



December 10, 2008

State Senator Malcolm A. Smith  
907 Legislative Office Building  
Albany, NY 12247

Dear Senator Smith,

The Ravitch Commission released a thorough study earlier this week into the financial problems facing the MTA and how they can best be addressed. I've reviewed the details of the proposed plan and know a lot of thought went into it. Dick Ravitch has much valuable experience in this area and I hold him in the highest regard. I nevertheless think the plan he has set forth is misguided.

As you may know, I've been on the frontlines of the New York City transportation issues beginning in the 1940's and have been very active in addressing fare and toll issues through the years. Recently, I have resumed my transit advocacy with renewed vigor, because I deeply believe that solving the transportation problems of our cities is one the most important and pressing issues of our times.

Today I am announcing the updates to my own transit plan, which not only raises funds for the MTA without imposing new taxes, but *promotes other important policies as well that are at the heart of the MTA's mission.*

The MTA's statutory charge is to develop and improve commuter transportation in the metropolitan transportation district, and to develop and implement a unified mass transportation policy for the district.<sup>1</sup>

Two years ago, The Partnership for NYC issued a study showing that "more than \$13 billion in costs and 52,000 jobs are lost each year as a direct result of traffic

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<sup>1</sup> N.Y. Laws Title 11, §1264.

congestion.”<sup>2</sup> Those numbers have likely increased since. The plan I propose helps address this congestion, and in fact drastically reduces it. The plan also relieves overcrowding in subways. And it helps not only the city’s general economy, but also cash-strapped commuters, who will now have the option of travelling to their jobs at no cost whatsoever — a savings of \$1000 a year for many wage-earners. These are all policies that develop and improve transportation in the district, and they are all policies that the MTA should be promoting.

We achieve our plan by combining time-variable congestion tolling on vehicular traffic entering Manhattan south of 60<sup>th</sup> St. and encouraging mass transit by eliminating subway and bus fares (except subway fares during rush hour). This has the effect of redistributing both vehicular traffic and subway crowding. Moreover, this plan raises the funds needed to plug the MTA deficit, while achieving other important policy goals of great importance to our city and transit system.

Unfortunately, Mr. Ravitch’s plan seeks to fix the transit deficit by charging payroll taxes and increasing fares. At a time when this nation is losing jobs at the fastest rate in decades, it is neither sound policy nor sound politics to be proposing a fare hike on employees and a tax increase on businesses. Worst of all, the proposed mobility tax disconnects transit and congestion, failing to recognize that these two are inter-related and that addressing both in a coordinated fashion can yield a more sustainable solution than trying to tackle them separately.

I’ve enclosed a fact sheet on our plan for your reference, along with a comparison to other plans currently being proposed and the mathematical model underlying my team’s analysis (which we call the Balanced Transportation Analyzer), which has been battle-tested by the Regional Plan Association.

We would welcome the opportunity to speak with you in person and we’re grateful for your time and earnest consideration.

Very Truly Yours,



Theodore W. Kheel

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<sup>2</sup> <http://www.pfnyc.org/publications/Growth%20or%20Gridlock.pdf>.