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Memorandum

TO: BATA Oversight Committee

DATE: December 9, 2009

FR: Executive Director

W.I.:

RE: Revisions to the Toll Schedule on the State-owned Bay Area Bridges

Streets and Highways Code Section 31011 authorizes BATA to increase the toll on the seven state-owned toll bridges in the Bay Area to pay for the completion of the Toll Bridge Seismic Retrofit Program. Additionally, Assembly Bill 1175, which was signed by the Governor in October 2009 and becomes effective January 1, 2010, adds the seismic retrofits of the Antioch and Dumbarton Bridges to the Seismic Retrofit Program.

The law (Streets and Highways Code Section 30918 (a)) requires BATA to hold a public hearing in regard to a proposed toll increase for seismic improvements before taking any action. In accordance with the law, we have held four public hearings in Alameda, San Mateo, Contra Costa and San Francisco Counties to receive public testimony on the proposed toll increase.

The current toll rates for the state-owned bridges are as follows:

Vehicle Class	Current Toll
2 axles	\$4.00
3 axles	\$6.00
4 axles	\$8.25
5 axles	\$11.25
6 axles	\$12.00
7 axles or more	\$13.50
Carpool	\$0.00

Reasons for a Toll Increase and Toll Increase Options

At the October 4, 2009 BATA Oversight Committee and at each of the public hearings, staff presented the reasons an increase in toll rates on the state-owned bridges is needed and options for increasing the toll rates. A toll increase on the bridges is needed for three primary reasons 1) to fund the seismic retrofit of the Antioch and Dumbarton Bridges, 2) to off-set reduced revenues due to declining traffic volumes on the bridges, and 3) to fund increased costs of our debt financings. The estimated new funding to complete the seismic program, including the seismic retrofit of the Antioch and Dumbarton bridges, is approximately \$160 million in new annual revenues.

Three toll increase options have been presented for consideration and discussion, as follows:

- Option #1 – \$5 toll for 2-axle autos, \$3 toll for carpools, and a \$6 per axle toll for trucks.
- Option #2 – \$5 toll for 2-axle autos, maintaining toll free passage for carpools, and a \$10 per axle toll for trucks.
- Option #3 – Same as Option #1 for 6 Bridges, and congestion pricing for the Bay Bridge, which includes a \$6 toll for autos in the peak period, \$4 toll for autos in the non-peak, and a \$5 toll for autos on weekends.

Option #3 includes implementing congestion pricing on the San Francisco-Oakland Bay Bridge. For the congestion pricing option, the toll would be higher during the peak travel times and lower during non-peak periods on the Bay Bridge, similar to how some utility rates are set. Based on the Committee’s discussions, staff has also evaluated other peak pricing alternatives for the Bay Bridge, including \$7 in the peak and \$4 or \$5 in the non-peak.

Public Hearing Comments

As discussed above, four public hearings were held to provide the public with an opportunity to comment on the toll increase proposals. In addition to the public hearings, the public was encouraged to provide comments through letters and e-mails and an on-line survey was available on the MTC website in regards to the toll increase proposals.

A total of 1,126 comments and survey responses from the public were provided to date, as follows:

Type	Comments Received
Public hearing comments	43
Letters and E-mails	300
Web Survey responses	783
Total	1,126

In summary, the major issues raised in the public comments and our responses are as follows:

Issue	Response
1. Toll rates should not be increased and the seismic requirements for the bridges should be funded from other sources.	AB 1175 makes the seismic retrofits of the Antioch and Dumbarton Bridges eligible for any remaining seismic retrofit program contingency funds; however, other state funding is not available.
2. Tolls should not be implemented for carpools, since tolls for carpools will reduce the number of carpools on the bridges.	Carpoolers will continue to have a significant time savings, especially in the Bay Bridge corridor, which is the prime motivator.

Issue	Response
3. The toll rate increases for trucks (multi-axle vehicles) as proposed are significant, especially since many trucking firms have fixed contracts with shippers that will not allow them to incorporate the higher fees into those contracts in the short-term.	The proposed options begin to restore the auto/truck per axle toll differential that existed in 1992, when the per axle truck toll was three times the per axle auto toll.
4. Toll rates should be increased to fund seismic requirements and additional projects, such a bicycle access on the West Span of the San Francisco-Oakland Bay Bridge.	BATA only has the authority to increase tolls for seismic retrofit of the bridges and other existing commitments. The \$350 million to \$850 million estimate (2014 dollars) for the West Span bicycle path would require substantial new toll revenues.

As shown above, the web survey regarding the toll increase options generated a total of about 783 responses. The responses indicated the following:

- 50% of respondents supported higher tolls for trucks.
- 63% of respondents opposed charging a toll for carpools.
- 60% of respondents supported congestion pricing on the Bay Bridge.

Recommended Toll Increase

Based on the discussions of the Committee and comments provided at the public hearings, staff has developed a recommendation for a toll increase on the state-owned bridges, as follows:

Vehicle Class	Bridges	Toll Formula	Proposed Toll
2-axle Vehicles	Antioch, Benicia, Carquinez, Dumbarton, Richmond and San Mateo Bridges	NA	\$5.00 (base toll)
	San Francisco-Oakland Bay Bridge	NA	Peak - \$6.00 Non-Peak - \$4.00 Weekends - \$5.00
Vehicle Class	Bridges	Toll Formula	Proposed Toll
Carpools	All Bridges	50 percent of 2-axle base toll (\$5.00) rate	\$2.50
Trucks (multi-axle vehicles)	All Bridges	2-axle base toll (\$5.00) rate times number of axles.	3-axle - \$15.00 4-axle - \$20.00 5-axle - \$25.00 6-axle - \$30.00 7+-axle - \$35.00

Based on our analysis, the proposed toll increase generates about \$166 million in new annual revenues. As shown above, the staff recommendation includes implementing a discounted toll charge for carpools, higher toll rates for trucks, and congestion pricing on the San Francisco-Oakland Bay Bridge, similar to the proposed Option #3. The staff recommendation differs from Option #3 in regards to how the carpool and truck tolls are calculated. The carpool and truck tolls are based on formulas tied to the base toll rate. The toll for carpools is discounted at 50 percent of the 2-axle base toll and the toll for trucks is the base toll for 2-axle vehicles times the number of vehicle axles.

Staff further recommends:

1. That the toll rate increases for 2-axle vehicles, including congestion pricing on the Bay Bridge, and carpools is effective on July 1, 2010.
2. That trucks (multi-axle vehicles) are provided a one year grace period from the proposed toll increase. As a result, the toll increase for trucks would be effective on July 1, 2011. Based on testimony and information provided by representatives of the trucking industry, many trucking firms have entered into contracts for a 12 month to 36 month duration. The delay in the effective date for trucks will allow firms to re-negotiate contracts and will mitigate the financial impacts of the toll increase for trucks during the current recession. The estimated revenue reduction of delaying the increase for trucks for one year totals \$40 million.

Staff is further proposing that an evaluation of congestion pricing for the Bay Bridge be conducted and provided to the BATA Oversight Committee on an annual basis after congestion pricing is implemented. The assessments will include, but not be limited to:

Travel Impacts

- Travel time reductions
- Mode shift
- Time of day shift
- Impact on transit services
- Impact on other bridges
- CO2 reductions

Motorist Feedback (e.g. surveys, etc.)

- Public awareness
- Public acceptance
- Affordability

Operational and Infrastructure Requirements

- Adequacy of signage
- Travel lane impacts
- Manual toll collection issues
- Enforcement requirements

The evaluation will include performance measures to allow the Committee to determine the whether congestion pricing is achieving expected results.

Attachment A includes the Toll Schedule for the State-owned bridges revised pursuant to the staff recommendation.

Toll Increase Proposed Adoption and Implementation Schedule

This toll increase recommendation is being presented today for information only, and to solicit additional public comment. The proposed schedule for adoption and implementation of the proposed toll increase is as follows:

Date	Meeting	Discussion/Action
December 9, 2009	BATA Oversight Committee Meeting	Staff presents recommendation on toll option
January 13, 2010	BATA Oversight Committee Meeting	Committee action on toll increase
January 27, 2010	BATA Meeting	Authority action on toll increase
July 1, 2010		Toll increase is effective for 2-axle autos and carpools
July 1, 2011		Toll increase is effective for trucks (multi-axle vehicles)

Steve Heminger