

ATTACHMENT A: Tolling and Congestion Management Overview

Overview

“Tolling” is a term that refers to a direct fee for using a facility. Revenue from tolling can be used for construction and/or to manage congestion. There are several types of programs and terminologies that are often used interchangeably when referring to tolling. The following is a high-level overview of some of the terms used and their intended uses:

Tolling for Construction:

Title 23, Section 129 General Tolling Program of the United States Code contains laws related to toll roads, tunnels, bridges and ferries, and provides authority for tolling of federal aid highways in conjunction with new construction or other improvements to those highways. Revenues from tolling can be used for the following purposes: Revenue is used to fund:

- Building a new road, bridge, or tunnel
- Adding lanes to existing roads, bridges, or tunnels
- Reconstructing a road, bridge, or tunnel
- Improving existing facilities that are already tolled.

Often, tolling fees for construction terminate when debt for construction is repaid. Tolls can be implemented through different strategies that are often referred to as **“Congestion Tolling”** and/or **“Congestion Pricing”**, such as:

- Value pricing – a Federal Highways Administration pilot program that provides transportation agencies authority to charge drivers on congested roadways typically during peak travel periods. This is authorized under FHWA’s Value Pricing Pilot Program and is limited to 15 slots nationally.
- Variable rate pricing – fees adjust dynamically based on the volume of traffic on a roadway
- Flat/fixed rate pricing – fees are static and do not change.

The following are additional congestion pricing strategies that typically do not fund construction:

- Cordon pricing – drivers pay to enter an area (typically a core downtown/business area)
- Corridor pricing – drivers pay a fee to drive on a particular section of road, bridge, or highway
- Parking pricing – drivers pay to park in designated areas
- Vehicle miles traveled fee – drivers pay for every mile they travel
- High Occupancy Toll (HOT) lanes – allows drivers to pay a toll to use a high-occupancy vehicle (HOV) lane regardless of the number of passengers in the vehicle.