

August 23, 2022

Traffic Mobility Review Board  
CBD Tolling Program  
2 Broadway, 23rd Floor  
New York, NY 10004

CC: New York State Governor Kathy Hochul, New York City Mayor Eric Adams, New York State Senate Majority Leader Andrea Stewart-Cousins, New York State Assembly Speaker Carl E. Heastie, New York City Council Speaker Adrienne Adams, Metropolitan Transportation Authority Board Members, New York Congressional Delegation, United States Secretary of Transportation Pete Buttigieg.

To The Traffic Mobility Review Board:

As members of the for-hire vehicle ("FHV") industry in New York City, representing over 1,000 small and large businesses, tens of thousands of drivers and over 3 million weekly passengers here in New York City, we're writing to express our reservations over the initial proposals for the Central Business District ("CBD") tolling program. We have deep concerns that despite our industry's steadfast commitment to fair, comprehensive congestion pricing and our continued support for the Fix NY plan and proposal, the scenarios laid out fail to acknowledge or even make mention of the substantial congestion fee our industry already pays; fail to properly mitigate disproportionate adverse effects on low-income communities and FHV drivers; and fail to consider unintended consequences of a poorly thought out double taxation on our industry by treating highly regulated public use for-hire transportation the same as personal passenger vehicles.

First and foremost, while the MTA recognizes double congestion taxation on taxis and FHV's will lead to substantial job losses, the proposed mitigation - waiving bus operator exam fees - is poorly conceived and incredibly insulting to the hundreds of thousands of for-hire drivers, many of whom have purchased their own vehicle, in this industry. The secondary solution, a pilot program under Access-A-Ride ("AAR") is equally as flawed. The MTA has tried for years to recruit FHV drivers to do AAR trips to no avail, but even if it could successfully get past this problem for the first time, AAR does a small fraction of the trips that would be lost to double taxation on FHV's. Additionally, the MTA knows that a dedicated fleet would be underutilized or utilized poorly - as its own dedicated fleets are today. In capped scenarios, unlike the MTA's faulty assumption that fees would be passed along to riders, drivers would likely have to pay it themselves (as our industry's drivers do in London) since bases will not have knowledge of which drivers crossed the cordon - or not - with other bases. The drivers will ultimately be forced to pay to complete a passenger's requested ride from their earnings, rather than passengers being charged as bases will not know which passengers to charge, leading to more driver livelihood losses than estimated and the need for more mitigations for this community. ***The MTA should not treat job loss in the FHV industry so cavalierly.***

Second, the MTA's proposed congestion surcharge treats Taxis and FHV differently in numerous scenarios despite FHV's serving communities and populations who are low-income, historically underrepresented and underserved by the MTA itself. In fact, it is those New Yorkers who will bear the burden of this new pricing scheme, while New Yorkers using an FHV or taxi to go from a TriBeCa condo to a midtown office will pay nothing new and likely have a quicker, cheaper ride. In uncapped scenarios, New Yorkers traveling from underserved communities could pay the fare + \$2.75 (current congestion fee) + \$19 (additional proposed congestion charge). Meanwhile, the MTA's environmental assessment failed to even address the adverse impacts this may have on these environmental justice populations. ***The MTA should treat taxis & FHV's alike and not unfairly burden outerboro passengers.***

Third, the second phase of the Fix NYC proposal called for the legislature to adopt a congestion surcharge on FHV's & taxis. In February of 2019, this \$2.75/\$2.50 surcharge on FHV's & taxis moved forward. Since then, our combined industries have contributed close to \$1 billion in revenue through this surcharge alone to the MTA. In fact, in its own adopted budget<sup>1</sup> the MTA projects this congestion surcharge to generate \$393 million in revenue for the MTA annually. Of that annual revenue, the MTA projects to send \$300 million a year to the Subway Action Plan, which the MTA claims to have already completed in 2019<sup>2</sup>, while \$93 million a year is returned to the MTA's general transportation account. ***The MTA should not double tax FHV drivers and should consider transferring the full \$393 million a year generated by the FHV congestion surcharge.***

Fourth, the Fix NYC proposal, which was used as a blueprint for the legislature, includes a three-phase solution. Phase One included reforming Taxi & Limousine Commission's ("TLC") regulations to better reflect industry realities<sup>3</sup>. Following that recommendation, the TLC created a new license classification called 'high volume for-hire services' and the TLC ceased to issue new FHV licenses. Following the TLC's decision to ban new vehicles, we have seen over 30,000 licenses surrendered and vehicles leave our industry, and thousands more that have been in storage and off the road since COVID with little to no expectation that they will come back. While acknowledging the increase in licenses from 2010 to 2019, the MTA's Environmental Impact Assessment and congestion scenarios fail to mention the 30,000 vehicles that left the industry after 2019. This glaring omission calls into question the validity of the modeling on which the scenarios are based. ***The MTA must take into account the industry's increasingly smaller number of vehicles when considering future congestion.***

Finally, the MTA failed to recognize the unintended consequences of a large fee cordon pricing system in its assessment. As discussed, such a fee would likely fall to the drivers, creating unintended consequences and rampant destination discrimination. Drivers at the end of their day would not want to pay the charge, and those who have would not want to leave the zone increasing congestion and VMT. Cherry picking trips would become increasingly common. Even if the MTA were to develop a real time data sharing platform so that such a fee could flow to riders by giving all 1,000 bases real time information on which vehicles paid and which did not already for any given 24 hour period, the perverse incentive would just flow to those same riders or bases who would shop for a vehicle that already paid the toll in certain circumstances or those who did not in others. Rather than dispatching the closest available vehicle as is common practice today, toll-based dispatching would likewise create increased VMT and undo any benefits of congestion pricing to FHV/Taxi VMT reduction. ***The MTA's analysis of FHV VMT is fundamentally flawed.***

We urge the TMRB to reject taxi & FHV double taxation. Our industry already pays close to \$400M in congestion charges a year- we are doing our fair share and have been for years - it's now time for other road users to contribute. We urge you to consider the alternate scenarios outlined in the assessment that exempted both taxis & FHV's while still allowing the program to achieve its goals.

Sincerely,



<sup>1</sup> MTA Adopted 2022-2025 budget. Page II-8. <https://new.mta.info/document/65081>

<sup>2</sup> Subway Action Plan Final After Action Report. January, 2020. <https://new.mta.info/document/13951>

<sup>3</sup> Fix NYC Proposal. January, 2018.