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The Move NY plan and campaign has been designed and staffed respectively by the following organizations with input and support from hundreds of other stakeholders around the region.

Blue Marble Project
Blue Marble Project is a public interest “eco-political” consulting firm founded in 2010 by Alex Matthiessen, an experienced environmental advocate who previously served as CEO and president of Riverkeeper, special assistant to the Undersecretary at the U.S. Department of the Interior, and Rainforest Action Network’s grassroots director, among other positions. Blue Marble Project provides advice and services to both for-profit and not-for-profit clients to help them advance a variety of environmental initiatives. Services include environmental regulatory research and analysis, network and coalition building, media relations, (select) fundraising, and design and execution of issue advocacy campaigns.

Regional Plan Association
Regional Plan Association (RPA) is America’s oldest independent urban research and advocacy organization. RPA works to improve the prosperity, infrastructure, sustainability, and quality of life of the New York-New Jersey-Connecticut metropolitan region. For 90 years, RPA has been an indispensable source of ideas and plans for policy makers and opinion shapers across the region. RPA has pursued these goals by conducting independent research, planning, advocacy, and vigorous public-engagement efforts. A cornerstone of RPA’s work is the development of long-range plans and policies to guide the region’s growth. Since the 1920s, RPA has produced three landmark plans for the region and is currently working on its fourth plan, which will tackle urgent challenges facing our region.

Robbett Advocacy Media
Robbett Advocacy Media is a communications and advertising firm specializing in public affairs advertising, political campaign media, and organization branding. Founded in 1991, the firm has worked extensively on transportation, environment, education, and healthcare issues. Their work for the Straphangers Campaign, RPA, ESTA, and others has played a role in increased funding for the MTA Capital Program over the past 20 years. The firm has received thirteen Pollie awards for excellence in political and public affairs advertising. Bart Robbett serves as president of the Greater NYC Chapter of the American Association of Political Consultants and adjunct professor at Fordham.

Sam Schwartz Engineering, D.P.C.
After nearly 20 years with the New York City Department of Transportation (NYCDOT) and a successful term as the NYCDOT’s Chief Engineer/First Deputy Commissioner, Sam Schwartz started the Sam Schwartz Company in the summer of 1995. The firm has grown from a staff of two to over 100 professional engineers, planners, designers, and pedestrian traffic managers in six offices throughout the country. Today, Sam Schwartz Engineering, D.P.C. (SSE) is an internationally-recognized firm specializing in developing context-sensitive transportation solutions for government, private-sector, not-for-profit, and community clients. Through technical expertise, creative visioning, and consensus-building, SSE strives to balance the needs and improve the quality of life for all users, including drivers, pedestrians, transit riders, and cyclists.

Komanoff Energy Associates
Charles Komanoff is director of the consulting firm Komanoff Energy Associates, ‘re-founder’ and president emeritus of the renowned advocacy group Transportation Alternatives, a founding trustee of the Tri-State Transportation Campaign, an organizer with the pedestrian-rights organization Right of Way, and director of the Carbon Tax Center. His work includes books (Power Plant Cost Escalation, Killed By Automobile, The Bicycle Blueprint), computer models, scholarly articles, and journalism. Komanoff graduated with honors from Harvard College with a B.A. in Applied Mathematics.
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Executive Summary

It is unquestionable that New York City and its suburbs depend on well-funded and maintained transportation infrastructure. Each day, over 11 million people from around the region rely on our commuter rail lines, subways, buses, taxis, highways, bridges, streets, sidewalks, and bicycle lanes to get to work, shop, go to schools and hospitals, visit parks, museums and shows, and unite with family and friends. Yet our system is at a crossroads, where chronic underfunding and traffic congestion threatens to derail the transportation network.

The Move NY Fair Plan described in this document is the only comprehensive proposal currently being considered that would ensure the regional transportation system’s health over the coming decades.

The Move NY Fair Plan is a sustainable solution that will provide toll equity, reduce congestion, boost the regional economy, and raise significant revenues for high-priority road, bridge, and transit projects. When fully bonded, this sum is enough to close the projected funding gap for the MTA's 2015-2019 Capital Plan and deliver vital road and bridge improvements the region’s drivers and truckers depend on to keep New York moving. Moreover, the Move NY Fair Plan will create more than 30,000 new, local, and recurring jobs in the region. A rational and fair tolling system is inevitable in New York City. The time has come to make it happen.
New York’s Transportation Crisis

Who We Are

Move NY is a growing and diverse coalition of stakeholders representing many of the region’s business associations, trade unions, clergy, civic leaders, transportation and environmental advocates, good-governance organizations, and elected officials. The coalition formed in 2010 in response to the crisis enveloping the City’s transportation system, with severe service cuts, escalating fares and tolls, and a dwindling funding base threatening our transit and road network.

Move NY’s mission is to build support for a master transportation plan – developed by traffic guru “Gridlock” Sam Schwartz and the Move NY coalition – for the New York City region. As now envisioned, the Move NY Fair Plan will generate the revenues needed to make major investments in maintaining and modernizing New York City’s mass transit system and road network, bring toll equity to the region’s commuters and businesses, and reduce the grinding traffic congestion that plagues the metropolitan region, its people, and the economy that sustains them.

Sam Schwartz and the Move NY team developed the proposal over several years based on hundreds of conversations with stakeholders around the region, many of whom were prominent in opposing past traffic-pricing proposals. Stakeholder consultations will continue throughout the process of enacting the plan, but this report already represents a comprehensive region-wide dialogue, bringing together Community Boards, neighborhood associations, major labor unions, business groups, and advocates for drivers and the freight industry. While unanimity on any plan isn’t possible, we believe we have cultivated as wide-ranging a consensus about our transportation system’s needs and the best method of addressing them, as will ever be found in New York.

Our Transportation System is in Crisis

The transportation system that has been a backbone of our region’s growth over the last century is in danger of grinding to a halt. The recently announced 2015-2019 MTA Capital Plan is only half-funded. Without a new, sustainable source of transportation revenue, critical projects for our region – not only major expansions, but also the more prosaic yet essential modernization of track, signals, and stations – will be delayed or cancelled altogether.

Meanwhile, severe congestion pollutes the air New Yorkers breathe, increases vehicle collisions, escalates the cost of living, and drains our economy to the tune of $16 billion annually in lost productivity.

Inequities abound. Drivers on outer-borough crossings like the Bronx-Whitestone Bridge pay high tolls while drivers entering the congested Manhattan Central Business District (south of Central Park) via the East River bridges or by crossing 60th Street pay nothing at all.

Underfunded Transportation Infrastructure

New York owes much of its remarkable growth over the last two centuries to bold and innovative investments in its transportation infrastructure. The city has expanded from its confined origins in Lower Manhattan to encompass all five boroughs – thanks in large part to the creation of our far-flung subway and bus system and an elaborate network of highways and bridges.

However, if New York is to continue to grow, and its prosperity is to be shared across the region, it cannot rest on its laurels. The transportation network we built in decades past is aging and insufficient for a regional economy that no longer revolves exclusively around Manhattan. Despite these needs, the resources are simply not there to properly maintain the current system, much less expand it to make it accessible for all of the region’s residents.

It is our hope that, after learning about the Move NY proposal, the region’s stakeholders and the public at large will embrace it, or at least its central elements, and join our effort to bring about its implementation.
Chronically underfunded by the State and Federal governments, the MTA has been forced for decades to incur more and more debt to fund its operations and capital budgets. Drivers and transit riders have had to shoulder an increasing share of the burden of paying off and servicing that debt. Tolls and fares have risen four times in the last six years at a rate well beyond general inflation, and they are scheduled to rise again in March 2015. Instead of paying for new transportation options, those fare and toll increases go largely to servicing the mounting debt, which over the last decade has nearly doubled as a percentage of the MTA’s operating costs.

The MTA’s recently published 2015-2019 Capital Program promises much-needed improvements to the subway and commuter rail lines. However, barely half of the $32 billion needed to pay for those improvements has been identified, leaving a $15 billion gap between what is available and what the system needs. Without new funds, the MTA will be forced to either curtail vital transportation investments, thereby weakening our region’s economy and quality of life, or engage in an endless series of debilitating fare and toll hikes. Other than the Move NY coalition, with the plan detailed in this report, no one has identified a viable means of filling the gap.

An Unfair and Regressive Tolling System Creates Unsafe Streets

Much of today’s congestion is the byproduct of a deeply unfair system of road tolling that undermines both our economic competitiveness and quality of life. Drivers pay heavily to travel across less-congested bridges, with the Verrazano, Throgs Neck, Whitestone, and Triborough/RFK Bridges costing $8.00 cash and $5.54 for E-ZPass users each way (the Verrazano toll is collected in one direction, resulting in a $16.00/$11.08 one-way toll). The Henry Hudson and Rockaway bridges cost somewhat less, at $5.50 cash/$2.54 E-ZPass, and $4.00 cash/$2.08 E-ZPass respectively. Meanwhile, more than a million car and truck trips in either direction are made...
each day for free over the four East River bridges and across 60th Street into and out of the Central Business District (CBD) – the most congested part of the City, which also has the most transit options.

This is unfair in a number of ways. It’s unfair that drivers using the City’s outer bridges effectively subsidize free trips into the CBD.1 It’s unfair that CBD-bound drivers, many of whom have decent transit alternatives, add to traffic that slows down truckers and van drivers, as well as public bus riders who, on average, are less affluent. In addition, it's unfair that a small proportion – just 17% – of people traveling to the CBD – pay nothing when every other CBD-bound commuter, save bicyclists and pedestrians, must pay a toll or fare to make the same trip.2 This unfair tolling system creates skewed incentives, resulting in “bridge shopping,” in which every day tens of thousands of cars and trucks exit the highways that lead to paid crossings in order to compete on city streets for access to the free bridges. "Bridge shopping” has severe effects on the quality of life in neighborhoods surrounding the East River bridges, such as Williamsburg, Downtown Brooklyn, Chinatown, the Upper and Lower East Sides, Long Island City, and Astoria. Unsurprisingly, asthma and collision rates in those neighborhoods are among the highest in the region. In one egregious example, truckers traveling from Long Island to New Jersey, who should use the most direct route over the Verrazano Bridge and across the Staten Island Expressway (routes designed for heavier vehicles), are incentivized instead to take the antiquated Manhattan Bridge and crowded city streets in Lower Manhattan. Perversely, the larger the truck, the more the driver saves by endangering the lives of pedestrians in some of our densest urban neighborhoods.

Similarly in Western Queens, the free Queensboro Bridge is sandwiched between two paid crossings, causing tens of thousands of drivers to exit highways and jam city streets just to avoid paying a toll.

Unsurprisingly, the site NYC Crashmapper demonstrates, through heat maps marking every vehicle collision (with other vehicles or with pedestrians or cyclists) in New York City between August 2011 and February 2014, that many of the the “hottest”, or most dangerous intersections, are precisely those leading to and from the free East River Bridges. Our unbalanced tolling scheme is therefore a principle cause of traffic fatalities and injuries in our city.3

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1 In other words, those outer tolls wouldn’t be so high if they didn’t have to make up for revenue not being collected on heavily used City bridges and crossings.

2 In fact, many vehicle and transit commuters in the region also pay for the privilege, in the form of tolls and fares, of using public infrastructure even for non-CBD bound trips (e.g., from Long Island to the Bronx by car or by train).

3 Crashmapper.com

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**Figure 2: An Unfair Tolling System**
The Importance of a Well-Funded Transportation System

In an ideal world, a solution to New York’s funding and congestion woes would involve government action at the federal, state, regional, and municipal levels. Unfortunately, inaction at the federal level has made finding broad-based funding and congestion reduction solutions less likely than ever before, making the need for the Move NY Fair Plan all the more pressing.

The 2012 federal enactment of “Moving Ahead for Progress in the 21st Century” (MAP-21) was originally expected to be a catalyst for performance-driven reforms in the transportation sector, including congestion pricing. However, MAP-21 failed to resolve the crisis of federal transportation funding that faces every state transportation agency in the region.

At the federal level, the vast majority of transportation funding directed to state, regional, and municipal agencies is raised through the federal gas tax and pooled into the National Highway Trust Fund (HTF). About 80% of the funding from HTF is directed to highways, roads, and bridges and administered by the Federal Highway Works Administration (FHWA). The remaining 20% is directed to mass transit and administered through the Federal Transit Administration (FTA). Between 2007 and 2011, New York State received just 15% of its overall surface transportation funding from the HTF (about $1.6 billion in 2014), the lowest federal share of any state.4

4 Pew Charitable Trust, 2014, p. 5

Because of the declining purchasing power of the federal gas tax and improved fuel efficiency of the nation’s vehicle fleet, the HTF has been approaching the point of insolvency since 2008.5 In a last-ditch bailout effort in early August 2014, Congress provided the HTF with an emergency infusion of $10.8 billion to last through May 2015.6 Unfortunately, much of this funding was sourced from corporate payroll tax diversions that will take years to materialize. Although the federal transportation crisis impacts all U.S. metro areas, New York State Department of Transportation (NYSDOT) and the MTA are expected to be especially hard-hit due to their extensive needs.

NYSDOT also relies on its own Dedicated Highway and Bridge Trust Fund to pay for roads, highways, and bridges. About one-quarter of its funding comes from federal and state sources, with the remainder largely coming from vehicle tolls and state gas taxes. However, like the federal HTF, the State’s Dedicated Highway and Bridge Trust Fund faces declining revenues from tolls and gas taxes as overall vehicle miles traveled (VMT) level off and fuel efficiency improves. According to a report from the New York State Comptroller, the State now spends more on debt service (37%) than on much-needed capital projects (25%).7 For dedicated taxes and tolls, the trend is more severe. In fiscal year 2013-2014, 67% of these revenues were spent on debt service – a figure projected to rise to 76% by 2017-2018.8 For the State’s bridges and tunnels to remain in a State of Good Repair (SGR), it is critical that the State find a more robust long-term solution to its transportation funding crisis.

5 Bipartisan Policy Center, 2012, p. 9
6 H.R.5021 - 113th Congress (2013-2014)
7 DiNapoli, 2014, p. 8
8 Ibid.
For dedicated taxes and tolls, the trend is more severe. In fiscal year 2013-2014, 67% of these revenues were spent on debt service — a figure projected to rise to 76% by 2017-2018.

At the municipal level, the New York City Department of Transportation is also projected to face funding volatility in the near future. Although the City’s DOT itself does not operate mass transit or most of the major expressways in the City, it is responsible for funding bridges, highways, and street maintenance that is critical to avoid congestion. Of the City’s $69 billion annual budget in 2013, just 27% came from state and federal categorical grants, with the remainder generated from sales, real estate, and property taxes. Sales and property tax revenues are functions of the broader health of the City’s economy and can fluctuate wildly. The City’s $20.8 billion annual Capital Commitment Plan demonstrates the tremendous variability of this funding. During the period 2010-2013, in which the City recovered from one of its worst economic recessions in history, City capital project funding to DOT declined from $1 billion to $661 million. To further illustrate this volatility, future transportation commitments outlined in the City budget are projected to swing from $1.65 billion in City funds in 2014 to just $465 million in 2017.

The Risk to Roads and Bridges
The potential decline in federal funding of NYSDOT bridges is an especially acute concern for the regional economy. NYSDOT currently receives 15% of its funding from the federal government. Of the three agencies responsible for bridges and tunnels in New York City — New York City DOT, NYSDOT, and the MTA — NYSDOT’s infrastructure appears to be in the worst overall condition. Based on data submitted to the Federal Highway Administration (FHWA) in April 2013, 12% of the highway bridges in New York State are classified as structurally deficient and 27% are classified as “functionally obsolete.” Functional obsolescence indicates that a bridge would need extensive repair or replacement to meet the most current engineering standards but is not yet at risk of structural failure. Likewise, 30% of New York City’s roads are in “fair” or “poor” condition, up from 16% in 2000. Of the NYSDOT’s highway lanes located in New York City, 51% are in fair or poor condition, up from 38% in 2008.

In the event that Congress is unable to provide a long-term solution for the Highway Trust Fund, the Bipartisan Policy Center speculated that federal highway funding may be cut by up to 35%. Under this scenario, New York State DOT could lose up to $1.8 billion annually.

At the municipal level, the City’s bridges appear to be in somewhat better shape. According to the NYC Independent Budget Office, the average condition of 209 NYCDOT-owned bridges sampled in their study improved over the 2000-2012 period, based on the State’s numerical rating of bridge conditions. Most of the increase in condition ratings came in the years 2000-2003, when commitments focused on repairing bridges with some of the lowest ratings.

MTA Bridges and Tunnels (B&T) operates seven bridges and two tunnels that form essential links for vehicular highway transportation into the New York City metropolitan area. By traffic volume, it is the largest such authority in the United States, serving more than 800,000 vehicles that carry
more than a million people daily in the New York Metropolitan area.\textsuperscript{16} In 2013, the nine B&T crossings generated $1.64 billion in toll revenue.

However, more than half of B&T’s facilities are over 70 years old and need full-scale rehabilitation. Even with regular maintenance, the structures and mechanical components of the bridges and tunnels eventually deteriorate from the combined effects of traffic loads and environmental exposure. By the end of this 20-year planning horizon (in 2034), some facilities will be almost 100 years old, a significant milestone that will require a new level of major investments. As bridge and tunnel components reach the end of their useful lives, they require a higher level of capital investment to keep them structurally sound. Given the MTA’s increasing reliance on debt to pay for its capital projects, it is essential that B&T projects are adequately funded to ensure the steady flow of toll revenues they support. The Move NY Fair Plan would provide a stable, long-term revenue stream to capitalize on the progress of NYC DOT in bringing key bridge and highway links into a State of Good Repair.

\textsuperscript{16} Metropolitan Transportation Authority, 2013

The Risk to Transit

But it is the city’s transit system that presents the greatest challenges and needs. The MTA transports the vast majority of people who enter Manhattan’s central business district below 60th Street. Of the 3.7 million people traveling to the CBD on a typical weekday more than 80\% come by mass transit and fewer than 20\% by private auto, taxi, or truck.

Of the 3.7 million people traveling to the CBD on a typical weekday, more than 80\% come by mass transit and fewer than 20\% come by private auto, taxi, or truck.

Of the nearly 3 million using public transportation, fully 85\% or 2.5 million rely on the MTA’s commuter rail, subway, or bus services, while the remainder rely primarily on services operated by New Jersey Transit or the Port Authority of New...
York and New Jersey. A 2011 report estimated the impact of the MTA's 2010-2014 Capital Program as responsible for 350,000 jobs and $44 billion in economic activity. The MTA's buses, subways, and commuter rail are therefore vital to the healthy functioning of New York’s regional economy.

In the coming years the MTA’s deficits will be substantial. By 2016 the deficit is projected to be more than $3.6 billion or 18% of operating expenses. The obligation to pay service on this debt has resulted in higher and more frequent fare and toll increases. If the MTA were to borrow the $15 billion needed to completely fund its 2015-2019 Capital Plan, tolls and fares would increase by 15% on top of the biannual 4% increases already scheduled for 2015, 2017, and beyond.

Exacerbating the agency’s baseline financial instability are two new risks to existing MTA funding sources:

- The Next Federal Transportation Funding Authorization: This critical piece of legislation was scheduled to expire in 2014 but was recently extended until May 2015. The lack of support for increases in transportation spending threatens to jeopardize the timing and amount of federal funds allocated to the MTA for its 2015-2019 program. Unless a more robust long-term solution to the federal transportation crisis is reached, it is likely that federal funding levels will decline at some point during the MTA’s 2015-2019 Capital Program.

- The MTA’s Railroad Rehabilitation and Improvement Financing (RRIF) Loan Application: The MTA had anticipated this loan and its more favorable rates and conditions in its funding calculations for East Side Access. If this is not approved, the MTA will be required to issue additional fare-backed debt at a higher interest rate with less favorable repayment terms, which could result in further project delays and the diversion of funds from other critical needs to fund the higher borrowing costs.

### The Need for a New Source of Recurring Revenues

A confluence of factors, among them the long-term instability of both the federal Highway Trust Fund and the NYSDOT Dedicated Bridge and Highway Trust Fund, makes the need for new transportation revenue streams clear. As federal and state commitments to transportation decline, funding gaps in the capital plans for MTA and NYSDOT are becoming increasingly severe.

As noted, the MTA faces a funding gap of $15.2 billion for its proposed 2015-2019 Capital Plan. The Capital Plan calls for just $5.5 billion in funding for network expansion projects such as Phase Two of the Second Avenue Subway – a small fraction of the likely conservative estimate of $14.3 billion needed to complete them. This indicates that even if no network expansion projects were included in the Capital Plan, there would still be a funding gap of $9.7 billion for projects intended to maintain the MTA’s facilities in a State of Good Repair. An additional funding source for critical SGR and network expansion projects must be found.

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17 Komanoff, Balanced Transportation Analyzer, “Travel” tab
18 Metropolitan Transportation Authority, 2011
19 Ibid.
20 Metropolitan Transportation Authority, 2014a

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Figure 6: MTA Debt Service Payments, 2000-2019

![Figure 6: MTA Debt Service Payments, 2000-2019](source: Citizen’s Budget Commission)
MTA’s Current Funding Needs

MTA’s five-year capital plans have been predominantly funded (57%) by fares, tolls, and dedicated tax and fee revenues that are mostly bonded. An additional 32% of the MTA’s capital plans is funded through federal support. State and city support for the MTA has declined dramatically since the 1980s, from 25% in 1982 to about 6% today.23

Of the MTA’s 20-Year Needs Assessment total – $136 billion sum covering 2015-2034 – only about $16 billion (11%) is allocated for Bridges & Tunnels. MTA Bridges & Tunnels do not require Capital Plan Review Board (CPRB) approval because they are a self-funding entity, which provides $500 million annually in support of MTA’s transit operations.

The plan is organized within each agency by asset categories, elements, and project needs codes, including State of Good Repair (SGR), Normal Replacement (NR), System Improvement (SI), and Network Expansion (NE). Network Expansion is a major component of the MTA’s Capital Program comprising about 25% of the total in the 2010-2014 period. SGR, NR, and SI represented 23%, 38%, and 11% of the Capital Program, respectively.

The Capital Program’s System Improvement component contains some significant endeavors to streamline MTA operations and reduce operating costs. Chief among these is the expansion of Communications Based Train Control (CBTC) to the MTA’s most heavily-trafficked subway lines and the implementation of a next-generation fare payment system to replace the MetroCard.

Network Expansion will be a critical prerogative for the agency in the years to come, as the transit network expands to new neighborhoods, to better serve communities that have grown in the decades since the system was first created. The MTA’s network expansion (NE) projects currently underway include the Second Avenue Subway, East Side Access, Penn Station Access, the Flushing Line extension, and the

New York State DOT also faces a funding gap in the coming years. Its 2010-2015 Capital Plan outlined a $25.8 billion program that was expected to rely upon the federal HTF for 40% of its funding.22 For non-MTA transit spending, which covers transit service in suburbs of the New York metro area, the federal share is 80%. Like the federal HTF, the State’s Dedicated Highway and Bridge Trust Fund faces declining revenues from tolls and gas taxes as overall Vehicle Miles Travelled (VMT) levels off and fuel efficiency continues to improve. Nearly three-quarters of dedicated NYSDOT toll and gas tax revenues are already being spent on debt service on previous capital projects. The State must locate additional major revenue sources for transportation if it is to complete its upcoming capital projects without incurring further debt.

**Table 1: MTA 2015-2019 Capital Program Funding Sources, in millions ($)**

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<thead>
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<th>$32,046</th>
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<tr>
<td>Federal Formula, Flexible, and Misc.</td>
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<tr>
<td>MTA Bonds</td>
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<td>Pay-as-you-go Capital (PAYGO)</td>
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<td>Asset Sales/Leases</td>
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<td>City of New York Capital Funds</td>
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<td>Federal New Starts</td>
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<tr>
<td>Private Developer Funded Improvements</td>
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<td>Other MTA Sources</td>
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<tr>
<td>Bridges &amp; Tunnels Bonds and PAYGO</td>
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<tr>
<td><strong>Total 2015-2019 Funds Available</strong></td>
<td>16,870</td>
</tr>
<tr>
<td><strong>Funding Gap</strong></td>
<td>15,176</td>
</tr>
</tbody>
</table>

Source: Metropolitan Transportation Authority

22 New York State DOT, 2009, p. 18

23 Empire State Transportation Alliance, 2014, p.8

**Figure 7: Post-Sandy Reconstruction on the MTA’s Greenpoint Tubes (G Line)**
Select Bus Service/Bus Rapid Transit (SBS/BRT) program. Together, these network expansion projects would cost an estimated $10 billion—an obligation the MTA may have difficulty meeting unless additional sources of revenue are found.

**MTA Debt Financing**

Like the prior programs, the 2015-2019 Capital Plan is anticipated to be funded through a combination of revenue-backed debt and direct capital support by federal, state, and local partners. However, the current 2010-2014 plan’s heavy reliance on debt has placed constraints on the agency’s ability to increase borrowing capacity for a new five-year plan. The amount of debt the agency can issue is limited by “what the market can bear” and a state mandated legislative bond cap, currently set at $41.8 billion. Today the MTA carries $33.4 billion in debt. If the State chooses to raise the bond debt ceiling, there is concern that this could cause the MTA’s bond rating to be lowered below its current Moody’s rating of A2.24 In addition, the carrying of any additional debt exerts upward pressure on fares and tolls and reduces funding for the general operations budget.

Looking ahead to the 2015-2019 Capital Plan, the primary concern is that the MTA’s three secure funding sources—federal, city, and state—combined equate to $16.8 billion, little more than half of the desired $32 billion program.25 The MTA would be left with a $15.2 billion gap, one that would have to be closed with funds resulting from bond sales or a new revenue source. With $33.4 billion in outstanding debt, the cap must be raised by the state legislature if the MTA wishes to issue any new debt for the 2015-2019 capital program, even if it retires other outstanding bonds.

State Comptroller Thomas DiNapoli has postulated that existing riders and drivers will be burdened with 15 percent fare and toll increases if Albany fails to identify new revenue sources and the MTA is forced to issue more debt in the form of fare-backed bonds. Thus, on top of the 4 percent increases already scheduled in 2015, 2017, and beyond, they will see 15 percent increases in fares and tolls over the course of the MTA five-year capital plan.

Furthermore, the MTA’s reliance on such a large amount of debt-based financing will further increase its debt service payments, which are currently projected to account for 17% or $2.3 billion of the MTA’s 2014 operating budget. By 2018, annual debt service is projected to reach $2.94 billion, or 18% of the MTA’s operating budget.26 Without further sources of revenue, it is likely the MTA’s increasing debt service will negatively impact its ability to complete capital projects on time or on budget. Moreover, since its capital debt is paid out of its operating budget, this means that for every dollar drivers and riders pay in tolls and fares, 17 cents goes to pay off the creditors, as opposed to being invested back into maintaining and improving the region’s roads, bridges and transit network.

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24 Burton, 2014
25 Metropolitan Transportation Authority, 2014b
26 MTA 2015 Budget
How It Works

The New York metropolitan area relies on a patchwork of state, city, and regional agencies to collect toll revenues on bridge and tunnel crossings leading into and out of the city. The MTA operates seven bridges and two tunnels. NYSDOT operates 605 bridges, and New York City DOT operates 789 bridges throughout the five boroughs, including the East River Bridges — none of which are currently tolled. Poor coordination across these agencies has resulted in toll amounts that vary widely, inconsistent fare payment systems, and significant congestion. Most importantly, the toll levels charged to motorists do not accurately reflect travel demand nor do they appropriately act as a disincentive to drive into the most congested part of the city: Manhattan south of Central Park.

From the perspective of transportation equity, our current tolling system is highly dysfunctional. The highly trafficked East River crossings — the Queensboro Bridge, Williamsburg Bridge, Brooklyn Bridge, and Manhattan Bridge — are not tolled. Meanwhile, less congested crossings, such as the Bronx Whitestone Bridge and the Throgs Neck Bridge, have one-way tolls of $5.54 ($8.00 for cash payments). This is problematic given that most of these areas have poor access to rapid transit compared to Manhattan, where the congested East River bridges are not tolled. This effectively incentivizes drivers to "bridge-shop" in search of a cheaper vehicle trip, intensifying congestion in places like Downtown Brooklyn, East Midtown, and Western Queens leading up to these crossings.

Finally, the existing bridge toll system continues to use an outdated model of tollbooths and cash payments that cause significant "bottleneck" congestion throughout the metropolitan area. Only one of the bridges under the MTA’s Bridge and Tunnel Authority, the Henry Hudson Bridge between Manhattan and the Bronx, has been upgraded to cash-less, gate-less tolling.

Toll Swap

The Move NY Fair Plan proposes to set tolls on a logical formula: higher tolls where transit options are most available and lower tolls where transit is either not available or a less viable option. This rationalization of tolls results in pricing all vehicle trips south of 60th Street into or out of the CBD but lowers the price of all trips with non-CBD origins or destinations.

The new toll will be implemented on the four East River bridges as well as on every avenue crossing Manhattan at 60th Street, including the West Side Highway and FDR Drive. The toll charge will match the rate on the MTA’s two tunnels (Queens Midtown and Brooklyn Battery) as of March 2015: $5.54 each way with E-ZPass, $8.00 without. Tolls on the MTA’s “major” bridges will be reduced by $2.50 each way (45%), so E-ZPass vehicles will pay $3.04 in each direction, while cash payers, whose share of vehicles is just 17% and dwindling, will pay $5.50. Tolls on the three minor bridges will be dropped by $1.00 in each direction.27

Electronic and By Mail Tolling

The new tolls will be collected electronically, “at speed” — no slowing down required — as is done increasingly on the NY State Thruway (e.g., at Woodbury in Orange County) and the Henry Hudson Bridge. Vehicles without E-ZPass will be billed via optical license-plate cameras mounted alongside the overhead E-ZPass readers. It may also be feasible to levy the toll via cell-phone apps, which would allow drivers from outside the region an easier way to pay.

No Double Tolling

Drivers entering the CBD who have already paid a toll on the Triborough/RFK Bridge will be charged the difference between the CBD toll and the toll already paid on the Triborough/RFK Bridge, provided that they cross 60th Street within an hour. Therefore, their net cost will be the same ($5.54 E-ZPass in each direction) as for drivers crossing the East River bridges. None of the Harlem River bridges will be tolled; nor does the Move NY Fair Plan address tolls on any of the Port Authority (New Jersey) bridges or tunnels.

Why Make This “Toll Swap”?

First, because our present toll system is unfair and irrational:

- Drivers over bridges like the Manhattan Bridge with four subway lines pay nothing while drivers crossing the Verrazano pay up to $16 round trip with much of the revenue going to pay for transit. In effect, drivers on the existing toll bridges outside the Manhattan CBD are subsidizing the drivers who use the free bridges and roads.

27 Major bridges are the Verrazano Narrows, Triborough, Whitestone, and Throgs Neck Bridges. Minor bridges are the Henry Hudson, Cross Bay, and Marine Parkway Bridges.
• Tolling the Manhattan crossings makes more sense from a traffic standpoint because each car and truck trip into Manhattan south of 60th Street acts as a much bigger drag on traffic than the average trip on an outer bridge.

• Tolls should be a disincentive to unnecessary trips, but on bridges like the Verrazano and the Throgs Neck transit alternatives are so poor that tolls function more as a penalty.

• The toll disparity between the MTA tunnels and the free East River crossings fosters “toll shopping” that dumps thousands of additional daily trips onto jammed city streets, adding to traffic gridlock in areas least-equipped to handle it.

To ensure that the tolling system remains fair and consistently reflects relative levels of congestion and accessibility of transit alternatives, it is critical to write into legislation based on this plan a provision that permanently fixes the ratio between the reduced tolls on MTA-owned bridges and the new tolls into and out of the Manhattan Central Business District. For example, in 2015 rates, the E-ZPass toll on the Whitestone Bridge, under our plan, would be 55% of that levied on the East River bridges and at 60th Street; likewise, the E-ZPass tolls on the Henry Hudson and Rockaway bridges would be 28% and 19%, respectively, of the CBD toll. In the event of future toll hikes, those ratios must remain constant.

The second motivation for the Move NY toll swap is that it and allied measures (discussed next) will generate $1.5 billion of recurring net revenues to invest in the city’s and region’s transportation infrastructure each year. (This figure nets out the revenue given up by lowering the tolls on the seven MTA bridges, as well as the cost to administer toll collection on the East River bridges and at 60th Street.)

These funds will allow City and State agencies to modernize and expand our regional transportation system so that car and truck drivers, straphangers, rail and bus riders, taxi users, and ferry passengers have more dependable, extensive, and safe service. The benefits are detailed further below, including an anticipated 15-20% improvement in travel speeds within the midtown and downtown Manhattan core.

**Figure 10:** Move NY Fair Plan Proposed Tolls with Changes in Price

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- 100% Electronic Toll Collection
- Tolls go down by 39-48% E-ZPass on MTA Bridges
- Option to use time of day pricing

Source: Move NY
Commercial and For-Hire Vehicle Contributions

For trucks, Move NY proposes to employ the per-axle toll gradations in effect at the MTA tunnels, but with this exception: tolls for trucks and other commercial vehicles crossing into and out of Manhattan south of 60th Street or on an East River bridge will be capped at one round-trip toll per calendar day, provided the vehicle is equipped with E-ZPass so that the exemption can register. Thus, any E-ZPass-using commercial-registered vehicle will be able to take multiple round-trips into and out of Manhattan south of 60th Street without paying more than one toll each way each day.

Tolls for trucks and other commercial vehicles crossing into and out of Manhattan south of 60th Street or on an East River bridge will be capped at one round-trip toll per calendar day.

Medallion taxis (yellow cabs) constitute more than 40% of vehicles in motion in Manhattan south of 60th Street, so we propose a different treatment for them, in part because of their status as a middle ground between mass transit and private autos. Moreover, trips crossing 60th Street or using an East River bridge are a minority of taxi trips; hence, applying the $5.54 each-way congestion charge to taxis would incentivize cab drivers to stay below 60th Street at all costs. In other words, a minority of taxi trips would pay a lot while most would pay nothing.

The Move NY solution is to waive the congestion toll for all metered cab trips and instead collect a surcharge pegged to the distance traveled south of 96th Street and the "wait time" component of the taxi fare that is a close proxy for traffic congestion. A combined 15% surcharge on miles traveled, 20% surcharge on the wait-time fare element, and 50 cent surcharge on the "drop" appears to make for a "sweet spot" at which taxi riders pay their fair share while drivers enjoy greater fare turnover since the speed-up in traffic due to the congestion toll attracts enough riders to more than offset any drop-off from the increase in fares.28

The plan further proposes treating the new "boro taxis" (green cabs) the same as the yellows, except that their exemption from the toll expires within a set time, perhaps one hour, to ensure that the greens don’t stick around in the zone and pick up illegal hails. Green cab fares that never venture south of 96th Street will avoid both the toll and the surcharge, thus keeping those trips affordable without breaking the new social compact by which vehicles pay to drive to and from Manhattan’s most congested section.

For app-based services like Uber and Lyft, it may make sense to take advantage of their satellite data network to surcharge for vehicle mileage or even minutes spent within the taxi charging zone. Either metric would closely track the vehicle’s addition to Manhattan traffic congestion. Such a

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28 These rates would be halved on weekends and holidays, when congestion is less and mass transit is not at full service. Note also that the northern border of the taxi surcharge zone would match the boundary of the district in which only yellows can pick up street hails: 96th Street on the East Side and 110th Street on the West Side.
charge will ensure that these services do not circumvent the new tolls by segmenting their fleets on either side of the charging boundary.

Finally, Move NY proposes that livery cabs, which operate from bases outside the Manhattan business district, as well as radio-dispatched “black cars” that primarily serve corporate clients or make pre-arranged trips, pay the congestion toll in the same manner as private autos. Neither class has GPS-based taxi meters to permit location-based surcharging, and both cross into or out of the charging zone infrequently enough that the new toll should not be unduly burdensome. And yet they’ll benefit from the increased traffic speeds in and around the CBD caused by an overall reduction of vehicles entering the CBD.

“Time of Day” Pricing
As one of the primary purposes of the Move NY Fair Plan is to construct a tolling system that reflects demand (in the form of congestion), it is strongly recommended that as part of the implementation of the Move NY Fair Plan, the MTA be authorized to establish a “time of day” or “peak/off-peak” schedule, with higher rates during weekday rush hour and lower rates during the “shoulder” hours and in the evenings and on the weekends respectively. Those schedules should also apply to the surcharges proposed for taxis and app-based car services.

Regional Toll Equity
An analysis of US Census travel data demonstrates that our plan, for all of the revenues it will generate, will affect only a small number of trips made on a daily basis in the region:

• For the 12 MTA counties together, just 2% of all trips will see a net increase in tolls, while 1% will benefit from a net decrease in tolls at one or more MTA bridges. The remaining 97% of all trips will face no increase in commutation cost (73% are car trips that don’t go to or through the Manhattan core, while 24% are transit trips that face no tolls anyway). That low incidence also holds within the five boroughs, with just 3% of trips facing higher tolls, 1% receiving toll discounts, 52% being car trips with unchanged tolls, and 44% trips via public transit. In other words, 96% of trips in the city will be unaffected either way by the toll swap.

• In the combined 12 counties as well as virtually every subset, households that take auto trips whose tolls will rise have higher average incomes than households using transit: The differential is 22% in New York City, 34% for the four non-Manhattan boroughs, and 29% for the entire region.

Although no one wishes to pay more — and indeed the idea of raising close to $2 billion in new tolls and taxi surcharges warrants a certain humility — the Move NY Fair Plan has been structured to place relatively more of the burden on groups that (i) can more easily afford to bear it by virtue of greater affluence, (ii) will enjoy a larger share of traffic reduction benefits, (iii) are imposing large costs on others by virtue of bringing an automobile onto crowded roads and bridges in hyper-congested districts, and/or (iv) have a relatively rich menu of transit alternatives.

For the 12 MTA counties together, just 2 percent of all trips will see a net increase in tolls, while 1 percent will benefit from a net decrease in tolls at one or more MTA bridges.

The Numbers
The traffic projections cited in this section come from Charles Komanoff’s Balanced Transportation Analyzer (BTA), an extensively researched, multi-layered analysis of nearly every conceivable variable affecting transportation and travel demand in New York City. The infrastructure solutions firm HNTB reviewed the BTA and found it “comprehensive, broad-based, and realistic”. Moreover, the BTA model was vetted by a number of city and state agencies and good-government groups, including NYS Division of Budget, NYCDOT, MTA, Citizens Budget Commission and Regional Plan Association. The BTA is free and available to the public for download at http://www.nnyn.org/kheelplan/BTA_1.1.xls.

Improved Travel and Safer Streets
While the Move NY plan will indeed discourage some private auto traffic into the Manhattan core, it will actually increase mobility for users of every mode of transportation.

First, the new charge into the CBD will result in significantly improved travel speeds within the Manhattan charging area, resulting from (i) the diminution of vehicle trips into the area due to the new toll, (ii) a further diminution as increased investment in transit infrastructure yields improved service that induces car owners to switch some of their trips to transit, and (iii) the elimination of toll shopping, with drivers now taking the most direct path, meaning fewer miles traveled and less traffic. Our modeling projects reductions of 15-20% in average travel durations in Manhattan south of 60th Street, or more than 40 million hours of time savings per year.

Cars on roads and bridges in the areas immediately surrounding the CBD — such as Upper Manhattan, Long Island City, Astoria, or Downtown Brooklyn — will also experience improved travel speeds, with average gains of 6%. While this improvement is less dramatic than that within the CBD, it
amounts to greater time savings (more than 50 million hours), on account of the far greater travel volumes on those approach roads.

Consistent with the goals of Vision Zero, city streets will become safer and collisions will decrease due to reduced vehicular traffic and the elimination of toll shopping. The new, balanced toll system will no longer incentivize drivers to compete on city streets for access to the free East River bridges.

Transit users will also experience improved service speeds and dependability, as the new toll revenues help keep subways, buses, and commuter rail in a State of Good Repair while also paying to modernize signals, switches, communications, and rolling stock. We estimate these time savings at nearly million hours per year – more than two-and-a-half minutes for an average subway trip.

The ability to guarantee improved travel speeds within Manhattan is key to being able to surcharge yellow (and green) cab travel within the zone while preserving (and even enhancing) the taxi sector’s economic viability. Indeed, our modeling projects that yellow cabs will thrive under the Move NY Fair Plan, with an estimated 15% increase in taxi turnover and more, not fewer, fares per shift, owing to the expectation that the gain in taxi speeds will attract more riders than will be deterred by the higher fare.

Because of better efficiency in the transportation system (less congestion and improved transit service), the Move NY Fair Plan will result in more than 115,000 net additional trips to the Manhattan Core every day, even though there will be 100,000 fewer auto entries. In other words, people will continue coming (even more than they do currently), but a greater proportion of them will do so via transit.

Boosting the Economy and Creating Jobs

Beyond the value of New Yorkers’ time itself, the Move NY Fair Plan will substantially benefit the regional economy. Traffic congestion from motor vehicles has wide-ranging negative impacts on our region’s safety, public health, and environment.

Annually, drivers will save $2.2 billion in time that would have been spent idling in traffic. Time savings benefit transit riders as well, to the tune of $1.1 billion for subway riders and nearly $100 million per year for bus riders. These reductions in travel times have tremendous economic value: $3.60 per work trip.30 Annually, drivers will save $2.2 billion in time that would have been spent idling in traffic. Time savings benefit transit riders as well, to the tune of $1.1 billion for subway riders and nearly $100 million per year for bus riders. These figures also represent latent job creation and economic productivity that are currently being lost to the impacts of congestion. By reducing congestion and improving travel times, the Move NY Fair Plan will help leverage these savings back into creating stable jobs for the region.

The Move NY Fair Plan will generate long-lasting and significant economic growth for the New York region. According to a forecast by HR&A Advisors, the Move NY

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29 This equates to an additional 4-5 fares per shift, from a current average of 29 to nearly 34 daily fares.

30 Based on assumptions on the value of drivers’ time including $34 per hour within the CBD and $23 per hour outside.

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The Move NY Fair Plan will unlock $2.8 billion in annual economic output and produce 30,000 new local, annually recurring jobs that cannot be outsourced.  

These new jobs will be created mostly in the area of construction and maintenance of our transit, road, and bridge infrastructure. In the transit sector, jobs created will include those in car (subway and train) and bus manufacture and maintenance, track reconstruction, signal maintenance, station rehabilitation and upkeep, fare collection equipment repair, bus and subway operation, and station-based customer service enhancement.

By enhancing transit service, easing congestion, and saving New Yorkers' valuable time, Move NY Fair Plan will unlock $2.8 billion in annual economic output.

The private sector will benefit as well, with the culture, retail, and hospitality industries in particular benefitting from the 115,000 estimated additional trips into the Manhattan core each day. Moreover, transit improvements will make more areas of the region attractive for real estate investment and new business, and the logistics industry will enjoy significantly reduced congestion, daily caps on Central Business District tolls, and cheaper travel on major freight arteries.

The Move NY Fair Plan will also generate $168 million in annual sales and income tax revenue, helping to put City and State budgets on more solid fiscal ground.

**Revenue Sources**

The Move NY Fair Plan will raise $1.5 billion net annually for investment in roads, bridges, and transit. This figure is net of the costs of toll administration and fare reductions for outer-borough bridges.

The most significant revenue source is the toll to enter and exit the Manhattan CBD, which will be collected in two ways. First, a cordon toll for drivers entering and exiting Manhattan’s CBD at 60th Street will raise 57% of the toll revenue. The second toll, raising the other 43%, will be collected from drivers entering and exiting the Manhattan CBD via the East River bridges. Taxis will be exempted from the cordon toll and will instead contribute through a medalion surcharge, a third revenue source. Further, the MTA is expected to generate substantial additional revenue by two means: first, through higher subway and bus ridership as commuters switch from cars to transit and improvements to transit are made; second, through greater toll revenue from outer-borough bridges as traffic rises in response to reductions in toll fees. Finally, Move NY proposes to eliminate an exemption, enjoyed only by Manhattan residents, from a city excise tax on monthly parking fees.

All can be seen in Figure 12. The revenue items are as follows (all dollar figures are recurring, i.e., per year):

- **Toll Swap and Administration**: $1.660 million will be collected from the new CBD toll and an additional $20 million from the Queensboro Bridge upper roadway, which will be charged at the newly-reduced toll rate for the Triborough Bridge, i.e., $3.04 with E-ZPass. Reducing tolls on all seven MTA bridges will cost the authority an estimated $600 million a year, and we estimate it will cost $160 million a year to administer the tolling system.

- **Additional Trips on Transit and Outer Borough Bridges**: We estimate at $230 million the additional revenue arising from the Move NY Fair Plan’s investments in improved transit provision, toll-induced switches to transit from auto trips, and increased attractiveness of

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31 HR&A Advisors, Inc, 2014.

**Figure 13**: Expenditures

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**Annual Expenditures of New Revenues under the Move NY Fair Plan**

<table>
<thead>
<tr>
<th></th>
<th>Revenue Sources</th>
<th>$ million per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roads &amp; Bridges</td>
<td></td>
<td>$375</td>
</tr>
<tr>
<td>Transit Operating and Fare Subsidies</td>
<td></td>
<td>109</td>
</tr>
<tr>
<td>Transit Capital Improvements</td>
<td></td>
<td>$1.016</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td></td>
<td>$1.500</td>
</tr>
</tbody>
</table>
bus service due to lesser road congestion. Likewise, the demand-based increase in toll revenues from increased use of the seven MTA bridges, arising from the reduced tolls, is $80 million.

- New Taxi Surcharges: $250 million is our estimate of new net toll revenues from yellow and green taxis and app-based car services, while the projected 5% increase in taxi trips will generate another $5 million a year via the “Ravitch” Surcharge enacted in 2009 (note that revenue from app-based services such as Uber and Lyft is not included due to lack of data).

- Manhattan Parking Tax Rebate Removal refers to $15 million that New York City will regain each year by eliminating an exemption granted to Manhattan residents from a city excise tax on monthly parking fees. This item, while relatively small, is an example of our determination to ensure that the responsibility for contributing to our transportation infrastructure is shared by all residents of the region.

The bottom line: gross revenues of $2,260 million a year, less annual negative revenues of $760 million, for a recurring net of $1,500 million per year.

**Investments**

The Move NY Fair Plan will raise $1.5 billion in net revenue annually, even after covering the costs of reduced toll revenues on existing tolled crossings and managing, enforcing, and maintaining the new tolling system. A quarter of these funds will be used to improve our roads and bridges with the remaining three-quarters dedicated to transit, as shown in Table 2.

**Table 2: Assigning Toll Reform Net-Revenues**

<table>
<thead>
<tr>
<th>Program Area</th>
<th>Annual Expenditures (in $ millions)</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roads &amp; Bridges</td>
<td>375</td>
<td>25%</td>
</tr>
<tr>
<td>Transit</td>
<td>1,125</td>
<td>75%</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>1,500</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

**Bonding vs. PAYGO**

Since the enactment of the dedicated Payroll Mobility tax in 2009, the MTA devoted a portion of the new revenues for “pay-as-you-go” capital investments (PAYGO) to fund ongoing capital needs. PAYGO funds are typically used for recurring operating expense projects (such as rail replacement), since these projects help repair physical assets that depreciate in value over a relatively short period. By contrast, long-term borrowing or issuing of debt should be used to pay for assets with a long life, such as subway cars (40-year life). The MTA’s annual depreciation is about $2.3 billion.\(^{32}\) PAYGO receipts are “dedicated” in the sense that they are placed in a special account for accounting purposes but are still subject to annual appropriation by the Legislature. Unfortunately, continued borrowing for major capital projects and the recent TWU/LIRR labor contracts have eroded the PAYGO revenue stream. Just $927 million in PAYGO funds is available for the MTA’s 2015-2019 Capital Program.\(^{33}\) PAYGO funds are also vulnerable to future economic shocks, since the funds are mostly derived from payroll receipts.

**Roads and Bridges**

City and suburban roads and bridges will benefit from an annual infusion of $375 million, which will be used for new projects and to maintain and operate the four currently free East River bridges (ERB): Queensboro, Williamsburg, Manhattan, and Brooklyn Bridges. Table 3 details how these funds might be split between ERB costs and new projects. Approximately, $12 million would be needed to support O&M costs for the ERB’s, with the remaining $363 million available for new road and bridge projects.

**Table 3: Road and Bridge Funding**

<table>
<thead>
<tr>
<th>Road and Bridge Area</th>
<th>Annual Expenditures (in $ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>East River bridges O&amp;M</td>
<td>12</td>
</tr>
<tr>
<td>Funds for Capital Improvements</td>
<td>362</td>
</tr>
<tr>
<td><strong>Total Expenditures for Roads and Bridges</strong></td>
<td><strong>375</strong></td>
</tr>
</tbody>
</table>

**Transit**

Despite the fact that New York is the most transit-dependent city in the country, too many residents suffer from inadequate access to the transit network. While Queensboro Plaza, the South Bronx, and Downtown Brooklyn might be transit hubs, most other neighborhoods in those boroughs have access to only one subway line at most — and sometimes to none at all. Moreover, the subway lines that do exist in those neighborhoods can bring people into Manhattan but are much less useful for traveling between other boroughs. What’s more, Staten Island is cut off from the subway system altogether. Instead, many New Yorkers must rely on the local bus network, with its generally slow and limited service, or pay more for Express Buses or commuter rail.

The Move NY Fair Plan proposes to allocate $1.125 billion annually in new, dedicated revenues which could be bonded to generate over $15 billion for transit investments. This funding will allow for critical improvements that will restore our transit system to its rightful place among the world’s best.

Move NY will make a priority of filling the City’s biggest transit gaps by:

- Restoring more of the bus service that was cut in 2010;
- Adding Express Bus routes and increasing Express Bus service;

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\(^{33}\) Metropolitan Transportation Authority, 2014.
• Extending “City Ticket” (weekend discounts for LIRR and MNR travel within city limits) to seven days per week: Metro North and the Long Island Railroad will thus become an affordable express service for riders picking up commuter rail at intra-city stations;

• Further reducing City Ticket fares to $6 peak/$4 off-peak, and Express Buses to $5, to render more affordable these critical means of express transit service from the farther-flung neighborhoods of the city;

• Expediting introduction of new Select Bus Service/Bus Rapid Transit routes in all five boroughs;

• Develop a more extensive ferry network through a modest investment of capital and operating outlays that will improve connections for commuters in waterside neighborhoods and bring New Yorkers to emerging destinations across the waterfront.

• Increase suburban transit options by subsidizing county bus systems, thus providing more service, in Nassau, Westchester, Suffolk and Rockland Counties;

• Last Mile Strategies: Making commuter rail more accessible by investing in transit-oriented development and increasing parking capacity at select Metro North and Long Island Rail Road Stations.

In addition to making the transit system more accessible and affordable for all New Yorkers, Move NY wants to make it easier, faster, more reliable, and more comfortable. The Move NY Fair Plan will enable the MTA to accelerate making investments that will greatly improve the straphanger experience, systemwide:

• Communications-based Train Control (CBTC): Currently, the L line is the only subway line that features this technology, which allows trains to be operated at closer distances and thereby increase capacity and decrease wait times and crowding.

• Contact-less open payment system: Similar to London’s Oyster Card, this emerging technology will allow riders to wave their fare pass, credit card, or smartphone over a sensor and walk right through. It will also allow for faster and easier transfers between New York City Transit, Metro North, Long Island Railroad, and other transit providers in the region.

• Station rehabilitations: With additional dollars, MTA can accelerate the pace of rehabilitations across the system: e.g., refurbished staircases, greater handicap access, better lighting, easier transfers between lines.

• Countdown clocks: Arrival time information has been a welcome addition to the numbered subway lines. The Move NY Fair Plan will accelerate the implementation of those displays on the lettered lines, too.

Move NY also wants to expand the map of where New Yorkers can go. Our plan invests almost seven billion dollars in major transit capital projects. An example of the kind of

Figure 15: All-electronic tolling on the MTA’s Henry Hudson Bridge

Source: Tomas E. Gaston, The New York Post

Figure 16: Contact-less payment system (London Example)

Source: http://www.disabledpersons-railcard.co.uk/

Figure 17: Recent renovations at the Broadway-Lafayette and Bleecker Street subway stations

Source: Flickr user MTAPhotos

Move NY also wants to expand the map of where New Yorkers can go. Our plan invests almost seven billion dollars in major transit capital projects. An example of the kind of
A project we can fund through this new revenue stream is Metro North’s proposed Penn Access project, a project supported by Governor Cuomo which will create a spur on Metro North’s New Haven Line and result in the addition of four new stations in the East Bronx, providing new commuter rail access to an otherwise underserved area. While this particular project is simply illustrative of the kinds of projects that are worth exploring, there are many other worthy ideas for new transit projects that will be examined once the Move NY Fair Plan is adopted. We anticipate a process whereby the public, through its elected officials, will have a chance to weigh in with the MTA and NYCDOT to help determine the final list of projects actually funded with Move NY funds.

In recent years, New York City has garnered extensive international acclaim for its efforts to encourage active transportation. The Move NY Fair Plan will allocate capital funds to enhance pedestrian and cycling infrastructure on some of the bridges connecting the various boroughs as well as in other less well served parts of the city.

There are many other worthy ideas for new transit projects, including new subway and Select Bus Service/Bus Rapid Transit routes that we are exploring, and the public listening tour, coupled with input from local elected officials, continues to be the best means of soliciting and synthesizing those ideas.

**Table 4: Transit Investments**

<table>
<thead>
<tr>
<th>Transit Investments</th>
<th>Cost (in $ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>State of Good Repair/Modernizing the System</td>
<td>7,500</td>
</tr>
<tr>
<td>Station Rehabilitation and System-wide Arrival Information</td>
<td>3,000</td>
</tr>
<tr>
<td>Modernizing Signals: Communications-based Train Control (CBTC)</td>
<td>4,000</td>
</tr>
<tr>
<td>Contactless Payment System</td>
<td>500</td>
</tr>
<tr>
<td>Targeted Fare Reductions: Express Buses and Intra-City Commuter Rail</td>
<td>63</td>
</tr>
<tr>
<td>Express and Suburban Bus Service Enhancements</td>
<td>53</td>
</tr>
<tr>
<td>Regional Transit Capital Expansion: Infrastructure Investments in Subways, Light Rail, Commuter Rail, BRT/SBS, Ferries, Cycling</td>
<td>6,810</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>15,147</strong></td>
</tr>
</tbody>
</table>

Note: The total amount includes a 5% buffer to account for contingencies.

Finally, it is important that communities have input into the MTA’s process for setting priorities for community-specific transit investments. The Move NY Fair Plan thus proposes that of the $15.2 billion in capital raised by bonding the new annual revenues, the MTA earmark $1.5B of that for community transportation enhancement projects. We further propose that a process be established by the MTA, in consultation with NYCDOT, for mapping out its strategy for improving transit service on a neighborhood by neighborhood basis and giving elected officials an opportunity to represent their constituents in helping the MTA to set local investment priorities.

**Lockboxing the Revenue**

The Importance of Protecting New (and Existing) Revenue

The funding needs of the MTA far exceed currently available resources. The MTA’s $32 billion budget for its 2015-19 capital plan is a “scrubbed” number, i.e., the minimum required to meet the demands of the system and the needs of the riders who depend on it. Indeed, Chairman Prendergast has stated that the actual funding need of the MTA for this period, based on proper depreciation accounting, is closer to $40 billion. Likewise, NYSDOT’s and NYCDOT’s programs for maintaining and improving roads and bridges, are chronically underfunded, and it shows in the city’s dilapidated and pothole ridden highways and arterial streets.

New York State has received a one-time revenue windfall of $5.1 billion in bank settlements, and Governor Cuomo has declared his intent to use some of this sum to address the State’s infrastructure needs. In his January State of the State speech, the governor designated several projects to receive much of that funding. That list includes: the New Tappan Zee Bridge via a grant to the New York Thruway Authority; a Metro-North spur line and new stations in the Bronx (“Penn Access”); expanded parking capacity at select commuter rail stations; and an Airtrain connecting the Number 7 train and Long Island Railroad to LaGuardia Airport at Willets Point. The Governor also proposes allocating $750 million each toward the MTA’s and NYSDOT’s five-year capital plans.

There is some overlap between the Governor’s priorities and those included in the Move NY Plan. Thus, when budget negotiations begin, it may make sense for the Governor and Legislature to marry the two sources – Move NY (which is derived primarily from user fees paid by NYC metro area residents) and the bank settlement surplus – such that the former could take care of funding the MTA’s capital shortfall and New York City’s roads and bridges, while the latter could perhaps be leveraged with private capital to support investments in the Governor’s above mentioned priorities as well as in other road, bridge, and transit projects around the rest of the state.
In terms of funding the New York City region’s mass transit system, the new net revenues generated by the Move NY Fair Plan are required in addition to the MTA’s existing sources of “dedicated” funding. These include those derived from various taxes collected by the State on behalf of the MTA, such as surcharges on gas and sales taxes, certain car registration and license fees, and the controversial but crucial Payroll Mobility Tax – a 0.34% (i.e. 34 cents per $100) tax on business payrolls throughout the 12-county MTA region that was enacted in 2009 and presently generates an estimated $1.4 billion per year.

The Move NY Fair Plan can fill the projected $15.2 billion dollar funding gap in the MTA's 2015-2019 Capital Plan as well as support much of the city’s road and bridge program, but only if it is combined with existing MTA funding sources such as those listed above, along with available federal funding. That is, all current dedicated MTA taxes must be preserved at current or greater levels as part of the legislation and bonding covenants that would protect new revenue generated by the plan.

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Sources of Funding and the Management Thereof
There are essentially five sources of new funding under the Move NY Plan: (i) revenues from collecting tolls on the four East River bridges; (ii) tolls collected at the 60th Street screen line; (iii) surcharges applied to all metered taxis (yellow and green) and on-demand services like Uber, Lyft and others; (iv) additional revenue received by the MTA at its bridges and via the fare box on account of lowered tolls and enhanced service, respectively; and (v) rescission of the parking garage sales tax exemption for Manhattan (only) residents.

There are a number of options for collecting the money from the tolls on the East River bridges and those across 60th Street. Regardless of which agency or authority administers and collects the tolls on these crossings, all of the revenue collected under the Move NY Fair Plan – including the for-hire-vehicle (FHV) surcharges, but excluding additional farebox and non-CBD toll revenue and garage taxes – would go to a new single-purpose financing authority whose sole responsibility would be to redistribute the revenues according to the formula established in the Plan and enabling legislation. (See below for more details.)

While these details will ultimately be worked out by the affected agencies and reflected in the actual legislation, one possible approach for assigning tolling responsibility is as follows:

**Tolls on the East River Bridges:** The City of New York would transfer jurisdiction of the four East River bridges – Koch (Queensborough), Williamsburg, Manhattan, and Brooklyn Bridges – to the MTAB&T (formerly known as the TBTA) or possibly an MTAB&T subsidiary by means of a long-term lease agreement, as it already does with the entire subway infrastructure. (The assets would continue to be owned by the City.) The MTAB&T or its new subsidiary would take responsibility for operating and maintaining the bridges, thus saving the city (via NYCDOT’s budget) millions of dollars annually. These savings would be retained by NYCDOT and could be reinvested in other parts of the city’s transportation infrastructure. Because MTAB&T already operates and collects revenue at the MTA’s nine tolled facilities, adding four bridges to the agency’s portfolio would be straightforward and would be one way to ensure that current and future MTAB&T bondholders are protected. The revenue collected would go to the new financing authority and be distributed to the MTA, MTAB&T and NYCDOT, according to the requirements of the Move NY Fair Plan, which, in turn, would be mandated by legislation.

**Tolls across 60th Street:** The State would authorize the City of New York (via NYCDOT) to construct, operate, and maintain tolling facilities along 60th Street and to collect the revenues generated by the new tolling system. Tolling along 60th Street would be implemented, as on the East River bridges, via a combination of E-ZPass (~85% penetration) and camera license plate recognition technology (a.k.a. pay by mail), which would take the place of cash, thus obviating the need for any tollbooths or traffic obstruction. Like the East River bridge toll revenue, the revenue collected along 60th Street would go to the new financing authority that would redistribute the revenues to the MTA, MTAB&T, and NYCDOT according to the formula established in the Move NY Plan and enabling legislation.

Of course, the above scenario could be flipped, with NYCDOT collecting tolls on the East River bridges and MTAB&T collecting them along 60th Street, thus preserving NYCDOT’s responsibility for maintaining the East River bridges. Again, these decisions will be made by the Legislature together with the public agencies involved.

**FHV Surcharges:** The Taxi & Limousine Commission (TLC) would regulate the collection of a GPS-based surcharge on for-hire vehicles within the “taxi zone,” defined as Manhattan south of 96th Street. The surcharge, assessed on the three elements of the TLC fare structure (drop, miles, wait time) equates to around $1.40 for a typical three-mile trip. Like the new toll revenue, the revenue collected from For-Hire Vehicles would go to the new financing authority that would distribute the revenues to the MTA and NYCDOT according to the formula established in the Move NY Fair Plan and legislation.
The Move NY Highway and Transit Authority
Under the Move NY Fair Plan, the New York State Legislature would create a new authority under the MTAB&T called the “Move NY Highway and Transit Authority.” The authority would need to be created as a subsidiary of MTAB&T in order to ensure with a high degree of certainty that TBTA bondholders’ interests, which rely on current levels of revenue on the MTA bridges, are protected despite the lowering of tolls on those crossings.

The new authority would not be an operating entity but rather a public benefit corporation authorized by the State to merely collect and disburse the funds generated by the Move NY Fair Plan. As it does now, the Capital Program Review Board would approve, up or down, the MTA’s five-year capital plans. For 2015-19 and likely 2020-24, those plans would include the transportation investments laid out in the Move NY Fair Plan.

The total Move NY receipts that flow into the new authority would be divided and allocated to both the MTA and NYCDOT according to a formula established in the legislation and consistent with the Move NY Fair Plan. Because the city’s roads and bridges are managed and maintained by both the City and State DOTs, the two agencies presumably would enter into an agreement as to how the (non-MTA) “DOT” share of the revenues would be allocated between them to maintain and improve city roads and bridges.

Considering the public’s exasperation with what seem like yearly diversions of “dedicated” tax revenues to other purposes, this financial authority will serve as a vital “lockboxing” mechanism to ensure that drivers’ tolls are properly spent on the transportation infrastructure and services they and riders depend on.

Enabling Legislation
The Move NY Fair Plan would be authorized by enabling legislation enacted by the New York State Legislature. The legislation, presumably enacted during the 2015 legislative session, would authorize the MTAB&T and NYCDOT to collect revenues in the form of tolls on the East River bridges and across 60th Street in Manhattan. Note that the legislation would merely authorize the MTAB&T and NYCDOT to impose tolls on these crossings; it would not and should not give the Legislature a hand in setting actual toll amounts. The authority for setting all MTA tolls would remain with the MTAB&T, and State law would require that any NYCDOT imposed tolls on crossings into the CBD match those applied at MTAB&T tolled CBD crossings.

The enabling legislation would require that at such time (presumably 2017 or 2018) as tolls begin to be collected on the currently free East River bridges and at the 60th Street screen line, MTAB&T and NYCDOT also harmonize all the CBD-bound tolls – across the East River and 60th Street – such that the newly established tolls match the then prevailing tolls charged at the two East River tunnels (Queens-Midtown and Brooklyn-Battery).

The legislation would also establish a permanent ratio between the price of the one-way MTA “outer” bridge tolls and the CBD-bound tolls... thus preserving the lower tolls for the outer bridge crossings called for in the Move NY Fair Plan.

How New and Existing Revenue Will be Protected under the Move NY Fair Plan
Outlined below are inherent protections embedded in the plan’s design as well as additional mechanisms that, taken together, will ensure that the new revenues are fully protected and the needs of the region’s transit, roads, and bridges are met.

First, there is an inherent safeguard against Albany’s “raiding” a single dollar of the new revenues generated from the toll swap feature of the Move NY Fair Plan. That is, the estimated $720 million in new toll money collected annually by the MTAB&T at the newly tolled East River bridges goes directly to the MTA and its agencies via the new finance authority. In other words, receiving the revenue generated from the new toll regime under the Move NY Fair Plan will not require the MTA to seek an annual appropriation from the NYS Legislature; indeed, the total net funds generated from the new tolling regime ($1.5 billion per year) never pass through Albany at all.

The second safeguard on the MTA/transit side of the ledger stems from the MTA’s obligations to its current bondholders. Insofar as revenue from the presently tolled MTA bridges will decrease under the Move NY Fair Plan, the MTA would, as a practical matter, bond much if not all of the new revenue so as to keep its current bondholders whole. The authorization for such bonding would also be included in the implementing legislation. In addition, the new legislation must stipulate that no new tolls be imposed on currently untolled crossings until...
and unless the proposed toll reductions are implemented, and vice versa – i.e., the two components of the “swap” must happen simultaneously.

Third, there is “agreement of the state” language that is typically included in legislation authorizing public authorities to issue debt. The section quoted below is taken directly from the TBTA statute. There is equivalent language in most, if not all, public authority statutes that authorize debt, which could be included in the enabling legislation for the Move NY Fair Plan. This so-called Agreement of the State is incorporated in the bond resolution, such that the State cannot take away the powers and funding stream that formed the basis of the financing without the authority involved violating its own covenants and possibly accelerating the debt to which the covenant attaches. One might then ask, “What prevents some future state legislature and governor from violating its own agreement by changing the law and diverting the funds?” The answer is that: 1) they have never done this because of the possibility that bondholders would have a direct claim against the State, and 2) the State understands that its entire system of financing for all public authorities would likely collapse if it violated one of its own agreements.

§ 563. Agreement of the State. 1. The State of New York does pledge to and agree with (a) the holders of the bonds that the State will not limit or alter the rights hereby vested in the authority to maintain, reconstruct and operate the project, to establish and collect such charges and tolls as may be convenient or necessary to produce sufficient revenue to meet the expense of maintenance and operation and to fulfill the terms of any agreements made with the holders of the bonds, or in any way impair the rights and remedies of the bondholders, until the bonds, together with interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of the bondholders, are fully met and discharged.

Fourth, in order to avoid a scenario where the New York State Legislature robs Peter to pay Paul (i.e., uses the securing of new MTA revenue to try to divert existing “dedicated” revenue), the legislation and new bond covenants must include a “maintenance of effort” provision, confirming the State’s commitment to preserve existing MTA dedicated revenue sources at current (or higher) levels.

Fifth, toll payers should be able to count on their money being reinvested in the roads and bridges on which they rely, as well as in an efficient transit system that helps keep a number of vehicle trips off of city streets and highways. Thus, the enabling legislation will establish spending priorities, which also would be codified in the new finance authority. The following formula is how the Move NY revenue should be allocated, in order of priority:

1. Make up payment to MTAB&T to cover lost revenues from toll reduction on outer bridge crossings, calculated on an annual basis based on the historical percentage share these crossings contribute to all MTAB&T revenues.

2. Cover annual operations and maintenance cost of the East River bridges.

3. Dedicate three-quarters of the remaining new toll revenue (less the amount already paid to MTAB&T as its toll make-up share) to the region’s (MTA) transit system via the MTA. Bond all or most of the MTA’s share of the annual revenue stream to fund the $15.2 billion gap in the MTA’s proposed 2015-19 capital plan, which would be modified to capture key elements of the Move NY Fair Plan. The updated MTA capital plan would thus include:
   a. Enhancing transit to underserved areas using Move NY’s four-point strategy – select service restoration of 2010 cuts; added express bus service; new BRT/SBS routes; and City Ticket discounts seven days per week;
   b. Maintaining State of Good Repair; and
   c. Investing in capital projects that provide service expansion.

4. Dedicate the balance of the total available net revenues to city roads and bridges (via NYCDOT and NYS DOT).

All of the aforementioned approaches share a common, critical component: a path for the new revenue that avoids the legislative budgeting process or need for an annual appropriation, thus allowing the MTA and NYCDOT to invest 100% of the revenue generated by the Move NY Fair Plan in improving the city and region’s transportation infrastructure.
Conclusion

The Move NY Fair Plan is the only comprehensive proposal that addresses the three interrelated challenges of generating funds for transportation, correcting regressive tolling policies, and reducing traffic congestion. There may be other ways to generate the necessary funds for the transportation network, such as raising the gas or sales taxes, but neither alone could be raised high enough to meet the MTA’s (let alone DOT’s) funding needs. Moreover, the former wouldn’t solve our congestion or toll inequity issues, and the latter would be highly regressive. The Move NY Fair Plan is one that distributes the responsibility for funding the transportation network as fairly as possible among all the network’s users, and includes concrete steps to make the transit system more convenient, reliable, and accessible for all the region’s residents. The Move NY Fair Plan will boost the regional economy with more than 30,000 annually recurring new jobs by making investments that will dramatically boost the system’s efficiency and reduce delays; putting people to work building new lines to underserved areas; and offering pocketbook relief (and thus greater spending power) for drivers and transit users in the city’s periphery.
Appendices

Balanced Transportation Analyzer
The Balanced Transportation Analyzer (BTA), developed by Move NY’s Charles Komanoff, is an extensively researched, multi-layered analysis of nearly every conceivable variable affecting transportation and travel demand in New York City. Many of the estimates of congestion reduction, travel time savings, and related impacts are based on the inputs of the BTA. The infrastructure solutions firm HNTB reviewed the BTA and found it “comprehensive, broad-based, and realistic.” Moreover, the BTA model was vetted by a number of city and state agencies and good-government groups, including NYS Division of Budget, NYCDOT, MTA, Citizens Budget Commission, and Regional Plan Association. The BTA is free and available to the public for download at http://www.mnyn.org/kheelplan/BTA_1.1.xls.

List of Available Reports and Resources
• HR&A Advisors: The Move New York Plan: Economic and Fiscal Impact Analysis
• HNTB: An Assessment of the Balanced Transportation Analyzer’s Move NY Revenue Projections
• Citizen’s Budget Commission: A Better Way to Pay for the MTA.
• Citizen’s Budget Commission: Methods for Protecting New Future MTA Dedicated Revenues from Diversion to Non-Mass Transit Purposes
Bibliography


