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Opportunities for Managing Transportation Systems with Pricing

Patrick DeCorla-Souza, AICP
Federal Highway Administration

March 24, 2006

Overview

- Background
- Six Programs
- FHWA Role:
  - The Tolling and Pricing Team
  - An Expression of Interest
  - The Website

Background

- SAFETEA-LU provided more authority to for tolling and pricing:
  - To finance construction/reconstruction
  - To promote efficient use of highways
  - To reduce traffic congestion
  - To improve air quality
- Six programs are now available.

The Express Lanes Demonstration Program

Wayne Berman,

FHWA Office of Operations

Express Lanes Demonstration Program: Section 1604 (b)

- Allows for 15 Demonstration Projects
- Goals:
  - Reducing traffic congestion
  - Improving air quality
  - Financing expansion
- Eligible Facilities
  - An existing facility that collects tolls
  - An existing facility that serves HOV's
  - A facility modified or constructed to create additional tolled lane capacity
  - A new lane on a non-tolled facility

Express Lanes Demonstration Program: Section 1604 (b)

- Allows tolling new or existing Interstate highway, bridge, or tunnel facilities
- Variable pricing is required

Express Lanes Demonstration Program: Section 1604 (b)

- Automation – Tolls must be collected using non-cash electronic technology
- Interoperability Rule: The Secretary must specify standards on automatic toll collection systems (applies to all programs under Section 1604)

SAFETEA-LU Section 1121: HOV Facilities

Jessie Yung,

FHWA Office of Operations

SAFETEA-LU Section 1121: HOV Facilities

- Replaces Section 102 (a) of 23 U.S.C. with a new Section 166.
- Occupancy requirement:
  - No fewer than 2 occupants per vehicle with a few exceptions.

Exceptions

- Motorcycles and bicycles
- Inherently Low-Emission Vehicles
- Public transportation vehicles
- **High occupancy toll vehicles**
- Low emission and energy-efficient vehicles

HOT Lanes

- States permitted to create HOT lanes
- Establishes a toll program
  - Automatically collect toll
  - Varying toll amount based on demand
- Low emission and energy-efficient vehicles may be tolled

Certification

- Performance Monitoring and Enforcement Programs
- Limit or discontinue use of the facility by exempted vehicles if facility is degraded.
- Annual certification

HOV Operational Performance

- HOV facility management:
  - 45 MPH for HOV facility with a speed limit of 50 MPH or greater
  - Not more than 10 MPH lower for facility with speed limit less than 50 MPH

Rulemaking

- EPA Administrator must issue a final rule establishing requirements and guidelines for certification of vehicles as low emission and energy-efficient vehicles by February 6, 2006.

Next Step

- Revised Federal-Aid Highway Program Guidance on HOV Lanes will be published in Federal Register for public comment.

The Value Pricing Pilot Program

Patrick DeCorla-Souza

FHWA Office of Policy and Governmental Affairs

Background

- Congestion Pricing Pilot Program authorized through ISTEA in 1991.
- Value Pricing Pilot Program authorized through TEA-21 in 1998.
- Reauthorized under SAFETEA-LU in 2005.

Why?

- Reduce congestion
- Enhance efficiency of the transportation system
- Promote state and local efforts to test and implement innovative pricing approaches

Program Funding

- $11 Million in FY2005
- $12 Million in FY2006-2009 (each year):
  - $3 Million for projects not involving tolls
- 80% Federal share, with 3 years (max.) support per project
- To support pre-implementation, implementation or evaluation

Program Slots

- 15 state and local value pricing programs allowed
- 14 states are currently participating
- Each state may have an unlimited number of projects
- Projects may include tolls on Interstate highways

Project Types

- Comprehensive applications: areawide and multiple facilities
- Shifts from fixed to variable tolls
- Pricing to supplement or supplant tax-based funding
- Credit-based pricing:
  - FAIR Lanes, FAIR Highways, FAST Miles, other
- Projects not involving tolls

Deadlines for FY 2006 Funding

- Expression of Interest:
  - January 31
- Full proposal:
  - March 31

Interstate System Construction Toll Pilot Program

Greg Wolf

FHWA Office of Infrastructure

Interstate System Construction Toll Pilot Program

- New program in SAFETEA-LU, 1604 (c)
- Allows 3 new Interstate facilities to be tolled
- Used to fund new construction
- Tolling must be the most efficient & economical way to advance the project

Interstate System Reconstruction & Rehabilitation Pilot Program

Greg Wolf

FHWA Office of Infrastructure

Interstate System Reconstruction & Rehabilitation Pilot Program

- Continues unchanged from TEA-21
- Allows 3 existing Interstate facilities (highway, bridge, or tunnel) to be tolled
- Facilities must be in separate states

Interstate System Reconstruction & Rehabilitation Pilot Program

- Used to fund reconstruction or rehabilitation
- Facility could not be maintained or functionally improved without toll revenues

Section 129 Agreements

Greg Wolf

FHWA Office of Infrastructure

Sec. 129 Tolling Authority

- 23 USC Section 301 prohibits the tolling of highways constructed with Federal-aid funds.
- Exceptions to Section 301 are provided in 23 USC Section 129…

Sec. 129 Tolling Authority

Five Toll activities eligible for Federal funding under 23 USC 129:

1. Initial construction, except Interstate
2. Reconstruct or rehab. on existing toll facilities
3. Reconstruct or replace free bridges and tunnels
4. Reconstruct free highways, except Interstate
5. Feasibility studies of above

Summary: Demand Management vs. Financing

Demand Management	Financing
■HOV to HOT ■Value Pricing Pilot ■Express Lanes	■Section 129, USC ■Interstate Pilots for Reconstruction and for Construction

FHWA Tolling and Pricing Team

- *Coordinates* programs within FHWA
- *Directs* public entity to the “best fit”
- *Coordinates* FHWA program offices and FHWA field offices
- *Establishes* performance goals, monitors achievements.

An “Expression of Interest”

- Received by the Tolling and Pricing Team
- Briefly articulates project request
- Helps “Team” manage available slots
- Can be prepared and submitted electronically using template

The Website

- http://www.ops.fhwa.dot.gov/tolling_pricing/index.htm
  - Programs
  - Resources
  - Tolling and Pricing Team
  - Questions and Comments
  - Submit an Expression of Interest