

TRB Joint Subcommittee on Pricing A1A01
Portland, OR
July 15, 2003

Minutes: January 2003 meeting minutes were approved without changes.

Update from TRB Staff: Mark Norman provided the TRB update. Patrick asked about our proposal to become a full Committee and what our subcommittee needs to meet the criteria. Mark indicated that the most important thing we need is energy, enthusiasm, and a high level of participation.

TRB expanded the Technical Activities Council. TRB is trying to bring more members to the table. Reorganization increased groups from five to eleven. Objectives are to supplement “bottoms up” approach. Trying to augment/supplement the approach and make sure TRB addresses crosscutting issues such as pricing. Have highlighted about one dozen issues of interest. Focusing on security issue in transportation and what should be TRB’s role.

Another goal is to strengthen TRB by addressing the “Diversity Issue” There is a major push to increase participation in standing committees. The goal is to attract younger members and increase participation by women and minorities.

Presentation on Colorado Statewide Tolling Enterprise

Peggy Catlin- Executive Director, Statewide Tolling Enterprise, Colorado DOT

CDOT does not receive any general fund money. Therefore, their resources come from Federal and gas taxes. Fifteen state transportation-planning regions realized projects were undoable as they were all too large. They identified 28 projects and prioritized them. Traditional revenues showed they would take 50 years to complete. General fund revenue bill was passed that allowed for 10.43% to be used for identified projects to accelerate completion of projects to a 25-year time frame. Ten percent of general funds are generated from auto sales. Legislature subsequently approved a GARVEE bond program that moved things to a 10-year timeframe. However, a huge deficit remained. In 2002, the General Fund opportunity went away. HB 1310 passed in May 2002 providing a more stable funding source. Mandated that 10% of dollars would go to transit and created a Tolling Enterprise.

An enterprise has some restrictions because it can only be implemented on new capacity. The I-25 project will be included because it already has Federal funding. The E-470 toll facility was completed. Struggled at the start, but revenues have jumped with the completion of the fourth segment. The success of E-470 has changed the public’s perception of tolls. Can pass through at 70 mph. A community north of the facility has the highest sales of transponders at a local grocery store. The enterprise is currently conducting a feasibility study to identify potential projects/corridors throughout the state (realizing that certain criteria have to be met, but want to cover the state). The study will streamline down to a couple of feasible projects. I-25 is an excellent project because of

its low cost. The State DOT is looking to complete the Northwest Pkwy. The project will be completed in a year. US 36 corridor is being evaluated (originally first turnpike from which tolls were removed). The DOT is also looking at I-225, which would logically extend the I-25 HOT Lane project, and they might look at the tunnel, too. CDOT will also consider interoperability with E-470 and the Northwest Toll Authority and the potential to leverage off projects in the future (tolling credit concept). Pursuing tolling technologies that are compatible with CA, FL and TX. Only looking at electronic tolls. This will be the first enterprise that looks to toll on new capacity.

Status of Pricing at the USDOT

Patrick pointed out the Quarterly Progress Reports and new projects approved for FY03 funding. Now have 15 state partners, which is the limit allowed under TEA-21. New states are VA, IL and OH. Sherri will talk about SAFETEA at the afternoon workshop in the Mt. Saint Helens room. Mark Norman asked to send TRB a short update of new projects and the website so it can be included in the TRB e-newsletter. Bob Poole asked if information on new projects is available on a website. See <http://www.fhwa.dot.gov/policy/otps/fy03pga.htm>. Bill Stockton asked about impacts of a continuation of TEA-21 on the program. Will there only be funding for administration or will there be money for program to continue to operate? Sherri pointed out that TEA-21 ends on September 30, 2003. All of authorized funds have been awarded in 2003. No more funds are available.

Todd Littman asked about how FHWA moved from a program that could not give the money away to a very popular program. Mark Burris asked about Mike Replogle's reference to the rescission of funds for Pay-As-You-Go insurance programs. He asked where did deobligated funds come from? Ed Regan complimented FHWA staff on their hard work on getting pricing out in the forefront. Ben Perez commented on where the program has gone from 1991 to the present. Value Pricing is no longer a pilot. It will be something that can be done anywhere. Concern is that while it is good to be mainstreamed, there is a need to continue research and to document efforts. We are at a very critical point in the program's evolution.

Todd Littman asked about what SAFTEA bill means for authority to toll on the interstate. It redefines who can use HOV lanes. Julian Benjamin noted that it makes sense to mainstream. Lee Munnich asked if there is no program, what happens to the pricing staff? Ed pointed out that despite success of the program, it is still a politically sensitive issue. Some states might say that just because it worked for San Diego, that does not mean it will work for us. Bill Stockton noted that there are a lot of states that may not try pricing if there is not an incentive to do so with program funding. With fiscal constraints, it is difficult to take a risk on doing something that might not garner political support. Bridgete pointed out that it is expensive to look at pricing options. Todd noted that the non-facility projects don't appear to move beyond the study phase.

Outreach Subcommittee Report-

Lee briefly summarized discussion and the focus on local outreach and how to communicate to the public. Discussed the success with outreach to transportation groups. Also discussed reauthorization. Lee noted Bill Stockton's report on three major efforts: SAFETEA proposal, Kennedy Bill, and VP Future's Group. Finally involved in getting message across to congressional members. Briefing done in June in Washington for 40 congressional staff members.

Bob Poole made a presentation at a UCLA Transportation Congestion Conference. Approximately 120 people from congressional staff, LA Times, policy wonks, Washington Post attended; so it received good media attention. Created more awareness of pricing options. Tom Norton, Executive Director of Colorado DOT, was a speaker.

Committee Status Application Report

Jose Holguin-Veras provided an update and discussed the draft proposal for committee status for the Joint Subcommittee. With the looming threat of losing the pricing program, Jose feels it is critical to seek committee status. He hopes we can submit a formal proposal in the coming months. Mike Lawrence noted that the proposal has been kicked around for a while. Mike feels like it is clear we have the enthusiasm, based on participation in the Joint Subcommittee. He wants to make sure we move forward. Myron strongly supports moving forward with pursuing committee status. Ed Regan asked whether becoming a full committee would help or hurt us? With cross cutting issues will there be any limits to participation? Mark Norman assumed that the committee would be under the Policy group. He replied that in theory it should help because pricing would become even more visible. Jose feels this is a critical juncture for the pricing community.

Lee reminded the group that we gather to cover Pricing issues through TRB. Jose believes we will have more flexibility. Tony says lets quit talking about it, put together the best possible proposal, and submit it. A discussion followed regarding when everything would happen. Mark Norman pointed out that the Technical Activities Council meets in January. The subcommittee needs to get necessary approvals before that time. Basically, the Council is looking for energy and long-term commitment. Lee said it is his understanding that the three standing committees will support a change in status. Patrick confirmed support by David Forkenbrock, Chair of the Economics Committee. Mike Lawrence will follow up with Suzanne Sales, Chair of the Taxation and Finance Committee. The Economic Development Committee has indicated they do not have direct interest in pricing issues anymore.

Updates from Related Committees

Patrick indicated that we need to strategize about going to related committees to seek their support on sessions for the Annual Meeting. A discussion ensued regarding the TRB/OECD/FHWA conference Nov. 19-22. It is on the website <http://gulliver.trb.org/conferences/RoadPricing/>. Participants are coming from all over the world. Trying to get the mayor of London to attend.

Patrick moved the discussion back to potential sessions during the January TRB meeting. Some people identified potential sessions and have been working on topics and speakers. Patrick reminded the group that as a Joint Subcommittee we do not automatically get sessions. We have to work with other committees. Lee reminded people that they have to put a proposed session together

Transportation Economics-Todd Littman is working on putting together a session on the London Congestion Pricing Scheme. Potential speakers include Greg Newmark and Larry Fabian (Singapore's program). The session may also include sessions on other experiences. Jonathan Skolnik will work with Todd. Ed Sullivan wondered if anyone would talk about the potential to vary the price in London. Jose recommended Mike Brown at Westminster.

Economics-Mark Burriss is working on a session focused on Benefit/Cost Comparisons. He is looking for help and suggestions. Bob Poole pointed out that *Resources for the Future* wrote a paper on this topic. Mark wants to focus on implemented projects. Patrick asked people to provide names for speakers.

What have we Learned from Value Pricing? Lee Munnich - Lee said the idea is for John Berg and Patrick to lead the session and then have respondents like Marty Wachs. Patrick suggested we also talk about projects that failed.

What have we Learned from HOT Lanes and Where are We Going? Wayne Berman is in charge of this session. Pat asked if Ben wanted to participate. Ben mentioned incorporating a discussion regarding the HOT Lane manual. The HOV committee is very interested in a joint session. Myron and Ben will work with Wayne.

Mark Norman noted that 40 committees need to submit sessions. The Subcommittee on Pricing needs to catch up with other committees now. All details of proposed sessions need to be in by Oct. 1. October 1 will be a hard deadline. After that date, the website will be turned off and nothing else will be accepted.

Modeling Practice- Patrick is looking for interest. Ed Regan does not feel like it is important at this time. Ed Sullivan pointed out that it might fall out with people submitting papers. Patrick noted that Arizona created a model and nobody knew about it. Julian Benjamin noted that bad decisions were made by using the wrong models in North Carolina. Julian suggested that people consider submitting something for a discussion session. Todd Littman talked about Professor Robert Johnston and his work on looking at different models on the same project. (Three potential committees may co-sponsor: finance, planning applications and economics).

Pricing and Transportation Finance -Ed said this is the perfect time to discuss the Role of Pricing in Transportation Finance. The primary focus on pricing has been demand management, now the focus is on revenue. The session needs to be on what role pricing

will play in financing projects in the future. Peggy Catlin pointed out that we also need to make sure people understand how realistic a mechanism pricing is for financing.

Pricing and Managed Lanes-Ed believes that this is where highway and transit would be mutually beneficial. Todd suggested that the second session be on other impacts.

Pricing, Transit and Smart Growth (Implications for Cities). Charles Prestrud will work on this potential session with the Transit Committee. Lee encouraged people to go and pitch these ideas.

Lee was looking for volunteers for an all day workshop on Sunday prior to the TRB Annual meeting in January 2004. Myron, Bill Stockton, Jose, Ed Sullivan, Ed Regan, Susan Moe, and Ben Perez volunteered.