

**TESTIMONY BEFORE THE ASSEMBLY COMMITTEES ON WAYS AND
MEANS, TRANSPORTATION, CORPORATIONS, ENVIRONMENTAL
CONSERVATION, ENERGY AND CITIES**

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The Partnership for New York City, representing the city's business leadership and largest private sector employers, has helped with the development of PlaNYC and supports its recommendations. PlaNYC lays out a comprehensive set of actions and investments that we believe are essential to maintaining New York's sustained growth and our competitive position in the world economy. The business community is prepared to join with the City and State as a partner in the implementation of this plan and in helping to develop creative ways to achieve its ambitious goals.

I would like to use the opportunity of this testimony to address concerns that are frequently raised about congestion pricing. The purpose of congestion pricing is to discourage people from driving private vehicles into the city during the busiest times. This creates two legitimate challenges that the Mayor's office and the MTA are working to address:

- Expanded mass transit options must be provided for areas of the city and region that are currently underserved; and
- Communities surrounding the Central Business District must be protected against an invasion of park-and-ride commuters.

We believe that both these challenges can be resolved with good planning and commitment of additional resources. On the other hand, there are a half dozen commonly raised concerns that we believe can be set aside more easily, drawing upon a huge body of research on the subject and the experience of other cities.

The first concern is generated by polls that show public opinion runs against congestion charges, generally in a ratio of 60:40. This ratio has been about the same in every city around the world before congestion pricing is introduced and before the details of the program and its benefits are clear. After a congestion pricing trial is underway, however, the ratio flips almost immediately and public opinion always runs heavily in favor of the charge. The air is cleaner, streets are safer and more pleasant, and riding a bus becomes an efficient and pleasant way to move around the city. Polls of New Yorkers show that opposition to a congestion fee comes from people who use mass transit as much as those who drive, illustrating that this is a reaction to the perceived imposition of a tax (which we all hate), not a concern about a modal shift. Until people see the dramatic results, the decision to charge for driving on roads that have formerly been free will take political courage.

The most common objection to congestion pricing is that it is a regressive tax. In fact, it is a progressive toll. Last December, the Partnership published a major study that quantified a cost of more than \$13 billion a year that excess traffic congestion is imposing on businesses and residents of the Metropolitan Region. We are all paying this cost of congestion, whether we drive, use mass transit, or walk, and that is regressive. We also found that congestion throughout the region has passed the “tipping point” - that is, the point at which heavy traffic no longer contributes to a vibrant, healthy economy but is essentially destroying economic activity because it causes delay, inefficiency and increases the costs of living and doing business in New York. Studies by independent experts find that the cost of traffic congestion translates into higher prices for consumer goods and services, higher costs of construction, and higher costs of doing business in New York City and the surrounding suburbs. Congestion relief will reduce these costs and save all of us money.

It is also alleged that Manhattanites are the only beneficiaries of the traffic relief program. In fact, the reason for locating a congestion pricing zone in the Central Business Districts of Manhattan is that vehicles moving to and from this 8.5 square mile area are the primary cause of traffic jams across the entire 28 county region. Traffic congestion on the Long Island, Gowanus, Van Wyck and Staten Island Expressways, 125th Street, Flatbush Avenue and Downtown Brooklyn, the Major Deegan and the Jersey Turnpike is caused by the volume of cars and trucks moving in and out of Manhattan’s CBDs. This is where more than half the region’s economic activity and two thirds of our office jobs are concentrated and, unless we reduce and more effectively manage vehicle flow into this area, the whole region will continue to suffer the consequences.

Some fear that the pricing plan would put an unfair hardship on people who drive into Manhattan because they do not have another option. As noted earlier, the city and the MTA are identifying gaps in the mass transit system and exemptions for the disabled and other special cases are being built into the program. Mass transit currently carries more than two thirds of the people who commute to work in the central business districts. Only 12% of New York City residents who work in Manhattan’s CBDs drive to work. The Partnership commissioned a survey of those who drive in during business hours. More than 80% said they drive purely out of choice, because it is comfortable and private. Only 16% did not have a mass transit alternative that was convenient and, most said, faster than driving. In terms of looking at which professions drive in, the highest number is government workers - more than 35% - most of whom also enjoy free parking.

Another worry about congestion charges is that they would hurt small business. Experience shows, however, that nothing is better for business than streets that are free of gridlock so that customers can get to the stores, deliveries arrive on time, and employees don’t face hours of delay in getting their jobs done. The local florist, for example, could make more deliveries in the same amount of time and save money on fuel and labor costs because of less idling in traffic. Experts confirm that the cost of freight delivery in New York City is 25 - 50% greater than in other parts of the country due to excess congestion. Here we can look at the real experience of other cities that have adopted congestion pricing and find that small businesses located within the pricing zone, including those making service calls and deliveries, have benefited from this program.

Introduction of more cameras to enforce congestion charging has also raised some alarm. On this issue, I think we have to say that the horse is long gone from the barn. There is virtually no place in Manhattan where we are not being photographed, as we all know from the fuzzy photos that appear in the media as soon as a crime is committed. Post 9/11, most New Yorkers accept cameras as part of our security network, especially after terrorists who attacked in London were quickly caught because of the cameras installed in the transit system. In Stockholm, where there are strong privacy protections, cameras for the charging district are set up so that they only focus on license plates and there are strict protocols for confidentiality and destruction of photos.

Finally, there is the question of how much it will cost to implement the pricing system and whether it will achieve the desired results. The federal DOT is prepared to provide funding to help pay for set up as well as a variety of transit improvements. In terms of results, we have the benefit of learning from the experience of other cities and also the Mayor has proposed a three-year pilot project. This means we have an opportunity to test how the system works, adjust it to achieve desired results, and correct for any errors.

Critical to the successful implementation of this plan are federal and state support, both in terms of funding, as well as legislative and regulatory assistance. We could probably spend several years debating the specifics of the perfect congestion pricing plan, but there are several reasons to act now. The federal DOT is offering as much as half a billion dollars if we agree to move forward with a program before the end of the federal fiscal year. There are enormous unmet funding needs for our regional transportation system - both capital and operating. It is important to act quickly to secure federal funds and to establish a new revenue stream for mass transit. Finally, our region is losing an estimated 50,000 jobs a year because of the negative impact of traffic congestion. To maintain the pace of economic growth, we need to act now.

A few weeks ago, the Partnership joined the Bloomberg Administration in hosting leaders of government and business from over forty world cities for the Large Cities Climate Summit. This historic event brought together mayors and business leaders from the world's largest cities from six continents to collaborate on efforts to stop climate change. The highlight of this summit was Mayor Bloomberg's presentation of PlaNYC. This document was hailed as the first truly comprehensive approach by a city to address all aspects of sustainable growth and carbon emission reduction. It has propelled New York to the forefront of this important global conversation. The world is watching New York and we hope the legislature will rise to this occasion and allow PlaNYC to move forward.