

CONGESTION PRICING:

Good Policy for New York's Middle Class

THE CONTEXT:

On Earth Day, 2007 Mayor Bloomberg unveiled plaNYC, an ambitious proposal to make New York a more livable city while meeting the challenges of population growth, aging infrastructure, and environmental sustainability over the next 25 years. Congestion pricing is just one of the plan's 127 initiatives, which range from building affordable housing to improving water quality, expanding transit access and increasing energy efficiency. But congestion pricing is an integral part of the overall plan. By 2030, New York will have nearly a million more residents, and congestion pricing works with other parts of plaNYC's transportation agenda to ensure that we deal with this growth successfully: promoting economic fairness and prosperity, increasing transit capacity, reducing gridlock and improving air quality.

THE PLAN:

The plaNYC congestion pricing plan would impose an \$8 daily charge on cars entering or leaving Manhattan below 86th Street ("the zone") between 6 a.m. and 6 p.m., Monday through Friday. Trucks would pay \$21 a day. There would be no charge on weekends, and no charge to drive on the West Side Highway, FDR Drive, Battery Park Underpass or the city's free bridges if vehicles remained on the peripheral roads and did not enter the zone. Taxis and livery cabs, vehicles with handicapped plates, transit buses, and emergency vehicles would pay no fee. Any bridge or tunnel tolls would be subtracted from the daily total, so, for example, drivers who use the Battery Tunnel would owe no additional fee because they already pay a round-trip toll of more than \$8. Charges would be less for cars and trucks that drive around inside the zone, but do not enter or leave it during the day. The plan is projected to raise \$400 million each year, which would be entirely dedicated to regional transportation investments. The Mayor's current proposal is for a three-year pilot project of congestion pricing. For more details, including the mechanism for charging, see http://www.nyc.gov/html/planyc2030/downloads/pdf/report_transportation.pdf

WHY CONGESTION PRICING IS GOOD FOR NEW YORK'S CURRENT AND ASPIRING MIDDLE CLASS

- **Most middle-class New Yorkers will not pay the congestion charge, but will benefit from the policy.** Most middle-class New Yorkers don't drive to work in the congestion pricing zone at all: overall only 5.2% of working New Yorkers do.¹ Of the small percentage of people that do drive, the overwhelming majority choose to do so despite having mass transit options. 80% currently have a transit option available that would add less than 15 minutes to their one-way commute.² Just 17% of those who drive into Manhattan say they do so because transit is not accessible.³ Congestion pricing revenues will be used to fund transit improvements in areas which currently have the fewest options,⁴ predominantly neighborhoods of the city's current and aspiring middle class. Improved bus service would launch in many areas before the congestion charge begins.⁵ The small number of drivers imposes a disproportionate cost on the rest of the city, especially New York's current and aspiring middle class, who currently pay the price for congestion with poor health, environmental damage, lower quality of life, and less economic growth.

- **Getting cars off the streets will improve the health of middle-class New Yorkers.** Today New York has some of the most polluted air in the nation,⁶ and everyone who lives or works in the city suffers the consequences. New York City's children are almost twice as likely to be hospitalized for asthma as the average American child, and neighborhoods of people trying to work their way into the middle class are among those hardest hit by asthma.⁷ Meanwhile vehicle emissions boost breast and lung cancer rates among adults.⁸ In London, congestion pricing helped to produce a 12% drop in hazardous particulate matter and nitrogen oxides, while cutting carbon dioxide emissions by a fifth.⁹ By taking more than 100,000 cars off New York's streets every day, congestion pricing will help New York to achieve the cleanest air of any big city in the U.S.—and the health benefits that flow from it.
- **Congestion pricing will funnel hundreds of millions of dollars per year to transit improvements in the neighborhoods of New York's current and aspiring middle class.** Congestion pricing is estimated to raise nearly half a billion dollars a year, that will be earmarked for transit improvements in the five boroughs, improving transit quality and access for millions of current and aspiring middle-class New Yorkers.¹⁰ Co-op City residents will benefit from Metro North access directly to Penn Station; residents of Sheepshead Bay, Flatlands and Flatbush will enjoy bus service that is 20% faster due to a new bus rapid transit route along Nostrand Avenue; the Long Island Railroad's East Side Access project will substantially reduce travel times to Manhattan for people living in Kew Gardens, Woodside, Sunnyside, and Bayside, Queens; just to name a few of the planned improvements.¹¹ Raising funds to achieve a state of good repair on all of the city's public transit will benefit transit riders throughout the city with fewer delays, faster travel, and safer equipment.¹² These improvements are especially critical to New Yorkers trying to work their way into the middle class, who have no choice but to take mass transit, no matter how poor the quality. Without the revenue from congestion pricing, these projects may not get funded.
- **Middle-class New Yorkers are invested in the long-term health of the city—and the planet—and so recognize that we must take action to reduce global warming.** Scientists predict that if greenhouse gas emissions continue to increase at the present rate, New York City could experience 60 days a year with temperatures above 90 degrees, and 25 days a year with temperatures over 100, by the end of the century.¹³ At the same time, climate change increases the likelihood of a devastating hurricane flooding low-lying areas like Staten Island, the Rockaways, Southern Brooklyn, Long Island City and Astoria. Already, homeowners in some flood-prone areas are finding it harder to get insurance.¹⁴ The good news is that massive reductions in greenhouse gas emissions may be able to slow or halt global warming.¹⁵ Since car trips release about twice as much greenhouse gas as transit rides,¹⁶ congestion pricing's predicted effect of removing 110,000 vehicles from city streets and increasing transit ridership by 94,000 people will make a real impact,¹⁷ contributing to the city's overall efforts to reduce greenhouse gas emissions by 6.1 million metric tons.¹⁸
- **Reducing congestion will boost New York's economy, a prerequisite for middle-class prosperity.** New York's traffic congestion wastes so much time that it costs the city's economy an estimated \$13 billion a year, according to the city's leading business organization.¹⁹ As many as 52,000 jobs are not created each year because of the costs of delay and inefficiency produced by excess traffic.²⁰ Reducing congestion will recapture some of these losses. Meanwhile, despite dire predictions that a congestion charge would reduce business in London, most studies have found no ill effects on the economy—more people biked or took mass transit once congestion pricing was in place. The additional charge only deterred 2% of people who previously drove into the city's congestion pricing zone from making the trip altogether.²¹

- **Congestion pricing will improve the quality of life for New York’s middle class by reducing thru traffic and street noise in middle-class neighborhoods.** Street noise is the biggest infringement on quality of life in New York City, according to a Baruch College poll.²² New Yorkers living on streets with heavier traffic spend less time walking, shopping, and playing outside with their children and are more often interrupted as they sleep, eat, and converse.²³ Congestion pricing is estimated to reduce congestion by 29 % in Downtown Brooklyn, 24 % in Greenpoint and Williamsburg, and 27 % in Long Island City, areas that are home to many middle-class New Yorkers.²⁴
- **Because their time is money, small business owners are the least able to afford sitting in traffic, and will see productivity benefits from the reduced congestion.** Four in ten small business owners in the New York area say their operations are routinely hampered by traffic delays.²⁵ In effect, these businesses are being forced to pay a “time tax” in lost revenue for the cumulative hours wasted in traffic. From wasted fuel to wasted time, delays impair productivity and raise costs. While each vehicle entering Manhattan will only pay the congestion charge once a day (no matter how many times they enter or leave the charging zone), less congestion and faster vehicle speeds on the road could significantly increase the amount of business they can do. In many cases, the extra productivity may more than make up for the charge.
- **By reducing delays, congestion pricing will enable middle-class New Yorkers to spend less time sitting in traffic, and more time with their families.** New York’s middle-class squeeze is at least partially a time squeeze: while rushing to work, school, and errands, most of us wish we had more time at home with loved ones, not waiting in gridlock. Yet commuters from New York’s outer boroughs have the longest commutes in the nation.²⁶ After the introduction of congestion pricing, traffic delays in London dropped 30 % while road speeds increased 19 %.²⁷ In New York City, travel speeds are expected to improve 7.2 % in Manhattan below 86th Street alone.²⁸ Travel speeds on major streets throughout the boroughs are expected to increase with less congestion, while transit travelers will see quicker trips from an array of bus, rail, and ferry improvements.²⁹
- **Like all New Yorkers, the city’s middle class relies on the high quality emergency services they pay taxes for. Congestion pricing will help to ensure assistance arrives quickly.** It could happen to anyone living or working in the city’s most congested areas: suddenly a medical emergency occurs, and the ambulance is slowed by gridlock. A blaze breaks out in an office building or department store, and the fire trucks lose precious moments trying to break through the traffic. Alleviating the congestion is an extra insurance policy that help will arrive on time.

NOTES

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