

Discounts and Exemptions: Commitments and Feedback

Statewide Toll Advisory Committee (STRAC) September 2023 Meeting Materials

Date Updated: September 15, 2023

The purpose of this document is to build from the following documents that detailed Oregon’s regulations, rules and policies, as well as the existing toll industry practices around discounts and exemptions - that we discussed at the July 2023 STRAC meeting - to provide feedback on the list of requests that ODOT has received.

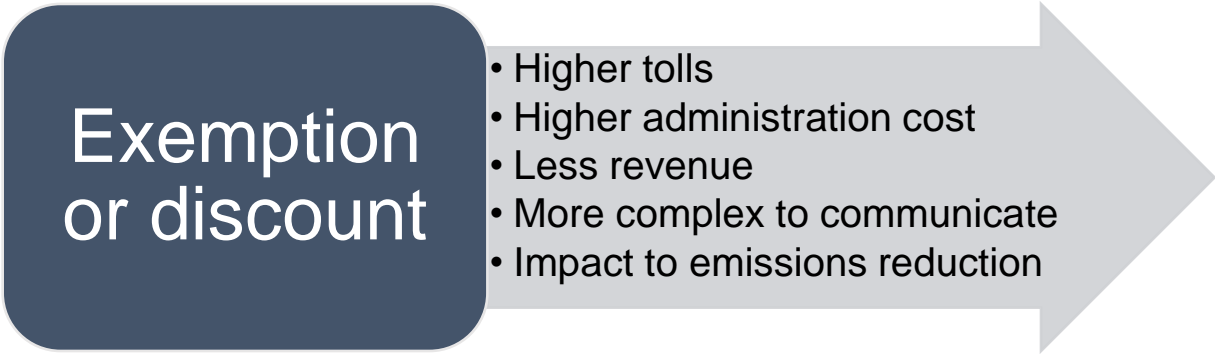
Key message

For every tolling discount or exemption granted, this is a multiplier effect on the cost to operate the system and collect revenue. New operation actions need to be created in a way that is transparent, accessible, accountable, auditable, enforceable, and provides a quality customer service experience. This adds cost, even if the number of vehicles is small. Those costs will result in higher tolls for other customers and less revenue collected for congestion management investments.

By providing an economic break for certain customers, this lessens the effectiveness of demand management and its impact on congestion. This would impact our ability to meet crucial emission reduction goals.

From an equity perspective, we are striving to create a simple to access system with the specific intention to reach historically and currently underserved populations. Each new exemption or discount granted, although intended to meet a good purpose of helping a community, will add to the complexity of the system.

It is with this understanding that we take rigorous look at each discount or exemption granted, so that we can ensure that it fulfills essential needs.



Oregon's commitment for discounts and exemptions

Pending OTC approval, ODOT is proposing the **following vehicles be exempt** from paying tolls on roadways operated by the Oregon Toll Program:

- Public transit (required by law)
- Military personnel (required by law)
- Emergency response vehicles, such as police, fire, ambulance, etc.
- Highway safety response vehicles
- Tribal government vehicles and vehicles registered to an enrolled member

ODOT's **discount program will be the low-income toll program**, which will provide a discount to customers who are at or below a certain income threshold. Additionally, frequent users will be able to secure the lowest rates by having a registered account with a balance and credit card on file to charge to.

Note: For customer types not required by state or federal law on the Interstate Bridge Replacement Program, the exemption process will have to be agreed upon through a bi-state process.

ODOT feedback on discounts and exemptions requests

When tolls start, it is normal to receive numerous requests for specific customers to have a discount or exemption. For example, NYC's current congestion pricing project has officially received over 120 requests for toll exemptions ([article](#)).

The tables on the following pages identify initial thoughts from ODOT on the issues and challenges with operationalizing a specific request. To inform this feedback, staff review the requests taking into consideration the following factors:

- **Revenue:** Ability to raise revenue for operations and investments.
- **Congestion:** Ability to manage traffic congestion through investments and demand management.
- **Climate:** Connection to [climate goals and policies](#) (e.g. OTC's Strategic Action Plan, ODOT transportation plans and policies, and the [Statewide Transportation Strategy](#)).
- **Equity:** Connection to ODOT's [social equity and civil rights](#) goals and policies, as well as [equity recommendations](#) made by the Equity and Mobility Advisory Committee.
- **Administration:** Cost to develop and maintain a program to reach the customer or vehicle type.
- **Policy:** Connection to ODOT goals and policies identified in the [Oregon Transportation Plan](#) and [Oregon Highway Plan's Goal 6](#).

ODOT recognizes the concerns about the cost impact of tolling. Tolling discounts or exemptions are but one tool to address these concerns. Noted in the tables below are existing programs or efforts that are being made to address impacts and realize the benefits of tolling and investment for these customer types.

Type of vehicle or customer	ODOT feedback
Agricultural vehicles	<ul style="list-style-type: none"> • Commercial, larger and heavier vehicles are key customers in paying tolls and managing congestion (and congestion-related emissions). • Women, minority-owned, or lower-income small business owners and operators would be identified as an equity community. • ODOT does have a process for farm truck licensing but defining a process for determining eligibility in a discount program would be needed, thus adding cost. • There is no policy direction.
Business	<ul style="list-style-type: none"> • It is uncertain what businesses would and would not receive the benefit. • Commercial, larger and heavier vehicles are key customers in paying tolls and managing congestion (and congestion-related emissions). • Women, minority-owned, or lower-income small business owners and operators would be identified as an equity community. • ODOT does have a process for licensing businesses, but it would need to be expanded to reach greater numbers. • There is no policy direction.
Electric vehicle (EV)	<ul style="list-style-type: none"> • Electric vehicles are a growing segment of the market, which is beneficial for reaching climate goals but has played a factor in the reduced revenue from the state fuel tax. • There are statewide policies and programs to support greater EV use, but not specific direction to provide an exemption in tolling. • There is an existing process to register EVs. Although there is strong support to address climate change with tolling (congestion pricing) from EMAC, there was not direction to exempt EVs from tolls. • ODOT recognizes the need to shift to EVs and supports this effort outside of a specific toll exemption or discount (see 5-Year EV Charging Roadmap).

Type of vehicle or customer	ODOT feedback
Government fleet	<ul style="list-style-type: none"> • It is uncertain the number of vehicles that would qualify, but there are tens of thousands of government fleet vehicles throughout the state. This would have an impact to revenue and congestion. • There is a process at the state and federal level for licensing, although due to the expected number of plates this could be a complex and costly program to administer. • There is no policy direction or mention in EMAC's equity recommendations.
Health care workers	<ul style="list-style-type: none"> • It is uncertain what vehicles within this industry would and would not receive the benefit. • Defining who would be considered, and under what circumstances they should be exempt from tolling, would be difficult to determine, which translates to high administrative cost. • Health care employers are some of the largest employers within the Portland region, so there is the capacity for this to be large in scale. • There is no policy direction or mention in EMAC's equity recommendations. • There may be equity concerns as certain workers within this industry are highly compensated.
Local residents	<ul style="list-style-type: none"> • High impact to revenue and congestion relief, as local trips are the predominate users on the I-205 Toll Project area. • This would be difficult to administer due to population movements and boundary determinations. • There is some policy direction to explore a discount for frequent users who lack alternative non-priced routes or transportation options and need access to essential services (childcare, healthcare, school, food, or jobs). • EMAC's discussion on geographic equity was to avoid calling out specific geographic areas, as populations may move. Geographic equity should be reserved for areas with a specific historic tie to an excluded or underrepresented group.

Type of vehicle or customer	ODOT feedback
High-occupancy vehicle	<ul style="list-style-type: none"> • High administration cost, as this would be a complex system to authorize and administer. There is no current licensing system for high-occupancy vehicles, so a new one would be created. • High impact to revenue and congestion, as this is almost impossible to enforce on an all-lanes tolled system. It would rely on the honor system. • Equity direction to support emissions reducing travel options through investment, but no specific feedback on whether this should come through a discount or exemption. • Incentivizing high-occupancy vehicles would support climate and policy goals. • ODOT recognizes the need to shift to higher-occupancy vehicles and supports this effort outside of a specific toll exemption or discount. For example, the Innovative Mobility Program provides funding for this type of service to be used in coordination with congestion pricing.
Motorcycle	<ul style="list-style-type: none"> • There is a process for licensing motorcycles, but administration cost would be needed to build this into toll operations. • There is no clear connection to climate goals, policy direction, or mention in EMAC's equity recommendations.
Vanpool	<ul style="list-style-type: none"> • Increased administration cost, as this would be a new system to authorize and administer. There is no current licensing system for vanpools, but ODOT have information on vanpools through funding. . • Small or no impact to revenue and benefits for congestion. • Equity direction to support emissions reducing travel options through investment, but no specific feedback on whether this should come through a discount or exemption. • Incentivizing high-occupancy vehicles would support climate and policy goals. • ODOT recognizes the need to shift to higher-occupancy vehicles and supports this effort outside of a specific toll exemption or discount. Through Get There Oregon there is a process for supporting vanpool use.