

Congress of the United States
Washington, DC 20515

April 9, 2021

The Honorable Pete Buttigieg
Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

Dear Secretary Buttigieg:

It has been reported that the U.S. Department of Transportation (USDOT) approved New York City's request to begin the next step in implementing a congestion pricing scheme in Manhattan south of 60th Street.¹ As you know, New York City needs USDOT approval on the necessary environmental assessment to implement this congestion pricing scheme. We believe this process must be fair for all communities potentially impacted. We are deeply concerned about reports that USDOT has already indicated it will pre-approve New York City's application for the congestion tax before the environmental assessment or public process is complete.²

While there are several reasons to disapprove of this congestion scheme, we strongly urge you to provide our constituents and the public assurances that the approval process will be fair by committing to a comprehensive review of the effects that these policies will have on all stakeholders, especially commuters travelling from New Jersey. We also request that you require a robust public participation process, including holding public hearings in Northern New Jersey. This proposed scheme will impact access to Federal-aid highway infrastructure, result in a double taxation of many commuters, and damage the regional economy at a precarious moment.

First, the proposed congestion tax would be in addition to the existing tolls on the bridges and tunnels in New York City that are already among the highest in the nation, with drivers paying up to \$16.00 to cross the George Washington Bridge (GWB). If the congestion tax is approved, commuters are not expected to receive a tolling discount on the GWB, so many would consider switching to the Holland and Lincoln Tunnels to avoid the high cost of paying both the tolls and the congestion tax.

Under this proposed scheme, only New Jersey commuters would be taxed twice, and it would likely result in a sharp increase in congestion and associated pollution at the Holland and Lincoln Tunnels, which already see lengthy delays during peak commuting hours. The cash toll rates on the GWB have doubled over the past ten years. Additionally, the Port Authority of New York and New Jersey (PANYNJ) raised costs for commuters by eliminating the tolling discount for carpoolers. The bottom line is that drivers from New Jersey and elsewhere are already paying record amounts to enter New York City. A congestion pricing scheme would add another significant tax on top of the substantial tolls they are already paying just to commute to work. Many New Jersey commuters, including a

¹<https://newyork.cbslocal.com/2021/03/30/nyc-congestion-pricing/>

²<https://www.crainsnewyork.com/transportation/biden-administration-set-approve-congestion-pricing-questions-remain>

majority of hard-working middle-class families, have limited public transportation options, especially considering the public health limitations posed by the COVID-19 pandemic. For many commuters from New Jersey, driving is the only avenue to get to work.

Second, under the congestion pricing scheme, thousands of New Jersey drivers – many from our congressional districts – who commute every day, will face a new congestion tax estimated at approximately \$3,000 a year. One of the principal reasons to disapprove of congestion pricing is that the State of New York has not revealed the exact amount drivers would be charged to enter this congestion pricing zone. While it could be \$11 to \$14, as has been suggested, it could also be a much higher amount. Given the inexactness of such an important detail, there should be a fair and public opportunity to discuss the plan before it is approved.

Third, this scheme should not be implemented when New Jersey and the New York City metropolitan area are only just starting to recover from the severe negative economic effects of the COVID-19 pandemic. The New York metropolitan area suffered the worst job loss among eighty-two metropolitan areas as of July 2020, according to Moody's Analytics.³ This pandemic economic recovery is fragile and this is the exact wrong time to implement a regressive tax. The congestion tax would place a huge burden on middle class and working-class families, especially since it would be out of line with President Biden's pledge not to raise taxes on families making less than \$400,000.

Finally, unlike the revenue from the tolls on existing bridges and tunnels that go to the Port Authority and help both New York and New Jersey improve both of their transportation systems, every dollar of this new congestion tax will go to New York, and most of it to the Metropolitan Transit Agency (MTA) to help fix their subways. None of those improvements will help New Jersey commuters, even though they will pay a significant portion of the tax collected. New Jersey commuters should not be responsible for bailing out the MTA.

Proposing a new regressive congestion tax on New Jersey commuters who already pay some of the highest tolls in the country is no way to make the region stronger or assist the pandemic economic recovery. Given the unanswered basic questions of how this proposed congestion zone would function, a comprehensive review and public process is, at a minimum, required to ensure this process is fair. Instead of the federal government greenlighting one state's unilateral double taxation scheme on another, the two states should be encouraged to sit down to cooperatively and constructively determine a path forward. Let's use this opportunity to unite the two states, not divide them.



Josh Gottheimer
MEMBER OF CONGRESS

Sincerely,



Bill Pascrell, Jr.
MEMBER OF CONGRESS

³ <https://www.thecity.nyc/economy/2020/9/17/21444441/nyc-unemployment-pain-far-worse-than-nation>