



U.S. Department  
of Transportation  
**Federal Highway  
Administration**

**New York Division**

March 30, 2021

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In Reply Refer To:  
HDA-NY

Ms. Marie Therese Dominguez  
Commissioner  
New York State Department of Transportation  
50 Wolf Road, 6<sup>th</sup> Floor  
Albany, NY 12232

Mr. Henry Gutman  
Commissioner  
New York City Department of Transportation  
80 Maiden Lane, 17<sup>th</sup> Floor  
New York, NY 10038

Mr. Patrick J. Foye  
Chairman and Chief Executive Officer  
Metropolitan Transportation Authority  
2 Broadway  
New York, NY 10004

***Subject: New York City Central Business District Tolling Program – NEPA Class of Action***

Dear Ms. Dominguez, Mr. Gutman, and Mr. Foye:

New York, acting through New York State Department of Transportation, the Triborough Bridge and Tunnel Authority and the Metropolitan Transportation Authority (MTA), is working to implement a legislatively-approved variable tolling program within the Manhattan Central Business District in order to reduce traffic congestion, improve air quality and make needed investments in the MTA transit system. As you know, implementing this variable tolling program will require acceptance into FHWA's Value Pricing Pilot Program (VPPP), a federal action triggering review under the National Environmental Policy Act (NEPA).

Because FHWA cannot make a final decision regarding the implementation of tolls under the VPPP until after the completion of the NEPA process, you reached out to FHWA on October 13, 2020 requesting feedback on the appropriate classification under NEPA needed to ensure the necessary analysis of, and public engagement in, development of the Central Business District (CBD) Tolling Program.

This important and potentially precedent-setting project would include variable tolling once a day for vehicles entering or remaining within Manhattan south of 60th street within the area known as the Central Business District. As laid out in your Expression of Interest in the VPPP,

the goal of this effort is to reduce congestion, improve air quality, create a sustainable capital funding source for transit, increase transit ridership and improve transit services for low-income residents. Tolls generated from the project would be leveraged to create a total of \$15 billion in bonds for the Metropolitan Transportation Authority for needed improvements in the existing transit system. 2

FHWA stands ready to work with you – through both the NEPA and the VPPP processes – to engage the public in this effort and ensure that necessary traffic, air quality, and other analyses will be conducted to better inform our consideration of the tolling program.

After careful review of the relevant information, FHWA believes that our mutual goals of producing needed traffic and air quality analysis and soliciting robust public input from all stakeholders can best be achieved through the preparation of an Environmental Assessment (EA). The EA will be prepared pursuant to 40 C.F.R. 1500-1508 (CEQ Regulations for Implementing the Procedural Provisions of NEPA, effective September 14, 2020). Also, as part of the preparation of the EA, there will be enhanced coordination and public involvement that engages stakeholders from throughout all three States (New York, New Jersey, and Connecticut) in the commuting area of the CBD in accordance with 23 U.S.C. Section 139 (Efficient environmental reviews for project decision-making).

We look forward to collaborating with and assisting you so that FHWA can arrive at a prompt and informed NEPA determination on this project. FHWA will expedite its efforts wherever possible and we suggest that we begin by scheduling a meeting regarding next steps and a schedule for the NEPA EA process. At the same time, we are happy to discuss Federal requirements that may apply for the development of a VPPP cooperative agreement for the CBD Tolling Program. If you have any questions or comments, please contact me at (518) 431-8897.

Sincerely,

RICHARD  
JOSEPH  
MARQUIS

Digitally signed by  
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MARQUIS  
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Richard J. Marquis  
Division Administrator

cc: Stephen Goodman, Regional Administrator, FTA Region 2