

**Transportation Research Board
Joint Subcommittee on Pricing A1A01
Hilton Hotel, Washington DC
January 14, 2004- 12 p.m. to 2 p.m.**

Meeting Minutes

Participants

Lee Munnich	Humphrey Institute
Ed Regan	Wilbur Smith Associates
Mark Muriello	Port Authority of New York and New Jersey
Michael Replogle	Environmental Defense
Patrick DeCorla-Souza	FHWA
Barbara Rohde	Humphrey Institute
Jonathan Skolnik	Jack Faucett Associates
Amy Thomas	Kentucky Transportation Cabinet
Susan Lee	FHWA
Ken Buckeye	Minnesota Department of Transportation
Bob Poole	Reason Foundation
Chris Swenson	CRSPE, Inc.
John Berg	Consultant
Angela Jacobs	FHWA
David Ungemah	Urban Transportation
Michael Lawrence	Jack Faucett Associates
Tina Collier	Texas Transportation Institute
Roger Herz	TIME/To Improve Municipal Efficiency
Ken Orski	Innovation Briefs
Beth Pinkston	Congressional Budget Office
Tom Adler	Resource Systems Group
Ralph Hall	LFEE
Wayne Berman	FHWA
Charles Prestrud	Washington State Department of Transportation
Kiran Bhatt	K.T. Analytics
Dean Larson	
William Roach	
Gabriel Roth	
Lewiston Lem	
Ed Clarke	

Minutes taken by Megan Mowday, Humphrey Institute

Welcome and Introductions

Lee Munnich started the meeting at 12:07. Lee informed attendees that they could join the subcommittee by signing in and sitting at the table. Lee handed out agendas and legislative language for the reauthorization. Everyone introduced themselves.

Approval of Minutes

July 2003 minutes were approved without changes.

TRB Staff Report-None

Project Education and Outreach Updates

TEA-21 Reauthorization Update Bob Poole, Michael Replogle and Barb Rohde updated the subcommittee on their efforts at including language in the reauthorization bill. The U.S. House of Representatives is nearing agreement on the congestion pricing pilot program in the reauthorization bill. Currently, \$25 million has been given to the program, however no language has been crafted. Barb Rohde has submitted language to be included in the House's version of the reauthorization bill. Barb Rohde and Michael Replogle have held successful meetings with the staff director on the House side. The only major stumbling block for inclusion is that no Representative has given strong support for the program. Rep. Oberstar (D-MN) has repeatedly questioned the equity of the program. However, there have been strides made in receiving modified support of the program from him. The House version is expected to be marked-up during the second week in February. Barb Rohde emphasized that the Senate situation is more tenuous. No value-pricing program is included in the current Senate version of the reauthorization bill. The bill is expected to be considered on the Senate floor on February 2, 2004. Recently, they have asked the value-pricing group to consider alternative proposals from Sen. Bond's (R-MO) office. Currently, the group is not trying to get money appropriated for the program, but is rather focusing on getting an amendment offered.

Ken Orski, Innovation Briefs, asked if the Senate side intends to include value pricing via the FAST bill. Bob Poole replied that the FAST bill offered by Rep. Kennedy (R-MN) and Sen. Allard (R-CO) was defeated during the Senate Environment and Public Work's markup. However, there has been an effort to patch up this defeat and have a revised version considered on the floor. Bob Poole noted that he has been asked to comprise language that merges the best of value pricing with the best of the FAST Act. On the House side, Kennedy is offering the FAST Act as a separate bill. There is an expectation that the FAST Act will be merged with the House reauthorization bill. Barb Rohde emphasized that as group consensus for support of the FAST Act does not exist, this language is not a group activity. However, it is worthwhile to pursue, as language on value pricing does need to be included in the Senate bill, so that negotiations can be worked out during conference. Michael Replogle emphasized the strong opposition of the environmental community to the FAST Lanes bill. He stressed that he would support no inclusion of value pricing over adoption of FAST Lanes. This opposition stems from focusing tolling on new roads, with the revenues used to build more lanes. Michael Replogle emphasized that the bipartisan nature of the transportation committee needs to be focused on. There is currently a four-way deal between Sen. Bond, Sen. Inhofe, Sen. Jeffords and Sen. Reid, which binds them to support any deal made through conference. Michael Replogle argued that it is possible to get value pricing into the Senate bill in the same manner as is currently being done in the House. He stated that the current language being circulated has broad support. Michael Replogle indicated that environmental

concerns have not been taken far enough in the language, however he hopes that by not naming specific programs, such as, Pay-As-You-Drive and Carsharing, the programs will be accepted by Rep. Young's (R-AK) staff.

Michael Replogle clarified the key environmental flaws of the FAST Act as: the act only applies to new capacity; toll revenues cannot be used for public transportation; tolls cease to exist after bonds are paid off; and the lack of performance standards. Michael Replogle emphasized that he supports the proposal allowing use of tolls on new capacity. The Sierra Club has a national policy supporting tolling on existing lanes and opposing tolls on new lanes. This divergence in opinion demonstrates the environmental communities disagreement on the extent of support for value pricing. While Environmental Defense supports the Washington Beltway project, they are advocating only one lane be built in each direction. There has been a corridor study supporting only one lane in each direction and shows that a superior performance is achieved through less construction costs. He noted that added traffic increases pollution and adverse health effects for nearby residents. HOT lanes help reduce this problem by increasing capacity while mitigating health and environmental impacts. He suggested not focusing too much attention on the Sierra Club.

Chris Swenson, CRSPE, Inc, inquired if value pricing has to be in a non-attainment or maintenance area. He suggested not focusing solely on these areas, in an attempt to not allow disintegration to occur before action is taken. He also had questions on why the money to be used for implementation was not included in the language. Chris Swenson argued that implementation costs could be significant if an existing facility is being converted. He emphasized that these costs need to be covered in order to provide a large enough incentive. Michael Replogle stated that conservatives are ready to mainstream value pricing and that budgets can cover implementation costs. Mark Muriello, Port Authority of New York and New Jersey, asked if there are any technical costs, which need to be considered in addition to road conversion. Michael Replogle replied that ITS should cover technological needs. Barb Rohde emphasized the need for support of the language being circulated. Bill Roach indicated that report language would back up the intent of the bill language. Barb Rohde cautioned that there might not be any report language. Bill Roach noted that he is interested in a broader application of the program. Michael Replogle advocated support for pay-as-you-drive grants, as they are not a part of the compromise language. He noted that generic language would not contradict or bar pay-as-you-drive from proceeding. Bob Poole asked how the program could be mainstreamed. Michael Replogle stated that currently only 15 pilot projects can toll. He emphasized that this needs to be expanded in the next reauthorization. Ken Orski asked if there would be a conference on differing proposals. Barb Rohde stated that her talks with Sen. Bond's office show that Sen. Bond has no interest. While Sen. Allard has political problems with the FAST Act, he accepts pricing. Michael Replogle noted that Rep. Oberstar has problems with the FAST Act. Barb Rohde emphasized that the only way to get language into the Senate bill is to work with the FAST Act. Bob Poole articulated the need to get the value-pricing program into both houses before conference. Mark Muriello noted that different states have different mechanisms for distributing revenues and that the current language limits this distribution. For example, the Port

Authority of New York and New Jersey use consolidated bonding and would have difficulty working with the current rigid language. Michael Replogle suggested grandfathering existing tolling facilities.

Ed Regan, Wilbur Smith Associates, asked about the opposition. Barb Rohde emphasized that there is not strong opposition. Lee Munnich, Humphrey Institute, noted the difficulty in gaining widespread support is that individual members of Congress want to know what is going back to their state. Roger Herz, To Improve Municipal Efficiencies, inquired about the status of the groups' letter and asked if signatories could be added. Michael Replogle agreed to circulate the letter again with more signatories. He stated that every Senator could be contacted on this issue as the bill is going to the floor. Barb Rohde stated that if anyone wanted the appropriate staffer to contact they could email her.

Listening to the Public: Assessing Public Opinion About Value Pricing

John Berg- Consultant

The presentation covered a variety of public opinion responses to domestic and international value pricing projects. This paper was intended to provide background on public attitudes and rationale for value pricing, a summary of projects and a synopsis of public opinion surveys. A variety of factors influencing public opinion were discussed. Beth Pinkston, Congressional Budget Office, inquired why 25% to 30% of recent users did not indicate that they were happy with the new lanes. This level of dissatisfaction results from the fact that intuitively people want to be able to use the lanes for free or less money. Tina Collier, Texas Transportation Institute, noted that this study uses older data and that dissent originally arose from the fact that these lanes were privately owned. These lanes have now become a public enterprise. She emphasized the need to advertise the financial package so that greater understanding can be achieved. HOT lane users were asked what they would like to do with the excess revenue. The majority of respondents wanted to reinvest the profits into the road. Ed Regan stated that this question was indirectly asked in focus groups and that dissent was heard over compensating low-income individuals. The sensitivity of using the profits for transit was tested and produced a negative response. The result of the survey depicted that support exists for value pricing, however there is little support for the policy of funding. Charles Prestrud, Washington State Department of Transportation, argued that either service or the demand side should be subsidized to encourage people to change modes. The cornerstone finding of this study, is that 97% of individuals think value pricing is an important alternative.

Outreach and Educational Activity Updates

Lee Munnich-Humphrey Institute

The Best Practices Workshop held Sunday, January 11, 2004 at the TRB conference was successful. Organizational outreach has been an ongoing activity. Currently, the group is trying to get more presentations scheduled at conferences. In the beginning, the concept

was difficult to discuss with political leaders at all levels of government. Now conversations have begun to explain the concept.

Plans for 2004 Outreach Activities

The Utah conference will be held in Park City, Utah July 25-27, 2004. The full subcommittee and this committee will meet on July 27th and this committee needs to plan an event. Patrick DeCorla-Souza, FHWA, stated that value pricing is successful at getting on the schedule because they have co-sponsors and partners. He indicated that TRB recognizes the importance of value pricing and will schedule full sessions. He added that it is necessary to aggressively put together meetings. Lee Munnich proposed that the open session focuses on Reauthorization: Impacts. He noted that many projects should be ready to be discussed by the summer.