



Congestion Pricing and Transit: The Virtuous Cycle

Forum on Transportation Funding
Pennsylvanians for Transportation Solutions
Philadelphia, PA
October 15, 2009



**U.S. Department of
Transportation**

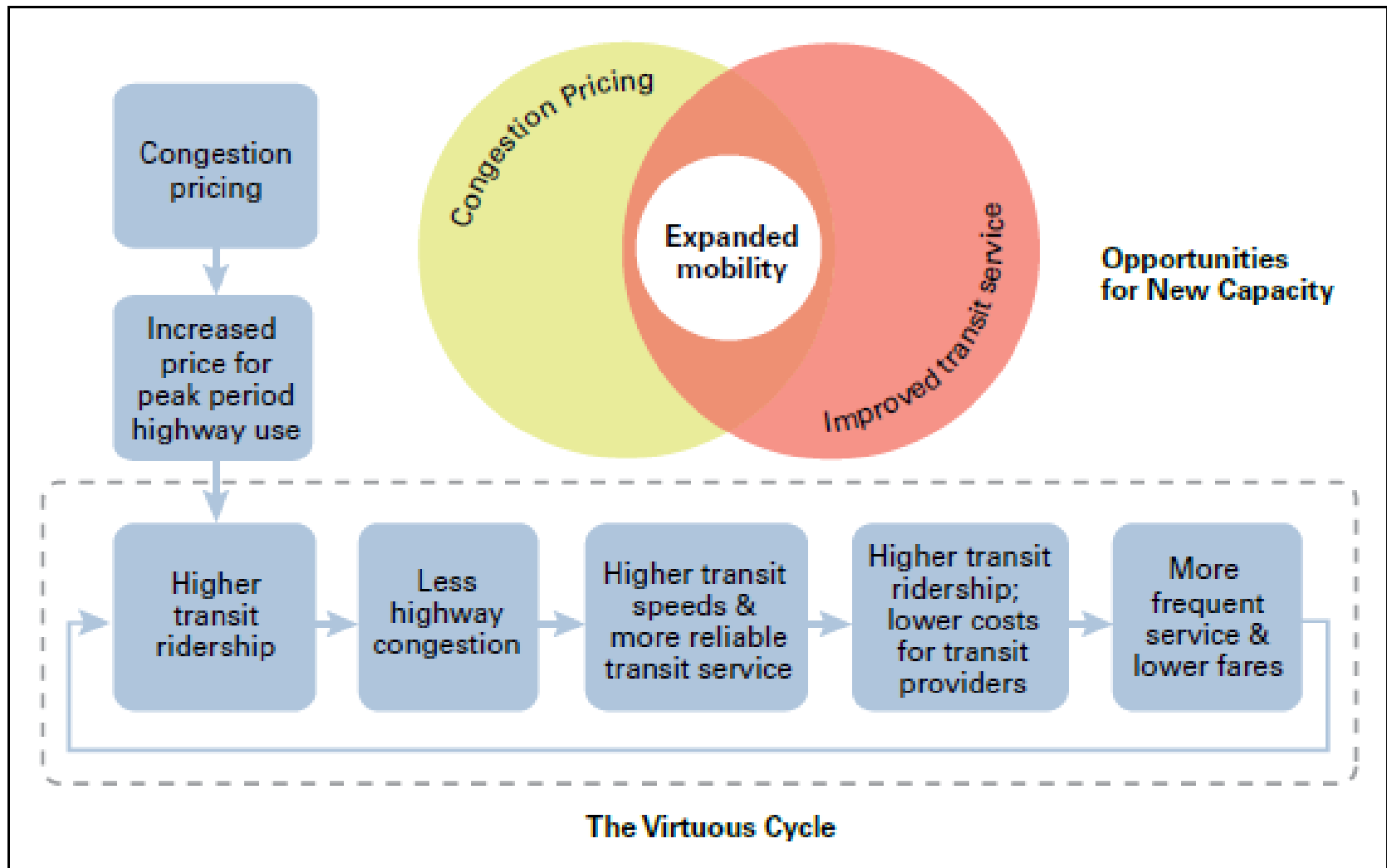
Patrick DeCorla-Souza
Tolling and Pricing Program Manager, Office of Innovative Program Delivery
Federal Highway Administration
Washington, DC 20590

Road Pricing

- Tolling:
 - Revenue to pay for infrastructure that is used
 - Flat tolls

- Congestion pricing:
 - Manage demand on existing roads
 - Provide for alternatives to driving
 - Toll rates vary

Transit and Congestion Pricing



Federal Programs

- Tolling:
 - Title 23 USC Section 129
 - SAFETEA-LU Interstate Toll Pilots
- Congestion pricing:
 - Title 23 USC Section 166 – HOT lanes
 - Since ISTEA – Congestion pricing pilot program
 - SAFETEA-LU – Express lanes demonstration

Cost per Urban Highway Vehicle Trip

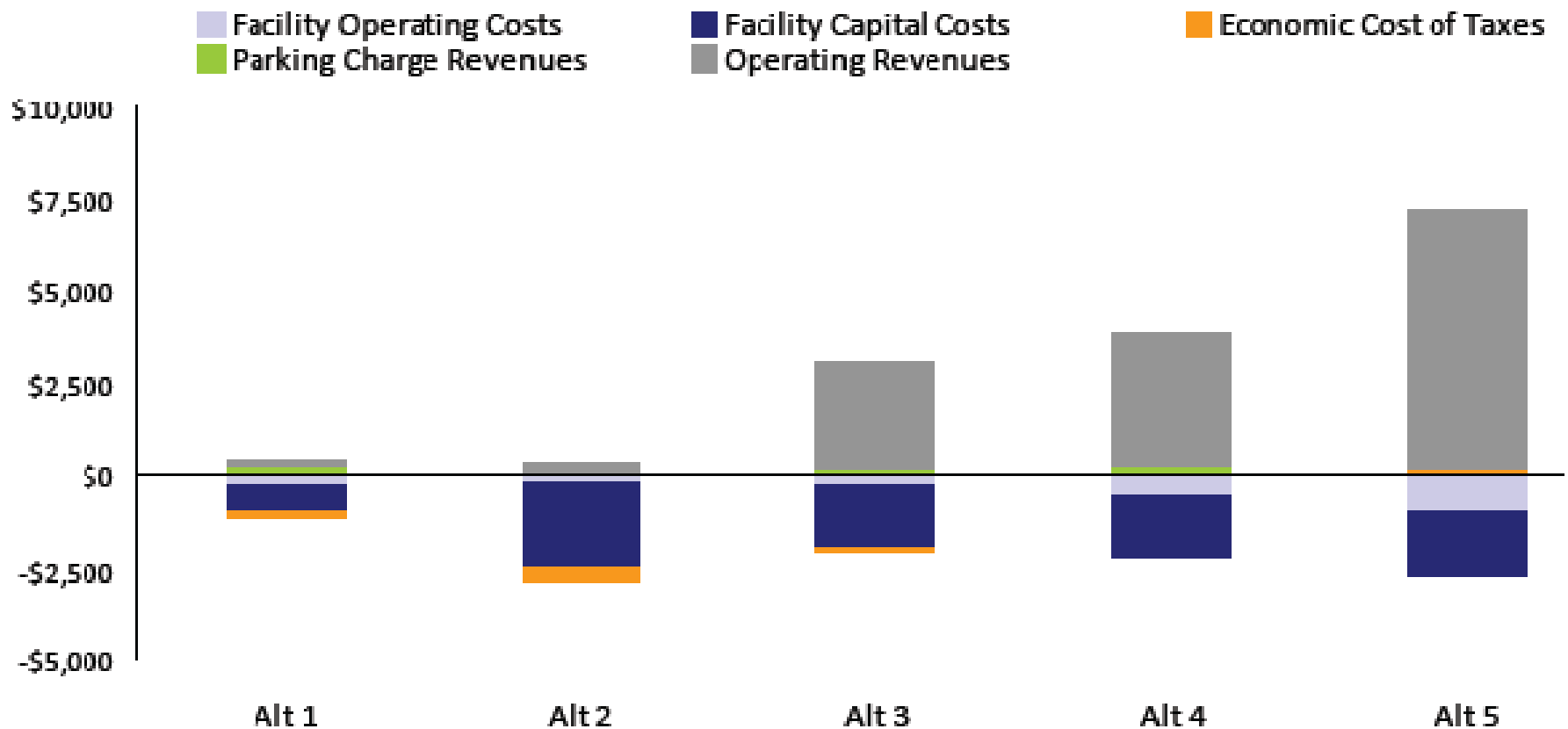
Major Urbanized Areas	Normal Cost	High Cost
Highway construction cost/ lane mile*	\$13.4 M.	\$55.9 M.
Daily traffic volume in peak periods (5-6 hours/day)	10,000 vehicles	10,000 vehicles
Const. cost per vehicle per mile	\$1,340	\$5,590
Const. cost for 20-mile round trip	\$26,800	\$111,800
Annualized const. cost for 20-mile trip**	\$1,742	\$7,267
Cost for 20-mile trip per working day	\$7.00	\$29.00
Gas tax paid for 20-mile trip (2 cents/mile)	\$0.40	\$0.40

*Source: FHWA, in 2006 dollars

**Annualization factor 0.065 assuming a 5.25% discount rate and 30-years

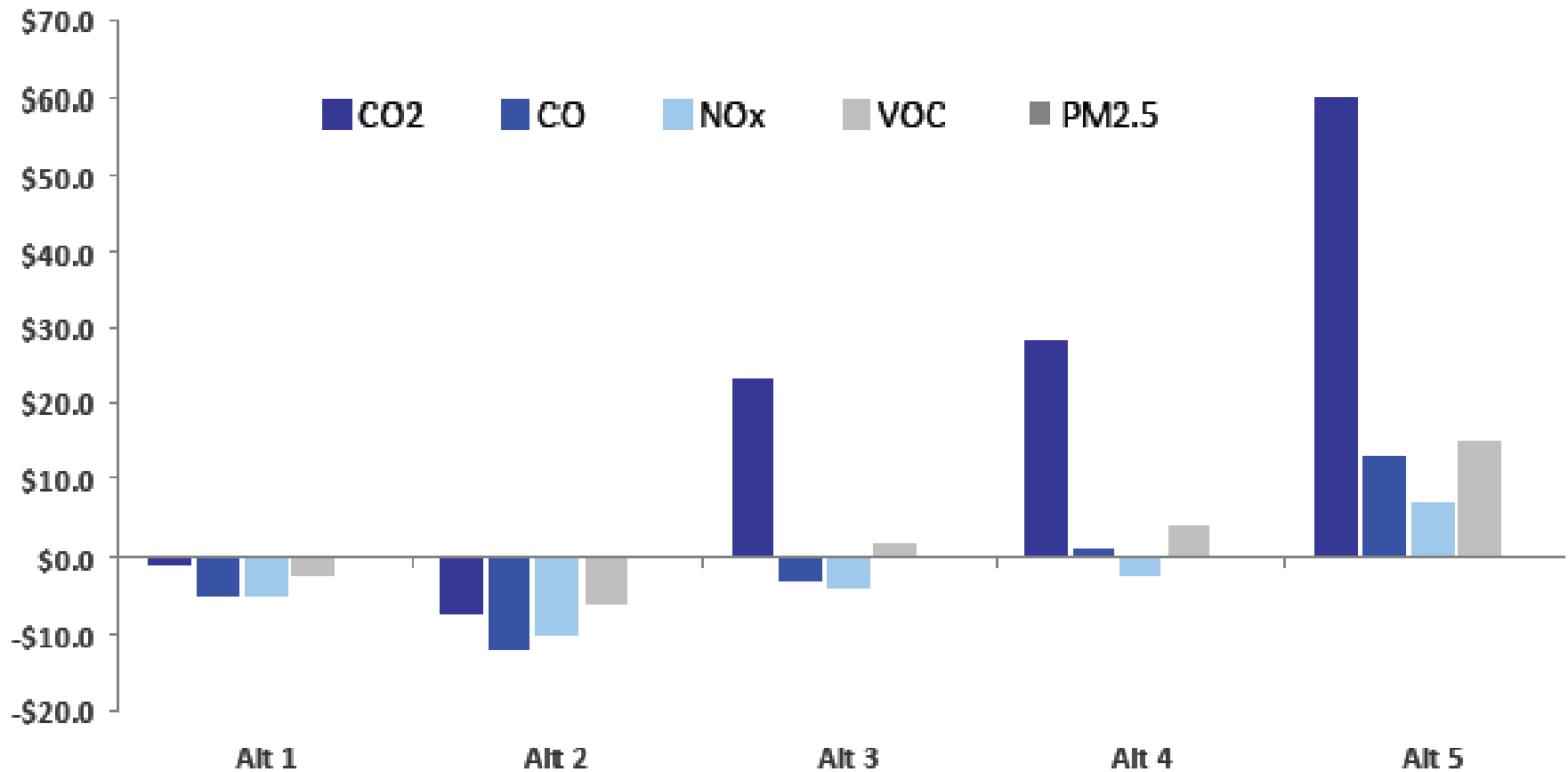
Seattle Study Results: Finance

Annual Revenues and Costs Relative to the 2040 Baseline (millions of 2008 dollars)

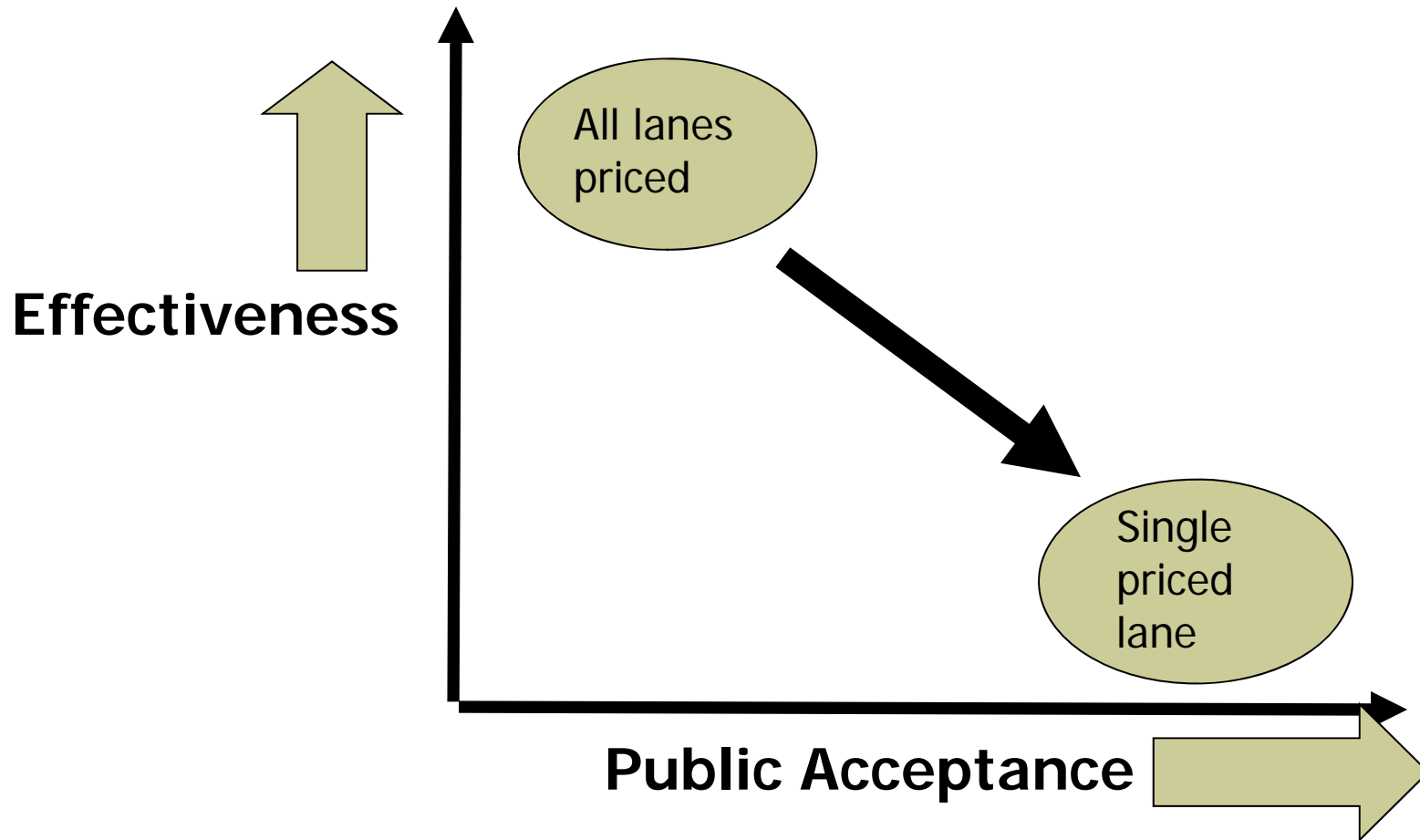


Seattle Results: Emissions

Change from 2040 Baseline in Annual Emission Reduction Benefits
(millions of dollars)



Effectiveness vs. Acceptance



Public Acceptance

- **Priced Lanes:**
 - 60-70% approval from all income groups
- **Priced Highways:**
 - **Seattle:** 64-74% approval for new tolls on currently free SR 520 bridge
- **Priced Zones:**
 - **New York City:** 60% approval
- **Priced Highway Network:**
 - USDOT's focus group study at:
http://ops.fhwa.dot.gov/tolling_pricing/resources/report/cpcfocustrp/index.htm

Addressing Public Concerns

Diversion to free routes	<ul style="list-style-type: none">■ Enhanced signal coordination■ Enhanced alternative modes
Equity for low-income drivers	<ul style="list-style-type: none">■ Discounts■ Credits■ Income supplements
Privacy	<ul style="list-style-type: none">■ Not a big concern with E-ZPass■ Legislative safeguards■ Destroy data after bill is paid

Addressing Public Concerns

Doubts about effectiveness	■ Pilot tests to demonstrate ability
Perceived high cost of operation	■ Compare cost to achieving same objective with highway expansion
Trust in government	■ Money-back guarantee ■ Dedicated use of revenue
Personal cost and cost to businesses	■ Tools to allow calculation of personal and business costs and savings

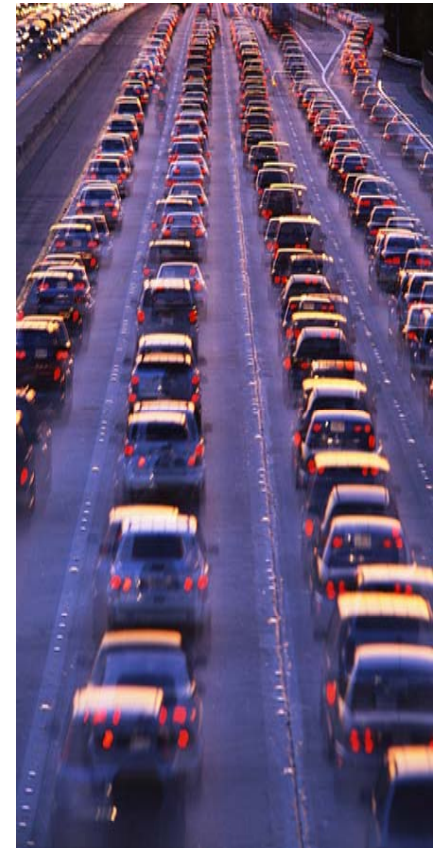
For More Information on Pricing

FHWA Office of Innovative Program Delivery:

www.fhwa.dot.gov/ipd

FHWA Office of Operations:

[http://ops.fhwa.dot.gov/
tolling_pricing/index.htm](http://ops.fhwa.dot.gov/tolling_pricing/index.htm)



Contact Information

Patrick DeCorla-Souza

Tolling and Pricing Program Manager

Office of Innovative Program Delivery

Federal Highway Administration

Department of Transportation

1200 New Jersey Ave, SE

Washington, DC 20590

(202) 366-4076; patrick.decorla-souza@dot.gov