Metropolitan Transportation Commission and Association of Bay Area Governments
Joint MTC Planning Committee with the ABAG Administrative Committee

February 11, 2022 **Agenda Item 5b**

Next Generation Bay Area Freeways Study: Exploring Pricing Strategies to Advance Equity, Climate, and Mobility Goals

Subject:

Introduction to the Next Generation Bay Area Freeways Study – a study exploring pricing strategies as a tool to modernize our region's congested freeways and advance equitable outcomes – including an overview of the study purpose, timeline, milestones, and key components including community and stakeholder engagement.

Background:

The Bay Area's freeway network suffers from chronic traffic congestion that continues to adversely impact the region even as travel patterns change post-COVID-19. While the region has implemented a range of strategies to optimize freeway capacity, provide alternatives to driving, and increase transit-oriented development, people in the Bay Area want to or need to drive alone for a multitude of reasons, making the freeways a valuable public good. A fundamental and generational shift is needed to transform the Bay Area transportation landscape, and freeway pricing solutions offer the potential to advance mobility, equity, and climate goals.

To reduce traffic congestion, de-incentivize auto use, and drive down greenhouse gas emissions, Plan Bay Area 2050 recommends the implementation of per-mile tolling on congested freeway corridors with parallel transit alternatives in a phased manner between 2030 and 2035 (Strategy T5). This strategy is particularly important during periods of peak demand to manage single- or zero-occupant vehicle demand while simultaneously generating revenue to fund improvements to transportation services. The Next-Generation Bay Area Freeways Study serves as a first and early action that MTC will undertake to step toward the vision of PBA2050 and implement this strategy.

MTC staff successfully applied for a Caltrans Strategic Partnership planning grant of $500,000 in 2021. MTC seeks to complement the grant funding with substantial resources across planning, public engagement, modeling and operations to complete this study over a two-year period. The study kicks off this month and is anticipated to last through late 2023.

The Potential of Pricing:

Pricing based on use, and even demand-responsive pricing, has been a long-standing strategy across public assets. Gas, water, and electricity are metered, and people pay for what they use. Further, pricing based on time-of-use is common across electricity providers. Even within the transportation world, peak-period pricing is used for train tickets in many cities and parking fees are used to manage limited curb space with higher rates at peak hours. When people pay the true cost for something, they use it more efficiently – a key premise on which pricing roadways seeks to encourage people to choose to drive at a different time, choose an alternate destination, choose an alternate mode, or avoid unnecessary trips.

Aside from the commonly quoted global examples of Singapore, London, and Stockholm, the concept of paying to use roadways is not new, even in the United States. Many states-built toll facilities prior to the Interstate Highway System, such as Massachusetts, New York, Kansas, and Illinois, while others have built toll facilities on state highways to improve outdated infrastructure and support mobility goals, such as Florida, Virginia, and Colorado. Various regions are considering pricing existing freeways, including Los Angeles and Portland who are well ahead in their studies and have implementation goals of 2025 or earlier. While federal regulations have prevented additional Interstate facilities from being priced, the recently-passed Infrastructure Investment and Jobs Act represents a notable policy shift, including provisions to approve tolling on Interstate highways in ten urban regions. Building on our experience with Express Lanes and the recently adopted strategic plan, pricing strategies can help us imagine the next generation of the Bay Area freeway network – one that provides reliable transportation access; one that is prepared for the ongoing generational shift in the transportation landscape; and one that supports communities that have been disproportionately impacted by freeways.

Pathways to a Next-Generation Freeway Network:

The primary objective of the study is to collaboratively explore pathways toward a priced, modern, and multimodal next-generation freeway network. A "pathway" refers to a combination of an all-lane pricing strategy (which is defined by the extent, the type of pricing such as fixed, variable, or dynamic, pricing levels and interaction with other pricing schemes such as bridge tolls) and various complementary strategies that would be necessary to make the pathway equitable and politically acceptable. These complementary strategies could include exemptions

and discounts, transit improvements that must be in place prior to tolling, and active/shared mode programs funded by tolling revenues and alignment of existing/planned resources.

Pathways will be evaluated over two rounds of analysis, each preceded by a round of community engagement. Seven key milestones are planned over the course of the study and will rely on collaborative decision-making with external stakeholders. Ultimately, the study will seek to recommend 1 to 2 pathways and a corridor that promises potential for a pilot implementation, while charting out further studies, analyses, and legislative actions that would be necessary.

Leading with Equity:

Pricing roads can challenge equitable outcomes for various population subgroups such as low- and middle-income drivers, rural residents, super-commuters, essential workers that cannot work from home, persons with disabilities that rely on a vehicle, and working parents that must drive at constrained hours of the day. However, the current freeway network that is "free" to use may not be equitable either: the same population subgroups who must use the freeway cannot do so reliably; those without vehicle access do not have high-quality transit options; and communities divided by freeways suffer from historic infrastructure disinvestment, safety and health issues.

The study recognizes that equity is multi-dimensional and will strive for equity in both process and outcomes. Toward an equitable process, the study will kick off with an equity assessment to understand existing inequities and inform the engagement process. Deep engagement with diverse stakeholder groups and communities will be central to the study. Toward equitable outcomes, the study will focus not only on minimizing adverse impacts of pricing on population subgroups, but also utilizing freeway pricing to address historical and structural inequities.

Three Major Study Components:

Several questions need to be tackled on the road to implementation of Strategy T5 in Plan Bay Area 2050. Recognizing that this study will not answer all those questions, the three study components listed below will enable us to take a meaningful step forward:

a) *Community and Stakeholder Engagement:* Beyond meaningful and focused engagement with communities, staff will engage with various relevant government and non-governmental organizations. Staff intends to set up a Next Gen Freeways Study Advisory Group and an Ad-Hoc Executive Group for this study. Further, staff will frequently engage this committee

and the larger Commission and BATA, the Policy Advisory Council, executives of CTAs, Caltrans and transit agencies, and the FasTrak Management Group.

b) *Technical Analysis:* Staff will use MTC's travel model to evaluate effectiveness of pathways and analyze impacts on access to destinations across population subgroups, freeway performance, transit ridership and crowding, and traffic spillover onto local streets.

c) *Exploration of Operational Deployment:* Acknowledging that there are various hurdles in deployment of freeway pricing and consequent uncertainties about the cost, staff will explore and evaluate different options to deploy pricing on freeways.

Attachment A provides further overview of the study, including the timeline, milestones and proposals for the advisory structure and the composition of the advisory group.

Next Steps:

The following actions are planned over the next few months:

- *February 2022:* Finalize membership of Next Gen Freeways Study Advisory Group and send invitations; engage one-on-one with major stakeholders
- *March 2022:* Convene first advisory group meeting focused on Introductions and Reflections; develop equity framework and plan for community engagement.
- *Spring 2022:* Develop preliminary goals and concepts with the advisory group.
- *Late Spring/Summer 2022:* Conduct first round of community engagement.

MTC staff will plan on returning to this committee in fall 2022 once the first round of community engagement is complete and preliminary pathway definitions have been developed.

Issues:

None identified.

Attachments:

- Attachment A: PowerPoint Presentation

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