

# **Public Acceptability of Regional Road Pricing: Can it be Designed to Garner Public Support?**

**Proposal for a Value Pricing Grant from the Federal  
Highway Administration (FHWA)**

Presentation to the National Capital Region Transportation  
Planning Board

October 21, 2009

# Background

- FHWA issued request for proposals on Aug. 5, 2009
- FHWA encouraged TPB to submit application jointly with Brookings
- FHWA provided brief comments to TPB and Brookings staff on “sketch proposal” submitted Sept. 21
- On Oct. 14, COG Board approved \$80,000 in COG funds as 20% match for a \$400,000 grant application
- Proposals Due Nov. 3

# TPB Policy Principles for 2009 Authorization of Federal Surface Transportation Programs

(Adopted Sept. 17, 2008; Copy attached)

- “Inadequate funding levels are resulting in serious underinvestment in transportation”
- “A substantial increase in federal transportation funding...should be sought from:
  - Increases in federal fuel taxes or other user-based taxes and fees
  - Pricing strategies enabled by emerging technology for all modes of travel
  - National infrastructure banks or bonding programs
  - Auction of pollution emissions allowances”

# National Surface Transportation Infrastructure Financing Commission (NSTIFC)

- Created by Congress in SAFETEA-LU, enacted Aug. 2005
- Submitted report to Congress in Feb. 2009, titled “Paying Our Way: A New Framework for Transportation Finance”
- Report signed on behalf of all 15 Commissioners; represents a “carefully deliberated consensus of opinion”

# NSTIFC Conclusions

- “The nation faces a crisis. Our surface transportation system has deteriorated to such a degree that our safety, economic competitiveness, and quality of life are at risk”
- “All levels of government are failing to keep pace with the demand for transportation investment”
- “Without changes to current policy...revenues raised...will total only about one-third of the roughly \$200 billion necessary each year”
- “Our system is underpriced”

# NSTIFC Recommendations

- “The funding and finance framework should cause users and direct beneficiaries to bear the full cost of using the transportation system to the greatest extent possible”
- “The best near-term options...are increases to current federal fuel taxes and other existing Highway Trust Fund revenue sources”

# NSTIFC Recommendations

- “The most viable approach...in the medium to long run will be a user charge system based more directly on miles driven (and potentially factors such as time of day, type of road, and vehicle weight and fuel economy) rather than indirectly on fuel consumed”

# Brookings Institution Proposal

- Outlined in June 2009 brief authored by Alice Rivlin and Benjamin Orr
- “This brief proposes replacing state gas taxes with regional road-use pricing that takes into account the effects of vehicle travel while simultaneously providing incentives to reduce traffic congestion and pollution and improve public transportation”
- “A demonstration project should be launched in the Washington region that uses GPS transponders to categorize motorists’ travel”



# The Proposal: Technical

- Seek to answer key questions on public acceptability of road pricing
- Working group of 10-14 experts to frame options/scenarios for comprehensive regional road-use pricing
- Contract with consultant to conduct telephone survey; results to be significant at regional and jurisdictional level
- Convene stakeholder focus groups to discuss scenarios
- Report results to TPB

# The Proposal: Administrative

- Submitted by VDOT on behalf of TPB; due to FHWA Nov. 3
- TPB the lead implementing agency, with support from Brookings Greater Washington
- Total Budget = \$400,000
  - \$320,000 Federal with \$80,000 COG match
- One-year project, beginning Jan. 2010
- TPB members to participate actively throughout study

# The Proposal: Tasks

■ Working group/develop options	\$50,000
■ Telephone survey (consultant)	\$100,00
■ Analyze survey/refine scenarios	\$75,000
■ Test scenarios in focus groups	\$50,000
■ Analyze survey/focus groups results	\$75,000
■ Summarize findings and present results to TPB, VDOT, & FHWA	<u>\$50,000</u>
	<b>\$400,000</b>

# TPB Action Requested

- Review and comment on draft proposal
- Adopt Resolution R10-2010 approving submission of Value-Pricing Grant Proposal to FHWA

# Policy Principles for the 2009 Authorization of Federal Surface Transportation Programs

National Capital Region Transportation Planning Board

- 1 Fundamental changes are needed in the current structure and funding of federal surface transportation programs: current planning, programming, and environmental processes are overly cumbersome and inefficient, and inadequate funding levels are resulting in serious under-investment in transportation.
- 2 An explicit program focus is needed to put and keep the nation's transportation infrastructure in a state of good repair, and to ensure that it is operated efficiently and safely.
- 3 Decisions on investment in new transportation capacity should be based on a rigorous and comprehensive analysis of economic, social and environmental benefits and costs, which assesses all modal and intermodal options with uniform evaluation procedures and criteria.
- 4 Federal transportation policy should provide for increased federal funding focused on metropolitan congestion and other metropolitan transportation challenges, with stronger partnerships between federal, state, regional and local transportation officials.
- 5 A substantial increase in federal transportation funding will be needed to address the current under-investment in the nation's transportation system, and should be sought from:
  - Increases in federal fuel taxes or other user-based taxes and fees;
  - Pricing strategies enabled by emerging technology for all modes of travel, including rates that vary by time of day, type of vehicle, level of emissions, and specific infrastructure segments used;
  - Inclusion of major transportation investments in legislation to create national infrastructure banks or bonding programs; and
  - Auction of pollution emissions allowances.