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Testimony on Congestion Pricing Implementation

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Good evening. I am Alex Armlovich, Senior Research Associate at the Citizens Budget Commission (CBC). CBC is a nonprofit, nonpartisan think tank and watchdog dedicated to constructive change in the services and finances of New York City, New York State and the Metropolitan Transportation Authority.

CBC has long supported congestion pricing as a way to reduce congestion and emissions and support the MTA's capital plan. Implementation should occur as soon as possible so that New Yorkers can start to receive these benefits. The congestion pricing zone, Manhattan below 61st Street, suffers an estimated \$5 billion in travel time and related losses every year. Congestion pricing will reduce those travel time losses and environmental pollution while generating a \$1 billion net annual contribution to the MTA capital plan, now and in the future.

When the MTA determines the policies and implements congestion pricing, [it should follow six recommendations](#):

1. Prioritize both raising revenue and reducing congestion and emissions. Toll levels should vary to achieve these policy goals. Higher tolls at the most congested travel periods will best reduce congestion and emissions.
2. Limit exemptions to transit providers, those specified in the law, and perhaps to for-hire vehicles (FHVs) and taxis. Proliferating exemptions could reduce the program's ability to achieve the above goals and risk the program's support among those required to pay higher charges. Results should be monitored over time to ensure overall policy neutrality between private cars and taxis and FHVs.

3. Do not provide credit for payment of MTA or Port Authority of New York and New Jersey (PANYNJ) tolls. Credits increase the congestion charge for those who pay, assuming a \$1 billion annual revenue target. While toll shopping among these facilities should be addressed, doing so through credits to the congestion charge would increase the complexity of implementing the program and significantly increase the congestion toll paid by other travelers.
4. Vary the congestion charge by time of day and day of the week, while ensuring it is easy to understand and well communicated. Clear communication will enable drivers to know how much they would pay for different trip times and modify their trips accordingly as the law intends.
5. Consider charging a vehicle-miles travelled (VMT) fee for those that stay inside of the zone. While the technology necessary to implement a VMT fee may not be feasible for the initial launch, in the future a VMT would help meet the program's goals and remove in-zone vehicles' de facto exemption from the charge.
6. Monitor and report congestion pricing outcomes and operational metrics to inform future policy adjustments. Adjustments should be considered at regular intervals to ensure the program is meeting its revenue, congestion, and emissions goals.

Effective congestion pricing implementation, as CBC detailed in our report "[Getting the Pricing Right](#)", combines targeting congestion, emissions, and revenue together—not just revenue alone—in a fair and sustainable manner that limits exemptions and maximizes social benefits. CBC supports speedy implementation to reduce congestion and emissions and improve transit for the future of all New Yorkers.

Thank you.