

**METRO EXPRESSLANES
MOTION RESPONSE #42
PAY-AS-YOU-USE**

**Board of Directors – Ad Hoc Congestion, Highway and Roads Committee
January 16, 2019**



Metro

Motion Response

- **Response to Director Hahn’s motion regarding “Pay-as-You-Use”**
 - **Current ExpressLanes Performance**
 - **Demographic comparison to other express lane systems**
 - **Viability of implementing a “Pay-as-You-Use” model**



Current Performance

- **In 2018, 2% increase in trips on the ExpressLanes**
 - 195 million trips from inception through 2018
- **Over 870,000 transponders issued through 2018 reflecting a 21% increase from FY17**
- **4.1% of all ExpressLanes trips are violations**
- **Based on annual customer surveys:**
 - 89% of respondents are satisfied with their speed of travel
 - 90% are satisfied with time saved relative to tolls paid
 - 93% are aware of FasTrak requirements

Comparison

In comparing the Metro ExpressLanes to other major congestion pricing systems in the country, need to differentiate between:

Toll Roads – Facility built to provide highway capacity where every lane within the roadway is tolled.

Examples:

SR 73, 133, 241, 261 (The Toll Roads)

SR 125 (SANDAG)



Express Lanes – Optimize lane utilization by selling the extra capacity to lower occupancy vehicles. Not all lanes within the roadway are tolled nor all vehicles in the Express Lanes tolled.

Examples:

I-10, I-110 (Metro)

I-15 (SANDAG)

SR-91 (OCTA & RCTC)



Demographic Comparison

Of the 13 major metropolitan regions in the country that have express lanes, the most similar to Los Angeles with respect to race and income are:

Race:

Rank	City, State	“Pay-as-You-Use” Offered	HOV Discount Offered for “Pay as-You-Use”	Surcharge or Fee for “Pay-As-You Use”
1	Seattle, WA	Yes	No	\$2
2	Minneapolis and St, Paul, MN	No	N/A	N/A
3	Austin, TX	Yes	No	\$1

Income:

Rank	City, State	“Pay-as-You-Use” Offered	HOV Discount Offered for “Pay as-You-Use”	Surcharge or Fee for “Pay-As-You Use”
1	Houston, TX	No	N/A	N/A
2	Denver, CO	Yes	No	\$3.75 – \$10
3	Baltimore, MD	No	N/A	N/A

- 50% of the similar demographic regions by race and income have a “Pay-as-You-Use” model. Each do not offer a HOV discount for this model and charge a surcharge or fee for this type of transaction.
- Nationwide, 33% of express lanes offer “Pay-as-You-Use” .

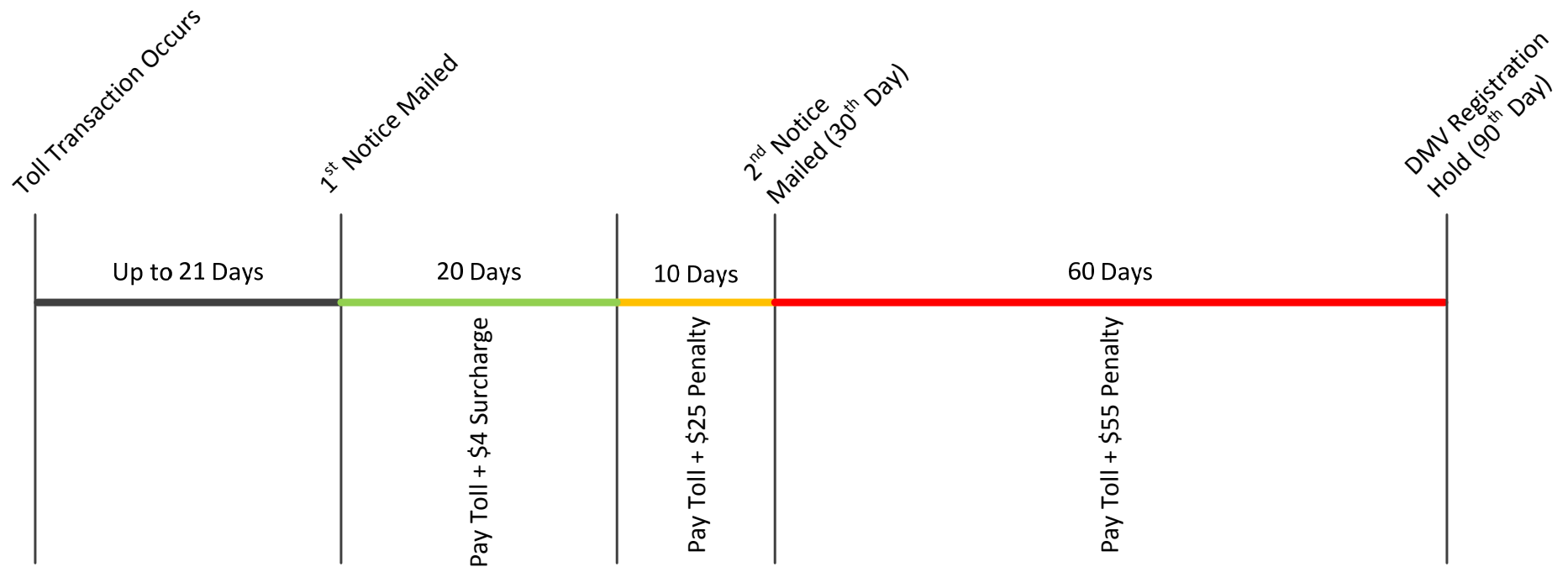


Summary of Findings

1. **Allows customers to use the ExpressLanes without any advance interaction with Metro;**
2. **Model can be integrated into the current and new back office system;**
3. **All users of “Pay-as-You-Use” will have to pay a toll at all times regardless of vehicle occupancy;**
4. **An additional surcharge will be added to each transaction to supplement the additional processing, staffing, and mailing expense;**
5. **Potential increase in ExpressLanes traffic volumes;**
6. **Low Income Assistance Plan can only be applied to account holders;**
7. **Billing process will not be as fast and efficient for “Pay-as-You Use” as it is for account holders;**
8. **This model will require changes to the existing signage and require a regional outreach campaign;**
9. **May lead to revenue leakage and reduction in revenue or an increase in usage and revenue which will be studied as part of the pilot.**

Pilot

- “Pay-as-You-Use” model pilot transaction timeline



Recommendation

Given the opportunities and challenges, staff recommends a one-year pilot of the “Pay-as-You-Use” model with a before/after evaluation to assess actual impacts.

Next Steps, if approved:

- 9 months to develop and implement
- Work in conjunction with Caltrans
- Campaign to educate potential users
- Software modification
- Necessary website modifications
- Update existing signage
- Anticipated cost to implement the pilot is \$750,000

