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M.T.A. Weighs Lower Fares During Off-Peak Hours

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The new chairman of New York's transit system is looking to introduce a pricing policy that would offer passengers discounts to ride late at night and on weekends, an abrupt break from a century-old fare model that could be the city's biggest transportation revolution since the demise of the token.

A new computerized, scannable fare card would allow [New York City Transit](#) to charge passengers different prices depending on the time of day, a practice already in place in London, where [Jay H. Walder](#), the chairman of the [Metropolitan Transportation Authority](#), first worked with the concept.

"We might imagine that we offer discounts at later times, or we offer weekend discounts," Mr. Walder said in an interview on Wednesday. "Time-of-day pricing might be very attractive."

The goal would be to encourage use of buses and subways during traditionally quieter hours. And it would bring New York's subway system in line with local commuter rails, which charge a range of fares.

"We have an infrastructure that is set for the capacity of the peak," Mr. Walder said. "What we really want to do is use that infrastructure all the time."

The chairman ruled out charging higher prices for longer trips, a system used in cities like Washington and London, saying such a move in New York "would be a mistake." But he said a frank discussion of changes to the pricing structure "will be an important part of what we're doing." A transit spokesman said later that Mr. Walder was not considering higher peak fares.

In a wide-ranging interview with reporters at The New York Times, Mr. Walder — who wore a pair of subway token cufflinks — shared his plans to overhaul the technology of the nation's biggest transit system. He plans to

introduce so-called smart cards equipped with computer chips, digital arrival-time clocks at subway stations and GPS devices that would let passengers know exactly when the next bus was arriving.

He would not detail his relationship with officials at City Hall and legislators in Albany, whose support will be critical as he pursues an ambitious agenda on state and city territory. And he begged off questions about timelines and other specifics, citing his 15 days on the job.

But Mr. Walder was emphatic when discussing the prospect of a revised fare structure, noting with a hint of excitement that “you can see creative and innovative things that would happen with this.” He said an off-peak pricing plan could “generate the revenue we need and get more people to be using the transit system at different times of day.”

A change to the fare system would require approval from the transportation authority’s board, most of whose members are appointed by the mayor and the governor.

Andrew Albert, a nonvoting board member and chairman of the New York City Transit Riders Council, said he was hesitant about the idea. “You really already have some crushed loads at off-peak periods,” he said, citing crowded platforms on some weekends. “London is not necessarily the same as New York.”

The price of a single bus or subway ride — \$2.25, after a 12.5 percent increase this summer — is largely symbolic: about half of riders travel with unlimited-ride MetroCards, and the price for each ride varies depending on which type of card is used.

For years, however, the subway token represented a key economic indicator for New York, akin to a slice of pizza. A nickel fare reigned from the system’s first days, in 1904, through World War II, an egalitarian entry fee that also starved the system of funds. Fares began rising in 1948.

The unlimited-ride [MetroCard](#) was introduced in 1998, after years of effort at the authority that included contributions from Mr. Walder, then the chief financial officer. [Ridership](#) on weekdays has since swelled by 40 percent, and weekend ridership has risen almost 70 percent. In 2008, the average weekday ridership was 7.6 million, according to New York City Transit.

About \$220 million is included in [the authority's new capital plan](#) to install a smart card payment system similar to London's [Oyster card](#), a no-swipe fare card that is waved over a sensor to speed up payment. Mr. Walder wants the cards to be linked to credit card accounts and usable in multiple forms of transit. Unlike in other cities, however, passengers in New York would not have to wave their cards again to exit the system.

This has long been a topic of interest for Mr. Walder, who promoted the benefits of a variable pricing system, citing the London operation as an example in [a 2007 speech](#) at City College.

"This should be an absolutely revenue-neutral policy," Mr. Walder, then a London-based consultant for McKinsey & Company, told a group of transit experts. "You are not doing this to raise money. You are doing this to improve the efficiency of the transport system we have, to allow people to make their choices about what they want to do. And it is very, very doable with the technology we have today."

"I think every one of these conclusions is applicable to New York," Mr. Walder said at the end of [his presentation](#).

On Wednesday, he said he could not rule out an overall fare increase as the authority grappled with a possible budget shortfall of \$113 million, announced by Gov. [David A. Paterson](#) last week as part of an across-the-board cut to state spending.

"There are no easy answers for these questions," Mr. Walder said. "I can't say anything is off the table, but I'm not starting from that place. I'm not getting there in doing it, but I'm certainly not taking anything off the table."

Mr. Walder also said that he was not bothered by the stringent attacks on the authority by Mayor [Michael R. Bloomberg](#)'s re-election campaign.

"Frankly, I think that expressing those frustrations is fair," Mr. Walder said.

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