



240 West 35th Street ■ Suite 302 ■ New York, New York 10001

Testimony on the Congestion Pricing Environmental Assessment

Submitted to the U.S. Department of Transportation Federal Highway Administration, the New York State Department of Transportation, the Metropolitan Transportation Authority, and the New York City Department of Transportation

August 31, 2022

Ana Champeny, Vice President for Research, Citizens Budget Commission

Good afternoon. I am Ana Champeny, Vice President for Research at the Citizens Budget Commission (CBC), a nonprofit, nonpartisan think tank and watchdog dedicated to constructive change in the services and finances of New York City, New York State, and their public authorities including the Metropolitan Transportation Authority (MTA). Thank you for the opportunity to testify on the Environmental Assessment (EA) for the Central Business District Tolling Program (CBD Tolling Program).

CBC has long supported congestion pricing to reduce traffic and emissions while generating revenue critical to support the MTA's 2020-2024 capital plan. Our recent report on [Prioritizing the MTA's Critical Capital Needs](#) reinforces the importance of CBD Tolling revenue to ensure the transit system is brought to a state of good repair.

Unfortunately, the CBD Tolling Program has been delayed, which deferred its environmental and decongestion benefits and this source of needed capital funds. We welcome the progress signaled by naming members of the Traffic Mobility Review Board and the release of the EA.

To ensure the Program best meets its goals, CBC previously released "[Getting the Pricing Right](#)," which recommends minimizing credits and exemptions, varying the toll, and communicating

pricing in a clear and easy to understand manner. Furthermore, CBC recommends the MTA track, evaluate, and publicize the actual impacts, and make periodic adjustments to tolls to minimize congestion and emissions while ensuring adequate revenue.

Regarding the tolls, CBC specifically recommends the MTA:

- **Vary tolls based on the time of day and day of the week to prioritize both raising revenue and reducing congestion and emissions.** Higher tolls at the most congested travel periods will best reduce congestion and emissions.
- **Limit exemptions to those specified in the law and perhaps to for-hire vehicles (FHVs) and taxis, and do not provide credits for MTA or Port Authority of New York and New Jersey tolls.** Proliferating exemptions or far-reaching credits would increase the toll other drivers would face in order to generate \$1 billion in annual revenue. Furthermore, while toll shopping among bridges and tunnels should be addressed, doing so through credits to the congestion charge would increase the complexity of implementing the program and may even create new toll shopping incentives.

The EA's modeled scenarios comport with CBC's recommendation to vary the toll by time of day and day of the week. The models clearly demonstrate that variable CBD Tolling can achieve the program's goals.

The EA scenarios, which modeled different levels of credits and type of exemptions, also demonstrate that increasing exemptions and credits for some would increase the cost for others—by between \$5 and \$14 for each car that is not exempted. While the higher tolls would modestly reduce the number of vehicles entering the zone and vehicle-miles traveled (VMT) in the zone, the significantly higher price could weaken support for the CBD Program. It may also put revenues at risk if a decision is later made to lower tolls so much that the \$1 billion goal is not reached.

CBC also recommends the MTA:

- **Clearly communicate the tolls to enable drivers to know how much they would pay for different trip times and modify their trips accordingly as the law intends.** The EA did not model dynamic pricing—not dissimilar in practice to surge pricing—where tolls change spontaneously during the day based on the level of congestion but did account for higher tolls on 'Gridlock Alert' days. Dynamic pricing is not recommended since it

would add significant complexity and rapid changes that may not yield the behavioral change desired. If tolls are higher on Gridlock Alert days, this should be clearly and effectively communicated as far in advance as is practicable.

- **Monitor and report congestion pricing outcomes and operational metrics to inform future policy adjustments.** While the EA's models are sophisticated, the program's actual impacts will be different. Adjustments should be considered at regular intervals to ensure the program is meeting its revenue, congestion, and emissions goals. Furthermore, public reporting of the data will provide transparency, accountability, and facilitate buy-in for the program.
- **Consider charging a VMT fee for trips occurring entirely within the zone.** While the technology necessary 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. This approach should be considered for the future, especially if the charge appears to lead drivers (or their vehicles) to remain within the zone or increase VMT within the zone.

Effective congestion pricing implementation targets 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, paired with ongoing monitoring and continual improvement, to reduce congestion and emissions and improve transit for the future of all New Yorkers.

Thank you.