Getting Started with Congestion Pricing

A Workshop for Local Partners

Federal Highway Administration
Office of Operations

U.S. Department of Transportation
Federal Highway Administration

SESSION 1
Welcome and Introductions

Workshop Objectives

- Develop an understanding of congestion pricing alternatives
- Provide pricing examples from the U.S. and abroad
- Gain understanding of federal programs related to pricing
- Learn about challenges with implementing pricing programs
- Consider possible applications of pricing in your community

Agenda

- What is Congestion Pricing?
- The Case for Congestion Pricing
- Lane Pricing in the U.S.
- Federal Policies and Programs
- Six Implementation Challenges
- Peer Expert Presentations – Minneapolis and Atlanta

- Lunch -

- Peer Exchange Discussion
- Local Application of Pricing
- Wrap-up and Summary

Why are you interested in pricing?

Brian Hoeft, Assistant Director
Regional Transportation Commission of Southern Nevada

SESSION 2
What is Congestion Pricing?

What is Congestion Pricing?

- Many terms used:
  - “road pricing”
  - “tolling”
  - “value pricing”
  - “congestion pricing”
- Tolling typically refers to a direct fee for using a highway facility
- Pricing has goals besides generating revenue

Congestion Pricing Defined…

… a way of harnessing the power of the market to reduce the waste associated with traffic congestion.

Congestion pricing is the use of increased prices during peak usage to shift rush hour highway travel to more efficient modes or to off-peak periods.

Four types of pricing strategies…

- Priced lanes
- Priced roadways
- Priced zones
- Priced networks

Priced Lanes

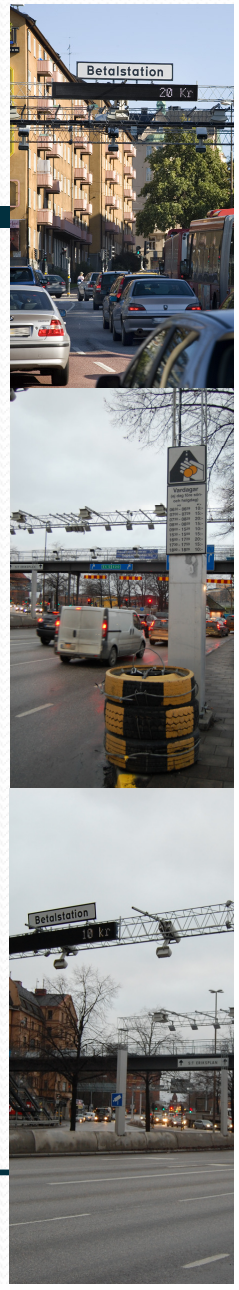
- HOT Lanes
  - HOT-2+ or HOT-3+
  - HOVs, buses, emergency vehicles free or reduced rate
  - Lower occupant vehicles charged toll
- Express lanes - various possibilities:
  - All vehicles charged
  - HOVs receive discount
- Truck-only toll lanes

Priced Roadways

- Flat toll rates changed to variable
  - tolls higher during peak travel periods
  - tolls lower during off-peak travel periods
- Toll-free facilities changed to variably priced
  - tolls charged on congested highway segments
  - tolls vary by time of day

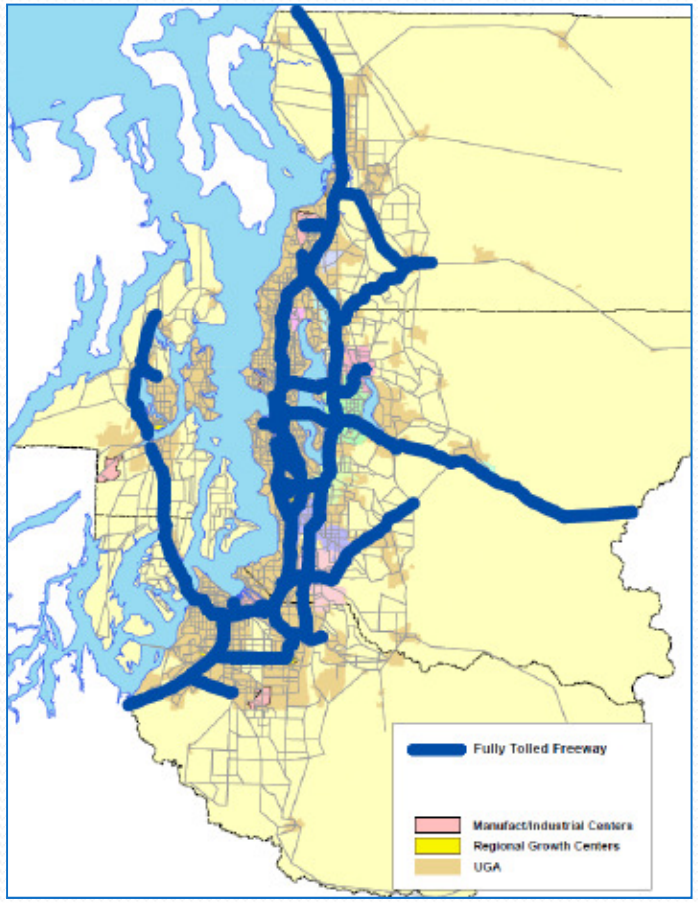
Priced Zones

- Fee charged to enter a congested zone
- Usually a city center, but could be a defined geographic area
- Fees may vary by time of day



Priced Networks

- Priced limited access network
- Distance-based pricing (VMT fees)
- Mileage-based user fees or time-distance-place pricing (TDP)



Technology for Congestion Pricing

- Electronic toll collection
- Transponders or “tags”
  - “read only”
  - battery powered
  - sticker tags
- Cameras
  - video enforcement
  - video toll

TxTag

The Case for Congestion Pricing

Reasons to Consider Pricing

- Congestion Relief and Travel Options
- Financial
- Sustainability/Livability
- Environmental

Benefits to Transit Riders and Carpoolers

- Transit Riders
  - Preserves or improves vehicle speeds and trip reliability
  - Funds for transit improvements
- Carpoolers
  - Preserve or provide incentives for ridesharing through time savings and trip reliability

Benefits to Drivers and Businesses…

- SOV Drivers
  - Congestion-free SOV travel option
  - Improve reliability
  - Reduced fuel use
- Businesses
  - Increase predictability of trip times for deliveries
  - Reduce costs, such as fuel use
- Benefits to Society
  - Reduce fuel use and emissions

Revenue

Concepts generating healthy revenues:

- Traditional tolling with variable toll rate
- Cordon pricing

Concepts generating less revenues:

- HOT lanes
- Express toll lanes

Cross-subsidizing multimodal investments

- Pool funding sources
- Helps with public acceptance and equity concerns

Use of Revenues

- Operate toll collection and traffic management systems
- Expansion of roadway facilities
- Support public transit
- Toll discounts to low income individuals
- Reduction of other taxes

Project Goals and Objectives

The first step: defined goals lead to successful program

Typical goals/objectives:

- Maintain free flow speed
- Maintain desired level of service
- Maintain a speed for 90 percent of the peak periods
- Save travel time
- Optimize throughput
- Increase person- and vehicle-carrying capabilities of HOV lanes
- Maximize the use of the express lanes
- Maintain a "quality throughput"
- Optimize traffic flow (throughput)
- Maximize throughput and efficiency
- Optimize revenue
- Generate revenue
- Fund new transit and HOV improvements
- Generate revenue to pay off bonds

Education and Outreach

Eric Anderson, Transportation Director
Maricopa Association of Governments, Arizona

Questions and Discussion