In 2018, traffic averaged less than five miles an hour on Manhattan's busiest streets, prompting New York City's new congestion pricing policy—the first of its kind in the U.S.

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NYC Congestion Pricing Launching in 2021

NEW YORK CITY IS POSITIONED to become the first U.S. city with a district-scale congestion pricing program. On March 31, the state legislature passed a budget measure for a Central Business District Tolling Program.

Referred to in legislation as the Traffic Mobility Act, the initiative will be implemented by the Metropolitan Transportation Authority to accomplish three goals: reduce traffic congestion in the Manhattan CBD, improve air quality, and provide a stable and reliable funding source for the repair and revitalization of MTA's public transportation system.

Starting in 2021, drivers will pay a surcharge—currently estimated around $12 for cars and $25 for trucks—to enter the congestion zone, defined as anywhere in Manhattan south of 60th Street, excluding the West Side Highway and FDR drive (which ring Manhattan) and certain connector roads. The toll is expected to raise $1 billion annually for the MTA—enough to finance $15 billion in bonds to fund capital improvements.

Advocates hail congestion pricing as a win for the environment and the millions of people who ride the public transportation system every day, while opponents cite concerns for low-income drivers and outer-borough residents and impacts to business and freight operations. A city and state-appointed Traffic Mobility Board, tasked with working out the details of the plan, can expect to receive an influx of exemption requests from political, industry, and special interest groups.

"The politics will continue to be tricky," says Kate Slevin, senior vice president of state programs and advocacy at the Regional Plan Association, a nonprofit research and advocacy organization for the New York City region. "Putting forward a sound proposal—one that is a good model for the rest of the country—should be the goal."

A new era

While this type of cordon-style congestion pricing has been implemented and shown to reduce traffic in a number of international cities—most notably London, Singapore, and Stockholm—the idea has yet to gain traction closer to home, even though the concept was developed by a U.S.-based economist, the Nobel Prize-winning William Vickrey. Attempts to enact congestion pricing in New York City in the 1970s and in 2008, as part of Mayor Bloomberg's *PlaNYC*, failed. So why is it succeeding now?

The legislation cites a drop in travel speeds as a major factor in authorizing the plan, noting that traffic crawled at an average of 4.7 miles an hour in the most congested area of Manhattan in 2018.

The MTA has also experienced a series of high-profile transportation service disruptions in recent years. Over the last decade, there's been a 25 percent decrease in on-time trains, the *New York Times* reports. With subway reliability steadily decreasing and service disruptions increasing, bus speeds and ridership plummeting, and repairs to deteriorating infrastructure creating capacity constraints on key subway lines and commuter rail connections, Governor Andrew Cuomo declared a state of emergency in June 2017, calling it "the summer of hell."

"When Mayor Bloomberg proposed his plan [in 2008], this wasn't the situation," says Slevin. "We are in a new era when it comes to our climate, when it comes to inequality, and when it comes to mobility. Part of the way to address these challenges is to put forward bold, ambitious plans that can be the model for other cities struggling with these same issues."

Others could soon follow suit. Seattle Mayor Jenny Durkan has said she is hopeful congestion pricing will be in place by the end of her first term in 2021, while the Los Angeles County Metropolitan Transportation Authority announced plans for a study of the region in February. In the capitol, members of the D.C. Council's transportation committee approved a $475,000 study on congestion pricing as part of the fiscal 2020 budget. ■

—Mike Flynn, AICP
Flynn is a principal and director of city strategies at Sam Schwartz.