

Goal 6: Tolling and Congestion Pricing

Introduction

There are many mechanisms to price the transportation system to raise revenue and/or help achieve desired outcomes. These mechanisms can be used in concert with one another when a single system is insufficient at either purpose. The focus of this section is to outline roadway pricing mechanisms to pay for specific high-cost infrastructure or to achieve congestion reduction or other outcomes along discrete sections of roadways. “Tolls” are included in this section, which refer to roadway pricing that focuses on creating revenue for the construction, and other outcome-based mechanisms targeting a desired performance on a roadway, segment, or area, such as helping to reduce congestion. These roadway pricing mechanisms are defined in this policy to help identify when use may be most appropriate and further policy direction is provided to outline how these mechanisms should be applied.

As with all transportation programs, Oregon will fulfill obligations under Federal law for the implementation of road pricing on the interstate system. Tolling and pricing have requirements and obligations that are unique to those programs and the state will ensure that all of these are met.

Types of Road Pricing

To simplify the various terms that are used for road pricing and align them with different policies, the following definitions will be used as key terms:

- 1. Flat rate toll** – A fee set by the Oregon Transportation Commission (OTC) and charged by a road pricing operator for the use of traveling on said facility. The flat rate toll rate does not change throughout the day. Revenues from this type of road pricing are used for specific infrastructure such as bridges or tunnels and other costs associated with the tolled infrastructures.
- 2. Congestion pricing** – Fee ranges are set by OTC and charged by a toll facility operator. Rates are higher during peak travel periods (such as morning and evening commute) and lower during off-peak periods. Current prices are displayed on electronic signs prior to the beginning of each priced section. With congestion pricing, motorists receive a reliable and less congested trip in exchange for the payment. Oregon will focus on scheduled variable rate congestion pricing.

Scheduled variable rate pricing, typically called “variable pricing” varies by time of day according to a published schedule, which can be updated periodically. Although rates can be different for each hour and for each day, they are known to users in advance of travel. This encourages motorists to plan travel in advance to use the roadway during less-congested periods or use a different mode and allows traffic to flow more freely during peak times.

Road Pricing Objectives

Tolling and congestion pricing are tools used to help achieve specific outcomes and can be used together.

6.1 Policy Utilize tolling, congestion pricing or a combination to achieve documented outcomes

6.1.A Action

When tolling is used to fund a specific improvement, consider adding congestion pricing if high levels of congestion exist or it is anticipated within the planning horizon.

6.1.B Action

Develop application specific objectives for tolling and congestion pricing consistent with the policies in this plan, recognizing more than one objective can be achieved but should be balanced.

6.1.C Action

Road pricing options must not conflict with, and try to support, other statewide goals around sustainability and climate, health and equity, with an emphasis on addressing the needs of historically or currently underrepresented and underserved communities.

6.1.D Action

Any road pricing options must consider the purpose and function of the facility, recognizing that the interstate and freeway system should serve longer trips and movement of people and goods to major employment and commerce locations.

6.2 Policy Utilize road tolls to help fund infrastructure improvements

6.2.A Action

Consider tolling for major investment projects on Oregon's freeways and bridges as a source for initial and sustainable funding when other funding sources are inadequate for investment needs.

6.2.B Action

Utilize flat-rate tolling to raise funds for construction, operations, maintenance and administration of specific infrastructure, recognizing that such toll may have less impacts to congestion and climate when compared to congestion pricing.

6.2.C Action

Evaluate if tolling should be used to help pay for any project that is for the construction or re-construction of a freeway or bridge and anticipated to cost more than \$100 million.

6.2.D Action

Complete a comprehensive funding plan for projects utilizing tolling to pay for improvements. Include in the plan funding sources and relative funding shares, as well as analysis of the viability of the project if tolling does not move forward. Reasons for not pursuing tolling must verify how other funding sources will be impacted if the project still moves forward.

6.2.E Action

Consider tolling to cover the short- and long-term costs of the infrastructure improvement, as is required by law and financing obligations, including: the initial capital outlay, cost of operating the tolling program, and revenue needed to cover long term maintenance, operations, and administration functions.

6.3 Policy Use congestion pricing to reduce traffic congestion

Reduce delays, stops-and-starts, and increase reliability of travel times through congestion pricing to improve overall mobility on Oregon's interstates and freeways where mobility targets are not met and the system is experiencing regular recurring congestion. The intent of congestion pricing is to change some users' behavior so that they choose a different mode of transportation, time of day, route or not to make the trip. Congestion pricing can be considered as a complimentary part of a tolling project incorporating new or upgraded infrastructure, but also can be considered as a travel demand strategy for an interstate or freeway segment without any planned infrastructure projects.

6.3.A. Action

Evaluate if congestion pricing should be used to help manage congestion for any interstate or freeway that exceeds an Annual Average Daily Traffic (AADT) to Capacity ratio (AADT/C) of 9.0 or greater or where average vehicle speeds are less than 45 mph.

6.3.B Action

Prior to adding new throughway capacity such as the addition of new through travel lanes, demonstrate that system and demand management strategies, transit service and multimodal connectivity improvements, and pricing cannot adequately address throughway deficiencies and bottlenecks.

6.3.C Action

Pair pricing with other actions to address roadway congestion holistically, including the use of ITS technology, access control and management, increasing modal options and implementing other demand management tools.

6.3.D Action

Utilize congestion pricing to have a moderate impact on reducing vehicle travel on interstates and freeways through an expected schedule (e.g. during peak hours) with the ability to manage impacts to people experiencing low-income and diversion (rerouting) and especially when there few available alternate route and mode options for real-time decisions.

6.4 Policy Connect to our climate goals and targets

Ensure that potential application of congestion pricing evaluates how it will help support state climate change goals and targets.

6.4.A Action

Recognize that implementation of any road pricing mechanism is likely to impact overall VMT and therefore should be structured to minimize diversion of freight or longer trips to local roads and encourage VMT reduction.

6.4.B Action

Evaluate implementation of road pricing as a strategy to limit or reduce future vehicular travel demand from planned land use development. Analysis should specifically look at projects that are adding significant through travel roadway capacity such as additional through lanes.

6.5 Policy Connect shifting travel to off-peak hours and to biking, walking, and public transportation to the design and operations of road pricing mechanisms

Ensure that road pricing as strategy evaluates potential shift to other travel times and modes of transportation (e.g. public transportation, carpools, biking, and walking), telecommute, or times of travel to reduce climate impacts.

6.5.A Action

Pursue congestion pricing strategies to manage demand so that the recurring congestion performance objectives are met during all hours of the day.

6.5.B Action

Upon completing toll bond obligations, consider congestion pricing strategies for ongoing reliability and demand management purposes.

6.5.C Action

While developing the tolling project and/or road pricing application, collaborate with transit agencies, local jurisdictions, and other modal groups on the following:

- Increase (or support) public transportation services, transportation option service providers, or biking and walking options for those unable to afford tolls within the project or project area
- Understand how the benefits of a better managed, less congested interstate or freeway may provide opportunities for new, expanded, or enhanced transit service
- Understand how the impacts of diversion (rerouting) of vehicle trips may impact existing or planned transit service routes

6.6 Policy Center equity when designing tolling and pricing frameworks

While the reason to price the system will not be to improve equity directly, equity must be considered and addressed in the design, execution and management of any road pricing program. Equity efforts must focus on both “process equity” and “outcome equity,” which are defined as follows:

Process equity means that the planning process, from design to post-implementation monitoring and evaluation, actively and successfully encourages the meaningful participation of individuals and groups from historically excluded and underserved communities.

Outcome equity means that the toll or roadway pricing project will acknowledge existing inequities and will strive to prevent historically excluded and underserved communities from bearing the burden of

negative effects that directly or indirectly result from the priced projects, and will further seek to improve overall transportation affordability, accessible opportunity, and community health.

6.6.A Action

Engrain equity into decision-making processes and ensure equity outcomes are achieved when developing, implementing, and managing road pricing programs, by:

- Ensure full **participation** of impacted populations and communities throughout the project and applications by identifying specific populations, groups, or geographic areas that will be used to discern for equity. The Agency must be accountable and transparent.
- Explore how road pricing application will impact overall household budgets, populations and communities and maintain **affordability**, in balance with other objectives.
- Projects will identify ways to support multi-modal access through partnerships and expand **opportunities** for historically excluded and underserved communities.
- Projects will consider the project impacts to outcomes such as community health, including air quality, noise, traffic safety, economic impacts and other potential effects on historically or currently excluded and underserved communities.

Table XX: Summary of Road Pricing Mechanisms and Associated User Impact and Goals

Mechanism	Flat rate toll	Congestion Pricing
Types of System Pricing	Flat rate toll	Variable rate
USER EXPERIENCE		
One price to use	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Price changes throughout day	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Predictable price for travelers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAND MANAGEMENT		
Encourage shifts away from single-occupancy vehicle travel	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Encourage shifts from peak travel to off-peak travel	<input type="checkbox"/>	<input checked="" type="checkbox"/>
TRAFFIC OPERATIONS		
Manages recurring traffic congestion (congestion pricing)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Responsive to day-to-day variations and real-time conditions	<input type="checkbox"/>	<input type="checkbox"/>



- Does achieve



- Does not achieve

Rate Structures, Pricing Considerations, Exemptions and Discounts

Rate setting will be a critical step in tolling and congestion pricing processes. Specific rates are to be set in rule and the policy below provides the overarching structure for doing so.

6.7. Policy Structure rates so as not to impose unfair burdens on people experiencing low-income and to advance equity

6.7.A Action

When planning for, implementing, and managing road pricing systems including rate setting, engage the following groups for feedback and analysis:

- People experiencing low-income or economic disadvantage
- Black, indigenous and people of color (BIPOC)
- Older adults and youth
- Persons who speak non-English languages, especially those with limited English proficiency
- Persons living with a disability
- Small, minority, and woman- owned businesses
- Other populations and communities historically underrepresented by transportation projects – this shall be determined at the project-level

6.7.B Action

While setting or adjusting road pricing rates, analyze the impacts to affordability by the percentage of household income for lower- income drivers compared to middle and higher-income drivers.

6.7.C Action

Set a no- or low minimum balance requirement for loading or maintaining road pricing accounts used by the public.

6.7.D Action

Road pricing should not contribute to major financial indebtedness for people experiencing low income. Establish rate discounts, exemptions, account supplementation and/or other processes for low-income users.

6.8 Policy Set rates to help achieve desired outcomes

Structure rates to help achieve targeted revenue or performance outcomes as outlined in policy and specified by the project or desired application.

6.8.A Action

Set rates to achieve outcomes and performance targets with the understanding that outcomes will not likely be achieved through road pricing alone and additional revenue sources may supplement funding needs. Structure rates to meet the desired share from toll revenues.

6.8.B Action

Establish rates consistent with the roadway classification, purpose, and function; and the desired use of such facilities. As such:

- Discourage short trips (three miles or less) and prioritize longer-distance travel on interstates and freeways; when evaluating diversion (rerouting) to local streets, limiting these new short trips should not be a priority as compared to limiting diversion (rerouting) of freight or longer trips (three miles or more)
- Any change of 0.05 to the existing/planned V/C from diverted traffic is considered significant and mitigation may be considered
- Keep freight on interstates and freeways and off local streets, when possible.

6.8.C Action

Set rates sufficient to:

- Cover the cost of the tolling or congestion pricing system and administration as is required by law
- Reach the desired revenue needed to pay for the planned share from tolling for the infrastructure improvement, operations, and maintenance
- Manage congestion to desired travel times, speeds, or reliability thresholds established for the project
- Meet any additional system performance metrics, defined for corridors, a series of corridors or by segments.

6.8.D Action

Rate setting decisions must be based on the following considerations that include equitable rate parameters. At a minimum, rate setting should include:

- Definition of a rate range to set a minimum and maximum threshold
- Consideration of condition thresholds for when a rate range may be exceeded
- Provision of discounted or free passage to be used for certain vehicles
- Definition of the corridor for investment.

6.8.E Action

Quarterly review rates to assess goal achievement and need for additional or revised exemptions and discounts.

6.8.F Action

When rate pricing over a longer length of roadway, allow variable rates to be applied in different roadway segments by defining road pricing zones. Zones should be as long as possible and should only be divided where there is a major system connection location that significantly changes the traffic characteristics as compared to an adjacent zone. The rates are then allowed to vary between zones.

6.9 Policy Provide discounts or exemptions to incentivize certain travel behaviors or address impacts

Understand how pricing impacts users and incorporate considerations for system users while achieving pricing outcomes.

6.9.A Action

Provide exemptions for active response vehicles (police, fire, EMS/ambulatory service).

6.9.B Action

Provide an exemption to public transportation vehicles, including private coaches as required under Federal law.

6.9.C Action

Provide discounts or account supplements for people who are experiencing low income and who are struggling to meet basic needs (e.g. food, shelter, clothing).

6.9.D Action

Ensure fairness in pricing and balance low income programs with revenue needs and congestion pricing goals.

6.9.E Action

Incentivize high occupancy vehicles, such as shuttles, and carpools at the project-level or if multiple projects are operating within a region, at the regional-level.

6.9.F Action

Analyze and consider reducing toll rates when funding needs are achieved for the infrastructure improvement but ensure that toll remains to cover maintenance, operation and administration costs and that reduced rates will remain consistent with both project and statewide goals of congestion reduction.

Use of Revenue

6.10 Policy Utilize tolling or roadway pricing revenue within the project corridor

Use funds on the tolled/priced project corridor. The corridor is defined as the tolled/priced roadway and the immediate area of impact adjacent to the project, generally within 1 mile of the priced facility or as defined through the project-specific NEPA process identifying significant impacts. Additionally the corridor should be limited to arterials that generally move traffic in the same direction. If no arterial exists within, then a collector that generally moves traffic in the same direction as priced roadways may be considered. Diversion that is considered significant is when there is a substantial increase in large trucks or an increase in non-short distance trips to the local system that changes the potentially impacted facility's v/c ratio by 0.05 or more.

6.10.A Action

Ensure compliance with U.S. Code Title 23 [Section 129](#) when a toll project is approved under this section. This section requires toll revenue first go to paying for transportation improvements with capital investments to which the toll project is linked.

6.11 Policy Meet all revenue obligations first and prioritize revenue usage

When construction projects are bonded, certain financial obligations must be met before discretionary spending may occur. Net revenues after such obligations should be targeted to meet statewide goals and meet all requirements identified in Oregon's constitution, federal requirements and others as appropriate. ORS 383.009(2)(j) states that moneys in the toll program fund may be used for improvements on the tollway, adjacent, connected and parallel highways to reduce congestion, improve safety and address impacts of diversion as a result of the tollway.

When implementing tolling as a way to help fund key infrastructure projects, revenues should be first directed toward financial obligations, construction, maintenance, and operation of the related infrastructure. A toll may be reduced once obligations are met.

Spend revenue utilizing the following hierarchy:

- Cover the cost of the tolling/pricing system and administration first as consistent with bond indenture requirements; and then
- Reach the desired share of revenue needed to pay for the infrastructure improvement, direct project mitigation, operations, and maintenance; and/or then
- For congestion pricing, discretionary spending should be targeted to manage congestion to desired travel times, speeds, or reliability thresholds established for the project; and then
- Meet any additional system performance metrics, defined for corridors, a series of corridors or by segments.

6.11.A Action

Identify corridor priorities for construction (seismic improvements, bottleneck relief projects, etc.) and operations, maintenance, administration for revenue usage.

6.11.B Action

Target net revenues for larger congestion management related projects in corridor as part of project mitigation, including enhanced transit, modal overpasses, etc.

6.11.C Action

Transit and multimodal transportation options should be increased with congestion pricing projects. This can be done through direct toll revenue allocation, when compliant with the Oregon Constitution, or through partnerships. Larger investments in transit-supportive infrastructure, such as bus-on-shoulder and park-and-rides, could be funded through a capital investments approach. Investments in carpools, vanpools, shuttles, and other demand responsive type of shifts to higher occupancy vehicles should also be considered as they may better match the needs of longer-trip users of the interstate and freeway system.

6.12 Policy Address impacts to neighborhood health and safety within the corridor (mitigation)

Acknowledge that diversion, the choice of some drivers to choose off priced system routes, may have impacts to adjacent communities and coordinate with these communities to mitigate significant impacts when feasible.

6.12.A Action

Tolling and congestion pricing projects should be planned and operated to limit longer-trip diversion (rerouting) through local communities on parallel roads.

6.12.B Action

Trips that previously used the interstate or freeway for local travel / short trips (three miles or less) should not be considered as diversion. Local trips are better served on local roads and preserve capacity on the interstates and freeways for their purpose in connecting people on longer trips.

6.12.C Action

When providing investments to address neighborhood health and safety impacts in communities because of diversion (rerouting), prioritize capital investments in biking and walking networks, consistent with constitutional restrictions.

6.12.D Action

Partner with communities when providing investments related to diversion and consider improvements to all modes.

Infrastructure and Management

6.13 Policy The Oregon Transportation Commission is Oregon's toll and roadway pricing authority

Per ORS 383.004 the OTC has been given authority over tolling and road pricing design, execution and management rules and decisions.

The OTC will implement pricing programs to raise revenue and/or manage congestion, independent of land use actions and decisions. Since pricing is a mechanism for system management, such as ramp metering, establishment of pricing rate adjustments are not to be considered land use actions.

6.14 Policy Ensure interoperability of toll rate collection systems

Design systems that are easy to use and maximize interoperability with other known systems of neighboring states, weight mile tax devices and ITS systems while maximizing options for users.

6.14.A Action

Deploy technology that facilitates interoperability with tolling systems of neighboring states whenever possible.

6.14.B Action

For any proposed tolling or congestion pricing project on an interstate or freeway, ODOT shall develop tolling systems that rely on all-electronic collection mechanisms, and enable at least one manner of toll collection that does not require a transponder.

6.14.C Action

For any proposed tolling or road pricing project on an interstate or freeway, 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 Washington and California whenever possible.

6.14.D Action

Provide a "cash preferred" option for paying road pricing fees in order to reduce barriers to use of the transponders.

6.15 Policy Complete program assessment, monitoring, and adjustments

Once established, evaluate tolling and congestion pricing programs regularly against project specific objectives. Along with financial obligations, this will inform any future adjustments to the rate schedule and other program design adjustments.

6.15.A Action

Establish a monitoring and reporting program, which should include: vehicle speed, volume, driver pattern changes within the corridor (e.g. diversion or rerouting), levels of congestion, modal shifts, air quality, GHG

emissions, and equity goals identified on a project-level basis. Data should capture the benefits and impacts to multimodal transportation, which includes: freight, light rail, transit, passenger vehicles (single and high-occupancy), bike, walk, and telecommute. It is acknowledged that varying levels of data exist for these modes and thus information may vary by level of detail or frequency.

6.15.B Action

The OTC will evaluate and adjust all road pricing programs on a regular basis with a minimum of annual review, with consideration to effectiveness toward goals, rate adjustments and revenue generation thresholds.

6.15.C Action

Continually assess the cumulative impact of fees and tolled/priced areas on people experiencing low income.

6.15.D Action

Actively monitor cost allocation between light and heavy vehicles as a part of the highway cost allocation and adjust as needed and ensure compliance with Oregon state constitution requirements.