

## Glossary of Terms, Abbreviations, and Acronyms

*Amortization* – A financial term referring to terms of a loan where the provision is made in advance for the gradual reduction of an amount owed over time.

*Area pricing* – A tolling approach where vehicles are charged a fee to travel within a high activity center, such as a downtown or business district. Prices may vary by time of day to encourage motorists to enter the zone during less busy times or to use transit. An example is Fareless Square in Portland, where transit is available for free to discourage short-term and short-distance auto travel within the business district.

*Bus rapid transit (BRT)* – High-frequency bus service on dedicated lanes that are separate from general travel. BRT combines the advantages of rail transit – exclusive right-of-way to improve punctuality and frequency – with the advantages of a bus system – low implementation costs and flexibility to serve lower density areas.

*Congestion pricing* – An overarching term used to describe measures that reduce congestion by charging drivers tolls that vary by time of day or traffic volumes.

*Consumer surplus* – In economics, the difference between the price a consumer pays for an item and the price she would be willing to pay rather than do without it.

*Cordon pricing* – A pricing scheme whereby vehicles entering a high activity area are charged a fee when they cross the boundary line into the activity center. Motorists are charged each time they cross the cordon line. Prices could vary by time of day, to encourage motorists to enter the cordon zone during non-peak periods or to make peak trips using transit. This is similar to area pricing, distinguished by the toll being charged for crossing the cordon line rather than for driving within the cordon zone.

*Cost-benefit analysis (CBA)* – An analytic technique used in determining the economic value of a project or plan. Costs and benefits are typically denominated in dollars and include the money, time, resources, and consequences associated with a project or activity.

*Distance-based tolls* – Fixed toll rates based on distance traveled and vehicle type.

*Diversion* – The result of people making different travel choices, in this case as a result of a toll. Diversion can refer to taking different routes, or changing modes, travel time or destination.

*Dynamic congestion pricing* – Tolls that change based on real-time travel conditions. For example, when traffic volumes go up, so do the tolls. Rates are lowered as demand eases.

*Economic impact analysis (EIA)* – A comprehensive assessment of direct, indirect and induced economic impacts that takes into account the system-wide, sectoral effects of productivity improvements, expanded access to jobs and markets, and effects of improved reliability on business operations.

*Elasticity* – The price elasticity of demand measures the nature and degree of the relationship between changes in quantity demanded of a good and changes in its price. High elasticity

implies high sensitivity to changes in price while low elasticity, often referred to as inelasticity, means low sensitivity to price changes.

*Electronic toll collection (ETC)* – Using technology to collect tolls from drivers without requiring them to stop and make cash payments.

*Equity* – The idea that all travelers are of equal standing, and should be considered in the development of toll policy. Social, geographic and income equity are examples of equity issues that arise in toll policy development and implementation.

*Express toll lanes* – Limited access, normally barrier-separated highway lanes requiring drivers of all vehicles to pay toll in order to use the facility. All tolls are collected electronically.

*Fixed tolls* – Toll rates that don't change. They are typically used to pay for the bridge or road on which they are charged. Trucks pay more than cars.

*Fixed-schedule congestion pricing* – Tolls charged at predetermined rates reflective of demand levels at different times of day; rates can be based on hour of the day, day of the week, direction of travel and vehicle type.

*Gas tax* – A state levied tax on the consumption of gasoline. Currently the primary means of financing highways in Oregon.

*Greenhouse gas emissions* – The generation and emission of gases, such as carbon dioxide, methane, nitrous oxide and halocarbons, which accumulate in the atmosphere and have a long residence time, leading to a surface warming of the land and oceans.

*High occupancy vehicle (HOV)* – A vehicle containing more than one person.

*High occupancy vehicle (HOV) lane* – A travel lane restricted to transit and carpool vehicles meeting occupancy requirements of two or three people per car. HOV lanes are meant to carry more people in less space than general purpose lanes.

*High occupancy toll (HOT) lanes* – Travel lanes restricted to either qualifying HOVs or solo drivers willing to pay a toll. The toll typically varies by time of day or traffic levels and is collected electronically.

*Investment grade* – The top four rating categories for bonds. Important to tolling, as special, independent analysis of the revenue generating capacity of a particular toll project may be required for bond issuance.

*Managed toll lanes* – Any toll lane that uses variably priced tolls to maintain superior, less congested travel conditions.

*Mileage-based fee or mileage tax* – A tax on vehicle use based upon miles driven rather than fuel consumption.

*Non-recurrent delay* – A type of travel delay that occurs because of incidents, and is therefore not as predictable as recurrent delay caused by traffic exceeding capacity, bottlenecks, or other infrastructure problems.

*Open road tolling* – Use of electronic toll collection methods to keep traffic moving, as opposed to making people stop at toll booths to pay the toll.

*Opportunity cost* – In economics, the value of the next-highest-valued alternative use of a given resource.

*Parking policies* – Adopted means of managing access to a particular locale by changes in the price of parking.

*Peak period* – The busiest travel time of the day, also known as commute time or rush hour. There are typical two peak periods each weekday – the morning and afternoon commute times.

*Public-Private Partnerships (PPPs)* – Contractual agreements formed between a public agency and private sector entity, which expand on the traditional private sector role in the delivery of transportation projects. PPPs are particularly prevalent for tolling projects.

*Pricing* – A tolling concept where the level of toll (price) is used to change travel behavior.

*Public good* – In economics, a good that is non-rival and non-excludable. This means consumption of the good by one individual does not reduce the amount of the good available for consumption by others, and no one can be effectively excluded. A non-congested public highway can be considered a public good.

*Recurrent delay* – A type of highway delay that occurs regularly due to too much traffic and/or geometric constraints.

*Single occupancy vehicle (SOV)* – A vehicle containing only one occupant.

*State Infrastructure Bank (SIB)* – An ODOT-managed revolving loan fund available for transportation projects.

*System-wide tolling* – Implementing tolls on highways and major arterials to reduce congestion, minimize route diversion and increase transportation revenues.

*Theory of the Second Best* – In economics, a theory of what happens when one or more optimality conditions are not satisfied in an economic model. It implies the need to study the details of a situation prior to assuming theory-based conclusions, because improvements in market performance in one area may not mean an overall improvement. This is significant in congestion pricing schemes where theoretically optimal conditions are likely to be unachievable.

*Time-of-day pricing* – A tolling approach that varies by the time-of-day in order reduce congestion at peak hours; rates are higher at peak hours than at off-peak.

*Tolling* – Charging a price to use a road, bridge or tunnel.

*Toll Revenue Bonds* – A type of municipal bond where the principal and interest are secured by tolls paid by the users of the facility that is built with the proceeds of the bond issue.

*Travel-demand forecasting* – The analytical estimation of future travel volumes and patterns, typically performed with computer models. There are four basic components: (1) trip generation – predicting the number of trips that will be made; (2) trip distribution –

determining where the trips will go; (3) mode usage – how the trips will be divided among available modes of travel; and (4) trip assignment – predicting which routes the trips will take, resulting in highway system and transit ridership forecasts.

*Travel demand management* – The application of techniques that affect when, how, where, and how much we travel, done in a purposeful manner by government or other organizations. The techniques include education, policies, regulations, or other combinations of incentives and disincentives.

*Truck only toll (TOT) lanes* – Limited access, normally barrier-separated toll lanes available only to trucks for a variably priced toll. All tolls are collected electronically.

*Value of time (VOT)* – One of the most important benefits of road pricing, as well as other transportation projects, is travel time savings. What these savings are worth to motorists can vary by income, gender, age, trip purpose, mode used, length of trip, uncertainty of travel time, and other factors. This in turn implies analytical difficulties in applying values to given situations.

*Value pricing* – Toll rates that vary in direct proportion to travel demand or congestion on alternative free routes.

*Variable toll* – A toll that changes by time of day, traffic volumes or other factor.