Before The Deluge

A recent Huffington post commentary suggested the "defeat" of the <u>congestion tax</u> based on a "clumsy and inadequate" effort. Nothing can be further from the truth. The supporters of the <u>congestion tax</u> did not achieve their goals for lack of effort; they exerted considerable effort and its "proponents" spent millions of dollars on their failed campaign. The Keep NYC Free coalition faced a coordinated effort of city hall, a team of paid strategists, outreach targeted to legislative districts and mucho material. Give them an A+ for effort.

The bottom line, as <u>demonstrated time</u> and <u>time</u> again, the congestion tax represents an <u>inefficient</u>, <u>inequitable</u> and <u>unfair</u> approach to transit revenue. Keep NYC Free pointed out these and <u>other faults</u> throughout the process, including many debates. More pointedly, Keep NYC proposed <u>alternatives</u> that also made greater sense and highlighted much of what remains wrong with that tax.

More to the point, the discussion about the MTA's cuts and the public blaming the mass transit agency shows this academic as out of touch with the <u>facts</u>. Never a good thing. Perhaps the public recognizes the MTA's <u>refusal</u> to apply revenues to avert the <u>cuts</u> we experienced this past summer. As pointed out <u>here</u> and <u>elsewhere</u>, MTA Chair/ CEO Jay Walder testified to the legislature that he would not use any money it would have restored to reverse the cuts from this spring and summer in any event. There is nothing to suggest that Walder would not seek to extend that approach to the current round of cuts.

Bottom line: For something written by the director of a major research institute at Columbia, this piece is stunningly devoid of any serious analysis, and suggests a lack of even the most basic knowledge of the topic. It brings to mind <u>lyrics</u> from the one <u>song</u> this commentator had hoped to hear and see when Jackson Browne played the Beacon last month: "Some of them were dreamers. And Some of them were fools. Who were making plans and thinking of the future."

Both the idea that the source of the MTA's financial problems is inadequate state subsidies, and the idea that congestion pricing would fix the problem, are simply disconnected from reality.

The best ways to reform mass transit would be to fully adopt Keep NYC Free's sound <u>recommendations</u>.

http://www.huffingtonpost.com/steven-cohen/its-time-to-enact-congest_b_740315.html HuffPost Social News



Executive Director, The Earth Institute, Columbia University Posted: September 27, 2010 11:41 AM

It's Time to Enact Congestion Pricing in New York City

This past week, my sustainability management graduate students worked on a case study of the Bloomberg Administration's effort to establish congestion pricing in New York City. The questions we focused on were straightforward: 1. Why was congestion pricing defeated? 2. Should it be revived? Most agreed that it was defeated due to a clumsy and inadequate effort to sell it and that it inevitably will come back for further consideration.

The reason we will see it again is also pretty straightforward. By 2030 we will have close to a million more people living in New York City, and during these next two decades, the size of Manhattan's land mass south of 59th street will not grow by much. We are going to see more people crowding the same old streets. We will need to find a way to ration street space and improve mass transit or we will become immobilized by gridlock.

The past year has been a bad one for the region's mass transit. Fares are going up, capital expenditures are going down and service is being cut all over New York. We are heading in the wrong direction and there is little chance of progress. According to the Wall Street Journal's Andrew Grossman:

The MTA cut two subway lines and dozens of bus routes in June to help fill an \$800 million gap in its \$12 billion 2010 budget. It raised fares last summer and will likely do so again in January 2011.

A recent Marist poll places the blame for these cutbacks and price hikes on the MTA and its management, not the state legislature or governor. Over 60% of those surveyed blame the MTA while only 12% blame the legislature. In fact, more people (17%) blame Mayor Bloomberg than blame Governor Paterson (10%) - even though the MTA is a state agency. The argument that the MTA wastes money seems to be at the heart of this view. While there is little question that there is waste in the MTA operation, declining state funding for mass transit is the main reason that transit prices are going up while service provision is going down. Management improvement can save some of these resources, but the gap is too large to be made up by expenditure cuts alone. As we have learned during the past year, one of the system's inefficiencies is routes that are important to local communities but are not cost effective to run. The MTA's \$800 million budget gap comes from a combination of state cut backs and declines in the collection of taxes earmarked for mass transit. Reduced revenues result in reduced service and reduced service discourages ridership. This is a bad cycle that needs to be reversed.

The cutbacks in service and increases in prices are having a major impact on the riding public. Most troubling is the Marist Poll finding that nearly a third of the public is riding on mass transit less often this year than last. MTA data on declining ridership confirms the poll's report. Even 19% of those living in Manhattan report cutting down their use of mass transit. The regressive nature of fare increases is further confirmed by Marist data which indicates that poorer people are cutting down their transit use more often than wealthier people. While some of this reduction in ridership is due to the slowing economy and not rising prices, our policy should be to encourage and not discourage the use of mass transit. In a region as densely settled as ours, rapid and cost effective transportation is the key to economic dynamism.

What does all of this have to do with congestion pricing? It all comes back to revenues. One of the rarest, and therefore most valuable, transportation resources we have in this region is street space south of 59th street in Manhattan during the workday. It makes sense to price access to that space in such a way that its use is reduced and its use generates revenues. People who are willing to pay for the privilege of driving in lower Manhattan will receive the benefit of less traffic, and the vast number of people who rely on mass transit will have the benefit of higher quality, less expensive service.

For congestion pricing to pass, we will need to solve the problem of the political third rail known as "tolling the East River bridges." Elected officials in Brooklyn and Queens know that it is risky to support these fees. This will only change when people in Brooklyn and Queens believe that they will benefit from the congestion fee. Declining subway and bus service has hit those communities hard. A deal on congestion fees must lock in improved mass transit service up front. The vast majority of average New Yorkers do not drive into Manhattan below 59th street during the work day. Some of the opposition to congestion fees last time came from people who never drive into Manhattan at all.

Still, it is true that all uses of the streets by autos are not equal. The technology of congestion pricing allows variable rates, and a more flexible pricing structure should be developed. All residents of New York City should be given four or five free passes to drive into lower Manhattan each year. People making hospital visits to the many hospitals in "The City" could be given discounts. Other exceptions could be made if injustices were identified. Most importantly, an effort to build grass root support for congestion pricing must precede its reintroduction into the legislature.

New York is one of the few parts of the United States with enough population density to support a comprehensive system of mass transit. However, in order to keep its price down and its service level up, mass transit needs to be subsidized by people who drive cars and trucks though its congested streets. The MTA's financial crisis makes the need for these revenues more urgent than ever. When New York nearly went broke in the mid-1970's we let our mass transit system fall apart. It took all of the 1980's to rebuild it -- a process we learned can never end. An old system like ours needs constant rehabilitation. Do we really need to have it collapse again before we face up to the issue and provide sufficient funding? Congestion pricing is a necessity for New York City, and it should be revived.