Congestion Pricing

For more information visit www.metroplanning.org or
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What is Congestion Pricing?

Congestion pricing is an innovative strategy used to help reduce congestion, improve the environment, and promote multimodal approaches to meet transportation needs. Successful only if coupled with significant transit improvements, congestion pricing gives people the choice to pay a fee for an uncongested commute or travel on an alternative route or mode of transit. With the Highway Trust Fund becoming increasingly unsteady and congestion in our region worsening, this fact sheet will highlight places where congestion pricing has worked and explore options to improve our transit system coupled with variations of congestion pricing practices.

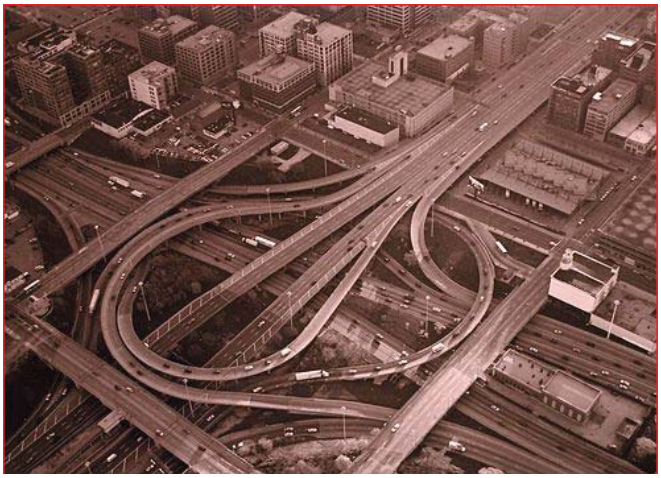
Why is congestion pricing being studied?

It's no secret traffic congestion in Chicagoland is bad and getting worse. Traffic is costing our region more than $7.3 billion every year in wasted fuel, time, and environmental damages. To compete globally, our region needs to identify transportation strategies and investments that will strengthen our communities. A coordinated strategy to increase travelers' transportation options, while reducing traffic levels and increasing speeds on both expressways and arterials, will be necessary to reduce congestion without inadvertently adding to regional air pollution. Congestion pricing is one of those strategies.

Traffic along the Kennedy Expressway

Won't the traffic move from tollways and expressways into our communities?

If done correctly, congestion pricing will increase options to encourage public transportation use. London increased transit capacity by 30 percent while Stockholm and Oslo added between 6 and 9 percent additional capacity prior to implementing congestion pricing programs.



Chicago's Concrete Jungle: Kennedy, Ryan, Eisenhower Junction

What happens to the revenues collected from congestion pricing?

Once capital development and ongoing maintenance and operations costs are covered, additional funds can be used for other transportation-related initiatives - even funding transit in the corridor to address diversion.

Is congestion pricing a regressive tax?

A study from the UCLA Transportation Studies Center concluded that using the sales tax to fund roadways shifts the burden of paying for the roads to all consumers and not the users of the road. It disproportionately favors the affluent at the expense of the improverished.

Also, since congestion pricing will only be successful with complimentary transit improvements, by adding buses and increasing transit capacity, those with limited resources would also have more options to keep their transportation costs low.

Where does congestion pricing exist?

Congestion pricing is used in many industries. Airline ticket prices, phone charges, and electricity rates, for example, vary by level of demand. Even the Washington D.C. region's Metro transit system charges users higher rates for the morning and afternoon rush hours to accommodate the influx of commuters. During the holiday season or rush hours, or in congested locations, some cities incorporate congestion pricing mechanisms into their parking policies as well. This practice encourages the use of public transportation, for example, which helps alleviate traffic problems and bottleneck conditions.

CONGESTION PRICING IN THE USA

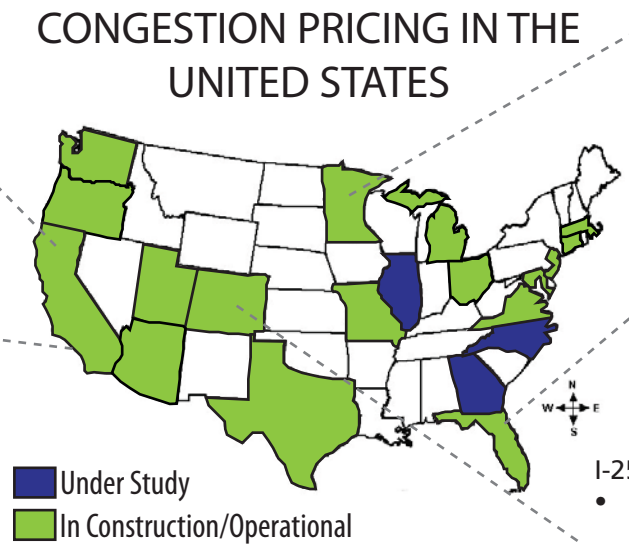
Whether a system based on peak hours or varied based on level of traffic, congestion pricing is a tool that has helped several U.S. cities address pressing traffic concerns and generate clean, healthy, and affordable alternatives for people to get where they need to go. Different approaches to congestion pricing have been tried throughout the country with varying degrees of success. Those that have produced the best results made significant investments in transit before congestion pricing techniques were introduced.

SR-91 Express Lanes

- 32 million hours saved
- $480 million in added economic productivity and quality of life benefits
- 12-13 minutes of travel time savings

I-15 HOT Lanes

- 25% increase in bus ridership financed by toll revenues
- $1.85 million capital costs, $1million in revenues
- 20-minute savings
- Capital costs defrayed from federal grants,all revenues subsidized new bus service



I-394 HOT Lanes

- 20-minute daily time savings
- 12% reduction in crashes
- 3,000 vehicle reduction in regular lanes

Fort Myers Bridges

- 71% of Lee County residents changed their driving behavior for a 25¢ discount

I-25 & US 36 HOT Lanes

- 96% on-time rating in first year of operation of HOT lanes
- 18 miles of BRT on US36 will improve time savings of 13-15 minutes between Denver and Boulder

INTERNATIONAL EXAMPLES

LONDON

Congestion pricing type:

- 2003 Cordon pricing
- $13 charge to enter CBD

Results:

- 30% average drop in congestion
- 37% average increase in traffic speed
- $174 million to reinvest in public transit

Transit

- 1,000 new buses to the road
- 85% of people entering capital take public transit

STOCKHOLM

Congestion pricing type:

- 2006 Cordon pricing experiment
- $294 million to implement, $50 million to operate

Results:

- Daily decline of 115,000 trips per day
- 14% reduction of exhaust emission
- Removed 100,000 vehicles during peak business hours

Transit

- Between 6 and 9 percent of additional capacity
- 197 new buses, 16 new bus lines, park-n-ride facilities

Congestion Pricing Study

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The Illinois Tollway, in partnership with MPC and Wilbur Smith Associates (WSA), is in the final stages of the two-year study to develop strategies that will reduce congestion in the region. The study models the impacts of congestion pricing on the Tollway, as well as IDOT expressways, and considers the diversion to local roads. It considers a range of scenarios, routes, and configurations to help reach desired goals. Some of these variables include an analysis:

1. By method: Variable (level of congestion) vs. Fixed (rush hours)
2. By time periods: Weekend vs weekday, rush hour vs. non-rush hour
3. By scenario
    a. Tollways, IDOT expressways
    b. One new lane, convert existing lane, all lanes
4. By vehicle type – cars vs. trucks

Outreach Efforts

- Met with 11 Councils of Government, CMAP transportation committee (over 350 people)
- Held focus groups with I-PASS, Cash, Non-Tollway Drivers and trucking industry
- Conducted 2 stakeholder workshops for agency representatives and elected officials
- Received almost 2,000 responses to "Stated Preference Surveys" (I-PASS users, cash users, and Talking Transit subscribers

Workshop Results

Benefits of Congestion Pricing

Public Agency Workshop	Public Officials Workshop
1. Reinvest revenues	1. Shift traffic (reduce congestion)
2. Reduce congestion	2. Potential comprehensive solution
3. Providing alternatives	3. Mode shift
4. Traffic management	4. Save money (gas consumption)
5. Increase revenues	5. Reduce pollution
6. Environmental	6. Economic benefit
	7. Create additional revenue

Obstacles to Congestion Pricing

Public Agency Workshop	Public Officials Workshop
1. Lack of transportation options	1. Social equity (affordability)
2. Public acceptance	2. Lack of options (transit/transportation)
3. Lack of political will	3. Cost of implementation
4. Diversion to arterials	4. Diversion to local roads
5. Social equity	5. Public opinion
6. Public education	6. Inability to shift work hours
7. Diversion to transit (unfunded)	7. Piecemeal approach
8. Implementation costs	8. Economic impacts (businesses)
9. Determining peak hours	9. Potential to create more congestion

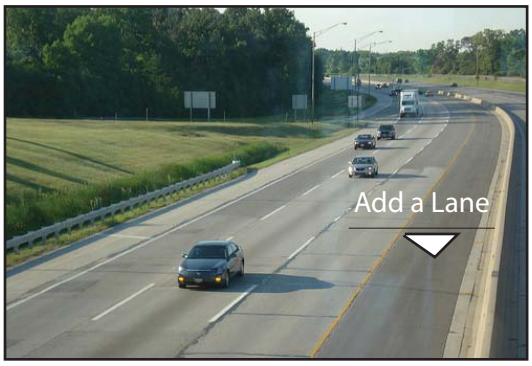
The study will produce a final written report that evaluates the traffic and revenue impacts of the various pricing scenarios. These results will be used to help guide regional decision-making on potential pricing strategies.

Phase One: Modeling Results

The first phase of modeling results considered 27 different segments along Illinois Tollways and IDOT expressways. The segments were given rankings based on two scenarios:

Inside Lane Converted to a Managed Lane:

Managed lane added in sections less than four lanes



Each of the secenarios were evaluated based on four key factors:

2007 Weekday Congestion: % severely congested VMT (speed < 35mph), # hours/day of severe congestion, average peak-period speed, reliability of time (planning time index)

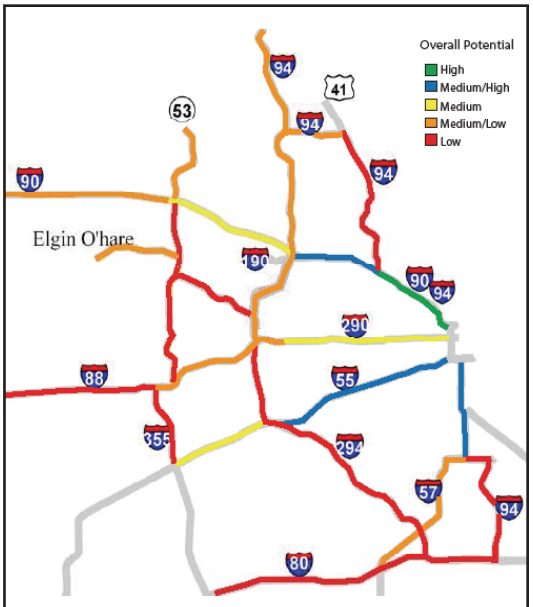
Constructability: Existing right of way, inside/outside shoulder widths, number of overpasses and underpasses, elevated sections, retaining walls, frequency of interchanges, left hand exit/entry ramps, etc.

Revenue Potential: Managed lane revenue at $0.15/mile used to rate revenue potential, compared annual managed lane revenue to annual maintenance and operating cost of $100,000/mile

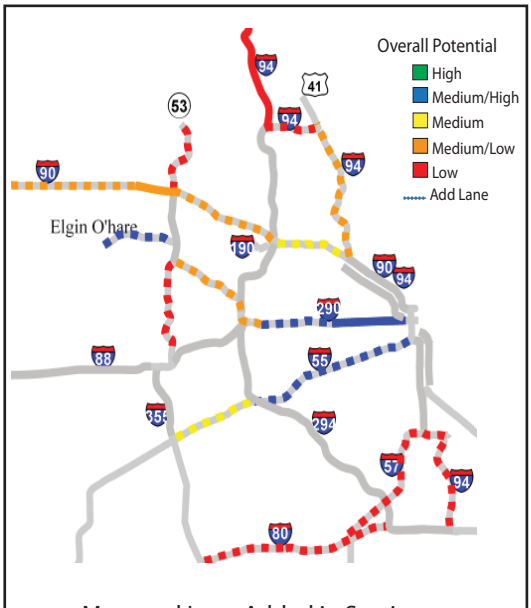
Traffic Management Potential: High utilization at low toll rates preferred (>20%), low diversion preferred (< 5-10%)

$$\text{Diversion Rate (\%)} = \frac{(VMT_{ML+GP} - VMT_{NB})}{VMT_{NB}} \times 100$$

$$\text{ML Utilization Rate (\%)} = \frac{VMT_{ML\ ONLY}}{VMT_{ML+GP}} \times 100$$



Inside Lane Converted to Managed Lane



Managed Lane Added in Sections Less than Four Lanes