

marketplace  of ideas



featuring London Deputy Mayor

NICKY GAVRON

On combating global warming
through congestion pricing.

MAY 18, 2007

KIMMEL CENTER AT NEW YORK UNIVERSITY
NEW YORK CITY

**DRUM
MAJOR**
INSTITUTE FOR PUBLIC
POLICY

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Deputy Mayor, London

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New York City Council

ED OTT

Executive Director, New York City Central Labor Council

HON. JOHN C. LIU

Chair, New York City Council Transportation Committee

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President and CEO, Partnership for New York City

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Executive Director,
the Drum Major Institute for Public Policy

ABOUT DMI'S "MARKETPLACE OF IDEAS" SERIES:

Never content just to argue theory, the Drum Major Institute provides a platform for policymakers who have successfully worked for social and economic fairness in our public institutions. For far too long the conservative right has defined the limits of what is "possible" in society and politics. The "Marketplace of Ideas" shows that we can transcend these artificial boundaries: it is possible to be progressive, practical, and effective. Previous speakers in the series have included Congresswoman Hilda Solis, who authored the nation's first environmental justice law; New York State Governor Eliot Spitzer, who fought as Attorney General to achieve new standards of corporate accountability; Oklahoma State Senator Penny Williams who ushered in universal preschool in her state; and Maine State Rep. Sharon Treat, who passed legislation increasing access to affordable prescription drugs.

PANELISTS AND SPEAKERS

NICKY GAVRON is Deputy Mayor of London and serves as an at-large member of the London Assembly. She serves as the Mayor's strategic planning adviser and plays a leadership role in the development and implementation of the mayor's environmental policies, including the establishment of a Climate Change Agency for the capital, focusing primarily on CO2 emissions and energy policy. She contributes at a senior level to the Mayor's work with the London boroughs. She is an observer on the Transport for London Board and the Mayor's nominee on the Inter-regional Forum. She is also a board member of the London Development Agency. Deputy Mayor Gavron has been a leader on policies aimed at women and helped to create London's first strategy for children and young people. She has been responsible for shaping the London Plan which sets out the long-term direction of London. From 2000 to 2004 she represented Enfield and Haringey on the Greater London Assembly and was a Haringey Councillor for 16 years representing the Archway Ward. Deputy Mayor Gavron chaired the London Planning Advisory Committee from 1994-2000. She has a long track record of working at local, regional and national level stimulating initiatives to develop sustainable communities. She is a member of the Government's UK Sustainable Development Commission. In 2001 she was named Honorary Fellow of the Royal Institute of British Architects and was awarded an Honorary Doctorate from London Guildhall University for her work in London.

ED OTT is the Executive Director of the New York City Central Labor Council, AFL-CIO, the largest such central labor body in the U.S. representing over one million working men and women. Ott began his union career 37 years ago when he became active in the historic drive by 1199 Hospital Workers Union to organize New York's Columbia Presbyterian Hospital. He went on to become an 1199 union organizer, and to hold leadership positions in the Public Employees Federation, the Oil, Chemical and Atomic Workers Union, and he served as political director of Communications Workers Local 1180. Prior to his appointment as Executive Director, Ott served as the Central Labor Council's Public Policy and Worker Education Director, joining the organization in 1996. In this position, he was responsible for directing and establishing the political and legislative agenda for the labor council and for coordinating citywide political and electoral labor initiatives. Ed Ott is a Board member of New York University's Robert F. Wagner Labor Archives, the New York Industrial Retention Network, and a founder and board member of Urban Agenda, the policy and research arm of the NYC Central Labor Council. Most recently, Mayor Michael Bloomberg appointed Ed to the Mayor's Advisory Board on Sustainability, in recognition of Ed's interest and work with the Apollo Alliance and the environmental justice movement.

ERIC GIOIA represents the Queens neighborhoods of Woodside, Sunnyside, Long Island City, Astoria, and Maspeth on the New York City Council. Elected in 2001, Councilman Gioia chairs the City Council's Committee on Oversight and Investigations. His investigations have focused attention on persistent hunger in New York City and helped cut the bureaucratic red tape keeping families from receiving food stamps. He has uncovered deplorable living conditions for homeless New Yorkers with AIDS, excessive wait times for mammogram screenings and the limited availability of emergency contraception for victims of sexual assault. His investigations have discovered defective bulletproof vests sold to the NYPD and exposed the unlawful charging of sales tax on clothing. Using the findings of his investigations, Councilman Gioia worked with his colleagues to pass laws ensuring the wide availability of emergency contraception. He wrote legislation forcing tax preparers to provide important information to their clients, and has introduced bills making it easier to collect child support from deadbeat parents. He wrote and passed the Young Adult Voter Registration Act, which will provide a voter registration form to every graduating high school senior. Councilman Gioia also serves on Cultural Affairs, Libraries & International Intergroup Relations; Finance; Fire & Criminal Justice Services; Land Use; Standards & Ethics; and Zoning & Franchises committees. He served in the Clinton White House and practiced law at Milbank, Tweed, Hadley & McCloy.

JOHN LIU is a member of the New York City Council, representing the neighborhoods of Flushing, Queensboro Hill, Mitchell Gardens, Kissena Park, Harding Heights, Auburndale and Whitestone in Queens. Councilman Liu is Chair of the Council's Transportation Committee and also serves on the committees on Education, Consumer Affairs, Contracts, Oversight & Investigations and Lower Manhattan Redevelopment. As Chair of the Council's Committee on Transportation, Liu focuses public policy on the critical role transportation options play in economic development and access to jobs. He has secured more accountability from the Metropolitan Transportation Authority, has enacted legislation improving safety for pedestrians and has initiated public works projects to improve vehicular traffic flow and ease congestion. He has also developed programs bringing yellow taxicabs to areas outside Manhattan. He conducts legislative oversight over the Department of Transportation and the Taxi and Limousine Commission. As a member of the Council's Committee on Consumer Affairs, Councilman Liu has sponsored legislation to stop predatory lending by banks and retail price gouging. He has served as President of the North Flushing Civic Association, Member of Queens Community Board 7, and Vice President of the Queens Civic Congress. Councilman Liu is the first and currently the only Asian Pacific American to be elected in New York City. Prior to serving in the City Council, he worked as a manager at the global consulting firm of PriceWaterhouseCoopers.

KATHRYN WYLDE is President & CEO of the Partnership for New York City, the city's preeminent business leadership organization. The Partnership is dedicated to maintaining New York City as a center of world commerce, finance

and innovation. Its public policy focus is on issues in the areas of education, infrastructure and the economy. Kathryn Wylde joined the Partnership in 1982 and served as founding President & CEO of its major two affiliates, the New York City Investment Fund and the Housing Partnership Development Corporation. Under her leadership, the Partnership played a major role in the revitalization of the city and its neighborhoods. Wylde was also founding President & CEO of the Housing Partnership Development Corporation, serving from 1982-96. In that capacity, she was instrumental in creation of a number of pioneering initiatives in affordable housing at the local, state and national levels. An internationally known expert in housing, economic development and urban affairs, Wylde serves on a number of boards and advisory groups, including the Mayor's Sustainability Advisory Board, the Special Commission on the Future of NYS Courts, Independent Judicial Election Qualification Commission for the First Judicial District, NYC Economic Development Corporation, NYC Leadership Academy, Governors Island Advisory Council, the Manhattan Institute and the Biomedical Research Alliance of New York.

ANDREA BATISTA SCHLESINGER Since 2002, Andrea Batista Schlesinger has led the effort to turn the Drum Major Institute, originally founded by an advisor to Rev. Dr. Martin Luther King, Jr. during the civil rights movement, into a progressive policy institute with national impact. Under Andrea's leadership as Executive Director, DMI has released several important policy papers to national audiences including: 'Congress at the Midterm: Their Middle-Class Record' and 'Principles for an Immigration Policy to Strengthen and Expand the American Middle Class.' Andrea studied public policy at the University of Chicago. Andrea has worked in various capacities to promote educational equity and youth empowerment. She directed a national campaign to engage college students in the discussion on the future of Social Security for the Pew Charitable Trusts, and served as Director of Public Relations of Teach For America before working as the education advisor to Bronx Borough President Fernando Ferrer. Andrea has been profiled in the *New York Times*, *New Yorker* magazine, *Latina Magazine* and in 'Hear us Now,' an award-winning documentary about her tenure as the student member of the New York City Board of Education. She has appeared on the 'Lou Dobbs Tonight' show on CNN and has been published in *New York Newsday*, *Crain's New York Business*, *The Mississippi Sun Herald*, *New York Daily News*, *Alternet.com*, *Tom Paine.com*, *New York Sun*, *Colorlines Magazine*, *The Chief-Leader* and *City Limits* magazine. She is a contributor to The Huffington Post, on the Editorial Board of *The Nation* and was named a '40 under 40 Rising Star' by *Crain's New York Business*.

TRANSCRIPT

The transcript from this event has been edited for length and readability.

Internet links are provided in footnotes throughout this transcript as resources for readers seeking to better understand the policy discussion. While we hope they are helpful, the Drum Major Institute for Public Policy is not responsible for the content or continued functioning of these links.

KATHRYN WYLDE: Good morning. Thank you very much for being here this morning. I am Kathy Wylde, with the Partnership for New York City.¹ We're delighted with the guests we have. Thanks to C40², some of you may have noticed that we have the leadership of forty-six world cities in New York this week to talk about the issues of climate change. It was really an amazing discussion about what the world cities can do together, regardless of what their federal or national governments do, to use their combined power to make a difference in fighting global climate change. The inspiration for that meeting, the person who brought this group together and conceived of the idea, is our speaker today, so it is really a pleasure to introduce her. I want you to know that while she is going to focus on one particular component of the larger picture, that Nicky Gavron, the Deputy Mayor of London, is very definitely a big picture person.

In addition to Nicky, we have a panel that is going to engage her and ask her some of the questions that have been on the minds of New Yorkers about these issues. Andrea Batista Schlesinger will be moderating that panel after Nicky makes an opening presentation. The panelists include Councilman Eric Gioia,³ Councilman John Liu,⁴ and Central Labor Council⁵ President, Ed Ott. I am going to quickly introduce Nicky. She got involved in politics as a young mother of four children when they started widening London streets. She decided that she was going to do what she could to keep the neighborhoods friendly and the streets friendly for her kids. She subsequently ran for office, was elected, and in 2000, as an elected official from the city of London, became London's Deputy Mayor, where her responsibilities included work on the environment and infrastructure. She has had a broad background over the past seven years working with the administration in London to really set the pace. As you all know, we're just a little competitive in New York with London, on many fronts. In this one, we are playing catch up

As you all know, we're just a little competitive in New York with London, on many fronts. In this one, we are playing catch up ball; they have a long head start. But fortunately they've paved the way for us, and have a number of lessons learned that they can share.

—Kathy Wylde
Partnership for New York City

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- 1 The Partnership for New York city is an organization comprised of business leaders whose mission is to enhance New York City's economy. <http://www.pfnyc.org/>
 - 2 C40, or the C40 Large Cities Climate Summit, is a conference for leaders of major world cities on how climate change can be reversed. In 2007 C40 was held in New York City, from May 14-17.
 - 3 http://www.nycouncil.info/constituent/member_details.cfm?con_id=54
 - 4 http://www.nycouncil.info/constituent/member_details.cfm?con_id=49
 - 5 <http://www.nycccl.org/>

ball; they have a long head start. But fortunately they've paved the way for us, and have a number of lessons learned that they can share. I think you'll find that Nicky is engaging, open, and eager to bring New York along in the fight against traffic congestion and global warming. So, with the panel, I am going to introduce Nicky Gavron, Deputy Mayor of London.

Having just come from the large cities' climate summit where, as Kathy said, forty of the world's city mayors got together, I can now say confidently that climate change is really being lifted up the agenda of some of the most powerful and influential cities on the planet. It was even mentioned on David Letterman's monologue on Wednesday night, so it must be having an impact.

—London Deputy Mayor Nicky Gavron

DEPUTY MAYOR NICKY GAVRON: I am really pleased to be here. I just suddenly realized coming in, it is been very different from the last hectic week, being with all these mayors. Now I am with all the really backbone people, the strategic planners and the strategic urban transport people, and that's really exciting. I just want to say that we have a lot of really superb Americans, mainly New Yorkers, working in our transport

department. You might have realized we've poached Bob Kiley. I think he was Kathy's predecessor.⁶ Anyway, I am very pleased to have the opportunity to talk about congestion charging, or congestion pricing as you call it in New York, and its role in climate change.

Having just come from the large cities' climate summit where, as Kathy said, forty of the world's city mayors got together, I can now say confidently that climate change is really being lifted up the agenda of some of the most powerful and influential cities on the planet. It was even mentioned on David Letterman's monologue on Wednesday night, so it must be having an impact. The role of our two mayors has been absolutely critical to its success, Mayor Bloomberg as the host and Mayor Ken Livingston as chair of the C40 Conference. Although no two cities are exactly the same, London and New York share many issues, many opportunities and many problems. We'll just go over those a bit. We are really the most diverse cities on earth, the two of us. You have 170 languages spoken in your city, and you have a much higher proportion of people with a background that's foreign born than London, but we have over 300 languages spoken.

I remember having a breakfast with Mayor Bloomberg not long after he'd been in office, and we were both there because international tourism had dropped in each of our cities. That's very germane, by the way, to our congestion charging results, which I'll tell you about. He opened by saying, 'You know we have 170 languages spoken here, and we are the world's second home.' In was my turn, and I said, 'Well, I don't really want to trump you as my host but, you know, we have over 300 language languages spoken, and we are the world in one place.' Anyway, we both

6 Bob Kiley was formerly Chairman and CEO of New York's MTA. He led the Partnership for New York City before Kathryn Wylde, and became the Chairman of London Regional Transport in 2001. http://en.wikipedia.org/wiki/Bob_Kiley

grew as great manufacturing and port cities in the 19th and early 20th century. We pioneered modern infrastructure, transport, water, power, sewage systems, and we've evolved into the two great centers for business and financial services in the Western hemisphere. And, of course, we benefit from our shared language and our common legal heritage. In short, no

No two cities on earth, in my view, have more to learn from each other than New York and London. But we share something else. We consume enormous quantities of energy, and are responsible for millions of tons of carbon dioxide. We have a unique responsibility to address climate change.

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two cities on earth, in my view, have more to learn from each other than New York and London. But we share something else. We consume enormous quantities of energy, and are responsible for millions of tons of carbon dioxide. Also, we both now have to renew our infrastructures: energy, waste, water and transport. I am pleased to say if we'd done that even ten or fifteen years ago, it would have been high carbon. It is just as well we're only doing it now, because it'll be low carbon. We have a unique responsibility to address climate change. And, like many large cities, we are highly vulnerable to the effects of climate change: more frequent storms, flash floods, droughts, urban heat island effect,⁷ and rising sea levels. Flooding is a huge issue, and its vulnerability includes our central business districts, our infrastructure, and many residential areas. We both know that our infrastructure and the accumulated wealth of centuries is at risk with a sea level rise of just a few meters. Now we're experiencing currently the effect of greenhouse gases from the '50s, when we consumed as much oil in a year as we now consume in six weeks, and we have to feel the effects of four and a half decades as a time lag. Currently we're chucking, pushing carbon dioxide into the atmosphere, as though there's literally no tomorrow. So—and we have about, people say, ten years maximum—to actually prevent runaway climate change, on top of everything we have yet to experience.

The whole C40 Conference this week has been a coming together of city leaders to focus on the many different ways to reduce our carbon emissions, and how to accelerate that reduction. Acceleration is what it is all about. We have to leapfrog. That, of course, includes our transport. One of the important ways of reducing emissions congestion is to improve public transport and to provide attractive alternatives to car use, particularly for people commuting into our central areas. The one really goes hand in hand with the other; you have to provide attractive alternatives.

Like many large cities, we are highly vulnerable to the effects of climate change: more frequent storms, flash floods, droughts, urban heat island effect, and rising sea levels. Flooding is a huge issue, and its vulnerability includes our central business districts, our infrastructure, and many residential areas. We both know that our infrastructure and the accumulated wealth of centuries is at risk with a sea level rise of just a few meters.

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Now, just to put my cards on the table, for a decade, in the '90s, as a local councilor, I became chair of the

7 <http://eetd.lbl.gov/HeatIsland/LEARN/>

London Planning Advisory Committee.⁸ I don't know how many of you know, but we had no London government. That's what galvanized me into politics in '86; Mrs. Thatcher abolished it. Can you imagine no city government in New York? Well, we had no government for fourteen years; what we had was this Planning Advisory Committee.

London suffered from about the worst air quality in Western Europe, and that was due to the nitrogen oxide emissions and to the particulates. We were called the dirty old man of Europe. Traffic affected health, especially asthma and respiratory conditions.

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I commissioned much of the initial research and the policy work on the London congestion charging scheme, along with a whole lot of other things like high density housing, open space, air quality and so on. This included the outlying strategy for introducing a congestion charge in 2003.⁹ We knew, we had a Labour government by this time—we knew we were going to get a streamlined Greater London government called the Greater London Authority,¹⁰ and we knew we were going to get a directly elected executive mayor. That's a big experiment. I know you are used to it, you with all your strong mayors here, and a few weak mayors. You are used to this. But for us, it is a completely new brand of political leadership. From very early on, many in the business community saw the value of the scheme, particularly London First,¹¹ which is the nearest thing I think we have—not quite the same, not as powerful—as your New York City Partnership. Don't tell them I said that. London First backed our effort straight away. But, of course, we would never have got anywhere without the courage of a very radical mayor like Ken Livingstone¹² to push ahead in the face of sustained and hysterical press opposition every single day. I am going to briefly outline the problem we faced, the 2003 scheme and its impacts, and the lessons learned so far.

The background is this: decades of underinvestment in London's transport system, exacerbated by the fact that for fourteen years we had no London government. You had declining investment. London's Underground, the grandmother, really, of all metros, was overcrowded, antiquated and unreliable. The bus system had deteriorated to become a transport system of last resort—slow, unreliable, shabby. We did inherit, really, in 2000, a bus industry on its knees. Mrs. Thatcher famously said, 'If you are seen on a bus after you are thirty, you are a loser in life.'¹³ And really, you only saw women, students, and people on very low incomes on the bus. The mainline rail system was suffering from a recently botched privatization, and road congestion in central London was approaching gridlock for much of the day, and getting worse. About 40% of all traffic congestion in the country was in London. In central London, road speeds were slowing at the rate of about one-tenth of a mile per hour each year. By 1997, the average central London road speed

8 http://www.maps.lbhf.gov.uk/udp/text/udp_part3.asp?section=4&policy=1&c=l&userExtent=520135:175000:527750:183500#GL23

9 For more on congestion pricing in London, see <http://www.cclondon.com/whatis.shtml>

10 <http://www.london.gov.uk/gla/index.jsp>

11 <http://www.london-first.co.uk/>

12 <http://www.london.gov.uk/mayor/mayorbiog.jsp>

13 There is no evidence that Margaret Thatcher ever actually said this, though the quote is widely attributed to her.

was down to about nine miles an hour. That is the same speed as the horse drawn carriage, which the car replaced.

The cost of congestion to London businesses was estimated to be, well, two billion in our money, four billion dollars your money per year. That was only part of the picture. London suffered from about the worst air quality in Western Europe, and that was due to the nitrogen oxide emissions and to the particulates. We were called the dirty old man of Europe. Traffic affected health, especially asthma and respiratory conditions. When I was a counselor running planning and transport in the early '90s, I put air quality monitoring on the road. We put some air quality monitors at the top of buildings and the bottom, and found that the quality where the children are going along in buggies right next to the exhaust pipes was just appalling. It was very bad—there are a lot of early deaths in London, still, from air quality, and it affects the young and the old. There were divided communities, and it damaged the look and feel of London's streets. The quality of life was merely the price for congestion.

Residents living outside but close to the zone boundary were extremely concerned during the consultation period about their streets becoming parking lots and rat runs. I do not know if you use this phrase, 'rat run,' but you know when traffic feels like a rat caught in a maze, then you try to get out of the maze like a rat running through the little residential streets. A lot was done to prevent this from happening. We had one way streets, we put in street closures and, above all, we had controlled parking zones, which gives priority to the resident for parking, and no priority to anyone else.

—London Deputy Mayor Nicky Gavron

The area chosen for the initial congestion charge zone was a small proportion of Greater London, about 1.5 % of the total area, or about eight square miles. I think that's exactly what you are looking at. It contains about 2.1 % of London's population, and about 150,000 people. I think you have about 600,000 people in the area you are looking at. Same square

miles, but a much higher density. Twenty-five percent of all the jobs in London, especially the business and financial services jobs, media and tourism, are in the zone. I believe that the Manhattan proposal¹⁴ for a similar sized area contains four times the residential population and an even greater concentration of jobs, but you will tell me that. The London zone, like New York's proposed zone, is the part of the city best served by public transit: tube,¹⁵ bus and rail, and where most people already use public transport for commuting and their shopping journeys. When we came in in 2000, the first thing we did was to invest in the bus, because it is the most cost effective way of getting people moving. It takes much longer to invest in the big rail schemes. We had to make up a backlog, remember: fourteen years of no investment. The big job for any mayor coming in had to be to address that huge backlog investment. Not just in transport and housing—hospitals, schools and so on. More routes were put in. Better buses. More dedicated lanes.¹⁶ And

14 For more on New York City Mayor Michael Bloomberg's proposal for congestion pricing in Manhattan, see http://www.nyc.gov/html/planyc2030/downloads/pdf/report_transportation.pdf

15 The tube is London's subway system.

16 Dedicated lanes are lanes in which only buses are allowed to drive.

dedicated lanes—we had had them before but it had not been properly enforced. We now started a draconian regime of enforcement, and put in more and more lanes. On the introduction of the zone we put in, on top of what we had already done, 11,000 extra seats in terms of capacity in the buses to and from the zone. Very significantly, as I said, we went on with this very strong enforcement. More bus lanes and the strong enforcement, in my view, is a complete prerequisite of a successful introduction of the congestion charge.

The key elements to the London scheme were: our initial operation from seven in the morning until six in the evening for every weekday, no charge weekends or public holidays, easy to use choice of payment channels, a flat rate charge of eight pounds a day, and reliable number plate recognition technology with very robust camera-based enforcement. There are fixed cameras recording registration plates and vehicles and the date, time and location of entry into the zone, and there are mobile cameras mounted on vans, monitoring movement within the zone on a random basis. Residents living outside but close to the zone boundary were extremely concerned during the consultation period about their streets becoming parking lots and rat runs. I do not know if you use this phrase, ‘rat run,’ but you know when traffic feels like a rat caught in a maze, then you try to get out of the maze like a rat running through the little residential streets. It is no wonder people were worried. A lot was done to prevent this from happening. We had one way streets, we put in street closures and, above all, we had controlled parking zones, which gives priority to the resident for parking, and no priority to anyone else. You can just park for a little time. Of course,

you get vouchers for visitors, for particular trades, and so on. Exemptions and discounts were the subjects of thorough consultation and negotiation before the scheme was launched, and the exemptions include—I won’t get it all right—black taxis and licensed min-cabs; buses, coaches, and mini-buses; motorbikes and mopeds; bicycles, of course; emergency vehicles; disabled persons’ vehicles; specific alternative fuel vehicles and hybrids—with a big emphasis

What about the economic impact on central London? Before the scheme was introduced, the predictions were absolutely that there would be a meltdown. London just would not survive. Shops would close, theaters would be dark, and empty bars and restaurants would just go to the wall. The reality has been very different.

—London Deputy Mayor Nicky Gavron

on being clean and going free—; breakdown and recovery vehicles; medical patients who cannot use public transport; health workers moving medical equipment (drugs or organs); military vehicles—that’s ours, of course—we would not expect any invading army to come through. We would charge. We also have registered fleets. Now, this is important, I think: registered fleets of more than ten vehicles pay at a reduced rate. Finally, there is a 90 % discount for residents within the zone. Currently exempt discounted vehicles count for about 23 % of the total. Payment is made very easy. You can do it in shops, by Internet, you can use text messaging, or you can do it through a call center.

Now I want to move on and talk about the impact on traffic, on business and on the environment.¹⁷ First, traffic. The number of cars entering the zone is down by a third, and all traffic entering the zone is reduced by 21%. Of course, there's a variation. More cars are down than traffic, because the variation is due to the use of buses, taxis and motorbikes being up. Congestion within the zone is down by 26% and overall there has been little or no change in the total number of trips to the central area; they are just differently arranged. Of those who have changed their behavior, 50 to 60% percent moved from car to public transport, mainly buses. Twenty to 30% have diverted their trips around the zone. Fifteen to 25% have made other adaptations, including cycling to work. Bus reliability has significantly improved and journey times reduced.

In fact, one of the big impacts immediately after the congestion charge was introduced, was all the buses were ahead of their schedules. We had to change all the timetables. The bus has become acceptable in a new way. I told you what Mrs. Thatcher said. Well now, many people in pinstripe suits—I haven't got one

on today, but I wear pinstripe suits—come up to me now and shake my hand and say, 'Deputy Mayor, I just want to say that I would never not use the bus now. It is so reliable that I'd never use my car.' Isn't that fantastic? The bus now is classless.

There have been substantial reductions in emissions in the zone: nitrogen oxides are down by 13%, 8% directly attributable to congestion charging. Particulates are down 15%, 7% due to congestion charging. Carbon dioxide emissions vary – the lowest they have been in the reduction is 15% and there has been as high as a 20% reduction measured.

—London Deputy Mayor Nicky Gavron

Now, costs and revenue. Contrary to some press reports, the scheme earns serious money, all of which is spent on improving transport in London. The set up costs of the scheme were £190 million, including £100 million for complimentary traffic measures or traffic management costs. Operating costs are about £95 million per annum, and the gross income is about £212 million. There's a net revenue surplus of roughly £122 million per annum. Most of the surplus goes to improving the bus network. The rest goes to safer routes to school—it is a big deal in London, the amount of traffic generated around us. We do not have the yellow bus system and we are putting in walking routes to school and so on. We put a lot of money into making the walking environment better and into cycle lanes. We put money into distribution and freight, making it easier for people to move around London by water or rail, and also rationalizing distribution centers for freight.

What about the economic impact on central London? Before the scheme was introduced, the predictions were absolutely that there would be a meltdown. London just would not survive. Shops would close, theaters would be dark, and empty bars and restaurants would just go to the wall. The reality has been very different. The headline is that the impact on business has been broadly neutral. That is the overall headline. There has been no overall impact on the level of employment, on

17 See also <http://www.tfl.gov.uk/assets/downloads/Fourth-Annual-Report-Overview.pdf>

the number of businesses, on turnover, on commercial rents or on profitability. This has not been a constant picture. Critics of the scheme quote the autumn of 2003, when there were clear signs of an economic downturn in central London. We have a survey conducted among businesses showed that most of it was due to cyclical economic factors, to decline in international tourism—that is when I was coming here to meet Mayor Bloomberg, to talk about how each city, each the other’s favorite destination, was going to manage. That was, of course, post-9/11. Also short term local impacts, like the closure of the Central Line¹⁸ subway. All these contributed far, far more than anything to do with congestion charging. There was another sharp decline in retail sales in London between July and September 2005, which followed the London bombings on the tube.¹⁹ By early 2006, this trend was reversed. Annual turnover rates²⁰ were increasing. In, fact, they are growing at 7% in central London, much faster than the 2% in the rest of the UK. Central London is really thriving. Many business and professional services working in central London have benefited enormously from improved reliability.

Support now is roughly running at two-thirds, and opposition at well below 30%. The congestion charge enjoys the unusual distinction of being more popular after people start paying than before.

—London Deputy Mayor Nicky Gavron

The congestion charge has prompted other initiatives. A number of suppliers, for instance, from the construction industry, have joined together to establish a joint depot so the variety of materials can be loaded onto one vehicle, instead of several vehicles visiting the same site. West End theaters are doing better than ever. Overall, business in central London is booming. For example, the retail sector within the zone has increased its share of enterprise employment since 2003. The retail sector is really doing well. There has only been one major retailer in the zone actively campaigning against the scheme, arguably because they had a very large car park, and they have now dropped their campaign completely and are doing very well.

What about the environment? There have been substantial reductions in emissions in the zone: nitrogen oxides are down by 13%, 8% directly attributable to congestion charging. Particulates are down 15%, 7% due to congestion charging. Carbon dioxide emissions vary—the lowest they have been in the reduction is 15% and there has been as high as a 20% reduction measured. There are wider benefits: road traffic accidents within the zone are down by between forty and seventy a year. People feel really good about their streets. Surveys of theater-goers, restaurant-goers and shoppers have shown that people feel the environment now is much more pleasant. The look and feel of the street, and the public spaces in the

18 The Central Line subway, which usually carries hundreds of thousands of passengers each day, was closed for two weeks in 2003 following an accident in which a train hit a wall.

19 On July 7, 2005 three bombs on London Underground trains and one bomb on a city bus were detonated during the morning rush hour. 52 people were killed in addition to the four suicide bombers, and at least 700 people were injured.

20 Annual turnover is the amount of business done in a year.

zone on its perimeter are felt by people to have improved. These impacts on traffic, business and the environment are not just noticed by the professional observers and critics. Ordinary Londoners support the scheme now. In late 2002, just before the scheme was introduced, more people, of course, were opposed than in favor. But since the scheme went live, this has been reversed. Support now is roughly running at two-thirds, and opposition at well below 30%. The congestion charge enjoys the unusual distinction of being more popular after people start paying than before.

I want to briefly mention the western extension of the zone,²¹ which was introduced three months ago, after a period of extensive consultation. Initial analysis of congestion had identified an area to the west of the central zone which suffered higher levels of congestion throughout the working day than the rest of London. Like the central zone, the western zone—this is where Harrods²² is, just to locate it for you—the western extension also contains important retail, business

We have learned some important lessons for other cities in our experience of introducing congestion charge. First, political leadership, commitment and courage are absolutely essential. It can be a very bumpy ride. You must do the research on the area. You must establish before and after monitoring. You must undertake extensive consultation with residents and business interests, and you must be prepared to be flexible.

—London Deputy Mayor Nicky Gavron

and tourist sights, and is well served by public transport, but has more residents. The early indications are that the impacts of the extension are in line with the projections. Contrary to some predictions, traffic in the existing central charging zone is unchanged, and there is clear evidence that increases in

average speed are happening and reduce congestion. There is not, at the moment, anything we can say about businesses. In two months, we will have an impact study out, but it looks as though everything, all our predictions, are on target so far.

That is where we are at the moment. We have learned some important lessons for other cities in our experience of introducing congestion charge. First, political leadership, commitment and courage are absolutely essential. It can be a very bumpy ride. You must do the research on the area. You must establish before and after monitoring. You must undertake extensive consultation with residents and business interests, and you must be prepared to be flexible. You need to set up a public communication information system, establish strong project management, bring in improvements to the transit systems in advance, and implement effective traffic management measures and complimentary traffic and parking schemes close to the zone boundary before introduction. There are a couple of other points that need to be bourn in mind. Congestion levels can vary within the zone due to a range of factors. For example, at the moment there are intensive programs of activities by utilities. London's leaking nearly a billion liters of water a day, so we are having to replace our water infrastructure. That means digging up the roads. It is also electricity and gas, and these have a temporary impact.

21 <http://www.tfl.gov.uk/corporate/projectsandschemes/roadsandpublicspaces/2279.aspx>

22 Harrods is an upscale department store located in the Knightsbridge neighborhood of London.

So who are the winners and who are the losers? First, the losers. Inevitably there will be some businesses which lose because of the charge. Any transport project will have this effect. But there are not that many, and they are mainly niche businesses, specialist businesses, and they have moved to other parts of London. So, you could say that other parts of London have gained. But let me restate that, overall, the effect on business is neutral, and central London today is thriving. The original charging scheme affected up to 15 % of all London households. However, most households travel to central London by car only once a month or less, so the level of inconvenience to most was low. The main losers are the small number of people who have been forced out of their cars for the daily commute to central London. However, these are a small minority. Around 90 % of the commuters in the original zone travel to work by public transport, even before the congestion charge. Only one in ten shopping trips were made by car before, and that percentage is still the same. Who are the winners? Those who get the benefits without paying the charge. For example, bus and taxi passengers, who have more reliable public transport; residents who only pay 10 % of the charge and can drive around the central zone and the western extension more easily; pedestrians, including tourists, who benefit from investment in the public realm; cyclists, who enjoy more cycle routes, with a much more pleasant environment; and, of course, those who have not had an accident are major beneficiaries. So the equation is, a small number inconvenienced balanced against big gains for the many.

On the wider canvas, everyone benefits from a better quality of air and lower emissions. Since the mayor introduced the charge, climate change and the need to cut carbon emissions has leapt up the international agenda. In November 2006, the mayor announced his aim to take forward a policy of reducing London's CO2 emissions by introducing emissions influenced charging.²³ Charges will vary sharply according to the vehicle's impact on climate change, measured by grams of carbon per kilometer. These proposals have been worked out by Transport for London,²⁴ and some are ready for consultation, and others will follow. A differential charging regime has a potential to promote and accelerate the market for low or zero carbon emission vehicles, and for the refueling and maintenance infrastructure to support them. These could include bi-fuels, hybrids, plug-in hybrids and possibly hydrogen fuel cell pod vehicles. The integration with climate change policies holds out the potential of dramatically reducing the 21 % of all London's carbon emissions which are attributable to service transport. That is exactly the same proportion as New York has. Given the rate at which cars, commercial and public transport vehicles are replaced over a six to seven year cycle, this could mean that a significant change could happen to the composition of vehicles in London in the next ten years.

To conclude, I said in the beginning that no two cities on earth have more to learn from each other than London and New York. The idea of a congestion charge is not new. It is a key addition, though, to the instruments of metropolitan government.

²³ https://tfl-cc.custhelp.com/cgi-bin/tfl_cc.cfg/php/enduser/std_adp.php?p_sid=lkhN60mi&p_lva=&p_faqid=2689

²⁴ <http://www.tfl.gov.uk/>

We did the basic research on the London scheme and learned from other cities worldwide. The London Planning Advisory Committee would not have done it unless there had been the example of Trondheim²⁵—a small place near Oslo, in Norway—or Singapore.²⁶ Your congestion pricing project can go through the same process, and you can cherry pick from our experience, from Singapore's, and now Stockholm has it. Our two great cities have the same goals. At this week's C40 climate summit, we two cities pledged our commitment to lead the world by example in tackling climate change. Congestion charge has a vital role to play in that, because at the same time as reducing emissions, you reduce traffic, you improve air quality, and you can fund public transport initiatives for New Yorkers and for Londoners. London is only a small proportion of the UK emissions. The UK emissions are 2% of the world's emissions. I don't know about New York,²⁷ but we do know about the USA's emissions: they are a quarter of the world's. The world's cities and citizens are watching London, and they are watching New York. What you do here will have a huge effect. So please, we will do everything to collaborate. Work with us. Because there isn't one moment to lose. Thank you.

ANDREA BATISTA SCHLESINGER:

Thank you so much, Deputy Mayor Gavron. I am Andrea Batista Schlesinger from the Drum Major Institute. Thank you all for coming. I want to especially recognize State Senator Bill Perkins and Councilman

David Yassky for joining us. I want to direct the first question to Councilman Liu. You know, there is an assumption that tackling climate change is relevant to our infrastructure planning process, and that climate change must be integrally connected to congestion pricing. Do you think in New York City that that is the expectation on the part of our government or people, that accounting for climate change is actually relevant to our city policy planning?

COUNCILMEMBER JOHN LIU: In recent years, and the volumes are only increasing, we do see a great deal more concern among New Yorkers for the environment, and it applies not only to our idea of traffic management here, but with all the green building that is going on, and the codes that are coming into place requiring green construction. It is definitely more of an issue. Just a couple months ago there was a report released that talked about how traffic congestion was contributing greatly to emissions.²⁸ But the buildings themselves are also contributing to emissions. It is a much more global concern that I know many of the organizations and advocates here are very hot on. But I generally support the idea of congestion pricing, because

I generally support the idea of congestion pricing, because of the economic as well as the environmental costs of not doing so. The economic costs include the loss of \$13 billion a year in economic activity in the region. We are bleeding more than fifty thousand jobs a year because of the congestion.

—New York City Councilmember John Liu

25 See <http://www.environmentaldefense.org/article.cfm?contentID=6161>

26 See <http://www.environmentaldefense.org/article.cfm?contentID=6166>

27 New York City's emissions, though less than 1/3 of the average U.S. emissions per capita, account for 1% of the emissions of the United States.

28 See http://www.pfnyc.org/pressReleases/2007/pr_041007_carbon.html

of the economic as well as the environmental costs of not doing so. The economic costs, again, to always rely on the Partnership study,²⁹ means the loss of \$13 billion a year in economic activity in the region. We are bleeding more than fifty thousand jobs a year because of the congestion. Those are immediate calls for action, and that is why we are having discussions such as this.

ANDREA BATISTA SCHLESINGER: Ed, there's been a lot of conversation in the press, about the impact of congestion pricing on New York. Let's throw this out there, and perhaps ask the Deputy Mayor how the response was met in London. Some are concerned that congestion pricing would be a tax on middle class people. You have got others who think that, in fact, it is the other way around and, that at this point, a large group of people are being taxed in terms of having to suffer the impacts of congestion of a small number of people who are

We have a pricing scheme now. We have an asinine system of tolls – I love that term 'rat running' – that creates rat running through the neighborhoods of Brooklyn. It is bad for the people of Brooklyn, it is bad for the people who live along Canal Street, and you see it every day at five o'clock if you are looking at people cutting through Brooklyn, over Canal Street, to get to Jersey so they can beat the toll system. It is nuts.

—Ed Ott

New York Central Labor Council

driving. As a labor union head, what is your take of the prospective impact of congestion pricing on working people?

ED OTT: Look, I think part of the problem that we have—I was glad to hear that the press came out of the box the same way in London, because here they have narrowed this to a single issue discussion. The discussion really needs to take place in the broadest context possible, both in terms of competitiveness of the city going forward, and its attractiveness as a place to do business and to work. But also, we really need to have our discussion within the framework of mass transit. There are still sections of the city that are largely inaccessible to the mass transit system. Travel within the boroughs is severely limited and drives people into autos. The truth of the matter is, the Labor movement would range from some unions being supportive to, at this point, large numbers of union leaders being skeptical, and a couple hostile. All based on the information they are getting—

ANDREA BATISTA SCHLESINGER: Can you name names?

ED OTT: No, I don't name names. I come from a movement where naming names is not really something you want to do.

ANDREA BATISTA SCHLESINGER: I tried.

ED OTT: Now, the last thing I will say is this. Part of what we said, and we said

29 "Growth or Gridlock: The Economic Case for Traffic Relief and Transit Improvement for a Greater New York," Partnership for New York City, December 2006. http://www.pfnyc.org/pressReleases/2006/pr_120406_congestion.html

this when the mayor first started talking about the sustainability commission, that if all in the end a discussion on congestion leads to is a regressive fee on people going to work, the social base to oppose the whole plan in New York City will be very large. But this is the beginning of a discussion, not the end. At the beginning, I am sure, in London, large elements of the working and working middle class were skeptical, maybe hostile. But the need for mass transit among working people is real. The working class of this city is on the subways at six in the morning. They are the service industry. There are thousands of them. The city has put, over several hundred years, tremendous amounts of resources into pedestrian infrastructure. We have not put enough into bike infrastructure, and transportation alternatives.

What I will say: any scheme that we come up with that deals with the question of mass transit will have a pricing scheme as part of it. That is the reality, and everybody in the last couple of weeks that has engaged this has come to the same conclusion. We have a pricing scheme now. We have an asinine system of tolls—I love that term ‘rat running’—that creates rat running through the neighborhoods of Brooklyn. It is bad for the people of Brooklyn, it is bad for the people who live along Canal Street, and you see it every day at five o’clock if you are looking at people cutting through Brooklyn, over Canal Street, to get to Jersey so they can beat the toll system. It is nuts. Our city will be competitive if it is attractive and efficient. The mass transit system that was built was originally designed to bring people from the boroughs to the industries of Manhattan and Brooklyn. The world has changed. Many of those industries are gone. Our mass transportation system needs to be looked at. The buses must be bought before the pricing scheme is imposed. Light rail needs to be examined extensively in this city, and other transportation alternatives need to be explored.

ANDREA BATISTA SCHLESINGER: Deputy Mayor, before I turn it to Councilman Gioia, do you want to respond at all to the reception and the perception of who congestion pricing was going to impact?

This discussion has to be about cleaning our air, strengthening our economy, and improving people’s quality of life. Congestion pricing in and of itself is not the goal. Congestion pricing is a tool to get us to those other things.

— New York City Councilmember Eric Gioia

DEPUTY MAYOR NICKY GAVRON: Yes, we thought about this long and hard. The bus, I think, took up 2 % of the road space in London. In the central zone, more than half the households—there are quite a lot of people sometimes in a household—didn’t have access to a car. Across the whole of London it is 38 %. You have to think about what equity for the people who do not have a choice. Basically, we have now got a public transport system which is a choice. It is a good transport system. Of course, improving it is our long term aim: to make it much, much better even than it is now, particularly in the further reaches of London. We are investing as fast as we can in more and more and more public transport. But what you need to do is to give people a choice so that all London residents, like the guy in the pinstripe suit, can get to work very reliably and very fast by a bus. Oh, of course, there’s the tube,

and we're investing in the tube as well. I just want to say, in terms of equity, it is much more equitable.

ANDREA BATISTA SCHLESINGER: Councilman Gioia, one of the things that the Deputy Mayor talked about was an extensive consultation process, which is actually Lauren George's question from the Citizen's Committee.³⁰ You live in one of these communities and represent one of these communities, Long Island City, about which there is some concern regarding it becoming a parking lot, or a rat run, or something to that effect. What are you hearing from the residents in your community, and what kind of consultation do you think would need to take place with the members of your community to have a good, productive conversation about this issue?

COUNCILMEMBER ERIC GIOIA: Well, first, let me thank the Deputy Mayor for adding the term 'rat run' to our lexicon.

ANDREA BATITSA SCHLESINGER: It means something else here, I think.

COUNCILMEMBER ERIC GIOIA: But I also want to thank Ed Ott. I mean, I really want to be associated with Ed's comments, which I think were right on. What I have been telling folks in my neighborhood is this: I don't think we do anybody any favors

Folks need to be engaged. Just because they oppose the plan, or they are skeptical about it, it doesn't mean that they're unintelligent; they need to be treated in an intelligent and respectful way, and their concerns need to be looked at seriously, and not just thought that, well, maybe because they didn't go to a fancy school, and they don't wear a suit to work, that they're not as bright, or as much a New Yorker as we are.

— New York City Councilmember Eric Gioia

by having a major opposition to this discussion. But I think it has to be very important that we be clear what this discussion is about. This discussion has to be about cleaning our air, strengthening our economy, and improving people's quality of life. Congestion pricing in and of itself is not the goal. Congestion pricing is a tool to get us to those

other things. I think we have to be honest with each other. By the way, I want to commend the mayor for actually bringing this conversation to the forefront. That is really what leadership is, looking around corners and seeing problems before they become—well, it is already a big problem, but before it really begins to hurt the competitiveness of the city. London is our competitor, and our friend, by the way. Our friendly competitor. But nevertheless, it is not Hoboken we are competing with, it is London, to be the world's capitol. I think we have got to be realistic about that.

When you live in my neighborhood, and you see kids with their pockets bulging with asthma inhalers as they walk to school, you have got to ask yourself, is it getting better or is it getting worse? What are we going to do to clean our air and make sure that they are healthy? In addition, and this is an incredibly important

30 The Citizen's Committee for New York is an organization that provides small grants, training, and hands-on technical assistance to volunteer-based and grassroots organizations in New York City.
http://www.citizensnyc.org/ccnyc/genpage.html?n_id=48971909

point, that it has to be holistic improvement. There is a misunderstanding out there that working folks, if only they had better information they would make better choices. In other words, if only they knew they could get to work another way, they would get to work another way. I just finished this week living on food stamps, on twenty-eight dollars, to show how difficult it was, and folks would say to me, ‘well, poor folks, if they knew they had healthy choices they wouldn’t eat such diets high in salt and fat.’ And I said, ‘Well, you know, I am a pretty smart guy, and within about thirty minutes I was buying the worst food possible because it was the only food I could afford.’ The idea that working folks drive to work because they don’t know how to get there by train or by bus is wrong. People are making rational choices because they don’t have other options. I really do think you are right on about improving mass transit, improving light rail, improving fast ferry service from parts of Queens and Brooklyn and Staten Island to Manhattan.

It really is important that we be respectful of all the folks we are speaking to. There was an editorial³¹ in one of the newspapers today, and I think it was right on a lot of points, but I think it struck the wrong tone, a terribly wrong tone. It talked about some opponents as being parochial, and I think it actually accused them of whining. There is no faster way to kill this discussion than to go onto Queens Boulevard to tell the folks that I live with and represent that they are parochial whiners. In fact, if you did say that, I think you should bring Ray Kelly³² with you, because there is nothing I could do to protect you. But it is part of the point—and this is a very serious point – that folks need to be engaged. Just because they oppose the plan, or they are skeptical about it, it doesn’t mean that they’re unintelligent; they need to be treated in an intelligent and respectful way, and their concerns need to be looked at seriously, and not just thought that, well, maybe because they didn’t go to a fancy school, and they don’t wear a suit to work, that they are not as bright, or as much a New Yorker as we are.

ANDREA BATISTA SCHLESINGER: Deputy Mayor?

DEPUTY MAYOR NICKY GAVRON: Just a couple of things I didn’t mention, which is that we have been gradually introducing free fares for children. Now all under eighteens, everyone in full time education, goes free on the bus, and we are extending it to the tube. And, of course, all over sixties go free on the bus in London. We are also looking at people on public assistance going free. So it is about redistribution. The point I want to make about health: when we put in the congestion charge—I told you about the air quality monitoring—and we knew intuitively that kids who lived on main roads were being damaged. I was very friendly with the consultant at one of the big hospitals who was monitoring where the kids with respiratory diseases were living. A few months ago, the University of Southern California—and it is being reinforced by our own Southampton University—has come out with a study³³ which

31 The editorial was in *New York Newsday*. Text can be found at <http://www.campaignfornewyork.com/news/ednewsday051707.html>

32 Ray Kelly is New York City’s Police Commissioner

33 For more on this study, see <http://www.usc.edu/uscnews/stories/13313.html>

is total dynamite which shows that the children living within five hundred meters—and it goes up, it is scaled up and down depending on how close you live—to a trafficky road have damaged lungs. Asthma is not just exacerbated by vehicle fumes, emissions, but it is caused by it.

My dad owns a flower shop on Roosevelt Avenue in Queens. It is been in the family about a hundred years. When I was a kid we used to drive into Manhattan all the time. I used to sit in the truck and he would deliver flowers. He doesn't do that anymore because although we can say there is not a congestion price to drive in, there is what I call a time tax. It is no longer profitable for my dad to pay a deliveryman to drive into Manhattan to deliver a floral arrangement.

— New York City Councilmember Eric Gioia

ANDREA BATISTA

SCHLESINGER: One of the questions—actually, it is the same question being asked a few times—is how do we guarantee, and how did you guarantee that the funds that were generated through the congestion pricing plan actually translated into increased investment in public transportation infrastructure?

DEPUTY MAYOR NICKY GAVRON: I can tell you, I don't know what the opposition would have been like if it had not been seen as something that is going to be—we have this term, hypothecated. One of the great, the really important elements of congestion charging is that every penny goes into investment in alternatives to the car, and also making the street environment better for all users, including the car.

You have business owners in the outer ring, in Long Island City and Woodside, and parts of Brooklyn and the Bronx, who are making decisions every day about not driving into Manhattan anymore because of this time tax. When I look at congestion pricing I think what it does is put a dollar figure on the time tax, and you actually get to make a business decision about whether you want to pay it or not.

— New York City Councilmember Eric Gioia

ANDREA BATISTA SCHLESINGER:

For small businesses, there is the concern—and I wanted to kind of throw this out to the panel—that small businesses would be negatively impacted, especially those that are located in the central business district. Is that concern shared by those on the panel? And, of course again, how did London address this? Having looked at the studies, the broad impact was

neutral. There was some concern about certain sectors, for example, like retail. How do we avoid that situation in New York?

COUNCILMEMBER ERIC GIOIA: Can I just start off with that? I would love to hear the London numbers, but my dad owns a small business here, has a flower shop on Roosevelt Avenue in Queens. It is been in the family about a hundred years. When I was a kid we used to drive into Manhattan all the time. I used to sit in the truck and he would deliver flowers. He doesn't do that anymore because although we can say there is not a congestion price to drive in, there is what I call a time tax. It is no longer profitable for my dad to pay a deliveryman to drive into Manhattan to deliver a floral arrangement for forty or fifty bucks. It just takes too long. He is paying the guy too much money. The gas costs too much money. It is no longer profitable.

You have business owners in the outer ring, in Long Island City and Woodside, and parts of Brooklyn and the Bronx, who are making decisions every day about not driving into Manhattan anymore because of this time tax. When I look at congestion pricing I think what it does is put a dollar figure on the time tax, and you actually get to make a business decision about whether you want to pay it or not. That is my intuitive guess—that is my personal, anecdotal evidence. I am very curious to hear what happened in London. But I will say I was there about eight weeks ago, and I cannot imagine a city that is more booming. For a New Yorker to say a city is crowded and people are walking down the streets, you have got to know it is doing pretty well.

I have met with a number of small business groups. After years of what they call suffering through this very unpredictable city government, from double parking tickets to sanitation tickets, to Department of Health tickets for so-called violations, they feel that this is just another way to get them. They feel that they have not been heard, they have not been reached out to.

— New York City Councilmember John Liu

DEPUTY MAYOR NICKY GAVRON: I am a huge admirer of Mayor Bloomberg and I think the New York plan is wonderful, and it is terrific what he is doing here. Just as the buses are stuck—were stuck in traffic, they couldn't get through—so, too, all the delivery vans. Your point is very well made. Anyone who actually depended on getting in and out of the zone many times, and getting around inside the zone, like

many, many people in service industries that need to deliver is, of course, doing much better because it is much easier to get around. You can make many more trips. I have not heard this expression 'time tax' before. It is a really good expression.

So I think the businesses that have done less well are those where there was a niche such that people came a long way to them, and maybe they were collecting stuff, like antique furniture or something like that. I think that some of those have had to move out. But they have not moved out of London, they have moved to other parts of London, so it is the gain of the economy of a neighborhood somewhere else. And, like you, we have lots of interesting neighborhoods. You know, passing trade, some of the small news agents and so on, would be hit. That has been the evidence. But as I said, it is completely outnumbered by all those who have gained.

ANDREA BATISTA SCHLESINGER: Councilman Liu?

COUNCILMEMBER JOHN LIU: Well, I think that is a great question, because the voice of small business owners is probably one that the mayor will have to do a better job of including in the process. Over the last three weeks I have met with a number of small business groups who represent, in most cases, entrepreneurs, mom and pop shops, mostly immigrant, who really feel that they have just been completely ignored in this entire process. To ask them to now pay \$21 a day to drive their delivery trucks or their vehicles that they conduct their business in is, to them, not an idea of improving the environment. After years of what they call suffering through this very unpredictable city government, from double parking

tickets to sanitation tickets, to Department of Health tickets for so-called violations, they feel that this is just another way to get them. They feel that they have not been heard, they have not been reached out to. I have suggested to them that, if you are thinking about paying \$21 a day, in the grand scheme of things it is really not that much. And, in fact, time is money for these small businesses, so they could actually maybe make more money if the streets were less congested. But they are so skeptical at this point that they are not really open-minded to hearing a lot of things. I think we do have to admit that they have been largely left out of the entire process in the conversations. What I have suggested, as a way to help the small businesses and make our government more predictable, is by figuring out how, in the easing of the congestion, we make it easier for the small businesses to load and unload their goods, because right now they do it every single day on the street. They just get a ticket every time that happens. They would much rather have less congestion, and at the same time a more predictable way of conducting their business on our city streets.

I think the number is somewhat less than 5% of the people drive into the central business district for work as it is, during the peak hours. For those folks there is going to be impact that will have to be addressed. They will make a conscious choice if the transportation alternatives are put in place. I am going to stress that again and again. There are sections of this city that are underserved. Those folks are not really making a choice.

— Ed Ott

New York City Central Labor Council

DEPUTY MAYOR NICKY GAVRON: Just to say that one of the consequences of the charging in London is that a lot of businesses, who don't have fleets have changed their vehicles to be exempt. I just want to stress that; you go free if you have the right kind of engine.³⁴ I just want to read out these figures related to the estimated number of unique vehicles on an average charging day. Unique means, some of which will make many journeys, like taxis and delivery vans, so it is just counting them for one journey. Fully chargeable 56%. Residents 5%. Exempt 33%. Nonpayment 6%. This just encourages people to change to a really fuel efficient vehicle.

ANDREA BATISTA SCHLESINGER: You know, at the Mayor's speech, when he announced PlaNYC, he made a joke about banning desserts and sweets. And I thought it was funny, but for a second I thought, if he wanted to he could probably do this. It seems like a lot of this – the congestion pricing, especially since we know that the people who are driving, for the most part, are doing so even though they do have access to mass transit. We are talking about just in terms of numbers, and a poll done by the Partnership.³⁵ Really, the only thing that would create an incentive for them to leave their vehicles would be if they had to pay. So is this a behavior changing plan, at its core? And if it is, how does this deal get done? And I want to turn to the deal maker.

34 In other words, vehicles that burn alternative fuels don't pay the congestion charge. For more on this exemption, see <http://www.cclondon.com/downloads/Drivers.pdf>

35 See http://www.pfnyc.org/pressReleases/2007/pr_050307_drivers_reaction.html

ED OTT: Look, for some people it will be a behavior change. That includes for business, for some of the large businesses in the city this will not be a major change. But for some of the small businesses there will be impacts for working people. I said it before, I will say it again: I think the number is somewhat less than 5 % of the people drive into the central business district for work as it is, during the peak hours.³⁶ For those folks there is going to be impact that will have to be addressed. They will make a conscious choice if the transportation alternatives are put in place. I am going to stress that again and again. There are sections of this city that are underserved. Those folks are not really making a choice. They are driving to work because, to one degree or another, it is necessary, or they are driving to some point in the mass transit system and then engaging the system there. Part of what we do and what happens really depends on how much commitment we make up front to transportation and transportation alternatives to people. They will then make a choice. I believe they will change their behavior. Let's get over this, all right? We are talking about a major overhaul of how we are thinking about this city. There

There are things that can be done immediately. The Deputy Mayor talked about the expansion of bus service. It can be done very quickly, with very little capital outlay. Expansion of local as well as, specifically, express bus service will be an alternative to people driving into Manhattan. And other options such as vastly expanding the access to commuter rail lines, such as the Long Island Railroad and Metro North. Again, no capital outlay whatsoever. Relatively minimal operating costs, and it can be done very quickly.

— New York City Councilmember John Liu

are going to be impacts. We are going to have to figure them as we go. But we are going to have to talk to everybody, we are going to try to listen well—which government traditionally does not do—and we are going to have to reach out and solve problems. If we don't take a problem solving approach to this, we will generate mass opposition to it. The impacts can be dealt with.

We are not talking about 35 % of your population driving into the central business district of Manhattan. We are talking about less than 5 %. One of the real legitimate concerns is going to be among people who drive commercial vehicles, and what is the cost factor for them? This has to be addressed. People have to know. We have to give them some answers.

COUNCILMEMBER JOHN LIU: Well, there has been some talk about people driving into Manhattan, even if they have mass transit options. I think I don't quite agree with that kind of illustration of the problem. I think the majority of people who drive to work on a daily basis are driving in because they do not have the mass transit option. Let's talk about exactly what can be done, because there has been some skepticism among opponents of congestion prices: well, it will take years to get these mass transit improvements in place, the kinds of improvements that Mayor Bloomberg had briefly outlined.³⁷ These are major projects. But there are things that can be done immediately. The Deputy Mayor talked about the expansion of bus service. It can be done very quickly, with very little capital outlay. Expansion

36 See http://www.nyc.gov/html/planyc2030/downloads/pdf/tech_report_transportation.pdf

37 For an overview of Mayor Bloomberg's proposed improvements, see <http://www.nyc.gov/html/planyc2030/html/plan/transportation.shtml>

of local as well as, specifically, express bus service will be an alternative to people driving into Manhattan. And other options such as vastly expanding the access to commuter rail lines, such as the Long Island Railroad and Metro North. Again, no capital outlay whatsoever. Relatively minimal operating costs, and it can be done very quickly.

For those people who that ask, ‘are we not going to do this until we start generating the revenues from congestion pricing?’ I have suggested to the administration and anybody who is interested—I know there are so many dire warnings about deficits in the budget. The reality is that we have a substantial surplus going on right now, and that surplus should be suitable to be invested immediately into these alternative forms of mass transit that do not require huge capital outlays. Only then can we look people in the face and say, ‘look, you have the mass transit options.’ Today, when we say ‘you have mass transit options’ it means, for many people, taking a local bus twenty to thirty minutes to get to the nearest subway station and then, if you can even get on the subway at that point, taking the train for an hour to an hour and fifteen minutes to get to their destination in Manhattan. That is not a real choice. I have called for a thirty minute commute into Manhattan on mass transit. If thirty minutes is a little bit of a dream, we can commit to something like forty-five minutes.

If you actually make somebody's commute something to look forward to, I think a lot more folks would use it. It is really hard to have a good day at work when you have a lousy commute. When you are waiting for three subways to go by, and then you get on it and it is hot and it is not a hospitable environment, you may want to drive.

— New York City Councilmember Eric Gioia

There has to be a firm commitment about what is a fair length of a commute and how much that ride should be. We should do that immediately. We should not discount the surplus that exists today. Because you know what? For me, environment and quality of life: great. But the main argument

here is the economic costs of not doing so. If we do not make the investments now, it will wind up costing the city in economic output and the number of jobs. I certainly encourage Mayor Bloomberg to really look at investing immediately in those other transit options. Give people that real transit ride, a short and affordable ride, and that, in and of itself, will take a lot of people out of their cars.

COUNCILMEMBER ERIC GIOIA: In terms of transportation options, I think we really need to have both a short term and long term plan here. Because as I mentioned earlier, I don't buy it that folks have these great options and are choosing to drive anyway. I think when you look at it—take my neck of the woods, in Queens. The number 7 train is a lifeline for Queens. Try getting on it at about 8:45 in the morning. It is likely you will let two or three trains go by before you can get on a subway train. The 7 train was out twelve weekends last year, five weekends in a row the year before. So, on weekends you are literally stranded. You are cut off. You have no choice getting back and forth into Manhattan or to other parts of the city.

What we really need, like John said, are those fast bus services. But we also need a new ferry infrastructure dotting the entire East River, going to Rockaway and Staten Island and the Bronx. In addition, in terms of long term planning, when you look at western Queens, the Sunnyside rail yards needs to be platformed and an intermotor facility needs to be built so you can actually have a regional transportation hub that will allow people to get back and forth with ease. The point is, as it is now, the infrastructure is maxed out. When you go on a London subway—I have got to tell you about this. The London subways are fantastic. They are a much smaller system than our system, but a great system. What I love is, when you are on the train it actually gives you a map of what above ground looks like, and there are these great signs saying, ‘You love your heart; walk a few blocks.’ I thought, what a great idea. It is a pleasure to ride that system.

There is a question about freedom, and concern about how we track cars. The question is, do we need to lose our freedom in order to fight pollution? What are the implications of having more traffic cameras and doing all of this tracking of cars to monitor them going inside and outside of the central business district?

— Andrea Batista Schlesinger,
Drum Major Institute for Public Policy

ANDREA BATISTA SCHLESINGER: I have a feeling we will be hearing that again.

COUNCILMEMBER ERIC GIOIA: Yeah, I think you may, but it really is. There is a lot we can learn from that system. If you actually make somebody’s commute something to look forward to, I think a lot more folks would use it. It is really hard to have a good day at work when you have a lousy commute. When you are waiting for three subways to go by, and then you get on it and it is hot and it is not a hospitable environment, you may want to drive.

ANDREA BATISTA SCHLESINGER: It just shows the political sensitivity of this, that it is difficult to acknowledge two things. One, that many people drive who do have access to mass transit, and don’t need to drive. But then that there are many people that are forced to drive because they really don’t have access. Both of those things can be true at the same time. Now, let’s go back to behavior modification, because I have a couple of questions on this, about some people who may need to have their behavior modified. One,—

COUNCILMEMBER ERIC GIOIA: It sounds very Soviet, I have to say. It really concerns me when we start talking about behavior modification.

ANDREA BATISTA SCHLESINGER: Can we get the New York City Police Department to enforce the three minute idling law? And, two, what do we do with people with government plates who drive into Manhattan? I am going to take a volunteer to respond to those questions.

ED OTT: No, the truth is that police will have to enforce the law, or we can give it to other agencies to enforce the law. On the three minute idling, you know, idling is a

bad thing. It should not be happening. We are going to have to deal with it. Can you enforce the law? Of course you can enforce the law. The question is, how much do you want to invest in enforcing it? It is going to have to be part of any air cleaning plan that we have in this city. It is a problem for small business everywhere, on deliveries, and customers making quick stops. And that has got to be addressed. That is an impact. That is real. And everybody knows it. But can it be done? Of course it can be done. This behavior modification thing—you know, I am not overly concerned about behavior modification. If there are good systems for people to utilize, they will access them. The only honest answer, it is almost like answering, what is good sex? The only honest answer is, well, it depends. It depends on what we do. And if they don't do certain things up front, this will never happen.

ANDREA BATISTA SCHLESINGER: I don't know how far you want to go with that metaphor. Perhaps it is best to end it there.

COUNCILMEMBER ERIC GIOIA: That's the best answer I have ever heard at a DMI lecture series.

ANDREA BATISTA SCHLESINGER: We will be inviting you back. I want to direct this question to London: there is a question about freedom, and concern about how we track cars. The question is, do we need to lose our freedom in order to fight pollution? What are the implications of having more traffic cameras and doing all of this tracking of cars to monitor them going inside and outside of the central business district? Is that a real concern?

I am concerned about women having to walk home after having used public transport late at night. I am thinking of a campaign called 'the Last Mile Home,' and thinking about what we can do about the last mile home.

We have to make it safe for women.

— London Deputy Mayor Nick Gavron

DEPUTY MAYOR NICK GAVRON: It was more of a concern, I think, before we had the bombings in London when, if we hadn't had

the cameras in the tube, and the cameras in the street and so on, we would never have identified the terrorists. I think there is complete understanding now. It is totally changed in London.

COUNCILMEMBER ERIC GIOIA: You know, I think the Fourth Amendment, which guarantees us all a right to privacy, is something to be taken seriously. But as someone who has dealt with this—I represent Queensbridge Houses, and early in my term people were really clamoring for security cameras. At first, being an attorney and being worried about these Fourth Amendment issues, I had a kind of knee jerk concern. And people said, look, we are more concerned about being beaten up or stabbed or killed outside of our home. We need these cameras. We put them in, crime dropped dramatically, and all of a sudden the neighborhood—you saw benches that had been empty for years, people populating them again. I think it is an interesting point, and I don't want to dismiss it, but I agree with the Deputy Mayor. I think that there is a false sense of freedom – we shouldn't debate a false sense of freedom and actually talk about real freedoms.

DEPUTY MAYOR NICKY GAVRON: We are kidding ourselves, too because, in fact, you know, when you hail a mini-cab from your mobile phone they know where you are. I mean, this is where we are now.

ANDREA BATISTA SCHLESINGER: Everyone knows you are at the Drum Major Institute/Partnership for New York City, Marketplace of Ideas.

COUNCILMEMBER JOHN LIU: Andrea, let me just say that we can do all of that, and there can still be safeguards to protect people's freedoms and privacy.

DEPUTY MAYOR NICKY GAVRON: There were a couple of other points from before that I would like to address. This point is a very important one, about people who don't live close to mass transit. We are trying to fill in those gaps with buses. But we also are, to a certain extent, further out, encouraging what we call 'park and ride'. I am particularly interested: as a woman, it takes me an hour altogether, my journey to work. That is an eight minute walk to the tube, and then another walk when I get off the tube and so on. I live on the northern line. He was very nice about our tube system, but we still call it the misery line. We have got a lot of work to do on it. In the summer it is not yet air conditioned. We're getting there. Anyway, I just want to put that in context. It is not all so hunky dory. But I am concerned about women having to walk home after having used public transport late at night. I am thinking of a campaign called 'the Last Mile Home,'³⁸ and thinking about what we can do about the last mile home. We have to make it safe for women. They have to have the perception we really are working on neighborhood policing. We are looking at being able to pick up something that takes you round the houses literally, and drops you off. A very cheap form of cab.

ANDREA BATISTA SCHLESINGER: Another question for the Deputy Mayor: Did you see any shift of the pattern in real estate development with congestion pricing?

DEPUTY MAYOR NICKY GAVRON: Oh, that is a good question. Well, Oxford Street you said was booming. In fact, people are investing like mad in the West End. So I guess so, yes. It is due to other factors, too. We have to constantly renew our offer. You know, you cannot be complacent even if you are on the West End because there are other shopping centers, too. So you have to make sure—in fact, the whole congestion pricing was really, really important to the offer of the West End, because it is made the look and feel of streets better. We have a fantastic shopping and theater experience in

You have had enormous job growth in this city over the last fifty years, but at the same time you lost over a million industrial jobs. We denied people access to the waterfront in this city for two hundred years, and now everybody wants the whole thing to be parks and apartments. We need to save some of that waterfront for industrial uses.

— Ed Ott
New York City Central Labor Council

38 For more on London's effort to increase safety for women and men traveling at night, see <http://www.civictrust.org.uk/evening/Greater%20London%20Authority%20-%20Safer%20travel%20at%20night.pdf>

London, but it is not much good if, when you get out, or when you are trying to get in, it is horrific. It really has made a difference.

COUNCILMEMBER ERIC GIOIA: Let me just add to that. I represent Long Island City, which is the Queens waterfront, and for so many years it was cut off from both people in Queens and from people in other parts of the city. It is really quite dreadful how we have actually used our waterfront in New York City. The analogous part of London would be where the Tate Modern is, on the other side of the Thames. If you went there a dozen years ago, or fifteen years ago, it looked like what Long Island City looked like maybe five years ago. If you go there now—I was at the Tate Modern at about ten o'clock at night on a Saturday night, and I walked out, walked a few blocks, and there were hundreds of people walking around. It was really remarkable, the boom that had happened on the other side of the Thames. Not the original square mile, or the usual heart of London.

DEPUTY MAYOR NICKY GAVRON: And it is still in the congestion zone.

COUNCILMEMBER ERIC GIOIA: I know it. And you took my point, actually. Thank you.

ANDREA BATISTA SCHLESINGER: Friendly competitor.

COUNCILMEMBER ERIC GIOIA: It actually is in that zone. To me, a light bulb went off in terms of the exact analogous part of where I represent, as to where London is, in a place that is doing quite well.

ANDREA BATISTA SCHLESINGER: Another question, for Ed: Given the lack of job growth in New York City over the last fifty years, the decline of manufacturing as an industry, do you see any implications for congestion pricing on the decentralization of the city's business districts?

ED OTT: Well, look. You have had enormous job growth in this city over the last fifty years, but at the same time you lost over a million industrial jobs. My one comment on the waterfront would be, we denied people access to the waterfront in this city for two hundred years, and now everybody wants the whole thing to be parks and apartments. We need to save some of that waterfront

for industrial uses. Well, in London there was some movement of retail outside the zone to other areas. It is possible that, at least in the early phases as people first engage the impacts, that there will be some shifting of businesses in New York. A city that was truly accessible in all of its areas by mass transit would probably allow for a broader development of retail services and other businesses. You know, it is

It is possible that, at least in the early phases as people first engage the impacts, that [congestion pricing will cause] some shifting of businesses in New York. A city that was truly accessible in all of its areas by mass transit would probably allow for a broader development of retail services and other businesses.

— Ed Ott
New York City Central Labor Council

funny. Flushing has changed enormously in terms of the kinds of capital that were invested there. There are a lot of banks that have moved there, and businesses that do business in Asia because they want to be close to the airports. In this whole discussion on transportation, airports shouldn't be lost. People like to do business internationally by moving into a city quickly, moving out of a city quickly. If we rethink these things, we can capture more from our competitors in London and steal some of this global business that seems to be going to Europe right now.

ANDREA BATISTA SCHLESINGER: A quick question for the Deputy Mayor: If London was an island, would the charges have been put on bridges and tunnels?

Improve the mass transit, give people a short and cheap ride into Manhattan. They will come out of their cars. But, there is definitely a proportion of people who will drive, no matter what. But those people are the ones that need some behavior modification, and the pricing scheme will be necessary for them.

— New York City Councilmember John Liu

DEPUTY MAYOR NICKY GAVRON:

Well, we envied you, because it is very difficult for London. The answer is yes. I can't tell you what to do, but if London were an island, yes. Because for us it was very difficult, because we had to create a boundary, and you have got a natural one.

ANDREA BATISTA SCHLESINGER: At the last panel, one of the things that Councilman Liu talked about was increasing the predictability of government. I wanted to echo that in terms of the predictability of our Marketplace of Ideas events and say that in order to end promptly, let's go to closing statements. What DMI will do is take all of these questions—there are at least thirty-five or forty questions here—and put them up on our blog so we can try to continue the conversation.³⁹ But I wanted to ask the panelists to respond in your closing: do you think this is going to become policy? And what obstacles do you think will have to be overcome in order for it to become policy?

ED OTT: Here is what I think will happen. I think, in the end, the city will engage the question of its transit system, and as part of that there will be a pricing scheme. The complete character of it, where it impacts and who pays, are central questions to the Labor movement. But I believe it would be naïve to think that we move forward on a question of congestion without in the end there being some type of pricing scheme. I will take the political hit for that internally in the Labor movement, and I will take them externally in a public realm. But the truth of the matter is, you are not going to do it without some type of pricing scheme.

COUNCILMEMBER JOHN LIU: Well, I don't think Ed has to take the hits. That is just an assessment of where he thinks reality is going. And I would echo those same sentiments. I think that this is going to become policy. It will take a couple of years to get done, but I think it can and it will be done. Again, the goal here is not congestion pricing. The goal here is congestion relief that has environmental and

39 See http://www.dmiblog.com/archives/2007/05/talking_about_congestion_pricing.html

economic benefits. The pricing is just half of it. The first half has to get done, and it can be done immediately. Improve the mass transit, give people a short and cheap ride into Manhattan. They will come out of their cars. But, there is definitely a proportion of people who will drive, no matter what. But those people are the ones that need some behavior modification, and the pricing scheme will be necessary for them.

ANDREA BATISTA SCHLESINGER: Councilman Gioia?

COUNCILMEMBER ERIC GIOIA: I agree with most of that. I won't make a prediction on how it will turn out, because I really don't know. But I think how it will turn out will hinge on what the dialogue looks like. I think it is imperative that the folks in Queens and Brooklyn and the Bronx and Staten Island be part of this discussion; that small business owners be part of the discussion; and, that when they are

The costs of inaction are costs on the health, the business community, the quality of life. They are big economic costs. Your mayor has commissioned research to ask, why is London doing so well? Well, I can tell you: congestion charge has really helped the economy of London.

— London Deputy Mayor Nicky Gavron

brought to the table, they are treated with respect and they are listened to. It is part of what I spoke about earlier, that without calling them parochial whiners because they are concerned about keeping their business afloat or putting food on their family's table, but actually really having a dialogue. I think that it is wonderful, it is exactly right for our city

to be having this discussion right now. My ten-month-old moves more rapidly than traffic going down Second Avenue in the morning. We can't have that long term. It will destroy the economy of the city; long term it will pollute our air and make our kids sick. And it will make people want to flee because their livability will be hurt so much. This is exactly the right discussion to have. I think it is vitally important that it be a good dialogue. I think if the dialogue is that way, I think this can move forward and I think it will become policy. If it doesn't, I think there will be intense and widespread opposition.

ANDREA BATISTA SCHLESINGER: Deputy Mayor, last bits of advice for New York City as we consider this proposal?

DEPUTY MAYOR NICKY GAVRON: I don't want to give you advice. I just think you have said it all here. I just want to say, finally, I think it is very important to hang on to the big picture. The world economist, Nicholas Stern, he was a very famous economist who is just out with the Stern Report,⁴⁰ talks about the costs of inaction on climate change being something we just can't afford, and how little, actually—what a tiny percentage of GDP the costs of action are. You have just talked about Second Avenue. You have got such prizes, haven't you? How long have you been

40 The Stern Report on climate change can be found at http://www.hm-treasury.gov.uk/independent_reviews/stern_review_economics_climate_change/sternreview_index.cfm

waiting for your Second Avenue subway?⁴¹ Twenty years?

ANDREA BATISTA SCHLESINGER: That's another event.

DEPUTY MAYOR NICKY GAVRON: I don't know. I am just saying, you could get it. Just quickly, to wind up. The costs of inaction are costs on the health, the business community, the quality of life. They are big economic costs. Your mayor has commissioned research to ask, why is London doing so well? Well, I can tell you: congestion charge has really helped the economy of London. It really helps. The quality of life helps the economy of London. The health of Londoners helps the economy of London. And, of course, business, being able to get around, helps the economy of London. I just want to put that in. Just to say one other thing, the congestion charge has contributed to what is the fastest shift out of the car into public transport in any urban conurbation anywhere in the world.

ANDREA BATISTA SCHLESINGER: Thank you. I want to thank the panelists, thank our co-sponsor, the Partnership for New York City. Check out the DMI blog.com to continue the conversation, and thank you for being the studio audience. This event will air on CUNY TV sometime soon. Thank you, everyone.

41 The Second Avenue subway was originally proposed in 1929 but has never been built. Construction has started several times, most recently in April 2007. The line is projected to be finished in 2020 at the earliest.

WHO IS THE DRUM MAJOR INSTITUTE FOR PUBLIC POLICY?

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The Drum Major Institute for Public Policy is a non-partisan, non-profit organization dedicated to challenging the tired orthodoxies of both the right and the left. The goal: progressive public policy for social and economic fairness. DMI's approach is unwavering: We do not issue reports to see our name in print or hold forums for the sake of mere talk. We seek to change policy by conducting research into overlooked but important social and economic issues, by leveraging our strategic relationships to engage policymakers and opinion leaders in our work and by offering platforms to amplify the ideas of those who are working for social and economic fairness.

Originally called the Drum Major Foundation, DMI was founded by Harry Wachtel, lawyer and advisor to Rev. Dr. Martin Luther King, Jr. during the turbulent years of the civil rights movement. DMI was relaunched in 1999 by New York attorney William Wachtel, Harry's son, Martin Luther King III and Ambassador Andrew Young.

From releasing nationally recognized studies of our increasingly fragile middle class, the relationship between schools and communities and the impact of changing demographics on politics to launching an exciting and frequently-visited Web site that serves as a source of ideas and argument, DMI has demonstrated the strength of its mission and strategy.

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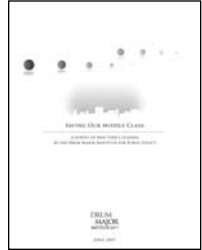
LESSONS FROM THE MARKETPLACE: FOUR PROVEN PROGRESSIVE POLICIES FROM DMI'S MARKETPLACE OF IDEAS

May 2007 / In Maine, moderate-income residents buy prescription drugs for as little as half the retail price. In San Francisco, some violent criminals are 82 percent less likely to commit new crimes after their release from prison. In Minnesota, the public can reclaim subsidies when economic development incentives don't produce the promised results. In Oklahoma, 92 percent of four-year-olds attend a high-quality public preschool. This report recounts how these successful policies got started, and how they can be replicated across the nation.



SAVING OUR MIDDLE CLASS: A SURVEY OF NEW YORK'S LEADERS

April 2007 / It's harder for New Yorkers to enter the middle class today than ten years ago, according to DMI's groundbreaking survey of 101 top leaders from New York City's academic, business, political, policy advocacy and civic-institutional sectors. The survey analyzed top challenges for the city's current and aspiring middle class and evaluated city, state and federal policies to address New York's middle-class squeeze.



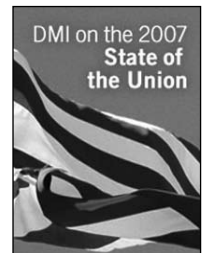
PRINCIPLES FOR AN IMMIGRATION POLICY TO STRENGTHEN AND EXPAND THE AMERICAN MIDDLE CLASS: 2007 EDITION

March 2007/ This report finds that immigrants contribute to middle-class prosperity as workers, taxpayers, and consumers, while also concluding that undocumented immigrants' lack of workplace rights undercuts the middle class. DMI's complete immigration toolkit includes an update of our 2005 report, talking points, a discussion guide, legislative analyses, and Spanish translation.



DMI ON THE 2007 STATE OF THE UNION

January 2007/ There was little for current and aspiring middle-class Americans in President Bush's State of the Union Address this year. DMI's "instant analysis," released just hours after the speech, examines the President's domestic policy agenda in-depth. We find that the President's proposals, at their core, are driven by a conservative ideology that doggedly protects the wealthiest Americas from tax hikes by sharply cutting social programs, while also absolving corporations of their obligation to protect the health and welfare of their employees by shifting those burdens to the workers themselves.



THE 2006 DMI YEAR IN REVIEW

December 2006/ 2006 was the year of Systems Failure. Most Americans were tired of the status quo—on the war, on the economy, on the lapsed ethics of those entrusted to represent our interests. The result: on Election Day, they rebooted, ready to try again. The DMI 2006 Year in Review explores the year's best and worst of public policy, tunes into the voices of 2006 and profiles eight Americans advancing progressive policy. Also featured: a report from the front lines in six states and from the blogosphere, our recommended reading list, a recap of what the think tanks of the conservative right are up to and, as always, the 2006 Injustice Index.



Marketplace of Ideas

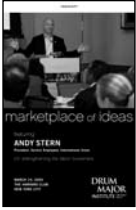
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—NEW YORK STATE SENATOR LIZ KRUEGER



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