2020/2021 MTA Fare and Toll Policy Project

MTA Board Briefing

February 18, 2021



Financial Plan Targets

- ☐ The February Plan targeted a 4% revenue yield in fares/tolls and reflects the updated "worst case scenario" projections from McKinsey.
- The 2021 and 2022 revenue targets established for the toll increase as reflected in the Financial Plan are included in the table below. These targets assume a March 2021 implementation for the increase in toll rates.

February Plan Targets

4% Yield	2021	2022
Toll Target	\$48M	\$78M

- □ Prior fare and toll changes:
 - 2019: 6% yield increase in tolls / 4% yield increase in fares
 - 2017: 4% yield increase in tolls / 4% yield increase in fares



Toll Policy Options

- ☐ The Public Notice and State Register sought public comment on the following toll policy options between December 16, 2020 and February 16, 2021. No public comments were received.
- ☐ Feedback was received via the MTA public comment process.

Options

Base Scenarios (Up to 8% yield)

Variable Pricing – Time of Day

Variable Pricing – Corridor

Gridlock Alert Days

Elimination of the VNB Carpool Program

Establish Mid-Tier Rate

Resident Discount Plan Changes

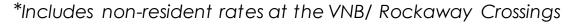


Toll Policy Recommendation

Recommendation: 6% Revenue Yield Scenario

- ☐ Applies flat 7.08% increase to all current rates to achieve 6% revenue yield
- □ Generates \$116M in 2022

Crossing	NYCSC E-ZPass*	
	Current	New (6%)
Major	\$6.12	\$6.55
Henry Hudson	\$2.80	\$3.00
Cross Bay & Marine Parkway	\$2.29	\$2.45
Crossing	Non-NYCSC E-ZPass/Tolls-By-Mail	
	Current	New (6%)
Major	\$9.50	\$10.17
Henry Hudson	\$7.00	\$7.50
Cross Bay & Marine Parkway	\$4.75	\$5.09



Resident Discounts / Rebates

MTA Verrazzano Bridge Rebate Program	Current SIR Toll in FY2021-22	Increase SIR Toll to Match 6% Yield Increase
E-ZPass SIR Toll	\$3.44*	\$3.68
Rebated Amount	(\$0.69)	(\$0.73)
Post- Rebate Toll (VNB All trips)**	\$2.75	\$2.95

^{*}Current toll rate for higher frequency customers

☐ The Cross Bay Bridge toll would continue to be fully rebated for Rockaway/Broad Channel residents



^{**}Trip thresholds for SIR Discount Rate eliminated

Toll Policy Recommendations

<u>Additional Policy Recommendations</u>

- ☐ Introduce New Mid-Tier Rate
 - ☐ Incentivizes customer to mount tag appropriately
 - ☐ Reduces operating expenses: \$4.9M in 2019
 - ☐ Opportunities for alternative payment methods (e.g., apps & 3rd party)
 - □ Potential Revenues: Additional \$12M \$24M (75% 50% adoption of tags)
- Eliminate Verrazzano-Narrows Bridge Carpool Discount
 - ☐ Current carpool toll is \$1.70 each way (SI residents only)
 - ☐ Carpool elimination reduces operating expenses by \$1.4M per year
 - Eliminates complex program from a pre-cashless environment
 - 18,000 active users in 2019 and 13,000 active users in 2020
 - ☐ Potential additional revenue: \$2M

