

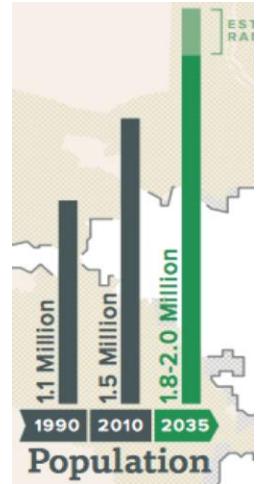


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CONGESTION PRICING & THE 2017 OREGON TRANSPORTATION BILL

The Problem: Congestion is a growing problem in the Portland metropolitan area. Not only does it create challenges for local commuters and businesses, it also makes it difficult for producers across the state to move their goods into and through Portland in a predictable, reliable and timely fashion. In 2014 congestion cost businesses and families \$1.8 billion in wasted time and fuel. With Portland continuing to grow at record pace, the problem is getting worse every day.

By 2040, congestion will cost the average household 69 hours per year, at a huge expense to Oregon's economy. In addition to impacting our economy, increased congestion results in increased air pollution. Motor vehicles are responsible for about 80% of air pollution in cities nationwide, and nearly 40% of carbon emissions in Oregon. The Legislature's Joint Committee on Transportation identified reducing Portland area congestion as a statewide priority. Failure to address congestion will result in significant losses to Oregon's economy, job base and quality of life.



Source: 2014 Urban Growth Report, Metro

The Solution: The best long-term solution for reducing congestion is to put a price on road use during peak hours of the day. "Congestion Pricing" creates incentives to drive at less crowded times, or use alternate modes of transportation. Versions of congestion pricing have been used successfully in 14 other states, and in cities such as London and Stockholm.

What can the Legislature do now? The Legislature can advance congestion pricing in Oregon by authorizing \$35 million in the transportation bill to the Oregon Transportation Commission for a dedicated program. Funding would support a system-wide analysis of pricing options, with at least one pricing project ready for implementation by 2019.

Congestion pricing is smart policy: Congestion pricing is good for businesses and the environment. Reducing congestion will improve air quality, lower fuel consumption, and save open space by reducing the need for new roads. Congestion optimizes the performance of our existing transportation system and generates revenue that can be used to improve transportation and stimulate the economy.

Who supports congestion pricing? Congestion pricing is a market-based solution that has strong support across traditional divides, including Oregon business, conservation and local governments. A coalition has formed to support congestion pricing in the 2017 transportation bill and beyond, anchored by The Nature Conservancy, Port of Portland, Metro Regional Government, and the Oregon Environmental Council.

FREQUENTLY ASKED QUESTIONS ABOUT CONGESTION PRICING

Does it help?

Every city that has used congestion pricing has benefitted from less congestion and lower emissions. In addition, they have generated new revenue to address transportation priorities. Just a few weeks after implementing its new pricing system, London commute times fell by 14 percent. There is no need for additional study on the general question of whether congestion pricing is helpful. The challenge comes in helping the public make the transition. In London and Seattle, the public began at 40 percent support for pricing, but after the roll-out people saw the benefits and support jumped to 60 percent.

Is it fair?

Congestion hits lower-income households the hardest. They often travel farther for work and are less-served by transit. Longer commute times means more money for gas and childcare. By reducing congestion through pricing, working families may actually see a net benefit to their bottom line. Furthermore, congestion pricing is a fairer way to pay for roads you actually use. Currently, we all share the burden of maintaining roads through gas taxes and vehicle registration fees, even though most peak-hour trips are made by higher-income drivers. If designed carefully, pricing systems can be made more fair and equitable through targeted exemptions or other forms of support. Congestion pricing should also be accompanied by significant investment in public transit, to give people real options for getting around.

How does it work?

Congestion pricing uses supply and demand to get greater efficiency from roads by charging tolls or fees. These can either be based on demand for access to a specific area, such as downtown or the airport, or in response to changing demand during different times of day. Collection methods can range from simple tolling to GPS devices in cars.

Why can't we just build more roads?

The population and economy of the Portland metropolitan region are growing at record pace. This is great news for Oregon's future but, as anyone can tell you, it means more congestion on our roads. Expanding highways or building new ones is expensive and often geographically impossible. As long as people are able to use the roads for free, they will continue to fill up any new capacity with new congestion. The fact is that we can't build our way out of congestion. By pricing demand, especially during peak periods, we can create incentives for people to make different choices, such as taking transit or making the trip at a different time.

Why is this a high priority?

Pricing roads turns a negative into a positive. Congestion comes at a huge overall cost in terms of freight delays, emissions, and worker productivity. According to EcoNorthwest, congestion acts as a sort of "tax" on the overall economy, costing us approximately 1-2% of gross product annually. Congestion pricing not only reduces that cost, but it injects money back into the economy through fuel and time savings, and through infrastructure projects made possible by investing the new revenue. This means improved quality of life and prosperity for Oregonians.