



BOSTON REGION METROPOLITAN PLANNING ORGANIZATION

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TECHNICAL MEMORANDUM

DATE: August 17, 2023
TO: Boston Region MPO Congestion Management Process Committee
FROM: Seth Asante and Ryan Hicks, MPO Staff
RE: Summary of Roadway Pricing Interviews

1 INTRODUCTION

This memorandum summarizes Task 2 (Interview Key Personnel of Candidate Roadway-Pricing Projects) of the Learning from Roadway-Pricing Experiences study, which is funded by the Unified Planning Work Program in Federal Fiscal Year 2023. Previously, the Congestion Management Process (CMP) Committee met on March 23, 2023, to discuss roadway-pricing programs that would be suitable for staff to research by interviewing stakeholders. A total of 13 projects were discussed and evaluated at the meeting. As a result of the discussion at the CMP Committee meeting, the following programs were selected:

- Transportation Network Provider (TNP) Surcharge—Chicago, Illinois
- Minnesota Department of Transportation High Occupancy Toll Lanes—Minneapolis, Minnesota
- Central Business District Tolling Program—New York City, New York
- Bay Area Express Lanes—Northern California/San Francisco
- Chinatown/Penn Plaza Pilot Parking Program—Washington, District of Columbia

In June and July of 2023, Boston MPO staff interviewed managers and creators of the five roadway-pricing programs listed above. The objective of these meetings was to learn more about how the programs were created and implemented, and the lessons we can learn from them. To obtain this information, questions were asked about program initiation, stakeholder engagement, planning goals and process, transportation equity, program implementation, and revenue allocation. MPO staff were able to get a general background on the characteristics of a successful roadway-pricing program from these interviews.

Civil Rights, nondiscrimination, and accessibility information is on the last page.

2 PRICING PROGRAM INTERVIEWS

2.1 Transportation Network Provider (TNP) Surcharge—Chicago, Illinois

In the past 10 years, TNP location data has showed an increase of TNP trips in Chicago, particularly in the Chicago Loop.¹ Between March 2018 and February 2019, half of all TNP trips began and/or ended in the downtown area and nearly a third of those trips began and ended in the downtown area. In 2018, there were more than 100 million TNP trips in Chicago, and their rapid expansion was increasing congestion and emissions and contributing to a decrease in transit ridership in the downtown area.

Lori Lightfoot, the Chicago mayor from 2019 to 2023, proposed that a surcharge of \$1.75 (\$5.00 for special zones) be imposed on TNP trips that either drop-off or pick up in designated neighborhoods in Chicago.² This cordon-style roadway-pricing program was passed by the Chicago City Council in 2019. That year, this program produced \$200 million in revenue, \$16 million of which went towards the Chicago Transit Authority (CTA). The remaining revenue was allocated towards the general funds for the City of Chicago. Although TNP companies lobbied to drop the surcharge after the COVID-19 pandemic, they were not successful. TNP location data still shows rapid expansion of TNP trips, and the program has not reduced congestion significantly.

Goals

- To reduce congestion caused by TNP companies
- To raise revenue for the Chicago and the CTA
- To incentivize ridesharing when TNPs are used, rather than single rides³

2.2 Minnesota Department of Transportation (MnDOT) High Occupancy Toll (HOT) Lanes—Minneapolis, Minnesota

In the early 2000s, the I-394 Express Lane Community Task Force was formed and tasked with communicating the benefits and understanding of how pricing programs work to the public. This task force displayed a grassroots advocacy approach by assembling high-level legislators, city officials, MPO staff, public county officials, Federal Highway Administration (FHWA) officials, MnDOT staff,

¹ By law, TNP companies operating in the City of Chicago are required to register with the City and share trip location data.

² The TNP surcharges applies to two zones: the downtown zone and special zones (airports, Navy Pier, and McCormick Place).

³ The surcharge is dependent on the number riders (single or shared) and the origin and destination of the rider on the trip. Shared trips can have discounts of between 25 and 50 percent depending on the trip origin or destination.

and other stakeholders. Detailed technical work and communications by the task force convinced the state legislature to introduce legislation authorizing MnDOT and the Metropolitan Council to study and implement congestion pricing and the conversion of an underutilized HOV lane on I-394 into a high-occupancy toll (HOT) lane.

Built in 2005, the cost of the first phase of the I-394 HOT lane was \$10 million. Subsequent phases of the program consisted of both conversions of HOV lanes to HOT lanes and the addition of new lanes as HOT lanes to manage congestion; this work cost \$130 million and was financed through an Urban Partnership Agreement grant.

By statute, excess revenues (after capital, operations, and maintenance costs) must be used in the corridor (50 percent of excess revenue) and for transit enhancements (remaining 50 percent). After implementation, 60 percent of the public supported this program. An after-study by the University of Minnesota showed that income levels and racial backgrounds are diverse among commuters on all the corridors.

Goals

- To manage congestion
- To provide faster and reliable times (including for buses)
- To support economic growth (faster delivery of goods and services)

2.3 Central Business District Tolling Program—New York City, New York

In 2017, the idea of congestion pricing in Manhattan was revived due to budget shortfalls and revenue needed for transportation improvements. In 2019, the congestion-pricing program was approved by the State of New York through the state budget and has since been approved by the FHWA in 2023. The current target year for implementation of this program is 2024.

The three sponsors for the program are the Metropolitan Transportation Authority (MTA, the lead agency), New York State Department of Transportation, and New York City Department of Transportation. Additionally, there was ample collaboration with the FHWA. The Environmental Assessment mentioned several equity concessions, including discounts and scenarios for various toll rates, since the toll rates have not yet been determined.

In the current version of this congestion-pricing program, motor vehicles that travel south of 60th Street in Manhattan will be charged a toll. The toll rate has not been finalized but is expected to be between \$9 and \$23. A Traffic Mobility

Review Board (TRMB) will recommend toll rates and discounts to the MTA Board, which will have the final say on the tolling policy. State tax credits will be available for households making less than \$60,000, no tolls will be required from vehicles with qualifying disabled plates and qualifying transit and emergency vehicles, and passenger vehicles will be tolled once each day. The TRMB will also recommend credits, discounts, and/or exemptions for tolls paid the same day on bridges and tunnels and some types of for-hire vehicles. The program is estimated to raise \$1 billion annually and the revenue will be allocated towards transit infrastructure.

Goals

- To raise revenue to fund MTA projects
- To reduce congestion and travel times in Manhattan's central business district
- To improve air quality
- To promote equity by expanding access to transit systems

2.4 Bay Area Express Lanes—Northern California/San Francisco

The Bay Area Express Lanes concept was driven by environmental concerns in the 1990s. The concerns led to state legislation that allowed regional transportation agencies (RTAs), in cooperation with the California Department of Transportation (Caltrans), to apply to the California Transportation Commission (CTC) to develop and operate high-occupancy toll lanes, including the administration and operation of a value-pricing program and exclusive or preferential lane facilities for public transit. The Bay Area Express Lanes were completed under this bill.

Years later, the Bay Area Express Lanes program was included in the regional transportation plan that was published in 2009. In the following years, the Metropolitan Transportation Council (MTC) converted existing HOV lanes to express toll lanes. Caltrans owns the freeways, but the MTC is responsible for collecting tolls, rehabilitation, and maintenance on the express lanes. Toll revenue can be used for transportation improvement projects, but generating revenue to fund public transportation improvements was not an explicit goal of the program.

Goals

- To increase person throughput
- To reduce congestion
- To provide reliable and faster trips
- To provide a choice for drivers to pay for faster trips
- To improve air quality

2.5 Chinatown/Penn Quarter Pilot Parking Program—Washington, District of Columbia

The Chinatown/Penn Quarter Parking program is a pilot program in the Chinatown/Penn Quarter Neighborhood of Washington, DC, that converted fixed-rate, on-street parking to variable-rate parking, depending on demand. The pilot program began in 2014 and concluded in 2019 when the pricing adjustments became permanent.

The District Council approved the legislation that permitted the demand-parking pricing in 2012. The legislation allowed flexible parking-pricing policies to consider smart technologies, growing availability of travel and parking data, and socioeconomic factors to effectively transform curbside spaces and control demand. In addition, the FHWA Value Pricing Pilot Program provided funding for the program that allowed District officials to kick off the project in 2014.

This program was very successful at reducing the time needed to find a parking space and reducing congestion, as congestion in this neighborhood decreased at a faster rate than the rest of Washington, DC. The program reduced double parking, provided more efficient curbside uses, and improved safety. Revenue from this program is allocated to the Washington Metropolitan Area Transit Authority, which operates the DC Metro. Some of the revenue is also allocated towards program operations.

Goals

- To reduce time needed to find a parking space
- To reduce congestion and pollution, improve safety (reduce double parking), and increase use of other modes
- To develop parking management solutions through a cost-effective, asset-light approach

3 FINDINGS

3.1 Challenges

- There must be a balance between protecting equity populations and collecting revenue, as more discounts and credits result in higher charges to achieve objectives.
- Getting political buy-in for higher congestion fees is a challenge. Congestion fees must be high to change commuter behavior on a massive scale.
- Roadway pricing sometimes results in geographic inequities, such as potential traffic diversions into other neighborhoods or adverse impacts in

some regions upon implementation of roadway pricing policies. Mitigating geographical inequities can be challenging.

- Stakeholders, advocacy groups, or business groups who directly oppose the roadway-pricing program must be engaged. Engagement with some stakeholders can be challenging and time consuming.
- Roadway-pricing programs require before-and-after monitoring to assess performance, benefits, and necessary changes. The before-and-after results of the roadway pricing program must be properly monitored and evaluated.
- State statutes often specify how revenues should be distributed and for what purposes. Statutes or other restrictions that limit the allocation of revenue for desirable transportation uses could impact support for the program.
- Several of these programs were affected by the COVID-19 pandemic and it will be important to evaluate the resiliency of these roadway-pricing programs.

3.2 Opportunities

Several opportunities were identified from the five interviews. The program creators are using roadway pricing for the following purposes:

- Fund public transportation to address transportation equity by increasing access and mobility
- Link roadway pricing to regional goals to reduce congestion and vehicles-miles traveled, improve air quality, and reduce energy use
- Change driver behavior and encourage shifts to transit and active transportation modes
- Take advantage of smart technologies to manage parking and congestion effectively while generating revenues that exceed capital and operating costs
- Provide data to augment existing data collection efforts

Roadway-pricing programs are scalable and therefore smaller programs, such as a parking pricing, TNC surcharge, or HOV-to-HOT lane conversion programs, can help raise revenue for transit projects. These types of programs will give commuters a day-one travel alternative if a cordon-pricing program is planned in the future. Also, early equity studies can be conducted that will provide new data that can be used to make decisions about roadway pricing.

3.3 Lessons Learned

- Make sure Environmental Justice (EJ) communities are involved in program design from the beginning. Offer discounts and concessions to groups that need them to mitigate the impact of a roadway-pricing program on these groups. Be cognizant of congestion diversion into EJ communities.
- Emphasize the need for communication and engagement with underrepresented communities.
- It is important that alternative travel methods are available when implementing roadway pricing. If not, it is best to pair a roadway-pricing proposal with a transit project. A day-one alternative for commuters is ideal when implementing a roadway-pricing program.
- Focus on the goals of reducing congestion, increasing mobility, or reducing vehicle emissions, rather than focusing on raising revenue.
- Get politicians, the business community, and other stakeholders involved early.
- Use data to back up transportation decisions. Make sure the data is transparent.
- If the program is projected to produce revenue, it is best to state where the revenue will be allocated (transit improvements, active transportation, or operations). In many cases, public support will increase if the allocation of revenue is transparent.
- Adequate staffing is needed even though staffing costs are often unforeseen for both implementation and operations. Specialty staffing, such as lawyers or data scientists, might be required to effectively implement and evaluate a roadway-pricing program.
- Evaluations are important to monitor the impact of roadway pricing. Periodic evaluations for congestion, equity, air quality, and revenue will determine if the program is effective. These evaluations can indicate if adjustments are needed for a program.
- Make sure there is significant engagement for a proposed program. This should include both online and in-person meetings, workshops, and other events to reach as many stakeholders as possible. Be prepared to lose support at certain times in the implementation process.

4 CONCLUSIONS AND NEXT STEPS

The lessons learned from the five interviews have provided vital information on the elements required to implement a successful roadway-pricing project. The next step is to determine the Boston Region MPO's goals in relation to roadway pricing. A discussion at a CMP Committee meeting will provide a good forum for this conversation. MPO staff will need to assess how roadway pricing will fit into

the MPO's planning process. From there, staff can draft roadway-pricing goals that will be presented to the full MPO board.

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By Telephone:

857.702.3700 (voice)

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