



*Interim Report*  
*An Inquiry into Congestion Pricing as Proposed in PlaNYC 2030 and S.6068*

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**Chairman**  
**Committee on Corporations, Authorities and Commissions**  
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## I. Introduction and Chronology

The Legislature has been asked to enact sweeping legislation to institute congestion pricing in Midtown Manhattan. The proposal is serious, a profound change in the way we would experience New York City, complicated, and controversial. The Committee on Corporations, Commissions, and Authorities (“Committee”) was asked by Speaker Silver to cooperate with other Assembly Standing Committees to review the proposal. The Committee has considered written and oral submissions, hearing testimony, independent and academic research, and a wide variety of citizen and organizational opinion. We recognize the strengths of arguments submitted by both proponents and opponents of the Mayor's Plan. This Report analyzes the various proposals, raises questions about their philosophical and policy underpinnings and about their practical consequences for average citizens, offers a series of Conclusions and Recommendations, sets forth questions needing answers, and suggests a procedure for answering them.

On April 22, 2007 New York City Mayor Michael Bloomberg proposed a broad and far-reaching plan for the future of the City and metropolitan region entitled PlaNYC 2030 (“Plan”, or “PlaNYC”). The Plan included a variety of economic, environmental, energy, and transportation concepts described in general terms, and suggested ways of implementing them.<sup>1</sup> The Mayor stated that PlaNYC 2030 is needed, “to increase open space, expand housing, deal with our congested roadways, create better mass transit options, increase our energy sources and stabilize our water supply or we simply won’t be able to continue the high quality of life we now enjoy.”<sup>2</sup>

Although purportedly an initiative of the City government, the City Council has not taken a position or vote on the Plan, nor has the need for a Home Rule Message in support of state legislation been clarified.

A key element of the Plan was the Mayor's proposal for “congestion pricing”. Congestion pricing is a mechanism for reducing automobile use first theoretically proposed by Nobel prize-winning economist William S. Vickrey in the 1950s.<sup>3</sup> It posits that a pricing mechanism, specifically a daily or hourly fee imposed on automobiles driving within or into a carefully drawn

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<sup>1</sup> PlaNYC 2030 can be found at <http://www.nyc.gov/html/planyc2030/html/home/home.shtml>.

<sup>2</sup> “MAYOR BLOOMBERG PRESENTS PLANYC: A GREENER, GREATER NEW YORK Earth Day Event at the Museum of Natural History Unveils Policy Speech with 127 Initiatives to Make New York More Sustainable Including Reducing Carbon Emissions by 30%”, released on April 22, 2007.

<sup>3</sup> Dr. Vickrey won the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel 1996 and is considered the “father of congestion pricing.” See: “Statement on the Pricing of Urban Street Use”. Hearings: U.S. Congress, Joint Committee on Metropolitan Washington, D.C. Problems, 466- 477 (Nov. 11, 1959)

geographic area, can reduce auto use and congestion. It has received significant academic support over the years. As Dr. John Falcocchio, Director, Urban ITS Center, Polytechnic University testified, "It's one of the most powerful tools we have to address congestion today."<sup>4</sup> It has also received significant academic criticism largely based upon "problems of equity."<sup>5</sup>

The Mayor presented his congestion pricing plan on two parallel tracks.<sup>6</sup> The first was intense lobbying of business, labor, community and opinion leaders on behalf of PlaNYC 2030, which produced broad support for the Plan and its concepts. The second was the presentation, in May 2007, of draft legislation formally submitted to the Assembly, Senate and Governor.

The Assembly began consideration of the Mayor's proposals, including but not limited to congestion pricing, early in May 2007. The Mayor and mayoral staff met repeatedly with legislators and legislative staff. Further information was requested, and in some cases provided.<sup>7</sup> On June 8 and June 15, 2007 public hearings were convened by the Assembly Committees on Cities; Corporations, Authorities and Commissions; Energy; Environmental Conservation; Transportation; and Ways and Means.<sup>8</sup> Mayor Bloomberg testified along with members of the City Administration, as well as nine other witnesses from academia, public interest organizations, business organizations and others.<sup>9</sup>

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and "Congestion Theory and Transport Investment", 320-332 (1969).

<sup>4</sup> June 8<sup>th</sup> Hearing at 151.

<sup>5</sup> C.H. Sharp, "Congestion and Welfare – A Reply," The Economic Journal, Vol. 79, No. 314 (June 1969), 407-412 quoting T. Scitovsk, "Papers on Welfare and Growth," (Allen and Unwin, 1964) at 260-1.

<sup>6</sup> "Congestion Pricing: A Primer" Federal Highway Administration Office of Transportation Management, HOTM December 2006, pg. 7. On February 17, 2003, London implemented congestion pricing in central London. Stockholm is the most recent large city to deploy cordon pricing, on a test basis from January to July 2006.

<sup>7</sup> See: for example, the May 30, 2007 letter from Jeffrey Kay, Director of Operations, Office of the Mayor to Richard Brodsky, May 30, 2007 (hereinafter "Kay Letter"). A number of information requests remain outstanding.

<sup>8</sup> ASSEMBLY STANDING COMMITTEE ON WAYS AND MEANS, ASSEMBLY STANDING COMMITTEE ON TRANSPORTATION, ASSEMBLY STANDING COMMITTEE ON CORPORATIONS, AUTHORITIES AND COMMISSIONS, ASSEMBLY STANDING COMMITTEE ON ENERGY, ASSEMBLY STANDING COMMITTEE ON ENVIRONMENTAL CONSERVATION, and the ASSEMBLY STANDING COMMITTEE ON CITIES, "New York City's Sustainability Proposal" held Friday, June 8, 2007 and June 15, 2007, Association of the Bar of the City of New York Auditorium, 42 West 44th Street, New York, New York (hereinafter referred to as "June 8th Hearing" and "June 15 Hearing" respectively).

<sup>9</sup> Testimony was given by MICHAEL BLOOMBERG, Mayor of the City of New York; DANIEL DOCTOROFF, Deputy Mayor for Economic Development, City of New York; ROHIT AGGARWALA, Long Term Planning and Sustainability; BRUCE SCHALLER, Deputy Commissioner, Department of Transportation; DONNA LIEBERMAN, Executive Director, New York Civil Liberties Union; DR. JOHN FALCOCCHIO, Director, Urban ITS Center, Polytechnic University; MARTA GENOVESE, Corporate Secretary, American Automobile Association of New York; HUGH O'NEILL, President, Appleseed, Incorporated; KATHRYN WYLDE, President and CEO, Partnership for New York City; CHRISTOPHER JONES, Vice President For Research, Regional Plan Association; GENE RUSSIANOFF, Senior Attorney, The Straphangers Campaign; and

On June 7, 2007 United States Transportation Secretary Mary E. Peters announced the availability of federal funds in amounts up to \$1.1 billion in which New York City applied for \$500 million for a variety of transportation projects in the New York City region.<sup>10</sup> The Secretary indicated that the likelihood of New York City's receiving such funds would be significantly enhanced if congestion pricing was part of the application, and that State approval of congestion pricing was necessary in that effort.<sup>11</sup> On May 28, 2007, Chair of the House Subcommittee on Highways and Transit, Peter DeFazio, issued a letter disputing the Secretary's announcement.<sup>12</sup>

On June 7, 2007 the Senate printed the Mayor's proposed legislation as Senate bill 6068. The Assembly has carefully reviewed the submitted legislation, but it has not been put into print. S. 6068 was substantially amended on June 16, 2007.<sup>13</sup> The amendment includes privacy protections, a governing board to make decisions rather than just the Mayor, changes to the fee/fine schedule, a residential permit parking requirement, and an EIS among other changes. On June 7, 2007 Governor Spitzer announced his support for enactment of unspecified congestion pricing legislation before the end of the legislative session.<sup>14</sup> On or around June 19, 2007 Governor Spitzer, apparently in agreement with Mayor Bloomberg, sought enactment of congestion pricing legislation based on health care legislation known as the Berger Commission model, in which the commission would impose congestion pricing subject to a statutory veto. He shortly thereafter modified the proposal to include a study commission without the effective

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KATHLYN MORAN, Director of Business Outreach, Queens Chamber of Commerce.

<sup>10</sup> Verena Dobnik, "NYC Mayor Pushes Traffic Fee Proposal," The Associated Press, June 8, 2007. See also: "Remarks for the Honorable Mary Peters, Secretary of Transportation: Congestion Pricing and Urban Partnerships News Conference", (June 7, 2007) located at <http://www.dot.gov/affairs/ny060707.htm> (last visited on July 5, 2007).

<sup>11</sup> Schuster and Madore, "Feds, gov along for the ride; In a victory for Bloomberg, Spitzer backs traffic plan and transportation secretary says it's a contender for \$500M in federal funding," Newsday, June 8, 2007.

<sup>12</sup> See: "Congestion Pricing Federal Funds May Not Exist Talk Of \$500 Million for NYC May Be Just That ... Talk" by Marcia Kramer at [http://wcbstv.com/topstories/local\\_story\\_165172311.html](http://wcbstv.com/topstories/local_story_165172311.html) June 27, 2007.

Congressman DeFazio's letter stated, "I write to express my concerns about the assurances of Secretary Mary Peters. You should know that Congress has not authorized the congestion initiative or its component parts."

<sup>13</sup> The Senate A-print creates an oversight board with four voting members appointed by the Governor, the Mayor, the Senate Majority Leader and the Speaker of the Assembly. The Board approves and oversees the pilot program submitted by the City. The Mayor and the MTA must submit for approval an annual mass transit capital plan. A residential parking plan is required to be in place before congestion pricing is implemented. At the end of the program the board will continue to administer the collected funds. The bill restricts the camera's operational time to from 6 am to 6 pm. The pricing plan has been changed by reducing to \$4 and \$2 for hybrid cars and \$7 for reduced emissions trucks. Fines for violations were also put into the bill. If not paid within 30 days the fine is \$25, \$50 if not paid within 60 days, and \$75 if not paid within 90 days. An Environmental Impact Statement will be conducted in tandem with the congestion pricing program.

<sup>14</sup> Kenneth Lovett and David Seifman, "Gov Boosts Mike's Traffic-Pricing Plan", The New York Post, June 8, 2007.

implementing powers of a Berger Commission model. On June 22, 2007 the regular legislative session ended without either house taking action on any form of congestion pricing legislation. Senate Majority Leader Joseph Bruno indicated his intention to reconvene on July 16. Governor Spitzer has indicated his desire to have the Legislature return to resolve a number of important issues, including congestion pricing.

## II. Congestion Pricing in PlaNYC 2030

Although PlaNYC 2030 is a broad policy document which includes 147 proposals, a major component of the Plan is to implement congestion pricing in Manhattan. As explained by the Mayor in numerous public appearances and in written form widely distributed, PlaNYC proposes congestion pricing for an area of Manhattan south of 86 Street to Battery Park except for the Henry Hudson/Westside Drive, and the FDR drive (hereinafter “the Zone”).

A fee of \$8 would be charged to automobiles entering the Zone, and \$4 dollars for those originating in the Zone.<sup>15</sup> A fee of \$21 would be charged to small trucks and buses entering the Zone and \$42 for large ones with again that fee halved for trucks originating in and staying within the Zone.<sup>16</sup> Those entering the Zone after crossing on tolled facilities would deduct the tolls from the congestion fees.<sup>17</sup>

The system would be enforced by the installation of approximately 1,000 cameras at approximately 350 locations at the perimeter and within the Zone.<sup>18</sup>

The program is described as a pilot program, with existing environmental review requirements pushed forward to begin during the pilot program.<sup>19</sup> As Deputy Mayor Doctoroff stated, “...we expect that it will go forward without an environmental impact statement because what we’re doing is, we’re doing a pilot.”<sup>20</sup> The Mayor added, “what we’re proposing, in terms of congestion pricing at least, is a pilot project.”<sup>21</sup>

Revenues from the congestion pricing fee are estimated at \$620 million for the first year and up to \$900 million annually by 2030, offset by a \$225 million initial capital cost and annual

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<sup>15</sup> “PlaNYC: A Greener, Greater New York,” City of New York, Office of the Mayor, April 22, 2007 at 89 (hereinafter “PlaNYC Report”).

<sup>16</sup> PlaNYC Report at 89.

<sup>17</sup> Id at 90.

<sup>18</sup> June 8<sup>th</sup> Hearing at 85.

<sup>19</sup> PlaNYC Report at 77.

<sup>20</sup> June 8<sup>th</sup> Hearing at 84.

<sup>21</sup> Id at 14.

operating costs of \$240 million.<sup>22</sup>

A new public authority, jointly controlled by the Mayor and Governor, would be created to receive all net revenues, which would be applied to large, unfunded regional transportation projects such as the 2<sup>nd</sup> Avenue Subway.<sup>23</sup> As the Mayor testified,

congestion pricing would be crucial to finding much-needed regional, mass transit improvement funds. We need to complete the lower Manhattan rail link. We have to extend the Second Avenue subway all the way downtown. I think if we don't do that, then shame on us. The Second Avenue subway really only becomes valuable if it goes all the way downtown. To stop in midtown doesn't make a lot of sense. We need to complete east side access to Grand Central Station, the Nassau County Hub. And there are more than a dozen other regional transportation projects... A lot of these projects are on the drawing boards and they'll just sit there forever unless we can come up with a funding source and here we have an opportunity...<sup>24</sup>

Reasonable privacy protections would protect against abuse of the data collected by the 1,000 cameras in and around the Zone.

Persons moving their cars to comply with alternate-side-of-the-street parking requirements would not pay any fee.

Neighborhoods abutting the Zone and other likely locations for increased street parking would be protected by residential parking permit programs, which would charge a permit fee that would be deposited in the City's general fund.

The bulk of fee collections would occur through a modified E-Z Pass system. Persons who were not members of the E-Z Pass program would be required to pay the congestion fee within 48 hours by phone, Internet or perhaps physical locations. Failure to pay the fee would result in penalties of up to \$115 per violation, which would be deposited in the City's General Fund.<sup>25</sup>

Unspecified public health and environmental benefits would occur. "Congestion pricing really will improve our public health"<sup>26</sup>, in the Mayor's words.

The system would yield an average increase in speed within the Zone of 0.6 miles per hour.<sup>27</sup>

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<sup>22</sup> Testimony of Deputy Mayor Daniel Doctoroff, June 8<sup>th</sup> Hearing at 48.

<sup>23</sup> PlaNYC Report at 77. "The recent groundbreaking ceremony for the Second Avenue Subway marked the time that the project has been started...[but] each time, the project has been stalled for funds. This experience ought have taught us one thing: If we don't know exactly where the funding will come from, it's a good indication that we may not get what we want."

<sup>24</sup> Testimony of Mayor Michael Bloomberg, June 8<sup>th</sup> Hearing at 29 and 31-33.

<sup>25</sup> June 8<sup>th</sup> Hearing at 87.

<sup>26</sup> Testimony of Mayor Michael Bloomberg, June 8<sup>th</sup> Hearing at 33.

<sup>27</sup> Office of New York City Mayor Michael Bloomberg, "New York City Mobility Needs Assessment, 2007-

### III. Congestion Pricing in Mayor's Submitted Legislation (Senate Bill 6068)

The congestion pricing program created by the statute submitted by the Mayor differs significantly from the congestion pricing proposal described by PlaNYC 2030. Several of the major differences are set forth as follows.

S. 6068 does not create a "pilot program". A "pilot program" is defined as "an activity planned as a preliminary or experimental trial or test."<sup>28</sup> At the conclusion of such trial or test those authorizing the pilot assess its results and decide whether to authorize or discontinue the project. The Mayor's congestion pricing program is authorized by the Legislature and the Governor and executed by the Mayor. However, the legislation gives to the Mayor the unilateral and complete power to continue the program indefinitely and at any fee level. The bill states,

At the pilot period completion date, which shall be three years from the operation date, the mayor shall have ninety days in which to determine, at his or her discretion, which shall be binding and conclusive, whether the congestion pricing should continue to operate.<sup>29</sup>

This does not constitute a pilot program.

The legislation does not require neighborhood residential parking permit programs. The proposed statute grants broad power to the City to create such programs but does not require them, nor set standards for determining where such programs should exist, nor set forth operating requirements including authorization for the fees and disposition of fee revenues.<sup>30</sup>

The legislation contains no privacy requirements for data collected by the City. Although 1,000 cameras will photograph the legal activity of citizens, the bill contains no language restricting the manner of operation, data collection, data storage retrieval and disposition.

The legislation contains no limitations excusing persons moving their cars to comply with alternate-side-of-the-street parking requirements from payment of the fee.

The legislation contains no requirements that the revenues generated by congestion pricing be used for large capital projects.<sup>31</sup>

The legislation has no plan for enhancing mass transit prior to the implementation of

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2030" at 147-8.

<sup>28</sup> Dictionary.com at <http://dictionary.reference.com/browse/pilot%20program> (last visited on June 28, 2007).

<sup>29</sup> § 1703 (b) of Senate Bill 6068; emphasis added.

<sup>30</sup> See: the exchange between Assemblywoman Cathy Nolan and Deputy Mayor Doctoroff, June 8<sup>th</sup> Hearing at 111, as quoted under § IV, L below.

<sup>31</sup> S. 6068 §1708 (2).

congestion pricing.

#### **IV. Analysis of PlaNYC 2030 and Senate Bill 6068**

In the course of Assembly consideration of both PlaNYC and the Mayor's legislation a number of important concerns have been expressed by Members of the Assembly, the affected public, hearing witnesses, and others. PlaNYC has received broad conceptual support. The legislation has received support to a much lesser degree. These concerns include the following.

##### ***A. Congestion in New York City***

There is strong evidence as well as an intuitive sense that congestion in Midtown is a serious problem and getting worse.<sup>32</sup> While both the reports on congestion presented to the Committees are produced by advocates or opponents of the Plan, it is clear that congestion is a problem, and its economic, social, and public health impacts should be addressed by State and City government. The Mayor has been clear and persuasive about the problem and has served the City well by raising it.

##### ***B. Capital Funding of Mass Transit***

There is no doubt that the region's mass transit system is in need of tens of billions of dollars of capital investment whose sources cannot now be identified. It is not just large projects such as the Second Avenue Subway that are inadequately funded.<sup>33</sup> The most basic responsibility of the MTA, to produce system in a state of good repair, has not been met nor have funds been identified to reach that goal. The Mayor has been clear and persuasive about the problem and has served the region well by raising it.

It should be noted that although the Mayor's Plan speaks of using congestion pricing revenues for these purposes, and lists eligible projects, the Mayor's legislation does not so require. It should be further noted that Governor Spitzer<sup>34</sup> and Executive Director of the MTA Lee Sander

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<sup>32</sup> Schaller, Bruce. "Belittling Traffic: What New Yorkers Think About Road Traffic," Manhattan Institute for Policy Research, Rethinking Development Report No. 3 (December 2006).

<sup>33</sup> PlaNYC Report at 77. "The recent groundbreaking ceremony for the Second Avenue Subway marked the time that the project has been started...[but] each time, the project has been stalled for funds. This experience ought have taught us one thing: If we don't know exactly where the funding will come from, it's a good indication that we may not get what we want."

<sup>34</sup> See: Hakim, Danny and Ray Rivera, "City Traffic Pricing Wins U.S. and Spitzer's Favor," The New York

have suggested the use of congestion pricing revenues to defray ordinary and regular operating expenses of the MTA, leaving unresolved the revenue needs of the capital program.<sup>35</sup> Executive Director Sander has stated that, "It's an option on the table that we would consider. There is certainly a potential of it having an effect on the operating side, on the fare. Otherwise, the deficits we will have to face will have to be handled another way."<sup>36</sup>

### *C. The Social Impact of Pricing Mechanisms*

Substantial questions have been raised about the use of pricing mechanisms, specifically congestion pricing, for distributing scarce public resources or solving social problems. Pricing mechanisms are explicitly designed to change individual behavior based on ability to pay. Much of the struggle for social progress in the United States has sought to create government policy which mitigates the consequences of pricing mechanisms. For example, our health care crisis is not caused by the unavailability of private health insurance to average Americans; it is caused by the unavailability of *affordable* health insurance. Similar concerns exist with respect to education, housing, mass transportation, and almost every other area of daily life. Pricing mechanisms distribute public goods in ways that predominately affect middle and lower income persons.

...taxes and charges [pricing mechanisms] are also associated with disproportionate impacts on low-income households, which can make them both politically unpopular and socially unjust.<sup>37</sup>

There is no real dispute that the people whose behavior will be modified, as well as the people from whom the bulk of new revenue will be extracted, are working families. Even the Mayor concedes, "But we live in a capitalistic society and there are people who are wealthy enough that there is no economic incentive that's going to convince them to change their behavior."<sup>38</sup>

New York's concern for social and economic fairness has a long, bipartisan history. Pricing mechanisms generally and congestion pricing specifically are inconsistent with that tradition, and with the political philosophy usually espoused by the Assembly Majority in most areas of

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Times, June 8, 2007.

<sup>35</sup> Chan, Sewell, "Congestions Pricing Racing Forward," The New York Times, June, 7, 2007.

<sup>36</sup> Caren Halbfinger, "MTA 'open' to using congestion-pricing revenue for fare control," The Journal News, June 28, 2007.

<sup>37</sup> Professor Paul Ekins and Dr Simon Dresner, "Green taxes and charges: Reducing their impact on low-income households", Policy Studies Institute, NY (2004).

<sup>38</sup> June 8<sup>th</sup> Hearing at 61.

government activity.

#### *D. Congestion Pricing as a Precedent*

Whatever the philosophical and practical consequences, the adoption of congestion pricing will be a precedent for use in other areas. There are numerous other public facilities which face increasing congestion. Parks, schools, beaches and swimming pools, libraries and many other facilities face growing demand in the next decades. If access to public streets can be conditioned on ability to pay, the same can be done for these other facilities. A Mayor less enlightened, or an Assembly less vigilant may not wish or be able to withstand those pressures. The precedential impact of the Mayor's congestion pricing plan should not be underestimated.

#### *E. Privacy Consequences of Congestion Pricing*

The Mayor's congestion pricing plan will require the placement of approximately 1,000 cameras on the streets of the City, with no restrictions on their use or the use of the photograph taken. The Committees heard strong criticism of the growing use of surveillance cameras from Donna Lieberman of the New York Civil Liberties Union ("NYCLU"),

And we've seen an incredible proliferation of government cameras in our subways, in our schools, traffic cameras, roving traffic cameras, in the housing projects, in Washington Square, and now we have a new congestion pricing set of 1,000 cameras. Well, we are a surveillance camera town to a large extent already, and New Yorkers' privacy has been jeopardized, but the Assembly should not be jumping on this train to further compromise our privacy. We really need to take a good look and demand answers to questions about how our privacy rights are going to be protected.<sup>39</sup>

While the Mayor expressed a general understanding of the privacy concerns raised by photographing citizens engaged in legal activity, his legislation provides no limitations or other assurances about the operation of the cameras, the collection and distribution of data, and its ultimate disposition. Ms. Lieberman of the NYCLU further testified,

...the bill also contains no acknowledgement... that the government has any responsibility to address those privacy concerns, or that there are any safeguards in place to ensure that we are not becoming a surveillance society and that every move we make... is not being captured, kept for posterity or any other bad uses by the government.<sup>40</sup>

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<sup>39</sup> June 8<sup>th</sup> Hearing at 128-9.

The Mayor's response to questions about these concerns is to mistakenly assert that there are privacy protections in the bill and that the addition of a thousand cameras is neither exceptional nor likely to be offensive.

We keep data on your most personal things. If you take a look at your income tax data, for example, all of that data is stored and I don't think there's any provision to ever destroy it, or if there is, it's many years down the road. What we're proposing here is to do the same thing that London has done, is you destroy the data after a very short period of time....<sup>41</sup>

The Mayor continued,

We collect information all the time and it's up to the government to make sure that that information is not used incorrectly... We do this all the time to protect you in your apartment building, you in your office, you in your store. We have crossed that bridge and yes, we have to be very careful that we don't let it get out of hand, but to say one more picture or one more measurement from an E-Z Pass by an automatic detector is infringing your civil liberties, is a technical distinction that doesn't bear any relationship to reality in the grand scheme of things.<sup>42</sup>

The systematic invasion of privacy that is now a feature of much of modern life is neither inevitable nor without cost. That the government has itself created this new reality is not a reason to expand it unless it is both necessary and limited to the functions it is intended to serve. Neither is the case here. This is an area where thoughtful legislative amendment could vastly improve the Mayor's proposal. The Committee intends to offer such amendment.

#### ***F. Congestion Pricing is a Regressive Tax***

The Mayor's congestion pricing proposal is a regressive tax whose burden is borne disproportionately by middle income New Yorkers, largely from the Bronx, Brooklyn, and Queens.

A regressive tax is defined as, "A tax that takes a larger percentage from the income of low-income people than the income of high-income people."<sup>43</sup> Regressive taxes have been widely criticized as unfair, allowing wealthier citizens to escape the responsibility of supporting public services, and unfairly burdening low and middle income working families.

The congestion pricing proposal meets this definition because the revenues it produces will

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<sup>40</sup> June 8<sup>th</sup> Hearing at 128-9.

<sup>41</sup> Id at 69-70.

<sup>42</sup> Id at 43-4.

<sup>43</sup> Investopedia.com., located at <http://dictionary.reference.com/browse/regressive%20tax> (last visited on July 6, 2007).

come disproportionately from middle income drivers. The data provided by the City establishes this pattern.<sup>44</sup>

Residents of Queens, the Bronx, Brooklyn and Staten Island who drive in the Zone pay 47% of the total fees. They make 24% of the trips in the Zone. Their average income is about \$46,004 annually.

Residents of Manhattan who drive in the Zone pay 42% of the total fees. They make 72% of the trips in the Zone. Their average income is \$74,676 annually.

Residents of the counties of Westchester, Rockland, Nassau, and Suffolk who drive in the Zone pay 11% of the total fees. They make 4% of the trips in the Zone. Their average income is about \$81,029 annually.

The \$8 daily fee calculates to \$40 a week for 50 weeks, roughly \$2,000 annually. \$2,000 is roughly 4 ½% of the annual income of a driver from the Bronx, Brooklyn and Queens. \$2,000 is roughly 2 ½% of the income of a driver from Westchester or Manhattan.

In other words, the higher the income in an area the less is paid per trip. This is the classic definition of regressiveness. As one scholar states from the London experience, "Congestion pricing winners are mostly in the Rich class; for them the toll is an acceptable price for faster travel."<sup>45</sup> The Mayor acknowledged the regressive nature of his congestion pricing proposal saying, "Assemblyman Gantt talked about whether this is regressive, in the end, it is true if you charge for something, those who are wealthier find it less onerous."<sup>46</sup> The Mayor believes that society is structured that no financial disincentive really affects the wealthier classes.

I think one of the answers is we live in a capitalistic society. We use economics to encourage lots of things and there's nothing necessarily wrong with that. Those that want it more will pay more. And it is true, some people have more so that is in their benefit. But we've always done that.<sup>47</sup>

It should that the failure to require taxis to pay the congestion exacerbates the regressivity of the Mayor's Plan. As discussed below in Section IV, K, taxis riders are wealthier and are an enormous source of congestion and pollution, although exempt from the congestion fee.

The City and certain advocates respond to this data by arguing that the benefits of the revenues are disproportionately enjoyed by mass transit riders, who tend to be of lower income. Even

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<sup>44</sup> The original data was supplied by the City without information from New Jersey or Connecticut. The text that follows this footnote includes calculations made without New Jersey or Connecticut. Subsequent data provided by the City that includes NJ and CT. updates the analysis, but does not substantially alter the findings contained herein.

<sup>45</sup> Carlos Daganzo, "Taking Turns: Rx for Congestion," *Access* (Fall 2000) at 17.

<sup>46</sup> Testimony of Mayor Michael Bloomberg at the June 8<sup>th</sup> Hearing at 96.

if true, this is simply non-responsive to the concern that the revenues are largely raised from people of moderate income. Mass transit riders would receive the same ultimate benefit if the revenues were raised progressively.

The City has recently provided other data which is consistent with this conclusion, although it revises the number of trips taken, includes New Jersey and Connecticut, and uses income data for car owners, not drivers in the Zone. A fuller discussion of regressivity and City data appears in Appendix B.

### ***G. Toll Offsets Intensify the Plan's Regressiveness and Regional Unfairness***

Whatever its political merits, the Mayor's decision to allow toll offsets against the congestion pricing fee reduces the actual fee paid by residents of New Jersey, Westchester, Connecticut, Long Island and Staten Island to between \$2 and \$4. This not only reduces the overall revenue stream, it reduces the likelihood that drivers from those communities will switch to mass transit rather than pay the increased fee. The Mayor did confirm that his intention was to equalize the cost for all facilities going into Manhattan.

ASSEMBLYMAN BRODSKY: ...what you're saying is you want to raise the cost on places that don't now have a toll.

MAYOR BLOOMBERG: That is a fair way to characterize it...<sup>48</sup>

adding,

...congestion pricing will equalize, not add to, the cost of driving for many commuters. And it will stop people from toll shopping, which causes congestion in many neighborhoods. There are big parts of the Bronx, Queens and Brooklyn where people drive around to avoid the most direct crossing into Manhattan, but to find the non-tolled crossing and it creates an enormous amount of traffic and pollution in those boroughs.<sup>49</sup>

Middle income residents of the Bronx, Queens, and Brooklyn, not wealthier suburban commuters, pay the new fee disproportionately. The Mayor's candid admission that his basic purpose is to toll the East River bridges does not justify a regressive and regionally unfair policy.

### ***H. Pilot Program***

Perhaps no other issue in the congestion pricing debate better illuminates the strengths and weaknesses of the Mayor's presentation. He and his staff initially insisted that his proposal

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<sup>47</sup> Testimony of Mayor Michael Bloomberg at the June 8<sup>th</sup> Hearing at 63.

<sup>48</sup> June 8<sup>th</sup> Hearing at 60.

was a pilot program, when in fact it is not. When confronted by evidence that it was not a pilot program the Mayor moved to correct that error.

MAYOR BLOOMBERG: I don't think that anybody suggests that my successor is going to be the only person who decides whether to keep this going or not.

ASSEMBLYMAN BRODSKY: That's what the bill does.

ASSEMBLYMAN LANCMAN: That's what the bill does.

MAYOR BLOOMBERG: It should not.<sup>50</sup>

Unfortunately, the City has not followed up on the Mayor's candid observation and instruction, and the proposed congestion pricing program is still not a pilot program.

### *I. Revision of State Environmental Laws*

The Mayor seeks to exempt his proposal from State laws which otherwise require an environmental assessment and impact statement prior to implementation. Wrongly describing his proposal as a pilot, the Mayor argues that environmental reviews should take place during the "pilot period". Marta Genovese, of the American Automobile Association of New York stated,

...the City's answer that after the pilot is complete, they then will conduct an environmental impact study, is a little bit like saying that we are going to give you the verdict and then have the trial. I find that a bit disingenuous, ...if we are three years down the road and they have assembled this SMART transportation authority and started collecting the money and put these transponders in place, what are the chances that we are going to be able to get a fair and impartial evaluation on whether this works already? It's going to be a self-perpetuating situation. I rarely see an authority created, money started to be collected, where the municipality is going to say, you know what, maybe we overestimated the benefits to this and we're going to just do away with it. Not likely, not likely.

It seems to me that it's appropriate to ask the questions now to see what, if any, studies have been done about the diversions... I'd like to be able to test some of those fundamental assumptions that the report is based upon. We really haven't had the opportunity to do that.<sup>51</sup>

In spite of the lack of data, the Mayor repeatedly asserted that the proposal would improve air quality and public health, including asthma rates and other health problems. In response to an inquiry from Assemblywoman Nolan about her Queens district the Mayor stated,

The people in your neighborhood will have dramatically cleaner air to breathe, their children will have less asthma. Everybody in your neighborhood will be healthier because you happen to represent a district where you have a lot of this

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<sup>49</sup> Id at 37.

<sup>50</sup> June 8<sup>th</sup> Hearing at 122.

<sup>51</sup> Id at 140-1.

extra traffic because they're trying to avoid the tolled bridges, which are directly in their route, but they now go out of their way.<sup>52</sup>

Environmental reviews are required not just for unpopular projects but in order to insure that claimed benefits and costs are achievable. However theoretically attractive may be congestion pricing, the failure to analyze its impacts is an enormous disservice to good government, and creates another unfortunate precedent undermining a useful tool that protects the public health and environment. This is especially true in areas which may see an increase in pollution and congestion, those north of 86<sup>th</sup> Street in Manhattan and in the Bronx, Queens, and Brooklyn which may attract motorists seeking to avoid the congestion fee. The uncritical willingness of certain environmental groups to defend the undermining of environmental laws is unfortunate.

#### *J. Fee Collection for Non E-Z Pass Drivers*

The Mayor's Plan can be easily implemented for those who possess an E-Z Pass. For those who do not the Plan is simply unworkable. Persons driving into the Zone without an E-Z Pass would be required to know the fee, and to pay it within 48 hours, by credit card, Internet or other unspecified mechanisms. Failure to pay would result in fines of up to \$115.<sup>53</sup> The practical inadequacies of any such plan are obvious. It is noted that such a fee would likely serve as a disincentive for tourists and others who now regularly visit Midtown.

#### *K. Selective Application of the Fee*

The congestion pricing fee would apply to cars, trucks, non-MTA buses and certain livery cars. Taxis and certain other livery cars would be exempt according to the Mayor,

Taxi-cabs we would exempt. Taxi-cabs, while you're better off taking a bus or a subway from a practical point of view, we need taxi-cabs, but they are vehicles that are used continuously during the day and not just coming in creating traffic at rush hour and then using up a parking place.<sup>54</sup>

It is not clear why taxis and some liveries are excused from paying the fee.

ASSEMBLYMAN BRODSKY: ...why should they not pay \$4.00 or \$8.00 a day the same way that the nurse coming from Bronx or Queens?

MAYOR BLOOMBERG: They're not. The taxis are not going to pay anything.

ASSEMBLYMAN BRODSKY: Why should they pay nothing?

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<sup>52</sup> June 8<sup>th</sup> Hearing at 114-5.

<sup>53</sup> June 8<sup>th</sup> Hearing at 87.

<sup>54</sup> June 8<sup>th</sup> Hearing at 26.

MAYOR BLOOMBERG: Because those are more efficient ways of using our streets and we'd rather have people -- have more taxis out there so people can take them. It's another reason not to remove -- not to use your car.<sup>55</sup>

The City's data gives an insight into how much of the congestion problem is caused by taxis. Trips originating in the Zone are about one half the entire Zone total (645,000 out of 1.3 million).<sup>56</sup> But only about 100,000 of those trips would pay the congestion fee. Over 500,000 intra-Zone trips are exempt from the fee.<sup>57</sup> The City concedes that the great bulk of the exempt trips are taxi trips. Whatever the political or social merits of taxis, they are the single greatest contributor to Zone congestion, as well as being heavy polluters. The decision to exempt them needs stronger justification than has been presented.

The taxi exemption also deepens the regressivity of the Mayor's Plan. The average income of exempt taxi users is \$127,510.<sup>58</sup> The average income of Bronx, Queens, and Brooklyn drivers who pay the fee is under \$50,000.<sup>59</sup> That is unfair to middle income New Yorkers.

It is also unclear why taxis and certain liveries are exempt, while other vehicles, including transit buses, are subject to the fee. In fact, operators of transit buses have sought an exemption on the grounds they are providing a mass transit service.<sup>60</sup>

#### *L. Residential Permit Parking Programs*

The Mayor has publicly spoken about the need for programs to protect against increased use of street parking in communities abutting the Zone or where mass transit facilities into the Zone will attract motorists. The bill itself, although authorizing such programs, does not set forth standards, nor locations. The City has announced that the fees charged for such permits would go directly into the city treasury and not be used for the purposes of mass transit.<sup>61</sup>

ASSEMBLYWOMAN NOLAN: And it also speaks to fees for residential parking, which could be set by the New York City Commissioner of Transportation, and that money would go to the general fund. Why would that be?

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<sup>55</sup> Id at 78.

<sup>56</sup> Data provided by Jeffrey Kay, Director of Operations, Office of the Mayor to Richard Brodsky, July 2, 2007.

<sup>57</sup> Conversation between Jeffrey Kay, Director of Operations, Office of the Mayor with Assemblyman Richard Brodsky on July 2, 2007 (notes of conversation are on file with the Committee).

<sup>58</sup> Kay Letter.

<sup>59</sup> Kay Letter.

<sup>60</sup> See: Letter from John Silvanie, President of the Bus Association of New York State to Assemblyman Richard Brodsky dated June 6, 2007.

<sup>61</sup> June 8<sup>th</sup> Hearing at 111.

DEPUTY MAYOR DOCTOROFF: What we're trying to do in terms of the fees for residential parking -- first of all, we're only seeking authorization, as the Mayor said, we don't know whether that will be necessary. We certainly hope it won't. We suspect that it won't.<sup>62</sup>

Residential permit parking has been controversial in other locations. While obviously protecting the interests of residents of impact neighborhoods it is sometimes criticized for discriminating against those who would not receive permits including employees of businesses in residential neighborhoods, customers of local businesses and visitors to local residents. It is one of the least articulated and most important of the elements in this proposal and needs considerable additional details from the City.

## V. Effectiveness of the Mayor's Plan

The Mayor's Plan is supportable only insofar as it actually reduces congestion and speeds traffic. The Plan will increase average traffic speed in the Zone by 0.6 miles per hour. This is a relatively minor improvement less than was sought and achieved elsewhere. Both supporters and opponents of congestion pricing raised these concerns. Professor John Folcocchio of Brooklyn Polytechnic, a noted supporter of congestion pricing, does not believe that the Mayor's plan will accomplish its own goals:

...[the] plan will not produce perceivable congestion reductions in the streets of Manhattan... it seems to me that we ought to be aware, concerned, that it in fact [it] does not produce the intended benefits because we cannot measure them.<sup>63</sup>

Professor Folcocchio, referring to the 0.6 mph improvement in vehicle speed, "That's an imperceptible amount...an average trip of two-and-a-half miles, the difference in travel time, because of that speed increase, would be one minute or so."<sup>64</sup>

If Professor Folcocchio is correct, then the only way to reduce congestion enough to achieve the Mayor's goals is to significantly raise the congestion fee. This exacerbates the class unfairness of congestion pricing as well as its political attractiveness. Dr. Folcocchio concludes,

I think if you really want ...to reduce congestion or increase speed by 30 or 40%, like in London ... probably the fee should be in the neighborhood of anywhere between \$15.00 and \$20.00, to achieve that.<sup>65</sup>

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<sup>62</sup> Id at 111.

<sup>63</sup> Id at 132-33.

<sup>64</sup> Id at 147.

<sup>65</sup> June 8<sup>th</sup> Hearing at 166.

It is noteworthy that the London program saw a dramatic increase in the congestion fee, from £5 to £8, within two years.<sup>66</sup>

## **VI. Alternatives to Congestion Pricing**

The Mayor has been publicly open-minded and receptive to the existence of alternatives. “We don’t have all the answers. “There are alternatives...if we can’t address your concerns, then you shouldn’t vote for it.”<sup>67</sup>

A series of suggestions have been made for alternative programs that address the issues of congestion and mass transit funding. These include congestion rationing (restrictions on Zone travel based on license plate numbers or other criteria), better traffic enforcement, time-of-day pricing on mass transit, taxes on gasoline, payroll, commuter, or stock transfer, fees on City issued parking permits, and others. Although repeatedly expressing willingness to consider alternatives, city officials have refused several direct requests for more detailed analyses. Congestion rationing for example, has been tried elsewhere, distributes the burden and sacrifice of reducing congestion more fairly than congestion pricing, and can be analyzed by the City's existing computer models without appreciable difficulty. After initial agreement to produce those analyses, the City has balked.

The City's failure to follow through on the Mayors expressed willingness to consider the alternatives is regrettable and should be addressed. Alternative revenue sources for mass transit funding including fees for existing City parking permits, and taxes on fuel, payroll, stock or real estate transfers have not been adequately considered, largely because of the political difficulty of enacting any such tax.

## **VII. The Experience Elsewhere**

The experience of other communities, including London, Stockholm, Florence, and Mexico City that have implemented congestion programs are cited by advocates or opponents precisely to the extent they believe those experiences support their position. The actual experience with respect to fee increases, congestion relief, revenue raised, impacts on surrounding communities, air quality and public health, and improved mass transit is simply unclear and unknown to the

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<sup>66</sup> “Mayor of London— Congestion Charging” located at <http://www.london.gov.uk/mayor/congest/> (last visited on July 6, 2007).

Committee at this time. A systematic and unbiased inquiry into these experiences is required.

### **VIII. The Timing of Congestion Pricing and Mass Transit Improvements**

Supporters and opponents of congestion pricing alike have asserted that mass transit must be able to absorb new riders resulting from congestion pricing before congestion pricing is implemented. Lord Mayor of London Ken Livingstone, a leading supporter of the Mayor's proposal, has cautioned that enhanced mass transit is a "precondition" for the successful implementation congestion pricing.

In London, as will be the case in New York or any other city, an enhanced public transportation system was critical. To ensure readiness, we made significant upgrades to public transport. Our investment focus on enhancing London's bus system, rather than the subway, because we needed to increase capacity in the quickest most cost-effective way.<sup>68</sup>

Dr. Folcocchio added, "An improved system, that should be there before the congestion pricing is going to be implemented."<sup>69</sup> Mayor Bloomberg agrees, stating, "we'll do the mass transit improvements before we institute congestion pricing."<sup>70</sup> It is undisputed that many outer borough communities are substantially underserved by mass transit, and that there is no real plan to address that inadequacy in the near future. It is also true that existing mass transit facilities are in many cases so crowded that they cannot absorb new rider-ship. As NYC Transit President Howard Roberts recently stated,

It's bad news. There's no room in the inn, to the extent that they want to ride some of the other lines and that's okay. But it means that in a lot of our initial response to that we've had to rely heavily on bus, express bus and conventional bus.<sup>71</sup>

In spite of these warnings and assurances, the Mayor's Plan has no provision for upgraded mass transit prior to the commencement of the congestion pricing program.

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<sup>67</sup> June 8<sup>th</sup> Hearing at 14.

<sup>68</sup> London Mayor, Ken Livingstone, "Clear Up the Congestion-Pricing Gridlock," Op. Ed. The New York Times, July 2, 2007.

<sup>69</sup> June 8<sup>th</sup> Hearing at 135.

<sup>70</sup> June 8<sup>th</sup> Hearing at 81.

<sup>71</sup> "NYC Transit: Subways are 'Filled to Capacity,'" NY1 located at [http://www.ny1.com/ny1/content/index.jsp?&aid=71099&search\\_result=1&stid=1#](http://www.ny1.com/ny1/content/index.jsp?&aid=71099&search_result=1&stid=1#) (last visited July 5, 2007).

## **IX. Conclusions**

The Mayor's Plan is a bold and thoughtful initiative which needs to be taken seriously. His advocacy has been generally and fair and thoughtful. His expressed willingness to subject the Plan to questions and scrutiny and to consider alternatives has not resulted in adequate responses from his Administration.

- 1. Congestion and capital mass transit funding are serious unaddressed problems which require action by state and city government.**
- 2. The congestion pricing legislation offered by the City differs significantly from the public description of PlaNYC 2030. It is not now in a form which can be enacted.**
- 3. There are serious questions of fairness, effectiveness and precedent about the use of pricing mechanisms to distribute public goods that have not been thought through or debated.**
- 4. The revenues raised by the Mayor's proposal disproportionately and unfairly target people of low and moderate income, especially those who live in the Bronx, Queens, and Brooklyn.**
- 5. The use of congestion pricing revenues must be set forth in law. The Mayor's stated preference for mass transit capital expenditures, although not in his proposed statute, is the best use of such funds.**
- 6. The elimination of existing environmental and public health reviews is not necessary or desirable, and would set a dangerous precedent.**
- 7. Strict privacy restrictions can and should be required.**
- 8. The creation of a new authority is unnecessary and would interfere with existing planning and operating agencies such as the MTA.**
- 9. Fee collection practices, neighborhood parking permit programs, exclusion of certain types of vehicles, and exclusion of some kinds of intra-Zone auto usage have not been adequately addressed by the Mayor's Plan.**
- 10. The City has no plan to improve mass transit prior to the implementation of congestion pricing. This is a serious if not fatal defect in the proposal in the opinion of both supporters and opponents of congestion pricing.**
- 11. Those opposing congestion pricing should offer specific and supportable alternative sources of revenue for mass transit and for reducing congestion.**
- 12. There is a substantial likelihood that the fees currently proposed will have to be at least doubled in order to have the effect on congestion that is needed.**

## **X. Recommendations**

Given the seriousness of objections to congestion pricing generally and S.6068 particularly, there are important but reasonable steps that must be taken if the Mayor's Plan is to continue to be considered.

**1. The proposed statute must be amended to reflect the actual policies the Mayor wishes to see enacted.** It is unreasonable and destructive to the legislative process to submit legislation that is broadly inconsistent with the public description of congestion pricing. The responsibility for these amendments rests with Mayor.

**2. There needs to be a systematic, public, and fair process to consider the policy and practical issues raised during the Assembly's examination of congestion pricing.** Although there have been suggestions for the creation of a separate organization for that purpose, the legislative committee process is intended to deal with such issues, and does so well.

The Committees of the Assembly, joined by appropriate Senate Committees and working with the Governor and the Mayor, should continue their inquiries, list the issues that should be addressed, and issue a final Report and Recommendation within a reasonable time. An initial list of questions to be answered in that process appears in Appendix A below.

**3. Supporters of congestion pricing need to cooperate in an analysis of alternatives that address the separate problems of congestion and mass transit funding, and to accept those alternatives that improve the fairness, practicality, and effectiveness of the existing proposal.**

**4. Opponents of congestion pricing must offer fair, practical, and effective alternatives to congestion pricing rather than merely oppose the Mayor's congestion pricing proposal.** If nothing else the Mayor has correctly identified problems that must be addressed. He deserves partners in the search for solutions.

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## APPENDIX A: Questions in Need of Further Response

- What congestion pricing revenues are produced by residents of the five boroughs, the suburban counties, and Connecticut and New Jersey respectively?
- What are the congestion impacts of congestion rationing?
- Which neighborhoods outside the Zone will see an increase in automobile activity?
- Which neighborhoods outside the Zone should receive residential parking permit programs?
- What standards for permit eligibility, and other practices, should be developed?
- Where should the revenues from such permit fees be deposited?
- How should fees be collected from non E-Z Pass users?
- Should environmental reviews be completed before implementing congestion pricing?
- Which neighborhoods will see an increase and which a decrease in air pollution?
- What privacy protections can be applied to congestion pricing?
- Can the plan be amended to reduce its regressivity? If so, what are the revenue impacts?
- If pricing mechanisms are valid to deal with congestion of city streets, can and should they be applied to other public services and facilities?
- What have been the results of congestion pricing in London and elsewhere with respect to fees, revenues, environmental quality, and congestion? What have been similar results for congestion rationing?
- How can the plan be amended to excuse from payment of congestion fees those complying with alternate-side-of-the-street parking regulations?
- Should taxis and other liveries be exempt from the fee?
- Should buses be required to pay the fee?
- What other revenues are available if congestion pricing is not enacted?
- Should congestion pricing revenues be directed solely at unfunded capital needs, or should they be available for regular operating expenses?
- Should the Mayor's proposal be amended to create an actual "pilot program"?
- Is an average 0.6 mph improvement in traffic flow sufficient to justify the implementation of congestion pricing?
- Do the fees need to be increased in order to guarantee effective congestion reduction?

## APPENDIX B: Analysis of Data Provided by the City

The Committee made several data requests to the City. The City responded by providing information on two occasions, May 2007 and July 2007. An explanation of the analysis follows.

### *The May 2007 Data Provided by the City*

Data was initially supplied by the City in May 2007, but did not include information from New Jersey or Connecticut. It also did not provide information on the Plan's estimated daily revenue. Chief among the data provided in May was the *Average Annual Income of Commuters* and *Private Car/Vehicle Trips* in the Zone.

**Table 1. Commuter Trips and Average Income of Commuters by Region (City Data)**

County	Private Car/Vehicle Trips	Annual Average Income of Commuters
Queens	230,000	\$42,893
Bronx	87,000	\$39,135
Brooklyn	176,000	\$44,414
Staten Island	16,000	\$57,572
Nassau	37,000	\$79,345
Suffolk	12,000	\$73,664
Westchester	33,000	\$99,044
Rockland	8,000	\$72,061

**Table 2. Average Annual Income of Commuters (by Region and without Manhattan)**

Annual Average Income	Private Car/Vehicle Trips	Percent
Counties under \$50,000	493,000	82
Counties over \$50,000	106,000	18

### *The July 2007 Data Provided by the City*

In July 2007, the City sent the Committee additional information that was more detailed, including data on New Jersey and Connecticut. The data was also updated to include estimates of revenue each region would produce daily under the Plan. However, the updated data also had some substantial differences from the May data that must be noted, including the use of different variables. For example, in May 2007, the City provided the Committee with data that included the *annual average income of commuters*, but the data provided by the City in July 2007 changed the variable to something completely different: *average annual income of households that own cars*. Thus, different data sets made it difficult to provide a clear analysis.

**Table 3. Raw Data Provided by City in July 2007**

Zones	Baseline	Pricing	Delta	Pct. Delta	\$ Per Day	Percent	Average Household Income with Cars	Average Household Income Without Cars
Intra-zone	645,000	611,000	-34,000	-5.30%	513,240	22%	189,136	82,637
Upper Manhattan	155,000	142,000	-13,000	-8.40%	318,080	13%	109,657	45,224
Queens	141,976	117,886	-24,090	17.00%	376,029	16%	64,941	35,806

Bronx	53,440	46,155	-7,285	13.60%	184,444	8%	57,183	27,378
Brooklyn	108,254	91,369	-16,885	15.60%	356,283	15%	64,560	32,097
Staten Island	10,133	9,064	-1,069	10.60%	18,438	1%	74,977	29,612
Nassau	25,943	21,476	-4,467	17.20%	70,462	3%	99,387	40,669
Suffolk	8,587	7,609	-978	11.40%	19,404	1%	81,970	34,551
Westchester	22,984	19,351	-3,633	15.80%	97,546	4%	111,497	31,479
Rockland	5,631	5,576	-55	-1.00%	20,480	1%	90,613	28,505
Putnam	1,096	942	-154	14.00%	4,847	0%	89,100	36,629
Orange	2,057	2,423	366	17.80%	7,389	0%	67,223	25,256
Dutchess	2,020	1,742	-278	13.70%	8,964	0%	68,767	27,847
Fairfield	6,706	5,940	-766	11.40%	30,559	1%	109,821	32,075
New Haven	1,729	1,634	-95	-5.50%	8,408	0%	67,536	23,584
Bergen	32,747	29,939	-2,808	-8.60%	91,291	4%	94,368	34,610
Passaic	7,094	6,560	-534	-7.50%	20,001	1%	69,737	27,721
Hudson	22,241	20,238	-2,003	-9.00%	61,710	3%	66,022	34,402
Essex	17,426	15,742	-1,684	-9.70%	48,000	2%	82,400	27,252
Union	9,784	9,640	-144	-1.50%	29,396	1%	81,547	29,486
Morris	6,559	6,154	-405	-6.20%	18,766	1%	104,499	40,933
Somerset	3,665	3,622	-43	-1.20%	11,157	0%	105,846	41,478
Middlesex	9,725	9,673	-52	-0.50%	29,794	1%	77,482	35,975
Monmouth	5,750	5,769	19	0.30%	17,769	1%	89,244	31,258
Ocean	3,362	3,464	102	3.00%	10,669	0%	60,994	28,311
Hunterdon	1,098	1,015	-83	-7.60%	3,126	0%	103,628	32,052
Warren	607	598	-9	-1.50%	1,842	0%	71,011	24,877
Sussex	1,152	1,111	-41	-3.50%	3,423	0%	77,829	33,333
Mercer	1,430	1,451	21	1.50%	4,469	0%	82,221	29,796
<b>Total</b>	<b>1,313,196</b>	<b>1,199,145</b>	<b>114,051</b>	<b>-8.70%</b>	<b>2,385,986</b>	<b>100%</b>		

*The Committee's Analysis of the City's Data*

As stated above, the City provided different variables with the updated information that made it difficult to analyze. Therefore, to get a complete picture of the Plan, the Committee had to combine the City's data from May and July. Specifically, in order to determine individuals predominately affected by the program, the Committee had to combine and then determine: (a) the percentage of daily trips by region, (b) the regional annual average income of commuters and (c) the daily revenues generated by the congestion pricing program per region. Below is an analysis by the Committee of all of the data provided by the City.

**Table 4. Congestion Pricing Generated by Commuters (by Region-- without NJ and CT)**

County	***Private Car/Vehicle Trips	Annual Average Income (in dollars)	****Fees Per Day (in dollars)	Percent of Trips	Percentage of Fees Per Day
Manhattan	1,334,000	74,676	831,320	72	42
*Outer Boroughs	440,000	46,004	935,194	24	47
**Suburban Counties/Long Island	79,000	81,029	207,892	4	11
<b>Total</b>	<b>1,853,000</b>		<b>1,974,406</b>		

\*Outer Boroughs: Queens, Bronx, Brooklyn, and Staten Island

\*\*Suburban Counties: Rockland, Westchester, Nassau, and Suffolk

\*\*\*Data provided in May 2007

\*\*\*\*Data provided in July 2007

**Table 5. Congestion Pricing Generated by Commuters (without NJ and CT)**

County	*Private Car/Vehicle Trips	Annual Average Income (in dollars)	**Fees Per Day (in dollars)	Percent of Trips	Percentage of Fees Per Day
Manhattan	1,334,000	74,676	831,320	71	42
Queens	196,000	42,893	376,029	11	19
Bronx	77,000	39,135	184,444	4	9
Brooklyn	152,000	44,414	356,283	8	18
Staten Island	15,000	57,572	18,438	1	1
Nassau	31,000	79,345	70,462	2	4
Suffolk	11,000	73,664	19,404	1	1
Westchester	29,000	99,044	97,546	2	5
Rockland	8,000	72,061	20,480	0	1
<b>Total</b>	<b>1,853,000</b>		<b>1,974,406</b>		

\*Data provided in May 2007

\*\*Data provided in July 2007

**Table 6. Congestion Pricing Data Based Upon Households that Own Cars—Daily (with NJ and CT)**

Zones	Baseline	Pricing	\$ Per Day	Percent	Average Household Income with Cars	Average Household Income Without Cars	Percent of Trips	Percent of Daily Fee Paid
Intra-zone	645,000	611,000	513,240	22%	189,136	82,637	49	22
Upper Manhattan	155,000	142,000	318,080	13%	109,657	45,224	12	13
Queens	141,976	117,886	376,029	16%	64,941	35,806	11	16
Bronx	53,440	46,155	184,444	8%	57,183	27,378	4	8
Brooklyn	108,254	91,369	356,283	15%	64,560	32,097	8	15
Staten Island	10,133	9,064	18,438	1%	74,977	29,612	1	1
Nassau	25,943	21,476	70,462	3%	99,387	40,669	2	3
Suffolk	8,587	7,609	19,404	1%	81,970	34,551	1	1
Westchester	22,984	19,351	97,546	4%	111,497	31,479	2	4
Rockland	5,631	5,576	20,480	1%	90,613	28,505	0	1
Putnam	1,096	942	4,847	0%	89,100	36,629	0	0

Orange	2,057	2,423	7,389	0%	67,223	25,256	0	0
Dutchess	2,020	1,742	8,964	0%	68,767	27,847	0	0
Fairfield	6,706	5,940	30,559	1%	109,821	32,075	1	1
New Haven	1,729	1,634	8,408	0%	67,536	23,584	0	0
Bergen	32,747	29,939	91,291	4%	94,368	34,610	2	4
Passaic	7,094	6,560	20,001	1%	69,737	27,721	1	1
Hudson	22,241	20,238	61,710	3%	66,022	34,402	2	3
Essex	17,426	15,742	48,000	2%	82,400	27,252	1	2
Union	9,784	9,640	29,396	1%	81,547	29,486	1	1
Morris	6,559	6,154	18,766	1%	104,499	40,933	0	1
Somerset	3,665	3,622	11,157	0%	105,846	41,478	0	0
Middlesex	9,725	9,673	29,794	1%	77,482	35,975	1	1
Monmouth	5,750	5,769	17,769	1%	89,244	31,258	0	1
Ocean	3,362	3,464	10,669	0%	60,994	28,311	0	0
Hunterdon	1,098	1,015	3,126	0%	103,628	32,052	0	0
Warren	607	598	1,842	0%	71,011	24,877	0	0
Sussex	1,152	1,111	3,423	0%	77,829	33,333	0	0
Mercer	1,430	1,451	4,469	0%	82,221	29,796	0	0
<b>Total</b>	<b>1,313,196</b>	<b>1,199,145</b>	<b>2,385,986</b>	<b>100%</b>				

**Table 7. Congestion Pricing Data Based Upon Households that Own Cars—by Region (with NJ and CT)**

<b>Region</b>	<b>Baseline Trips</b>	<b>Percent of Trips</b>	<b>\$ Per Day</b>	<b>Percentage of \$ Per Day</b>	<b>Average Household Income with Cars</b>
Manhattan	800,000	61	831,320	35	149,397
*Outer Boroughs	313,803	24	935,194	38	65,415
Long Island	34,530	3	89,866	4	90,678
**Suburban Counties	28,615	2	118,026	5	101,055
New Jersey	122,640	9	351,413	15	83,344
Connecticut	8,435	1	38,967	2	88,678
***Other	5,173	0	21,200	1	75,030

\*Outer boroughs: Queens, Bronx, Brooklyn and Staten Island

\*\*Suburban counties: Westchester and Rockland

\*\*\*Other: Putnam, Orange and Dutchess