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REDUCING CONGESTION

Congestion Pricing Has Promise for Improving Use of Transportation Infrastructure

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Highlights

Highlights of GAO-03-735T, a statement for the record to the Joint Economic Committee, U.S. Congress

Why GAO Did This Study

The nation's transportation systems have become increasingly congested, and pressure on them is expected to grow substantially in the future. Most transportation experts think a multifaceted approach is needed to address congestion and improve mobility. One potential tool is congestion pricing, that is, charging users a toll, fee, or surcharge for using transportation infrastructure during certain peak periods of travel. Pilot projects to test this approach are currently under way in the United States and the technique has been used more extensively abroad.

Interest in the usefulness of congestion pricing has been growing, as evidenced by several recent proposals. However, there have also been concerns raised about the fairness of such practices to some users of transportation systems. GAO was asked to identify (1) the potential benefits that can be expected from pricing congested transportation systems, approaches to using congestion pricing in transportation systems, and the implementation challenges that such pricing policies pose, and (2) examples of projects in which pricing of congested transportation systems has been applied to date, and what these examples reveal about potential benefits or challenges to implementation.

This statement is based on prior GAO reports and other publicly available reports.

www.gao.gov/cgi-bin/getrpt?GAO-03-735T.

To view the full statement, including the scope and methodology, click on the link above. For more information, contact JayEtta Hecker at (202) 512-8984.

What GAO Found

Congestion pricing can potentially reduce congestion by providing incentives for drivers to shift trips to off-peak periods, use less congested routes, or use alternative modes, thereby spreading out demand for available transportation infrastructure. Congestion pricing also has the potential to create other benefits, such as generating revenue to help fund transportation investment. Possible challenges to implementing congestion pricing include current statutory restrictions limiting the use of congestion pricing, and concerns about equity and fairness across income groups. In theory, equity and fairness concerns could be mitigated depending on how the revenues that are generated are used.

Evidence from projects both here and abroad shows this approach can reduce congestion. Such projects have also shown they can generate sufficient revenue to fund operations—and sometimes fund other transportation investment as well. However, projects were not necessarily able to demonstrate benefits for the full range of transportation users. For example, those who were able to use the special freeway lane saw a decrease in travel time. But, in some cases, there was little systemwide reduction in travel times, and congestion increased on alternative routes. Nonetheless, there is some evidence that equity and fairness concerns can be mitigated. Some projects have shown substantial usage by low-income groups, and other projects have used revenues generated to subsidize low-cost transportation options. In addition, some recent proposals for refining congestion-pricing techniques have incorporated further strategies for overcoming equity concerns. For example, the Fast and Intertwined Regular (FAIR) lanes proposal in New York suggests crediting users of the non-tolled lanes to partially pay for them to use public transportation, or to use the express lanes on other days.

Source: Orange County Transportation Authority.

On this highway in Orange County, California, a pilot project allows drivers to pay a toll to use newly added express lanes.