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Metropolitan Transportation Authority, N.Y.'s Congestion Pricing One Year Later: Successes, Risks, Opportunities, And Credit Implications - S&P

Key Takeaways

- The Metropolitan Transportation Authority (MTA), N.Y.'s Congestion Relief Zone (CRZ) tolling program in Manhattan has been a financial success thus far, exceeding its initial revised revenue target of $500 million in its first year and demonstrating its potential as a dedicated funding source for MTA transit capital projects.
- The program has also been successful in reducing daily vehicle entries within the CRZ thus far, effectively reducing traffic congestion during a period when mass transit ridership grew.
- The program's long-term viability hinges first on its overcoming legal challenges and political opposition, and second on MTA's and its key stakeholders' ability to adapt to changing economic conditions; adherence to regulatory requirements; revenue volatility; and effective management of potentially lower toll traffic volumes.
- Congestion pricing revenue could stabilize MTA's credit profile in the longer term, to the extent that it meaningfully diversifies MTA's capital funding sources with recurrence and predictability.

Continue reading.

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