

CONGESTION PRICING: EXAMPLES AROUND THE U.S.



There are three main types of pricing strategies that have been implemented or are being considered for implementation in the United States:

- **Variably priced lanes**, involving variable tolls on separated lanes within a highway, such as Express Toll Lanes or High Occupancy Toll lanes, i.e. HOT lanes. Express Toll lanes are currently operating in Orange County, California. HOT lanes are operating in San Diego, Minneapolis, Denver, Houston and Salt Lake City.
- **Variable pricing on entire facilities**, which have been implemented on toll roads and bridges.
- **Cordon charges** to drive within or into a congested area. Such charges are under consideration for the central business district in New York City.

Variably priced lanes

I-15 in San Diego: Since 1998, single-occupant vehicles pay a per-trip fee each time they use the I-15 High-Occupancy Vehicle (HOV) lanes. The lanes are called High-occupancy Toll or HOT lanes. Tolls vary “dynamically” (i.e., in real time) with the level of traffic demand on the lanes. Fees may rise or fall in 25-cent increments as often as every six minutes to help maintain free-flow traffic conditions on the HOV lanes. The project has generated \$7 million in revenue since 1998. About one-half of this revenue has been used to support transit service in the corridor. The number of carpools increased by 50 percent between 1998 and 2006. I-15 commuters, including HOT lane users, carpoolers, and general purpose lane commuters, overwhelmingly support the HOT lanes.

Variable Pricing on Entire Facilities

Lee County, Florida: Variable pricing began August 3, 1998, on the Midpoint and Cape Coral toll bridges in Lee County, Florida. Bridge travelers were offered a 50 percent discount on their toll if they traveled during specific discount periods and paid their toll electronically. The discount periods are 6:30 to 7 am, 9 to 11 am, 2 to 4 pm, and 6:30 to 7 pm. This toll structure was developed to encourage drivers to shift from peak periods to off-peak/discount periods.

Cordon Pricing

New York City: New York City is the first city in the United States to propose charging all motorists for driving in its congested core. Mayor Bloomberg's plan is projected to lead to a 6.7% reduction in vehicle miles traveled (VMT) below 86th Street in Manhattan. A flat \$8 daily fee will be charged to passenger vehicles and \$21 daily to trucks from 6 am to 6 pm on weekdays. Improvements will be made to transit service to support the expected increase in transit ridership. Net annual revenues of almost \$500 million will be invested in transit.