Bay Area Toll Authority

October 23, 2024 **Agenda Item 4a - 24-1322**

Information –Toll Increase for BATA Bridges

Subject:

Staff will seek feedback on a proposal for a phased toll increase beginning in January 2026 to maintain the state-owned bridges in a state of good repair. Staff seeks feedback prior to releasing the proposal in November for public comment.

Background:

BATA has a responsibility to fund bridge operations and maintenance, bridge preservation needs (included in BATA's 10-year Capital Improvement Plan), operating transfers directed by Regional Measures 2 and 3 (RM 2 and RM 3), and $4.45 billion in RM 3 capital projects. Currently, nearly half of the revenue generated by the current $7 bridge toll is directed toward voter-approved regional measures ($3) that provide no direct support for toll bridge preservation needs. The remaining $4 is invested in toll bridge needs but has remained flat since 2010, when BATA approved a toll increase to complete the toll bridge seismic retrofit program. Since then, costs have risen with inflation, and impacts from the pandemic have had a significant effect on BATA's toll revenues. Paid bridge traffic is approximately 80 percent of pre-pandemic levels. This is due to a reduction in total bridge traffic combined with toll collection challenges as a result of the pandemic-accelerated transition to all-electronic tolling.

BATA's plan of finance has long assumed a need to increase revenue for rehabilitation and modeled a toll increase in 2027 for this purpose. The BATA Ad Hoc Recovery Working Group, convened from 2020 to 2021, acknowledged the need to track post-pandemic traffic trends, costs and asset management needs to inform the timing and amount of a future toll increase to maintain the toll bridges in a state of good repair.

The Authority has considered both the need for revenue for bridge operations and preservation and the impact on travelers of a toll increase to meet these needs. At the July 9, 2024 BATA Oversight Committee meeting, staff presented traffic and revenue trends, tolls, expenditures and toll bridge capital program needs and sought direction on the revenue stream needed to fund the maintenance of the bridges in a state of good repair. Committee members underscored the need for revenue to preserve toll bridges while emphasizing the importance of considering the timing

and impact a toll increase would have on customers. Committee members posed several questions to staff and requested that staff return to the Committee in September to address timing of a toll increase, outcomes delivered to bridge users, details on bridge usage, the need for a toll differential to increase FasTrak® usage, and how BATA is supporting equity. Staff returned to the September 11, 2024 Committee meeting with the requested responses and received additional feedback from Commissioners focused on the need to improve access to FasTrak®. Staff also committed to refining data on bridge usage to better understand the impacts of a toll increase, especially by customers residing in Equity Priority Communities (EPCs).

Staff returned to the October 9, 2024 BATA Oversight Committee meeting to present a phased proposal for toll schedule changes that would provide BATA with additional revenue necessary for funding the operations and maintenance of the bridge system while acknowledging affordability pressures on the region's travelers. Staff presented additional data on toll bridge customer usage as well as opportunities to make FasTrak® more accessible to customers. Commissioners requested further detail on how the new toll revenue would be used as well as a work plan for implementing improvements for customer access to FasTrak®. Staff has incorporated this feedback and will present the proposal at the October 23, 2024 BATA meeting.

Details of Toll Increase Proposal

The current toll for two-axle vehicles is $7.00. The final voter-approved RM 3 $1.00 toll increase will go into effect on January 1, 2025 to fund the voter-approved list of mobility improvement projects. Staff propose a plan for phased toll increases for toll bridge operations and maintenance beginning January 1, 2026. This plan includes five annual increases of $0.50 from 2026 through 2030 for two-axle vehicles. The first of these toll increases would go into effect one year after the third dollar increase from RM 3, resulting in a toll rate of $8.50 for two-axle vehicles starting January 1, 2026.

Our long-range plan, Plan Bay Area 2050, includes various strategies to lower the share of low-income households' budgets consumed by transportation and housing; for transportation the goal is to reduce transportation's share of household budgets from 45 percent to 28 percent. The Clipper START transit discount program, which has over 42,000 enrollees as of September 2024, is cutting the cost of transit for low-income households by 50 percent. We know that most

Bay Area residents are not just "drivers" or "toll bridge users" or "transit riders" but are all of the above over a given period of time. Based on MTC's 2023 Household Travel Survey, we know that low-income households with drivers using the toll bridges are twice as likely to use transit as other households using the toll bridges, so expanding Clipper START enrollment will help lessen the financial impact of the proposed toll increase for some low-income households.

Consistent with practice prior to RM 3, staff propose the toll increase for multi-axle vehicles be applied on a per-axle basis in recognition of the additional wear and tear on the bridges from heavier vehicles. In Fiscal Year 2023-24, multi-axle vehicles accounted for approximately three percent of tolled crossings. Attachment 1 includes detail on multi-axle vehicle use on BATA bridges.

The recommended toll increase would also apply to high-occupancy vehicles (HOVs), which receive a reduced toll rate (50 percent of the two-axle toll rate) during commute hours. The plan results in a toll rate for HOVs of $4.25 starting on January 1, 2026, with annual increases of $0.25 through 2030.

As of April 23, 2020, congestion pricing on the San Francisco-Oakland Bay Bridge was suspended pursuant to BATA Resolution No. 136, until such time that BATA acts to reinstate the policy. Although the new toll schedule will retain the ability to charge congesting pricing at the San Francisco-Oakland Bay Bridge, staff are not recommending reinstatement of congestion pricing as part of the toll increase proposal.

The multi-year toll increase plan recognizes the growth in capital needs for bridge maintenance and preservation and helps BATA recover from the significant revenue loss and increased expenses resulting from travel behavior changes during and post-pandemic and conversion to all electronic tolling. The five-year series of increases provides a predictable additional revenue stream and is aligned with Golden Gate Bridge's multi-year plan for toll increases.

Introduction of Tiered Pricing Based on Payment Method

An additional component of the plan is the introduction of tiered pricing based on method of payment (toll differential) to increase FasTrak® uptake and to help recoup the increased costs of collecting tolls via pre-registered license plate accounts or invoices. The proposed plan would

result in higher tolls for drivers who pay by license plate account and invoices. Specifically, starting January 1, 2027, an additional $0.25 would be added to the toll for vehicles paying by pre-registered license plate account and an additional $1.00 would be added to the toll for vehicles paying by invoice.

The rationale for this tiered pricing is to encourage more bridge users to pay by FasTrak®, which is the lowest cost option administratively and the best way to ensure that tolls get paid as well as to help recoup the increased costs of collecting tolls via license plate accounts and invoices. Since the conversion to all-electronic tolling in 2021, BATA has made many changes to the FasTrak® program to lower financial barriers and make FasTrak® more accessible to drivers. Even with these improvements, staff recognize that there is more that can be done to meet customers where they are. To that end, staff will present a work plan to expand access to FasTrak® tags, further reduce remaining barriers to opening and maintaining accounts, increase options for managing accounts with cash, and provide incentives to open and maintain FasTrak® accounts. We anticipate phasing in these work plan elements throughout 2025, which will provide two years to inform and support customer adoption of FasTrak® in anticipation of the impending differential pricing starting January 1, 2027.

The proposed plan would result in the following toll rates for two-axle vehicles through 2030 (See Attachment 2 for the full toll rate table):

Proposal: Two-Axle Vehicle Toll

Payment Option	Jan 1, 2025 Last Voter-Approved RM3 Increase	Jan 1, 2026	Jan 1, 2027	Jan 1, 2028	Jan 1, 2029	Jan 1, 2030
HOVs*	$4.00	$4.25	$4.50	$4.75	$5.00	$5.25
FasTrak®	$8.00	$8.50	$9.00	$9.50	$10.00	$10.50
License Plate Account	$8.00	$8.50	$9.25	$9.75	$10.25	$10.75
Invoice	$8.00	$8.50	$10.00	$10.50	$11.00	$11.50

*HOV rate is 50% of two-axle FasTrak rate

Attachment 3 summarizes staff responses to the comments, questions and suggestions made by Commissioners over the past seven months as the board has considered the need for and impact of a toll increase for toll bridge operations and preservation.

Issues:

None identified.

Recommendations:

None. Information Only. Staff will seek feedback on the proposed toll increase prior to releasing a proposal in November for public comment and a final proposal for Authority approval in December.

Attachments:

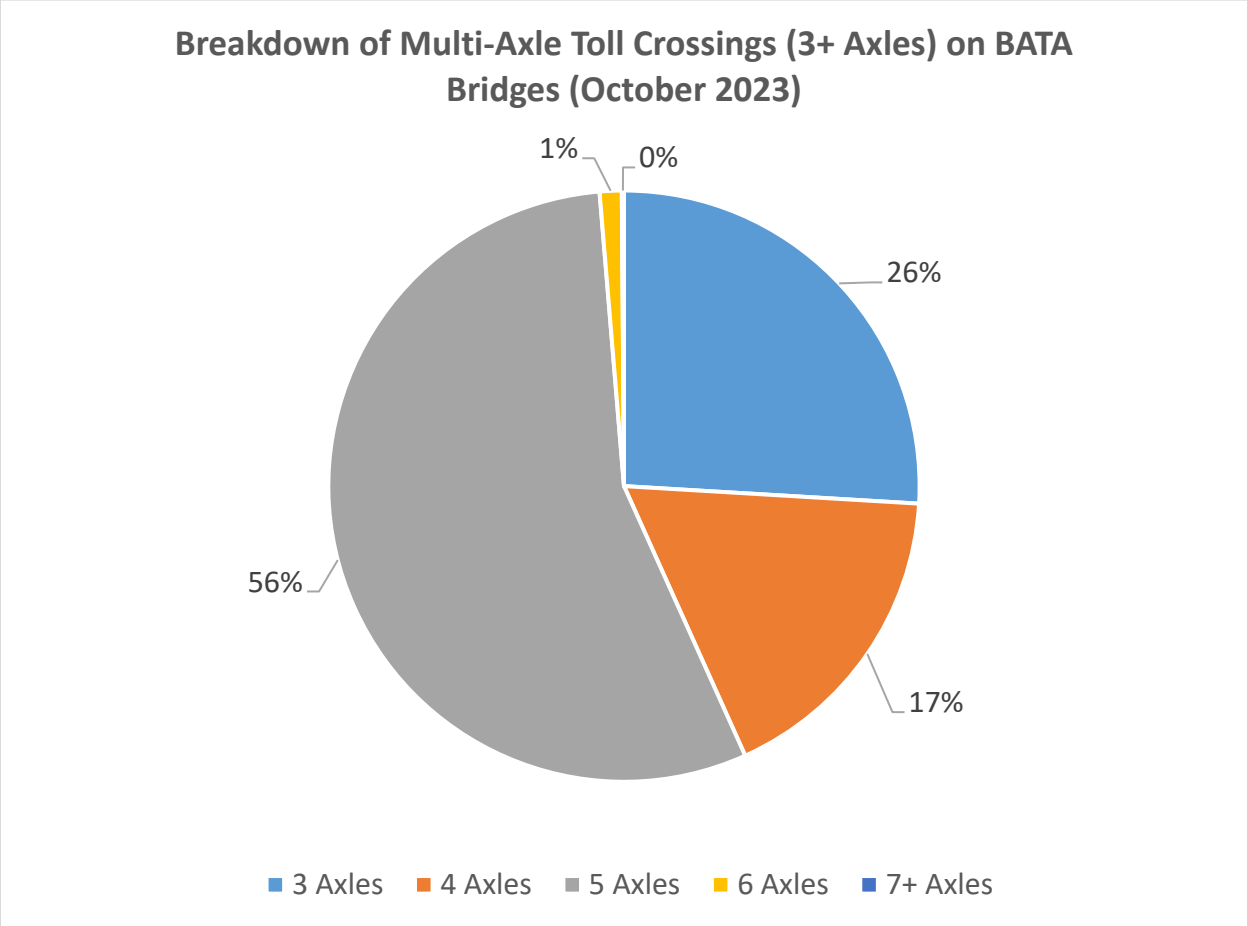
Attachment 1 – Multi-axle Vehicle Use on BATA Bridges
Attachment 2 – Proposed Toll Rate Table
Attachment 3 – Staff Responses to Commissioner Feedback
Presentation

Andrew B. Fremier

Attachment 1 - Multi-Axle Vehicle Use on BATA Bridges

Toll Crossings by Axle Count for BATA Bridges (October 2023)						
Bridge	**2 Axles**	**3 Axles**	**4 Axles**	**5 Axles**	**6 Axles**	**7+ Axles**
Antioch	93.2%	1.8%	1.2%	3.8%	0.%	<0.1%
Bay	98.5%	0.5%	0.3%	0.7%	<0.1%	<0.1%
Benicia	95.8%	0.9%	0.9%	2.3%	0.1%	<0.1%
Carquinez	95.1%	0.9%	0.6%	3.4%	0.1%	<0.1%
Dumbarton	98.2%	1.1%	0.3%	0.5%	<0.1%	<0.1%
Richmond	96.6%	0.9%	0.6%	1.9%	<0.1%	<0.1%
San Mateo	97.2%	0.9%	0.6%	1.4%	<0.1%	<0.1%

Note: Totals may not add to 100% due to rounding; 10.9M total toll crossings in October 2023.



Attachment 2 – Proposed Toll Rate Table

Proposed Toll Schedule		Current Toll	Last RM3 Increase	Proposed Toll Rates				
Axles	**Payment Method**	**thru Dec 31, 2024**	**Jan 1, 2025**	**Jan 1, 2026**	**Jan 1, 2027**	**Jan 1, 2028**	**Jan 1, 2029**	**Jan 1, 2030**
Carpool (50% of 2-axle FasTrak rate)	FasTrak	$3.50	$4.00	$4.25	$4.50	$4.75	$5.00	$5.25
2-Axle	FasTrak	$7.00	$8.00	$8.50	$9.00	$9.50	$10.00	$10.50
	License Plate	$7.00	$8.00	$8.50	$9.25	$9.75	$10.25	$10.75
	Invoice	$7.00	$8.00	$8.50	$10.00	$10.50	$11.00	$11.50
3-Axle	FasTrak	$17.00	$18.00	$19.50	$21.00	$22.50	$24.00	$25.50
	License Plate	$17.00	$18.00	$19.50	$21.25	$22.75	$24.25	$25.75
	Invoice	$17.00	$18.00	$19.50	$22.00	$23.50	$25.00	$26.50
4-Axle	FasTrak	$22.00	$23.00	$25.00	$27.00	$29.00	$31.00	$33.00
	License Plate	$22.00	$23.00	$25.00	$27.25	$29.25	$31.25	$33.25
	Invoice	$22.00	$23.00	$25.00	$28.00	$30.00	$32.00	$34.00
5-Axle	FasTrak	$27.00	$28.00	$30.50	$33.00	$35.50	$38.00	$40.50
	License Plate	$27.00	$28.00	$30.50	$33.25	$35.75	$38.25	$40.75
	Invoice	$27.00	$28.00	$30.50	$34.00	$36.50	$39.00	$41.50
6-Axle	FasTrak	$32.00	$33.00	$36.00	$39.00	$42.00	$45.00	$48.00
	License Plate	$32.00	$33.00	$36.00	$39.25	$42.25	$45.25	$48.25
	Invoice	$32.00	$33.00	$36.00	$40.00	$43.00	$46.00	$49.00
7-Axle and more	FasTrak	$37.00	$38.00	$41.50	$45.00	$48.50	$52.00	$55.50
	License Plate	$37.00	$38.00	$41.50	$45.25	$48.75	$52.25	$55.75
	Invoice	$37.00	$38.00	$41.50	$46.00	$49.50	$53.00	$56.50

Attachment 3 – Staff Responses to Commissioner Feedback

Request	Status
Conduct education about what tolls are used for	A fact sheet is under development and will be available by the October 23 Bay Area Toll Authority meeting. Additionally, a video is being created for use during for the public comment period. Further, staff will continue to incorporate information on use of toll funds into future customer communications as appropriate.
FasTrak Access/Payment Options	
Hand out tags at events	The BATA work plan will evaluate and implement new features to expand access to FasTrak® tags, further reduce barriers and provide incentives for opening and maintaining accounts, and increase options for managing accounts with cash. This request is included with the options being considered in the BATA work plan.
Vending machines by bridge plazas	Direct tag distribution at the plazas is not recommended as the toll plaza parking lots were not intended for general public access. Access to the plazas can be challenging, especially at lots that do not have dedicated access points. Entering and re-entering the freeway could be akin to merging on and off a shoulder and create danger for drivers.
Distribute tags or information through the DMV	Discussions with DMV are underway related to distributing tags and disseminating information about FasTrak®.
Distribute information via gas stations	This request is included with the options being considered in the BATA work plan as part of customer education.
Promote through Visit California and Visit Napa Valley	This request is included with the options being considered in the BATA work plan as part of customer education.
Work with event promoters	This request is included with the options being considered in the BATA work plan as part of customer education.
Work with counties and self-sufficiency programs	This request is included with the options being considered in the BATA work plan. Staff anticipate collaborating with Commissioners on this effort.
Payment Options	
New payment methods (e.g., Venmo, PayPal, CashApp)	Included in the options being considered in the BATA work plan.

Open lanes for cash acceptance at the bridges	In December 2018, BATA set in motion a plan to remove manual toll collection from the seven state-owned toll bridges as each facility was converted to Open Road Tolling (ORT). When cash collection was abruptly stopped in March 2020 due to the COVID pandemic, BATA was no longer able to implement a methodical sunsetting of cash collection that would have prepared customers for the removal of cash payments. BATA immediately set in motion many changes to the FasTrak® program to lower financial barriers and make it more accessible to drivers. At the same time, the ORT program has made significant advances towards re-designing the toll plazas to completely remove toll booths, which will provide all bridge drivers with the safest possible travel experience. Restarting cash collection would decrease safety and increase congestion and emissions, while delaying replacement of the aging toll collection system with the new ORT program. As to be presented at the October 23 BATA meeting, BATA has developed a work plan to expand access to FasTrak® tags, further reduce remaining barriers to opening and maintaining accounts, increase options for managing accounts with cash, and provide incentives to open and maintain FasTrak accounts.
Affordability/Financial Impact	
Provide discounts up front to low income or other users of the bridges	Under current law, BATA cannot provide suggested discounts. Staff are considering approaches to increase FasTrak use in equity priority communities and across the system, and to provide additional channels for toll payment. While a primary purpose would be to improve BATA's financial performance and make toll dollars go further, they would likely provide benefits for residents of equity priority communities and other low-income customers. At the Commission's direction, staff is presently exploring ways to increase use of and make it easier to enroll in existing

	initiatives (e.g., Clipper START and Express Lanes START) that make transportation more affordable for low-income households and could serve many of the same households as the BATA work plan.
Provide incentives for opening a FasTrak account	This request is included with the options being considered in the BATA work plan.
Provide analysis of impact of the toll increase on service workers in the region, especially those working in San Francisco	MTC staff have undertaken an analysis of service workers in the region, and if possible, identify the impact of the toll increase on them, especially those working in San Francisco.
Other	
Help people avoid going to DMV registration hold	BATA deployed a one-time waiver to dismiss all violation penalties and a payment plan to help low-income customers pay outstanding tolls over time. Enrollment in the latter releases DMV holds.