



Portland Metro Area Value Pricing Feasibility Analysis

Frequently Asked Questions

DATE: February 14, 2018

Q: What is the problem?

A: Drivers in the Portland metro area experienced nearly a 14 percent increase in hours of congestion between 2013 and 2015. This congestion impacts the economy through delayed movement of goods and services, and compromises reliability and certainty for employers and employees. Sitting in cars or buses, late for work or family commitments, also hurts our quality of life. As congestion grew, vehicle hours of delay increased almost 23 percent between 2013 and 2015. Bottlenecks and related crashes are also increasing. Commuters, business travelers, freight haulers and others now struggle to plan consistent departure and arrival times. Congestion will continue to grow, even as the region works to implement billions of dollars of transit, freight, bicycle, pedestrian and highway projects.

Q: What is ODOT doing to address congestion?

A: There are many ongoing efforts to address congestion in the Portland metro area. House Bill 2017, known as *Keep Oregon Moving*, passed by the Legislature in 2017, invests billions of dollars in transit, bicycle and pedestrian and highway projects that will improve the transportation system in the region and statewide.

In HB2017 the Legislature directed the Oregon Transportation Commission (OTC) to develop a proposal for value pricing (also called congestion pricing) as another way to address congestion in the Portland metro area. The OTC must seek approval from the Federal Highway Administration by Dec. 31, 2018 to implement value pricing along I-5 and I-205 in the Portland metro area. After the 2018 proposal is submitted, next steps will likely include additional public outreach; environmental, traffic, and revenue analysis; and development of an agreement with FHWA.

Q: What is 'value pricing'?

A: Value pricing is used by many industries—including utilities, sporting venues and movie theaters—to adjust prices based on the time of day or level of demand for their goods and services. When applied to congestion management, the terms value pricing and congestion pricing are used. Congestion pricing is the implementation of a user fee to manage traffic congestion. A higher fee is charged during more congested times of the day, which encourages some drivers to consider using other travel options such as alternate routes, carpools, transit or travel at less congested times. This improves mobility for all travelers who pay the fee, and potentially for the entire system. Fees are collected electronically so drivers do not have to stop at toll booths.

**Q: What corridors are being evaluated for congestion pricing?**

A: The 2017 Oregon Legislature directed the OTC to develop a proposal for congestion pricing on Interstate-5 and Interstate-205 in the Portland metro area from the state line to the junction of the two freeways just south of Tualatin, with the stated purpose of reducing congestion. A feasibility analysis is underway to understand the locations on I-5 and I-205 that are best suited for congestion pricing.

Q: What is the goal of the Value Pricing Feasibility Analysis?

A: The goal of the Value Pricing Feasibility Analysis is to develop a congestion pricing proposal, with input from stakeholders and the public, that will reduce congestion on I-5 and I-205 and meet the Oregon Legislature's schedule for the OTC to submit a proposal to FHWA by the end of 2018.

Q: Is 'value pricing' just a technical term for tolling?

A: Value Pricing is an umbrella term that includes multiple strategies, one of which is tolling. Value pricing can include the use of tolls to manage congestion, such as priced lanes or pricing on an entire highway, or it may include techniques that do not involve tolls, such as parking pricing. Value pricing is used by many industries—including utilities, sporting venues and movie theaters—to adjust prices based on the time of day or level of demand for their goods and services.

Q: What is the difference between 'congestion pricing' and 'value pricing'?

A: The terms are used interchangeably to describe a strategy to reduce congestion with user fees that are higher during peak travel times.

Q: What types of pricing tools will be considered during this analysis?

A: The main types of congestion pricing tools that are being considered include:

- Priced lanes, in which drivers can choose to pay to use a lane and save time, or use an adjacent, unpriced lane.
- Priced roadways, a concept under which all lanes would be priced to manage congestion.

Both types of value pricing tools could be applied to the entire highway or to specific highway segments. Implementation of priced lanes in the Portland metro area would require a decision about whether to construct new lanes or convert general travel lanes.



Q: How are congestion pricing fees collected?

A: Fees are collected electronically so drivers do not have to stop at toll booths. There are several different methods used in congestion pricing systems throughout the world, including the use of transponders, a device that collects fees electronically as you drive through priced roadways, and license plate recognition technology. The most appropriate technology for the Portland metro area will be determined at a later stage.

Q: How will ODOT use the revenue collected through congestion pricing?

A: Under the Oregon Constitution, State Highway Fund fees and taxes must be spent on roadway projects, which could include travel lanes, bicycle and pedestrian facilities, or transit improvements such as enhanced transit stops. The Keep Oregon Moving legislation (House Bill 2017) established a Congestion Relief Fund, which would receive any net proceeds from value pricing. Specific decisions as to how to assign money raised for the Congestion Relief Fund will be determined later.

Q: What will be the price of the fee?

A: Determining the fee is not part of the scope of this feasibility analysis. The price will be based on a variety of factors and policy decisions considered through future analysis.

Q: Why does Oregon have to seek federal approval?

A: The level of approval needed will depend on the pricing proposal developed by the OTC, the tolling authority in Oregon. Federal law restricts where tolling can occur, particularly on interstate highways. Federal law generally only allows new tolls on interstate highways like I-5 or I-205 when reconstructing or replacing a bridge, tolling a new lane, or converting a carpool (high occupancy vehicle) lane to a high occupancy toll lane. ODOT may seek authority to toll under the federal Value Pricing Pilot Program, which allows FHWA to waive some restrictions on tolling.

Q: Would charging some drivers to travel on the interstate really relieve congestion?

A: Congestion pricing is a proven tool to manage congestion, and there are nearly 40 congestion pricing projects in operation in the U.S. In the Seattle metro area, pricing is in place on the SR-520 floating bridge and a segment of I-405. Congestion pricing helps reduce the effects of congestion by encouraging some drivers to make different choices, which then results in faster travel times and greater reliability for those that pay the fee.



Q: Will drivers in the Portland metro area get a voice in the process and proposal that the OTC develops?

A: Yes. ODOT is holding a region-wide public conversation about value pricing through open houses, stakeholder meetings, surveys and online engagement.

Additionally, a Value Pricing Policy Advisory Committee (PAC) has been established that includes more than 20 representatives from local governments from Oregon and Washington, environmental, business, social justice and equity advocates and other highway users to learn about congestion pricing options, discuss them with their networks and share their opinions. The PAC will consider public comment, technical analysis, and other factors that will inform their recommendation to the OTC. The OTC then will submit a proposal to the Federal Highway Administration by Dec. 31, 2018.

ODOT wants to ensure that all perspectives are [heard](#) to inform the OTC in its development of a proposal to the federal government.

Q: How might congestion pricing affect low-income populations and communities of color?

A: Potential benefits and impacts to specific geographic areas and communities will be analyzed as part of the value pricing technical analysis. Benefits could include increased trip reliability and faster trips for autos and buses using priced lanes. ODOT is also considering the potential impacts of value pricing on vulnerable populations. The potential adverse effects of tolling on low income drivers and communities located adjacent to the priced lane(s) are among the most important considerations that the OTC has asked the PAC to consider.

In addition to the technical analysis, ODOT is directly engaging minority, low-income and immigrant community members through discussion groups and stakeholder interviews. Many of these meetings will be translated by interpreters and [translated materials](#) are available.

Q: What is the PAC expected to recommend to the OTC?

A: In summer 2018, the PAC will deliver its recommendation on congestion pricing strategies to the OTC, the tolling authority in Oregon. The PAC will provide a recommendation on: Which locations on I-5 and /or I-205 are best suited to implement value pricing; what type of value pricing should be implemented; and what mitigation strategies should be pursued to reduce impacts on environmental justice communities or adjacent communities. The recommendation will be based on consideration of:

- Traffic operations Improvements
- Diversion of traffic onto other routes
- Adequacy of transit service as an alternative
- Equity impacts



- Impacts on the community, economy, and environment;
- Consistency with federal, state and regional law and policy;
- Potential revenue and costs
- Public input
- Potential to alter the expected delivery schedule for a project on the corridor.

Q: What is the timeline for the PAC?

A: The [PAC](#) is expected to meet six times between November 2017 and June 2018. All meetings will be advertised in accordance with public meetings laws. Information on ODOT's website will be updated regularly with meeting dates and to reflect the work of those meetings.

Q: Where can the public go for up-to-date information and to provide comments about congestion pricing?

A: The latest information is posted on the project website at www.ODOTValuePricing.org. Comments and questions can be submitted at any time to ValuePricingInfo@odot.state.or.us or by phone to (503) 610-8595. Information about the PAC and meeting materials are provided on the PAC webpage, www.odotvaluepricing.org. Public comment directed to the PAC can be submitted by emailing ValuePricingPAC@odot.state.or.us.

Q: What happens after the feasibility analysis in order to implement congestion pricing?

A: Next steps will be determined with the FHWA and depend on the type of congestion pricing concept selected to move forward. After the feasibility analysis is completed at the end of 2018, we expect that ODOT will conduct additional public outreach and environmental analysis under the National Environmental Policy Act and prepare documentation required as part of the FHWA systems engineering process for developing traffic management and toll systems. At this point, it is not known if the proposal will require approval by the U.S. Secretary of Transportation before Oregon would have permission to deploy value pricing on I-5 and I-205.

Q: Will Washington residents have to pay tolls that will be used for road projects in Oregon?

A: The congestion pricing concepts being considered would apply to all drivers/vehicles that choose to use the freeways during congested periods, regardless of the state of residence, just as it is in the Puget Sound region.

The location(s) for congestion pricing have not been selected. Location(s) will be determined as an outcome of this process. If the northern segments of I-5 and I-205 within Oregon are identified as suitable locations, then Clark County drivers, and all other drivers, would pay the toll. If southern segments of I-5 and/or I-205 are priced, a smaller proportion of Clark County drivers might be affected.