

# Highway Lane Pricing & Tolls

SACRAMENTO REGION  
**MTP2035**  
METROPOLITAN TRANSPORTATION PLAN  
THE NEXT STEP IN BLUEPRINT

ISSUE BRIEF

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There are three primary options for highway lane pricing and tolls: toll facilities (tollways), which charge tolls to all drivers; High Occupancy Toll (HOT) lanes, which charge tolls only to single-driver vehicles; and Fast and Inter-twined Regular (FAIR) lanes, which assess tolls and credits based on the lane used, congestion levels and time of day.

Important considerations include the purpose of collecting tolls as well as operational, design, and financial issues.

*This brief highlights the lane pricing and tolls issues being studied for the MTP2035. For the complete Lane Pricing and Tolls Issue Paper visit [www.sacog.org/mtp/2035](http://www.sacog.org/mtp/2035)*

## Pricing

Toll roads collect tolls to pay bond debts, support operations and maintenance, and pay for transportation improvements. HOT lanes rely on electronic collection technology (transponders) to collect tolls, typically to manage traffic or provide funding to improve transit or roads in the corridor. FAIR lanes also use transponders, but charge variable tolls during peak times in “fast” lanes to improve travel times and choices in the corridor.

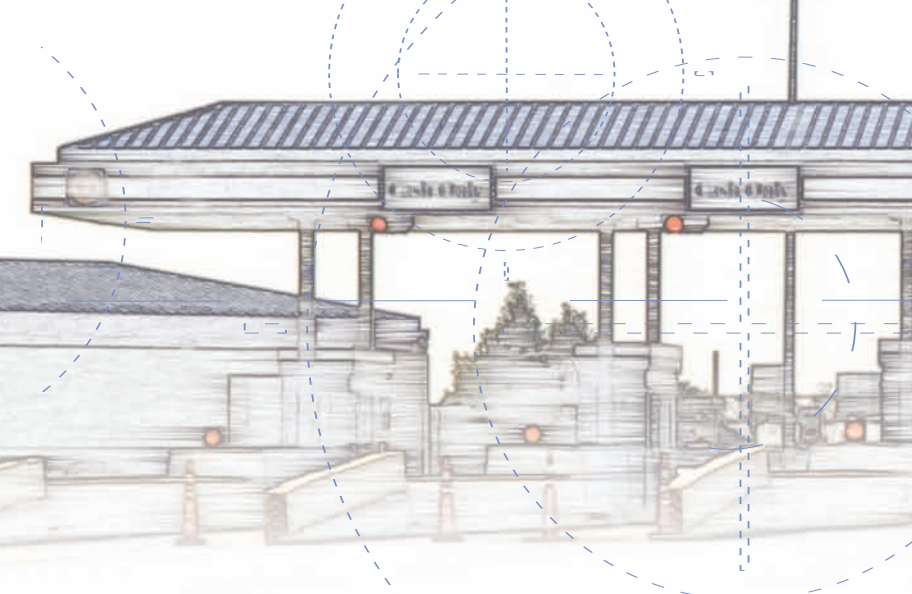
## Toll Roads and Bridges in California

California built eight Bay Area and two Southern California toll bridges between 1930 and 1990. Revenues pay for bridge bonds, bridge operations, maintenance, transit service, and road improvements approaching the bridges.

Two public toll authorities in Orange County built four toll roads during the 1990s. The toll roads carry enough traffic to reduce freeway congestion by 20 percent, but toll revenues are lower than expected, requiring debt restructuring.

## Truck Lanes and Toll Roads in California

Southern California is considering building separate lanes or toll roads for trucks. Truck-only lanes separate trucks from other traffic to enhance safety and stabilize traffic flow. Caltrans presently has two short sections of non-toll



truck-only lanes at steep grades on Interstate 5 north of Los Angeles. Tolls could pay for the high cost of adding truck-only lanes to existing freeways, feasible where truck traffic is very high. Caltrans proposes a \$5.5 billion, 18-mile truck-only toll lane on Interstate 710 linking the Ports of Los Angeles and Long Beach to the Pomona Freeway.

### Highway Lane Pricing Objectives

Tolls and lane pricing are generally intended to improve corridor travel and generate revenue. Toll revenue is most commonly used to fund highway projects, operate and maintain the road, or increase transit and ridesharing programs. Pricing based on congestion levels offers drivers more

reliable or faster travel time for a price, provides incentives to shift to transit or carpools, manages traffic so all lanes may flow better, spreads benefits among paying and non-paying users, and reduces air pollution.

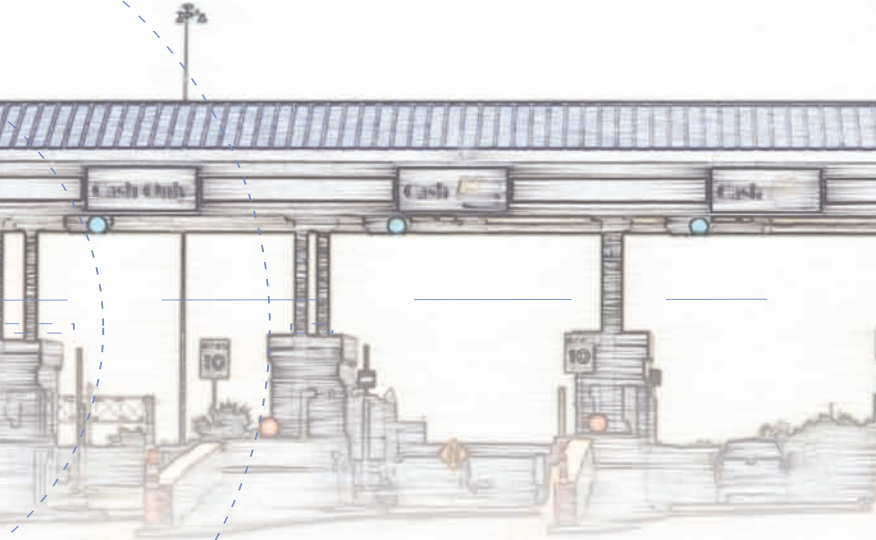
#### VARIABLE TOLL PRICING

##### Thursdays / Eastbound

12:00 am	\$1.10
1:00 am	\$1.10
2:00 am	\$1.10
3:00 am	\$1.10
4:00 am	\$1.10
5:00 am	\$1.10
6:00 am	\$1.80
7:00 am	\$1.80
8:00 am	\$1.80
9:00 am	\$1.80
10:00 am	\$1.80
11:00 am	\$1.80
12:00 pm	\$1.80
1:00 pm	\$2.70
2:00 pm	\$3.65
3:00 pm	\$4.05
4:00 pm	\$7.75
5:00 pm	\$7.75
6:00 pm	\$4.25
7:00 pm	\$3.85
8:00 pm	\$2.45
9:00 pm	\$1.80
10:00 pm	\$1.10
11:00 pm	\$1.10

### Policy and Institutional Issues

Highway pricing can succeed only under the right conditions: high demand, high congestion, and a carpool lane that can be priced or the ability to add one. Measurements of demand include levels and duration of congestion, and current carpool lane use. Policy makers must define agency roles: who will own and manage, how toll rates will be set and revenues used, and what will be done for equity for those who cannot afford to pay. Success is more likely when a project includes community input throughout planning and implementation.



### **Design, Operational and Safety Issues**

New technology within the past decade, particularly electronic transponders and global positioning (GPS) technology, has opened up road pricing possibilities, at a time when funding for road improvements has become scarce. Toll rates can be varied to optimize movement of vehicles. Existing HOT lanes are separated from free lanes, with restricted entry and exit locations and automated electronic toll collection, but the technology is evolving to allow consideration of striped (FAIR) lanes that allow more frequent in-and-out access with spot toll charges. Safety considerations include adequate shoulder widths for disabled vehicles, enforcement and accident clearance provisions to keep the lanes moving.

### **Economic and Financing Issues**

Toll facilities can be financed using bonds to pay off the tolls, or public funds up front with toll revenues used subsequently for transportation improvements such as more lanes or better transit. Cost considerations include whether to build new lanes or retrofit existing ones, rights-of-way, grade separations and entry points. Some toll roads have been built as public/private or wholly private facilities, with a private profit built into the financial structure. Financing and pricing strategy would be unique for each toll facility, covering toll facility length, flat or variable rates, based on congestion or type of vehicle, and travel conditions in the corridor.

### **Conclusions**

Policy makers must recognize the willingness to pay is highest on corridors with limited free highway options and high congestion both during and outside peak commute periods. This region may see more highway pricing opportunities as it grows larger, more compact, and more congested, and the need for travel options becomes stronger. Each precise application may determine feasibility and design of a pricing project.



**Sacramento Area  
Council of  
Governments**  
1415 L Street  
Suite 300  
Sacramento, CA  
95814

tel: 916.321.9000  
fax: 916.321.9551  
tdd: 916.321.9550  
[www.sacog.org](http://www.sacog.org)

