New York, NY – Thursday, February 8, 2007 -- Ted Kheel, who has sought to advance mass transit for over fifty years, will be speaking today at an exhibit reception from 6 – 8 p.m. in the Conde Nast Building Lobby at 4 Times Square in New York.

The exhibit shows how a truly regional rail system could be established, by integrating the commuter rails that bring passengers to New York City into the city's subway and bus systems. The purpose would be to attract more riders to the commuter rails, a sadly underutilized mass transit resource.

At the reception, Kheel will announce a $100,000 grant for a study of free mass transit, to determine how the public would benefit if the transit fare in the Manhattan business district were totally eliminated. The study will be conducted by IRUM, and funded by a foundation Kheel presides over, Nurture New York's Nature.

Kheel believes the study will show that New Yorkers would use mass transit more, if it were costless, and that quantifiable benefits would ensue for the public. Traffic strangulation and congestion cause an enormously expensive loss of time and productivity, and results in tons of carbon dioxide being spewed into New York City's air during the workday, contributing to further global warming. Free mass transit would pay for itself by reducing these losses in time and productivity, and improving public health.

The study will also address how a policy of increasing the cost of motor vehicle use could complement this policy of free mass transit. Adoption of a core area congestion pricing plan, making automobile users in the city pay for the damage they inflict on the public, furthers the same ends as free mass transit, and could produce revenues to help fund it.

Such a "congestion" pricing plan was adopted in London several years ago and has met with considerable success, reducing traffic volumes by 18% and delays by 30%, with resulting improvements in air quality. The mayor of that city, citing London's example, pointed out this week that cities produce 75 per cent of global carbon emissions and it is therefore in cities that the battle against climate change will have to be won.

The need to reduce traffic is more important today than ever, in light of our increasing understanding of how cars contribute to pollution, illness, and global warming. As a result, this is a particularly important time for creative thinking on how to reduce traffic in our city. At the February 8 event, two important new ways of working toward that goal will be presented to the public.
I am a New Yorker by birth, and have lived and worked here almost all my life. I am deeply devoted to the city, and have always sought ways to improve it. Recently, I have sought solutions through several foundations that I founded. Long before that, I acted independently, without foundation support, as a “catalyst on a hot tin roof”, proposing new ideas to champion causes I believed in. One cause that I have always sought to advance is mass transit. That is because I firmly believe, and have for over fifty years, that encouraging use of mass transit is the single most important step that can be taken to improve the quality of life in our city.

I am therefore pleased to indorse the latest initiative of the Institute for Rational Urban Mobility (IRUM) to establish a truly regional rail system, that would integrate the commuter rails that bring passengers to New York City into the city's subway and bus system, providing a cheaper, and far more convenient mass transit system for millions of riders in the city and suburbs.

Fifty 50 years ago, I wrote a 17 page report, which was widely covered in the media, on why mass transit should be subsidized, rather than paid for from passenger fares. In that report, I explained:

“We must treat traffic and transit as inseparably related and deal forcefully with them as an indivisible problem. We must also be realists enough to know that people cannot and should not be directed into any particular form of transportation. Rather, mass transit must be made more attractive in both price and service if people are to be induced to choose it over the traffic-creating automobile.” (Report of Oct. 3, 1958)

Like most Americans, I love my automobile and the flexibility it gives me to travel around the City. But I am aware of the high costs cars inflict, polluting the air, adding to global warming, and strangling the city with traffic. I therefore believe that car owners, myself included, should contribute to the eradication of the damage we are creating, by paying for the harm done. I also believe that the funds so created should be used to make mass transit as attractive and inexpensive as possible as an alternative. New Yorkers who use mass transit are actually performing a public service, improving the quality of life in our city, and we should reward them, and give them the best and most inexpensive ride we can.

It was this thinking that led me to advocate in 1965 the doubling of the 50 cent toll collected from drivers to use the bridges and tunnels coming into New York City, a proposal that was extremely controversial at that time, but was ultimately implemented. It was this thinking that led me to advocate using the increased revenues from the tolls to help mass transit, a concept that was adamantly opposed by both Robert Moses and Austin Tobin, but also prevailed, in part, despite restrictive laws on the books. And it was this thinking that led me to advocate, still in the 1960s, the establishment of a regionwide Transportation Policy Board to replace the several authorities that controlled the bridge and tunnel tolls, a Board that would have the power to use the toll funds to subsidize subway and bus fares and improve service. That proposal too was implemented-- in part-- with the establishment of the MTA.

Today, we are faced with the reality that the measures taken in the past were too weak to prevent the current gridlock. A recent study by the Partnership for New York estimated the economic costs of that gridlock to the city at $13 billion a year, and that figure does not even take into account the health costs associated with the pollution created by automobiles. We therefore need to find new ways to discourage driving in the city, and to make those who do drive pay the true costs to our city of their conduct. We need to find new ways to attract people to mass transit, and to reward those who use it. And we need to find new ways of rationalizing the entire system to achieve these ends.

It is this then that leads me today to support congestion pricing, which has been so successful in London, and is being adopted in other cities around the world. It is this too that leads me to support the ideas you see illustrated in this exhibit, which would transform our checkerboard of commuter rails and the separately administered city subways into a single, coordinated system, aimed at providing maximum service and convenience, at minimum price, to commuters traveling into and out of the city, as well as within it.

One of the many great ideas illustrated in this exhibit is that we should do away with the separate, and higher fare charged for commuter rail so that there is no penalty for those who choose to travel into the city by commuter rail, rather than by subway or bus. I long ago learned from experience that price matters in public transit. So I like the idea of reducing the commuter rail fare, because I know it will encourage use. In fact, I like the idea of reducing the fare so much, I would like to take it down to zero. For everyone.
In my dream, all who use mass transit, whether it be the commuter rails, the subways, or the buses, would be able to do so for free. If this is a dream, it is not one beyond reach. Some preliminary figures show that revenues generated by congestion pricing would pay for any loss of income from elimination of the fare. Even without this subsidy, I believe that the indirect benefits of eliminating the fare would more than outweigh the costs.

To prove the point, I am pleased to announce that our Nurture New York’s Nature Foundation is contributing $100,000 to IRUM for a study that will evaluate the potential benefits that free mass transportation could achieve, the costs of such a policy, and how increased charges for motor vehicle use could complement such a policy.

I think this is a wonderful time for citizens to raise their voice in support of improved mass transit. The need for relief has been recognized. New ideas are emerging, including the ones illustrated here. And there is a new opportunity with a new governor, to make many of these proposals into realities.

KHEEL ON MASS TRANSIT:
A Sixty Year Overview

Ted Kheel has been involved in mass transit for over half a century. Initially, he was involved as a mediator and arbitrator of labor disputes. Over the years his involvement went beyond that, as he saw the possibilities of improvement in our mass transit system, and became a vocal advocate for change.

Kheel first realized the importance of the mass transit fare when he assisted Mayor William O’Dwyer in resolving a transit labor dispute in the 1940s. One outcome of the dispute was that the Mayor endorsed a doubling of the 5 cents subway fare, which had been established in 1904 when the first subway line in the City was opened. That increase resulted in a sharp drop in the number of riders on the system. Little attention was paid at the time to the decline in riding; Kheel, however, became concerned.

Kheel’s understanding of how fares affected ridership led him to take action a decade later against a law enacted by Governor Thomas E. Dewey in the 1950s, known as the “Self Sustaining Fare,” which requires a fare increase for mass transit in New York City if “necessary to produce sufficient revenue to meet the expenses of the authority and to maintain such operations on a self-sustaining basis.”

In a 1958 report that gained wide attention, Kheel charged that the self sustaining fare was self defeating, and that it reduced the use of mass transit, resulting in increased delays due to automobile traffic. Had he known what we now know, he would have pointed to the health and environmental costs incurred as well. Citing Kheel's Report, the City Council unanimously recommended repeal of the self-sustaining fare. A newspaper poll of the legislators found substantial support, and ways were subsequently found to provide subsidies. However, the self-sustaining fare was not repealed, the price of mass transit rose, and the crusade for a sound transportation policy continued.

Kheel's next sally was in the 1960s. On November 8, 1965, he took aim at financing in another way. He called for tolls to be doubled on the bridges and tunnels leading into Manhattan and for the revenue to be used to subsidize mass transit, a controversial idea at the time. Kheel also called for the creation of a “transportation policy board” to be composed of the various authorities that collected the tolls, including the Triborough Bridge and Tunnel Authority, the Port Authority, the Manhattan and Bronx Surface Transit Authority, and the Transit Authority. The proposed board would be responsible not only for bridges and tunnels, but also for mass transit-- a novel and controversial idea at the time.

Kheel's double-the-toll proposal in 1965 received even more attention than his 1958 report. It was not only chronicled by all the newspapers in town: it was front page news, with banner headlines, in many. Kheel's proposal to establish a super authority responsible for all forms of regional transportation was, in turn, taken up by Mayor John Lindsay, who pledged to propose legislation embodying the concept. Within a few years, a transportation board that included several of the authorities was established, tolls did double, and importantly, some of the funds were used for mass transit. None of this, however, was enough to keep the subway fare from going up again. So Kheel fought on.

In the 1970s, Kheel turned his attention to the Port Authority, the powerful cash cow that had successfully retained its independence when the other two authorities were folded into the newly established Metropolitan Transportation Authority (MTA). His goal was to force the Port Authority to address the city’s traffic problems by subsidizing mass transit. Among the many obstacles was a 1962 “covenant” that prohibited the Port Authority from spending funds on mass rail transportation.

Kheel's campaign against the Port Authority could be the subject of a book by itself, and included attacking the Authority’s policies repeatedly in the papers, testifying at state hearings, soliciting a grant to study the Authority's finances, incorporating
Kheel To Speak On New Transit Initiatives To Address Global Warming

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an organization to address the issue, and even invoking the "equal time" rule to try to ensure that the television stations covered the issue adequately. Along the way, Kheel met with the governors of both New York and New Jersey and successfully persuaded them to repeal the covenant prospectively.

Kheel also waged his campaign in the courts, where he filed a suit in 1971 challenging the constitutionality of the Port Authority's covenant. The suit retained importance, even after repeal of the covenant, because of the bonds that had been issued while the covenant was still in force. Kheel's suit made its way slowly through the judicial system in two states, and ultimately landed in the Supreme Court—which, in a 1977, 4 to 3 decision, reversed a favorable opinion in the court below, on purely procedural grounds.

Kheel's half-century of advocacy in favor of mass transit has met with many successes and some defeats. One success that he can claim throughout is to have had a significant effect on public opinion. Views he had advocated alone for years found their way into the papers as mainstream thought. Today, he is undertaking once more to challenge people's views about what can and cannot be done on transit.

This time, he wants New Yorkers to consider whether completely eliminating the transit fare would be in the public interest. To that end, he has commissioned a study to determine how much the ridership would increase if mass transit were free; how much this could reduce the costly delays caused by traffic congestion; and how much it could mitigate the damaging effects of carbon dioxide emissions and other pollution, including illness and global warming.

Proposed Research Project, February 8, 2007

Price Matters:

Free Transit with Road Pricing for the Manhattan Central Business District

Purpose

This research project will estimate the potential benefits and cost of reducing or eliminating transit fares in New York City and environs, in conjunction with a road pricing plan for the Manhattan Central Business District.

Background

Excessive motor vehicle use is a critical problem in New York City. Cars and trucks are a major source of greenhouse gases, but they also pollute the air with toxic emissions that damage public health, add to noise levels, take up scarce public space in a crowded city and consume natural resources. Motor vehicles cause deaths and injuries, not only for their occupants, but also for pedestrians and cyclists. Pedestrian-vehicle conflicts, particularly in the core of the city, result in a hostile and unforgiving streetscape. In addition to the environmental impact of cars and trucks, traffic congestion has enormous economic consequences. Measures that reduce motor vehicle use would greatly improve the livability and sustainability of the city and the health of its economy.

One strategy for reducing motor vehicle use that has received attention is a cordon road pricing plan, charging a price to drive to the core of the city. Such a pricing plan was adopted in London and has met with considerable success, reducing traffic volumes in the core by 16% and delays by 30%. A similar road pricing scheme has been proposed by a number of civic and business interests for the approaches to the Manhattan Central Business District, about the same geographic area as London's pricing zone.

Missing from the discussion is consideration of related pricing strategies for transit services that can complement a core area road pricing plan. In this study, special emphasis will be given to free transit as a pricing option. Several cities, including Portland OR and Seattle WA, offer fare-free transit on bus and light rail lines within their central business districts. In New York City, the Staten Island Ferry is fare-free. This research effort will explore the benefits and costs of free transit throughout New York City and environs.

Description

In addition to a "no-action" scenario, the study will develop a future base scenario that incorporates the key features of the Regional Rail System plan proposed by the Institute for Rational Urban Mobility, Inc. (IRUM). This plan calls for recasting the region's commuter rail lines into a single Regional Rail System, with frequent service, integrated fares and thru running. The fare integration element of this plan assumes that travelers could use the commuter rail system for local travel within a Central Zone, consisting of

New York City, Hudson County and Newark, without payment of additional fares. Likewise, commuter rail users from the suburbs could ride local buses and subways to complete their trips within the Central Zone without the payment of extra fares.
The second future scenario will address the effects of cutting fares in half in the Central Zone. The third future scenario will study the effects of dropping these fares to zero. For each scenario, cordon road pricing will be set at levels sufficient to offset diminished transit revenues. Also, several fare options for the suburbs beyond the Central Zone will be considered in the study.

The environmental and economic consequences of each scenario will be assessed using a sketch plan model initially developed to estimate impacts of large scale development in Downtown Brooklyn. The model will be extended by using available data for all 59 Community Planning Districts in NYC. The model summarizes vehicle-miles of travel (VMT) for each zone and uses this as an input to calculate travel time and greenhouse gas and other emissions and other adverse environmental consequences. The total VMT in the Manhattan Central Business District will be a useful surrogate to estimate pedestrian/vehicle conflicts in the core. The analysis will also consider the elasticity of transit and auto use, and mode split, related to price and to the service gains of the Regional Rail System plan.

A very preliminary analysis of revenue and operating cost consequences of implementing the Regional Rail System plan compared to a “no-action” scenario will be undertaken as part of this study. This will require a specialized examination using ridership counts and related information that will obtained from the commuter railroads.

The analysis will assess the ability of the existing transit system, plus the enhanced service provided by the Regional Rail System, to accommodate the shift of core-bound car users to transit and the extra load of new transit riders generated by free or reduced fares will be assessed. The cost of increased service, if needed, will be estimated.

For each future scenario the cost of meeting long term transit rehabilitation and expansion needs will be assumed to come from other sources. A high quality transit system provides substantial benefits to residents and businesses in the region. Identifying these benefits will be the subject of a subsequent research project.

The findings will be posted on the IRUM website and published in a final report.

Administration
This project will be hosted by the Institute for Rational Urban Mobility, Inc., a New York City-based not-for-profit corporation, with Internal Revenue Code §501(c)(3) status. Project manager will be IRUM President George Haikalis. Others in the study team will include Community Consulting Services, Inc., Charles Komanoff and Joseph Clift. The project is estimated to cost $100,000 and will be completed in four months.

For more information, please contact:

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