

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ENDORSING THE) RESOLUTION NO. 93-1846
REGION'S REAPPLICATION TO THE)
FEDERAL HIGHWAY ADMINISTRATION)
FOR PARTICIPATION IN THE ISTEА) Introduced by
CONGESTION PRICING 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 included notice and request for participation in the Pilot Program; and

WHEREAS, the region's initial proposal to participate in the congestion pricing pilot program was rejected by FHWA; and

WHEREAS, FHWA has extended the deadline for submitting pilot projects to October 14, 1993 and invited the region to re-apply with a revised application; and

WHEREAS, the revised application includes specific goals to implement a regional congestion pricing demonstration and to develop a nationally applicable process for gaining public and political acceptance of congestion pricing; 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 overall program goals identified as items No. 1 and 2 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 detailing a four-phase schedule for a regional congestion pricing pilot project as included in Exhibit B.

3. That the Metro Council directs staff to pursue ISTEA congestion pricing pilot program funds for the scope of work as contained in Exhibit B.

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 23rd day of September,
1993.



Judy Wyers, Presiding Officer

EXHIBIT A

GOALS AND OBJECTIVES -- PORTLAND AREA CONGESTION PRICING PILOT PROJECT

Overall Goals:

1. Regional implementation of congestion pricing (perhaps phased in on a corridor-by-corridor basis).
2. Development of a nationally applicable process for gaining public and political acceptance of congestion pricing.

Objectives of the Pilot Project:

1. Assess the case for and against congestion pricing, and its practical feasibility, with regard to the following regional goals:
 - . Reduce peak-period congestion, principally through reduced peak-period SOV use;
 - . Reduce regional VMT;
 - . Reduce regional motor vehicle emissions;
 - . Improve regional mobility (as measured by travel times, availability and use of modal alternatives, etc.);
 - . Minimize cost of future highway investments;
 - . Improve overall transportation and land use efficiencies in the region;
 - . Avoid or mitigate negative impacts on neighborhoods and businesses;
 - . Develop a pilot project which is revenue neutral; and
 - . Develop a proposal with the cooperation and support of the affected jurisdictions and neighborhoods.

(This work will be done using such tools as modeling and survey instruments such as polling, focus groups, and stakeholder interviews. This phase will include evaluation of congestion pricing on the regional network as well as on specific corridors. The information gained will be used in the development of proposed congestion pricing test sites, as well as informing the public, elected officials, etc.)

2. Increase awareness and understanding of congestion pricing among the general public and elected officials in the Portland/Metro region.

(Information from assessment work, in No. 1 above, including a discussion of different pricing effects, design goals, etc. and possible alternative test sites, will be presented.)

3. Develop regional consensus on a congestion pricing pilot project implementation plan, including:
 - . Congestion pricing test sites (e.g., corridors);
 - . Schedule for implementation; and
 - . Tolling technology.
4. Implement congestion pricing as per approved plan above.
5. Monitor and evaluate.

DRAFT WORKPLAN - CONGESTION PRICING PILOT PROJECT

The following is a draft outline of the workplan for the Portland area congestion pricing pilot project.

Phase I - Alternatives Analysis

Preliminary assessment of the feasibility of congestion pricing with regard to achieving regional goals (reduce peak period congestion, reduce regional VMT, etc.). This phase would develop baseline information on the current status of the regional transportation system and the projected effects of congestion pricing on congested roadways and facilities in the region. Form committees necessary to begin public process and begin to document public response.

A. Form Technical Advisory Committee (TAC) to advise re technical aspects of pilot project.

B. Form Citizen's Advisory Committee (CAC) to advise re public process and monitor pilot project development.

C. Develop baseline data on current status of regional transportation system.

Update regional transportation data to provide baseline information (describe what this would entail: surveys, modelling, etc.) Update data on current travel patterns, conditions, transportation supply.

D. Modify and enhance regional model as necessary to evaluate congestion pricing. Incorporate results from stated preference surveys into model travel demand characteristics and make other modifications required.

E. Develop alternative pricing scenarios. Evaluate effects of pricing on regional roadways and facilities.

1. TAC will advise re selection of alternative pricing scenarios, areas of experimentation for pilot project (eg. governance, technology, etc.), test criteria, and other technical aspects of pilot project.

2. Finalize list of congestion targets. This may include areawide applications as well as corridors or facilities.

3. Through modelling, survey instruments and other tools, evaluate effects of alternative pricing scenarios on regional goals and objectives. (eg. impact on mobility, impact on air quality, etc.) Document results.

F. Monitoring and evaluation of public involvement and public response. With goal of developing national model for gaining public acceptance of congestion pricing, document all aspects of public process.

Phase II - Public Education and Public Involvement

This phase would take the data developed in Phase I and present it to the public and regional decision makers. The purpose of this phase is to: 1) develop a public involvement plan and 2) educate the public about congestion pricing and its effects.

A. Preliminary assessment of public response. Conduct focus groups, surveys and meetings with stakeholders to identify key issues and potential public reaction to alternative strategies. Document results.

B. Begin Public Information and Media Campaign based on results from A above.

C. Public Involvement Plan. CAC to develop Public Involvement Plan to outline process for public presentation of alternatives and data compiled in Phase I leading to selection of preferred alternative. Plan will outline involvement of CAC and TAC, community outreach meetings and strategy, plan for presentations to elected officials, and decision making process.

Phase III - Alternative Selection

Initiate and conduct the public process outlined in the Public Involvement Plan leading to actual selection of the preferred alternative. Identify the preferred implementation strategy, including specific test site(s), for the congestion pricing pilot project. Continue to monitor and evaluate public process.

A. Develop conceptual designs. TAC will develop conceptual designs, including technological and cost requirements for 5 highest ranking alternatives, including recommendations for alternative transportation improvements.

B. Initiate Public Involvement Plan. Conduct community outreach meetings, presentations to elected officials, and consensus building process leading to selection of preferred alternative.

C. Select Preferred Alternative and finalize design. Selection of preferred alternative through public process. TAC will complete design work, capital requirements and administrative plan for implementation.

Phase IV - Implementation

While the preferred alternative for the project would be selected in Phase III, regional consensus would be solidified in Phase IV, resulting in endorsement by regional decision-makers, state legislative authority, and continuation of the Public Involvement Plan. This phase would include a public information and media campaign to be carried out during implementation phase. Capital improvements (and potential alternative transportation improvements) would then be implemented.

- A. Continue Public Information and Media Campaign**
- B. Secure legislative authority and regional (JPACT) authority for implementation of preferred alternative..**
- C. Implement capital improvements.**
- D. Implement alternative transportation improvements.**

Phase V - Evaluation and Monitoring

Monitor traffic counts and speeds on selected alternative. Use modelling and surveys to determine effects of pilot project on travel behavior. Evaluate effectiveness of pilot against stated criteria. At end of pilot project document results, recommend modifications and improvements.

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 93-1846 ENDORSING THE REGION'S REAPPLICATION TO THE FEDERAL HIGHWAY ADMINISTRATION FOR PARTICIPATION IN THE ISTEA CONGESTION PRICING PILOT PROGRAM

Date: September 1, 1993

Presented by: Andrew Cotugno

PROPOSED ACTION

This resolution endorses the region's reapplication to the Federal Highway Administration (FHWA) for participation in the ISTEA Congestion Pricing Pilot Program. The resolution identifies a revised scope of work and establishes a more detailed process to determine appropriate congestion pricing alternatives within the Portland area. This approach is more consistent with original FHWA original guidelines which require the proposal to show a strong commitment/intent to use congestion charges to alter driver behavior and to evaluate the pricing project within the life of the Intermodal Surface Transportation Efficiency Act (ISTEA). The revised scope also reflects a "product"-oriented proposal reflecting specific discussions with FHWA.

FACTUAL BACKGROUND AND ANALYSIS

The Portland region's initial congestion pricing application, as endorsed by Resolution No. 92-1743A, was denied by FHWA.

The salient point of the denial letter was that although the region's proposal contained many positive aspects for conducting a congestion pricing pilot demonstration including the plan for a comprehensive public involvement process, the proposal: (1) did not include a sufficient commitment to implementation of a specific congestion pricing project aimed at influencing driver behavior; and (2) needed a clearer intent to evaluate the pricing project within the life of ISTEA. In general, FHWA felt the region's proposal was too vague and too study-oriented.

In all, FHWA received 16 proposals from nine states. FHWA determined that all but one of the proposals failed to respond well to the Pilot Program criteria contained in the November 24, 1992 Federal Register notice because they had little or no commitment to the implementation of road pricing projects which establish a fee schedule that would influence road use choices. In addition, some proposed projects were unlikely to be implemented in time to allow evaluation information to be developed for FHWA to report to Congress on the effectiveness of pilot projects prior to the expiration of ISTEA. Acknowledging the difficulties inherent to producing an acceptable congestion pricing application, FHWA has extended the submittal deadline to October 14, 1993.

There was general acknowledgement by FHWA that Portland's initial application provided a good overall understanding of the concept of congestion pricing and could be redrafted to more clearly address the guidance provided in the November 24, 1992 Federal Register notice. Based on direction from TPAC, the AD Hoc Congestion Pricing Group has begun work to revise the current application consistent with FHWA's eligibility findings and the discussions in Washington D.C.

As a result of FHWA's letter of rejection and deadline extension, a contingent from the Ad Hoc Congestion Pricing Group comprised of representatives from the City of Portland, ODOT and Metro traveled to Washington D.C. to attend a symposium on congestion pricing and to meet with representatives from FHWA and Senator Moynihan's office. The highlights of the trip were:

- . The symposium highlighted the fiscal, public/political, and institutional aspects of congestion pricing. National experts and government officials at the symposium acknowledged that there were marked differences of opinion on the major issues surrounding congestion pricing including: spillover economic and social impacts; air quality benefits; optimum fee level; political and administrative feasibility; environmental and land use effects; and technological issues. It was also agreed that any implementation of the concept will be politically sensitive and will require substantial education and outreach efforts. Based on this information, the ad hoc group has concluded that those elements of the region's proposal which focus on and call for a public and political outreach process should be retained.
- . The discussions with FHWA and Senator Moynihan's staff highlighted the need for a well designed public and political outreach process as well as the fact that the region's proposal needs to be more specific in what FHWA will gain from the pilot project. The point was reemphasized that the application needs to reflect a strong commitment to conducting a congestion pricing demonstration.

The new focus incorporates the following changes not included in the original application to FHWA (JPACT/Metro Council Resolution No. 93-1743A):

- . The new revised goals and objectives are included in Exhibit A. The goals and objectives are oriented toward clarifying the measurable results of congestion pricing in the Portland region and providing a process which can be used nationally to implement congestion pricing (the lack of such a process was evident during the meetings in Washington, D.C.). The revised application will specifically identify what products the proposal will provide Congress and FHWA (e.g., national procedural model for gaining public and political support; state-of-the-art travel forecasting tool based on a "stated preference" survey approach; public process; identification,

analysis, and evaluation of a full range of alternatives including a no-build option. Identification of these specific products will help "sell" the benefits of a process/Alternatives Analysis/implementation approach, even if the no-build alternative is eventually selected.

- . The new revised workscope is included in Exhibit B. This workscope focuses more on the identification of alternatives and on tasks leading to the implementation of a pilot project demonstration rather than on the study phase of the proposal. Again, consistent with any Alternatives Analysis methodology, a "no-build" option will be included.

The overall revision approach will be oriented around three main steps:

1. A regional explanation of the potential for and the effects of congestion pricing using "stated preference" techniques. The regional analysis will identify the candidate alternatives for detailed analysis, public involvement, and implementation/evaluation.
2. The preferred alternative resulting from an evaluation of a comprehensive set of alternatives (including a no-build option) would be implemented and tested through a pilot project.
3. The results of the pilot project and the regional analysis will provide the data necessary for determining the merits of further regionwide application of congestion pricing beyond the pilot program time frame.

Proposed Schedule

The FHWA closing date for pilot project submittals is October 14, 1993. The selection criteria contained in the November 24, 1992 Federal Register notice will continue to serve as the guidelines FHWA's Interagency Review Group will use to evaluate proposals. The recommended approach maintains FHWA's required elements as contained in these guidelines.

In order to meet the October 14 deadline, JPACT will have to adopt a general concept at the September 9, 1993 meeting.

Prior TPAC Action

At their August 24 meeting, TPAC approved the recommended approach contained in Resolution No. 93-1846 for revising the application with the stipulation that specific candidate facilities not be singled out in the application, but that a regional map of facilities with volume to capacity ratios of 0.9 or greater during the PM peak two hours (4:00 p.m. - 6:00 p.m.) be referenced. This approach identifies for FHWA the region's congested facilities. The process, however, would be oriented at

solving congestion and would ultimately determine the location of any congestion pricing measures.

JPACT/Metro Council Action Requested

JPACT and the Metro Council are being requested to endorse the revised application approach for the region's continued pursuit of a congestion pricing pilot project.

Following JPACT action, a draft application will be available for TPAC review at its October 1, 1993 meeting. Any resolution of support, however, will have to be finalized prior to this date.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 93-1846.

PLANNING COMMITTEE REPORT

CONSIDERATION OF RESOLUTION NO. 93-1846, ENDORSING THE REGION'S REAPPLICATION TO THE FEDERAL HIGHWAY ADMINISTRATION FOR PARTICIPATION IN THE INTERMODAL SURFACE TRANSPORTATION EFFICIENCY ACT OF 1991

Date: September 15, 1993

Presented By: Councilor Moore

Committee Recommendation: At the September 14 meeting, the Planning Committee voted 4-1 to recommend Council adoption of Resolution No. 93-1846. Voting in favor: Councilors Van Bergen, Devlin, Kvistad, and Moore. Voting no: Councilor Gates. Absent: Councilor Monroe.

Committee Issues/Discussion: Richard Brandman, Assistant Planning Director, presented the staff report. He explained that previously Metro applied to the Federal Highway Administration (FHWA) for a grant for a congestion pricing pilot program and was rejected. The FHWA received many applications from all over the country and denied all but one in the San Francisco area where they already have tolls on the Bay Bridge and now contemplate making those tolls by time of day. They too will need legislative authority before actually implementing congestion pricing.

Passage of this resolution allows Metro to restructure our original application to make it more specific to the desires of the FHWA. A large public process with focus groups is envisioned to examine the real potential for congestion pricing. Following that analysis, one site will be selected for a demonstration project. To actually implement the project, we will need approval from the 1995 legislature. The FHWA is impressed with Metro's travel forecasting capabilities. We will use those capabilities to show the applications of congestion pricing. Public support will be mandatory before such a program can exist.

At JPACT, Washington County cities strongly objected because they had no desire to ever implement such a program. Gresham and east Multnomah County representatives countered that they would have difficulty supporting the measure saying " if Washington County wasn't willing to try a project in their area, then Multnomah County might not be interested either". The City of Portland said it was fine that Washington County didn't want a program, but they want one and now there is one less jurisdiction with which to compete. The resolution ultimately received full support from JPACT except from Washington County.

Councilor Moore asked how the federal government is reacting to our public participation process happening before we have a project. Brandman answered that the FHWA seemed to recognize that no one in the country was going to be able to

accomplish a project like this without public input. Everyone is having the same difficulty in getting this type of project approved. So FHWA is now considering allowing studies rather than actual implementation.

Councilor Gates voiced his "Wayne Morse" objection to congestion pricing as a concept.

Councilor Van Bergen asked about the cost to Metro to put this application together. Staff responded that receipt of the grant would repay all costs. He also clarified that discussion at JPACT also centered on who will receive the profit. It was determined that there would be no profit in dollar terms, rather in reduction of VMT.

Councilor Moore, in making the motion to approve the resolution, said that even with the apparent opposition from some areas, lots of people want this to occur. It is important to do a pilot project so that we will be able to evaluate it to determine whether there will ever be popular support.