



**REGULAR BOARD MEETING  
JULY 24, 2008**

**SUBJECT: LOS ANGELES COUNTY CONGESTION REDUCTION DEMONSTRATION INITIATIVE**

**ACTION: AMEND THE CONGESTION REDUCTION DEMONSTRATION INITIATIVE MOU WITH USDOT AND AMEND THE 2001 LRTP**

**RECOMMENDATION**

Authorize:

- A. The Chief Executive Officer to amend the existing Congestion Reduction Demonstration Initiative Memorandum of Understanding (MOU) with the United States Department of Transportation (USDOT) to change the near-term focus of the conversion of high occupancy vehicle (HOV) lanes to high occupancy toll (HOT) lanes and related transit improvements to Interstates 10 and 110, rather than Interstates 10 and 210; and
- B. An amendment to the 2001 Long Range Transportation Plan (LRTP), as reflected in Attachment A, to remove the I-210 as one of the initial corridors for conversions from HOV lanes to HOT lanes and include the I-110 corridor as a replacement for the I-210 in the demonstration pilot project referenced in the 2001 LRTP.

**ISSUE**

At its April 24, 2008 meeting, the Board authorized execution of an MOU between LACMTA and USDOT outlining the terms of a Congestion Reduction Demonstration Project (Demonstration Project). The original MOU called for a Demonstration Project that would have converted the existing HOV lanes on Interstates 10 and 210 to HOT lanes and implement certain additional transit improvements. The HOV lanes on Interstate 110 were also planned to be converted to HOT lanes, subject to the availability of financing.

In coordination with Caltrans District 7 and our team of consultants, we have proceeded with further technical studies and analysis of the Los Angeles County Congestion Pricing Operating Plan and concurrent research in support of the Demonstration Project. As a result of these studies and analysis, the carpool lanes on the Interstate 110 Corridor have emerged as a more viable candidate for successful near-term demonstration of the benefits of HOT lane conversion for the following key reasons:

- The existing I-110 carpool lanes have excess capacity and will provide benefits to motorists without having to impact current carpoolers – current carpooling arrangements would remain cost-free;
- The carpool lanes are clearly designated, readily enforced, and meet design standards; and
- There is frequent, high-quality transit service in the corridor that provides a viable alternative for drivers. Bus lanes present on both Interstate 110 and 10 provide an opportunity to improve connectivity.

At its June 26, 2008 meeting, the Board amended the 2001 LRTP to include a congestion pricing demonstration pilot project that would initially convert existing HOV lanes into HOT lanes along the I-10 and I-210. Since adoption of this amendment, further technical studies indicated that the I-110 corridor is a more viable candidate for HOT lane conversion. As a result, an amendment to the 2001 LRTP is required to replace the I-210 with the I-110 as one of the initial corridors to be converted into HOT lanes as part of the congestion pricing demonstration pilot project.

### **POLICY IMPLICATIONS**

The Interstate 110, or Harbor Freeway, has always been a part of the Demonstration Project. Initially, we planned to first implement the Demonstration Project on the Interstate 10 and 210 corridors, and then on the Harbor Freeway, subject to availability of financing. However, the carpool lane on Interstate 210 is currently overburdened and deteriorating, with no available existing capacity to sell to solo drivers. While all three corridors will remain a part of the Demonstration Project, the amended MOU will change the initial focus to the I-110 and I-10 freeways. The conversion of HOT lanes on the Interstate 210 would remain as part of the overall plan, subject to availability of financing.

### **OPTIONS**

The Board could choose not to approve the recommendation. However, staff does not recommend this option because implementing the project on the I-210 freeway likely would require us to charge two-person carpools, which currently operate free of charge, in order to generate additional capacity. There are also concerns that carpoolers on the I-210 could shift into the mixed flow lane to avoid a toll, thereby causing further congestion. It is also likely that continuing to focus on the I-210 in the first phase could complicate the legislative approval process required to secure the USDOT funding, putting the \$210.6 million at greater risk. It should be noted that the I-210 remains in the Congestion Reduction Demonstration Program, and that Caltrans District 7 also has other ongoing and planned improvements in the corridor to help address congestion for those using the I-210.

Implementation on the I-110 does not raise the same concerns regarding impact on existing carpoolers, and provides an opportunity to demonstrate successfully, a new way for Los Angeles to manage its ever-increasing traffic on a major north/south corridor.

## **FINANCIAL IMPACT**

The funding to complete the activities required to amend the MOU are included in the FY09 budget in Cost Center #4440 Programming and Policy Analysis, Project #405548 Congestion Pricing.

## **BACKGROUND**

The execution of the amendment of the MOU would allow the Chair and the CEO to negotiate with the USDOT specific grant agreements required to access \$210.6 million in grants that USDOT may approve from the Bus and Bus Facilities Program for a variety of projects, including bus purchases and park and ride lots, among other transit facilities. In return, we would convert existing HOV lanes to HOT lanes along specific sections of Interstate 10 and 110. Among the conditions specified in the amendment is a provision that we would also convert existing HOV lanes to HOT lanes along I-210 subject to financing availability. In addition, the state enabling legislation will be required to provide that if the existing excess capacity of the I-110 becomes degraded such that sale of space to single vehicle users becomes unworkable, charges would automatically be imposed on all HOT lane vehicles carrying fewer than three occupants. Grants would be subject to us receiving the necessary legal authority by October 15, 2008 to implement the HOT lanes.

USDOT is supportive of this shift of focus. Its stated primary interest lies in promoting a successful demonstration of new congestion reduction techniques in Los Angeles, and it is in agreement that the selection of I-10 and I-110 for the initial demonstration phase presents a greater opportunity for success that includes improved connectivity and patron choices for major east/west and north/south corridors concurrently.

At its June 26, 2008 meeting, the Board approved incorporation of revisions to the 2001 LRTP, which added new language for tolls/congestion pricing consistent with the Board approval of the USDOT MOU in April 2008. The recommended action allows for the 2001 LRTP to be consistent with the proposed amended MOU.


## **NEXT STEPS**

Upon approval of the recommendation, we will amend the MOU with the USDOT and continue discussions to secure the \$210.6 million in federal funds for Los Angeles County. We will return to the Board to secure programming and project approval actions for the implementation of the conversion and transit projects as appropriate.

## **ATTACHMENTS**

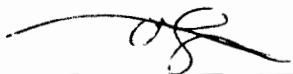
A Proposed Amendment to the 2001 Long Range Transportation Plan

Prepared by: Stephanie Wiggins, New Business Development Consultant



---

Roger Moliere  
Chief, Real Property Management & Development



---

Roger Snoble  
Chief Executive Officer

## ATTACHMENT A: Amendment to the 2001 Long Range Transportation Plan

Approved by the Metro Board of Directors at their June 26, 2008 meeting:  
Incorporate revisions adding a new two-page spread to the 2001 LRTP document containing language for tolls/congestion pricing. This new language follows below:

Public resources are extremely limited and more could be done if new funding becomes available. As funds generated from traditional federal and state sources are limited, it is important to look at new locally-controlled sources or alternative project delivery methods to meet our future mobility and air quality needs. While we are exploring a variety of options, congestion pricing has emerged as a particularly noteworthy strategy.

Congestion pricing is a travel demand management strategy that has the potential for assisting Los Angeles County in meeting its mobility, air quality, and funding challenges. It is the concept of charging a fee for the use of a transportation facility based on the level of demand.

According to the US Department of Transportation, key congestion pricing benefits include reductions in delay, an increase in predictability of trip times, improvements to transit speed and reliability of service, increases in transit ridership, reductions in fuel consumption and vehicle emissions, and increased revenues for transportation improvements. Managing travel demand through congestion pricing has been successfully implemented in other cities across the nation and around the world. The closest examples are in Orange County on SR-91 and San Diego County on I-15.

Since June 2007, we have been pursuing congestion pricing initiatives by partnering with Caltrans, SCAG, and other agencies to develop a congestion pricing demonstration project. As a result of these united efforts, the US Department of Transportation has awarded Los Angeles County \$210.6 million in federal funds to implement the Los Angeles Region Congestion-Reduction Demonstration Initiative.

Funding from this Initiative will implement a demonstration pilot project that would initially convert existing high occupancy vehicle (HOV) lanes to high occupancy vehicle toll (HOT) lanes along I-10 and ~~I-110 I-210~~. HOT lanes on the ~~I-210 I-410~~ may also be developed subject to future financing availability. Vehicles that do not meet the minimum passenger occupancy would be charged a fee for access to the HOT lanes for these facilities. Buses and vanpools would be allowed to access for free. Carpools may also have free access depending on the number of people in the vehicle and level of congestion. A fee structure would be designed to keep traffic on the HOT lanes moving at speeds of at least 50 mph. These fees would vary by time of day and level of traffic congestion, with higher charges during peak-periods.

Revenues collected from the HOT lane fees would pay for HOT lane operating and maintenance expenses, and would also be used for improvements along the facility corridors. These improvements could include additional transit facilities and service, such as purchasing buses, enhancing transit centers and maintenance facilities, and expanding park and ride facilities.

Much work will be done to outreach to the public over the next several years as we move forward with this demonstration project. This project is anticipated to be implemented by December 2010 and to be in operation as a demonstration project for a one-year period. Upon its completion, the success of the project will be evaluated to determine if it should be continued and if similar projects could be implemented in other parts of the County.