

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ENDORSING THE ) RESOLUTION NO. 93-1743A  
REGION'S PROPOSAL TO PARTICIPATE )  
IN THE FHWA CONGESTION PRICING ) Introduced by  
PILOT PROGRAM ) Councilor Van Bergen

WHEREAS, Section 1012 (b) of the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 authorizes the Secretary of Transportation to create a Congestion Pricing Pilot Program by entering into an agreement with up to five State or local governments or other public authorities to establish, maintain, and monitor congestion pricing pilot projects; and

WHEREAS, The November 24, 1992 Federal Register includes notice and request for participation in the Pilot Program and applications are due by January 23, 1993 (and subsequently revised to January 25, 1993); and

WHEREAS, Congestion pricing as a concept is referenced in the Oregon Transportation Plan as an option to achieve statewide transportation objectives; that congestion pricing has been endorsed by the Governor's Task Force on Vehicle Emissions in the Portland Area as a contingency air quality strategy; and that the Joint Policy Advisory Committee on Transportation has endorsed investigation of congestion pricing as a transportation congestion strategy; now, therefore,

BE IT RESOLVED,

1. That the Metro Council endorses the region's three-step process, identified as items No. 1b, 1c, and 1d, on Exhibit A, for pursuing a congestion pricing pilot project for the Portland

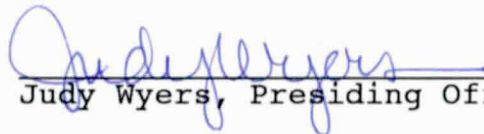
metro area.

2. That the Metro Council endorses a scope of work for a regional congestion pricing pilot project as included in Exhibit A.

3. That the Metro Council directs staff to pursue ISTEA congestion pricing pilot program funds for the scope of work as contained in Exhibit A, particularly for items No. 1c and 1d.

4. That the Metro Council and JPACT continue to participate in the process, particularly at key decision points, to evaluate feasibility of and potentially implement a congestion pricing pilot project.

ADOPTED by the Metro Council this 14th day of January, 1993.

  
\_\_\_\_\_  
Judy Wyers, Presiding Officer

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ADOPTED by the Metro Council this \_\_\_\_\_ day of \_\_\_\_\_,  
1993.

Judy Wyers, Presiding Officer

MH:lmk  
93-1743A.RES  
1-13-93

**Application Outline and Scope of Work**

**Proposal for Participation in the Congestion Pricing Pilot Program  
Portland, Oregon Metropolitan Area**

**Lead Agency: Metro**

**Contact: Name, Phone Number**

**FHWA Docket No. 92-24**

**Date**

**1. Summary of Portland Proposal**

- a. Application cover letter.
- b. Application process. This step involves completing an official application consistent with guidelines contained within the Federal Register. The completed application will focus on congestion problems throughout the region and how they may be addressed through a pilot project. The application will detail a public process and will identify resources necessary to identify and implement a pilot project. Broad goals and objectives will be further refined.
- c. Process for getting to decision point and implementation. This step is proposed for Federal funding and will identify and follow a process for identifying and implementing a pilot congestion pricing project within the region. A methodology incorporating goals and objectives, evaluation criteria, alternative congestion pricing proposals, and public involvement and decision-making will be developed. The result of this step will either be to decide on a specific congestion pricing action for implementation or to decide not to pursue the pilot program.
- d. Implementation of pilot program. If a decision is made to pursue a pilot project, implementation would include start-up and operation and ongoing project evaluation and monitoring.

**2. Portland Metro Area Congestion Problem(s)**

A summary of existing and forecast Portland area congestion problems. Description and overview of the region and applicability of Portland area problems to other medium-sized metropolitan areas.

- a. Regional congestion problems
- b. Corridor and area congestion problems (including CBD)
- c. Key facility constraining points (bridges, etc.)

3. **Portland Congestion Pricing Goals and Objectives**

Congestion pricing goals and objectives will be developed consistent with guidelines contained within the Federal Register and which are consistent with State and regional transportation planning objectives. These will include, but will not be limited to, the following:

- a. Congestion effects
- b. Technology review
- c. Public process and decision-making
- d. Land use effects
- e. others

4. **Participants**

A listing of agencies, jurisdictions, interest groups, civic and business organizations, and other interested parties participating within the process. These may include, but not be limited to, the following:

- a. Lead Agency: Metro
- b. Governmental Participants: JPACT
- c. Private Sector Participants
- d. Interest Groups: Oregon Environmental Council, Oregon Trucking Association, AAA, others

5. **Legal Authority**

A summary of the current and proposed legal/legislative status of congestion pricing in Oregon. Included will be discussion regarding the use of toll facilities or technology and the use of toll related revenue.

6. **Detailed Description of Problems**

Detailed congestion factors will be developed and applied consistent with RTP performance and evaluation criteria.

- a. Region (speeds, vehicle hours of delay, miles of LOS D/E or worse, travel times, etc. for base and forecast years)
- b. Corridor/Area (congestion factors)
- c. Key facility constraint point (congestion factors)

7. **Project Design Methodology**

A detailed methodology of alternative congestion pricing schemes leading to the selection of a preferred alternative. Elements will include, but not be limited to the following:

- a. Timeframe (schedule, milestones, major products, etc.)

- b. Identification of congestion pricing pilot program alternatives (Regional, Area/Corridor, Key facilities).
- c. Maps and other display information of congested facilities, regional congestion, and alternatives.
- d. Summary of congestion pricing technology review.
- e. Establishment of appropriate congestion fees.
- f. Identification of enforcement issues and strategies.
- g. Identification of alternative transportation modes within proposed congestion pricing demonstration areas.
- h. Cost/benefit analysis (including environmental/social)
- i. Environmental Assessment
  - 1) System level criteria for region, corridor, key facilities.
  - 2) Environmental Assessment for Preferred Alternative.
  - 3) EIS, if necessary.

8. Financial Plan Methodology (Capital, Operating, Match, etc.)

A detailed description of financial components including capital and operating costs; match requirements; use of fee revenues; impacts on other revenues.

9. Monitoring/Evaluation Methodology

A detailed methodology for evaluation and monitoring of a pilot project. Included would be necessary data collection, analysis methods, and evaluation methods. Evaluation would be directly tied to study objectives.

10. Staff/Budget Impacts

A detailed description of required resources to reach the public process oriented decision-point and for implementation, if a decision to proceed with a pilot project is reached. The resources identified here will provide the basis for the specific amount of grant proposals.

Metro:MH  
 1/4/92  
 Cong.Pilot.App

## STAFF REPORT

### CONSIDERATION OF RESOLUTION NO. 93-1743 FOR THE PURPOSE OF ENDORING THE REGION'S PROPOSAL TO PARTICIPATE IN THE FHWA CONGESTION PRICING PILOT PROGRAM

Date: January 4, 1993

Presented by: Andrew Cotugno

#### PROPOSED ACTION

This resolution endorses the region's participation in the Federal Highway Administration's (FHWA) congestion pricing pilot program. The resolution identifies a scope of work and establishes a process to determine appropriate congestion pricing alternatives within the Portland metropolitan area. The resolution also establishes a public decision-making process to determine: 1) whether to proceed with a demonstration project; and 2) if a decision is made to proceed, identify a Preferred Alternative for a congestion pricing demonstration project.

#### FACTUAL BACKGROUND AND ANALYSIS

Congestion pricing is the application of user surcharges on congested highway facilities during peak periods. Its goal is to relieve congestion by discouraging some trips and shifting others to alternate destinations, times or modes of travel. Revenue generated from congestion pricing can be used a number of ways, including construction of the transportation infrastructure or to offset an existing transportation user fee or tax.

Section 1012 (b) of the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 authorized the Secretary of Transportation to create a Congestion Pricing Pilot Program by entering into an agreement with up to five state or local governments or other public authorities to establish, maintain, and monitor congestion pricing pilot projects. A maximum of \$25 million is authorized for each of the fiscal years 1992 through 1997 to carry out program requirements. Attachment A is a copy of the November 24, 1992 Federal Register notice and request for participation in the pilot program. Attachment B is a staff summary of the contents of the Federal Register.

In addition to its inclusion in ISTEA, congestion pricing as a concept is being discussed on a number of other fronts. The Oregon Transportation Plan includes references to pricing programs that charge road users commensurably with the total costs of operations and improvements. The Governor's Task Force on Motor Vehicle Emissions in the Portland Area endorsed the region pursuing a pilot program grant and included congestion pricing as part of its recommended contingency plan for maintaining air quality. JPACT has previously been briefed on the pilot program and has endorsed further investigation of a potential pilot project. Subsequently, JPACT has recommended that a regional congestion pricing study be conducted to learn



more about its potential and effects. That study and any development of a pilot project will share information and methodologies to the degree possible. Metro and ODOT are continuing discussions on the scope of the regional congestion pricing study and its relationship to the Western Bypass project.

The timeline for submitting applications is extremely short (Attachment C). TPAC's Ad Hoc Congestion Pricing Committee began meeting in mid-December to develop a proposal. With an understanding that selection of a specific proposal will require significant public discussion, the scope of work as contained in Exhibit A to the resolution is process-oriented. JPACT and the Metro Council are being asked to endorse this process for the region's pursuit of a congestion pricing pilot project. Essentially, the process has three steps:

1. Submit a process-oriented application by January 25 to meet the FHWA deadline.
2. Develop and implement a public planning process intended to reach a decision on whether or not to proceed with a pilot project for the region.
3. If a decision is reached to proceed with a pilot project, then the final step includes implementation, monitoring, and evaluation.

It is for steps two and three that ISTEA pilot program funds will be requested.

#### EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 93-1743.

MH:lmk  
93-1743.RES  
1-5-93



U.S. DEPARTMENT OF TRANSPORTATION  
FEDERAL HIGHWAY ADMINISTRATION

THE OREGON DIVISION  
The Equitable Center, Suite 100  
530 Center Street N.E.  
Salem, Oregon 97301

ATTACHMENT A  
TRANSPORTATION DEPT.

DEC 2 1992

cc: Mr. [unclear]  
[unclear]  
[unclear]

December 1, 1992

IN REPLY REFER TO

HPR-OR/722.7

Mr. Donald E. Forbes, Director  
Oregon Department of Transportation  
135 Transportation Building  
Salem, Oregon 97310

Dear Mr. Forbes:

Congestion Pricing Pilot Program

Enclosed is a copy of the November 24 Federal Register Notice on the Congestion Pricing Pilot Program. An earlier notice issued on May 29, 1992 provided general information about the program and asked for public comment on several implementation issues. This Notice is the formal request for applications. It also includes a discussion of comments received in response to the first Notice, a general statement of priorities which will be used in selecting participants, a list of items to be included in the applications and descriptions of eligible costs and eligible uses of project revenues.

Proposals must be submitted to our office through the appropriate MPO and ODOT. (Please note that ten copies plus an unbound reproducible copy are required.) FHWA will review the applications and make preliminary selections 60 days after publication, therefore proposals should reach our office by Friday January 23, 1993.

Because response time is limited, copies of this letter and the Notice are being sent directly to each of the Oregon MPO's. Please call Fred Patron if you need further information.

Sincerely yours,

Fred P. Patron  
Division Transportation Planner

Enclosure

11/24/92 Federal Register

cc:

METRO, SKATS, LCOG, RVCOG w/encl

## Federal Highway Administration

(FHWA Docket No. 92-24)

## Participation in the Congestion Pricing Pilot Program

AGENCY: Federal Highway Administration (FHWA), DOT.

ACTION: Notice; request for participation.

**SUMMARY:** This notice invites State or local governments or other public authorities to make applications for participation in the Congestion Pricing Pilot Program established by Section 1012(b) of the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 (Pub. L. No. 102-240, 105 Stat. 1914) and presents initial guidelines for program applications. The initial solicitation period is 60 days. If fewer than 5 participants are selected for program participation during this initial solicitation period, the solicitation will remain open for other applications. This document also contains a summary and discussion of comments received in response to a May 29, 1992, notice which describes the legislative mandate for the Pilot Program and procedures which will be used to implement the program.

**FOR FURTHER INFORMATION CONTACT:** Mr. James R. Link or Mr. John T. Berg, Highway Revenue Analysis Branch, HPP-13, (202) 366-0570; or Mr. Wilbert Baccus, Office of the Chief Counsel, HCC-32, (202) 366-0780; Federal Highway Administration, 400 Seventh Street SW., Washington, DC 20590.

**SUPPLEMENTARY INFORMATION:** Section 1012(b) of the ISTEA of 1991 authorizes the Secretary of Transportation (the Secretary) to create a Congestion Pricing Pilot Program by entering into cooperative agreements with up to five State or local governments or other public authorities, to establish, maintain, and monitor congestion pricing pilot projects. Three of these agreements may involve the use of tolls on the Interstate System notwithstanding 23 U.S.C. 129, as amended, and 301. A maximum of \$25 million is authorized for each of the Fiscal Years 1992 through 1997 to be made available to carry out program requirements. Not more than \$15 million can be made available each fiscal year to fund any single cooperative agreement. In advance of completing its plan for implementing this program, FHWA published a Federal Register notice on May 29, 1992 (57 FR 22857) which presented general information about the Pilot Program and solicited public comment (Docket No. 92-24) on a number of implementation issues. The comment period closed on June 29, 1992.

## Discussion of Comments

*General*

A total of 108 comments were received from 17 commenters, including 4 State or city Departments of Transportation, 1 State highway patrol agency, 1 multi-State transportation agency, 3 Metropolitan Planning Organizations (MPOs), 1 private technology company, 2 transportation interest groups, 2 academic institutions, 2 public environmental agencies, and 1 transportation consultant. The following is a discussion of major issues raised in the comments submitted to Docket 92-24 arranged by topics of main concern to the commenters. Also included are FHWA responses to the comments. In addition, remarks made at a June 10-12 Congestion Pricing Symposium sponsored by FHWA and the Federal Transit Administration (FTA) were considered during the development of this notice. The proceedings of the symposium are available from the Federal Highway Administration by request to John T. Berg at the address provided under the heading FOR FURTHER INFORMATION CONTACT, above.

*What Types of Projects Should Be Included in the Pilot Program?*

The May 29 Federal Register notice states that a pilot project may encompass parking pricing in coordination with highway pricing. Some commenters recommended broadening the definition of congestion pricing pilot project to include the pricing of parking only. The FHWA recognizes that parking pricing innovations may be effective in reducing congestion and such innovations may be the first step toward a more comprehensive pricing proposal which includes road pricing. For this reason, there is interest in parking pricing proposal. However, because the unique feature of section 1012(b) is to allow pricing on Federal-aid highways and because the application of section 1012(b) is not necessary for a local jurisdiction to impose congestion fees for parking, proposals for stand-alone parking pricing projects which do not include road pricing will be given low priority. To receive high priority consideration, interested applicants are encouraged to consider parking fees designed to reduce congestion, along with a road pricing proposal as part of a comprehensive pricing package.

One comment suggested that projects that control vehicle entries into a central business district by means other than a direct fee, such as entry based on the digits of a license plate, should be eligible for inclusion in the Pilot

Program. Another commenter suggested that a project which eliminated or reduced existing tolls during off-peak periods, or reduced tolls for high-occupancy vehicles during peak periods, should be eligible for inclusion in the Pilot Program. Another commenter suggested that the program should include projects which provide credits for low-emission vehicles.

The FHWA believes that for purposes of the Pilot Program the term congestion pricing must involve increasing the price for the use of congested facilities. Proposals designed solely to reduce the price of road use for high occupancy vehicles or at certain times of the day, or to promote the use of low-emission vehicles, may have merit on their own grounds, but they are not eligible to have revenue losses made up with Pilot Program funds. Such programs do not raise highway fees to compensate for the costs of congestion and are, therefore, not considered to be applications of congestion pricing. Further, the Congress, in asking for a review of the effects of pilot projects on funds available for transportation programs and in specifying the purposes for which project revenues are to be used, clearly anticipated that pilot projects would produce revenues that could be used for other title 23 purposes. For these reasons, proposals which would establish price differentials for the use of congested roads, but do not involve increasing the price of such use, will be given low priority consideration. However, they could be given higher priority if combined with a comprehensive congestion pricing proposal that includes increasing the peak-period price for the use of other congested roads.

*What criteria should be used to rank and select program participants?*

Most commenters addressed criteria they felt should be used to select program participants. These comments were carefully considered by FHWA and many are incorporated in the selection criteria contained later in this notice. Several comments suggested that preference be given to projects located in areas designated as nonattainment areas under provisions of the Clean Air Act, that the severity of an area's air quality problems be used as a ranking criteria in project selection, or that only such nonattainment areas be included in the Pilot Program. While FHWA recognizes that congestion pricing may be used to help attain compliance with air quality standards, and evaluation of the effects of congestion pricing on air quality is one of the important goals of the Pilot Program, we do not believe that

the existence of a severe air quality problem should be a strict requirement for program participation. We do not wish to exclude proposals from attainment areas which are otherwise valid and useful tests of congestion pricing. Factors related to the pricing proposal itself will be given primary consideration in the selection of program participants. It is expected, however, that congestion pricing will promote air quality goals, and FHWA would like to include congestion pricing projects in the pilot program which will allow an examination of the relationship between congestion pricing and air quality. Proposals should include a description of any air quality problems (including measurements of criteria pollutants) to be addressed by congestion pricing, an explanation of how proposed congestion pricing projects are expected to improve air quality conditions, and a plan for evaluating the effects of congestion pricing on air quality.

The severity of an area's congestion problem was also proposed as a selection criterion in several comments. This view was also expressed by many at the June 10-12, 1992, Congestion Pricing Symposium. One comment suggested, however, that an objective of the program should be to demonstrate whether fast growing areas can prevent, through pricing, the congestion problems that some cities have. The FHWA believes that, since the effect of pricing on traffic congestion is a primary focus of the Pilot Program, the existence of a serious congestion problem should be a necessary requirement for program participation. However, this does not mean that every participant must have the severe congestion conditions found in some large cities. We hope to have some diversity in the 5 program participants finally selected for the program, and believe that a rapidly growing area that is experiencing serious congestion that promises to grow worse should also be considered for program participation if its proposal otherwise describes a valid and useful test of congestion pricing.

*What types of pilot project expenses should be eligible for reimbursement under the Pilot Program?*

Commenters also suggested expenses that they felt should be reimbursable under the Pilot Program. Several comments suggested that the costs of public relations campaigns undertaken to promote congestion pricing pilot projects should be eligible for funding. Other suggested expense items included capital and operating costs for transit services tied to the pilot program, and

costs for planning studies undertaken prior to selection for program participation. The FHWA carefully considered these comments and has concluded that section 1012(b)(2) made specific provision to allow funding of the development and start up costs of pilot pricing projects, including salaries and expenses. Because the success of a congestion pricing pilot project may depend on the provision of reasonable travel alternatives for highway users subject to the congestion charges, and in some cases the alternatives may be provided by transit, FHWA has determined that the costs of transit services specifically tied to the Pilot Program will be eligible for reimbursement with Section 1012(b) funds if those costs are for new or expanded services that are provided as part of the development and start up of a congestion pricing pilot project, and the costs related to the new or expanded transit service are included as part of the operating cost of the Pilot Program. Pilot Program funds cannot be used to replace existing funding sources for transit operations and cannot be used to further subsidize existing operations. Transit capital costs may also be funded with section 1012(b) funds if they are for new or expanded services provided as part of the development and start up of a congestion pricing pilot project. Because there is limited funding available for the Pilot Program, however, program candidates are urged to look to other sources to fund any transit-related development and start-up costs of the Pilot Program. Federal Transit Administration programs provide transit capital grant assistance (Discretionary Grant or Loan Program and Block Grants Program) and transit operating assistance (Block Grants Program). In addition, FTA's Planning and Research Programs provide planning and research funds. Section 1007 of the ISTEA of 1991 provides that transit projects eligible for assistance under the Federal Transit Act are eligible projects under the Surface Transportation Program (STP).

Costs of public relations programs designed to support the implementation and continued operation of approved pilot projects are eligible for funding under this section if those costs are incurred after a program candidate is selected as a participant in the Pilot Program. Even though a potential participant in the program may have to incur costs to examine the feasibility of congestion pricing prior to submitting a program application, reimbursement of these up-front planning costs are not eligible cost items under this program.

The fact that such costs have been incurred may be used by applicants to show an indication of local commitment to the test of congestion pricing.

*What should be eligible uses of congestion pricing revenues?*

Several comments addressed the question of eligible uses of revenue generated by congestion pricing pilot projects. Some suggested that program participants should be allowed to use congestion pricing revenues to pay transit capital and operating costs or other costs of non-single occupant vehicle alternatives if those costs are incurred to provide transportation alternatives for those who are subject to the higher congestion charge. Since section 1012(b)(3) states that revenues from pilot projects must be used for title 23 projects, transit operating costs are not an allowable use of pilot project revenues, except when they have been included as part of the operating cost of congestion pricing projects included in the Pilot Program. Since section 1012(b)(2) anticipates that congestion pricing revenues will be used to replace Federal assistance being used for project operating costs, such revenues can be used to fund those transit costs included as part of the operating cost of a pilot project. Revenues in excess of the amount necessary to fund project operating costs must be used for Title 23 projects in accord with section 1012(b)(3). Transit capital costs are an eligible title 23 purpose, and, therefore, are an allowable use of pilot project revenues.

**Priorities for Selecting Program Participants**

The FHWA is seeking proposals which reflect a clear intent to use congestion charges (direct point/time-of-travel charges varying by location and/or time) to encourage driver behavior in a manner that will promote the use of alternative times, routes, modes, or trip patterns to reduce congestion. In practice pilot projects may only approximate or move toward an optimal congestion toll. However, charges that are anticipated for pilot projects should have the key characteristic that they are targeted at vehicles causing congestion, and they are set at levels high enough to encourage drivers to use alternative times, routes, modes, or trip patterns during congested periods. Additional discussion of congestion tolls is contained in appendix A.

Proposals are sought which anticipate the application of congestion pricing over a time period long enough to ensure that a test of congestion pricing will be successfully completed, and which

indicate a commitment to monitor, evaluate and report on the effects of congestion pricing. Pricing proposals which are not large enough to influence demand, such as minor increases in fees during peak periods, or moderate toll increases instituted primarily for financing purposes, will be given low priority. Since significant peak-period pricing increases and comprehensive applications of congestion pricing (e.g., areawide pricing, multi-facility or multi-corridor applications, and combination of road pricing and parking pricing) are expected to provide the most valuable information about the effects of congestion pricing, proposal which include such applications of congestion pricing will be given high priority. The FHWA recognizes, however, that comprehensive applications of pricing may evolve incrementally over a period of years and may not be developed during the period of the Pilot Program, and narrower implementations, such as pricing of key traffic bottlenecks, traffic corridors, or single facilities, may be a starting point for future expansions to more comprehensive pricing programs. Thus, such narrower implementations will be considered for inclusion in the Pilot Program, but on a lower priority basis than proposals for more comprehensive pricing programs.

In order to promote successful demonstrations of congestion pricing, FHWA, in reviewing applications for participation in the Congestion Pricing Pilot Program, will give priority to proposals which

1. Indicate a clear intent to use congestion charges to modify driver behavior in a manner that will promote the use of alternative times, routes, modes, or trip patterns;
2. Include comprehensive applications of congestion pricing, including the use of road pricing;
3. Include congestion pricing as part of the clearly articulated program for addressing congestion, mobility, and related air quality and energy conservation goals. Because of current Clean Air Act and ISTEA provisions requiring joint transportation planning and air quality planning, comprehensive pricing proposals that mutually address congestion and air quality are encouraged;
4. Demonstrate extensive public and private involvement in the development of the proposed pricing program;
5. Demonstrate the likelihood of early implementation of pricing projects;
6. Indicate that the pricing project will not have major adverse effects on alternative routes or modes, which indicate that there has been analysis of

the expected social and economic impacts of proposed projects, and which propose measures to ameliorate any major adverse impacts;

7. Include well designed plans for monitoring and evaluating proposed projects, including plans of data collection and analysis (see appendix A for additional guidelines on monitoring and evaluation);

8. Incorporate the use of advanced electronic toll and traffic management (ETM) technologies;

9. Include sound financial and management plans for pilot projects. Priority will be given to proposals which indicate that revenues will be used to support the goals of the congestion pricing project and mitigate any adverse impacts of the project;

10. Are likely to add to the base of knowledge about the various design, implementation, effectiveness, operational, and acceptability dimensions of congestion pricing applications. The FHWA is seeking information related to the impacts of congestion pricing on travel behavior (mode use, time of travel, trip destinations, trip generation, etc., by private and commercial trips); on traffic conditions (trip lengths, speeds, level of service); on implementation issues (technology, public acceptance, administration, operation, enforcement, legality, institutional issues, etc.); on revenues, their uses and financial plans; on different types of users and businesses; and on measures designed to mitigate possible adverse impacts and their effectiveness. These diverse information needs mean that FHWA may fund different types of congestion pricing applications in different local contexts to maximize the learning potential of the pilot program.

**Pilot Project Applications**

Applications should contain, as a minimum, the following types of information:

(1) A description of the goals of the proposed project(s), including a characterization of the congestion problem to be addressed through the application of pricing and description of the expected effects of the proposed pricing plan. Project goals should include comprehensive evaluation of the effects of congestion pricing. The proposal should also explain the role of section 1012(b) in accomplishing the objectives of the proposed pricing program.

(2) A listing of the State, local, and private sector participants in the proposed pricing program, including a listing of those participants who will

sign the proposed cooperative agreement with the Federal government, a description of their commitment to the project, and a description of efforts taken to promote local involvement in the project (such as public hearings, board actions, inclusion in long-range plans, etc.). Endorsement by proposed signatories should be provided at the proposal stage if possible, but as a minimum, the proposal must include the endorsement of the local MPO and the owner of any highway facility covered by the pilot project. Proposals indicating additional support, such as might be reflected through attitudinal surveys, public hearings, or other public relations activities will be given priority. Endorsement of the proposal by local transportation, environmental, business, or other interested groups will be viewed as strong indications of local support. Proposals should also provide an indication of plans for future public involvement activities. If such activities have not been initiated, proposals should describe proposed plans to promote public involvement.

(3) A statement that the legal authority for implementing the proposed congestion pricing project(s) exists, or a report on the status of efforts to obtain such authority. Note that the attainment of such authority will generally be required prior to the signing of a cooperative agreement. However, if a proposal provides a strong indication that the prospects are good for obtaining such authority in a relatively short time, and the proposal presents what would otherwise be a strong congestion pricing application, FHWA may temporarily hold open one or more of the potential five cooperative agreements until such time that a determination of legal authority is made.

(4) A detailed description of the congestion problem being addressed. Proposals should show that there is a serious congestion problem to be addressed by congestion pricing, whether that congestion problem is the extreme congestion found in some large cities, or an existing serious congestion problem which is likely to grow worse as a result of anticipated rapid growth in travel demand.

(5) A description of the planned design of the congestion pricing project(s) to be included under the cooperative agreement, including the nature and level and location of road pricing anticipated and any other pricing projects to be incorporated in coordination with the road pricing proposal (including supporting maps or drawings), the expected time schedule of proposed projects, the technology to

be employed and plans for implementation of the technology, plans for traffic enforcement, security, and safety, availability of transportation alternatives, plans for accommodating spillover traffic and any associated environmental impacts, and any other factors necessary to adequately describe the pricing proposal.

(6) A description of the proposed financial plan for projects to be covered under the cooperative agreement, including a detailed list of expected project capital and operating costs, anticipated level of section 1012(b) funding required, an identification of other funding sources, both Federal and non-Federal, to be committed to the projects, including the source of matching funds to be contributed to the project, and a plan for use of revenues derived from pilot projects. The plan for use of revenues should include a description of how revenues will be used to mitigate any adverse effects of the pricing project. The plan should estimate high/low revenue ranges and indicate a financing plan under best and worst case assumptions.

(7) A description of the program plans for monitoring, evaluating, and reporting on the effects of proposed pilot projects on driver behavior, traffic volume, ridesharing, transit ridership, air quality, availability of funds for transportation programs, and other factors necessary to measure the effectiveness of pilot projects. Such other factors should include assessment of the distributional impacts of pricing projects (analysis of affected parties bearing costs and benefits), assessment of the relationship between the pilot project and the use of revenues generated by the project, and measurement of the effects of pilot projects on traffic flow characteristics. More specific guidance on monitoring and evaluating congestion pricing pilot projects is being developed under an FHWA research contract. The FHWA will make the results of this research available at a later date to program participants or to those who might be interested in participating in any future solicitations for the Pilot Program. Interim guidance is provided in appendix B to this notice.

#### Eligible Costs

Costs eligible for reimbursement under section 1012(b) include costs of setting up, managing, operating, monitoring, evaluating, and reporting on a congestion pricing pilot project. Specific costs eligible for reimbursement under this section include the following:

(1) Capital costs for installing pricing instruments (e.g., toll booths, electronic monitoring and billing systems and

equipment, transponders, enforcement systems, etc.) or providing transportation alternatives in the area being priced. Funds may not be used to construct new highway through lanes, bridges, etc., even if those facilities were to be priced, but toll ramps or added pavement to facilities toll collection are eligible;

(2) Operating costs, including salaries and expenses, related to the operation of the congestion pricing experiment (operation of tolling, monitoring, traffic management equipment, enforcement costs, incident management costs, operation of new or expanded transit service provided as an integral part of the congestion pricing project, etc.);

(3) Costs related to the implementation and operation of a parking pricing project (e.g., costs of setting up employer-based parking/demand management programs), so long as the project is a part of an overall congestion pricing plan, costs of card readers, debit cards, etc.; and

(4) Study costs for planning, designing, monitoring and evaluating congestion pricing pilot projects, including costs for data collection and synthesis. Only those study costs incurred after a participant has been selected by FHWA to be a Pilot Program participant are eligible for Federal-aid reimbursement under this section. Planning studies undertaken prior to selection as a Pilot Program participant, such as those undertaken to examine congestion pricing as an alternative solution to areawide transportation problems, are not eligible for funding under this section, and should be funded with normal Federal-aid highway planning funds, or with planning funds available through Federal Transit Administration programs.

(5) Costs related to public relations activities designed to promote and provide continuing support to congestion pricing pilot projects if such costs are incurred after a participant has been selected by FHWA to be a Pilot Program participant.

Complementary actions, such as construction of HOV lanes, implementation of traffic control systems, or transit projects can be funded through other programs eligible under the ISTEA of 1991, including the National Highway System program, the Surface Transportation Program, the Congestion Mitigation and Air Quality Improvement Program, the Bridge Replacement and Rehabilitation Program and FTA's Formula Grants programs, Discretionary Grants programs and Transit Planning and Research program. The Intelligent

Vehicle Highway Act of 1991, Title VI, sections 6051 through 6059 of the ISTEA of 1991, provides \$660 million over six years to support feasibility and operational testing of Intelligent Vehicle Highway System (IVHS) technologies and related activities. Those interested in participating in the Congestion Pricing Pilot Program are encouraged to explore opportunities for combining funds from these other ISTEA programs with Pilot Program funds.

#### Eligible Uses of Revenue

Revenues generated by a pilot project must be applied first to pilot project expenses on the facility being priced. Once sufficient revenues are being earned to cover pilot project expenses, such as those described under "Eligible Costs," above, revenues above the amount required for pricing project expenses are available for any projects eligible under title 23, U.S.C. Uses of revenue are encouraged which will support the goals of the congestion pricing project, particularly uses designed to mitigate any adverse effects in the corridor where the pricing project is being implemented.

#### Submission of Applications

Proposals for participation in the Congestion Pricing Pilot Program shall be submitted through the MPO and State Department of Transportation to the appropriate Federal Highway Administration Division Administrator, who will forward the application to FHWA's Associate Administrator for Policy. To facilitate review, applicants should submit ten copies, plus an unbound reproducible copy, of the proposal. At the end of 60 days after the date of this notice, FHWA will review applications received and make an initial selection of program participants. If fewer than 5 participants are selected during this initial solicitation, the solicitation will remain open for other applications.

#### Review Process

A review process has been established to evaluate proposals submitted in response to this notice soliciting participation in the Congestion Pricing Pilot Program. An interagency review group composed of members from several concerned offices in FHWA, FTA, the Office of the Secretary of Transportation, the Environmental Protection Agency, and the U.S. Department of Energy has been formed to evaluate proposals submitted in response to this notice. Since section 1012(b) provides for only 5 participants in the Pilot Program, the interagency review group will play an important role

in assessing the likelihood that proposed congestion pricing pilot projects will provide valid and useful tests of congestion pricing and will contribute to the understanding of the effects of congestion pricing on driver behavior, traffic volume, ridesharing, transit ridership, air quality, and availability of funds for transportation programs, and other measures of the effects of congestion pricing. Evaluation criteria described in this notice will be used to judge the degree to which an offer addresses the areas of priority interest of the Pilot Program.

#### Cooperative Agreement

Based on the recommendations of the interagency review group, FHWA will identify those Pilot Program applications which have the greatest potential for successful participation in the Congestion Pricing Pilot Program. Those program candidates will then be invited to enter into negotiations with FHWA to develop a cooperative agreement under which the pilot demonstration of congestion pricing will be carried out. The agreement will be governed by the Federal statutes and regulations cited in the agreement and 49 CFR part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, as they relate to the acceptance and use of Federal funds for this project.

Prior to the signing of a cooperative agreement, projects outside of metropolitan planning areas must be included in the approved statewide transportation improvement program and be selected in accordance with the requirements in 23 U.S.C. 135(f)(3).

Prior to the signing of a cooperative agreement, projects in metropolitan areas must be:

- (a) Included in/consistent with the approved metropolitan transportation plan (if the metropolitan area is in nonattainment for a transportation-related pollutant, the metropolitan plan must be in conformance with the state air quality implementation plan);
- (b) Included in the approved metropolitan and statewide transportation improvement programs (if the metropolitan area is in nonattainment for a transportation-related pollutant, the metropolitan transportation improvement program must be in conformance with the state air quality implementation plan);
- (c) Selected in accordance with the requirements in 23 U.S.C. 134 (h)(3) or (i)(4); and

(d) Consistent with any existing congestion management system in transportation management areas,

developed pursuant to 23 U.S.C. 134(i)(3).

#### Appendix A—What Is Congestion Pricing?

The full cost of a trip on a congested road includes not just a traveler's own time and vehicle operating costs but also the costs that traveler imposes on all other travelers by adding to the level of congestion. A congestion price can thus be viewed as a user charge that is based on the difference between the cost perceived by the user when entering the traffic stream and the cost actually imposed on all users as a result of the additional delay caused by that user's entry and movement through the traffic stream. In practice, pilot projects may only approximate or move toward an optimal congestion toll. However, charges that are anticipated for pilot projects should have the key characteristic that they are targeted at vehicles causing congestion, and are set at levels high enough to encourage drivers to use alternative times, routes, modes, or trip patterns during congested periods. Congestion pricing can rationalize the use of limited road capacity by encouraging some peak period road users to shift to off-peak periods, to high occupancy vehicle modes, including transit, to less congested routes, and/or to make more efficient trip decisions. Congestion tolls may be applied in a number of ways, including charging for the use of certain congested points on a network of roads, charging for the use of certain congested links on the network, charging for crossing certain cordon points on the network, either in one or both directions, charging to travel within a congested area, charging based on the distance traveled within a congested area, charging based on the time spent traveling, or charging based on congestion experienced.

While exact determination of the optimal congestion price is not easy, estimates can be derived based on traffic flow literature from volume/delay relationships. Analysts have derived estimates of "optimal" congestion prices which are on the order of \$0.15 to \$0.25 per vehicle mile of travel on congested expressways and about twice that amount on congested arterials. It should be recognized that these are only average approximations and actual prices in any given situation must be estimated for each local context. Applicants are encouraged to derive estimates of the "optimal" price based on marginal delay costs as a starting point, or benchmark, for setting the road prices to actually be charged.

#### Appendix B—Initial Guidance on Monitoring and Evaluation of Pilot Projects

A central objective of the Congestion Pricing Pilot Program is to monitor, evaluate and report on the effects of pilot projects on travel and traffic, congestion and pollution, land use and economic activities, revenues and financing, and so on. The effects of congestion pricing on different income groups, and the economic/distributional effects of the use of revenues generated by

congestion pricing are also of concern. The FHWA expects that program participants will give considerable attention to evaluation design and data collection. Applicants are expected to spell out immediate and long-term monitoring and evaluation plans. Applicants are also expected to discuss appropriate data collection procedures (including, but not limited to traffic counts; speed measurements; traveler and business surveys; trip diaries; and air quality measurements) and synthesis methods. Monitoring and evaluation plans, schedules and expected budget should be included in the application. The following is a preliminary list of principal impacts of interest. It is intended to be suggestive, rather than definitive, since FHWA anticipates that each applicant may wish to address additional impact issues that are relevant to particular local situations and projects types. Additional guidance on monitoring and evaluation will be developed by FHWA and provided to program participants at a later date.

- (1) **Travel Behavior and Traffic—**
  - (a) Trip making (trip lengths, trip generation rates, trip destinations);
  - (b) Travel behavior (mode, time, route, destination, frequency);
  - (c) Traffic on priced facility (vehicle miles of travel, volume/capacity ratios, speed, level of service, effects on bottlenecks); and
  - (d) Traffic spillover impacts and speed changes on unpriced facilities in the vicinity, on neighborhoods.
- (2) **Emissions and Air Quality—**Reductions in criteria pollutants, change in concentrations, effects on "hot spots."
- (3) **Economic Activities—**
  - (a) Commercial traffic speeds and reliability, changes in delay for commercial vehicles;
  - (b) Transit system productivity, reliability and operating costs; and
  - (c) Measures of commercial activities, business sales, changes in business productivity.
- (4) **Administration and Enforcement—**Costs of implementing and operating enforcement programs, nature and amount of equipment problems, nature and frequency of violations, etc.
- (5) **Revenues and Financing—**Revenues from congestion charges, change in transit revenues, parking revenues, etc.
- (6) **Distributional Impacts—**
  - (a) Cost burdens/time savings by income group, by jurisdiction;
  - (b) Differential impacts on business in the vicinity and outside the vicinity of the pricing project.

In the planning phase, travel and traffic models may provide some of the impact estimates, although it should be recognized that existing travel demand models are not well designed to predict impacts of relatively large user cost changes implied by many congestion pricing applications. Moreover, existing models do not adequately address the impacts of price changes on shift in time of travel. Thus, during the preliminary assessments it would be desirable to develop low- and high-end estimates of impacts to provide a range of possibilities.

While standard surveys and counts can provide objective measures of the impacts of

pricing programs, subjective assessments are also likely to be essential to judging their success. For example, it may be desirable to supplement the impact measures derived from field data with "pre-test/post-test" focus group surveys to compare outcomes with a priori expectations (e.g., with respect to door-to-door times, average travel speeds and driving conditions, effects on business activities and overall perceptions of mobility).

(23 U.S.C. 315; 49 CFR 1.48)

Issued on: November 19, 1992.

T.D. Larson,

Administrator.

[FR Doc. 92-28486 Filed 11-23-92; 8:45 am]

BILLING CODE 4910-22-M



Summary of FHWA Requirements for  
Congestion Pricing Pilot Program Grant Application

**Due Date:** January 25, 1993

**Contents of Application:**

1. Description of goals and congestion problem to be addressed.
2. Listing of State, local and private sector participants.
3. Statement of legal authority for implementing or a report of current status of getting authority.
4. Detailed description of problem supported by technical evidence of existence of congestion problem.
5. Description of project design including maps, time frames, planned technology, enforcement procedures, availability of alternatives, and environmental impacts to adjacent facilities.
6. Description of financial plan for implementation, capital and operating costs.
7. Description of monitoring and evaluation methodology including data collection.

**High Priority Projects**

- proposals for road pricing in conjunction with parking pricing
- existence of serious congestion problem
- areawide pricing, multi-facility or multi-corridor
- clear purpose to modify driver behavior to use alternative modes
- extensive public and private involvement
- likelihood of early implementation of pricing projects
- incorporate the use of advanced electronic toll and traffic management technologies
- indicate revenues will be used to mitigate adverse impacts of pricing

### Low Priority Projects

- stand along parking pricing
- pricing of key traffic bottlenecks, traffic corridors, or single facilities
- proposals which are not large enough to influence demand, such as minor increases in fees during peak periods, or moderate toll increases instituted primarily for financing purposes

### Eligible Costs

- capital costs for installing advanced technology
- operating costs (salaries and expenses) related to operation of congestion pricing experiment, operation of new or expanded transit service provided as part of demonstration project
- costs related to implementation and operation of parking pricing
- study costs for planning, designing, monitoring and evaluating congestion pricing projects after project selection by FHWA
- costs related to public relations and public involvement after project selection by FHWA

## CONGESTION PRICING DEMONSTRATION PROJECT

## CRITICAL DATES/MILESTONES

<u>DATE</u>	<u>MILESTONE</u>
12/11/92	TPAC mailing - Notice of Federal Regulations (Federal Register) for Congestion Pricing Demonstration; Copy of Agenda for Congestion Pricing Subcommittee; Copy of Critical Dates/Milestones calendar.
12/16/92	Congestion Pricing Subcommittee meets to discuss Federal Regulations concerning Demonstration Pilot Project (Metro, Room 145, 1:30 pm - 3:30 pm).
12/18/92	TPAC Meeting/discussion of Congestion Pricing Demonstration and results of Congestion Pricing Subcommittee meeting.
1/5/93	Preliminary draft of Congestion Pricing Pilot proposal due for staff review.
1/7/93	JPACT mailing/draft copy of Congestion Pricing Pilot proposal.
1/14/93	JPACT meeting
1/25/93*	Application for Congestion Pricing Pilot Project due at FHWA
1/28/93	Metro Council meeting



**METRO**

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# Memorandum

**DATE:** January 6, 1993

**TO:** Planning Committee  
Interested Parties

**FROM:** Gail Ryder, Council Analyst

**RE:** Timing of Resolution 92-1743 and subsequent JPACT meetings

Application Deadline for Congestion Pricing Demonstration: According to Attachment C of Resolution 92-1743 which endorses Metro's participation in the Federal Highway Administration Congestion Pricing Pilot Program, the application deadline is 1/25/93. JPACT is scheduled to take action on 1/14/93 and the Council is scheduled to take final action on 1/28/93, three days later.

Planning Department staff indicates they are aware of the timing discrepancy and that the application could be withdrawn if the Council fails to adopt the resolution.

You may wish to consider requesting the Presiding Officer move the resolution to the 1/14/93 Council meeting so that final action is completed before the application is filed.

Timing of Planning Committee and JPACT meetings: You may have noticed that all three action items for this agenda are before the committee prior to the meeting of the Joint Policy Advisory Committee on Transportation (JPACT) on 1/14/93. In the past it has sometimes been the practice to wait until JPACT has taken action on an item before scheduling it before the Planning Committee. That way the committee has the benefit of JPACT comment before making a decision. Conversely, the committee may wish to suggest changes to legislation prior to JPACT's meeting, to communicate committee concerns. Generally, if there are substantive changes by a Council committee, the resolution or ordinance is returned to JPACT before adoption by the Council. The same would be the case if JPACT made substantive changes following Planning Committee action.

Councilor Van Bergen asked me to bring this procedural question to your attention so that you might be prepared to voice your scheduling preference at the 1/12/93 meeting.

## TRANSPORTATION AND PLANNING COMMITTEE REPORT

CONSIDERATION OF RESOLUTION NO. 93-1743A, FOR THE PURPOSE OF ENDORSING THE REGION'S PROPOSAL TO PARTICIPATE IN THE FHWA CONGESTION PRICING PILOT PROGRAM

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Date: January 13, 1993

Presented by: Councilor Moore

**Committee Recommendation:** At the January 12 meeting, the Transportation and Planning Committee voted 4-1 to recommend Council adoption of Resolution No. 93-1743A. Voting in favor: Councilors Van Bergen, Kvistad, Devlin, and Moore. Voting no: Councilor Gates. Excused: Councilor Monroe.

**Committee Issues/Discussion:** Andy Cotugno, Planning Director, presented the staff report. He explained that applications are being requested for demonstration congestion pricing pilot projects under the Intermodal Surface Transportation Efficiency Act (ISTEA).

The issue of congestion pricing has been heavily discussed since August, 1992. Based on the feed-back of those discussions, staff is recommending endorsement of the region's proposal. The actual application of the proposal is still being written but will be ready by the January 25 deadline of the Federal Highway Administration (FHWA). The approach is to not apply for a specific project but keep the request more general. There are a many different sites (e.g. bridge) as well as several transportation corridors that might be appropriate for such a project. We could even consider the entire region. All of these options will be examined if we receive the moneys. We also want to lay the ground work for future implementation moneys.

Councilor Moore voiced a concern about inclusion of a public involvement process during the evaluation. She suggested an amendment, which was approved, to resolve number 4 to read as follows:

"4. That the Metro Council and JPACT continue to participate in the process, particularly at key decision points, to pursue evaluate the feasibility of and potentially implement a congestion pricing pilot project."

Councilor Wyers asked whether Metro is required to implement this project if we receive the federal funding. Mr. Cotugno explained that the application will be written more broadly so that we do not imply such a requirement. However, the FHWA could place the requirement on the money as a condition, but he felt such a condition would be illegal. The FHWA's own environmental impact statement process requires a "no build" option. He suggested we deal with that possibility at that time, if it should occur.

In response to a question from Councilor Kvistad, Mr. Cotugno explained the recent history of discussions regarding congestion pricing and the Western Bypass Study. Ultimately, the five alternatives included in the draft environmental impact statement (DEIS) will not consider a congestion pricing option. The decision was to detach the issue and deal with it here in a pilot project, as a separate question.

Councilor McLain said she was impressed that the local jurisdictions within the area of consideration for the Western Bypass study took a vote expressing their interest in congestion pricing.

In response to a question from Councilor Devlin, Mr. Cotugno clarified that the two motions considered by JPACT on the Bypass issue were: 1) to end the discussion about linking congestion pricing to the Western Bypass question; and 2) that the region investigate and/or evaluate congestion pricing on a region-wide basis. His recommendation is that if we get the federal money we do the evaluation. If we don't get the money we should reevaluate the entire question considering whether we want to spend region money. The Oregon Department of Transportation (ODOT) has included congestion pricing as part of the Oregon Transportation Plan (OTP).

## STAFF REPORT

### CONSIDERATION OF RESOLUTION NO. 93-1743A FOR THE PURPOSE OF ENDORING THE REGION'S PROPOSAL TO PARTICIPATE IN THE FHWA CONGESTION PRICING PILOT PROGRAM

Date: January 4, 1993

Presented by: Andrew Cotugno

#### PROPOSED ACTION

This resolution endorses the region's participation in the Federal Highway Administration's (FHWA) congestion pricing pilot program. The resolution identifies a scope of work and establishes a process to determine appropriate congestion pricing alternatives within the Portland metropolitan area. The resolution also establishes a public decision-making process to determine: 1) whether to proceed with a demonstration project; and 2) if a decision is made to proceed, identify a Preferred Alternative for a congestion pricing demonstration project.

#### FACTUAL BACKGROUND AND ANALYSIS

Congestion pricing is the application of user surcharges on congested highway facilities during peak periods. Its goal is to relieve congestion by discouraging some trips and shifting others to alternate destinations, times or modes of travel. Revenue generated from congestion pricing can be used a number of ways, including construction of the transportation infrastructure or to offset an existing transportation user fee or tax.

Section 1012 (b) of the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 authorized the Secretary of Transportation to create a Congestion Pricing Pilot Program by entering into an agreement with up to five state or local governments or other public authorities to establish, maintain, and monitor congestion pricing pilot projects. A maximum of \$25 million is authorized for each of the fiscal years 1992 through 1997 to carry out program requirements. Attachment A is a copy of the November 24, 1992 Federal Register notice and request for participation in the pilot program. Attachment B is a staff summary of the contents of the Federal Register.

In addition to its inclusion in ISTEA, congestion pricing as a concept is being discussed on a number of other fronts. The Oregon Transportation Plan includes references to pricing programs that charge road users commensurably with the total costs of operations and improvements. The Governor's Task Force on Motor Vehicle Emissions in the Portland Area endorsed the region pursuing a pilot program grant and included congestion pricing as part of its recommended contingency plan for maintaining air quality. JPACT has previously been briefed on the pilot program and has endorsed further investigation of a potential pilot project. Subsequently, JPACT has recommended that a regional congestion pricing study be conducted to learn

more about its potential and effects. That study and any development of a pilot project will share information and methodologies to the degree possible. Metro and ODOT are continuing discussions on the scope of the regional congestion pricing study and its relationship to the Western Bypass project.

The timeline for submitting applications is extremely short (Attachment C). TPAC's Ad Hoc Congestion Pricing Committee began meeting in mid-December to develop a proposal. With an understanding that selection of a specific proposal will require significant public discussion, the scope of work as contained in Exhibit A to the resolution is process-oriented. JPACT and the Metro Council are being asked to endorse this process for the region's pursuit of a congestion pricing pilot project. Essentially, the process has three steps:

1. Submit a process-oriented application by January 25 to meet the FHWA deadline.
2. Develop and implement a public planning process intended to reach a decision on whether or not to proceed with a pilot project for the region.
3. If a decision is reached to proceed with a pilot project, then the final step includes implementation, monitoring, and evaluation.

It is for steps two and three that ISTEA pilot program funds will be requested.

#### EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 93-1743A.

MH:lmk  
93-1743A.RES  
1-5-93