

**American Institute of Architects of NY • Bike New York
New York League of Conservation Voters
Open Plans • Move New York
Permanent Citizens Advisory Committee to the MTA (PCAC)
Riders Alliance • Real Estate Board of New York
Regional Plan Association (RPA) • Reinvent Albany
StreetsPAC • Transportation Alternatives
Tri-State Transportation Campaign**

September 16, 2024

Re: Ongoing suspension of congestion pricing

Dear Majority Leader Stewart-Cousins, Speaker Heastie and Members of the NY State Senate and NY State Assembly:

Our organizations write to urge you to continue to insist that Governor Hochul return to the legislated policy and program of congestion pricing for New York City's Central Business District. Thank you for maintaining the congestion pricing legislation through the Governor's unilateral suspension of the program. The Governor's action spells disastrous consequences for transportation in the New York metropolitan region, threatens jobs and raises major questions about the state's commitment to its accessibility, environmental justice and climate goals.

The state's official plan for achieving the NY State Climate Leadership and Community Protection Act's (CLCPA) goals explicitly identifies congestion pricing as a key component of the strategy to meet the existential threat of climate change. The Governor's decision to suspend congestion pricing violates the obligations the Legislature imposed on all state decision makers through the CLCPA.

To the extent you do have ideas for other new revenue sources to fund public transit, they need to be applied to the MTA's 2025-2029 capital program, due for release this fall.

These are key reasons congestion pricing remains essential for transit riders, sustainability in New York, the MTA budget and New York State's economy:

- Despite the Governor's claim that the Manhattan Central Business District hasn't recovered post-pandemic, traffic volumes have exceeded 2019 levels and New York City is experiencing the slowest travel speeds since the city started keeping track. Today travel in the Midtown core averages less than 5 miles per hour, a 3% drop from the previous low in 2019. In the CBD as a whole, speeds are equally unacceptable, averaging about 7 miles per hour, still lower than the prior low in 2019 by about 1%.

These are the last conditions in which the MTA and State of New York should be curtailing investment in transit, let alone retreating from a proven approach to reducing congestion and opening streets for high priority trips and deliveries.

- As you know, the MTA has suspended work on \$16.5 billion in capital investments planned in the 2020-2024 capital program across its subway, bus, commuter rail and bridge and tunnel systems. These cuts are focused on subway signal modernization, transit station accessibility, zero emission buses and life-extending bridge technology projects, new subway, bus and train rolling stock purchases and large system expansion efforts like the Second Avenue Subway. All of these cuts spell a much less functional and attractive future transit system that is more prone to breakdowns and is more costly to maintain.

The MTA is also due to release its proposed 2025 to 2029 capital program at its upcoming board meeting, and to the Capital Program Review Board by October 1. A [report last week](#) from State Comptroller Thomas DiNapoli calculated that new capital needs could cost as high as \$92 billion, not counting the revenue discarded by Governor Hochul in suspending congestion pricing, and potentially require over \$50 billion in new funding from NY State sources and MTA borrowing. This new need for transit investments and revenue to fund them would have been a very heavy lift for you and the Governor, coming shortly after the start of congestion pricing. The fact that we are now entering a new MTA capital program window without funds to complete projects from the current plan throws a stark light on anticipated congestion pricing revenue as badly overdue funding that is needed right now.

The MTA capital needs that face you include BOTH the 2025 capital program and the big, damaging hole in the 2020-24 capital program opened by Governor Hochul.

- The loss of congestion pricing capital funding also creates negative consequences for the MTA's operating budget. Debt service costs would rise by \$300 million due to the MTA needing to borrow earlier, likely at higher costs. Slowing purchase of new buses requires keeping old buses in service, with added maintenance cost of \$50 million in 2025, increasing to \$150 million by 2027, according to a recent presentation by the MTA. Similarly, extra maintenance costs on older commuter trains will cause maintenance costs to rise by \$20 million a year and increase likelihood of train failure. Higher personnel and contracting needs to keep old tracks and signals working will cost an additional \$90 million annually; congestion pricing would have funded their replacement and upgrade. MTA union employees who would be doing in-house capital projects would need to be shifted to other work, or face layoffs or attrition, costing \$200 million. Debt service costs would also rise by \$300 million due to the MTA needing to borrow earlier, likely at higher costs. All told, these unanticipated operating costs total \$1.4 billion in one-time and recurring costs over the next three years.
- The mechanism of federal aid is also directly affected. Federal transportation aid requires local spending, and especially large projects require detailed federal/local agreements. Suspension of congestion pricing has already caused the MTA to reopen discussions with the Federal Transit Administration regarding the funding agreement that would bring \$3.4 billion in federal funds to New York to help build the East Harlem

extension of the Second Avenue Subway, and to review the rest of its federal-aid projects.

- Governor Hochul's delay of congestion pricing is blatantly regressive. The Governor's rhetoric notwithstanding, it has been established for years that congestion pricing will charge a small number of relatively wealthy Manhattan-bound car commuters to support transit, the transportation used by far more and less well-off New Yorkers. According to [Replica](#), an independent traffic modeling firm, over 60 percent of commuters who drive to the central business district make more than \$100,000 per year, and 30 percent of those commuters make over \$200,000 per year. The Community Service Society finds that just four percent of outer-borough residents drive to Manhattan for work; 56 percent take public transit to jobs in Manhattan and elsewhere. Only two percent of the working poor would potentially pay a congestion pricing fee. A feature of the congestion pricing program adopted by the MTA would offer drivers making less than \$50,000 zone discounts and an overnight toll of \$3.75.

The loss of transit improvement projects compounds the regressivity of Governor's Hochul's suspension of congestion pricing.

Potential alternative transit funding approaches that have been mentioned since June 5, such as payroll taxes or taxes on gambling establishments or apps, are classic regressive revenue-raisers and have no congestion relief benefit, as clearly delineated in a recent [report](#) by the Permanent Citizens Advisory Committee to the MTA.

- The Governor's action represents a huge setback for transit system accessibility and the human rights of disabled and mobility-challenged New Yorkers. 23 subway station elevator projects and two LIRR elevator installations planned for the 2020-24 MTA capital program are now suspended. While it is common to report that roughly one-third of subway stations are now accessible, the reality of subway travel is that it takes two accessible stations to make an accessible trip. The subway network available to those unable to use stairs is far smaller than one-third. Someone who can use stairs can go to 472 stations from any origin point in the subway system (over 221,000 possible trips). But there are under 21,000 possible trips using two elevator stations in combination — only about one-tenth as many as the entire subway system offers. The 23 station elevators Governor Hochul has stopped would have enabled many more point to point subway trips for those in wheelchairs or otherwise unable to navigate stairs. It's a shocking reversal of a policy the MTA had finally begun to get right after decades of struggle by leaders of the disabled community.
- Governor Hochul's suspension of congestion pricing jeopardizes critical funding for the MTA's zero-emission bus program. The unprecedented program is vital for improving public health in disadvantaged communities by eliminating harmful pollutants from diesel fuel and reducing New York State's carbon footprint, in alignment with the CLCPA. The scale of the MTA's zero-emission bus program is unparalleled, given that the MTA

operates the largest public bus system in North America with a fleet of 5,800 buses and hundreds of paratransit vehicles. The successful electrification of its bus and paratransit fleet will not only benefit New York City but also set a precedent for other transit operators across the country. Suspending congestion pricing undermines our progress toward a cleaner, healthier, and more equitable transit system. Given the high demand for electric buses and few manufacturers, it also risks putting the MTA at the back of the line to purchase these buses once the pause is lifted.

- The Governor has put the MTA on a path to undertake fewer improvement projects with less resources. Among many other problems, this will set up a very unhealthy competition within the MTA and its budget between headline system expansion projects like the Second Avenue Subway extension and essential upgrade and state-of-good repair projects. The latter — rolling stock purchases and track/signal, station and system infrastructure projects — are far more important to today’s transit riders, and to the vast majority of future transit riders. Already, we’ve seen Governor Hochul step in to find unspent funds elsewhere in the state budget to devote to the Second Avenue Subway extension. But she has made no move on behalf of the extensive state-of-good-repair work she has caused to stop. We support system expansion, but full funding for system-wide repair and upgrade should come first.
- Analysis by Reinvent Albany shows the congestion pricing suspension puts more than [100,000 jobs across the state at risk](#). The MTA contracts much of its capital project work to outside private vendors — including several in Central and Western New York and other parts of the state. About \$12 billion of the authority’s \$15 billion gap goes to private companies, while roughly \$3 billion goes to MTA workers who do track repairs. The jobs Governor Hochul has put at risk across the state are significantly more than the projected job increase the Governor has repeatedly touted in relation to federal subsidies for semiconductor manufacture in central New York.

We appreciate the Legislature’s abiding support for congestion pricing amid the crisis caused by Governor Hochul’s pause. Leading cities around the world continue to build transit capacity and operate well-maintained systems, while increasingly emphasizing streets and public space for people over car dependence. New York was on a strong path in this direction until the Governor’s about-face on congestion pricing in June. Now New York State is signaling that government in New York cannot execute on ambitious, world-leading initiatives, and has set a tone of non-accomplishment regarding the state’s climate and transportation goals. We do not believe that this is New York at its best, and urge you to continue your leadership on behalf of congestion pricing into the 2025 session with Governor Hochul.

Sincerely,

Jesse Lazar, Executive Director
American Institute of Architects of NY

Jon Orcutt, Advocacy Director
Bike New York

Julie Tighe, President
New York League of Conservation Voters

Sara Lind, Co-Executive Director
Open Plans

Lisa Daglian, Executive Director
Permanent Citizens Advisory Committee to the MTA (PCAC)

Alex Matthiessen, Director
Move New York

Betsy Plum, Executive Director
Riders Alliance

James Whelan, President
Real Estate Board of New York

Tom Wright, President and CEO
Regional Plan Association (RPA)

John Kaehny, Executive Director
Reinvent Albany

Eric McClure, Executive Director
StreetsPAC

Elizabeth Adams, Interim Co-Executive Director
Transportation Alternatives

Renae Reynolds, Executive Director
Tri-State Transportation Campaign