

TPB Value Pricing Task Force
Goals, Strategies and Timeframe
February 10, 2004

Goals

1. Explore the role of pricing and market-based solutions in a regional context;
2. Evaluate the regional implications of proposed value pricing projects, including scenarios in the Regional Mobility and Accessibility Study; and
3. Assist in education and outreach to create greater awareness of the potential benefits of pricing, drawing upon experience in other locations nationally and internationally.
4. Develop recommendations for the TPB on task force findings regarding parameters, principles, guidelines or lessons learned on the regional implications of value pricing.

Definition of Value Pricing

After considerable discussion at the October 15 meeting, the task force seemed inclined to focus on the benefits as perceived by the public, as in definition 2) below. Effectively was added to the definition in 1) below at the November 19, 2003 meeting, shown in italics.

- 1) The use of prices, charges and fees for traveling in order to influence behavior so that travelers make decisions that use highway and transit systems more efficiently, *effectively*, and equitably.
- 2) Value pricing provides people with travel choices, in a way that reduces congestion, saves time and improves the quality of life.

“The use of prices, charges and fees for traveling in order to produce needed revenue and simultaneously to influence travel behavior so that travelers make decisions that use highway and transit systems more efficiently and equitably.” {Professor Martin Wachs, June 4, 2003 }

Range of Pricing Strategies to be examined by the Task Force

At the September 10 meeting, the task force discussed the following pricing strategies that the task force would like to evaluate through the Regional Mobility and Accessibility study, if possible. A short description of each strategy is included.¹

1. **High Occupancy Toll (HOT) Lanes**

HOT lanes allow solo drivers to pay a toll to use HOV lanes and obtain a congestion-free trip. Carpools continue to use the HOV lanes for free or at a reduced rate.

2. **Parking Related Pricing**

A. **Parking Charges:** Fees would be assessed on employment-related parking spaces. Other parking charges could include variable fees targeted toward congestion reduction.

B. **Parking Cash-Out Programs:** An employer paid program under which employees are provided the option of trading in employer-provided parking spaces for cash.

3. **Various Types of Congestion Pricing**

Comprehensive Congestion Pricing: This strategy involves charging drivers a fee that varies with the level of traffic on a congested roadway. This concept applies more comprehensively to all trips on regional or corridor wide basis.

Variable Tolls on Bridges and Highways: The use of tolls to selectively reduce traffic on congested highways and bridges during peak travel times.

Peak Hour Transit Fares: The use of higher peak hour fares to raise revenue and reduce crowding during peak period travel times on the transit system.

¹ Pricing strategy descriptions adapted from the Value Pricing Homepage maintained by the University of Minnesota, Hubert H. Humphrey Institute. <http://www.hhh.umn.edu/centers/slp/projects/conpric/index.htm>.

Members

Chair: Christopher Zimmerman- Arlington County

Thomas Farley (JoAnne Sorenson) – Virginia Department of Transportation (VDOT)

Catherine Hudgins - Fairfax County

Marsha Kaiser – Maryland Department of Transportation (MDOT)

Michael Knapp –Montgomery County

Phil Mendelson - District of Columbia

Carol Petzold - Maryland House (Montgomery County)

Michelle Pourciau –District Department of Transportation (DDOT)

Richard White (Edward Thomas) – Washington Metropolitan Area Transit Authority (WMATA)