

2021 Regional Plan  
Programs and Policies

# VALUE PRICING AND USER FEES

Currently, funding to preserve and improve transportation infrastructure in the San Diego region comes from a variety of federal, state, and local sources that primarily rely on fuel taxes. However, in recent years as vehicles fuel efficiencies have increased, state and federal transportation funding has declined. The practice of charging fees for using transportation infrastructure is becoming more commonplace nationwide. This is one way to optimize performance of the transportation system, manage congestion, and minimize the effect of somewhat unpredictable state and federal funding.

User fees apply a “market-based” approach to achieving environmental, equity, and economic goals and can put a hand on the scale to redress decades of unbalanced investment in roads by making funds available for other types of transportation, including transit. Funds raised from user fees can help the region build a complete transportation system that provides people with more alternatives to driving alone, wherever and whenever they need them. Additionally, providing more transportation alternatives will free up roadway space for people who still need to drive.

Once it is built, the convenience of the new system could, in effect, sustain changes in travel behavior for decades. The result for everyone would be improved mobility and transportation equity, and reductions in congestion, air pollution, and greenhouse gas emissions. These fees can also generate sustainable funding in the long-term to preserve and improve the network and promote a balanced transportation system moving forward.

## What should I know about value pricing and user fees?

Transportation user fee structures must be carefully developed to ensure there is no disproportionate burden on people with limited incomes, people of color, and seniors. Revenue from value pricing can be reinvested to fund safe, convenient, and affordable multimodal transportation options. In addition, SANDAG can provide incentives and subsidies to ensure there are viable alternatives to driving alone. Creating more transportation choices while ensuring affordability and accessibility is critical for accomplishing climate and equity goals.



The I-15 Express Lanes in San Diego are an example of Managed Lanes (Source: Union Tribune)

## What would it look like?

User fee systems can feature distance-based (per mile) or segment-based (per toll zone) pricing with rates that are either flat, adjusted in response to congestion levels, or vary according to a known schedule. The 2021 Regional Plan considers a suite of user fees aimed at encouraging travelers to consider more sustainable travel choices and manage congestion. Further analysis and extensive community outreach will be needed to prioritize the objectives and design the operating strategies of each user fee system.

The pricing strategies under consideration in the 2021 Regional Plan are:

- **Managed Lanes:** Lanes or roadways that charge variable tolls, providing a faster trip to solo drivers if they choose to pay a fee, while providing free access to emergency vehicles, transit vehicles, carpoolers, and others. Rates could adjust based on congestion levels or other factors to encourage sustainable travel choices and help keep traffic flowing. The first two managed lanes in the U.S. were deployed in Southern California: The SR 91 Express Lanes in Orange County and I-15 Express Lanes in San Diego County.
- **Road Usage Charge:** A direct user fee where drivers pay to use the roadway network, whether the vehicle is powered by gas or electricity or hydrogen, based on distance traveled or other factors. As personal electric vehicles become more affordable and revenues from fuel taxes continue to decline, road usage charging can be an equitable way to generate revenue. Road usage charging is an emerging strategy for rapidly growing metropolitan areas, including those in California where Caltrans has a Road User Charge pilot program underway.
- **Ridehailing company service fees:** Per-trip fee for Transportation Network Companies, including on-demand passenger and ridehailing services such as Uber and Lyft. Rates could vary by distance traveled, number of riders, or other factors. Ridehailing company service fees have become common in many metropolitan areas, including San Francisco, Chicago, Seattle, Portland, New York, and The District of Columbia.
- **Incentives:** Transit fare subsidies can encourage more transit ridership and travel shifts during both peak and non-peak periods to manage congestion. Other incentives, such as priority parking for shared rides, can be tailored to encourage more sustainable transportation choices.

## What could SANDAG do?

- Solicit feedback from the community on pricing policy goals and objectives
- Develop a Pricing Equity Strategy to evaluate fair, transparent, and effective user fee systems that enables equitable access to transportation
- Deploy pilot projects to test the effectiveness of different pricing strategies in achieving policy goals and objectives
- Continue management of existing regional priced managed lanes such as Interstate 15 and State Route 125

## Resources

SANDAG I-15 FasTrak Study

[sandag.org/services/fastrak/pubsarchive.asp?classid=29&fuseaction=home.classhome](https://sandag.org/services/fastrak/pubsarchive.asp?classid=29&fuseaction=home.classhome)

Congestion Pricing in the U.S.

[virginiadot.org/info/resources/congestion\\_pricing/cp\\_in\\_us.pdf](https://virginiadot.org/info/resources/congestion_pricing/cp_in_us.pdf)

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