



# Congestion Pricing: Road Applications and Policy Perspectives

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# What is congestion pricing?

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

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

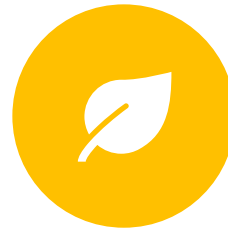
# Reasons to Consider Pricing



CONGESTION  
RELIEF AND  
TRAVEL OPTIONS



FINANCIAL



SUSTAINABILITY /  
LIVABILITY



ENVIRONMENTAL

# Enabling Technologies

- Electronic toll collection
- Camera-based systems
- Vehicle-based methods



# Four Types of Road Pricing Strategies

Priced lanes

Priced roadways

Priced zones

Priced networks

# Priced Lanes

- Managed lanes and express toll lanes.
- HOVs, buses, emergency vehicles, clean air vehicles may have free or reduced rate.



# Example: 405 Express Lanes

- Opened December 1.
- 16 miles of I-405 in Orange County, CA.
- Two express lanes in each direction.
- Toll rates vary by hour, day and direction, set by traffic flow trigger.
- Carpools 3+ free always, 2+ free in non-peak hours; 15% discount for clean air vehicles.



# Priced Roadways

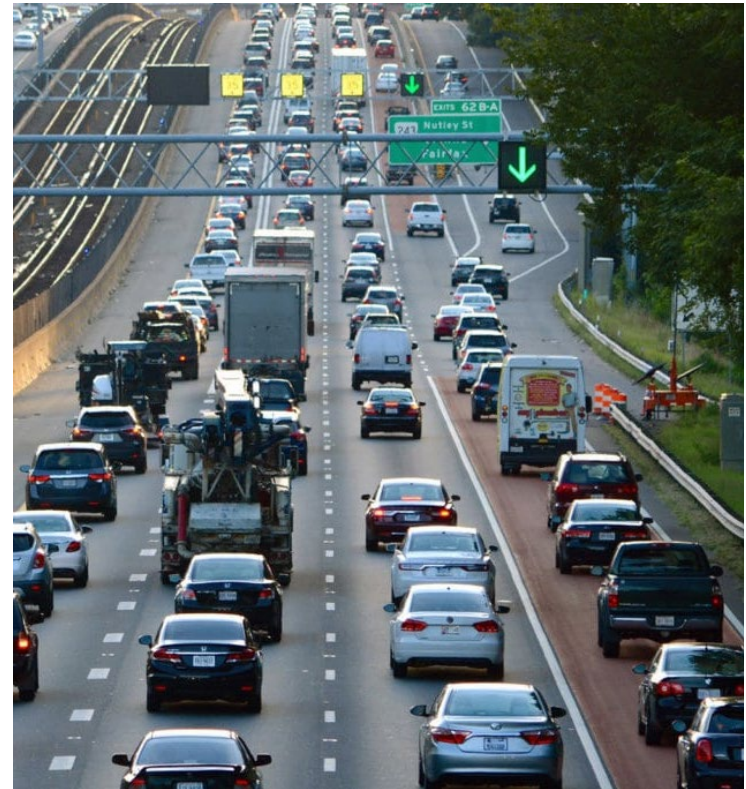
- Flat toll rates changed to variable.
- Toll-free facilities changed to variably priced.



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# Example: I-66 Inside the Beltway

- All lanes operate as toll express lanes during peak travel hours (5:30-9:30 am, 3-7 pm).
- Dynamic tolling with no max toll.
- Average \$6 for nine-mile trip.
- 3+ carpools free.
- Funds used for projects like new bus service, Metro station modifications, vanpool parking subsidy.



# 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.



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# Example: NYC Congestion Pricing

- 5 am to 9 pm weekdays, 9 am to 9 pm weekends.
- \$15 to enter the zone, higher rates for trucks and charter buses, surcharges on taxis and for-hire vehicles.
- \$3.50 for cars during off-peaks.
- Discounts for tunnels, no tolls for disabled or emergency vehicles.
- Raise \$1B annually for transit/subway improvements.
- If lawsuits resolved, approval of rates expected in January, system in operation starting in May.



# Priced Networks

- Pricing on limited access network.
- Distanced based pricing combined with other pricing tools.



# Portland: Metro Regional Congestion Pricing Study 2021

- Address challenges related to equity, climate, congestion and safety.
- Pricing could vary by time of day, area, facility, income levels.
- Scenarios analyzed and showed overall positive progress toward regional goals.
- Implementation challenges:
  - Public acceptance
  - Parking pricing as a starting point
  - Cordon pricing as most difficult
  - Enforcement of roadway pricing flagged
  - How deployment will impact different geographic and demographic groups.



## **VEHICLE MILES TRAVELED FEE**

*Drivers pay a fee for every mile they travel*



## **CORDON PRICING**

*Drivers pay to enter an area, like downtown Portland (and sometimes pay to drive within that area)*



## **ROADWAY PRICING**

*Drivers pay a fee to drive on a particular road, bridge or highway*



## **PARKING PRICING**

*Drivers pay to park in certain areas*

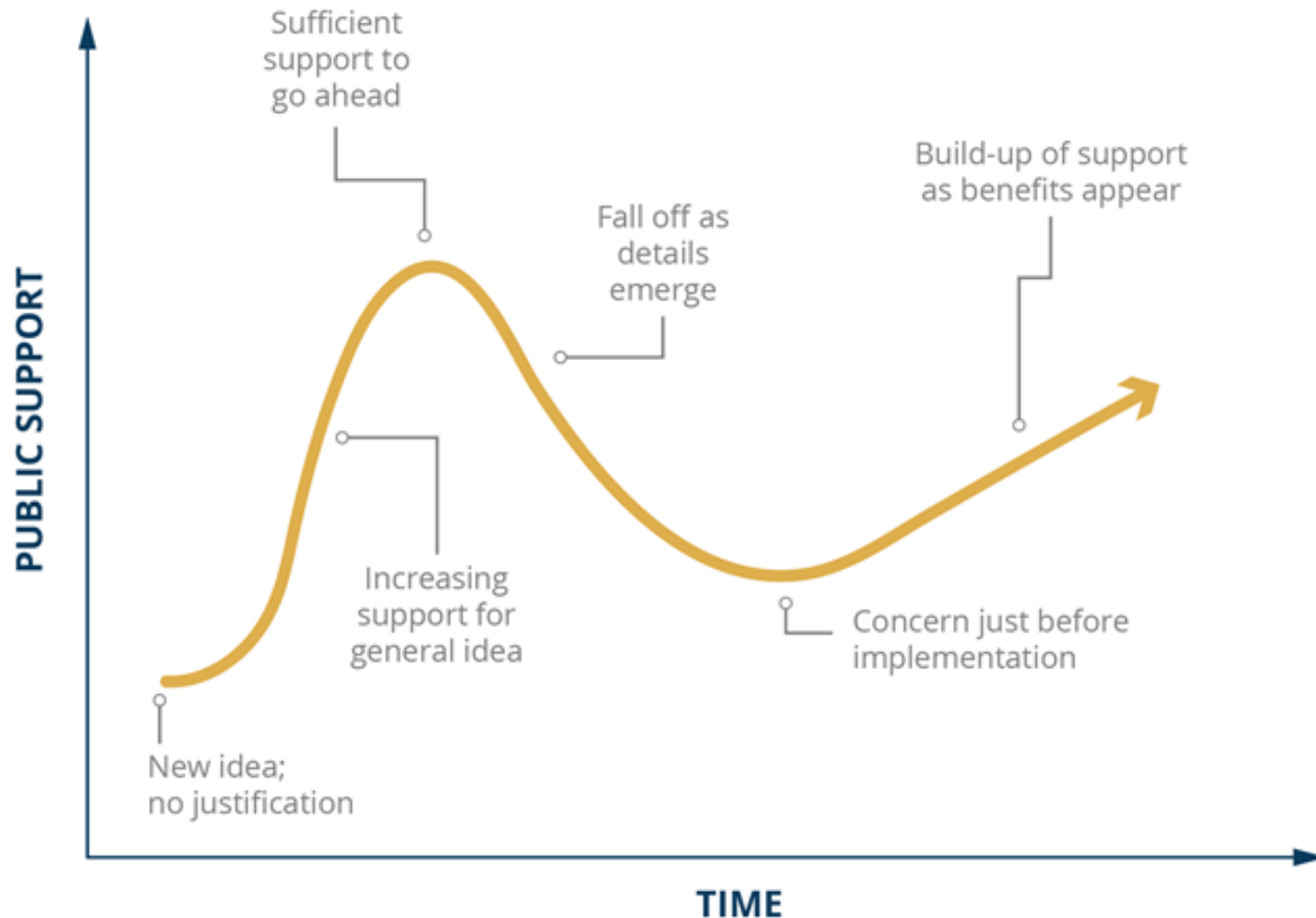
From Portland Metro Regional Congestion Pricing Study, Executive Summary, July 2021

# Political Support & Public Acceptance

## *Arguments against congestion pricing:*

- It is not fair – “Lexus Lane” concern.
- It targets “working person” driving to work, medical appointments, etc.
- It is double taxation.
- It costs too much; raise taxes instead, they are cheaper to collect than tolls.
- It won’t work.
- It represents social engineering by liberal elites.
- The government can’t be trusted to use the revenue properly.
- The value of time savings won’t be worth the price.
- Alternative modes will become crowded.
- Alternative modes will be underutilized.
- Alternative modes won’t be available.

# Path of Public Support



Source: Adapted from CURACAO State of the Art Interim Report, April 2008. <http://www.curacaoproject.eu/state-of-the-art-report.php>

# THANK YOU

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