

Oregon Highway Plan Policy Amendment

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 for either purpose. The purpose of this section is to outline roadway pricing mechanisms that can be used to pay for specific high-cost infrastructure and/or to achieve congestion reduction or other outcomes along discrete sections of roadways. “Tolls” are included in this section, which refer to roadway pricing to create revenue for 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 here to help identify when their 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 apply:

1. **Tolling** – A fee set by the Oregon Transportation Commission (OTC) and charged by a road pricing operator for the use of traveling on a specific facility. Revenues from this type of road pricing are used for specific infrastructure such as bridges or tunnels and other project costs associated with the tolled infrastructures.
2. **Congestion Pricing (Scheduled Variable Rate Tolling)** – Fee ranges are set by the OTC and charged by a road pricing operator. Rates are higher during peak travel periods (such as morning and evening commute) and lower during off-peak periods. Scheduled time of day prices are published and 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 fee payment. Revenues from this type of road pricing may be used to support congestion relief through enhancements to the multimodal transportation system or roadway infrastructure investments, as permitted by Federal and State law. Oregon will focus on scheduled variable rate pricing, as opposed to dynamic pricing, for its implementation of 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.

- 3. **Combination** – Fee ranges are set by the OTC and charged by a road pricing operator. Rates are established to achieve desired revenue targets for an infrastructure investment (tolling) and to improve reliability and congestion (congestion pricing). Revenue from this type of road pricing is used to pay for specific infrastructure and related project expenses in support of congestion reduction, including the potential for multimodal systems to support congestion reduction where consistent with this goal.

Financial analysis is important to determining whether or what type of roadway pricing should be used. Before starting a road pricing project, a high-level funding plan utilizing tolling to pay for improvements should be complete.

Road Pricing Policies

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 are anticipated within the planning horizon.

6.1.B Action

Road pricing options must not conflict with, and should 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.C 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

Evaluate if tolling should be a source for initial and sustainable funding for major investment projects on Oregon’s interstates, freeways, and bridges such as construction or re-construction that are anticipated to cost more than \$100 million.

6.2.B Action

Utilize tolling to raise funds for construction, operations, maintenance and administration of specific infrastructure.

6.2.C Action

Complete a comprehensive funding plan for projects utilizing tolling to pay for a portion of or all 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.D Action

Consider tolling to cover the short- and long-term costs of the infrastructure improvement, as 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, preservation, 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. 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 complementary 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 on the priced facility.

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 hourly Capacity ratio (AADT/C) of 9.0 or greater or where average vehicle speeds are less than 45 mph¹.

6.3.B Action

Prior to adding new throughway capacity such as the addition of new through travel lanes, evaluate if appropriate levels of congestion pricing alone can reasonably manage travel demand.

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 multimodal options and implementing other demand management tools.

6.3.D Action

Utilize congestion pricing to reduce demand on interstates and freeways during identified high-demand periods (e.g. during peak hours) utilizing scheduled rate variable pricing.

6.4 Policy Connect to our climate goals and targets

Evaluate how potential applications of congestion pricing and tolling will help support state climate change goals and targets.

¹ This measure is to be applied to the peak hour analysis for link volumes (not at the intersection level) and is a trigger to show where congestion may be significant enough to warrant additional analysis of possible road pricing strategies. It should not be used as a standard to be met.

6.4.A Action

Evaluate implementation of road pricing as a strategy to limit or reduce future vehicular travel demand from planned land use development.

6.4.B Action

Reinforce congestion pricing project goals by underscoring the role of multimodal travel in meeting climate related goals through coordination with transit agencies and public information campaigns.

6.5 Policy Design and operate congestion pricing projects to support shifting travel to off-peak hours and to biking, walking, and public transportation

Structure pricing to encourage users to shift their trips to less busy times of day, other modes of transportation (e.g. public transportation, carpools, biking, and walking), or telecommute.

6.5.A Action

Evaluate available modal options prior to implementing roadway pricing to determine availability and accessibility of biking, walking and public transportation. During pricing project planning, develop investments, projects, and programs to support enhanced multimodal access through partnerships and investments beyond those that may be made from road pricing revenue.

6.5.B 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.C Action

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

6.5.D 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 to manage demand and increase mode shift within the project or project area
- Understand and evaluate how the benefits of a better managed, less congested interstate or freeway may provide opportunities for new, expanded, or enhanced public and active transportation options
- Pursue investments that produce reliable, emissions-reducing, and a competitive range of transportation options (bike, walk, bus, carpool, vanpool, etc.) to advance climate, safety, and mobility goals, and prioritize benefits to historically excluded and underserved communities.

6.6 Policy Center equity in road pricing

Equity must be considered and addressed in the design, implementation and management of road pricing. 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 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 in tribal areas and on historically or currently excluded and underserved communities.

Rate Structures, Pricing Considerations, Exemptions and Discounts

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

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:

- Oregon's federally recognized tribes
- 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

To the greatest degree possible, investments that are necessary to advance equity must be delivered at the same time as tolling begins, or beforehand.

6.7.C Action

Tolling must be a user-friendly system that is clear and easy to use by people of all backgrounds and abilities, including linguistic diversity, and those without internet access.

6.7.D Action

Road pricing should not contribute to furthering financial indebtedness for people experiencing low income. This should be considered in the establishment of rates, discounts, exemptions, payments, enrollment, penalties or free travel options available to avoid further burdening people experiencing low incomes who are struggling to meet basic needs (food, shelter, clothing, healthcare, etc.).

6.8 Policy Define a road pricing “project” as including, consistent with this policy, all of the following: any planned capital investment, traffic diversion, and mode shift that result from changes in travel behavior from the roadway price imposed.

6.8.A Action

Consider “capital investment” portion of a tolling or combined pricing project to be the direct costs of building the infrastructure such as a lane, road, or bridge and operational expenses. Capital investments for congestion pricing may also include multimodal investments consistent with Oregon’s Constitutional restrictions and consistent with this policy.

6.8.B Action

“Traffic Diversion”² is part of the “project” and shall be considered as vehicles that move from a priced to a non-priced facility within:

The “corridor,” defined as the immediate area of impact adjacent to the priced facility, generally within 1 mile or as defined through the project-specific analysis as being impacted by the project. Additionally the corridor is limited to facilities that generally move traffic in the same directions.

OR

A broader geographic area because of lack of adjacent/parallel facilities, such as around bridges and/or major geographic barriers (rivers, mountains, ravines, etc.).

Improvements to address such diversion may be considered and may be included as part of the project for safety, multimodal, or vehicular impacts when:

² When evaluating diversion, consider different users of the facility, the purpose of the priced facility and also the facilities that may see diverted trips. Understanding the facility primary purpose along with the diverted trip purposes and lengths may be valuable in helping to determine potential actions for diverted trips.

Safety is negatively impacted by likely increases in fatalities or serious injury crashes as determined through predictive analysis³.

AND/OR

The multimodal system is negatively impacted by increased traffic volumes that worsen the Level of Traffic Stress for people biking or walking, increase risks for fatalities or serious injuries, decrease access or result in significant transit delays or make transit trips less reliable.

AND/OR

There is projected to be a substantial increase in traffic volumes on the local network (a volume/capacity ratio of 0.05 or greater⁴ between the no build and build scenario, and where the volume/capacity ratio is greater than 0.7 in the build scenario).

6.8.C Action

“Mode Shift” shall be considered as the intentional movement of any person previously driving on the priced roadway to biking, walking, or public transportation systems. Such shift is desired and should be encouraged.

Capital improvements can be considered, and may be included as part of the project to better accommodate and support increased demand on these multimodal systems, under the following conditions:

- Increases in ridership or needs impacting transit capacity within the “public transportation corridor,” which is generally defined as major routes that accommodate movement of people to similar origins and destinations as the priced facility.
- Gaps exist in the biking and walking system that prevent network connectivity on potential high-use routes generally moving traffic in the same directions within 1 mile of the priced facility, except where corridor options are more limited due to geographical barriers.

6.8.D Action

Conduct project-level analysis, in partnership with impacted tribes, local and bi-state jurisdictions to identify equity, environmental, or other impacts that are of a size and scale which may be considered as part of the project.

³ The planning level predictive safety analysis is to be utilized and the analysis must show a meaningful and measurable increase in risk.

⁴ This measure is to be applied to the peak hour analysis for link volumes (not at the intersection level) and is a trigger to focus where diversion may be significant enough to warrant additional analysis. It should not be used as a standard to be met.

6.9 Policy Set rates to help achieve desired outcomes

Structure rates to maximize revenue consistent with performance goals and objectives as outlined in policy and specified by the project, while ensuring alternatives are evaluated throughout the planning and project delivery process.

Table 1: Summary of Road Pricing Mechanisms and Associated User Impact and Goals

Mechanism	Tolling	Congestion Pricing (variable rate)	Combination
USER EXPERIENCE			
One price to use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Price changes throughout day	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Predictable price for travelers	<input checked="" type="checkbox"/>	<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"/>	<input checked="" type="checkbox"/>
Support VMT reduction	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Encourage shifts from peak travel to off-peak travel	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
TRAFFIC OPERATIONS			
Manages recurring traffic congestion (congestion pricing)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Does achieve Does not achieve

6.9.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 will be needed. Structure rates to meet the desired share from road pricing revenues.

6.9.B Action

Set rates, as appropriate, sufficient to:

- Cover the operations, maintenance, preservation, and capital costs 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

- Address mitigation costs that are part of the project
- 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
- Maintain the lowest possible toll rates while generating sufficient funds to meet the above needs

6.9.C 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 and users
- Definition of the project as defined in Policy 6.8

6.9.D Action

At a minimum of annually, review rates to assess goal achievement and need for additional or revised exemptions and discounts.

6.9.E 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.

6.10 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.

6.10.A Action

Explore a discount for customers who are frequent users of the system and lack alternative non-priced routes or transportation options that are needed to access essential services, such as health care, childcare, schools, food, or jobs. Determination of whether a discount should be offered should be evaluated against the goals of the project and the policies detailed within this Goal.

6.10.B 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, etc.).

6.10.C Action

Evaluate and implement a low or no cost rate system for low-income users.

6.10.D Action

Incentivize high-occupancy vehicles, such as shuttles, vanpools, and carpools.

6.10.E Action

Provide an exemption to public transportation vehicles, including “over-the-road” busses as required under Federal law.

6.10.F Action

Ensure that rate setting structures and fees are consistent with existing tribal sovereignty or treaty rights and ensure that ODOT undertakes government to government consultation with impacted tribes.

6.10.G Action

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

6.10.H Action

Analyze and consider reducing toll rates when funding needs are achieved for the infrastructure improvement but ensure that toll remains to help achieve statewide goals of congestion reduction, and support long-term administration, maintenance and operations.

Use of Revenue

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

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. Funds must be used within the project corridor as defined in Policy 6.8.B.

6.11.A Action

Address impacts to neighborhood health, safety, and congestion within the corridor consistent with Policy 6.8, acknowledging that diversion, the choice of some drivers to choose routes off the priced system, may have impacts to adjacent communities. Coordinate with these communities and transit providers to address direct impacts when feasible.

6.11.B 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.

6.12 Policy Follow a hierarchy of revenue allocation for road pricing projects

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 federal requirements, and those identified in Oregon’s constitution, and elsewhere as appropriate.

Spend road pricing revenue according to the following hierarchy:

	Objective		
	Tolling (revenue focused)	Congestion Pricing (congestion focused)	Combination (tolling and congestion pricing)
First	Cover the cost of the tolling system, operations, maintenance and administration, as consistent with bond indenture requirements	Cover the cost of the tolling system, operations, maintenance and administration	Cover the cost of the tolling system, operations, maintenance and administration, as consistent with bond indenture requirements
Second	Reach the desired share of revenue needed to pay for the project including long-term operations, preservation, and maintenance of the physical infrastructure	Manage congestion through multimodal investments in biking, walking, public transportation and roadway infrastructure within the traffic and multimodal corridors	Reach the desired share of revenue needed to pay for the project with a focus on capital and multimodal investments that support congestion reduction, while also addressing long-term operations, preservation and maintenance of the physical infrastructure
Third	Meet any additional system performance metrics defined for the corridor	Meet any additional system performance metrics defined for corridors, a series of corridors or by segments	Meet any additional system performance metrics defined for corridor

6.12.A Action

When considering a project that is solely Congestion Pricing without any specific freeway infrastructure project on the priced segment, transit and multimodal transportation options should be a focus for revenue expenditure consistent with the State’s constitution and the policies of this section. This can be done through direct congestion pricing revenue allocation, when compliant with the Oregon Constitution, or through partnerships to support availability and enhancements to transit and other transportation services complementary to congestion pricing.

6.12.B Action

Pair and supplement road pricing multimodal revenue with other funding sources to provide transit-supportive infrastructure, such as bus-on-shoulder, dedicated transit lanes, transit signal priority, and park-and-rides. Investments in carpools, vanpools, shuttles, and encouragement of other 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.

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 Collaborate with tribes, regional and local agencies and communities

6.14.A Action

Develop and implement a public engagement strategy for each tolling, congestion pricing, or combination project, with specificity on how tribes, regional and local governments, and stakeholders will be engaged, and with assurances for frequent and transparent information to the public as options are being considered and when decisions are made.

6.14.B Action

Engagement must include impacted and interested tribes, bi-state, regional governments, local governments and stakeholders throughout road pricing project development and management to directly inform:

- Determination of location of priced facilities and definition of the project
- Setting, evaluating, and adjusting mobility goals
- Identifying traffic safety and diversion impacts and mitigations
- Setting rates and determining revenue allocation
- Conducting long-term oversight of roadway pricing

6.14.C Action

Continually engage diverse voices, such as through an Equity Mobility Advisory Committee, in decision-making processes and when implementing assessment mechanisms described in Policy 6.16.

6.14.D Action

Ensure widespread awareness of pricing and tolls by leveraging existing programs and opportunities to boost enrollment in discount programs.

6.15 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.

6.15.A Action

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

6.15.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.

6.15.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 Washington and California whenever possible.

6.15.D Action

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

6.16 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.

6.16.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, transit time and reliability, 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.

6.16.B Action

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

6.16.C Action

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

6.16.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.

6.16.E Action

Index Tolls and Congestion Pricing fees for inflation to maintain a reliable revenue stream.