



U.S. Department of  
Transportation

# Congestion Pricing and the Urban Partnership Agreement

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# The Crisis of Congestion Costs to the Nation

- The financial cost of congestion:
  - 4.2B hours of delay and 2.9B gallons of wasted fuel / year\*
  - Almost \$200B after accounting for unreliability, inventory, and environmental costs across all modes\*\*
- Congestion hurts family and civic life, impacting:
  - Where people live and work
  - Where they shop
  - How much they pay for goods and services



Congestion on I-95 in Northern Virginia

\* Texas Transportation Institute, 2007 Urban Mobility Report

\*\* USDOT internal analysis



# The Crisis of Congestion

## Costs to Los Angeles-Long Beach-Santa Ana



	2005	% chg. 1982-2005
Total congestion cost	\$9.3 billion	+470%
Cost per peak traveler	\$1,374	+235%
Hours of delay	491 million	+176%
Delay hr. / peak traveler	72	+60%
Excess fuel consumed (gal)	384 million	+210%
Excess fuel / peak traveler (gal)	57	+84%



# Congestion Pricing in Brief



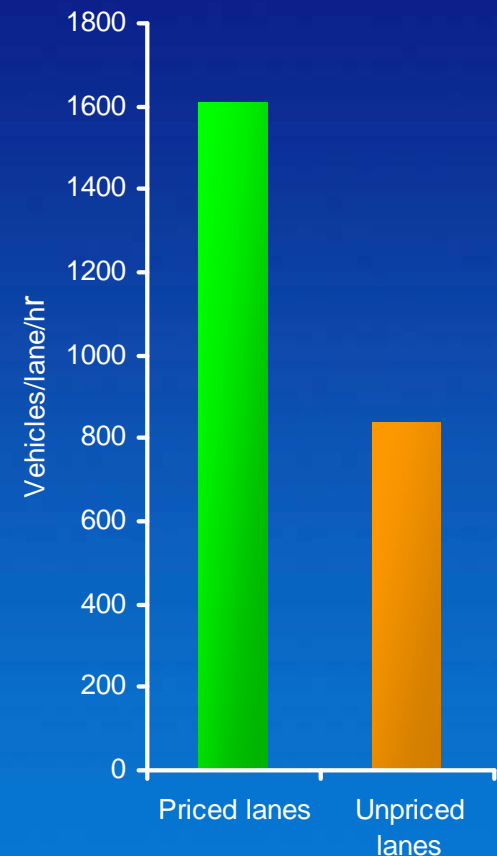
- Goal
  - Maintain free-flow conditions on highways
- Key elements
  - Direct user charge based on use of facility
  - Charge varies based on level of congestion
  - Toll collection via electronic means (no toll booths)
  - Different configurations (cordon pricing, HOT lanes, etc.)
- Rationale
  - Demonstrated impact on congestion
  - Quick, cost-effective implementation
  - Takes advantage of travel time flexibility (most rush hour drivers aren't commuters)
  - Consensus among economists that it is the single most viable approach to reducing congestion



# Benefits of Congestion Pricing

- Increased vehicle throughput
  - CA SR-91 priced lanes carry twice as many vehicles/lane during rush hour as the adjacent toll-free lanes
- Reduced traffic and increased travel speeds
  - *London*: delay ↓30%, bus delay ↓50%, road speed ↑37%
  - *Stockholm*: traffic ↓25%, transit ridership ↑8%,
  - *Singapore*: peak hour traffic ↓13%, road speed ↑20%
  - *Minneapolis*: 85% of users happy with priced lanes' traffic flow
- A little less traffic can mean a lot less delay

Peak period throughput on California SR-91, priced vs. unpriced lanes



# The Price of Reliability?



- If properly adjusted over time, variable tolls could guarantee the average driver “free-flow” speeds of 60 MPH on most highways in major metro areas ...
- ... for less than the price of a cup of coffee (\$2.50 / trip)\*

\* USDOT internal analysis



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# Domestic Examples of Congestion Pricing



I-394 MnPass Express Lanes allow single occupancy cars to use 11 miles of carpool (HOV) lanes between downtown Minneapolis and the western suburbs. Fees vary every 6 min. based on real-time traffic levels.



Express Lanes on California SR-91 charge all users of the 10-mile stretch between Anaheim and Riverside, with discounted rates for cars with 3+ occupants.



Single occupancy cars pay to use an 8-mile (FasTrak) stretch of I-15 outside of San Diego. Some of the proceeds are used to fund transit projects and operations. Fees vary based on real-time traffic levels.



# Public Supports Pricing as Alternative to Congestion

- Nearly 60% of those surveyed said that allowing single occupancy cars to use HOV lanes on I-394 in Minnesota is a “good idea”
- Only 5 months after downtown cordon pricing was introduced in Stockholm, over 60% of those surveyed supported it
- Over 70% of respondents in a California SR-91 survey supported allowing solo drivers to bypass congestion by paying a fee to use the HOV lane
- By a 2-to-1 margin, respondents to a 2005 Washington Post poll preferred tolls over taxes for financing highway construction or expansion





# USDOT's Urban Partnership Agreement (UPA)

## The Four "T's":

1. Tolling (congestion pricing) - Establishment of a variable tolling/pricing demonstration
2. Transit - Utilization of cost-effective transit options such as Bus Rapid Transit (BRT)
3. Telecommuting - Expansion of telecommuting and flexible work schedules
4. Technology and Operations – Using cutting edge approaches to improve system performance

## What USDOT Brings:

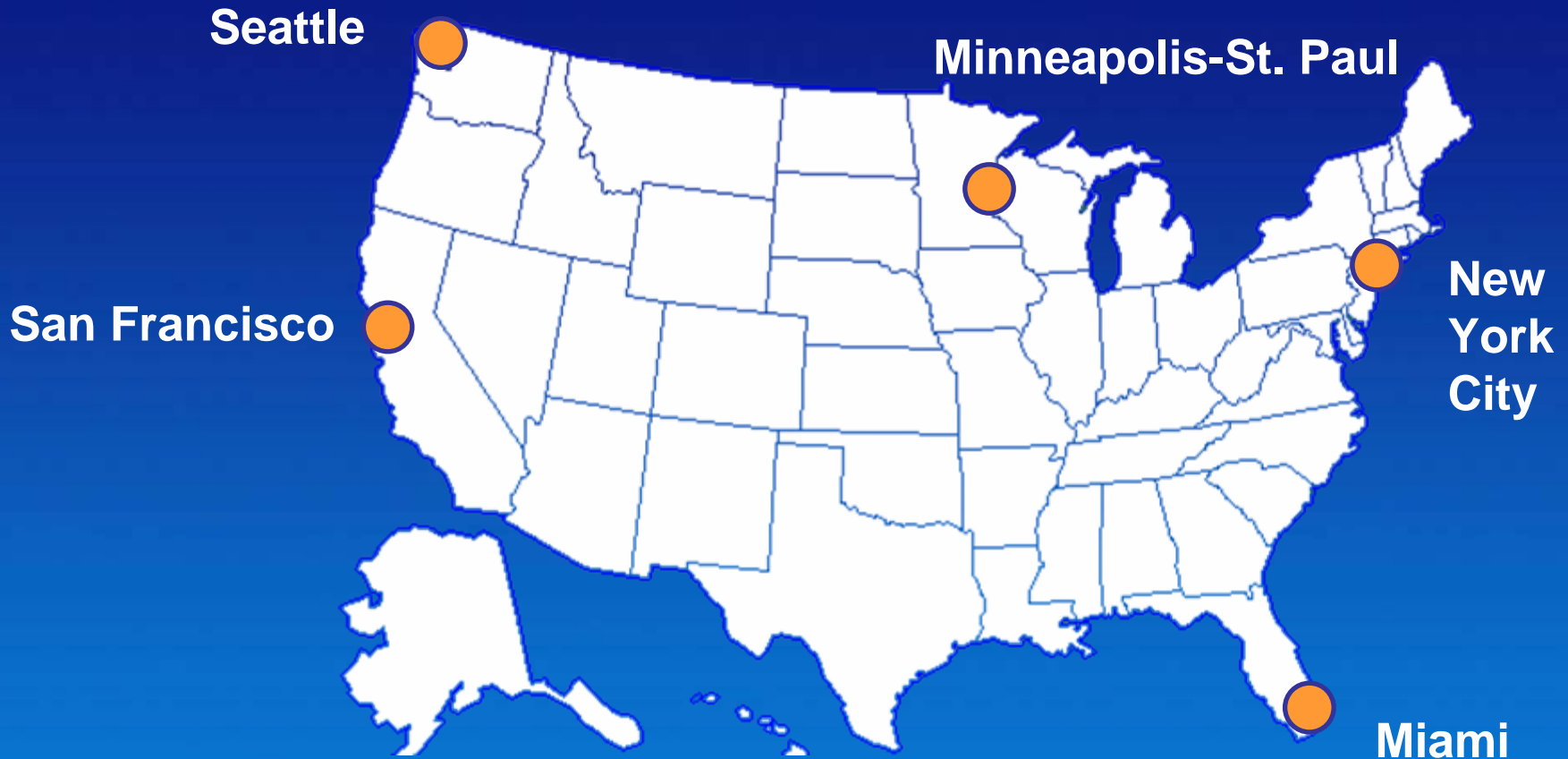
1. Financial resources (grants, loans and borrowing authority)
2. Expedited Federal approvals
3. Dedicated resources, expertise and personnel



# 4/07: 26 Metro Areas Apply to the UPA Program



# 8/07: USDOT Designates 5 Areas as Urban Partners, Announces Intent to Allocate to Them \$850M



# Next Steps



- By early 2008 DOT will finalize program-specific grant agreements with each Urban Partner
- No drawdown of funding until conditions are met
  - Enactment of legislative authority for pricing projects
  - Implementation of related “local projects”
  - All projects in operation by September 30, 2009
- Project evaluation (for each Partner + program-wide)
- Possible solicitation of more metro area proposals for pricing and complementary transportation solutions







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# Questions, Comments, and Discussion

