

FAIR CONGESTION PRICING ALLIANCE

POLICY BRIEF

Introduction:

The recent decision by the Department of Transportation to expedite the imposition of a Congestion Pricing toll platform for Midtown to Lower Manhattan will assess additional costs on New Jerseyans and create other negative impacts.

Through a grassroots effort to combat New York's unilateral money grab, the Fair Congestion Pricing Alliance will pursue remedies to ensure New Jerseyans' interests are protected and will advocate for a pause of this program due to its:

- Lack of responsiveness to the current economic environment;
- Lack of equity and practicality within the general transportation ecosystem;
- Improbability of achieving its stated objective of moving commuters to mass transit;
- Failure to address and/or disclose other negative consequences.

The Fair Congestion Pricing Alliance will engage government resources, community groups, business service organizations, and organized labor to empower an advocacy campaign to compel New York to meaningfully adjust its plan.

Goals:

- Provide real-time education on the current congestion pricing plan and its impact on New Jersey residents, commuters, infrastructure, and economy.
- Find alternative solutions for New York's stated goals of "reducing congestion, improving air quality, and investing in public transportation."
- Build advocacy tools.

Positions:

- 1) **Launching Congestion Pricing During the Pandemic Ignores the COVID Reality:** We are all optimistic that the pandemic is receding, and that with widespread vaccinations the New York metropolitan area will return to a more normal life, traffic into and through New York has increased since the depths of the pandemic, but recovery of pre-pandemic commuting is uncertain at best. Any congestion pricing proposal should wait for a (new) normalization of travel patterns. Implementing this plan now would be a pyrrhic victory for Manhattan: The pandemic has already discouraged people from traveling to New York City, and this program would only exacerbate that trend. Congestion pricing provides another argument for companies to move from New York to New Jersey to avoid the commute. A recent New York Times article noted that almost 19% of all office space in Manhattan is without tenants. Apart from the property tax hit, vacant office space means fewer employees to support New York's restaurants and retail. Congestion pricing is no way to reverse this trend.
- 2) **Carveouts for the Lincoln and Holland Tunnel:** Users will snarl already congested traffic patterns on regional roadways, especially the I-95 NJ Turnpike Extension, I-78, and Routes 1, 9 and 3 – as motorists avoid the George Washington Bridge. This also will have the consequence of tying up local roadways along Route 3 in particular, which is

the artery that supports the Meadowlands Sports Complex and the intense traffic that accompanies an event at the stadium.

- 3) **Insufficient Representation, Scrutiny and Impact Analysis:** The Federal Government has allowed NY to conduct an environmental impact assessment, replacing the more thorough environmental impact study, all the more concerning because the Congestion Pricing program is already exempt from certain NY land use regulations under NY law. While the Congestion Pricing law mandates that the Transportation Mobility Review Board [TMRB] include representatives from the Metro-North and Long Island Rail Road [LIRR] commuting areas, no such representation is contemplated for New Jersey or from NJ Transit. The TMRB makes recommendations, but final decisions are made by The Triborough Bridge and Tunnel Authority, even more remote from NJ's interests. While New York will hold public hearings in New Jersey for residents to address the issue, NJ must be provided with permanent representation on the TMRB in order to review the environmental and traffic impacts of the proposed surcharge. The current structure provides a wholly insufficient level of scrutiny when we consider the program's potential impact on the environment, the economy, and the quality of life for the region's residents, and the rush to conclude these important reviews is all the more suspect given the ongoing COVID pandemic.

- 4) **NJ Transit Lacks Capacity on Buses and Trains During Peak Hours:** The argument that congestion pricing will motivate use of mass transit can only be realized if mass transit can handle more traffic. Under pre-pandemic conditions, NJ Transit already had limited additional rider capacity at peak times. This crowding will be alleviated once Gateway is built and there is a new bus terminal, but that is ten years or more in the future. Until then, there is no possibility of meaningfully reducing congestion as commuter traffic returns to pre-pandemic levels. The notion of traffic reduction without mass transit capacity is a fiction. As an example, before London instituted its congestion pricing system in 2003, it first implemented substantial transit service improvements.

- 5) **Congestion Pricing Raises Costs for Goods by Exploiting New Jersey's Industrial Real Estate Users:** New Jersey's logistics community supports the regional economy by supplying goods into New York. Additional tolls on commercial vehicles will increase costs for goods that will be passed on to consumers. In addition, logistics companies will seek to reduce their real estate costs in order to offset the tolling costs, which leads to more road impacts and pollution effects.

- 6) **New Jersey Commuters Rain Gold on New York City and Receive No Form of Relief:** While traffic at the George Washington Bridge will be reduced, it is only because traffic at the tunnels will increase. Commuting times for those who already commute by tunnel will increase dramatically, and those who use the GWB will either be diverted to the already-crowded tunnels in order to avoid the toll or take the GWB and face a double-toll for which they receive nothing in return. Adding insult to injury, New York is also pushing for a larger share of metropolitan area transit relief funds from the CARES Act than under FTA guidelines. In the meantime, the MTA's chief financial officer has said that the agency is moving ahead with its capital program without congestion tax funds, using mansion tax and sales tax proceeds.

- 7) **Triggers Corporate Incentive War:** In order to protect its residents from what is essentially a new tax, New Jersey will become more aggressive in targeting New York City's businesses whose employees don't want to pay another toll that significantly reduces their discretionary income. New York cannot afford additional exodus from its business community.

- 8) **Lack of Accountability and Unequal Representation:**
 - Toll pricing will be determined by the TMRB which will be made up of entirely of New York political appointees (6-members) and required to fund the MTA Capital Plan (80% to NYC transit, 10% to LIRR and 10% to Metro North). Per the statute, it must produce \$15 billion in capital projects for MTA 2020-2024 capital program alone, far more than \$1 billion a year.

- The Federal Highway Administration [FHWA] was granted a pilot program to include an environmental assessment, which is weaker than an environmental impact study. Why is the Federal Government not demanding a thorough environmental review process for a program that may transform the traffic patterns throughout an entire region? The TMRB must conduct a traffic study which will be the foundation for the Board's recommendations. To ensure the traffic study and environmental assessment are equitable for the entire region, New Jersey Stakeholders must be included in the process. Again, while New York will hold public hearings with New Jersey Residents, it is insufficient, and New Jersey must be allowed a permanent position on the TMRB and the Federal Government should oversee the development of Congestion pricing to ensure equity for all parties involved.