

# VARIABLE PRICING

## Description

Variable pricing programs raise the price during rush hours and lower the price during off-peak periods to better use the road space. The toll can be adjusted according to a set toll schedule or dynamically, based on traffic demand. Adjusting the toll can persuade drivers to choose:

- An alternate, less congested route
- A different departure time
- A different mode like transit, carpool, or vanpool
- To telecommute or eliminate low-priority trips

Studies have shown this strategy to be one of the most effective ways to incentivize travel alternatives.



## Target Market

- Toll roads or toll lanes

Variable pricing works best in congested corridors with strong transit alternatives, or parallel routes that provide less expensive options to the priced facility.

## How Will This Help?

- Reduce congestion on tolled facilities by moving some traffic demand to alternate times, routes, or modes, or eliminate trips.
- Provides market signals to increase driver awareness of trip costs.
- Low implementation cost that could produce additional facility revenue.
- Accommodate equity concerns through transit alternatives and discounting fees for specified accounts.

<b>Cost:</b>	●●○○○
<b>Time:</b>	Moderate
<b>Impact:</b>	Corridor
<b>Who:</b>	Public Agency
<b>Hurdles:</b>	Public Acceptance

## Implementation Issues

Variable pricing's most difficult hurdle lies in public resistance to variable tolling and a lack of public knowledge of the benefits and costs of the program. Many may resist the concept, thinking they must pay for something that has always been free. This pressure may inhibit variable pricing program growth.

## Success Stories

- Houston, Texas – The Katy Freeway Managed Lanes operate with a toll rate schedule that charges \$1 for a 12-mile trip in the off peak, \$2 during the hour before and after the peak two hours, and \$4 during the peak two hours in both morning and evening. This ensures free flow conditions in the lanes at all times. [https://www.hctra.org/katymanagedlanes/media/Proposed\\_Katy\\_Toll\\_Sched.pdf](https://www.hctra.org/katymanagedlanes/media/Proposed_Katy_Toll_Sched.pdf)
- The 91 Express Lanes in Orange County, California operate with a toll rate schedule that maintains free-flow speeds and offers a reliable, predictable commute. The toll schedule is periodically re-evaluated to ensure that service level. <http://www.91expresslanes.com/policies.asp>