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# *Let's Get Ready to "Rumble in the Concrete Jungle" on Congestion Pricing!*



*Image: AI Generated*

For boxing fans who may have been slightly disappointed by the recently hyped Jake Paul and Mike Tyson fight, do not despair. While Tyson holding his own against Paul was inspirational to many Gen Xers and Boomer fans, there were no knockouts, and the action was lacking compared to prior Tyson fights and those of the late great Muhammad Ali. For those of us old enough to remember those glory days of boxing in the 1970s, '80s, and '90s, one of the most hyped fights was the "Rumble in the Jungle" in the Democratic Republic of the Congo between Ali and George Foreman. Well, get ready for a real rumble in NYC on congestion pricing, which is shaping up to be both a political and legal heavyweight grudge match in 2025. Like the Paul-Tyson fight, irrespective of the number of punches thrown, millions of dollars were made by the boxers, and billions of dollars are at stake with the high-stakes congestion pricing battle to come. It is FAR

from over. Gear up not for mobility boxing and sparring but more likely for a UFC-style match-up. This article will provide the “tale of the tape” – and please read it before placing a bet on this one with Draft Kings.

Shortly after the November 2024 general election, as expected – and as I had predicted, New York Governor Kathy Hochul made a significant move by reviving New York City’s congestion pricing plan with a reduced tolling scheme. Governor Hochul’s decision, which she has been vocal about, responded to concerns that the \$15 per-day toll was too high for New Yorkers dealing with inflation and economic recovery. The plan, aimed at reducing traffic congestion, improving air quality, and generating funds for public transit improvements, is intended to be a crucial step towards securing a stable revenue source for the Metropolitan Transportation Authority (MTA) to support the capital funding for various transit projects and infrastructure improvements.

Aside from the amounts of the tolls, everything else remains exactly the same as when Governor Hochul hit “pause” in June 2024 ... except for the big MAGA Republican elephant in the room. President-elect Donald Trump has voiced opposition to New York’s congestion pricing plan and has pledged to terminate the initiative during his first week in office.<sup>1</sup>

The new congestion pricing plan, now set to start on January 5, 2025, will charge a \$9 toll for most vehicles entering Manhattan below 60th Street, down from the originally proposed \$15 per-vehicle toll. The MTA projects it will take longer under the phased-in approach to generate revenue for its 2020-2024 capital program. According to the MTA, the phased approach ensures a smoother transition and allows for better preparation. MTA Chair and CEO Janno Lieber said the agency is satisfied with this strategy, which will help manage the impact on New Yorkers.<sup>2</sup>

Congestion pricing faced opposition from various groups, and most remain opposed after the announcement of the new plan. New Jersey Governor Phil Murphy and New York City teacher’s union chief Michael Mulgrew, who were already suing to stop the program from launching, reiterated their opposition. Harry Nespoli, who leads the New York City Municipal Labor Committee, an association of the City’s unions that represent over 300,000 city workers, has urged President-elect Trump to intervene and stop Governor Hochul.<sup>3</sup>

The new plan has gained some new supporters, notably John Samuelson, President of the national Transport Workers Union. Samuelson supported Congestion Pricing’s enactment, but quit the panel charged with setting the tolls in protest of what he cited as the MTA’s insufficient investment in public transit. Samuelson indicated that Governor Hochul’s announcement of new bus service to at least 23 routes contributed to his renewed support for Congestion Pricing.

Indeed, the program will result in major investments in transit. Governor projects that the toll revenue will enable the MTA to leverage \$15 billion in bonds for the MTA’s Capital Program. The Capital Program includes the Second Ave Subway Phase 2 extension to East Harlem, modernizing the signal systems on segments of the subway that would speed commutes for over

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<sup>1</sup> <https://www.yahoo.com/news/york-plans-jam-congestion-charge-180800017.html>

<sup>2</sup> <https://www.bondbuyer.com/news/mta-board-approves-updated-congestion-pricing->

<sup>3</sup> <https://nypost.com/2024/11/20/us-news/head-of-nyc-union-workers-urges-trump-to-overrule-hochul-and-kill-congestion-toll/>

1.5 million daily riders, accessibility improvements at more than 20 subway stations, and hundreds of new electric buses. Additionally the Governor expects to achieve a 10 percent reduction in the number of vehicles entering Manhattan’s CBD, which should reduce travel times for those who continue to drive.

On November 22, 2024, federal, state, and city governments signed the Value Pricing Pilot Program (VPPP) agreement, which allows states to implement congestion pricing strategies to manage traffic congestion and fund transportation projects. The prior day, the U.S. Department of Transportation (DOT) Federal Highway Administration (FHWA) issued a re-evaluation of the modified congestion pricing plan, finding that the conclusions in the environmental assessment (EA) remain valid in light of the revised tolling schedule and no further environmental review is warranted. These were the final procedural requirements for the MTA to begin tolling.

NYC’s congestion pricing plan had to undergo an EA under the National Environmental Policy Act (NEPA), which had been delayed under the prior Trump administration. The FHWA’s approval ensures the plan meets federal requirements and the environmental impacts are thoroughly reviewed. Once President Biden took office, the FHWA completed the EA and gave NYC the go-ahead to start congestion pricing under the previously planned toll structure.

While we do not know exactly how this will play out, below is a guide to help navigate the possible outcomes. We all need to keep a close watch on the pending lawsuits and more litigation to come, but everyone needs to be ready to comply, as the program will likely start and then stop and possibly start again in 2025. If you have any questions after reading this column about what your company needs to do to be prepared to comply, please contact me at [mdaus@windelsmarx.com](mailto:mdaus@windelsmarx.com), and we will assist and advise you if you have any remaining questions.

### ***The Latest Final, Final Plan – for Now...***

On November 18, 2024, the MTA board voted to approve a phased-in approach for tolls. The plan is to start tolls at 60% of what the MTA originally planned for 2025–2027 (Phase 1), then increase them to 80% in 2028 (Phase 2), and finally implement the full rate schedule in 2031 (Phase 3).

The toll amount will depend on the phase, type of vehicle, time of day, payment method, and any discounts or credits. Some drivers will be eligible for overnight discounts (9 pm–5 am weekdays, 9 pm–9 am weekends) and credits for tolls paid at specific tunnels during peak hours (crossing credits). There is a different tolling scheme for vehicles licensed by the NYC Taxi & Limousine Commission (TLC). TLC-licensed commuter vans, school buses, and buses providing commuter service will be completely exempt from congestion pricing. There are also exemptions for emergency vehicles and certain government vehicles. Everyone else—taxis and FHV’s licensed outside NYC, other passenger vehicles, charter buses, sightseeing buses, and trucks—will be charged based on the rate schedule. (See table 1 below.)

Table 1 E-ZPass Rate Schedule<sup>4</sup>

	<b>Phase</b>	<b>Peak Period Charge</b>	<b>Overnight Period Charge</b>	<b>Entering via Lincoln &amp; Holland Tunnel</b>	<b>Entering or Exiting via Hugh L. Carey &amp; Queens-Midtown Tunnel</b>
<b>Class 1: Passenger vehicles</b> (once per day; \$5 maximum daily crossing credit)	Phase 1	\$9	\$2.25	\$3	\$1.50
	Phase 2	\$12	\$3	\$4	\$2
	Phase 3	\$15	\$3.75	\$5	\$2.50
<b>Class 2: Single Unit Trucks</b>	Phase 1	\$14.40	\$3.60	\$7.20	\$3.60
	Phase 2	\$19.20	\$4.80	\$9.60	\$4.80
	Phase 3	\$24	\$6	\$12	\$6
<b>Class 3: Large Trucks (articulated, pulling one or more trailers)</b>	Phase 1	\$21.60	\$5.40	\$12	\$6
	Phase 2	\$28.80	\$7.20	\$16	\$8
	Phase 3	\$36	\$9	\$20	\$10
<b>Class 4: Buses (non-exempt, non-sightseeing)</b>	Phase 1	\$14.40	\$3.60	\$7.20	\$3.60
	Phase 2	\$19.20	\$4.80	\$9.60	\$4.80
	Phase 3	\$24	\$6	\$12	\$6
<b>Licensed Sightseeing Buses</b>	Phase 1	\$21.60	\$5.40	\$12	\$6
	Phase 2	\$28.80	\$7.20	\$16	\$8
	Phase 3	\$36	\$9	\$20	\$10
<b>Transit &amp; Commuter Buses</b>	n/a	Exempt	Exempt	n/a	n/a
<b>School Buses</b>	n/a	Exempt	Exempt	n/a	n/a
<b>Class 5: Motorcycles</b> (once per day; maximum daily crossing credit)	Phase 1	\$4.50	\$1.05	\$1.50	\$0.75
	Phase 2	\$6	\$1.40	\$2	\$1
	Phase 3	\$7.50	\$1.88	\$2.50	\$1.25
<b>City-Owned Public Work Vehicles</b>	n/a	Exempt	Exempt	n/a	n/a

### ***TLC-Licensed Taxis & FHVs***

TLC-licensed taxis and for-hire vehicles (FHVs) will be exempt from the regular rates. Instead, passengers will pay a fee on each trip from, within, or through the Zone. Like other toll rates, the charge will be phased-in incrementally. In Phase 1, passengers in taxis, liveries, and

<sup>4</sup> <https://new.mta.info/document/138931>



FHVs (the traditional black cars and limousines) will start by paying \$0.75, while Uber and Lyft – the high volume for-hires services or HVFHS – riders will pay \$1.50. The rates will increase to \$1 and \$2, respectively, in 2028, and then go up to the full rates in 2031. (See table 2 below.)

*Table 2 TLC-Licensed Vehicle Rates*

	<b>Phase 1</b>	<b>Phase 2</b>	<b>Phase 3</b>
Yellow taxis, green cabs, & FHVs	\$0.75	\$1	\$1.25
FHVs dispatched by high-volume for-hire services (Uber, Lyft)	\$1.50	\$2	\$2.50

To be eligible for the per-trip rate, taxis, FHVs, and HVFHSs must have a TLC license, and the dispatching for-hire base or Technology Service Provider (in the case of taxis) must be enrolled in the MTA’s Per-Trip Charge Plan (PTCP). Enrolled vehicles will be exempt from standard congestion pricing rates even if no passenger is in the car.

### ***Taxis, FHVs & TNCs without a TLC License***

Taxis, limousines, FHVs and transportation network company (TNCs) vehicles licensed outside of NYC will be subject to the standard toll rates. If the vehicle is a sedan, SUV, pick-up truck, or small van without an extended roof above the windshield, it will be charged the standard passenger vehicle rate (Class 1). This means they will be charged only once per day for entering the Congestion Relief Zone and will be eligible for up to \$3 per day in credit against the cost of the peak rate for tolls paid on the Lincoln, Holland, Hugh L. Carey, and Queens-Midtown tunnels. During Phase 1, the peak rate (5 am–9 pm weekdays, 9 am–9 pm weekends) is \$9 and the overnight rate (9 pm–5 am weekdays, 9 pm–9 am weekends) is \$2.25. The peak rate will increase to \$12 in 2028 and \$15 in 2031. Credits will change, too.

### ***Buses***

Buses did not receive a categorical full exemption from congestion pricing. However, school buses contracted with the NYC Department of Education and transporting students and buses enrolled in the Commuter Bus Exemption Plan (CoBEP) are exempt from congestion pricing. Qualifying buses include commuter, transit, and intercity buses, including privately run scheduled commuter services open to the public. In addition, to qualify as a commuter bus, it must have fixed routes and be open to the public. The CoBEP application is available on the [E-ZPass New York](#) website. Commuter vans licensed with the TLC are also exempt.

Sightseeing and charter buses are not eligible for CoBEP. Unlike passenger vehicles, buses and trucks will be charged for each entry into the zone. They will, however, be eligible for tunnel crossing credits for each crossing during the peak period when paying by E-ZPass. Charter and sightseeing buses will be charged \$14.40 and \$21.60, respectively, during peak times in Phase 1 if using E-ZPass. Those without an E-ZPass tag will receive a Tolls-by-Mail bill to the registered owner of the vehicle. Tolls by Mail are more expensive. Tour and charter buses that do not use E-ZPass will be charged \$21.60 and \$32.40, respectively, for peak period tolls.

## *What Happens After January 5, 2025?*

Assuming congestion pricing launches on January 5, 2025, the next relevant question is how long it will operate. Well, we can narrow down the range of likely outcomes by studying the motivations of those who will influence whether congestion pricing continues. Politics has anything and everything to do with this – and the outcome will be based on political ambitions, agendas and the legal battles are really just a means to that end.

The politics shape up with left-leaning or progressive Democrats heavily favoring congestion pricing, and Republicans and right-leaning Democrats – including many suburban voters in Long Island and even Staten Island, parts of Queens, the Bronx, Brooklyn, and other transportation deserts – aligned against congestion pricing of any kind. Let’s not forget that Governor Hochul almost lost her first election campaign several years ago to the newly nominated U.S. Environmental Protection Agency Secretary, Lee Zeldin, when he ran as a Long Island Republican, with a major campaign issue being congestion pricing. Likewise, as Governor Hochul ponders re-election in 2026 and the balance of power in the House of Representatives centering on several swing districts in NY, the political agendas and navigation here are, in my view, determinative of the ultimate outcome – as well as the jousting that will take place over this issue.

First, let’s consider New York City’s state and local officials. Governor Hochul’s lifting of the pause was celebrated by some members of the NYC Council and the State Legislature in the press, including a few notable leaders such as City Council Speaker Adrienne Adams and State Senator Jeremy Cooney, the powerful Chairman of the New York State Senate Transportation Committee. Although a few City Council Members and State Legislators registered their displeasure with the lifting of the pause, these elected officials may also have to answer to the public if this crucial source of revenue for the MTA were to fail and capital projects stall. Andrea Stewart-Cousins, the Majority Leader of the New York State Senate and a representative of Yonkers (just to the north of New York City in Westchester County), was asked about the lifting of the pause at a recent Association for a Better NY breakfast. She declined to endorse or criticize the Governor’s decision and responded by simply acknowledging existing facts: “We do need to fund the MTA. We do need to take care of our environment, and we do need to deal with congestion.”<sup>5</sup>

In short, State and local elected officials have three options after January 5th: (1) allow congestion pricing to continue; (2) vote to cancel the program and find alternative revenue sources that provide \$15 billion for the MTA’s capital plan; or (3) vote to cancel the program and weather the criticism from their constituents as the MTA’s capital plan falters. The first choice, allowing congestion pricing to continue, is the most likely, given the political alignment of the City Council and State Legislature with Governor Hochul. Even if President-elect Trump is successful in somehow killing congestion pricing, the Governor can claim she pushed hard to appease the progressive wing of the Democratic party, but also escape the wrath of suburban voters if the plan evaporates before her re-election bid.

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<sup>5</sup> <https://www.cityandstateny.com/politics/2024/11/stewart-cousins-special-session-unlikely-year-combat-trump/401164/>

U.S. Congressional officials in New York and New Jersey, in contrast, would not face political consequences if the MTA’s capital program were to falter and vehicle travel times in New York City remain at an all-time high. Representatives Nicole Malliotakis (R-Staten Island), Mike Lawler (R-Hudson Valley, NY), and Josh Gottheimer (D-Bergen, NY) have vowed for years to kill congestion pricing at their earliest opportunity. Republican control of the House, Senate, and White House may mean that opportunity is merely weeks away. It would not be a surprise if these Representatives – reflecting the sentiment of their constituents – included an anti-congestion pricing provision into one of the new Congress’ first omnibus bill packages.

Representative Malliotakis, a majority member of the House Way and Means Committee, successfully amended the House’s proposed budget bill last year to prohibit the U.S. Department of Transportation from spending money to implement congestion pricing, but the Democrat-led Senate prevented the amendment from becoming law.<sup>6</sup> In 2025, the Republican Senate will be much more receptive to incorporating priorities from Representatives Lawler and Malliotakis. Moreover, President-elect Trump, who has been vocal in opposition to congestion pricing, may be very eager to sign that bill.

Indeed, calling the President-elect a vocal opponent of congestion pricing is an understatement. He claimed the program “has been a failure everywhere it has been tried” and that it would represent a “big incentive to not come into the City.”<sup>7</sup> In May, he also pledged on social media to “TERMINATE Congestion Pricing in my FIRST WEEK back in Office!”<sup>8</sup> He also called the program the “...most regressive tax known to womankind (man!).”<sup>9</sup> Although the President’s nominee to be U.S. Secretary of Transportation, Sean Duffy, has not been publicly quoted as having a position in one way or another, it should be assumed he is in alignment with the President-elect on this issue.

Congestion pricing advocates have some distant reason to hope the President-elect will not follow through on his promise. MTA Chair Lieber has highlighted Trump’s past support for rebuilding the transportation network after 9/11, stating that he hoped that Mr. Trump, as a New Yorker, would understand the plan’s benefits.<sup>10</sup> After a post-election call with Governor Kathy Hochul, the Governor reported that the President-elect pledged to work with her on federal funding for the MTA generally and the 2nd Avenue Subway.<sup>11</sup>

Advocates hope that the January 5th launch of the program will prevent interference after the Trump administration starts on January 20, 2025. Their theory is that if the federal government has provided the necessary approvals and if the MTA, City, State, bond investors, and other private sector stakeholders have taken actions that rely on those approvals, then any attempt to rescind

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<sup>6</sup> <https://malliotakis.house.gov/media/press-releases/malliotakis-language-kill-congestion-pricing-included-transportation>

<sup>7</sup> <https://www.nytimes.com/2024/11/08/nyregion/trump-congestion-pricing-nyc.html>;

<https://nyc.streetsblog.org/2024/05/08/wednesdays-headlines-trump-posts-about-congestion-pricing-edition>

<sup>8</sup> <https://gothamist.com/news/ny-lawmakers-weigh-lower-congestion-pricing-fee-but-trump-could-kill-tolls-if-elected>

<sup>9</sup> <https://nypost.com/2024/11/14/us-news/trump-slams-hochul-move-to-revive-nyc-congestion-tax/>

<sup>10</sup> <https://www.politico.com/newsletters/new-york-playbook-pm/2024/11/18/mta-ceo-janno-lieber-donald-trump-congestion-pricing>

<sup>11</sup> <https://gothamist.com/news/gov-hochul-has-very-productive-call-with-president-elect-trump-pitches-policies>



those decisions by U.S. DOT would provide grounds for litigation by those stakeholders to preserve the program.

### ***The Pending Lawsuits & New Lawsuits to Come***

If these congestion pricing proponents are correct, the program must start early next year. However, the January 5th launch date is at risk due to the array of lawsuits from the program's opponents. Over a half dozen anti-congestion pricing lawsuits have been initiated, including cases brought by the Mayor of Fort Lee, New Jersey,<sup>12</sup> the New York City teachers' union,<sup>13</sup> and the State of New Jersey.<sup>14</sup> Plaintiffs in some of those cases are requesting the judge hearing their case to order an injunction to postpone the January 5th launch. Judge Lewis Liman, who is presiding over the cases brought by the Trucking Association of New York, United Federation of Teachers and the interest group New Yorkers Against Congestion Pricing, will hold a hearing on whether to freeze congestion pricing on December 20, 2024.<sup>15</sup> If even one of those judges grants the request, congestion pricing proponents' slender hope of an early January launch that protects the new tolling program will be squashed.

The news for congestion pricing proponents gets worse from there. Even if an injunction is not granted and the program launches on January 5th in a manner that shows that the MTA and other stakeholders relied on the program, the three previously-cited lawsuits all name the U.S. DOT as a defendant and claim that the U.S. DOT did not conduct a thorough environmental review. President-elect Trump could simply direct the Federal Justice Department to settle those lawsuits by agreeing to conduct that environmental review. In this case, the environmental review could take years, and effectively, languish interminably. This "soft killing" of congestion pricing would potentially frustrate litigation by those claiming that they signed contracts or relied on the program's launch.

In short, many people in positions of power are motivated to end congestion pricing, and they have many means to do so available to them. It is hard to make predictions, especially about the future, but even if the program launches on January 5, 2025, it is hard to imagine it will still be operational on January 5, 2026. Should a court pause the program even for even a few short weeks, it will end before it gets started.

### ***TRB International Workshop on Congestion Pricing***

On January 5, 2025—the same day that congestion pricing is supposed to take effect in New York City—I will be in Washington, D.C., I am organizing an event titled "***Decarbonizing Mobility Globally: International Perspectives and Experiences with Congestion Pricing and***

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<sup>12</sup> Mark Sokolich, et al. v. United States Department of Transportation, et al., United States District Court, District of New Jersey, Case No. 2:23-CV-21728

<sup>13</sup> Michael Mulgrew et al. v. United States Department of Transportation, et al., United States District Court, Eastern District of New York, Case No. 24-CV-81

<sup>14</sup> State of New Jersey v. United States Department of Transportation, et al., United States District Court, District of New Jersey Case No. 2:23-CV-03885

<sup>15</sup> <https://nypost.com/2024/11/21/us-news/ny-judge-to-weigh-freezing-congestion-pricing-plan-just-weeks-before-9-toll-starts/>

*Beyond.*” This workshop, part of the **Transportation Research Board (TRB) Annual Meeting**, aims to comprehensively understand congestion pricing and tolling systems by examining international perspectives and case studies. The workshop is sponsored by the International Coordinating Council (ICC) of the TRB, which is co-chaired by **Christos Xenophontos, Assistant Director for Administrative Services for the Rhode Island Department of Transportation**, and **Caroline Almeras, Secretary General of the European Conference of Transport Research Institutes**.

**Kristin White, Acting Administrator of the Federal Highway Administration**, will provide the keynote address. We are also expected to be joined by government mobility officials and other stakeholders from countries and cities that have either implemented or which are about to implement various forms of congestion pricing, including **NYC, London, Sweden, and Singapore**, as well as **Madrid, Paris, and Australia**. The workshop will explore how cities worldwide are implementing congestion pricing and tolls to manage traffic congestion, reduce pollution, and improve the efficiency of transportation systems. It will also highlight the importance of research studies and benchmarking to ensure successful tolling and other sustainable congestion mitigation policies.

Several cities globally have implemented or are considering congestion policies, including tolls and restricted access, in their central business districts to combat traffic congestion and air pollution, including:

- **London, UK:** Introduced in 2003, the £15 (US\$18.79) daily congestion fee applies to vehicles in central London during peak hours (7:00 AM - 6:00 PM, Monday to Friday). The Ultra-Low Emission Zone (ULEZ) complements it, targeting high-polluting vehicles.
- **Stockholm, Sweden:** Operates a dynamic congestion pricing system where fees vary 60-120 SEK (US\$5.43 to US\$10.86) based on the time of day. The system was implemented after a trial in 2006.
- **Gothenburg, Sweden:** Similar to Stockholm, congestion charges apply to vehicles entering and exiting the city during peak hours.
- **Paris, France:** Implemented congestion pricing in 2016. Charges €4.50 (US\$4.68) daily fee for vehicles entering the city center.
- **Singapore:** The first city to adopt congestion pricing in 1975. It now uses an Electronic Road Pricing (ERP) system with dynamic charge. Charges variable rates based on traffic conditions, but typically range from S\$0.50 to S\$3.00 (US\$0.38 to US\$2.25) for passenger vehicles, with higher charges during peak hours in the central business district; large vehicles like trucks can be charged higher tolls.
- **Madrid, Spain:** Has a Low Emission Zone (LEZ) that restricts vehicle access to the city center based on emission standards.
- **Bangkok, Thailand:** The government is reviewing a plan to impose a daily congestion fee of 50 to 120 baht (US\$1.30 to US\$3.20) per vehicle entering central Bangkok.
- **Sydney, Australia:** Sydney has also explored congestion pricing as a strategy to manage traffic. This involves charging drivers a fee to enter certain areas during peak hours. The

aim is to encourage drivers to consider alternative modes of transport or travel outside of peak times.

Several U.S. cities are looking to follow the example set by New York City and other international cities that have successfully implemented congestion pricing, including Portland, Seattle, San Francisco, and Los Angeles.

The TRB workshop will also focus on various subtopics, including funding, exemptions, research priorities and metrics, and related policies involved in *Designing the Ideal Congestion Pricing System*. The breakout session organizers will obtain input on designing the ideal congestion mitigation pricing plan, informing attendees on what has worked and what has NOT worked around the world.

- **10:45 – 11:30 am:** Breakout session coordinators will be assigned to subject matter discussion tables as follows:
  - **Funding** – How much is the right amount to charge, and what should congestion pricing tolls pay for?
  - **Exemptions to Congestion Pricing Tolls** – Where do we draw the line?
  - **Research Priorities & Metrics** – How do we prove and study whether it is working?
  - **Sister Policies** – What de-carbonization & congestion mitigation policies should accompany congestion pricing?
- **11:30 – 12:00 pm:** Breakout session coordinators will join a “report back” panel to discuss the findings and recommendations of each group.

In order to attend this TRB workshop, which will be held from 9 am to noon on January 5th, register here <https://trb-annual-meeting.nationalacademies.org/schedule> and let my office know if you will be joining us. Also, the IATR is co-hosting the ICC’s International Reception on the evening of January 5<sup>th</sup> as well at Clyde’s of Gallery Place from 7:30 pm to 9:30 pm EST (An *RSVP by December 20, 2024 is required*).

## ***Congestion Pricing Predictions for 2025***

New York City’s congestion pricing plan could significantly alter the landscape of mobility and public transit funding in NYC – and elsewhere in the U.S. With a phased approach that begins in January 2025, the initiative aims to strike a balance between achieving the original goals of congestion pricing—alleviating traffic congestion, improving air quality, and generating vital revenue for the MTA—and appeasing those who have been in fierce opposition to this tax. While the reduced tolls may address some concerns, the ongoing opposition, particularly from political figures and in the form of numerous lawsuits, underscores the complexities of implementing congestion pricing.

As the first major city in the country to implement such a toll, NYC’s approach will be closely watched by urban planners and policymakers nationwide. Businesses, elected officials,

and drivers in other parts of the country are concerned about congestion pricing coming to their communities next. All eyes are on NYC for sure. The pause heard around the world will be lifted on January 5th, but the battle is far from over.

My prediction is that congestion pricing will eventually be blocked in NYC. The same reasons that have led to it not being done on numerous occasions going back to over two decades when it was first proposed and failed as part of former Mayor Michael Bloomberg's PlaNYC in the 2000s is why it may fail again – "politics!" The political realignment accompanying the red wave of this last election gives the opponents of congestion pricing the upper hand.

I believe there is a chance that a court could order pricing not to start on January 5th, but more likely than not, it will begin in January and will lead to complaints and media stories galore in early 2025. Whether it is a day, a week, or a month after President-elect Trump takes office, he means what he says based on experience, and there is no mystery surrounding his promise to end the program. That attempt will start with the U.S. DOT and its Highways Administration either pulling the prior approval – reversing the decision to move forward by requiring additional studies or simply ending it outright – or holding up other FTA funding for the MTA until it pauses the program. Once this happens, there will likely be lawsuits, either by the Federal government to stop the program or by other stakeholders to stop the Trump administration from killing the program.

Either way, there could be several pauses to the program, but ultimately, Congress has the authority to stop the program through a legislative act, which failed last time around due to the objections of the Democratic-controlled U.S. Senate. The bottom line is that with Republicans controlling both houses of Congress, and this being a political issue that benefits Republicans who oppose it, Congress will be the "plan B" to end congestion pricing before 2025 is over. However, with Trump's statements that he intends to help NY and his willingness to work with Governor Hochul and Mayor Adams to fix NYC's problems, I suspect that the "art of the deal" will surface here. In my view, that deal would be the President-elect ponying up transit funding to help fill the MTA's financial gaps without congestion pricing.

One way or another, 2025's "*Rumble in the Concrete Jungle*" could be a draw without a knockout punch or a victory for Republicans by TKO, with a rematch set in the future. I would not bet on each round of this fight, but I would bet on the ultimate victory here next year, going to the program being jettisoned. Unfortunately for all involved, the amount of money, resources, and political capital expended on this program, in terms of government contracts, legal fees, and never-ending drama, is lost forever. I really hope all sides get together and work this out so we can move forward with a real plan to fix the NYC subways while making a real effort to mitigate congestion with policies that go beyond congestion pricing. Let the fight begin, with hopefully nobody hitting each other below the belt. We want a clean fight, and it will have much more excitement and blows landed than the Paul/Tyson fight for sure.

**NOTE:** This column was written on November 22, 2024. At the time of publication, there could be new updates regarding the litigation and the prospects for the NYC congestion pricing plan starting on January 5, 2025.