

TOLLING AND AFFORDABILITY: POLICY & STRATEGY OPTIONS

September 22, 2021

The purpose of this working document is to capture the current status and history of the Oregon Toll Program's Equity and Mobility Advisory Committee (EMAC) in developing affordability policy and strategy recommendations for the Oregon Transportation Commission (OTC).

On August 25, 2021, the EMAC held a worksession to review research on how tolling projects in the United States have addressed affordability impacts as well as research on the connection between tolling and affordability ([Tolling and Affordability Research](#)). Based on this understanding, EMAC discussed [draft options for policy and strategy actions](#). **Input from that meeting is captured in this document** as well as an updated list of policy and strategy options for EMAC to consider at their meeting on September 22, 2021.

NEXT STEPS

At the September 22, 2021 meeting, EMAC will review and further discuss their preferred policy and strategy options for affordability, transit and multimodal transportation, and neighborhood healthy and safety. ODOT will then take the next step by gathering additional information requested by EMAC to help inform their development of a recommendation for the OTC.

EMAC'S PREFERRED POLICY AND STRATEGY OPTIONS TO ADDRESS AFFORDABILITY

Toll project analysis and development of an equitable toll program

- **Analyze impacts to affordability by percentage of household income for lower income drivers as compared to middle and higher income drivers.**
- **Find the right balance between discounts and/or exemptions and revenue generation. Analyze the tradeoffs between exemptions, credits, or discounted rates based on income versus collecting the toll revenues and investing them into equity and mobility strategies. Equity Framework identified communities should be involved in the analysis and decision-making process on determining what would best advance equity.**
- **Look beyond the standard definition of low-income. When establishing the definition for “low-income” for the income-based toll rate, include a range that encompasses more than the federal definition for poverty. For the toll projects federal environmental review process (NEPA), a measure of 200% of the federal definition for poverty was assumed. This should be the baseline for future consideration. The reality is that people move below and above the federal definition for poverty in a short span of time.**

Toll rate setting and future oversight

- **ODOT should implement an income-based toll program that is progressive in nature. Meaning, that higher income drivers will pay a larger share or percentage of household income than lower income drivers.**
- **ODOT will produce annual reports for the Oregon Transportation Commission on a set of measures that track the progress of policies and strategic-investments in transit and multimodal transportation options, neighborhood health and safety, and impacts to affordability to understand whether actions are achieving their intention.**
- **When setting the toll rates, consider setting price caps on increases to the lower-income toll rate and/or build into the system where voices from Equity Framework identified communities are included in the decision-making process.**

- **Establish a monitoring and communications system to understand whether the actions taken to address affordability in the planning stage are actually reaching the needs of low-income drivers.**
- **Ensure that people experiencing low income who struggle to meet basic needs (food, shelter, clothing) will have a path forward to travel toll-free.**

Geography-based toll rates

- **Provide Analyze whether a credit system or discounted rate to lower-income drivers who are local residents of the I-205 area in the time between when I-205 tolling starts and the regional I-5 and I-205 toll system (Regional Mobility Pricing Project) comes online would advance equity. Credits provided after a certain number of trips could lead to more cars on the road.**

Design a toll system that recognizes historic and current barriers and plans to address them

- **Provide a cash-based option for paying tolls.**
- **Offer additional time to pay a toll bill without incurring fines.**
- **Design the system to be clear and easy to use for everyone, including non-English language speakers. Collaborate with trusted organizations and individuals within Equity Framework communities to overcome historic and current barriers of trust, language, and financial impacts to obtaining a transponder and understanding the toll rates for location and time of day.**
- **Transponders should be free or should come pre-loaded with credits to cover the cost of the purchase.**
- **Set a no- or low-minimum balance requirement for loading or maintaining transponders.**
- **Design and implement an interoperable system to accept transactions from transit, parking, and other modes of travel.**
- **Ensure the process of applying for exemptions, discounted rates, or credits considers varying degrees of technological competency and access. Internet reliability in rural areas and how that could affect their ability to access services online (load transponders, apply for exemptions, etc.).**

- Design and implement an interoperable system that provides benefits equally in Oregon and Washington. Look at Rideshare Online as an example of rideshare and vanpool services that serve Oregon and Washington. TriMet's HOP card is an example of a system that accommodates users in Oregon and Washington.
- Provide exemptions for registered vanpools and carpools to promote ride-sharing.

~~Be specific about~~Work with transit agencies to support equitable investments with toll revenues. Transit investments should be informed by identified needs and strengths of Equity Framework identified communities.

- Transit agencies often have a process for where investments are most needed – ODOT should support this process.
- Acknowledge that transit investments help enhance alternatives to driving and give people better choices.
- Acknowledge that tolling won't push people onto the transit system if people aren't interested in riding.
- Transit efficiency is key so people have a good experience when they try it.
- Before day one transit investments are needed to ensure transit agencies can accommodate an increase in riders.
- ~~Funneling revenue to transit does not address the fundamental concern that pricing harms poor drivers. Bus riders may be disproportionately low-income, but they suffer no direct harm from pricing and may even benefit from it, if less congested roads make bus travel faster. Transit investments should be informed by identified needs and strengths of Equity Framework identified communities.~~

PROCESS FOR ODOT'S COMMITMENTS TO ADDRESS AFFORDABILITY

We are at the start of an environmental review and public engagement process that will continue for multiple years (ending 2024). Key decision points along the way for affordability commitments will occur.

Essential next steps

The following information was developed by ODOT in coordination with EMAC following the EMAC's discussions on affordability in August:

- Additional feedback from Equity Framework-identified communities
- Additional cost and implementation information
- Better understanding from ODOT about the range of funding that would be available for affordability commitments, and how ODOT could deliver on commitments to services or programs with respect to the Oregon constitutional restriction or in Washington
- Describe the process within ODOT or in coordination with partners to deliver investments that advance equity that are not directly funded by toll revenue
- Technical modeling and analysis from ODOT about tolling benefits and burdens on Equity Framework-identified communities and how policies and strategies could address impacts and advance equity (early 2022 for I-205 Toll Project and early 2023 for the Regional Mobility Pricing Project)
- Technical and financial analysis that would identify how much funding is available for strategic-level investments (early 2023 for I-205 Toll Project and early 2024 for the Regional Mobility Pricing Project)

AFFORDABILITY WORKSHOP – AUGUST 25, 2021

On August 25, 2021, the EMAC held a worksession to discuss how the Oregon Toll Program and projects could address affordability impacts. Input from that meeting is captured in this document (What We Heard).

WHAT WE HEARD

Need to more accurately reflect how bus riders could be impacted by tolling

- The statement, “Bus riders may be disproportionately low-income, but they suffer no direct harm from pricing” does not consider how tolling could affect bus service.
- If buses are full, pass ups (meaning, the bus is full and does not stop to pick up passengers) could occur. If revenues are not available to increase frequency, then bus riders may have to wait longer.
- If diversion increases congestion on local streets, buses traveling on those streets will be impacted.

Consider more recent and regionally-specific data to inform policy and strategy options

- Some of the data in the research is dated and may not be relevant.
- Look at TriMet’s fare-capping system to see if it could apply to tolling.
- TriMet’s HOP card is an example of a system that accommodates users in Oregon and Washington.
- Look at [Rideshare Online](#) as an example of rideshare and vanpool services that serve Oregon and Washington.
- The low-income assistance plan in Los Angeles is a good example, including the elements waiving maintenance fees and providing a credit after a certain number of trips.

Look beyond the standard definition of low-income

- Explore whether 200% of the federal poverty level is the correct threshold for low-income.
- Consider that 200% does align with other agency programs in the region.
- Explore the potential to pre-qualify for discounts or exemptions those low-income drivers that have applied for and been approved for reduced fares with the HOP card.

Find the right balance between discounts/exemptions and revenue generation

- Need to analyze how discounts and exemptions impact revenue generation.
- This doesn’t have to be either/or – need to figure out how to do both
- The toll program can better serve communities by expanding exemptions for low-income drivers.

WHAT WE HEARD

Credits provided after a certain number of trips could lead to more cars on the road

- Giving people credits for achieving a certain level of usage in the toll system may be counterproductive and could lead to more driving to achieve a discount.

Work with Transit agencies to support equitable investments

- Transit agencies often have a process for where investments are most needed – ODOT should support this process.
- Need to develop ideas to ensure funds invested in transit will actually benefit low-income riders
- Acknowledge that transit investments help enhance alternatives to driving and give people better choices.
- Acknowledge that tolling won't push people onto the transit system if people aren't interested in riding.
- Transit efficiency is key so people have a good experience when they try it.
- Before day one transit investments are needed to ensure transit agencies can accommodate an increase in riders.
- Language included in the neighborhood health and safety policy and strategy options document that should also be included in the affordability policy and strategy options document regarding investments from tolling revenue.

Support for incentives that promote ride-share or carpooling

- Provide vanpool/carpool exemptions.

Need revenue projections and toll rates to further the conversation

Address the following concerns/barriers

- Internet reliability in rural areas and how that could affect their ability to access services online (load transponders, apply for exemptions, etc.).
- Ensure the process of applying for exemptions/rebates/credits considers varying degrees of technological competency and language proficiency.
- Work with community-based organizations to overcome distrust people may have in government agencies