

Theodore W. Kheel
Park Avenue Tower
75 East 55th Street
New York, NY 10022

March 14, 2007

BY HAND

Mayor Michael Bloomberg
City Hall
New York, NY 10007

Dear Mayor Bloomberg:

I am writing to applaud your statement last week that, "[f]rom a public policy point of view you really should have all of your mass transit free." It is a bold statement, coming from the Mayor of our city, and one that calls to mind another statement you made, in a speech in December, in which you outlined the challenges facing the city as it developed its twenty-five year sustainability plan. You said, "[t]he willingness to dream big – and then act on those dreams – is how New Yorkers created the greatest city in the world."

I share your thinking on the issue of free transit, and I have acted on my convictions. In February, I spoke at a reception where I stated:

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 the Institute for Rational Urban Mobility (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.

Theodore W. Kheel

In your December speech, you spoke eloquently of the enormous environmental challenges the world faces, and explained that it is your purpose "to establish New York as a leader in meeting those challenges." You listed several specific goals you aspired to achieve, including "reducing our city's global warming emissions by more than thirty percent by 2030," and "achieving the cleanest air quality of any big city in America."

Relieving traffic congestion in the city is a critical step -- maybe the critical step -- in achieving these goals. According to a background paper prepared by the National Commission on Energy Policy, New York is the **second most congested city in the country**. Moreover, the nation's ten most congested cities account for between 0.5% and 2.8% of the total vehicle miles traveled in our nation. According to the study, a mere 1% reduction in vehicle miles traveled for those areas would result in annual fuel savings that would total roughly 3.2 million barrels of oil and associated carbon dioxide reductions of roughly 1.9 million tons per year.

A one percent reduction in vehicle miles traveled was, in fact, achieved in London, through another pricing incentive: namely, by imposing a congestion charge for driving a car in the city. The study I have commissioned will determine how great an impact free mass transit would have on congestion in New York City. If it reduces vehicle miles traveled by only one percent, however, it would have a real impact on global warming, and could help substantially in achieving the goals you so wisely set for the City.

In your speech you said, "I'm not going to pretend that fulfilling these goals will be easy. We know that some of the solutions will be difficult, and some will cost money." Once again, I have to agree with you. A policy of free mass transit, in particular, will present many challenges, not the least of them monetary. I do not believe the challenges are insurmountable, however, and I feel we are at an ideal moment in history to take them on. My research team is led by a superbly qualified transit analyst,¹ who has already shown me preliminary figures indicating that funds generated by

¹ George Haikalis, president of IRUM, is a civil engineering and transportation planner who has over 43 years of experience working on New York transit issues. He served for almost two decades as Director of Research for the Tri-State Regional Planning Commission, and later became Director of Revenue

(continued...)

Theodore W. Kheel

congestion pricing could comfortably cover the costs of free mass transit. He and his research team, all respected experts in this field,² also expect to address other problems that a free mass transit policy might entail, for example, whether the system can handle the additional riders during rush hour, and if not, whether price incentives should be included to encourage travel during nonpeak hours.

We have an additional, powerful resource available to us in studying the potential of a free transit policy. The internet has made it possible for people to pool ideas and information in a way that was never before possible, and an extraordinary blog,³ founded by a group of several nonprofits, has tapped this potential in addressing the traffic problems of our city. The blog is read by virtually everyone who has an interest in this subject, including transit specialists and members of the MTA, and a number of its readers have offered to contribute data for our study. I am taking the liberty of providing a copy of this letter to the blog for publication, in the hope of generating further ideas and exchange of information to help us as the study progresses.

You ended your wonderful speech in December with a "call for ideas", saying "the really creative solutions to our problems are especially likely to come from the private sector, or from non-profit organizations, or from community leaders who are determined to make a difference. *We want to hear all of those voices.*"

I look forward to sharing with you the findings of our research, when they become available.

Sincerely,



Theodore W. Kheel

(...continued)

Budget and Fare Structure Analysis at New York City Transit, where he helped lay the groundwork for the MetroCard.

² Other members of the research team include Community Consulting Services, Inc., Charles Komanoff and Joseph Clift.

³ See streetsblog.org.