholm; and US\$18.5 million in Singapore. The TSTC report observed that London’s annual operating costs amounted to almost half of the program’s annual gross revenue, but that operating costs in Stockholm and Singapore were only seven percent and 16 percent of the gross revenue from their programs, respectively. The TSTC also said that New York City’s operating

costs of approximately \$160 million (about 10 percent of \$1.5 billion of expected revenue) would be more in line with Stockholm's and Singapore's than London's.

It is worth noting that none of these three cities simply adopted a congestion pricing system alone in an attempt to curtail traffic. According to the TSTC report:

London, Stockholm, and Singapore each deliberately made investments in their transit and transportation infrastructure before and during the implementation of congestion pricing: London purchased 300 new buses, overhauled their bus network, and added significant bicycle infrastructure; Stockholm added almost 200 new buses and 16 new routes, constructed park-and-ride facilities, and also expanded bicycle infrastructure; and Singapore increased its bus fleet and frequency, raised parking fees in the congestion zone, established HOV+4 lanes, and built park-and-ride stations outside the zone.

The TSTC report found significant benefits to the cities and their residents from their congestion pricing systems.

London "has reduced congestion, improved air quality and public health, and created a long-term funding source for future transportation improvements." Traffic congestion was reduced by 30 percent; average speed was increased by 30 percent; and bus ridership jumped by 38 percent.

Similarly, in Stockholm, traffic to and from the inner city area subject to the program was reduced by 20 percent and traffic delays decreased by 30 percent to 50 percent. Moreover, vehicle miles traveled decreased by 14 percent in the inner city area subject to the program.

Stockholm also found environmental benefits to the city, with a 14 percent reduction in carbon dioxide, a seven percent cut in

Many have suggested that ride-hailing services, e-scooters, and similar new technologies will not be able to solve the problem on their own, and that public transportation—especially in an urban area like New York City—must be improved.

nitrogen oxide, and nine percent less particulate matter. (A study, "Congestion Pricing, Air Pollution, and Urban Health," available at <http://www.emiliasimeonova.com/>, found that this led to significant health benefits for city residents.)

The ERP has benefited Singapore, too. As the TSTC report noted, traffic in the inner city has dropped by 24 percent and average speeds have increased from a low of 18 m.p.h. to a high of 28 m.p.h. Public transportation in Singapore has seen a 15 percent increase since the ERP became law.

Conclusion

There are growing concerns about traffic congestion in and around

New York City (and elsewhere). Different studies have pointed to a variety of causes, from ride-hailing services to subway delays, and at times have disagreed with each other, but generally all have recognized that something needs to be done to improve traffic flow. Many have suggested that ride-hailing services, e-scooters, and similar new technologies will not be able to solve the problem on their own, and that public transportation—especially in an urban area like New York City—must be improved.

It appears that there is a growing consensus that at least part of the way to do that requires the adoption of congestion pricing. Will Albany take the steps necessary to bring congestion pricing to the city? Stay tuned.