

Alternative Approaches to Traffic Congestion Mitigation in the Manhattan Central Business District

Keep NYC Congestion Tax Free
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Executive Summary

Keep NYC Congestion Tax Free proposes a cost-effective, efficient, fair and practical alternative plan that will address the problems posed by congestion in New York City and exceed the guidelines imposed by the Urban Partnership Agreement between the USDOT and New York City, New York State and the MTA. Key elements of this alternative plan include:

- Value pricing for curbside parking in the Manhattan CBD. Sharply reducing the number of “free” on-street parking spaces in commercial areas of Midtown and Lower Manhattan and increasing the price of on-street parking.
- Major reform of the City’s system for issuing parking placards to City employees, and for regulating their use, in order to limit issuance of placards to those who need them for job-related purposes, end illegal parking by placard-holders, and encourage public employees to use mass transit.
- Greatly expanding the number of taxi stands in the Manhattan CBD, along with other measures to reduce the time cabbies spend cruising for passengers – a practice that by itself accounts for approximately 13 percent of all vehicle-miles traveled (VMT) in the CBD.
- Implementing variable pricing on existing tolled crossings serving the CBD and restoring two-way truck tolls on the Verrazano Bridge. Increasing MTA and Port Authority bridge and tunnel tolls, incorporating variations in pricing by crossing and by time of day; and removing the existing incentive for trucks heading to New Jersey from Long Island, Queens and Brooklyn to travel via the Manhattan CBD by restoring two-way tolls on the Verrazano Bridge.
- Increasing fines for the types of parking violations that contribute most to congestion in the Manhattan CBD (double-parking, parking in bus stops or loading/unloading zones, etc.), coupled with more aggressive enforcement and legislation that strengthens the City’s ability to enforce existing rules against “blocking the box.”
- Reducing congestion caused by “black cars” and non-yellow for-hire vehicles through a targeted campaign against parking and other violations these for-hire vehicles contribute to congestion; and exploring the feasibility of creating designated parking zones for these vehicles.
- Modernizing traffic signals in the Manhattan CBD, to enable NYCDOT to manage the flow of traffic more effectively through “real-time” adjustments in signal timing.

A look at the City's congestion pricing plan highlights how it fails the test of equity, efficiency and economic viability:

- The City's plan disproportionately hits the pockets of middle-class and working New Yorkers who live outside the proposed congestion zone.
- The City's plan shifts traffic and pollution to neighborhoods outside the congestion zone.
- The City's plan requires and depends on massive spending on infrastructure (they claim \$233.6 million; London paid more for much less - \$376 million).
- The City's highly inefficient plan loses 39 percent of all revenues raised to its cost of operation.
- The City's plan, if implemented, imposes substantial harm to New York City's economy.
 - Some \$100 million annually in "compliance costs," the value of time motorists and businesses will have to spend paying congestion charges (or appealing fines for late payment, etc.).
 - As much as \$690 million overall reduction in economic activity in the City, a loss of as many as 8,700 jobs, and tens of millions of dollars in lost State and City tax revenues.
- The City's plan fails to efficiently use its existing value-pricing system (existing bridge and tunnel toll infrastructure).

The primary flaw in the City's congestion pricing plan is that it indiscriminately taxes all vehicles whether or not they are a direct cause of congestion; it thus fails to focus on the root causes of congestion. These include:

- Unnecessary cruising by yellow-medallion cabs (accounts for 13% of total VMTs in the congestion zone).
- Undervaluing on-street parking (mid-day cruising for on-street parking accounted for 15% of all VMTs in West Midtown; 28% of those driving in Soho are looking for parking).
- An out-of-control and permissive placard and permit system (86% of all cars with placards around City Hall parked illegally; 88% of all cars with placards around Chinatown parked illegally).
- The 10,000 trucks that drive through Manhattan daily with no point of origin or destination in Manhattan.
- Undervaluing of parking and traffic fines and the lack of consistent, aggressive enforcement.
- Undervaluing of tunnel and bridge crossings during peak periods.
- The 30,000 "black cars" and other non-yellow for-hire vehicles that clog our streets in Midtown and Lower Manhattan.

I. Short- and Long-Term Options to Reduce Congestion and VMT

The Keep NYC Congestion Tax Free plan, unlike the city plan, focuses on the direct, root causes of congestion.

Options that reduce VMT, congestion or both (2008-2009)

- Value pricing for curbside parking in the Manhattan CBD.
- Reforming the issuance, use and enforcement of parking placards.
- Reducing cruising for fares by medallion cabs.
- Implementing variable pricing on existing tolled crossings serving the CBD and restoring two-way truck tolls on the Verrazano Bridge.
- Increasing fines and more aggressive enforcement of existing parking and traffic rules (including “block the box” legislation).
- Reducing congestion caused by black cars and non-yellow for hire vehicles.
- More effectively regulating the use of streets for construction projects.
- Modernizing traffic signal systems.
- Implementing 511 (A system to notify drivers of real time traffic conditions).
- Expanding express bus and ferry service.

Options for reducing congestion: beyond 2010

- Major transit system improvements.
- Bus Rapid Transit.
- Lower Manhattan bus depot.
- Incentives for off-peak delivery.
- Increased use of water transportation for movement of freight.
- Expanding the Lower Manhattan traffic management program to Midtown.
- Improving the distribution of information to motorists by state of the art technology.
- Encouraging greater use of bicycle transportation.

Alternative approaches to reducing congestion: Possible reductions in VMT

	Possible reductions in VMT, Manhattan below 86th Street
Options for 2008-09	
1) "Value-pricing" on-street parking	1.8 - 2.4%
2) Reduction in cabs cruising for fares	1.3 - 2.6%
3) Restructuring fares for cab rides in the CBD	1.2 - 1.8%
4) Reform of the placard system	1.2 - 1.5%
5) Higher tolls/variable tolls	1.0 - 1.5%
6) Higher parking fines/more aggressive enforcement	0.6 - 0.9%
7) Expanding express bus and ferry service	0.4 - 0.6%
8) Restoring two-way truck tolls on the Verrazano	0.1 - 0.2%
SUBTOTAL	7.6 - 11.5%
Long-term options (2010 and beyond)	
1) Major transit improvements	2.0 - 3.0%
TOTAL	9.6 - 14.5%

The report also notes additional options for reducing congestion that also merit further consideration. These include:

- Allocating more curb space in the busiest commercial areas for loading and unloading.
- Requiring adequate space for off-street loading and unloading in all large new commercial buildings in the Manhattan CBD.
- Requiring City agencies with offices in the Manhattan CBD to develop plans to facilitate telecommuting and creating incentives for private companies to do the same.
- Developing additional park-and-ride capacity outside the Manhattan CBD, and maintaining or replacing existing facilities in areas that are being redeveloped (such as Flushing).
- Raising the monthly cap on transit subsidies that employers are allowed to provide as a tax-free employee benefit.

- Exploring the feasibility of using double-decker buses in place of articulated buses, which take up more street space.
- Introducing MTA Minivans to cover routes where full bus service is not viable.

II. Revenue Potential from Alternative Approaches to Congestion Mitigation

While the primary purpose of the alternatives outlined above is to reduce congestion (and to meet or exceed the goal of a 6.3 percent reduction in vehicle-miles traveled within the proposed zone), several of them would also raise revenue. Like the net operating revenues from the proposed congestion pricing system, these funds could be used to help finance needed improvements in mass transit and other transportation systems, and to fund other congestion mitigation measures.

Revenue potential for alternative approaches to reducing congestion

Alternative approaches to reducing congestion	Revenue measures	Revenue potential
<i>Implement variable pricing on existing tolls</i>	\$2 increase at MTA and Port Authority tunnels (\$1 increase off-hours), and a \$1 increase at Triborough and George Washington Bridges, and a \$0.50 increase at Henry Hudson Bridge	\$195 million
<i>Value pricing for curbside parking</i>	Metering 10,000 currently-free on-street spaces and increasing charges by an average of 100%	\$80 - 100 million
<i>Reform of the placard system</i>	Increase in on-street parking and parking charges	\$50 - 60 million
<i>Higher parking fines/more aggressive enforcement</i>	Increased fines for illegal parking	\$75 - 150 million
<i>"Block-the-box" legislation and enforcement</i>	Issuing 300 to 500 additional tickets per weekday at \$200 per ticket	\$15-25 million
<i>Verrazano two-way truck tolls</i>	Recapture avoided tolls	\$10 million
<i>Stricter regulation of the use of street space by construction contractors</i>	Increased revenue from fines for violating permit conditions (and increases in some fees)	\$3 - 5 million
TOTAL		\$428 - 545 million

The estimates presented in the table above are not intended as a definitive statement of the revenues that could be generated from alternative approaches to reducing congestion; they are intended rather to illustrate a range of possible revenue impacts. In some cases, more aggressive congestion mitigation measures could generate more revenue – if, for example, curbside parking were priced high enough to eliminate, rather than reduce, cruising for parking in the CBD. And while further refinement of these alternatives will allow us to develop more precise revenue estimates, it is already clear that these alternatives could potentially generate revenues approaching or even exceeding those projected for the City’s plan.

The alternatives presented here could exceed the 6.3 percent VMT reduction target set by the Legislature and by the U.S. Department of Transportation; and they could do so without the need for massive spending on infrastructure.

- This plan, unlike the city plan, targets the specific root causes of congestion.
- This plan, unlike the city plan, minimizes any potential cost to the city economy.
- This plan, unlike the city plan, reduces congestion and pollution rather than shifting these problems elsewhere in the city.

- This plan, unlike the city plan, employs targeted value pricing rather than an indiscriminate congestion tax.
- This plan, unlike the city plan, imposes no new value pricing infrastructure and also uses the existing bridge and tunnel infrastructure.
- This plan, unlike the city plan, provides additional funding for mass transit without wasting money on the massive capital and annual operating costs of the city congestion pricing system.
- This plan, unlike the city plan, uses technology to strategically target congestion.
- This plan, unlike the city plan, employs no highly intrusive system of cameras that attacks the privacy of New Yorkers.
- This plan, unlike the city plan, recognizes how congestion results not solely from the number of vehicles on the road, but also from a lack of traffic management and planning.
- This plan, unlike the city plan, requires no environmental impact statement.

The question remains: why consider a controversial, regressive, exorbitant and complex congestion pricing scheme in the face of better alternatives? The alternatives outlined above and detailed in this report will more effectively meet the need to alleviate congestion – and will do so at a lower cost.