DATE: July 6, 2012

TO: Oregon Transportation Commission

FROM: Matthew L. Garrett
Director

SUBJECT: **Agenda –** Proposed Tolling and Pricing Policy Amendments to the Oregon Transportation Plan (OTP) and the Oregon Highway Plan (OHP)

Requested Action(s):
Adopt Proposed Tolling and Pricing Policy Amendments to the Oregon Transportation Plan. Adopt Proposed Tolling and Pricing Policy Amendments to the Oregon Highway Plan. Adopt the supporting information for the amendments as part of the record, including "Findings of Compliance with Statewide Planning Goals." Rescind the three existing OTC tolling policies.

Background:
The Oregon Transportation Commission (OTC) received an informational update on the development of tolling policies and rules in the January 2012 OTC packet. That update described the extensive background on tolling and pricing work completed by the Oregon Department of Transportation (ODOT) since 2007. ODOT staff prepared Draft Tolling and Pricing Policy Amendments to the OTP and OHP in January 2012. Area Commissions on Transportation (ACTs), OTC-appointed advisory committees, Department of Land Conservation and Development (DLCD), other state agencies and other stakeholder groups have received the draft policies and background information as part of the public outreach effort through meetings, presentations and email distribution.

The 75-day public review and comment period extended from April 1 to June 15. The OTC held a public hearing May 16 on the draft policies that provided the opportunity for interested stakeholders to submit comments and to testify before the Commission.

Interested stakeholder groups have submitted written and verbal comments on the draft policies. These have been compiled in a matrix for the Commission with ODOT proposed responses. Written comments from the Metro-JPACT, AAA-Oregon/Idaho, Oregon Trucking Associations (OTA) and the Federal Highway Administration (FHWA) are provided as part of the public record. The ODOT Tolling Steering Committee and staff have reviewed all comments received and prepared final proposed policy language for Commission consideration.

The three existing OTC tolling policies, adopted in December 2006, may be rescinded with the adoption of the Proposed Tolling and Pricing Policy Amendments to the OTP and OHP. The issues of *Tolling Support Operations* and *Interoperability for Electronic Tolling* are addressed in the proposed

policy. The issue of *Governance of Tolling on State Highways* is in statute ORS 383.004(1) Establishment of tolls; rules.

Background information is available on the Tolling and Pricing website:
http://www.oregon.gov/ODOT/TD/TP/pages/tolling.aspx

Attachments:

Attachment A: Proposed Tolling and Pricing Policy Amendments to OTP, Final, July 6, 2012
Attachment B: Proposed Tolling and Pricing Policy Amendments to OTP, Track Changes, July 6, 2012
Attachment C: Proposed Tolling and Pricing Policy Amendments to OHP, Final, July 6, 2012
Attachment D: Proposed Tolling and Pricing Policy Amendments to OHP, Track Changes, July 6, 2012
Attachment E: Matrix of Public Comments, Written and Verbal, on Proposed Tolling and Pricing Policy Amendments to OTP and OHP with ODOT Proposed Responses, June 15, 2012
Attachment F: Written Comments on Draft Policy
Attachment G: Findings of Compliance with Statewide Planning Goals for Proposed Tolling and Pricing Policy Amendments to OTP and OHP
Attachment H: Record of Outreach for Proposed Tolling and Pricing Policy Amendments to OTP and OHP
Attachment I: OTC Tolling Policies, December 12, 2006

Copies (w/attachments) to:

Jerri Bohard	Erik Havig	Patrick Cooney	Region Managers
Paul Mather	Robert Maestre	Betsy Imholt	Region Area Managers
Dale Hormann	Dave Williams	Rick Munford	Region Planning Managers
Clyde Saiki	Jack Svadlenak	Kathy Lincoln	

NOTE: Order of attachments is different is this file which focuses on the Highway Plan amendment, but does include the OTP and Policy amendments as context/background.

Oregon Highway Plan (OHP) Proposed Amendments

Add the following as a new goal.

<u>OHP Goal 6: Tolling and Congestion Pricing</u>

Overview

Oregon's citizens have become accustomed to public funding of roads through use taxes such as fuel and vehicle fees; they generally understand how these funding mechanisms work, and have built their traveling behavior on the basis of this system. The Oregon financing structure is based on the relationship between beneficiaries and responsibility for funding the road system.

However, roads are perceived by many as a "public good"; that is, roads are accessible to any citizen at any time and the cost of developing, operating and maintaining the system is borne by the population as a whole. Also, everyone benefits from some level of use; even if one does not drive, drives very little, or uses public transportation, they still benefit from a road system being in place as the goods and services that they have access to are delivered via a roadway system.

In Oregon, tolling has been limited to a few Columbia River bridges. The rationale for tolling bridges has been that they are extraordinarily expensive, vehicles have limited travel alternatives, tolls can be collected at one location and those that use the bridge pay for their use.

Highway tolling has two key attributes: 1) it can affect motorist behavior- drivers react to even small changes in price; and 2) tolls generate revenue which may not be obtainable by other means. Around the world, and in the United States, tolling is seeing a resurgence. There are two main drivers: 1) bridges and highways are increasingly expensive to build with limited public appetite for tax increases; and 2) modern electronic tolling technology allows creative new tolling applications that not only raise money, but potentially enhance transportation system performance by altering motorist behavior and, thereby, better managing congestion. Commensurate with this renewed interest, the Oregon Department of Transportation (ODOT) has undertaken a variety of tolling and congestion pricing studies supportive of the policies and strategies below.

The rapid and continuing improvement in tolling and in-vehicle navigation technology also has resulted in making the consideration of tolling in many cases more complex. First, there are a variety of policy objectives beyond the traditional financing of construction of a new road or bridge. Tolling can now be used to relieve congestion, improve the environment or enhance economic development. In fact, the number of possible objectives can be quite large, and in some cases, but not all, can be mutually reinforcing. Second, the number of different ways tolls can be applied also has expanded considerably. In addition to the new road or bridge, individual lanes, new or existing, can

be priced in various ways to encourage different behavior. Time-of-day (congestion) pricing can be applied to certain portions of an urban area or to select parts of the highway system. Finally, it is not always possible to separate tolling applied to new capacity, new facilities, and existing capacity. For instance, there may be situations where existing capacity will need to be tolled to help pay for new capacity in the same corridor, or situations where new facilities provide additional capacity while concurrently replacing existing capacity.

The degree of flexibility with the use of toll revenue in Oregon is statutorily limited to tollway projects, tollways, and related facilities. “Related facility” is narrowly defined and generally limits the use of revenues to investments to the operation and use of the tollway itself. This implies that improvements to parallel facilities affected by diversion from tolled facilities may not be funded with toll revenues.

The number of possible combinations of policy objectives and tolling applications raises the question of whether, or how well, particular applications can achieve particular objectives. The effectiveness of applications to objectives varies considerably, requiring each combination to be considered in and of itself. Further, for every tolling application there will be winners and losers. The winners may consider the toll a bargain, or at least feel indifferent between paying the toll and saving time. Those made worse off, either directly or indirectly, are likely to view tolling as an expensive or less affordable alternative to new capacity funded through higher fuel use and vehicle taxes or fees. Even those that benefit may question tolling as the most appropriate solution.

The indeterminate outcome of any application coupled with Oregon’s limited experience with tolling, implies that any proposed use of tolling of the state highway system should be preceded by a thorough analysis of likely effects and public acceptance. Oregon Revised Statutes, Chapter 383 grants the Oregon Transportation Commission authority over toll rates and over tolling state highways. Additionally, interstate bridge authority is granted to ODOT by Chapter 381. Therefore, the role of the Oregon Transportation Commission is to provide policy guidance for developing, evaluating and implementing tollway projects in Oregon in a manner consistent with Oregon statutes as well as existing Commission policies and the *Oregon Transportation Plan*.

Policy 6.1 – New Toll Facilities

Background

Most new highway capacity in the United States is not currently financed with toll revenues. Many projects are not suited to tolling due to low traffic volumes, traffic diversion impacts or inadequate revenue generation. As one example, Truck–only toll lanes (TOT lanes) have little utility in Oregon because the state already allows longer-combination vehicles; hence the ability to improve productivity is limited. In addition, limited urban right-of-way, high construction costs, environmental concerns and insufficient demand appear to limit utility for TOT lanes even in urban areas.

Other projects seem well suited to toll financing, and nationally the number of toll roads has increased significantly in recent years. Each project will have its own unique circumstances. National experience shows that the National Environmental Policy Act (NEPA) process, combined with required financial analysis, adequately demonstrates the societal effects of new toll facilities. The additional analysis needed for considering the impacts of tolling existing capacity, for which there is almost no experience nationally, is not required for new toll facilities.

ODOT has well-established procedures within the Statewide Transportation Improvement Program (STIP) process for developing and funding projects. The Oregon Transportation Commission has managed this process in a manner intended to provide public assurance that once a project is undertaken, it will move forward in an appropriate way. In Oregon, low traffic volumes indicate few, if any, projects can be funded solely with toll receipts so this introduces the issue of how ODOT should financially manage projects that have the potential to be partially funded with toll receipts.

Policy

It is the policy of the State of Oregon to consider the use of tolling for financing the construction, operations and maintenance of new roads, bridges or dedicated lanes only if expected toll receipts will pay for an acceptable portion of project costs.

Action 6.1.1

Tolling projects providing new capacity need to be in compliance with other State policies and be under consideration for inclusion as tollways in relevant local and regional land use and transportation plans.

Action 6.1.2

ODOT will only consider those toll projects ranked "medium to high" under tolling parameters considered by ODOT.[1]

Action 6.1.3
Toll projects requesting statewide funds to supplement toll receipts must prepare and submit to ODOT a formal financing plan that includes debt service, operational, maintenance, and preservation expenses.[2]

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[1]Currently see, Table 4 in *Tolling White Paper #2 – Geographic and Situational Limits (February 2009).* http://www.oregon.gov/ODOT/TD/TP/docs/Tolling/WhitePaper2.pdf.
[2] This is a separate requirement from the Federal requirement to have an annual financial plan for projects of over $100 million.

Action 6.1.4
Proposed "premium service" high occupancy/toll (HOT) lanes must be expressly compared to high occupancy vehicle (HOV) lane(s) and "multi-class," general purpose alternatives to ensure the overall best use of the limited additional capacity.[3]

Action 6.1.5

The equity of any tolling or pricing proposal for new facilities will be examined by ODOT and will comply with federal and state statutes, rules and guidance.

Policy 6.2 – Pricing Existing Capacity

Background

Applying tolls to existing roadways is likely to be viewed differently by the public than using tolls to finance new capacity. Our current financing system essentially treats roadways as "public goods." Congested roadways, however, do not meet the classic definition of a public good as one person's use can preclude or significantly limit the use by others at the same time. In addition, under many circumstances it may be possible to charge for the use of roadways. This reality, experienced in many urban areas, has driven the renewed interest in congestion pricing of existing roadways.

Several problems have been seen to impede the application of time-of-day tolls, despite the efficiency benefits cited in economic theory. The public seems to prefer the existing approach, with the notable exception of pricing existing HOV lanes which has seen considerable success in a number of locales. A few major cities (London, Singapore, Stockholm) have successfully priced access to their cores. Most cities, however, have not opted to do the same. The reasons for this are varied and not well documented by existing research. Therefore, consideration of road pricing in Oregon cities will warrant careful study of the economic, social, energy and environmental effects - positive and negative -, consistency with other statutes and policies, and public reaction.

Policy

It is the policy of the State of Oregon to consider the use of tolls, including time-of-day pricing, on existing, non-tolled state highways consistent with other Oregon Transportation Commission policies, state law, and federal statutes and planning regulations.

[3] *Currently see, Benefit-Cost Assessment Guidance for Evaluating Proposed Highway Tolling and Pricing Options for Oregon (March 2010)* http://www.oregon.gov/ODOT/TD/TP/docs/Tolling/Benefit.pdf.

Action 6.2.1

A project that tolls the existing capacity of a previously non-tolled state highway must be under consideration for inclusion in relevant local and regional land use and transportation plans.

Action 6.2.2

The proposer of any tolling or pricing project is required to have a clear statement of public policy objectives against which the effectiveness of the proposal can be measured.

Action 6.2.3

The proposer of any tolling or pricing project is required to compare the proposal to a non-tolled alternative to ensure the effects of introducing tolls can be clearly demonstrated.

Action 6.2.4

The economic, social and environmental effects of any proposed tolling or pricing project will be analyzed by ODOT according to analytical procedures adopted by ODOT.[4]

Action 6.2.5

The equity of any tolling or pricing proposal, particularly upon the transportation disadvantaged, will be examined by ODOT and will comply with federal and state statutes, rules and guidance.

Policy 6.3 – Consistent and Supportive Policy Objectives

Background

Roadway tolls may be levied for a variety of public policy objectives. The relative importance or degree of public acceptance of these objectives may vary in different locales and parts of the state. Similarly, a pricing program for a given purpose in one locale inadvertently may have undue negative effects on other parts of the region or state.

In addition, some potential policy objectives require tolls so high that facility throughput is reduced.

[4] Currently see, *Economic Assessment of Tolling Schemes for Congestion Reduction (March 2010)* *http://www.oregon.gov/ODOT/TD/TP/docs/Tolling/Economic.pdf* and *Benefit-Cost Assessment Guidance for Evaluating Proposed Highway Tolling and Pricing Options for Oregon (March 2010)* http://www.oregon.gov/ODOT/TD/TP/docs/Tolling/Benefit.pdf.

It is unclear which policy objectives will be deemed the most important in future tolling or pricing proposals. It is clear, however, that attention may have to be given to the need for a degree of statewide consistency in policy objectives advanced through pricing proposals, as per Goal 7 of the Oregon Transportation Plan.

Policy

It is the policy of the State of Oregon to ensure motorists and its citizens have clear, consistent and coordinated objectives for any future highway tolling or pricing proposals, reflective of primary public concerns with the performance of the state highway system.

Action 6.3.1

Project proposers will review and document that their roadway tolling or pricing proposals are consistent with other tolling and congestion pricing policies, state and federal statutes and policies, and other tollway projects within the state.

Action 6.3.2

ODOT will analyze the likely transportation, economic, social, energy and environmental effects of any tolling or pricing project on parts of the region or state outside of the project area.

Action 6.3.3

ODOT will analyze the expected change, if implemented, in vehicle throughput due to any tolling or pricing proposal.

Action 6.3.4

ODOT region staff and local government agencies shall work together to evaluate public understanding of and support for the principal objectives for road tolling and pricing applications, as compared to allocating resources to other alternatives which may address the purpose and need.

Policy 6.4 – Toll Revenues

Background

The appropriate use of toll generated revenues may be dependent upon a number of factors. These include: a) the type of tolling application under consideration; b) the objective(s) for the application; c) the geographic scope of the application; d) public attitudes on transportation system needs; and e) how best to off-set any negative effects of levying tolls. The most appropriate use of toll revenues for any given application may be constrained by federal and state statutes or procedures.

Policy

The effectiveness, equity and overall utility of tolling projects can be affected by how net toll receipts are used. Multiple approaches to using revenue may need to be considered. It is the policy of the State of Oregon to treat the use of toll-generated revenue as an important component in evaluating any tolling proposal.

Action 6.4.1

For any proposed tolling or pricing project on a state highway, the project proposer will consider the allowable range of potential uses for toll generated revenue, conditional upon the policy objective for the application; and ODOT will incorporate the resultant investments into the economic, social, energy and environmental analysis undertaken for the proposed project.

Action 6.4.2

ODOT region staff and local government agencies shall work together to assess public attitudes toward proposed toll revenue usage for any tolling or pricing project on a state highway as a means of meeting public needs.

Policy 6.5 — Tolling Technology and Systems

Background

The trend in the United States is for state-owned tolling systems to offer electronic toll collection in addition to toll booth cash collection. In contrast, modern toll facilities in other parts of the world now operate as all-electronic systems with no cash payment option at entry to the facilities. Potential toll payers without transponders or bank accounts, or who seek privacy, have options for electronic payment derived from cash payment at another location. Typically, a motorist can obtain a day pass at roadside kiosks or retail stores.

Most state-owned toll facilities in the United States that allow electronic toll collections operate as closed proprietary systems that are not interoperable with each other. As a result, state-owned toll facilities become bound to one provider and limited to the capabilities of that provider. Motorists using toll facilities in multiple states may require more than one transponder for compliance. An alternative is to develop an integrated system based on common standards and an operating sub-system accessible by the marketplace where components performing the same function can be readily substituted or provided by multiple providers.

Policy

When tolling state highways, it is the policy of the state of Oregon to implement tolling systems that:

(1) Enable cash-based motorists ready access to all-electronic toll facilities while eliminating the need for cash payment at the point of entry;
(2) Deploy technology that facilitates interoperability with tolling systems of neighboring states and allows evolution of fully functional, non-proprietary tolling systems.

Action 6.5.1

For any proposed tolling or pricing project on a state highway, ODOT shall develop tolling systems that rely on all-electronic collection mechanisms, and enable at least one manner of toll collection that allows a readily accessible electronic payment method for cash customers.

Action 6.5.2

For any proposed tolling or pricing project on a state highway, ODOT will develop and utilize tolling technologies and systems that are based on common standards and an operating sub-system accessible by the marketplace where components performing the same function can be readily substituted or provided by multiple providers to the extent possible while compatible with tolling systems in the State of Washington.

Oregon Highway Plan (OHP) Proposed Amendments

Add the following as a new goal:

OHP Goal 6: Tolling and Congestion Pricing

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OTP

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Overview

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OHP Goal 6 amendment: Tolling and Congestion Pricing¶
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Oregon's citizens have become accustomed to public funding of roads through use taxes such as fuel and vehicle fees; they generally understand how these funding mechanisms work, and have built their traveling behavior on the basis of this system. The Oregon financing structure is based on the relationship between beneficiaries and responsibility for funding the road system.

However, roads are perceived by many as a "public good"; that is, roads are accessible to any citizen at any time and the cost of developing, operating and maintaining the system is borne by the population as a whole. Also, everyone benefits from some level of use; even if one does not drive, drives very little, or uses public transportation they still benefit from a road system being in place as the goods and services that they have access to are delivered via a roadway system.

In Oregon, tolling has been limited to a few Columbia River bridges. The rationale for tolling bridges has been that they are extraordinarily expensive, vehicles have limited travel alternatives, tolls can be collected at one location and those that use the bridge pay for their use.

Highway tolling has two key attributes: 1) it can affect motorist behavior-drivers react to even small changes in price; and 2) tolls generate revenue which may not be obtainable by other means. Around the world, and in the United States, tolling is seeing a resurgence. There are two main drivers: 1) bridges and highways are increasingly expensive to build with limited public appetite for tax increases; and 2) modern electronic tolling technology allows creative new tolling applications that not only raise money, but

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potentially enhance transportation system performance by altering motorist behavior and, thereby, better managing congestion. Commensurate with this renewed interest, the Oregon Department of Transportation (ODOT) has undertaken a variety of tolling and congestion pricing studies supportive of the policies and strategies below.

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The rapid and continuing improvement in tolling and in-vehicle navigation technology also has resulted in making the consideration of tolling in many cases more complex. First, there are a variety of policy objectives beyond the traditional financing of construction of a new road or bridge. Tolling can now be used to relieve congestion, improve the environment or enhance economic development. In fact, the number of possible objectives can be quite large, and in some cases, but not all, can be mutually reinforcing. Second, the number of different ways tolls can be applied also has expanded considerably. In addition to the new road or bridge, individual lanes, new or existing, can be priced in various ways to encourage different behavior. Time-of-day (congestion) pricing can be applied to certain portions of an urban area or to select parts of the highway system. Finally, it is not always possible to separate tolling applied to new capacity, new facilities, and existing capacity. For instance, there may be situations where existing capacity will need to be tolled to help pay for new capacity in the same corridor, or situations where new facilities provide additional capacity while concurrently replacing existing capacity.

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The degree of flexibility with the use of toll revenue in Oregon is statutorily limited to tollway projects, tollways, and related facilities. “Related facility” is narrowly defined and generally limits the use of revenues to investments to the operation and use of the tollway itself. This implies that improvements to parallel facilities affected by diversion from tolled facilities may not be funded with toll revenues.

The number of possible combinations of policy objectives and tolling applications raises the question of whether, or how well, particular applications can achieve particular objectives. The effectiveness of applications to objectives varies considerably, requiring each combination to be considered in and of itself. Further, for every tolling application there will be winners and losers. The winners may consider the toll a bargain, or at least feel indifferent between paying the toll and saving time. Those made worse off, either directly or indirectly, are likely to view tolling as an expensive or less affordable alternative to new capacity funded through

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higher fuel use and vehicle taxes or fees. Even those that benefit may question tolling as the most appropriate solution.

The indeterminate outcome of any application coupled with Oregon's limited experience with tolling, implies that any proposed use of tolling of the state highway system should be preceded by a thorough analysis of likely effects and public acceptance. Oregon Revised Statutes, Chapter 383 grants the Oregon Transportation Commission authority over toll rates, and over tolling state highways. Additionally, interstate bridge authority is granted to ODOT by Chapter 381. Therefore, the role of the Oregon Transportation Commission is to provide policy guidance for developing, evaluating and implementing tollway projects in Oregon in a manner consistent with Oregon statutes as well as existing Commission policies and the *Oregon Transportation Plan*.

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Policy 6.1 – New Toll Facilities

Background

Most new highway capacity in the United States is not currently financed with toll revenues. Many projects are not suited to tolling due to low traffic volumes, traffic diversion impacts or inadequate revenue generation. As one example, Truck–only toll lanes (TOT lanes) have little utility in Oregon because the state already allows longer-combination vehicles; hence the ability to improve productivity is limited. In addition, limited urban right-of-way, high construction costs, environmental concerns and insufficient demand appear to limit utility for TOT lanes even in urban areas.

Other projects seem well suited to toll financing, and nationally the number of toll roads has increased significantly in recent years. Each project will have its own unique circumstances. National experience shows that the National Environmental Policy Act (NEPA) process, combined with required financial analysis, adequately demonstrates the societal effects of new toll facilities. The additional analysis needed for considering the impacts of tolling existing capacity, for which there is almost no experience nationally, is not required for new toll facilities.

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ODOT has well-established procedures within the Statewide Transportation Improvement Program (STIP) process for developing and funding projects. The Oregon Transportation Commission has managed this process in a manner intended to provide public assurance that once a project is undertaken, it will move forward in an appropriate way. In Oregon, low traffic volumes indicate few, if any, projects can be funded solely with toll receipts so this introduces the issue of how ODOT should financially manage projects that have the potential to be partially funded with toll receipts.

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Policy 6.1 – New Toll Facilities

It is the policy of the State of Oregon to consider the use of tolling for financing the construction, operations and maintenance of new roads, bridges or dedicated lanes only if expected toll receipts will pay for an acceptable portion of project costs.

Action 6.1.1

Tolling projects providing new capacity need to be in compliance with other State policies and be under consideration for inclusion as tollways in relevant local and regional land use and transportation plans.

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In order to consider the potential negative effects of traffic diverting around tolled facilities, project proposers must perform a benefit-cost analysis in a manner prescribed by ODOT

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[12]Currently see, Table 4 in *Tolling White Paper #2 – Geographic and Situational Limits (February 2009).* http://www.oregon.gov/ODOT/TD/TP/docs/Tolling/WhitePaper2.pdf.

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ODOT will only consider those toll projects ranked "medium to high" under tolling parameters considered by ODOT.[2]

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Toll projects requesting statewide funds to supplement toll receipts must prepare and submit to ODOT a formal financing plan that includes debt service, operational, maintenance, and preservation expenses.[3]

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Proposed "premium service" high occupancy/toll (HOT) lanes must be expressly compared to high occupancy vehicle (HOV) lane(s) and "multi-class," general purpose alternatives to ensure the overall best use of the limited additional capacity.[4]

Action 6.1.5

The equity of any tolling or pricing proposal for new facilities will be examined by ODOT and will comply with federal and state statutes, rules and guidance.

Policy 6.2 – Pricing Existing Capacity

Background

Applying tolls to existing roadways is likely to be viewed differently by the public than using tolls to finance new capacity. Our current financing system essentially treats roadways as "public goods." Congested roadways, however, do not meet the classic definition of a public good as one person's

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[3] This is a separate requirement from the Federal requirement to have an annual financial plan for projects of over $100 million.

[4] *Currently see, Benefit-Cost Assessment Guidance for Evaluating Proposed Highway Tolling and Pricing Options for Oregon (March 2010)* http://www.oregon.gov/ODOT/TD/TP/docs/Tolling/Benefit.pdf.

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use can preclude or significantly limit the use by others at the same time. In addition, under many circumstances it may be possible to charge for the use of roadways. This reality, experienced in many urban areas, has driven the renewed interest in congestion pricing of existing roadways.

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Several problems have been seen to impede the application of time-of-day tolls, despite the efficiency benefits cited in economic theory. The public seems to prefer the existing approach, with the notable exception of pricing existing HOV lanes which has seen considerable success in a number of locales. A few major cities (London, Singapore, Stockholm) have successfully priced access to their cores. Most cities, however, have not opted to do the same. The reasons for this are varied and not well documented by existing research. Therefore, consideration of road pricing in Oregon cities will warrant careful study of the economic, social, energy and environmental effects – positive and negative –, consistency with other statutes and policies, and public reaction.

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Policy 6.2 – Pricing Existing Capacity

It is the policy of the State of Oregon to consider the use of tolls, including time-of-day pricing, on existing, non-tolled state highways consistent with other Oregon Transportation Commission policies, state law, and federal statutes and planning regulations.

Action 6.2.1

A project that tolls the existing capacity of a previously non-tolled state highway must be under consideration for inclusion in relevant local and regional land use and transportation plans.

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Action 6.2.2

The proposer of any tolling or pricing project is required to have a clear statement of public policy objectives against which the effectiveness of the proposal can be measured.

Action 6.2.3

The proposer of any tolling or pricing project is required to compare the proposal to a non-tolled alternative to ensure the effects of introducing tolls can be clearly demonstrated.

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Action 6.2.4

The economic, social and environmental effects of any proposed tolling or pricing project will be analyzed by ODOT according to analytical procedures adopted by ODOT.[5]

Action 6.2.5

The equity of any tolling or pricing proposal, particularly upon the transportation disadvantaged, will be examined by ODOT and will comply with federal and state statutes, rules and guidance.

Policy 6.3 – Consistent and Supportive Policy Objectives

Background

Roadway tolls may be levied for a variety of public policy objectives. The relative importance or degree of public acceptance of these objectives may vary in different locales and parts of the state. Similarly, a pricing program for a given purpose in one locale inadvertently may have undue negative effects on other parts of the region or state.

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In addition, some potential policy objectives require tolls so high that facility throughput is reduced.

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It is unclear which policy objectives will be deemed the most important in future tolling or pricing proposals. It is clear, however, that attention may have to be given to the need for a degree of statewide consistency in policy

[5] Currently see, *Economic Assessment of Tolling Schemes for Congestion Reduction (March 2010)* http://www.oregon.gov/ODOT/TD/TP/docs/Tolling/Economic.pdf and *Benefit-Cost Assessment Guidance for Evaluating Proposed Highway Tolling and Pricing Options for Oregon (March 2010)* http://www.oregon.gov/ODOT/TD/TP/docs/Tolling/Benefit.pdf.

objectives advanced through pricing proposals, as per Goal 7 of the Oregon Transportation Plan.

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Policy 6.3 – Consistent and Supportive Policy Objectives

It is the policy of the State of Oregon to ensure motorists and its citizens have clear, consistent and coordinated objectives for any future highway tolling or pricing proposals, reflective of primary public concerns with the performance of the state highway system.

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Project proposers will review and document that their roadway tolling or pricing proposals are consistent with other tolling and congestion pricing policies, state and federal statutes and policies, and other tollway projects within the state.

Action 6.3.2

ODOT will analyze the likely transportation, economic, social, energy and environmental effects of any tolling or pricing project on parts of the region or state outside of the project area.

Action 6.3.3

ODOT will analyze the expected change, if implemented, in vehicle throughput due to any tolling or pricing proposal.

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Action 6.3.4

ODOT region staff and local government agencies shall work together to evaluate public understanding of and support for the principal objectives for road tolling and pricing applications, as compared to allocating resources to other alternatives which may address the purpose and need.

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Policy 6.4 – Toll Revenues

Background

The appropriate use of toll generated revenues may be dependent upon a number of factors. These include: a) the type of tolling application under consideration; b) the objective(s) for the application; c) the geographic scope of the application; d) public attitudes on transportation system needs; and e) how best to off-set any negative effects of levying tolls. The most appropriate use of toll revenues for any given application may be constrained by federal and state statutes or procedures.

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Policy 6.4 – Toll Revenues

The effectiveness, equity and overall utility of tolling projects can be affected by how net toll receipts are used. Multiple approaches to using revenue may need to be considered. It is the policy of the State of Oregon to treat the use of toll-generated revenue as an important component in evaluating any tolling proposal.

Action 6.4.1

For any proposed tolling or pricing project on a state highway, the project proposer will consider the allowable range of potential uses for toll generated revenue, conditional upon the policy objective for the application; and ODOT will incorporate the resultant investments into the economic, social, energy and environmental analysis undertaken for the proposed project.

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Action 6.4.2

ODOT region staff and local government agencies shall work together to assess public attitudes toward proposed toll revenue usage for any tolling or pricing project on a state highway as a means of meeting public needs.

Policy 6.5 — Tolling Technology and Systems

Background

The trend in the United States is for state-owned tolling systems to offer electronic toll collection in addition to toll booth cash collection. In contrast, modern toll facilities in other parts of the world now operate as all-electronic systems with no cash payment option at entry to the facilities. Potential toll payers without transponders or bank accounts, or who seek privacy, have options for electronic payment derived from cash payment at another location. Typically, a motorist can obtain a day pass at roadside kiosks or retail stores.

Most state-owned toll facilities in the United States that allow electronic toll collections operate as closed proprietary systems that are not interoperable with each other. As a result, state-owned toll facilities become bound to one provider and limited to the capabilities of that provider. Motorists using toll facilities in multiple states may require more than one transponder for compliance. An alternative is to develop an integrated system based on common standards and an operating sub-system accessible by the marketplace where components performing the same function can be readily substituted or provided by multiple providers.

Policy 6.5 — Tolling Technology and Systems

When tolling state highways, it is the policy of the state of Oregon to implement tolling systems that:

(1) Enable cash-based motorists ready access to all-electronic toll facilities while eliminating the need for cash payment at the point of entry;
(2) Deploy technology that facilitates interoperability with tolling systems of neighboring states and allows evolution of fully functional, non-proprietary tolling systems.

Action 6.5.1

For any proposed tolling or pricing project on a state highway, ODOT shall develop tolling systems that rely on all-electronic collection mechanisms,

and enable at least one manner of toll collection that allows a readily accessible electronic payment method for cash customers.

Action 6.5.2

For any proposed tolling or pricing project on a state highway, ODOT will develop and utilize tolling technologies and systems that are based on common standards and an operating sub-system accessible by the marketplace where components performing the same function can be readily substituted or provided by multiple providers to the extent possible while compatible with tolling systems in the State of Washington.

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Findings of Compliance with

Oregon's Statewide Planning Goals

Statutory Background and Requirements for OHP and OTP Policy Amendments

The amendments were initiated by the Oregon Department of Transportation (ODOT) to provide guidance on the development, evaluation and implementation of tollway projects and are consistent with the new rules, which were directed by amendments to ORS 383.004 and 383.015.

A. Findings of Compliance with the State Agency Coordination (SAC) Agreement for the Oregon Transportation Plan

The Oregon Transportation Plan (OTP) is the State's Transportation System Plan. In order to adopt amendments to the OTP Goals 2 and 6, the Oregon Transportation Commission (OTC) needs to follow the Coordination Procedures for Adopting the Final Transportation Policy Plan in the SAC, OAR 731-015-0045. The findings below address the coordination procedure required to adopt amendments to the Transportation Plan.

731-015-0045

Coordination Procedures for Adopting the Final Transportation Policy Plan

(1) Except in the case of minor amendments, the Department shall involve DLCD, metropolitan planning organizations, and interested cities, counties, state and federal agencies, special districts, and other interested parties in the development or amendment of the transportation policy plan. This involvement may take the form of mailings, meetings, or other means that the Department determines are appropriate for the circumstances. The Department shall hold at least one public meeting on the plan prior to adoption.

Development of the amendments to Goals 2 and 6 of the OTP was subject to an open and ongoing public and agency involvement process which included the Department of Land Conservation and Development (DLCD), metropolitan planning organizations (MPOs), Area Commissions on Transportation (ACTs), cities, counties, state and federal agencies, numerous modal and stakeholder interest groups, and input from interested citizens. Public meetings were held on the dates shown in the attached Record of Outreach.

(2) The Department shall evaluate and write draft findings of compliance with all applicable statewide planning goals.

The statewide planning goals are addressed below, in conjunction with the response to the amendment to the Oregon Highway Plan (OHP).

(3) The Department shall present to the Transportation Commission the draft plan and findings of compliance with all applicable statewide planning goals.

The Department has presented the draft amendments and findings to the OTC.

(4) The Transportation Commission shall adopt findings of compliance with all applicable statewide planning goals when it adopts the final transportation policy plan.

(5) The Department shall provide copies of the adopted final transportation policy plan and findings to DLCD, the metropolitan planning organizations, and others who request to receive a copy.

B. Findings of Compliance with the State Agency Coordination Agreement for the Oregon Highway Plan

The Oregon Highway Plan (OHP) is an element of the Oregon Transportation Plan. The SAC requires that the OTC adopt findings of fact when adopting final modal system plans as part of the OHP (OAR 731-015-0055). Adding Goal 6 to the OHP, a modal system plan, requires adopting an amendment to the OHP. Pursuant to these requirements the following findings support the OTC adoption of amendments to the OHP in regard to tolling policies.

731-015-0055

Coordination Procedures for Adopting Modal Plans

(1) Except in the case of minor amendments, the Department shall involve DLCD, metropolitan planning organizations, and interested cities, counties, state and federal agencies, special districts and other parties in the development or amendment of a modal systems plan. This involvement may take the form of mailings, meeting, or other means that the Department determines are appropriate for the circumstances. The Department shall hold at least one public meeting on the plan prior to adoption.

(2) The Department shall evaluate and write draft findings of compliance with all applicable statewide planning goals.

Development of Goal 6 for the OHP was subject to extensive outreach and ODOT considered and responded to numerous comments from various stakeholder groups which included the Department of Land Conservation and Development (DLCD), metropolitan planning organizations (MPOs), Area Commissions on Transportation (ACTs), cities, counties, state and federal agencies, numerous modal and stakeholder interest groups, and input from interested citizens. Public meetings were held on the dates shown in the attached Record of Outreach.

The findings address the coordination procedures required in 731-015-0055 for adopting final modal system plans.

(3) If the draft plan identifies new facilities which would affect identifiable geographic areas, the Department shall meet with the planning representatives of affected cities, counties and metropolitan planning organization to identify compatibility issues and the means of resolving them. These may include:

(a) Changing the draft plan to eliminate the conflicts;

(b) Working with the affected local governments to amend their comprehensive plans to eliminate the conflicts; or

(c) Identifying the new facilities as proposals which are contingent on the resolution of the conflicts prior to the completion of the transportation planning program for the proposed new facilities.

The proposed plan amendments do not identify new facilities.

(4) The Department shall present to the Transportation Commission the draft plan, findings of compatibility for new facilities affecting identifiable geographic areas, and findings of compliance with all applicable statewide planning goals.

The information required will be presented to the Transportation Commission at its July 2012 meeting.

(5) The Transportation Commission, when it adopts a final modal systems plan, shall adopt findings of compatibility for new facilities affecting identifiable geographic areas and findings of compliance with all statewide planning goals.

The amendments do not identify new facilities.

(6) The Department shall provide copies of the adopted final modal systems plan and findings to DLCD, the metropolitan planning organizations, and others who request to receive a copy.

Findings of Compliance with Oregon's Statewide Planning Goals

The State of Oregon has established 19 statewide planning goals to guide state, regional and local land use planning. The goals express the State's policies on land use and related topics. The findings below are based on the applicability and content of the proposed amendments to the OHP and OTP. The findings satisfy the requirements in the SAC that all amendments to the OHP and the OTP be supported by findings showing compliance with the state wide planning goals.

(1) Citizen Involvement *- The purpose of Goal 1 (660-015-0000(1)) is "To develop a citizen involvement program that ensures the opportunity for citizens to be involved in all phases of the planning process."*

FINDING: The development and review of OHP Policy Goal 6 and policy amendments to Goals 2 and 6 of the OTP regarding tolling and pricing were done in accord with OTC public involvement policy which establishes public involvement objectives for the development and update of statewide plans, including modal plans. Outreach activities were also in compliance with the relevant policies in the Oregon Transportation Plan's Goal 7, Coordination, Communication and Cooperation. The process provided extensive opportunities for citizen involvement as demonstrated more fully in the Record of Outreach which is attached to these findings and presented to the OTC in July of 2012.

Highlights of the outreach process during the development of the policy amendments included:

- Tolling and pricing policy presentations were given to interested stakeholder groups in 2011 that provided verbal comments and feedback to the Department. This effort helped ODOT to draft the policies in January of 2012.

- Extensive notification of the policy amendments, public review timelines and background information was distributed to the ACTs, DLCD, other state agencies, MPOs, regions, councils, county and city governments, OTC-appointed advisory committees, the Federal Highway Administration (FHWA), the Automobile Association of America (AAA), Oregon Trucking Associations (OTA), Native American Tribes, the Governor's Environmental Justice Task Force, and other interested stakeholder groups. Comments received from these groups and others were considered and addressed as indicated in the attached Tolling Policies Comments.

- Tolling and pricing policy presentations using the draft policies were given to numerous groups both before and during the public review period extending from April 1 to June 15, 2012.

- The OTC held a public hearing May 16, 2012 on the draft policies that provided the opportunity for interested stakeholders to submit comments and to testify before the Commission.

The Tolling and Pricing Policy Amendments to the OHP and OTP comply with and support Statewide Goal 1, Citizen Involvement.

(2) Land Use Planning *– The purpose of Goal 2 (OAR 660-015-0000(2)) is "To establish a land use planning process and policy framework as a basis for all decisions and actions related to use of land and to assure an adequate factual base for such decisions and actions."*

FINDING: The additions of Goal 6 to the Oregon Highway Plan and amendments to the Oregon Transportation Plan Goals 2 and 6 were developed in coordination with many stakeholders including cities, counties, Metropolitan Planning Organizations and others to ensure compliance with the Statewide Land Use Planning program.

The amendments to the Oregon Transportation Plan and the Oregon Highway Plan Goal 6 were developed to guide future decisions regarding the location and nature of tolling and pricing in Oregon. The development of these policies was done with consideration of the background work completed by the Commission and the Department, compiled on the Department's web site at http://www.oregon.gov/ODOT/TD/TP pages/tolling.aspx

The current planning process to determine the need for new transportation facilities will not be altered by these policies. That planning will continue to be the responsibility of those agencies with transportation planning authority. The land use planning processes currently in place for the design and location of new transportation projects will not change as a result of the proposed amendments. The public planning processes of those agencies who are responsible for the development and implementation of local, regional and state land use planning will incorporate tolling as a means to finance new facilities or manage congestion of existing facilities, as they deem appropriate. Local and Regional Transportation System Plans identify the need for strategies to address congestion, mobility, accessibility and other transportation related goals. The policies require that tolling/pricing of any state facility be actively under consideration for inclusion in local land use plans before review by the Oregon Transportation Commission. The policies do not alter the processes for review and decision making regarding inclusion of projects into the Statewide Transportation Improvement Program (STIP).

The OHP Goal 6 and the OTP amendments are in compliance with Statewide Goal 2, Land Use Planning.

(3) Agricultural Lands *- The purpose of Goal 3 (OAR 660-015-0000(3)) is "To preserve and maintain agricultural lands."*

FINDING: The addition of Goal 6 to the Oregon Highway Plan and the amendments to Goals 2 and 6 of the Oregon Transportation Plan do not directly impact the overall objectives of Statewide Planning Goal 3, Agricultural Lands. The amended OHP does not propose specific facilities that would encroach or impact agricultural lands.

The amendments are in compliance with Statewide Planning Goal 3, Agricultural Lands.

***(4) Forest Lands** – The purpose of Goal 4 (OAR 660-015-0000(4)) is "To conserve forest lands by maintaining the forest land base and to protect the state's forest economy by making possible economically efficient forest practices that assure the continuous growing and harvesting of forest tree species as the leading use on forest land consistent with sound management of soil, air, water, and fish and wildlife resources and to provide for recreational opportunities and agriculture."*

FINDING: The addition of Goal 6 to the OHP and the amendments to Goals 2 and 6 of the OTP do not directly impact the overall objectives of Statewide Planning Goal 4, Forest Lands, which protects forest lands primarily for economic purposes. The OHP and OTP amendments do not contain policies for specific facilities on or near forest lands.

The amendments are in compliance with Statewide Planning Goal 4, Forest Lands.

***(5) Natural Resources, Scenic and Historic Areas, and Open Spaces** - The purpose of Goal 5 (OAR 660-015-0000(5)) is "To protect natural resources and conserve scenic and historic areas and open spaces."*

FINDING: The addition of Goal 6 to the OHP and the amendments to Goals 2 and 6 of the OTP do not directly impact the overall objectives of Statewide Planning Goal 5, Natural Resources, Scenic and Historic Areas, and Open Spaces. The amendments do not contain or address specific facilities on or near lands protected by Statewide Planning Goal 5.

The amendments are in compliance with Statewide Planning Goal 5, Natural Resources, Scenic and Historic Areas, and Open Spaces.

***(6) Air, Water and Land Resources Quality** - The purpose of Goal 6 (OAR 660-015-0000(6)) is "To maintain and improve the quality of the air, water and land resources of the state."*

FINDING: Goal 6.2.4 in the Highway Plan states: The economic, social and environmental effects of any proposed tolling or pricing project will be analyzed by ODOT according to procedures adopted by ODOT. As part of Policy 6.3 (Consistent and Supportive Policy Objectives) Goal 6.3.2 states ODOT will analyze the likely transportation, economic, social, energy and environmental effects of any tolling or pricing project on parts of the region or state outside of the project area.

The amendments to Goals 2 and 6 of the OTP will not affect the air, water and land resources of the state. The policies ensure that when the OTC reviews proposals to use tolling for new and/or

existing state facilities that it considers the effects of tolling on congestion and consequent air quality. The policies increase the likelihood that the full range of effects of tolling and pricing on the environment are considered in local, regional and statewide planning processes. The policies point to the importance of detailed project by project analysis of environmental effects.

The policies are in compliance with and supportive of Statewide Planning Goal 6, Air, Water and Land Resources Quality.

(7) Areas Subject to Natural Hazards *- The purpose of Goal 7 (OAR 660-015-0000(7)) is "To protect people and property from natural hazards."*

FINDING: The addition of Goal 6 to the Oregon Highway Plan and the amendments to OTP Goals 2 and 6 are not directly applicable to Statewide Planning Goal 7, Areas Subject to Natural Hazards. The amendments are in compliance with Statewide Planning Goal 7, Areas Subject to Natural Hazards.

(8)Recreational Needs *- The purpose of Goal 8 (OAR 660-015-0000(8)) is "To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the siting of necessary recreational facilities including destination resorts."*

FINDING: The addition of Goal 6 to the OHP and the amendments to Goals 2 and 6 of the OTP do not directly impact the objectives of Statewide Planning Goal 8, Recreational Needs.
The amendments are in compliance with Statewide Planning Goal 8, Recreational Needs.

(9) Economic Development *- The purpose of Goal 9 (OAR 660-015-0000(9)) is "To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens."*

FINDING: The OHP policies which address this statewide planning goal follow immediately below.

Action 6.2.4 - The economic, social and environmental effects of any proposed tolling or pricing project will be analyzed by ODOT according to analytical procedures adopted by ODOT.[1]

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[1] Currently see, *Economic Assessment of Tolling Schemes for Congestion Reduction (March 2010)* *http://www.oregon.gov/ODOT/TD/TP/docs/Tolling/Economic.pdf* and *Benefit-Cost Assessment Guidance for Evaluating Proposed Highway Tolling and Pricing Options for Oregon (March 2010)* http://www.oregon.gov/ODOT/TD/TP/docs/Tolling/Benefit.pdf.

Action 6.2.5 - The equity of any tolling or pricing proposal, particularly upon the transportation disadvantaged, will be examined by ODOT and will comply with federal and state statutes, rules and guidance.

Action 6.3.2 - ODOT will analyze the likely transportation, economic, social, energy and environmental effects of any tolling or pricing project on parts of the region or state outside of the project area.

Action 6.4.1 For any proposed tolling or pricing project on a state highway, the project proposer will consider the allowable range of potential uses for toll generated revenue, conditional upon the policy objective for the application; and ODOT will incorporate the resultant investments into the economic, social, energy and environmental analysis undertaken for the proposed project.

The above Action items are part of OHP Goal 6, and address the impact of tolling on various aspects of economic activity in an area impacted by a tolled facility. The addition of Goal 6 to the OHP and the amendments to goals 2 and 6 of the OTP may increase economic development opportunities for Oregon. The policies ensure that a thorough analysis of the likely and possible economic effects of tolling and pricing be conducted by the proposers and the Department before the OTC can authorize tolling for specific tolling projects. The policies guide decision makers in their consideration of the specific effects of individual tolling applications. Those effects cannot be determined *a priori* or deduced from examples in other states/countries. The policies specifically reference methodologies developed by the Department to ensure identification and consideration of the economic effects of tolling/pricing.

The amendments are in compliance with and supportive of Statewide Planning Goal 9, Economic Development.

(10) Housing *- The purpose of Goal 10 (OAR 660-015-0000(10)) is "To provide for the housing needs of citizens of the state."*

FINDING: The addition of Goal 6 to the OHP and the amendments to Goals 2 and 6 of the OTP are not directly applicable to the Statewide Planning Goal 10, Housing. Tolling and/or pricing of transportation facilities will not lessen or add to the available housing in the State or in a local community.

The amendments are in compliance with Statewide Planning Goal 10, Housing.

(11) Public Facilities and Services *- The purpose of Goal 11 (OAR 660-015-0000(11)) is "To plan and develop a timely, orderly and efficient arrangement of public facilities and services to serve as a framework for urban and rural development."*

FINDING: Transportation facilities are only one aspect of all the public facilities and services needed for urban and rural future development. The addition of OHP Goal 6 and amendments to Goals 2 and 6 of the OTP are specifically about the tolling and pricing of facilities. They are not altering planning processes used to identify the need for transportation facilities. The identification of a need for a new facility will continue to occur within the context of local and regional planning. At that time the local decision-makers will address Goal 11.

Tolling may make the construction, operation and maintenance of a needed planned facility financially possible. It will not affect or predetermine the need for the facility. Neither will tolling/pricing of existing facilities affect the timely orderly and efficient arrangement of other public infrastructure facilities. Oregon law prohibits the use of toll revenues on non-tollway projects. This prohibition means that the development of other non-tollway public facilities such as water, parks and power utilities will not be affected by these amendments. The policies will also not pre-determine or guide the identification of the need for new transportation facilities. The amendments are in compliance with and supportive of Statewide Goal 11, Public Facilities and Services.

(12) Transportation *- The purpose of Goal 12 (OAR 660-015-0000(12)) is "To provide and encourage a safe, convenient and economic transportation system."*

Statewide Planning Goal 12 (Transportation) and its administrative rule (Transportation Planning Rule (TPR), OAR 660-012) have several purposes for assuring statewide planning goals are considered in transportation planning efforts. The TPR is a broad administrative rule that covers a range of applications, some of which are summarized below:

- The preparation and coordination of transportation system plans
- Coordination with federally required transportation plans in metropolitan areas
- Elements of TSPs
- Complying with statewide planning goals
- Determination of transportation needs
- Evaluation and selection of transportation alternatives
- Transportation financing programs
- Implementation of TSPs
- Transportation project development
- Timing and adoption of TSPs
- Plan and land use regulation amendments 10
- Transportation improvements on rural lands
- Exceptions for improvements on rural lands

The additional Goal 6 for the OHP and amendments to Goals 2 and 6 of the OTP will clarify policies regarding a single aspect of the broader state transportation system plan and the OHP. Thus not all sections and objectives of the TPR are applicable to the ***amendments*** as discussed below.

Purpose of proposed tolling and pricing policies

The new policies provide policy level guidance to planners and decision makers regarding the appropriate use of particular tolling applications. In themselves they do not dictate when or where tolling in Oregon will occur. Through research and study the Department has realized that the effects of a tolling application will vary according to a multitude of factors and assuming that a particular application in Oregon will work because it worked in another state or nation is not substantiated. In Oregon use of tollway revenues is limited to covering costs of tollways. The policies will assure that the impacts of a tolling application will be carefully studied and understood by decision makers. Planners and decision-makers will determine the need for a new transportation facility before s considering tolling as a finance mechanism. (Section 6.1 of the Goal 6 policies) The determination of a need to manage congestion on existing facilities will also occur before planners and decision makers consider tolling as one of the tools to use in congestion management. (Section 6.2 of the Goal 6 policies) These policies will also insure that planners and decision makers will thoughtfully and thoroughly consider whether a particular tolling application is consistent with local, regional and state public policy objectives, including land use, economic vitality and having a transportation system that efficiently, safely moves people and goods. (Section 6.3 of the OHP Goal 6)

The policies reference the body of work compiled by the Department as background for planners and decision makers to use in consideration of the appropriateness of tolling to meet identified needs. The methodologies and materials compiled identify key issues, such as traffic diversion, economic impacts, required traffic volume, project scale Green House Gas emissions impacts and revenue effects. The policies have two provisions which specifically support goal 12. First, the policies state that any tolling application for state highways must be under consideration for inclusion in local Transportation System plans before being brought to the State for consideration. Second, the policies guide planners and decision makers to thoroughly examine and discuss the social, environmental, equity and economic impacts of tolling applications as well as ensuring that tolling applications support public policy objectives such as effective land uses.

660-012-0000

Purpose

(1) This division implements Statewide Planning Goal 12 (Transportation) to provide and encourage a safe, convenient and economic transportation system. This division also implements provisions of other statewide planning goals related to transportation planning in order to plan and develop transportation facilities and services in close coordination with urban and rural development. The purpose of this division is to direct transportation planning in coordination with land use planning to:

(a) Promote the development of transportation systems adequate to serve statewide, regional and local transportation needs and the mobility needs of the transportation disadvantaged;

(b) Encourage and support the availability of a variety of transportation choices for moving people that balance vehicular use with other transportation modes, including walking, bicycling and transit in order to avoid principal reliance upon any one mode of transportation;

(c) Provide for safe and convenient vehicular, transit, pedestrian, and bicycle access and circulation;

(d) Facilitate the safe, efficient and economic flow of freight and other goods and services within regions and throughout the state through a variety of modes including road, air, rail and marine transportation;

(e) Protect existing and planned transportation facilities, corridors and sites for their identified functions;

(f) Provide for the construction and implementation of transportation facilities, improvements and services necessary to support acknowledged comprehensive plans;

(g) Identify how transportation facilities are provided on rural lands consistent with the goals;

(h) Ensure coordination among affected local governments and transportation service providers and consistency between state, regional and local transportation plans; and

(i) Ensure that changes to comprehensive plans are supported by adequate planned transportation facilities.

FINDINGS INTRODUCTION: The additions to the OHP and OTP address a critical aspect of transportation planning – financing. As gas tax revenues decrease and the existing transportation network ages, using a higher proportion of highway funds, it is becoming increasingly difficult to find financing to construct new transportation facilities. The Goal 6 amendments to the OHP and the OTP amendments will provide guidance to the OTC as they consider proposals to fund new, planned transportation facilities through tolling.

Definitions, OAR 660-012-0005
FINDING: Section 0005 of the TPR establishes definitions. The addition of Goal 6 to the OHP and the amendments to Goals 2 and 6 of the OTP to are not applicable to this section of the Transportation Planning Rule.

Transportation Planning, OAR 660-012-0010
FINDING: Section 0010 of the TPR describes the how transportation planning is divided into system planning and project development.

FINDING: The addition of Goal 6 to the OHP and the amendments to Goals 2 and 6 of the OTP address the financial aspects of planning for future projects, and funding project development.

Preparation and Coordination of Transportation System Plans, OAR 660-012-0015
Section 0015 of the TPR recognizes that ODOT's TSP includes the state transportation policy plan, modal systems plans and transportation facility plans. It is comprised of a number of elements as described in the Department's State Agency Coordination Program. The SAC states, "(1)(a) The state TSP shall include the state transportation policy plan, modal systems and transportation facility plans as set forth in OAR 731,Division 15." The OHP is a component of the state transportation system plan, along with the statewide policy plan (OTP), other modal/topic plans and facility plans.

FINDING: The OHP is a modal transportation plan under the OTP. As noted above, the modal systems plans and transportation facility plans are separate documents that together make up the state TSP.

Coordination with Federally-Required Regional Transportation Plans in Metropolitan Areas, OAR 660-012-0016

FINDING: The amendments are not applicable to Section 0016 of the TPR.

Elements of Transportation System Plans, OAR 660-012-0020
Section 0020 of the TPR stipulates that a TSP "shall establish a coordinated network of transportation facilities adequate to serve state, regional and local transportation needs and that the TSP will include a description of the type or functional classification of planned facilities and services and their planned capacities and performance standards…." Section 0020(2)(i) specifies that "within an urban growth boundary with a population greater than 1500 persons, a financing program must be included in the TSP".

FINDING: The addition of Goal 6 to the OHP and the amendments to Goals 2 and 6 of the OTP do not propose changes to performance standards on state facilities, do not change the required

elements of or process to establish Transportation System Plans and do not change the type or functional classifications of planned facilities. The new amendments may affect the type of financing program that will be included in a TSP.

Complying with the Goals in Preparing Transportation System Plans; Refinement Plans, OAR 660-012-0025

FINDING: The majority of TPR Section 0025 does not apply to the amendments because the OHP and the OTP do not include any proposals for specific transportation facilities, services or major improvements. However, TPR Section 0025, Subsection 2 states "Findings of compliance with applicable statewide planning goals and acknowledged comprehensive plan policies and land use regulations shall be developed in conjunction with the adoption of the TSP." This requirement is addressed through development of this document and supporting information.

Determination of Transportation Needs, OAR 660-012-0030
Section 30 of the TPR requires that TSPs identify transportation needs relevant to the planning area and the scale of the transportation network being planned including state, regional and local transportation needs.

FINDING: The addition of Goal 6 to the OHP and the amendments to Goals 2 and 6 of the OTP do not change local, regional or statewide processes for the determination of transportation needs

Evaluation and Selection of Transportation System Alternatives, OAR 660-012-0035
TPR Section 0035 stipulates that TSPs shall be based upon evaluation of potential impacts of system alternatives.

FINDING: The amendments to the OTP and OHP do not add or eliminate alternatives to those being considered in TSPs. The amendments do not change the standards used to evaluate and select system alternatives. The amendments are in compliance with Section 0035 of the TPR.

Transportation Financing Program, OAR 660-012-0040

FINDING: Section 0040 of the TPR applies to a transportation financing program for urban areas over 2,500. Section 0040(3) requires the plan to include a discussion of the facility provider's existing funding mechanisms and the ability to fund development of each transportation facility.

FINDING: The addition of Goal 6 to the OHP and amendments to Goals 2 and 6 of the OTP identify and clarify issues for an existing funding mechanism that may be used to help fund new

facilities. The amendments do not change the requirements of OAR 660-012-0040. The amendments are in compliance with this section of the TPR.

Implementation of the Transportation System Plan, OAR 660-012-0045

FINDING: TPR Section 0045 addresses actions required by local governments to implement their TSPs.

FINDING: Adoption of these amendments does not directly affect local governments. However, local governments that may want to consider tolling transportation facilities would most likely need to adopt appropriate ordinances to implement tolling in their jurisdiction. These amendments do not affect the implementation of TSPs by local governments.

Transportation Project Development, OAR 660-012-0050

FINDING: TPR Section 0050 does not apply to the amendments to the OHP or OTP. Those documents do not include specific transportation projects. In addition, the tolling/pricing of projects are not land use decisions.

Timing of Adoption and Update of Transportation System Plans; Exemptions, OAR 660-012-0055

FINDING: Section 0055 of the TPR covers the adoption, update and exemptions of local TSPs does not apply to these amendments to the OHP.

Plans and Land Use Regulation Amendments, OAR 660-012-0060

FINDING: Section 0060 of the TPR addresses the coordination and review that must occur when a local government considers an amendment to its comprehensive plan and/or land use regulations. The OHP and OTP amendments do not invoke consideration of a local plan amendment or regulation. The amendments do not affect the coordination and review of comprehensive plans and land use regulations by local governments.

Transportation Improvements on Rural Lands, OAR 660-012-0065 and OAR 660-012-0070

FINDING: TPR Sections 0065 and 0070 apply to transportation improvements on rural lands. The OHP and OTP amendments do not propose new transportation improvements.

FINDING: Goal 12 - The addition of Goal 6 to the OHP and amendments to Goals 2 and 6 of the OTP are in compliance with Statewide Planning Goal 12 Transportation: “To provide and encourage a safe, convenient and economic transportation system."

(13) Energy Conservation *- The purpose of Goal 13 (OAR 660-015-0000(13)) is "To conserve energy." Goal 13 declares that "land and uses developed on the land shall be managed and controlled so as to maximize the conservation of all forms of energy, based upon sound economic principles."*

FINDING: The addition of Goal 6 to the OHP and the amendments to Goals 2 and 6 of the OTP regarding tolling and pricing will assist decision makers in determining when tolling would be practical for a project. Any decision must be in line with other state policies. OHP Goal 6 requires the Department to analyze the energy and environmental effects from tolling. Action 6.3.2 and 6.4.1

The amendments to the OHP and OTP are in compliance with Statewide Planning Goal 13, Energy Conservation.

(14) Urbanization *– The purpose of Goal 14* (*OAR 660-015-0000(14)) is "To provide for an orderly and efficient transition from rural to urban land use, to accommodate urban population and urban employment inside urban growth boundaries, to ensure efficient use of land, and to provide for livable communities."*

FINDING: The addition of Goal 6 to the OHP and the amendments to Goals 2 and 6 of the OTP will not affect the orderly and efficient transition from rural to urban land uses, will not affect whether population or employment is accommodated within urban growth boundaries and will not affect the efficiency of uses of the land. The policies will protect the livability of communities by guiding decision makers to evaluate the specific effects of a tolling application to a planned transportation facility. The amendments are in compliance with Statewide Planning Goal 14, Urbanization.

(15) Willamette River Greenway *- The purpose of Goal 15 (OAR 660-015-0005) is "To protect, conserve, enhance and maintain the natural, scenic, historical, agricultural, economic and recreational qualities of lands along the Willamette River as the Willamette River Greenway."*

FINDING: The addition of Goal 6 to the OHP and the amendments to Goals 2 and 6 of the OTP do not plan for or address specific uses on lands protected in the Willamette River Greenway. The amendments are in compliance with Statewide Planning Goal 15, Willamette River Greenway.

(16) Estuarine Resources *- The purpose of Goal 16 (OAR 660-015-0010(1)) is "To recognize and protect the unique environmental, economic, and social values of each estuary and associated wetlands; and to protect, maintain, where appropriate develop, and where*

appropriate restore the long-term environmental, economic, and social values, diversity and benefits of Oregon's estuaries."

FINDING: The addition of Goal 6 to the OHP and the amendments to Goals 2 and 6 of the OTP do not address or impact estuarine resources. The amendments are in compliance with Statewide Planning Goal 16, Estuarine Resources.

(17) Coastal Shorelands *- The purpose of Goal 17 (OAR 660-015-0010(2)) is "To conserve, protect, develop, and where appropriate restore the resources and benefits of all coastal shorelands, recognizing their value for protection and maintenance of water quality, fish and wildlife habitat, water-dependent uses, economic resources and recreation and aesthetics. The management of these shoreland areas shall be compatible with the characteristics of the adjacent coastal waters; and to reduce the hazard to human life and property, and the adverse effects upon water quality and fish and wildlife habitat, resulting from the use and enjoyment of Oregon's coastal shorelands."*

FINDING: The addition of Goal 6 to the OHP and amendments to Goals 2 and 6 of the OTP do not propose any land uses that would impact coastal shoreland resources. The amendments are in compliance with Statewide Goal 17, Coastal Shorelands.

(18) Beaches and Dunes *- The purpose of Goal 18 (OAR 660-015-0010(3)) is "To conserve, protect, where appropriate develop, and where appropriate restore the resources and benefits of coastal beach and dune areas; and to reduce the hazard to human life and property from natural or man-induced actions associated with these areas."*

FINDING: The addition of Goal 6 to the OHP and amendments to Goals 2 and 6 of the OTP do not propose any land uses that would impact beach and dune resources. The amendments are in compliance with Statewide Planning Goal 18, Beaches and Dunes.

(19) Ocean Resources *- The purpose of Goal 19 (OAR 660-015-0010(4) is "To conserve marine resources and ecological functions for the purpose of providing long-term ecological, economic, and social value and benefits to future generations."*

FINDING: The addition of Goal 6 to the OHP and amendments to Goals 2 and 6 of the OTP do not propose any land uses that would impact ocean resources. The amendments are in compliance with Statewide Planning Goal 19, Ocean Resources.

Oregon Transportation Commission	NUMBER **TRANSPORTATION COMMISSION-09**	SUPERSEDES **NEW**
	EFFECTIVE DATE **DEC. 12, 2006**	PAGE NUMBER **1** OF **1**
POLICY	REFERENCE **OREGON TRANSPORTATION COMMISSION MINUTES – DECEMBER 12, 2006**	
SUBJECT **GOVERNANCE OF TOLLING ON STATE HIGHWAYS**		

The Oregon Transportation Commission shall serve as the decision-making body for all aspects regarding tolling on State Highways in Oregon. Tolling aspects include, but are not limited to, implementing, operating, and setting rates for any tolling operation on or impacting the State Highway System.

Oregon Transportation Commission	NUMBER **TRANSPORTATION COMMISSION-08**	SUPERSEDES **NEW**
	EFFECTIVE DATE **DEC. 12, 2006**	PAGE NUMBER **1** OF **1**
POLICY	REFERENCE **OREGON TRANSPORTATION COMMISSION MINUTES – DECEMBER 12, 2006**	
SUBJECT **TOLLING SUPPORT OPERATIONS**		

Management of toll collection, reporting, violation tracking, and customer service for any tolling operations on State Highways in Oregon shall be provided through a single, centralized tolling support facility. The Commission will consider exceptions to this policy if there is opportunity to combine tolling support facilities with a neighboring state for any bi-state tolling project.

Oregon Transportation Commission	NUMBER **TRANSPORTATION COMMISSION-07**	SUPERSEDES **NEW**
	EFFECTIVE DATE **DEC. 12, 2006**	PAGE NUMBER **1** OF **1**
POLICY	REFERENCE **OREGON TRANSPORTATION COMMISSION MINUTES – DECEMBER 12, 2006**	
SUBJECT **INTEROPERABILITY FOR ELECTRONIC TOLLING**		

Any electronic toll collection operation on State Highways in Oregon shall use the same transponders (or "tags") planned for use in the State of Washington as of the date of adoption of this policy. Furthermore, equipment that "reads" transponders at toll collection operations shall be capable of reading both the transponders (or "tags") planned for use in the State of Washington as of the date of adoption of this policy, and transponders used for "Green Light" commercial vehicle operations as of the date of adoption of this policy.

Oregon Transportation Plan (OTP) Proposed Amendments

OTP Goal 2 - Management of the System

Under Policy 2.1 - Capacity and Operational Efficiency, add the following as a new strategy:

Strategy 2.1.10

> "Consider the use of toll revenue, including time-of-day pricing revenue, from existing state highways in a manner consistent with other Oregon Transportation Commission policies, state law, and federal statutes and planning regulations."

OTP Goal 6 – Funding the Transportation System

Under Policy 6.1 - Funding Structure, add the following as a new strategy:

Strategy 6.1.4

> “Consider the use of tolling for financing the construction of new roads, bridges or dedicated lanes only if expected toll receipts will pay for an acceptable portion of project costs.”

Oregon Transportation Plan (OTP) Proposed Amendments

OTP Goal 2 - Management of the System
Policy 2.1 - Capacity and Operational Efficiency
add the following as a new strategy:

Strategy 2.1.10

"Consider the use of toll revenue, including time-of-day pricing revenue, from existing state highways in a manner consistent with other Oregon Transportation Commission policies, state law, and federal statutes and planning regulations."

OTP Goal 6 – Funding the Transportation System
Policy 6.1 - Funding Structure
add the following as a new strategy:

Strategy 6.1.4

"Consider the use of tolling for financing the construction of new roads, bridges or dedicated lanes only if expected toll receipts will pay for an acceptable portion of project costs."

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Tolling and Pricing Policy Amendments to OTP and OHP

Record of Outreach

Note: Public Review Period was April 1 – June 15, 2012

Presentations - 2011	
Agency/Committee/Interest Group	**Presentation Date**
Rogue Valley Area Commission on Transportation (RVACT)	September 13
Oregon Motor Carrier Transportation Advisory Committee (MCTAC)	September 15
Metro – Transportation Policy Alternatives Committee (TPAC)	September 23
Mid-Willamette Valley Area Commission on Transportation (MWACT)	October 6
Metro – Joint Policy Advisory Committee on Transportation (JPACT)	October 13
Metropolitan Planning Organization (MPO)/Transit District Committee - Quarterly	October 14
Northwest Area Commission on Transportation (NWACT)	November 13
Salem-Keizer Area Transportation Study (SKATS)	November 22
Presentations - 2012	
Agency/Committee/Interest Group	**Presentation Date**
South Central Oregon Area Commission on Transportation (SCOACT) by phone	March 2
Oregon Public Transportation Advisory Committee (PTAC)	March 12
Oregon Freight Advisory Committee (OFAC)	March 22
Confederated Tribes of Grand Ronde – Tribal Council	March 26
Federal Highway Administration (FHWA)	April 2
North East and South East Area Commissions on Transportation (NEACT) (SEACT) – Combined Group	April 5
Association of Oregon Counties (AOC) – Transportation Steering Committee	April 9
City of Lake Oswego Neighborhood Association	April 18
Oregon Department of Environmental Quality (DEQ)	April 20
Clackamas County Technical Advisory Committee (CCTAC)	April 24
Oregon Trucking Associations (OTA)	April 26
Cascades West Area Commission on Transportation (CWACT)	April 26
East Multnomah County Transportation Committee (EMCTC)	May 7
South West Area Commission on Transportation (SWACT)	May 11
Rogue Valley Area Commission on Transportation (RVACT) by phone	June 11
Notification - 2012	
Agency/Committee/Interest Group	**Notification Date**
Area Commissions on Transportation (ACTs)	February 21, 22
Oregon Department of Land Conservation and Development (DLCD)	February 27
Oregon Public Transportation Advisory Committee (PTAC)	February 27
Oregon Freight Advisory Committee (OFAC)	February 27
STIP Stakeholder Committee	March 5
Oregon Sustainability Transportation Initiative (OSTI) – Policy Committee	March 5
AAA Oregon/Idaho (AAA)	March 5
Oregon Trucking Associations (OTA)	March 5
League of Oregon Cities (LOC)	March 5
Association of Oregon Counties (AOC)	March 5
Metropolitan Planning Organizations (MPOs)	March 5
Rail Advisory Committee (RAC)	March 5
Oregon Transportation Safety Committee (OTSC)	March 5
Oregon Bicycle and Pedestrian Advisory Committee (OBPAC)	March 5
Oregon Business Development Department (OBDD)	March 6
Oregon Regional and Council of Governments (COGs)	March 6
Native American Tribes	March 6
Governor's Environmental Justice Task Force	March 6
Oregon Natural Resource Agencies	March 6
Washington County Coordinating Committee (WCCC)	April 2

John D. Porter
President/CEO

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March 20, 2012

Mr. Robert Maestre
Transportation Programs Manager
Oregon Department of Transportation
555 13th Street NE, Suite 2
Salem, Oregon 97301

Dear Mr. Maestre:

As the Oregon Department of Transportation and the Oregon Transportation Commission considers tolling and pricing amendments to the Oregon Highway Plan and Oregon Transportation plan, AAA believes that that motorists must be assured that tolls are fair and equitable, transparent, and are used for the purposes they are collected.

We know that the public wants transportation improvements, and that they would be willing to pay for them if they had more confidence in how their money is being spent. As opposed to business as usual, the public wants accountability, results, and the ability to see how increased investment improves their travel experience. This should be the lens through which we judge any pricing proposals that come before us. Tolling and pricing are future solutions to increase capacity and manage congestion, but they are not a panacea. We simply will not fix Oregon's transportation funding shortfall by assuming that these kinds of projects will fill the gap. Expansion of tolling and pricing projects must be thoughtfully and carefully implemented and each proposal judged on its own merits.

AAA generally opposes congestion pricing when it is utilized merely as a revenue generation technique or as a punitive measure to get people out of their cars, while providing inadequate transportation alternatives. A better approach is to provide a newly constructed and priced road as a superior service alternative to existing congested roads. Many people simply don't have the flexibility with their employers to alter their work schedules to non-peak travel times. By providing new priced lanes as a superior service alternative, motorists can choose to use them when time and predictability are most important.

Several issues related to tolling are now being debated at the federal level. AAA supported one federal bill, The Commuter Protection Act (H.R. 3684 and S. 2006) that was a direct result of the recent decision by the Port Authority of New York and New Jersey to initiate an increase in tolls but divert the revenues to fund things other than roadway infrastructure improvements. Recognizing that tolling will likely expand as a future funding method, we believe the Commuter Protection Act inserts some sensible protections for rate setting and use of revenue that will help maintain public trust.

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Medford

R. Thomas Yasui
Hood River

AAA Oregon/Idaho strongly believes that all congestion pricing toll revenue should remain part of Oregon's Dedicated Highway Fund, and used for no other purposes than highway maintenance and construction. We also believe that funds raised from tolling should only be used for the construction and maintenance of the infrastructure that is being tolled.

Further, we strongly believe that tolls should not be imposed on existing capacity, especially on the Interstate Highway System, as well as other critical regional arteries. (Zone tolling programs supporting major construction projects on a parallel arterial may be necessary, however, subject to the merits of individual projects.)

As the analysis on tolling proceeds, AAA Oregon/Idaho would appreciate being part of the discussion. We regularly communicate with our members and the motoring public. As such, we look forward to further sharing of our views as these deliberations occur. Please let me know how we can be involved in a meaningful way.

Please don't hesitate to contact me if I can provide additional comments on the draft tolling and pricing policies.

Sincerely,

John D. Porter
President/CEO

JDP:jc

May 8, 2012

Oregon Transportation Commission
Attention: Director Matt Garrett
355 Capitol St. NE
Salem, OR 97301

Dear Commissioners,

The Oregon Trucking Associations is trade association representing Oregon's trucking industry. Currently, the Oregon Trucking Associations has in excess of 600 members comprised of trucking companies and suppliers to the industry. The members of the Oregon Trucking Associations wish to provide the following comments regarding the proposed Tolling and Congestion Pricing policy.

Policy 6.2 suggests that the Commission consider tolling of existing highway capacity. The members of the Oregon Trucking Associations opposed tolls on infrastructure that has already been fully funded. In addition, federal regulations currently prohibit tolling of existing highways and bridges without first obtaining a waiver. We urge the Commission to remove policy 6.2 from any further consideration.

Policy 6.4 requires the proposer to consider multiple approaches for the use of revenues generated from tolling. This could include both roadway and non-roadway uses. The members of the Oregon Trucking Associations believe that tolls should only be imposed on highway infrastructure that adds new capacity to the system. We also believe that Article IX, Section 3a of Oregon's Constitution prohibits the use of toll revenues for non-roadway purposes. Again, we urge the Commission to remove policy 6.4 from any further consideration.

Thank you for the opportunity to comment on this very important proposed change to the Commission's Tolling and Congestion Pricing policies. Please, let me know if you need further information.

Sincerely,

Debra Dunn

Debra Dunn
President

Oregon Trucking Associa ons, Inc. 4005 SE Naef Rd. Portland, OR 97267
Phone: 503. 513.0005 Fax: 503.513.9541 www.ortrucking.org

600 NE Grand Ave.
Portland, OR 97232-2736
www.oregonmetro.gov

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Feb. 10, 2012

Mr. Jason Tell. Manager
ODOT, Region 1
123 NW Flanders
Portland, OR 97209-4037

Dear Jason:

Thank you for the opportunity to review and comment on the draft Oregon Highway Plan Tolling and Congestion Pricing policies. We understand that the draft is the culmination of a significant body of research on alternative applications of congestion pricing or tolling and the best practices for evaluation of the tool for potential implementation. It provides a useful guide for factors and considerations that should be weighed in deciding whether to implement a proposal.

However, the foundation for the policy is that there is a resurgence of interest in tolling due to the high cost of expansion projects and in congestion pricing due to the changes in technology that enable a broad variety of approaches. It further provides in the introduction a description of the wide variety of applications and policy objectives that might be addressed through pricing or tolling and introduces the need for a thorough analysis of likely effects and public acceptance of the proposal.

In order for this policy to be effective and useful it should be developed to provide direction on the policy intent being pursued through pricing or tolling and have as its foundation the policy principles that are intended to be accomplished. As presently written, the draft defines a number of factors to be considered in a thorough evaluation but provides no guidance on the intended policy objectives.

The Oregon Highway Plan and the Oregon Sustainable Transportation Initiative recognize the potential role of pricing as a tool for managing the operation of the transportation system and provide an appropriate starting point for the policy making needed to be developed. We recognize the importance of these policies and believe that the draft policy provides a good framework for the evaluation issues to be considered. We support moving forward a revised draft policy (after addressing our comments) for consideration by the Oregon Transportation Commission (OTC) as soon as possible. Since the application of these tools are almost exclusively going to be located in the Portland region, it is also important that the Joint Policy Advisory Committee on Transportation be closely involved in the policy making process. We also urge the Oregon Department of Transportation to undertake a comprehensive revision of the Oregon Highway Plan soon in order to more fully address and integrate tolling, green house gas and other policy initiatives.

As the policy becomes more fully developed, attached are detailed section-by-section comments to take into consideration.

Sincerely,

Carlotta Collette, Chair
Joint Policy Advisory Committee on Transportation (JPACT)
Councilor, District 2

Encl: 1

Cc: Metro Council

Attachment 1

ODOT Goal 6: Tolling and Congestion Pricing Policy
Detailed Section-by-Section Comments

1. Pages 1 and 2 should provide more of a framework for the policy rationale for where and why you may want to implement tolling or congestion pricing. Most of the specifics of the policy document are in the context of tolling being a major departure from the status quo and likely to be controversial. With this in mind, the policy direction calls for a significant evaluation process to ensure a thorough and publicly transparent process. In addition to establishing the expectation that issues that may be controversial should be fully evaluated, there should be a stronger introduction to the good policy reasons that tolling or congestion pricing maybe appropriate. Possible policy rationales to include are:

    a. Tolling – Tolling may be appropriate if the proposed highway modernization project (such as a freeway or bridge expansion) is substantially more expensive than the broad-based user fees could support (i.e. statewide gas taxes, vehicle registration fees and truck weight-mile taxes).
    b. Congestion Pricing – Congestion pricing may be appropriate if the level of congestion is such that the facility cannot operate in an uncongested manner without the price signals during the congested period.
    c. Tolling and/or congestion pricing may be appropriate if it serves to strengthen the "user pays" philosophy of the road financing system by assigning the extra cost of very expensive expansion projects or the cost of the extra lanes in a congested corridor directly to the user of the facility.

    Inclusion in the policy document of Table 4 (page 22 and 23) of "Tolling White Paper #2 – Geographic and Situational Limits (2009)" (attached) could provide the framework for defining applications of tolling or pricing that may be appropriate to pursue.

2. Tolling creates both private and public benefits. The policy should explicitly recognize this, should distinguish the two and should prioritize the public benefit.

3. Policy Action 6.1.3 states: "ODOT will only consider those toll projects ranked "high" under tolling parameters considered by ODOT.[2]" The policy should list these parameters rather than reference another document. Furthermore, proposals that are rated "medium to high" should be considered not just those rated as "high". As reflected in the referenced document, those that are rated high are clear candidates for tolling or pricing. Those that are rated medium would be a closer judgment call that would be revealed through the detailed evaluation that is called for and in light of the particular outcomes being sought.

4. Add a policy for new capacity projects to contrast the use of toll revenues to the application of conventional funding mechanisms. For example, will toll revenues be limited to use on the facility being tolled? Or, will toll revenues be limited to facilities that benefit the operation of the facility being tolled? Or, will toll revenues be limited to facilities within the broader corridor or region? In contrast, conventional funding sources are not restricted to be used exclusively in the area where the revenues are generated. A comparison of tolled vs. conventional funding mechanisms should be disclosed to better understand who benefits vs. who pays for each funding approach.

5. Policy Action 6.2.2 states: "The proposer of any tolling or pricing project is required to have a clear statement of public policy objectives against which the effectiveness of the proposal can be measured." The policy should be further expanded to call for a clear delineation of whether the policy intent is as a revenue-raising mechanism or a demand management mechanism or both. Policy Action 6.2.3 states: "The proposer of any tolling or pricing project is required to compare the proposal to a null, non-tolled alternative to ensure the effects of introducing tolls can be clearly demonstrated." The policy should be further expanded to call for consideration of other non-tolled, build alternatives to ensure that the consequences of introducing tolls can be contrasted with addressing the purpose and need through actions that do not entail tolls.

6. Policy 6.3 "Background" states: Roadway tolls may be levied for a variety of public policy objectives. The relative importance or degree of public acceptance of these objectives may vary in different locales and parts of the state. Similarly, a pricing program for a given purpose in one locale inadvertently may have undue negative effects on other parts of the state. "Region or" should be added in front of "state" as the effects are more likely to be regional rather than statewide.

7. Policy Action 6.3.2 states: "ODOT will analyze the likely transportation, economic, social, energy and environmental effects of any tolling or pricing project on parts of the state outside of the project area." Add "region and" prior to state.

8. Policy Action 6.3.3 calls for the following: "ODOT will analyze the expected change, if implemented, in vehicle throughput due to any tolling or pricing proposal to ensure consistency with ORS 366.215." ODOT staff has indicated the ORS 366.215 (regarding preservation of capacity on freight routes) may not apply. If it does apply, the policy should list these parameters rather than reference the statute.

9. Policy Action 6.3.4 states: "ODOT region staff and local government agencies shall work together to evaluate public understanding of and support for the principle likely objectives for road tolling and pricing applications." The policy should be further expanded by indicating the need to evaluate public understanding of the proposal as contrasted with other alternatives to address the purpose and need including other economic, social and environmental consequences and alternate funding responsibility.

Table 4: Potential Toll Application Rating System Using Performance Measures

Measure/ Application	New Alignment or Greenfield Toll Road	HOV-to-HOT Lane Conversion	New or Replacement Major Bridges	Tolling Existing Facilities
Daily Volumes	<20,000 = Low 20,000 – 60,000 = Medium >60,000 = High	Based on volume-to-capacity ratio or ability to maintain a minimum guaranteed speed.	<20,000 = Low 20,000 – 60,000 = Medium >60,000 = High	<20,000 = Low 20,000 – 60,000 = Medium >60,000 = High
Travel Time Savings (compared to existing corridor or no-build alternative)	Little or no improvement = Low Measurable = Medium Substantial = High	Measured along HOT facility: Little or no improvement or negative impact on HOV speeds = Low Measurable improvement with no negative impact on HOV speeds = Medium Substantial improvement, zero negative impact on HOV speeds = High	Little or no improvement = Low Measurable = Medium Substantial = High	Little or no improvement = Low Measurable = Medium Substantial = High
Traffic Management – congestion levels on adjacent or parallel facilities potentially relieved by tolling application (based on modeling or other travel demand estimation)	Little or no relief = Low Moderate reduction of traffic delays on parallel facilities = Medium High level of reduction of traffic delays on parallel facilities, or existing "free" facility has multiple hours per day where volumes exceed capacity = High	Little or no relief = Low Moderate reduction of traffic delays on parallel facilities = Medium High level of reduction of traffic delays on parallel facilities, or existing "free" facility has multiple hours per day where volumes exceed capacity = High	Little or no relief = Low Moderate reduction of traffic delays on parallel facilities = Medium High level of reduction of traffic delays on parallel facilities, or existing "free" facility has multiple hours per day where volumes exceed capacity = High	Little or no relief = Low Moderate reduction of traffic delays on parallel facilities = Medium High level of reduction of traffic delays on parallel facilities, or existing "free" facility has multiple hours per day where volumes exceed capacity = High
Existence of Proximate or Competing Free Facilities	Close (within a mile) = Low In vicinity but not close = Medium Remote (more than 3 miles away) = High	General purpose lanes are within the same facility. If they are heavily congested, they won't compete very well with HOT lane.	Close (within a mile) = Low In vicinity but not close = Medium Remote (more than 3 miles away) = High	Close (within a mile) = Low In vicinity but not close = Medium Remote (more than 3 miles away) = High

Measure/ Application	New Alignment or Greenfield Toll Road	HOV-to-HOT Lane Conversion	New or Replacement Major Bridges	Tolling Existing Facilities
Multimodal	No toll exemption for buses, or no transit service gained as part of project = Low Some toll exemption for buses, some transit services gained as part of project = Medium Transit has toll exemption, excess toll revenue can fund high level of peak transit service = High	Unlikely to fund new transit service or facilities. FHWA will require no negative impact on HOV/bus speeds.	No toll exemption for buses, or no transit service gained as part of project = Low Some toll exemption for buses, some transit services gained as part of project = Medium Transit has toll exemption, excess toll revenue can fund high level of peak transit service = High	No toll exemption for buses, or no transit service gained as part of project = Low Some toll exemption for buses, some transit services gained as part of project = Medium Transit has toll exemption, excess toll revenue can fund high level of peak transit service = High
Revenue Return	Low traffic volumes, low proposed toll = Low Medium traffic volumes, low or medium proposed toll, or high traffic volumes, low proposed toll = Medium High traffic volumes, medium or high proposed toll = High	National experience on corridors that carry 150,000 or more vehicles a day is that revenue will cover operating and maintenance costs, or perhaps a little more, which goes into transit operations. Oregon has no corridors carrying 150,000 or more vehicles per day, but I-5 in Portland is projected to carry that level or higher levels well before 2040.	Low traffic volumes, low proposed toll = Low Medium traffic volumes, low or medium proposed toll, or high traffic volumes, low proposed toll = Medium High traffic volumes, medium or high proposed toll = High	Low traffic volumes, low proposed toll = Low Medium traffic volumes, low or medium proposed toll, or high traffic volumes, low proposed toll = Medium High traffic volumes, medium or high proposed toll = High
Diversion to Free Facilities (based on modeling)	Could be an issue especially if the toll authority has no-compete clause in the tolling agreement. High level of shift, perhaps enough to result in volumes exceeding capacity on adjacent facility = Low Some shift but not enough to cause substantial congestion on parallel routes = Medium Little or no shift onto parallel routes = High	Less likely to occur since HOT lanes are attempting to use up excess HOV capacity.	High level of shift, perhaps enough to result in volumes exceeding capacity on adjacent facility = Low Some shift but not enough to cause substantial congestion on parallel routes = Medium Little or no shift onto parallel routes = High	High level of shift, perhaps enough to result in volumes exceeding capacity on adjacent facility = Low Some shift but not enough to cause substantial congestion on parallel routes = Medium Little or no shift onto parallel routes = High
Access Management	Frequent local access, or > 3 driveways/mile = Low Infrequent or controlled access, 1-	Must be limited access facilities. Access as measured by ability to enter/exit HOT lane:	Typically should be limited access over the river.	Frequent local access, or > 3 driveways/mile = Low Infrequent or controlled access, 1-2

Measure/ Application	New Alignment or Greenfield Toll Road	HOV-to-HOT Lane Conversion	New or Replacement Major Bridges	Tolling Existing Facilities
	2 driveways per mile = Medium Limited access, no driveways = High	Continuous access = Low Buffer separation, access every 1-2 miles = Medium Buffer or barrier separation, access > 2 miles apart = High		driveways per mile = Medium Limited access, no driveways = High
Oregon Planning Rule Implications	Potentially difficult to justify in urban areas if new roadway capacity increases reliance on single-occupant vehicles; need to demonstrate compliance with goals for reducing vehicle miles traveled per capita in Section 12 of the Statewide Planning Goals contained in the Oregon Administrative Rules (OAR 660-012-0000).	May be justifiable if it can be demonstrated that there is no net negative impact on HOVs.	Probably neutral – a new bridge will require inclusion in a transportation system plan, which will trigger Oregon Planning Rule review.	Probably neutral.

Rating system is as follows:

Low = Low potential for reasonable tolling application under this criterion.
Medium = Medium potential; shows promise, but borderline under this criterion.
High = High potential for reasonable tolling application; shows merit under this criterion.

Oregon Highway Plan Goal 6 Amendment: Tolling and Congestion Pricing – FHWA Comments

General Comments

Federal Tolling Authority

As the Department is aware, federal surface transportation legislation has traditionally taken a limited approach to allowing the use of federal-aid funds on toll facilities. Over the past several decades there has been gradually more flexibility on using federal funds for improvements to toll facilities. Under 23 U.S.C. 129, federal participation is allowed in the following five types of toll activities.

- Initial construction (except on the Interstate System) of toll highways, bridges, and tunnels, including the approaches to these facilities;
- Reconstructing, resurfacing, restoring, and rehabilitating of any existing toll facility;
- Reconstruction or replacement of free bridges or tunnels and conversion to toll facilities;
- Reconstruction of a free federal-aid highway (except on the Interstate system) and conversion to a toll facility; and
- Preliminary studies to determine the feasibility of the above toll construction activities.

If federal-aid funds are used for construction of or improvements to a toll facility or the approach to a toll facility or if a State plans to reconstruct and convert a free highway, bridge or tunnel previously constructed with federal-aid funds to a toll facility, a toll agreement under Section 129(a)(3) must be executed. The toll agreement must require that all toll revenues are first used for any of the following: debt service, reasonable return on private investment, and operation and maintenance, including reconstructing, resurfacing, restoring, and rehabilitating work. A provision may be added to allow excess revenues to be used for highway and transit purposes authorized under Title 23 if the State certifies annually that the toll facility is being adequately maintained. Decisions on whether a toll facility is to become free when debt is retired or at some other future point in time or whether tolls are to be continued indefinitely is a decision under state purview. Similarly, decisions on tolling charges and the means for collecting those tolls made by the toll authority are subject to requirements under State and local laws and regulations.

HOV and HOT Facilities

Section 1121 of SAFETEA-LU replaces Section 102(a) of Title 23 of the United States Code (23 U.S.C.) with a new Section 166 that clarifies some aspect of the operation of HOV facilities and provides more exceptions to the vehicle occupancy requirements for HOV facilities. It also authorizes States to create High Occupancy Toll (HOT) lanes. Specifically, this section allows States to charge tolls to vehicles that do not meet the established occupancy requirements to use an HOV lane if the State establishes a program that addresses the selection of certified vehicles and procedures that addresses the selection of certified vehicles and procedures to manage the demand of the facility by varying the toll amount and enforcing violations. A toll agreement must be executed between the FHWA, the State Department of

Transportation, and operating agencies. Tolls under this section may be charged on both Interstate and non-Interstate facilities. There is no limit on the number of projects or the number of states that can participate.

Express Lanes Demonstration Program

This new demonstration program permits tolling on selected facilities to manage high levels of congestion, reduce emissions in a non-attainment or maintenance area under the Clean Air Act Amendments, or finance added Interstate lanes for the purpose of reducing congestion.

The Secretary is authorized to carry out 15 demonstration projects through 2009 to allow States, public authorities, or public or private entities designated by States to collect a toll from motor vehicles at an eligible toll facility for any highway, bridge, or tunnel, including on the Interstate. An "eligible toll facility" includes those accomplishing any of the following:

- Manage high levels of congestion typically by varying the toll price by time of day or level of traffic;
- Reduce emissions in a non-attainment area or maintenance area;
- Finance the expansion of a highway, for the purpose of reducing traffic congestion, by constructing one or more additional lanes (including bridges, tunnels, supports, or other necessary structures) on the Interstate System.

Qualified Demonstration Projects may consist of:

- Variable pricing by time of day or level of traffic, as appropriate to manage congestion or improve air quality, is required if an HOV facility is tolled; for a non-HOV facility, variable pricing is optional;
- Motor vehicles with fewer than 2 occupants may be permitted to use HOV lanes as part of a variable toll pricing program;
- Automatic toll collection is required in express lanes to optimize free flow of traffic; and
- Toll revenue may only be used for debt service, reasonable rate of return on private financing, operation and maintenance costs, or any eligible title 23 or 49 project if the facility is being adequately maintained.

Federal share of project cost of a facility tolled under this program, including installation of the toll collection facility, is not to exceed 80 percent.

Toll Credits

A State may use toll credits toward the non-Federal matching share of programs authorized by Title 23 (except for the emergency relief program) and for transit programs authorized by Chapter 53 of Title 49. The amount of credit earned is based on revenues generated by the toll authority (i.e., toll receipts, concession sales, right-of-way leases or interest), including borrowed funds (i.e., bonds, loans) supported by this revenue stream, that are used by the toll authority to build, improve or maintain highways, bridges or tunnels that serve interstate commerce. To be able to earn a credit, a State must

satisfy the Maintenance of Effort (MOE) determination. More information on the use of toll credits can be found at http://www.fhwa.dot.gov/specialfunding/020807.cfm.

Specific Comments

Policy 6.1 – New Toll Facilities

This section says that toll receipts will pay for an acceptable portion of project costs. Project costs should include construction as well as ongoing operations and maintenance of the toll facility.

Action 6.1.1 –

This section states that tolling projects will be in compliance with State policies and regional and local plans. It should also include being in compliance with all Federal tolling policies as well.

It would be desirable to define what is meant by "new capacity." The introduction to the policy tangentially acknowledges the difficulty through the application of tolling : "Finally, it is not always possible to separate tolling applied to new capacity, new facilities, and existing facilities" (a conclusion that in our estimation while complex is not overly so and is scalable by technological pricing techniques). It is not clear whether additional capacity would accrue solely from the case of additional physical lanes, the application of management techniques that would allow increased throughput by reduced headways for example, or other variations that may increase capacity though not necessarily require addition carrying space.

Action 6.1.2 –

This action requires proposers to conduct a benefit-cost analysis according to the March 2110 Benefit-Cost Assessment Guidance prepared for the Department. While the guidance provides a comprehensive discussion on benefits and the cost discussion provides a realistic subdivision of categories, the cost analysis does not appear to include an important distinction between the cost of capital between the public sector and the private sector. Because of the differing tax raising structures and risks associated with raising capital on the private and public markets we would urge that the guidance more fully explore these issues and provide clearer guidance to frame costs so that the full costs of capital are clear in the analysis.

Action 6.1.5 –

This action establishes the comparison groups for high occupancy toll proposal, requiring those to be compared to high occupancy vehicle lanes and multi-class general purpose lanes; however, the comparison metrics are unclear. Is this intended to draw from the benefit cost analysis methodology specified earlier?

Action 6.2.5 –

This action states that equity issues associated with tolling or pricing will be examined by the Department and comply with federal statues, rules, and guidance. Through the Department's benefit-cost guidance and economic assessment of tolling schemes some comprehensive approaches have been developed to identify impacts. The current extant federal policy stems from the Executive Order 12898, Federal Actions to Address Environmental Justice in Minority and Low-Income Populations. Given that the distributional effects of pricing are both relatively unexplored and have important public policy implications, with the latter already recognizing by the Department, we would urge that, despite the lack of a clear analytical path, the Department consider defining a minimum set of distributional impacts that should be considered in an analysis including impacts of the revenue stream cycling (e.g., impacts to captive transit riders, impacts to out-of-analysis-area commuters,).

Action 6.3.1 –

This action requests documentation of consistency of pricing and tolling proposals with state and federal statutes, which is quite reasonable, but then adds that the proposal should also be consistent with other tollway projects within the state. The intent of this latter requirement is not clear. The wide variety of tolling and pricing approaches and the differing objectives and needs on a local level could indicate that there would be differing policy objectives (and different impacts) for different locations around the state. Having a more flexible approach would seem to support the individual crafting of proposals sensitive to local transportation needs.

Action 6.4.1 –

This action requests that the proposer consider a range of potential uses for toll revenue. In line with earlier comments, as the use of revenue streams is often complex from a policy standpoint and often key to the acceptance of a pricing or tolling scheme, the action would be strengthened by providing more guidance on the types of revenue impacts that should be, as a minimum, included. These allocation analyses would be important to understand the full cost implications of the proposals but, moreover, would seem to directly address the political feasibility question by more directly indicated how benefit allocation may serve to ensure a necessary advocacy for pricing and tolling.

Policy 6.5 –

Tolling Technology and Systems

By definition, tolling technologies and systems are considered Intelligent Transportation Systems (ITS). All ITS projects, funded in whole or in part by funds from the Highway Trust Fund must be in compliance with 23 CFR 940, FHWA Rule on ITS Architecture and Standards Conformity. Section 940.9 states that a regional ITS architecture shall be developed to guide the development of ITS projects and programs and be consistent with ITS strategies and projects contained in applicable plans. Any tolling facility proposed for development must be included in the applicable Statewide or Regional ITS Architecture. Additionally, Section 940.11 states that all ITS projects must be developed based on a systems engineering analysis, and at a minimum shall include:

- Identification of the portion of the Regional or Statewide ITS Architecture being implemented
- Identification of participating agencies roles and responsibilities
- Requirements definitions
- Analysis of alternative system configurations and technology options to meet requirements
- Procurement options
- Identification of applicable ITS standards and testing procedures
- Procedures and resources necessary for operations and management of the system

Tolling Policies Comments

Stakeholder	Date	Stakeholder Comments - Written	ODOT Response
Metro – JPACT Joint Policy Advisory Committee on Transportation	2-10-12	Introduction, pages 1 and 2, should provide a stronger framework for the policy rationale for where and why you may want to implement tolling or congestion pricing. Table 4 (pages 22 and 23) of *"Tolling White Paper #2 – Geographic and Situational Limits, 2009*" should be included to provide framework.	Added language to "Overview", Paragraph 4, **"Highway tolling has two key attributes: 1) it can affect motorist behavior – drivers react to even small changes in price; 2) tolls generate revenue which may not be obtainable by other means."** After "… but potentially enhance transportation system performance" added **"by altering motorist behavior and, thereby, better managing congestion."** *Tolling White Paper # 2 – Geographic and Situational Limits (February 2009)*, Tables 2, 3, and 4 include potential policy rationales for each tolling application discussed. This document already appears as a footnote to Policy Action 6.1.3. See http://www.oregon.gov/ODOT/TD/TP/docs/Tolling/WhitePaper2.pdf
Metro – JPACT Joint Policy Advisory Committee on Transportation	2-10-12	Tolling creates both private and public benefits. The policy should explicitly recognize this, distinguish the two and should prioritize the public benefit.	This comment is somewhat vague but appears to reflect concern about private toll road operators. The economic analytical methods endorsed in the policy statement, such as benefit/cost analysis, assume all costs and benefits are 'public' in that they accrue to the society as a whole. The difference between a public versus private toll road operator would appear in the analysis only insofar as the level of tolls and costs of capital would vary between them. The policy is silent about the appropriateness of private versus public operators, leaving this decision to be made in the rate setting process. ORS 383.004(1)(k) [NO CHANGES]
Metro – JPACT Joint Policy Advisory Committee on Transportation	2-10-12	Policy Action 6.1.3 states: "ODOT will only consider those toll projects ranked "high" under tolling parameters considered by ODOT." The policy should list these parameters. Further, proposals that are rated "medium to high" should be considered.	Added **"medium to"** in front of "high".

Tolling Policies Comments

Stakeholder	Date	Stakeholder Comments - Written	ODOT Response
Metro – JPACT Joint Policy Advisory Committee on Transportation	2-10-12	Add a policy for new capacity projects that contrasts the use of toll revenues to the application of conventional funding mechanisms. Will toll revenues be limited to use on the facility being tolled? Or, will toll revenues be limited to facilities that benefit the operation of the facility being tolled? Or, will toll revenues be limited to facilities within the broader corridor or region? In contrast, conventional funding sources are not restricted to use exclusively in the area where revenues are generated. A comparison of tolled versus conventional funding mechanisms should be disclosed.	The use of revenue generated from tollway projects falls under ORS 383.009 *State Tollway Account; sources; uses.* Toll revenues must go into this account and can only be used for designated purposes, all related to existing or proposed tollways. [NO CHANGES]
Metro – JPACT Joint Policy Advisory Committee on Transportation	2-10-12	Policy Action 6.2.2 states: "The proposer of any tolling or pricing project is required to have a clear statement of public policy objectives against which the effectiveness of the proposal can be measured." The policy should be expanded to call for a clear delineation of whether the policy intent is as a revenue-raising mechanism or a demand management mechanism or both.	There are other potential policy objectives beyond these two; the policy consciously leaves all of these in play in order to avoid unduly preventing what may be sound ideas. [NO CHANGES]
Metro – JPACT Joint Policy Advisory Committee on Transportation	2-10-12	Policy Action 6.2.3 states: "The proposer of any tolling or pricing project is required to compare the proposal to a null, non-tolled alternative to ensure the effects of introducing tolls can be clearly demonstrated." The policy should be expanded to consider other non-tolled, build alternatives to ensure that the consequences of introducing tolls can be contrasted with addressing the purpose and need through non-tolled alternatives.	See *Benefit-Cost Assessment Guidance for Evaluating Proposed Highway Tolling and Pricing Options for Oregon (March 2010)*, page 6. http://www.oregon.gov/ODOT/TD/TP/docs/Tolling/Benefit.pdf The identification of the non-tolled alternative needs to be completed before application of benefit/cost analysis for a tolled alternative. [NO CHANGES]
Metro – JPACT Joint Policy Advisory Committee on Transportation	2-10-12	Policy 6.3 "Background" states: "Roadway tolls may be levied for a variety of public policy objectives. The relative importance or degree of public acceptance of these objectives may vary in different locales and parts of the state. Similarly, a pricing program for a given purpose in one locale inadvertently may have undue negative effects on other parts of the state." "Region or" should be added in front of "state",	Added **"region or"** in front of "state".

Tolling Policies Comments

Stakeholder	Date	Stakeholder Comments - Written	ODOT Response
		as the effects are more likely to be regional rather than statewide.	
Metro – JPACT Joint Policy Advisory Committee on Transportation	2-10-12	Policy Action 6.3.2 states: "ODOT will analyze the likely transportation, economic, social, energy and environmental effects of any tolling or pricing project on parts of the state outside of the project area." Add "region and" prior to "state."	Added **"region or"** in front of "state".
Metro – JPACT Joint Policy Advisory Committee on Transportation	2-10-12	Policy Action 6.3.3 states: "ODOT will analyze the expected change, if implemented, in vehicle throughput due to any tolling or pricing proposal to ensure consistency with ORS 366.215." ODOT staff has indicated that ORS 366.215 (regarding preservation of capacity on freight routes) may not apply. If it does apply, the policy should list these parameters rather than reference the statute.	Specific references to ORS 366.215 have been removed.
Metro – JPACT Joint Policy Advisory Committee on Transportation	2-10-12	Policy Action 6.3.4 states: "ODOT region staff and local government agencies shall work together to evaluate public understanding of and support for the principle likely objectives for road tolling and pricing applications." The policy should be expanded to indicate the need to evaluate public understanding of the proposal contrasted with other alternatives to address the purpose and need, including other economic, social and environmental consequences and alternate funding responsibility.	Added language after "ODOT region staff and local government agencies shall work together to evaluate public understanding of and support for the principle likely objectives for road tolling and pricing applications" **", as compared to allocating resources to other alternatives which may address the purpose and need."** Replaced "principle" with **"principal"**. Deleted **"likely"** after "principal".
AAA – Oregon/Idaho	3-20-12	Motorists must be assured that tolls are fair and equitable, transparent, and are used for the purposes they are collected.	[NO CHANGES]
AAA – Oregon/Idaho	3-20-12	Public willing to pay for transportation improvements, if they had more confidence in how their money is being spent. The public wants accountability, results, and the ability to see how increased investment improves their travel experience.	[NO CHANGES]
AAA – Oregon/Idaho	3-20-12	AAA generally opposes congestion pricing when it is utilized merely as a revenue generation technique or as a punitive	[NO CHANGES]

Tolling Policies Comments

Stakeholder	Date	Stakeholder Comments - Written	ODOT Response
		measure to get people out of their cars, while providing inadequate transportation alternatives. If new priced lanes are provided as a superior service alternative, motorists can choose to use them when time and predictability are most important.	
AAA – Oregon/Idaho	3-20-12	AAA Oregon/Idaho strongly believes that all congestion pricing toll revenue should remain part of Oregon's Dedicated Highway Fund, and used for no purposes other than highway maintenance and construction.	Toll revenues are deposited into the State Tollway Account as a separate account but part of the State Highway Fund. The use of toll revenues is specified by statute ORS 383.009(2). [NO CHANGES]
AAA – Oregon/Idaho	3-20-12	AAA believes toll revenues should only be used for the construction and maintenance of the tolling facility itself.	The use of toll revenues is specified by statute ORS 383.009(2). [NO CHANGES]
AAA – Oregon/Idaho	3-20-12	AAA strongly believes that tolls should not be imposed on existing capacity, especially the Interstate Highway System, as well as other critical regional arteries. However, zone tolling programs supporting major construction projects on a parallel arterial may be necessary.	[NO CHANGES]
OTA – Oregon Trucking Associations	5-8-12	Policy 6.2 – Pricing Existing Capacity – OTA opposes tolls on infrastructure that has already been fully funded. Also, OTA believes that federal regulations currently prohibit tolling of existing highways and bridges without first obtaining a waiver. OTA urges removal of Policy 6.2 from any further consideration.	Systematic applications of congestion pricing, such as cordon zones or area pricing, imply the pricing of existing capacity. It is true that a federal waiver may be required for tolling federal-aid facilities, but this may not be a significant hurdle; the federal government has promoted congestion pricing applications, such as the New York City proposal. This is not to understate either the difficulty of attempting to toll existing capacity funded under traditional means or its appropriateness. The policy addresses these concerns with a number of actions intended to ensure sound analysis and public involvement. Given how rapidly the climate for congestion pricing is evolving, eliminating some pricing applications now is not appropriate. [NO CHANGES]
OTA – Oregon Trucking Associations	5-8-12	Policy 6.4 – Toll Revenues – requires the proposer to consider multiple approaches for the use of toll revenues. This could include both roadway and non-roadway uses. OTA believes	The use of toll revenues is specified by statute ORS 383.009(2). [NO CHANGES]

Stakeholder	Date	Stakeholder Comments - Written	ODOT Response
		tolls should only be imposed on infrastructure that adds new capacity. OTA believes the Oregon Constitution, Article IX, Section 3a, prohibits the use of toll revenues for non-roadway purposes. OTA urges removal of Policy 6.4 from any further consideration.	
FHWA – Federal Highway Administration	5-18-12	Policy 6.1 – New Toll Facilities – Should add "ongoing operations and maintenance" after "construction"…of new roads, bridges or dedicated lanes…	Added **", operations and maintenance"** after "construction".
FHWA – Federal Highway Administration	5-18-12	Action 6.1.1 – "Tolling projects…need to be in compliance with other State policies"… should add "and Federal tolling policies"…	This action is intended to ensure sufficient local public involvement in the development of tollway projects by requiring inclusion in local and regional plans. Since regional plans must comply with federal regulations, restating this in the policy statement seems unnecessary. [NO CHANGES]
FHWA – Federal Highway Administration	5-18-12	Action 6.1.1 – Define "new capacity". It is not clear whether additional capacity accrues from physically adding new lanes or management techniques that increase capacity without physically adding new lanes.	"New capacity" means physically adding new lanes. Obtaining additional capacity through management techniques is only appropriate through the application of tolls which falls under tolling existing capacity. [NO CHANGES]
FHWA – Federal Highway Administration	5-18-12	Action 6.1.2 – Says project proposers must perform a benefit-cost analysis according to *"Benefit-Cost Assessment Guidance for Evaluating Proposed Highway Tolling and Pricing Options for Oregon (March 2010)"*. The guidance document does not include the distinction between the cost of capital in the public versus private sectors. Guidance on the full cost of capital should be explored.	**Action 6.1.2 has been removed.** Action 6.1.2 is largely redundant with the other requirements for new tollway projects under Policy 6.1. This OHP policy attempts to ensure that ODOT only pursues new tollway projects with a reasonable chance of success. The key determinant of success for entirely new roadways is whether demand for the facility is and will be sufficient to contribute a significant financial contribution from tolls. These factors are addressed in Action 6.1.2 (renumbered) and Action 6.1.3 (renumbered). The Benefit/Cost Analysis required in the previous Action 6.1.2 would not change the likely success or failure of a tollway project. It may just add confusion to a fundamentally financial decision. The difference between a public versus private toll road operator

Stakeholder	Date	Stakeholder Comments - Written	ODOT Response
			would appear in the analysis only insofar as the level of tolls and costs of capital would vary between them. The policy is silent about the appropriateness of private versus public operators, leaving this decision to be made in the rate setting process. ORS 383.004(1)(k) Added language to Policy 6.1 – New Toll Facilities, Paragraph 2 (end), **"National experience shows that the National Environmental Policy Act (NEPA) process, combined with required financial analysis, adequately demonstrates the societal effects of new toll facilities. The additional analysis needed for considering the impacts of tolling existing capacity, for which there is almost no experience nationally, is not required for new toll facilities."**
FHWA – Federal Highway Administration	5-18-12	Action 6.1.5 – Establishes comparison groups for HOT lanes, HOV lanes and general purpose lanes. Comparison metrics are unclear. Is this intended to draw from the benefit-cost analysis methodology specified earlier?	This action defines the "null" hypothesis for HOT lane projects for use in benefit/cost analysis. [NO CHANGES]
FHWA – Federal Highway Administration	5-18-12	Action 6.2.5 – Equity impacts – The distributional effects of pricing are both relatively unexplored and have important public policy implications. Should consider defining a minimum set of distributional impacts, e.g. impacts to captive transit riders, impacts to out-of-analysis-area commuters.	There are too many potential policy objective/tolling application possibilities to attempt developing a more specific analytical approach to equity effects right now. [NO CHANGES]
FHWA – Federal Highway Administration	5-18-12	Action 6.3.1 – While consistency of tolling and pricing proposals with state and federal statutes seems reasonable, it is unclear why the proposals must be consistent with other tollway projects within the state. Feasible tolling and pricing approaches, objectives, needs, and locations vary widely at the local level. Having a more flexible approach would seem to support the individual crafting of proposals sensitive to local transportation needs.	This action is not intended to limit different pricing approaches. Rather, it is to ensure that different approaches are not in conflict with one another. [NO CHANGES]

Tolling Policies Comments

Stakeholder	Date	Stakeholder Comments - Written	ODOT Response
FHWA – Federal Highway Administration	5-18-12	Action 6.4.1 – The proposer will consider a range of potential uses for toll revenues. Should consider providing more guidance on the types of revenue impacts that should be, as a minimum, included.	This action is intended to focus attention on the importance of the toll revenue to the political acceptance of pricing proposals without limiting potential applications. [NO CHANGES]
FHWA – Federal Highway Administration	5-18-12	Policy 6.5 – Tolling Technology and Systems – Such systems are considered Intelligent Transportation Systems (ITS) and, if funded in whole or in part by the federal highway trust fund, must comply with 23 CFR 940, FHWA Rule on ITS architecture and Standards Conformity. Any tolling facility proposed for development must be included in the applicable statewide or regional ITS architecture and consistent with ITS strategies and projects contained in applicable plans. Section 940.11 offers more detail of federal requirements.	Tolling and pricing are covered in our statewide ITS architecture. [NO CHANGES]

Tolling Policies Comments

Stakeholder Comments - Verbal	ODOT Response
Ensure interoperability of tolling technology with other states.	[NO CHANGES]
Interoperability will be important.	[NO CHANGES]
Handling cash off the tolled facility will be important.	[NO CHANGES]
Enforcement will be important.	[NO CHANGES]
Tolling works best in a constrained environment. Limit use of funds to the specific tolled facility.	[NO CHANGES]
Public officials may not support tolling because it is unpopular with the public.	[NO CHANGES]
Will alternate modes be exempt?	Public transportation vehicles could be exempted. [NO CHANGES]
What are the upstream/downstream effects of tolling?	The upstream/downstream effects of tolling vary by project. Each proposal needs to be analyzed independently. [NO CHANGES]
Does the policy apply to the state-only system or are county roads and city streets included?	The policy applies to the state-only system. [NO CHANGES]
How does tolling fit in the total transportation system? If you just charge a fee/tax with no alternatives, I would get mad.	Tolling is one small possible component of an overall transportation system. [NO CHANGES]
Are Title VI (Environmental Justice and Equity) concerns in the policy?	Yes. [NO CHANGES]
How about consistency between tolling applications and public policy objectives?	Yes. Tolling applications need to be consistent with public policy objectives. [NO CHANGES]
Oregon's roads are not in good shape. Funding priority should be to fix/maintain/preserve the existing road system, not adding new capacity.	[NO CHANGES]
Can local toll revenues fund bicycle paths and other non-highway purposes?	The policies do not address the use of local toll revenues. The Oregon Constitution restricts all state and local highway user fees to construction, operations, and maintenance of the highway system. [NO CHANGES]

Tolling Policies Comments

Stakeholder Comments - Verbal	ODOT Response
Does the tolling policy require that the public must support tolling?	Tolling must be discussed locally and must be under consideration for inclusion in relevant local and regional land use and transportation plans. [NO CHANGES]
There is a reluctance of the public to support tolling for existing facilities.	[NO CHANGES]
The gas tax is already in place. How can you ask the public for more money?	Existing funding may not be adequate for new facilities. Tolling may help meet other policy objectives for existing facilities. [NO CHANGES]
Tolling will be very difficult for frequent users and locals in the Portland area. How will you address geographic and social equity? Are discounts feasible?	Geographic and social equity effects must be addressed in tolling proposals. The feasibility of discounting rates would be addressed in the rate setting process. [NO CHANGES]
Certain archaeological and environmental impacts of the Columbia River Crossing (CRC) were ignored. How will they be addressed in the future?	The CRC has a record of decision based on an extensive NEPA process. [NO CHANGES]
How will toll revenues be used? If a third Salem bridge over the Willamette River were built, could the two existing bridges be tolled as well?	Yes, but depends on how the project is defined. If the project is defined to include all three bridges, then tolling all three is possible. [NO CHANGES]
How would out-of-state users or tourists pay tolls?	They would either purchase a portable transponder card or the license plate would be recorded and they would be sent a bill. Current planning anticipates all electronic tolling. [NO CHANGES]
Would tolling work if the project was rebuilding any of the coastal bridges on US101?	It could make sense even with moderate traffic volumes, since diversion would be unlikely. [NO CHANGES]
What is the political reality of tolling outside of the Portland area?	Probably limited application to other areas. The policies will allow for tolling where it makes sense. [NO CHANGES]
Bridges make sense for tolling. Roads would be a hard sell.	[NO CHANGES]
Could drivers in rural areas pay a toll to exceed the speed limit?	No. [NO CHANGES]

Tolling Policies Comments

Stakeholder Comments - Verbal	ODOT Response
Can we create a tolling incentive to move trucks from the I-5 and I-84 corridors in the Portland area to the US97 corridor instead? Truckers waste time and money in congested conditions in Portland.	No. The agency is not aware of any tolling incentives to move trucks from the I-5 and I-84 corridors in Portland to US97. [NO CHANGES]
Can we use toll revenues to build more truck capacity in central Oregon? Less expensive than Portland area.	[NO CHANGES]
Can a payroll tax mechanism be created so those who work in the Portland metro area pay extra to keep up those roads (instead of a toll road)?	[NO CHANGES]
We should use toll revenues to build new capacity (at least focus on choke points).	[NO CHANGES]
If tolling and pricing happens, it should be where there is congestion, namely the Portland metro area. It is the drivers in Portland who should pay extra to keep up their roads, not drivers throughout the state.	[NO CHANGES]
Make sure tolling applies to out-of-state drivers and tourists who drive in Oregon.	[NO CHANGES]
Tolls and pricing will not reduce Greenhouse Gas Emissions (GHG), because the number of drivers, number of vehicle miles, and vehicle time (including diversion) will continue to grow.	[NO CHANGES]
Focus on the root causes of congestion, not the price of driving. People who live in the suburbs and commute into Portland or live in Vancouver but commute into Portland contribute to congestion.	[NO CHANGES]
Are tolls taxes or fees?	They are fees. [NO CHANGES]
Can cities and counties toll their own roads?	Yes. [NO CHANGES]
Do we need permission from the federal government to toll a road to the Owyhee Reservoir that is a state highway, then a local road, and dead ends at the reservoir?	The road to Owyhee Reservoir is not a state highway. [NO CHANGES]

Tolling Policies Comments

Stakeholder Comments - Verbal	ODOT Response
If we need to build a new bridge to Idaho, can we toll it?	Probably. We are developing new administrative rules to cover actual applications to the OTC to establish tollways and federal permission would be needed. [NO CHANGES]
Why bother with tolling and pricing policies if the congestion pilot projects do not result in reduced GHG or make economic sense?	The policies provide a framework for considering tolling proposals. The Oregon Sustainability Transportation Initiative (OSTI) and Least Cost Planning (LCP) still have tolling and pricing as an option. [NO CHANGES]
What kinds of initiatives will the ODOT Region staffs take to start tolling?	Region staffs are concerned with funding and will explore tolling as a funding component. They are closely connected to MPO planning and if local or regional initiatives gain momentum, they would be aware of it. [NO CHANGES]
How will the distributional effects of tolling be addressed, including environmental justice?	Distributional effects and environmental justice should be addressed in the tolling application. The OTC would consider this and a range of issues to decide if tolling is feasible. [NO CHANGES]
Will the tolling policies for new capacity apply to major reconstruction of existing capacity?	Only applies if major reconstruction of existing capacity adds new capacity. [NO CHANGES]
How are the public policy objectives defined and by whom?	The public policy objectives of a tolling or pricing proposal are presented by applicants endorsed/approved by the OTC. [NO CHANGES]
Can tolling revenues be spent on public transit?	In general, no. [NO CHANGES]

Tolling Policies Comments

Stakeholder Comments - Verbal	ODOT Response
How much does it cost to operate a tolling system?	The cost varies from 10 percent to 40 percent of gross toll revenues. [NO CHANGES]
How will electronic tolling and pricing guarantee privacy, i.e., that personal information is kept confidential?	We believe the technology exists today to keep personal information confidential. [NO CHANGES]
Tolling and pricing may not reduce Greenhouse Gas Emissions (GHG) as much as some people think. Need to ensure GHG reduction estimates from tolling and pricing are coordinated with the Oregon Sustainability Transportation Initiative (OSTI), GreenSTEP, and scenario planning work.	[NO CHANGES]
Tolling proposals must analyze diversion, equity, and GHG issues. However, for large projects, these are addressed through the NEPA process where there are standards for 'significant effect'. How does one analysis mesh with the other?	[NO CHANGES]
The Canby ferry is tolled now and not covering its costs. Survey of users indicates users would be willing to pay almost double the current rates to keep the ferry going. By one staff estimate, building a tolled bridge there could work.	[NO CHANGES]
Would the road user charging system (mileage) make tolling pricing easier?	Yes, probably. [NO CHANGES]
After people get used to paying tolls their acceptance of tolling seems to grow.	Yes. That seems true in most places. [NO CHANGES]
Policy 6.4 – Toll Revenues looks as if it allows revenues to be used for non-highway purposes. For example, "Multiple approaches to using revenue may need to be considered." And Policy Action 6.4.1 "…the project proposer will consider a range of potential uses for toll generated revenue…" Is this true?	There are at least two places where the tolling policies say that use of revenues has to comply with law and policy. [NO CHANGES]

Tolling Policies Comments

Stakeholder Comments - Verbal	ODOT Response
How can you tell if a private firm (who proposes to build and operate a tollway as a government partner or sole entity) would be a financially viable firm?	The tolling policies do not directly address that, but the proposer's financial plan needs to be realistic. The financial viability of the firm would be considered during the process of setting up an agreement with the State. [NO CHANGES]
What if a private tollway operator gets into financial trouble in the future after already operating the tollway?	Most likely, the agreement between the operator and the State would make provisions for that circumstance. [NO CHANGES]
Is there anything in the tolling policies preventing a private firm from operating a tollway as a partner or sole entity? Do the tolling policies say that only the government can operate a tollway?	No to both questions. [NO CHANGES]
A statement was made that no one in this country has taken existing capacity and started tolling it. An audience member asked, "What about the Indiana tollway where they started tolling the road and then gave the rights to a private firm?"	[NO CHANGES]
Some sections of the policies include analysis of the economic, social, energy, and environmental effects of tolling; other sections do not.	We tried to use the same wording in all sections. [NO CHANGES]
What is the sequence of tolling policies, rules, and road user charging (RUC) system adoption?	Policies first, rules next, and RUC much later on. [NO CHANGES]
Can tolling be added to RUC?	Yes. [NO CHANGES]
Tolling is the wrong approach to fixing a fundamental problem with the gas tax, whose rates should be raised.	[NO CHANGES]
Have economists looked at this entire issue and approach?	Yes. Economists have been involved extensively and a number of background papers have looked at the economic impacts of tolling and pricing. All of the background material is available at our website. [NO CHANGES]

Tolling Policies Comments

Stakeholder Comments - Verbal	ODOT Response
What is the likely sequence of the following: 1) tolling a new facility; 2) congestion pricing; 3) road user charging system?	Tolling CRC and maybe the third Salem bridge over the Willamette River with varying tolls might be first. Road User Charging (RUC) system will be a demonstration project in late 2012. Timing of RUC implementation is unknown. [NO CHANGES]
Tolling and pricing could affect businesses.	Yes, in both positive and negative ways. Each situation needs to be evaluated closely. [NO CHANGES]
Public acceptance of tolling in Oregon will be difficult.	[NO CHANGES]
In Singapore, their cordon system seemed to work well. But in Santiago, Chile, the tolled ring road is terrible because of so many alternate routes.	[NO CHANGES]
Is there any current discussion about privatizing toll operations?	No current discussion. Public-Private Partnerships (PPPs) would be permitted. [NO CHANGES]
Do you anticipate the trucking industry wanting truck-only toll lanes?	No. Truck-only toll lanes will not provide significant travel time savings or value gains in Oregon. [NO CHANGES]
Can a private company build and operate a tollway?	Yes, but they would need an agreement with the State (public-private partnership). [NO CHANGES]
Can toll revenues be used far off-site to compensate for the negative effects of diverted traffic?	No. Toll revenues must be used on tollways. [NO CHANGES]
Can tolling continue after project bonds are paid off?	Yes. The exact use and duration of toll revenues would be proposed by an applicant and would need to be approved by the OTC. [NO CHANGES]
Does tolling and congestion pricing make sense in Oregon other than the Portland Metro Area?	Probably limited application to other areas. The policies will allow for tolling where it makes sense. [NO CHANGES]