



FREE TRANSIT PLAN
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THE PROBLEM: IN THE WORST OF TIMES, YET ANOTHER TRANSIT CRISIS

- New York is living through another transit crisis. Once again, we are threatened with drastic service cuts, punishing fare hikes, and loss of vital subway and bus lines;
- While other cities have implemented bold, progressive solutions, New York sticks to tired measures like fare increases that place the burden on New Yorkers who can't afford them;
- It's time to broaden the dialogue, to move beyond bandaids like flat rate bridge tolls to find durable solutions;
- Congestion pricing as introduced in 2007 was a good start, but that proposal was severely unbalanced – drivers from Brooklyn and Queens were asked to pay disproportionately, while New Jersey drivers got a free pass and Manhattan residents, who would benefit the most from reduced traffic, were asked to contribute little;
- Yet the vision of charging for congestion and using the proceeds to support transit remains our best hope. Cities like London, Stockholm and Milan that have gone that route have seen gridlock plummet, transit use increase and economic activity flourish.

THE PROPOSAL: FREE TRANSIT — FREE BUSES, REDUCED OFF-PEAK SUBWAY FARES, FASTER COMMUTES FOR ALL

- We propose an inclusive pricing model that asks drivers to pay a fee ranging from \$2 to \$10 upon entering the Central Business District (CBD), with the fee charged inbound only, and the price dependent on the time of day;
- All cars and trucks driven across 60th Street from the north, or entering midtown or lower Manhattan via a bridge or tunnel, would pay a fee, but it would vary, from \$10 during weekday peak hours down to \$2 at night and much of the weekend;
- This plan would be three times as effective in unsnarling traffic as Mayor Bloomberg's \$8 flat fee yet would average less — around \$6;
- No "offsets" for other tolls paid by drivers from New Jersey, no matter how much they paid to cross the Hudson, and no exemptions for "black cars" driven into Manhattan to pick up or drop off their clientele;
- Medallion taxis would be exempt from the charge, but fares would include a surcharge — we propose 33% — to ensure Manhattan residents contribute;
- The city and the MTA together should dedicate the revenues from the congestion toll and taxi surcharge — an estimated \$1.7 billion a year — to **eliminate bus fares and cut subway fares**, with especially deep discounts in off-peak periods. This will keep mobility affordable, with the added benefit of speeding bus travel by expediting boarding;

- Our plan could be easily merged with a deficit-plugging plan, enhancing it in crucial ways. Indeed, the Ravitch Plan is fully compatible with our model;
- The portion of that plan that calls for geographically-biased bridge tolls would be replaced by our universal tolls and taxi fee;
- The merged plan could keep the payroll tax the Ravitch plan recommends; if additional monies are needed to fund the authority's capital budget, these could be drawn from the congestion-pricing pot by deferring some of the drop in subway fares.

RESULTS: A PLAN BASED IN EMPIRICAL EVIDENCE

- Our tool, the "Balanced Transportation Analyzer," predicts how tolls and fare incentives alter commuter behavior and calculates the resulting changes in travel speeds and agency revenues. The analyzer is firmly grounded in empirical evidence;
- When we run this new pricing plan through the analyzer, the numbers are striking. If we charge \$2-\$10 to enter the CBD twenty-four hours a day, seven days a week, and increase taxi fares by a third, the resulting revenues could allow the Metropolitan Transportation Authority to cut the average subway fare in half and make other transit inside the city, including buses, free;
- Our plan *increases* the number of people traveling into the heart of the city while *reducing* the number of cars. It improves daytime traffic speeds in the CBD by an average of 20 percent with sizeable improvements on the approaches from the boroughs and New Jersey;
- "Gridlock" Sam Schwartz, New York City's former chief traffic engineer and the dean of his profession, has pronounced the analyzer "comprehensive, logical and the best pricing model I've seen."

CONCLUSION — KEEPING PUBLIC TRANSIT AFFORDABLE AND ACCESSIBLE

- With a smarter plan, we can make a serious dent in traffic tie-ups that by some estimates cost the city \$13 billion a year, and create a durable strategy for the city's transit system;
- Our plan benefits everyone, including drivers, who will pay more but get a faster and more reliable commute in return. The biggest beneficiaries may be bus riders. The free fare will not only stretch their paychecks, but also speed their trips, since no one will have to stop and swipe a Metrocard to get on board;
- New Yorkers are in deep economic distress and they deserve a plan that will ensure access to public transportation; our CBD pricing plan makes transportation affordable and keeps it efficient.