



TOLLING AND AFFORDABILITY: EMAC POLICY & STRATEGY OPTIONS

August 25, 2021

Affordability refers to impacts to people experiencing low-income or economically disadvantaged groups. Further definition of the term is provided in the Equity Framework ([link](#)) and the Equity and Mobility Advisory Committee (EMAC) Charter ([link](#)).

KEY ELEMENTS OF AFFORDABILITY

As detailed in the Equity Framework, key elements that inform how this should be analyzed include:

- **Travel costs.** Change in travel costs for historically excluded and underserved communities.
- **Financial barriers.** Potential financial barriers that may limit use of the tolled facilities by historically excluded and underserved communities, including for the unbanked and for those who may have trouble putting up deposits for transponders or other required technologies.
- **Small business.** Potential effect of construction or tolls on small businesses within historically excluded and underserved communities.
- **Low-income.** Defined for the purposes of the toll projects as individuals or households with income below 200 percent of the federal poverty level for the area.
- **Environmental Justice (EJ) populations.** This includes individuals who are African American, Asian American, Hispanic American, Native American, and Alaska Native, Native Hawaiian and Pacific Islander, of two or more races, and/or low-income.
- **Economic Disadvantage.** This refers to individuals and communities with significantly less wealth and financial resources and whose economic health and wellbeing has been impaired due to systemic barriers (such as limited access to opportunities, through discrimination in education, or health care, hiring and promotions, lack of banking and credit or other factors) as compared to other people or communities in the same region.

This initial list of policy and strategy options for EMAC is based on the “Tolling and Affordability: Research” document, conversations with Equity and Mobility Advisory Committee (EMAC) and Equity Framework-identified communities¹ as documented in our [I-205 Toll Project Engagement Summary](#) and an understanding of how the current transportation system works today through our [I-205 Toll Project Corridor User Analysis](#) (summary provided later in this document).

¹ Equity Framework-identified communities include people experiencing low-income or economic disadvantage; Black, Indigenous, and People of Color; older adults and children; persons who speak non-English languages, especially those with limited English proficiency; persons living with a disability; other populations and communities historically excluded and underserved by transportation projects.

INITIAL LIST OF AFFORDABILITY POLICY AND STRATEGY OPTIONS FOR EMAC

POLICY OPTIONS

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.
- 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.
- 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 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.

STRATEGY OPTIONS

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.

Be specific about transit investment with toll revenues.

- 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.

EMAC AND COMMUNITY ENGAGEMENT FEEDBACK

ODOT will also leverage prior and future input from EMAC, Equity Framework-Identified Communities, and other agencies in the region to define equitable investments and strategies for the toll projects. The following is specific input on transportation affordability we have received to date:

EMAC Input

The following is a summary of statements and/or comments related to transportation affordability made by EMAC members during prior EMAC meetings.

- Provide discounts for multi-occupant vehicles
- Consider federal poverty levels
- Explore discounts, credits, subsidies, incentives, or exemptions
- Low-income drivers who live in the area should be exempt, not reimbursed
- Consider moderation of increases when creating toll policies (e.g. utility rates)
- Include programs for people without a bank account
- More information is needed on subsidies for other tolling efforts and ride sharing
- Consider partnerships with employers related to low income opportunities/benefits
- Create an income-based model
- Subsidies for low-wage workers traveling I-205
- Identify populations without income (youth and elderly)
- Consider other factors such as cost of housing – Housing and Transportation Affordability Index
- Affordability as an umbrella and starting on day 1
- When possible, collect ethnicity income data as a way to know and close gaps
- Concern about how enforcement of those who don't pay toll and how that can really affect (and snowball with fees and fines) for a low-income household
- What is the relationship between exemptions and toll revenue? How do exemptions impact revenues?
- For industrial areas, there is evidence of lower income families commuting together
- Make sure rural areas are not excluded in the policy analysis: many lower income folks live in rural areas
- Consider opportunities for youth travel enhancements
- How will individuals and immigrant communities who live outside of the areas be impacted by the tolls

Input from Equity Framework-Identified Communities

During the I-205 Toll Project engagement period from summer-fall 2020, we received about 4,000 survey responses. About 550 said their annual household income was \$50,000 or less. The following is a brief summary of the input received from this demographic group.

Concerns and Opportunities

Top concerns for respondents experiencing low income, as identified through a multiple-choice question included:

- Minimize the impact on people of low-income or otherwise underserved
- Provide alternative, non-tolled driving routes
- Minimize negative diversion to local streets
- Reduce traffic congestion

(Respondents could select all that apply. The order represents frequency of selection of these top four concerns. The order changed depending on the demographic group. All groups selected these four most frequently.)

Among respondents who self-identified as experiencing annual income under \$50,000, the following open-ended comments related to specific input on which concerns and opportunities are most important to address were seen:

- Fairness for residents/minimizing disproportionate impact on residents
- Equity for people experiencing low income
- Current overtaxing
- Affordability
- Rerouting/diversion that could cause congestion
- Safety concerns due to diversion to local streets
- Concern that the toll will remain even when target revenue is reached
- Ensure that revenue is allocated to highway projects (as opposed to other modes)
- Increased highway capacity
- Find another revenue source/use an existing funding source
- Negative local economic impacts
- Privacy concerns about transponders in personal vehicles
- Negative environmental impacts due to increased congestion
- Expand tolling to more roads

To address these concerns and opportunities, respondents' top ideas included reducing or eliminating cost for people experiencing low income and older adults, providing exemptions or toll caps for Project area residents, and not implementing tolling at all. Additional ideas included (*not in order*):

- Allocate revenue to roadway projects

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- Institute employer incentives for work for home
- Tax large employers instead
- No or subsidized cost for older adults and people experiencing low incomes
- Provide non-tolled alternative routes
- Provide easy payment options
- Institute a tolling cap or permit system (per day, month, or year)
- Allocate funding to transit and active transportation to increase transportation options
- Provide more transit alternatives and safer bike lanes
- Add more tolling
- Increase neighborhood police presence to minimize diversion
- Only toll one lane
- Provided a free lane for carpools and people experiencing low income
- Minimize rerouting due to safety concerns on local streets, to prevent congestion, and to reduce emissions associated with taking a longer route
- Toll the Oregon City bridge also to minimize diversion
- Toll heavier vehicles more because they contribute more to road wear and tear
- Improve infrastructure on alternate routes
- Charge tolls proportional to drivers' incomes
- Ensure drivers know tolling price before entering the tolled area
- Require bicycle registration fees
- Reallocate funding from public transportation to highway expansion
- Only toll during rush hour to discourage driving
- Invest in statewide bus and rail service
- Increase taxes instead of tolling
- Reduce or eliminate gas tax if implementing tolling

Input from all demographics related to transportation affordability

Below are the comment themes from all demographic groups received on the I-205 Toll Project survey related to the topic of transportation affordability.

Equity

Approximately 830 comment submittals in the I-205 Toll Project engagement addressed equity. These submittals included comments about whether certain groups or communities will experience disproportionate outcomes and impacts from tolling. Those communities historically and currently excluded and underserved by the transportation system include Black, Indigenous, and People of Color, people experiencing low income, people living with disabilities, people who speak languages other than English, older adults, and children. Comments mentioning equity generally opposed tolling due to disproportionate effects on low-income households and seniors. Comments were largely related to how tolling would be an additional burden faced by low- and fixed income individuals on top of other existing challenges like commuting to jobs with inflexible work schedules, medical needs, and/or family

support required for senior care. Some comments indicated a need for equity to be explicitly defined and how it will be ensured for the Project.

The following is a summary of the major themes from the comments received pertaining to equity:

- Many respondents said tolls affect only low-income people and those already financially disadvantaged.
- Many respondents said tolls would create issues for seniors and elderly who are on fixed incomes.
- Several respondents commented that tolls would affect low-income individuals' ability to pay to travel to work and jobs, especially for those with less flexible work and commute schedules.
- Some respondents said tolling is racist as it disproportionately affects communities of color the most.
- A few respondents said electronic tolling is discriminatory against those without bank accounts.
- A few respondents commented on added expenses for students seeking higher education.

Personal Financial Impacts

Approximately 530 comment submittals addressed personal financial impacts of tolling. Comments included concerns over the ability to pay tolls, how the COVID-19 pandemic has negatively affected financial security, and how a toll could affect where people live and/or work.

The following is a summary of the major themes from the comments received pertaining to financial impacts:

- Many respondents said they do not personally have the income necessary to pay tolls, including those on fixed incomes (for example, retirees) and households and individuals who are currently struggling to make ends meet.
- Several respondents cited additional economic hardships associated with the COVID-19 pandemic.
- Several said tolls would unfairly burden lower-income residents and shift workers who do not have the flexibility to alter their commute (either time of day or route).
- Some respondents said tolls would unfairly burden middle-class families, who would not be eligible for reduced toll rates.
- Some respondents said the tolls would adversely affect their property values, including concerns that they might have to move.

ANALYSIS OF TRAVEL PATTERNS ON I-205

Results from the I-205 Corridor User Analysis

An [I-205 Corridor User Analysis](#) was prepared to better understand the travel patterns of current users of I-205 near the Abernethy Bridge. We will use this information to inform the development and analysis of options for the I-205 Toll Project. This analysis used StreetLight Data Inc.'s mobility platform as a primary tool along with the Regional Travel Demand Model (RTDM) and the Oregon Statewide Integrated Model. A few key findings are included below. Read the full [I-205 Corridor User Analysis](#) for more in-depth information, maps and other graphics.

The StreetLight demographic estimates do not indicate a disproportionate use of the I-205 Abernethy Bridge by persons of color or low-income users. Bridge users appear to largely mirror the demographic characteristics of the region as a whole and for Clackamas County specifically. Table 1 and Table 2 provide demographic information from StreetLight.

Table 1. Race and Ethnicity - Comparison of I-205 Users to Portland Metro Area

	White	Black	American Indian/ Alaska Native	Asian	Native Hawaiian/ Pacific Islander	Other Race	Multiple Races	Hispanic*
I-205 Users	84%	2%	1%	5%	Less than 1%	4%	4%	10%
Clackamas County	88%	1%	1%	4%	Less than 1%	3%	3%	8%
Portland Metro**	81%	3%	1%	6%	Less than 1%	5%	4%	11%

Source: StreetLight, U.S. Census Bureau, 2010

* Hispanic is an ethnicity, and people who identify as Hispanic can be of any race.

** Portland Metro refers to the census Portland-Vancouver-Hillsboro, OR-WA Metropolitan Statistical Area.

Table 2. Income Level - Comparison of I-205 Users to Portland Metro Area

	Less than \$50,000	\$50,000 to \$125,000	More than \$125,000
I-205 Users	41%	43%	16%
Clackamas County	40%	44%	16%
Portland Metro*	44%	42%	14%

Source: StreetLight, American Community Survey 2010 5-Year Estimates

* Portland Metro refers to the census Portland-Vancouver-Hillsboro, OR-WA Metropolitan Statistical Area.

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 in 2023 or 2024). Key decision points along the way for affordability commitments will occur.

Essential next steps

The following tasks will be initiated or information will be developed by ODOT in coordination with EMAC following the discussion 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)