

AGENDA ITEM #5
November 17, 2009
Action

M E M O R A N D U M

November 13, 2009

TO: County Council
FROM: Glenn Orlin, ^{Go}Deputy Council Staff Director
SUBJECT: **Action**—recommendations regarding toll charges for the Intercounty Connector (ICC)

The Transportation, Infrastructure, Energy and Environment (T&E) Committee is reviewing this issue at its November 16 meeting. Its recommendation will be reported in an addendum or announced at the November 17 Council worksession.

* * *

The Maryland Transportation Administration (MdTA) recently released a range of potential tolls for the ICC for public comment (©1). Comments are due by the close of business on Monday, November 23. MdTA and State Highway Administration (SHA) staff will be on hand at this worksession to answer questions.

The proposal. The proposed tolls for autos and 2-axle trucks range from \$0.25-\$0.35/mile for peak periods, and \$0.20-\$0.30/mile if the off-peak, rounded up to the nearest nickel. The rates climb steadily for 3-axle, 4-axle, 5-axle, and 6+-axle vehicles, with a top rate of \$1.88-\$2.63/mile during peak periods and \$1.50-\$2.25/mile at other times. The minimum toll is equal to that of a 3-mile trip, i.e., for autos, \$0.75-1.05 during peak periods and \$0.60-0.90 at other times. The projected average trip length on the ICC is 6.6 miles, so the average toll for autos would be \$1.65-2.35 during peak periods and \$1.35-\$2.00 at other times. The proposed peak periods are 6-9 am and 4-7 pm weekdays, excluding federal holidays. MdTA may vary these times by up to an hour earlier and later once the ICC opens and traffic patterns have been assessed.

Since the ICC is to be a cashless facility, there will be no toll booths. All tolls will be collected electronically. Tolls will be collected as vehicles pass under large overhead gantry structures between each interchange. These structures capture account information for valid E-

ZPass[®] account holders and charge the toll rate as appropriate. The ICC also has video tolling capability, at a premium, for travelers who do not have a valid *E-ZPass*[®]. In such instances, the advanced technology captures the license plate of the vehicle. The toll is then assessed for the vehicle and the registered owner of the vehicle is sent a Notice of Toll Due with the cost of the toll, plus a \$3.00 service fee per transaction. More than 85% of potential ICC users are anticipated to have an *E-ZPass*[®], and less than 15% would be paying via video surveillance.

New express bus routes. Other than emergency vehicles, only Maryland Transit Administration (MTA) buses will be able to use the ICC free of charge. There will be two new MTA express bus routes operating when the initial segment of the ICC opens to east of Georgia Avenue late next year. Route 201 will run every day between BWI/Marshall Airport and the I-270/Quince Orchard park-and-ride lot, with intermediate stops at the Burtonsville park-and-ride lot, the Norbeck park-and-ride lot, and the Shady Grove Metro Station. Route 202 will run weekdays between Fort Meade and the I-270/Quince Orchard lot, with the same intermediate stops. The fare will be \$4.25 each way, \$38.25 for a 10-trip ticket, and \$144.50 for a monthly pass. A map showing these routes is on ©2 and the schedules are on ©3-4.

In late 2011 or early 2012, when the ICC opens to I-95 and US 1, there will be two more express routes (©5). One will run between the University of Maryland at College Park to the I-270/Quince Orchard lot with intermediate stops at the Food and Drug Administration in White Oak, the Colesville park-and-ride lot, the Norbeck park-and-ride lot, and the Shady Grove Metro Station. The other will run between the Columbia Gateway Business Park and the Medical Center Metro Station, with stops at the Columbia Town Center, the Scaggsville park-and-ride lot (US 29 & MD 216), the Burtonsville park-and-ride lot, the Norbeck park-and-ride lot, the Rockville Metro Station, and the Montrose Road/MD 355 park-and-ride lot. Schedule information for these two routes is not yet available.

Hearing testimony. MdTA held hearings on the proposed tolls on October 28 at High Point High School and October 29 at Shady Grove Middle High School. (The transcripts have been forwarded to Councilmembers under separate cover). Most of the speakers objected to the high proposed tolls and some objected to differentiating the tolls between peak and off-peak times.

Analysis. The proposed toll ranges are much higher—on a per-mile basis—than on toll roads nationally, which generally charge in the single-digit-cents/mile range. However, most of these toll roads were built decades ago when their cost and associated debt service was much lower. MdTA cites recently built toll roads with rates comparable to the ICC’s proposed rates:

Route/State	Proposed Peak Rate (per mile)
SR 91 – California	\$0.99 ETC only
I-15 – California	\$0.64 ETC only
Rte. 73 – California	\$0.37 cash
I-95 – Delaware	\$0.35 ETC (same as cash)
Northwest Parkway – Colorado	\$0.32 cash
Dulles Greenway – Virginia	\$0.32 ETC (same as cash)
ICC	\$0.25 – 0.35 ETC
Rte. 261 – California	\$0.30 cash
Rte. 241 – California	\$0.29 cash
E-470 – Colorado	\$0.27 video

ETC – Electronic Toll Collection
Source: Web-based Research

MdTA’s proposals are based on the Traffic and Revenue Update Study recently completed by Wilbur Smith Associates, the Executive Summary of which is on ©6-12. The study examined existing and future congestion in the corridor, the price sensitivity of the various travel markets, and the need for the tolls to cover debt service. Two revenue scenarios were examined in detail: Scenario 1 would charge 2-axle vehicles \$0.25/mile during peak periods and \$0.20/mile at other times; Scenario 2 would charge \$0.30/mile in the peak and \$0.25/mile at other times. The tolls between each pair of interchanges, under each scenario, are shown on ©13-14 (the values in these tables should be rounded up to the nearest nickel). Under both scenarios the tolls would increase biennially starting in 2014 with inflation; the assumption is that inflation would be 2.5% per year, so the tolls would increase about 5% every two years. Both scenarios assume that 2% of the revenue from those paying with *E-ZPass*[®] and 20% from video surveillance would be lost through toll evasion or other uncollectible tolls. The analysis also assumes certain other projects in the corridor would be completed by 2020, including the widening of MD 28 and MD 198 between Georgia Avenue and US 29.

A key finding is that although the Scenario 1 toll schedule is 17-20% less than Scenario 2, it would generate only about 5% less revenue (see ©11-12), since the lower tolls would attract more traffic off nearby arterials and onto the ICC. The primary purpose of the ICC, of course, is to reduce regional traffic on surface streets like MD 28, MD 198, Bel Pre Road, etc. *Council staff recommends setting the tolls according to Scenario 1: \$0.25/mile during peak periods and \$0.20/mile at other times.*

A comment raised in the testimony and in correspondence is the \$3 surcharge for tolls collected through video surveillance. Certainly commuters should be encouraged to acquire an *E-ZPass*[®], but some time will be needed for the transition, especially now that there is a \$1.50/month administrative fee just to keep an *E-ZPass*[®]. *Council staff recommends transitioning the surcharge over a 2-year period: \$1.00 in the first 12 months (especially since only the I-370-to-Georgia Avenue segment will be open), \$2.00 in the second year, and reaching \$3.00 a year after the full ICC is open.*

Finally, the Council raised an important issue in its March 2005 recommendations on the ICC: that the toll between the Layhill Road (MD 182) and Georgia Avenue (MD 97) interchanges should be very small—or free—so as not to encourage drivers to cut through Longmead Crossing for a cheaper toll. Under Scenario 1, the difference between getting off at Layhill Road or Georgia Avenue is \$0.55 each way during peak periods and \$0.45 other times;

under Scenario 2 the difference is \$0.70 in the peak and \$0.55 other times. These amounts may be enough for a resident of Leisure World, for example, to use Longmead Crossing Drive, Park Vista Drive, and Wintergate Drive instead of the ICC. *Council staff recommends setting the tolls so that trips to or from Layhill Road and Georgia Avenue are the same cost.*

These three recommendations would have only a minimal effect on the ability for the ICC to generate sufficient revenue to pay its debt service. In fact, the revenue forecasts likely underestimate the ICC's usage in the years past 2020, since the widening of MD 28/MD 198 is now such a low priority that it has been taken off the Transportation Planning Board's Transportation Improvement Program for 2020. This means that there will not be a ready alternative to the ICC for east-west commuters, as had been assumed in MdTA's traffic and revenue forecast.

The Planning Board Chair has forwarded his thoughts about the tolling philosophy for the ICC (©15-16). He advocates that tolls should be set primarily to control demand rather than focusing solely on generating revenue, that the pricing scheme remain flexible, and that the State ultimately should pursue toll exemptions for all buses (not just MTA), carpool, and vanpools. *Council staff concurs.*

f:\orlin\fy10\fy10t&e\sha\091117cc - icc tolls.doc

NOTICE FOR PUBLIC COMMENT

On September 23, 2009, the Maryland Transportation Authority (MDTA), the State agency that owns and operates Maryland's toll facilities, proposed tolling parameters for the Intercounty Connector (ICC)/MD 200. The first segment of the roadway between I-370 and MD 97 is expected to open in Fall 2010. The roadway from MD 97 to I-95 is expected to open in late 2011/early 2012.

The proposed tolling parameters set the mileage-rate range, peak and off-peak hours, rounding rule, and minimum toll for the ICC/MD 200.

Once the parameters are approved, the actual toll rates are set by the MDTA's Executive Secretary. The tolls can be adjusted periodically within the approved parameters to manage congestion and meet revenue needs.

To compute the toll for a specific trip, the per-mile toll rate for the vehicle class for the pricing period is multiplied by the trip distance or three miles, whichever is greater, and then rounded up to the nearest nickel.

Proposed Tolling Parameters FOR PUBLIC COMMENT:

* Proposed ICC Mileage Rate Range:

Vehicle Class	2-Axle Per Mile	3-Axle Per Mile	4-Axle Per Mile	5-Axle Per Mile	6+-Axle Per Mile
Peak	\$0.25 to \$0.35	\$0.75 to \$1.05	\$1.13 to \$1.58	\$1.50 to \$2.10	\$1.88 to \$2.63
Off-Peak	\$0.20 to \$0.30	\$0.60 to \$0.90	\$0.90 to \$1.35	\$1.20 to \$1.80	\$1.50 to \$2.25

* **Pricing Periods:** The proposed peak periods are Monday through Friday, except federal holidays, from 6 a.m. to 9 a.m. and from 4 p.m. to 7 p.m. All other times are considered off-peak. These times may be varied by up to 60 minutes earlier and later and adjusted once the roadway opens and travel patterns can be assessed.

* **Rounding Rule:** A trip's toll is rounded up to the nearest nickel.

* **Minimum Toll:** The minimum toll is three miles multiplied by the applicable mileage rate. Any trip taken less than three miles is charged the minimum toll.

Additional Information:

ICC tolls will be collected electronically using *E-ZPass**; there will be no cash toll collection. Traveling the ICC without a valid *E-ZPass* account will result in a Notice of Toll Due being sent to the registered owner of the vehicle. The notice will include the charge for the toll, plus a \$3 service fee for each transaction, the same policy in effect at the MDTA's other toll facilities. The vehicle-class factors are the same as those in effect at the MDTA's other toll facilities.

Public Comments:

Members of the public may submit comments for the official record by 5 p.m. on November 23, 2009, by visiting www.iccproject.com or by writing to: ICC Project Office, Attn: ICC Tolls, 11710 Beltsville Drive, Suite 200, Beltsville, MD 20705.

Public Meetings:

Two informational **public open houses** are planned for:

October 19, 2009, 6 - 9 p.m.

High Point High School Cafeteria
3601 Powder Mill Road, Beltsville, MD

October 21, 2009, 6 - 9 p.m.

John F. Kennedy High School Cafeteria
1901 Randolph Road, Silver Spring, MD

The public may arrive any time between 6 and 9 p.m. to view displays and to speak with staff. No formal presentations will be made. Information presented at the open houses will be available at www.iccproject.com.

Two **public hearings** will be held by the MDTA Board to receive verbal testimony for the proposed tolling parameters:

October 28, 2009, 6 - 9 p.m.

High Point High School
3601 Powder Mill Road, Beltsville, MD

October 29, 2009, 6 - 9 p.m.

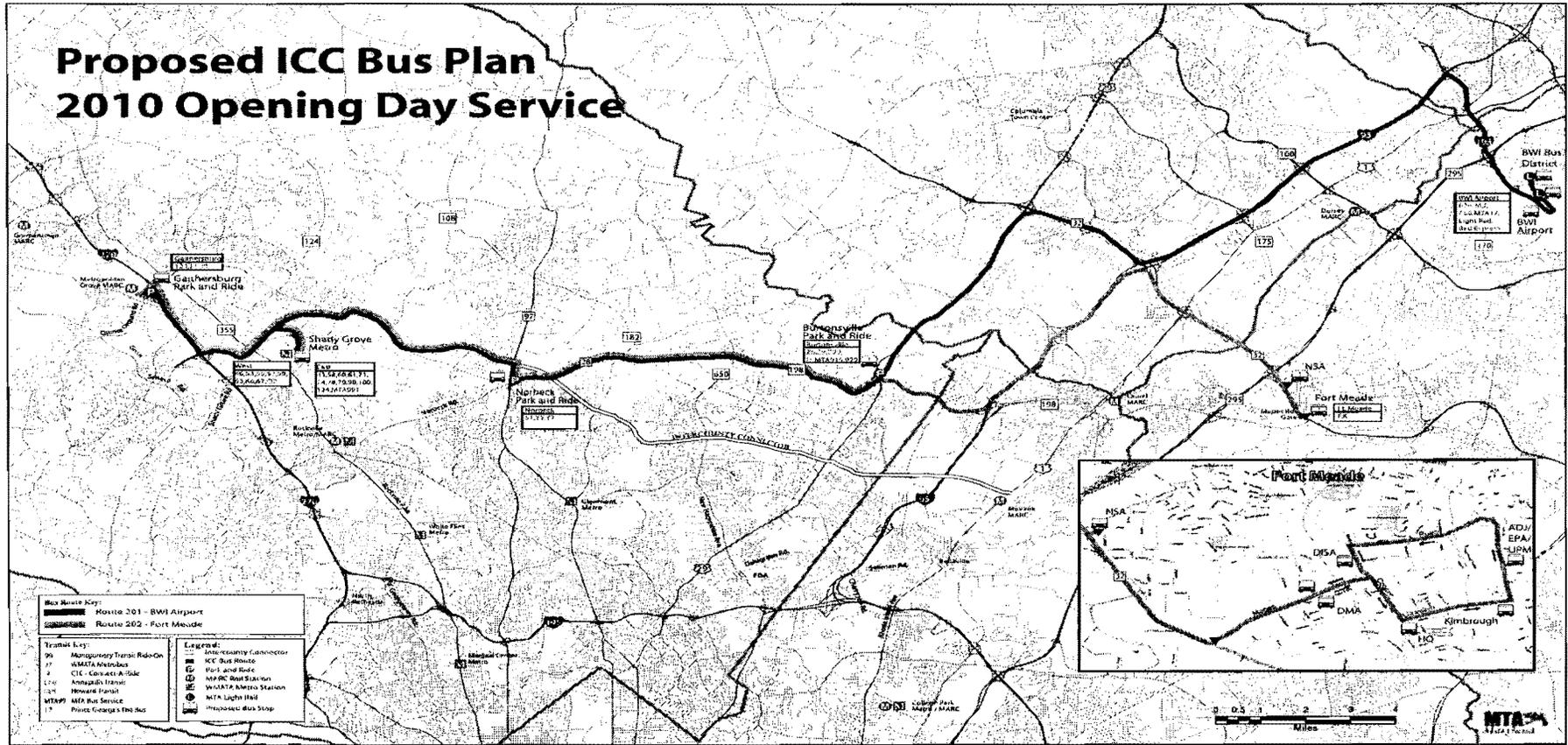
Shady Grove Middle School
8100 Midcounty Highway, Gaithersburg, MD

The MDTA plans to consider the matter for final action at its monthly public meeting on December 17, 2009, at 9 a.m. The meeting will be held at the State Highway Administration's District 3 Office, 9300 Kenilworth Avenue, Greenbelt, MD.



Maryland Transit Administration (MTA) and the ICC

Proposed ICC Bus Plan 2010 Opening Day Service



2



Opening Day 2010

ICC Bus Route 201 Gaithersburg to BWI Airport

Route Description:

This service would operate between the Gaithersburg Park and Ride lot located at I-270 and MD 124 in Montgomery County and BWI Thurgood Marshall Airport. The service would leave the Gaithersburg Park and Ride lot and travel south on I-270 to the ICC. Service would continue on the ICC to the Shady Grove Metro Station. Upon leaving the Metro Station the service would return to the ICC and travel to the Norbeck Park and Ride on Norbeck Road at MD 97. The route would then follow MD 28 to MD 198 to the Burtonsville Park and Ride lot, continuing north on Rt. 29, east on MD 32 and north on I-95 to I-195 to BWI Airport.

This routing is displayed on the Map on the reverse side. The No. 201 would operate seven days a week with hourly service accommodating seventeen daily round-trips.

Service Characteristics:

Level of Service	Span of Service	Proposed Full Fare	Stops	Parking Spaces
17 round trips	7 days per week	<ul style="list-style-type: none"> • One-way - \$4.25 • Ten Trip Ticket - \$38.25 • Monthly Pass - \$144.50 • Transit Link Card - \$219.50 	<ul style="list-style-type: none"> • Gaithersburg Park and Ride • Shady Grove Metro Station • Norbeck Park and Ride • Burtonsville Park and Ride • BWI (Southwest Terminal) • BWI (International Terminal) • BWI Business District L.R. Stop 	517 5,745 248 500 N/A N/A 37

Sample Schedule:

**Route 201
To BWI Airport**

Gaithersburg Park and Ride	3:22	4:22	5:22	6:22	7:22	8:22	9:22	10:22	11:22	12:22	1:22	2:22	3:22	4:22	5:22	6:22	7:22
Shady Grove Metro	3:30	4:30	5:30	6:30	7:30	8:30	9:30	10:30	11:30	12:30	1:30	2:30	3:30	4:30	5:30	6:30	7:30
Norbeck Park and Ride	3:40	4:40	5:40	6:40	7:40	8:40	9:40	10:40	11:40	12:40	1:40	2:40	3:40	4:40	5:40	6:40	7:40
Burtonsville Park and Ride	4:02	5:02	6:02	7:02	8:02	9:02	10:02	11:02	12:02	1:02	2:02	3:02	4:02	5:02	6:02	7:02	8:02
BWI (Southwest Airlines)	4:30	5:30	6:30	7:30	8:30	9:30	10:30	11:30	12:30	1:30	2:30	3:30	4:30	5:30	6:30	7:30	8:30
BWI Business Light Rail Stop	4:36	5:36	6:36	7:36	8:36	9:36	10:36	11:36	12:36	1:36	2:36	3:36	4:36	5:36	6:36	7:36	8:36

Bold times are pm

**Route 201
To Gaithersburg**

BWI Business Light Rail Stop	6:25	7:25	8:25	9:25	10:25	11:25	12:25	1:25	2:25	3:25	4:25	5:25	6:25	7:25	8:25	9:25	10:25
BWI (Southwest Airlines)	6:30	7:30	8:30	9:30	10:30	11:30	12:30	1:30	2:30	3:30	4:30	5:30	6:30	7:30	8:30	9:30	10:30
Burtonsville Park and Ride	6:56	7:56	8:56	9:56	10:56	11:56	12:56	1:56	2:56	3:56	4:56	5:56	6:56	7:56	8:56	9:56	10:56
Norbeck Park and Ride	7:18	8:18	9:18	10:18	11:18	12:18	1:18	2:18	3:18	4:18	5:18	6:18	7:18	8:18	9:18	10:18	11:18
Shady Grove Metro	7:29	8:29	9:29	10:29	11:29	12:29	1:29	2:29	3:29	4:29	5:29	6:29	7:29	8:29	9:29	10:29	11:29
Gaithersburg Park and Ride	7:38	8:38	9:38	10:38	11:38	12:38	1:38	2:38	3:38	4:38	5:38	6:38	7:38	8:38	9:38	10:38	11:38

Bold times are pm



Opening Day 2010

ICC Bus Route 202 Gaithersburg to NSA/Fort Meade

Route Description:

This service is designed to serve employees working at NSA and Fort Meade. This service would operate from the Gaithersburg Park and Ride lot in Montgomery County to Fort Meade in Anne Arundel County. The route would leave the Gaithersburg Park and Ride lot and travel south on I-270 to the ICC. Service would continue on the ICC to the Shady Grove Metro Station. Upon leaving the Metro Station service would return to the ICC and travel to Norbeck Park and Ride lot on Norbeck Road at MD 97. The route would then follow MD 28 to MD 198 to I-95. The service would continue north on I-95 to MD 32, travel east on MD 32 to NSA. The route would then return to MD 32 until it reaches Fort Meade. This routing is displayed on the Map on the reverse side.

The No. 202 would operate five days per week. Three morning rush-hour trips would provide service to NSA/ Fort Meade and three afternoon rush-hour trips would return from NSA/Fort Meade. In addition, one mid-day trip leaving NSA/Fort Meade would be provided for people working a half day.

Service Characteristics:

Level of Service	Span of Service	Proposed Full Fare	Stops	Parking Spaces
3AM Trips 3PM Trips 1 Midday	5 days per week	<ul style="list-style-type: none"> • One-way - \$4.25 • Ten Trip Ticket - \$38.25 • Monthly Pass - \$144.50 • Transit Link Card - \$219.50 	<ul style="list-style-type: none"> • Gaithersburg Park and Ride • Shady Grove Metro Station • Norbeck Park and Ride • NSA • Fort Meade 	517 5,745 248 N/A N/A

Sample Schedule:



Gaithersburg Park and Ride	5:17	6:17	7:17
Shady Grove Metro	5:25	6:25	7:25
Norbeck Park and Ride	5:35	6:35	7:35
NSA	6:15	7:15	8:15
Ft. Meade (DISA)	6:35	7:35	8:35

Bold times are pm

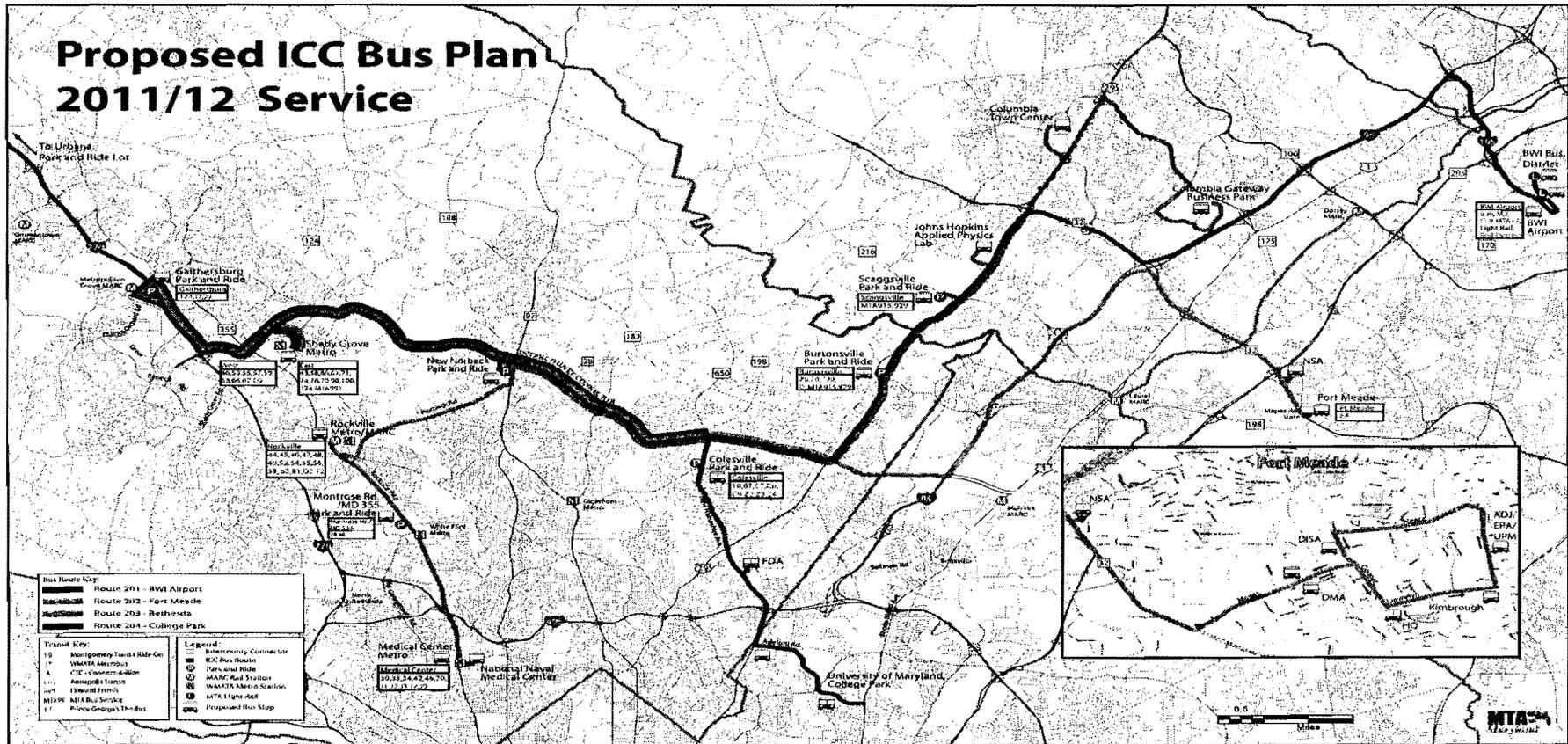


Ft. Meade (HQ)	12:00	3:00	4:00	5:00
NSA	12:15	3:15	4:15	5:15
Norbeck Park and Ride	12:55	3:55	4:55	5:55
Shady Grove Metro	1:05	4:05	5:05	6:05
Gaithersburg Park and Ride	1:13	4:13	5:13	6:13

Bold times are pm



Maryland Transit Administration (MTA) and the ICC



EXECUTIVE SUMMARY

This summarizes the results of a traffic and revenue update study for the proposed Intercounty Connector (ICC) toll facility in Maryland. The study was conducted by Wilbur Smith Associates (WSA) in 2009 as an update to the comprehensive study completed in 2006. Details of the study results are included in the full report herewith.

PROJECT BACKGROUND AND DESCRIPTION

After decades of planning, construction on the ICC began in 2007. The completed roadway will be a state-of-the-art, fully automated toll facility, financed and operated by the Maryland Transportation Authority (MdTA) with significant funding assistance provided by the state and federal governments. The facility was subjected to a detailed environmental study as well as previous traffic and revenue estimates. Those previous estimates as well as the updated forecast contained in this report were performed independently of the environmental study. The final Record of Decision (ROD) was approved and signed on May 29, 2006 with construction commencing the following year.

The ICC will be about 18 miles long, providing a new east-west connection between I-370 on the west and I-95 on the east, parallel to and approximately seven to ten miles north of the existing Capital Beltway (I-495) and well south of I-70. East of I-95 the highway will continue for an additional 1.5 miles, terminating with an at grade intersection at US-1. The bulk of the project would be located in Montgomery County, with the eastern end in Prince George's County. In addition to its two end points, the project will include seven intermediate grade-separated interchanges. The ICC would provide important new east-west mobility through a highly developed and growing area north of the Capital Beltway. Existing arterial routes in the corridor are heavily congested, in many cases carrying traffic volumes of between 25,000 and 60,000 vehicles per day.

The Maryland State Highway Administration (SHA) phasing schedule for the proposed ICC was segmented into five major contracts with the highway scheduled to open in two phases:

- Phase 1 from I-370 to Georgia Avenue (MD 97), equivalent to Contract A – October 2010; and
- Phase 2 from MD 97 to US-1, equivalent to the remaining four contracts – November 2011.

The ICC will employ “open road tolling” (ORT), with no toll booths and no cash collection. The majority of users are expected to use electronic toll collection (ETC), although a “video toll” option will be made available for those vehicles not equipped with electronic toll collection transponders. Video patrons will be assessed an administrative fee to cover the cost of collection and toll evasion. The segment of I-370 linking the ICC to I-270 on the west will remain toll-free.

Toll rates will be based on distance traveled on the facility and time of day. Higher rates are expected to be charged during peak periods than off-peak periods, as described below. Commercial vehicles would be charged based on the number of axles, with two-axle commercial vehicles paying the same rate as passenger cars.

STUDY APPROACH OVERVIEW

The current study is intended to be an update of the comprehensive study that was performed in 2005 and 2006, with a final report dated June 2006. That study and this update have been conducted at a level of detail suitable for use in project financing. The previous study included detailed corridor reconnaissance, speed and delay studies, traffic counts, and travel pattern and characteristic surveys at 18 locations in the project corridor. Survey and count locations included two locations on the interconnecting major freeways (I-270 and I-95) as well as 16 locations along competing and complimentary arterial routes. Travel pattern data was obtained from over 18,000 motorists traveling in the corridor. The data collected as part of 2006 study was incorporated into this study, with traffic counts and vehicle classification counts updated with more recent data where possible.

Stated preference surveys were conducted in 2005 by subconsultant Resource Systems Group. These surveys provided useful information on value of time of corridor travelers, as well as motorists' preferences regarding toll collection options and other inputs. An interactive video technique was used, and almost 2,400 people participated in this extensive survey. Both intercept and internet response options were provided. The survey found values of time generally in the range of \$12 to \$14 per hour, depending on trip purpose, although slightly lower values of time were obtained for certain non-work types of trips. The results of the 2005 state preference surveys were incorporated into this study.

For the current study, the most recent version of the Metropolitan Washington Council of Governments (MWCOG) travel demand model and socioeconomic files were obtained. The revised model incorporates revised modeling procedures and revised external traffic and truck trip tables which were incorporated into our new forecasts for the ICC. Two independent economic subconsultants, Economic & Planning Systems (EPS) and Partners for Economic Solutions (PES), were retained to review the socioeconomic forecasts provided to WSA by MWCOG. The MWCOG socioeconomic forecast, known as Version 7.1, was released in January 2008. Based on the independent review, some slight modifications were made to the MWCOG data, generally in the range of 1 to 6 percent of the original forecasts. A separate report has been provided by the independent economist and is included as an appendix to this report.

A detailed traffic and revenue analysis was undertaken, including testing of alternative potential toll rates, minimum and maximum tolls, and several administrative surcharges for video toll users. Traffic assignments were run for fiscal years 2011, 2012, 2020, and 2030 at various potential toll rates. Commercial vehicle average per mile toll rates were developed based on an analysis of commercial vehicle class counts conducted in the corridor and the current vehicle class toll schedule currently used on other MdTA facilities. All toll rates described in this study are expressed in future year dollars.

ECONOMIC OVERVIEW

A detailed review of economic forecasts for the corridor showed that the bulk of the corridor is already fairly built out, and modest future growth in population is expected in the inner suburbs with more rapid growth expected in the outer suburbs, particularly in Virginia. Montgomery County is expected to experience average annual population growth of less than 1 percent per year between 2010 and 2030, about 30 percent less than the greater Washington metropolitan area. Within the immediate project corridor, population growth is expected to follow a similar pattern, growing at approximately 0.6 percent

per year. By 2030, population in the project corridor is expected to reach almost 1.2 million. Employment in Montgomery County is expected to increase by about 1.4 percent per year between 2010 and 2030. Across the project corridor a slightly lower growth rate is forecast, 1.3 percent per year, with about 200,000 jobs being added between 2008 and 2030.

TOLL SENSITIVITY ANALYSIS

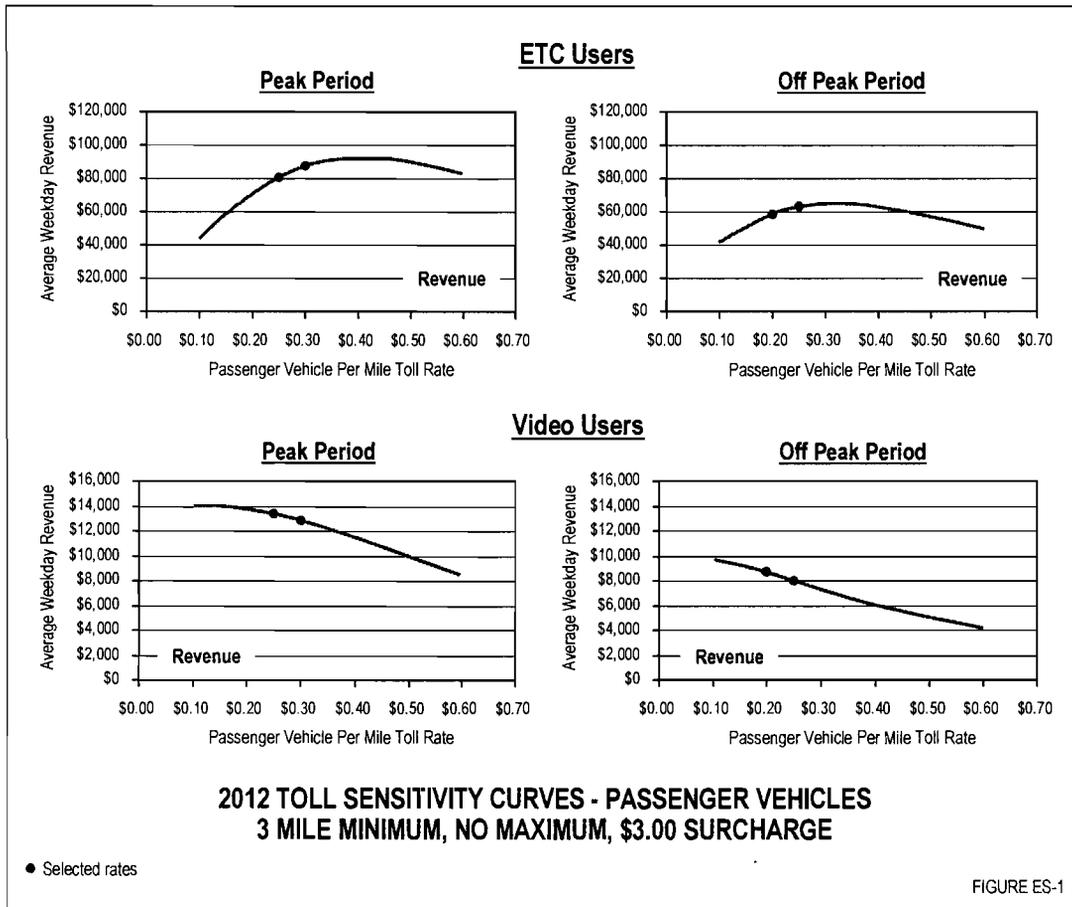
An essential part of any toll related traffic and revenue analysis is the development of toll sensitivity curves, which indicate the relationship of traffic volumes and potential revenues to varying toll rates. Toll sensitivity curves provide the basis for establishing the upper and lower ends of economically viable toll rates. A wide range of rates were tested, with separate tests for video and ETC users; peak and off-peak periods; and passenger cars and commercial vehicles.

Figure ES-1 displays the 2012 passenger vehicle ICC toll sensitivity curves for peak and off peak periods, by payment method. A review of the 2012 toll sensitivity curves revealed that in the opening year, two axle (passenger) vehicle per-mile toll rates of \$0.30 and \$0.25 for peak and off peak periods, respectively, would generate near maximum toll revenue potential from ICC passenger car ETC users, meaning that increasing toll rates beyond these levels would cause revenues to decline. Consequently, the Authority has proposed that the initial upper end of the toll rate range be \$0.35 per mile. In the case of video tolling for passenger car users, imposing a per-transaction surcharge of \$3.00 reduced the optimum toll to the extent that most of the per mile toll rates tested were on the downward-sloping portion of the revenue sensitivity curve, meaning that lower rates or surcharges would actually generate greater revenue.

The analysis also looked at a potential lower rate. Since a \$0.30 per mile two axle rate would be near the top of the revenue curve and would provide little ability to increase revenue by increasing per mile rates, a second combination of more conservative toll rates were identified resulting in a per mile toll rate combination of \$0.25 and \$0.20 for peak and off peak periods, respectively. These lower toll rates produce moderately more traffic on the ICC and lower revenue, and would provide a more conservative estimate of toll revenue for financing planning purposes.

ESTIMATED TRAFFIC AND REVENUE

Annual traffic and revenue estimates were developed for the proposed ICC, extending over a 31-year period between FY 2011 and FY 2041, under both of the aforementioned potential toll rate scenarios. The first year of this period involved operation of the only the Phase 1 project, while the second year involved operation of Phase 2 for only part of the year. Opening year rates for passenger cars were assumed to be \$0.25 per mile in peak periods and \$0.20 per mile in off-peak periods under Scenario 1, and \$0.30 per mile in peak periods and \$0.25 per mile in off-peak periods under Scenario 2. In estimating potential future revenues, it was assumed that tolls would be increased biannually beginning in 2014, at a magnitude commensurate with inflation; an inflation rate in per mile toll rates of 2.5 percent per year over the forecast period was assumed. This assumption was made only for revenue forecasting purposes, and actual future increases in ICC tolls will be determined by the Authority based on congestion management and revenue generating needs. The \$3.00 video administration fee was not assumed to increase with inflation.



Travel demand models were obtained from MWCOG through MdTA. These were updated to reflect the latest project configurations and toll operational assumptions. Trip tables were also refined to reflect small changes in socioeconomic forecasts and to better reflect observed travel patterns from the origin-destination surveys. Planned highway and transit improvements were reviewed and appropriately reflected in the travel demand models.

Traffic assignments were completed for years 2011, 2012, 2020, and 2030. Separate assignments were made for a.m. peak, p.m. peak and off-peak conditions. It was assumed that approximately 85 percent of potential motorists would be equipped with ETC transponders in 2010, with this number increasing incrementally to 95 percent by 2030. Because the video administration fee represents a significant increase in the cost of using the ICC, the share of video users estimated to actually use the ICC was considerably lower than the 15 percent share of the total population of motorists in the opening year.



Tables ES-1 and ES-2 provide a summary of traffic and revenue estimates for the ICC under the two toll rate scenarios. Total revenue was adjusted downward to reflect potential losses due to toll evasion or other uncollectible tolls. The reduction factor due to “leakage” was 20.0 percent for video users and 2.0 percent for ETC users. Total revenue and transactions were also adjusted downward to reflect an assumed 36-month “ramp up” period during which travel on the ICC would be lower than expected due to unfamiliarity with the new roadway and the period during which travelers would adjust their trip routings to take advantage of the ICC. The ramp-up period was applied separately to the two phases of the project. Hence, the first full fiscal year not affected by the ramp-up adjustment is FY 2016.

After adjusting for “ramp-up” opening-year FY 2011 total annual transactions under Scenario 1 are estimated at approximately 3 million trips per year. By FY 2012, opening-year for the full project configuration, annual total transactions under Scenario 1 are expected to reach 15.2 million per year, and transactions are expected to reach almost 49.2 million per year by FY 2030. Under Scenario 2, adjusted 2011 transactions are estimated at 2.8 million trips per year, increasing to 13.7 million per year in 2012, and 45.8 million in 2030.

After adjusting for evasion and ramp-up, annual revenue under Scenario 1 is expected to increase from just \$4.5 million in 2011 to \$26 million in FY 2012, reaching \$125 million by FY 2030. Under Scenario 2, \$4.9 million in revenue projected for FY 2011 increases to over \$28 million in FY 2012, and \$131 million in 2030. Please refer to Chapter 5 of the full report for a complete tabulation of projected annual transactions and revenue on the ICC through 2041.

Table ES-1
Estimated Annual Transaction and Toll Revenue (1)
Scenario 1

(thousand)

Fiscal Year	Peak / Off Peak Per Mile Toll Rate (\$)	ETC Transactions (Trips)	Video Transactions (Trips)	Total Transactions (Trips)	Total Transactions (Trips) With		ETC Revenue	Video Toll Revenue	Total Toll Revenue	Administration Fee Revenue	Total Revenue	Total Revenue With Ramp-Up Factors (6)	Total Revenue With Assumed Evasion Impacts (7)
					Ramp-Up Factors (6)	Total							
2011	(2) \$0.25 / \$0.20	4,944	313	5,257	3,049	3,049	\$6,775	\$457	\$7,232	\$939	\$8,171	\$4,739	\$4,499
2012	(3) \$0.25 / \$0.20	22,816	1,215	24,030	15,186	15,186	37,350	2,542	39,892	3,644	43,536	27,457	26,205
2013	\$0.25 / \$0.20	32,164	1,617	33,782	26,744	26,744	53,521	3,657	57,178	4,852	62,030	49,108	48,913
2014	\$0.26 / \$0.21	33,003	1,596	34,600	32,046	32,046	57,766	3,646	61,412	4,789	66,201	61,316	58,683
2015	\$0.26 / \$0.21	34,599	1,610	36,209	36,069	36,069	60,462	3,816	64,279	4,830	69,108	68,842	65,915
2016	\$0.275 / \$0.225	35,443	1,586	37,029	37,029	37,029	65,122	3,795	68,917	4,757	73,674	73,674	70,661
2017	\$0.275 / \$0.225	37,037	1,593	38,630	38,630	38,630	67,928	3,958	71,886	4,780	76,666	76,666	73,560
2018	\$0.285 / \$0.235	38,063	1,575	39,638	39,638	39,638	73,421	3,951	77,372	4,726	82,097	82,097	78,894
2019	\$0.285 / \$0.235	40,046	1,593	41,639	41,639	41,639	77,107	4,148	81,255	4,780	86,035	86,035	82,707
2020	\$0.30 / \$0.25	40,877	1,565	42,441	42,441	42,441	82,786	4,112	86,898	4,694	91,592	91,592	88,175
2021	\$0.30 / \$0.25	41,904	1,546	43,450	43,450	43,450	84,747	4,209	88,956	4,638	93,595	93,595	90,130
2022	\$0.32 / \$0.26	42,197	1,501	43,698	43,698	43,698	89,369	4,072	93,441	4,502	97,943	97,943	94,441
2023	\$0.32 / \$0.26	43,156	1,479	44,634	44,634	44,634	91,258	4,157	95,415	4,437	99,852	99,852	96,308
2024	\$0.335 / \$0.27	43,561	1,439	45,000	45,000	45,000	96,477	4,033	100,510	4,317	104,828	104,828	101,228
2025	\$0.335 / \$0.27	44,598	1,420	46,018	46,018	46,018	98,649	4,123	102,772	4,261	107,033	107,033	103,384
2026	\$0.355 / \$0.28	44,969	1,380	46,350	46,350	46,350	104,153	3,994	108,147	4,141	112,289	112,289	108,578
2027	\$0.355 / \$0.28	46,014	1,362	47,375	47,375	47,375	106,444	4,082	110,525	4,085	114,610	114,610	110,848
2028	\$0.38 / \$0.29	46,423	1,324	47,748	47,748	47,748	112,442	3,956	116,398	3,973	120,371	120,371	116,536
2029	\$0.38 / \$0.29	47,478	1,306	48,784	48,784	48,784	114,858	4,041	118,899	3,917	122,816	122,816	118,927
2030	\$0.40 / \$0.30	47,925	1,271	49,196	49,196	49,196	121,393	3,919	125,311	3,812	129,123	129,123	125,149
2031	(4) \$0.40 / \$0.30	48,922	1,297	50,219	50,219	50,219	123,875	3,998	127,873	3,890	131,763	131,763	127,708
2032	\$0.42 / \$0.315	48,965	1,298	50,264	50,264	50,264	128,785	4,157	132,943	3,895	136,837	136,837	132,651
2033	\$0.42 / \$0.315	49,961	1,324	51,285	51,285	51,285	131,361	4,240	135,601	3,973	139,574	139,574	135,304
2034	\$0.44 / \$0.33	50,028	1,326	51,354	51,354	51,354	136,828	4,411	141,039	3,979	145,018	145,018	140,607
2035	\$0.44 / \$0.33	51,075	1,354	52,429	52,429	52,429	139,469	4,502	143,971	4,062	148,033	148,033	143,531
2036	\$0.465 / \$0.35	51,114	1,355	52,469	52,469	52,469	144,949	4,679	149,628	4,065	153,693	153,693	149,046
2037	\$0.465 / \$0.35	51,939	1,377	53,316	53,316	53,316	147,292	4,755	152,046	4,131	156,177	156,177	151,454
2038	\$0.485 / \$0.365	52,223	1,384	53,607	53,607	53,607	153,776	4,964	158,741	4,153	162,894	162,894	157,996
2039	\$0.485 / \$0.365	53,267	1,412	54,679	54,679	54,679	156,832	5,062	161,894	4,236	166,130	166,130	161,134
2040	\$0.51 / \$0.385	53,356	1,415	54,770	54,770	54,770	163,141	5,266	168,408	4,244	172,651	172,651	167,487
2041	\$0.51 / \$0.385	53,932	1,430	55,362	55,362	55,362	168,036	5,424	173,460	4,289	177,749	177,749	172,446

- (1) Toll revenues are shown in future dollars and assume a 3 mile minimum toll and a \$3.00 video surcharge.
(2) Phase 1 I-370 to MD 28 opens to traffic on October 1, 2010.
(3) Phase 2 MD 28 to U.S. 1 opens to traffic on November 1, 2011.
(4) After 2030, transactions are assumed to increase at 1 percent per year and revenues at 3 percent per year, adjusted to reflect biannual toll increases, rather than annual.
(5) Per mile toll rates increase on even-numbered years, beginning in 2014.
(6) Both Phase I and Phase II of the ICC are assumed to have three-year ramp-up periods.
(7) Total revenue is reduced to reflect impacts associated with potential toll evasion.

Table ES-2
Estimated Annual Transaction and Toll Revenue (1)
Scenario 2

(thousand)

Fiscal Year	Peak / Off Peak Per Mile Toll Rate (5)	ETC Transactions (Trips)	Video Transactions (Trips)	Total Transactions (Trips)	Total Transactions (Trips) With Ramp-Up Factors (6)	ETC Revenue	Video Toll Revenue	Total Toll Revenue	Administration Fee Revenue	Total Revenue	Total Revenue With Ramp-Up Factors (6)	Total Revenue With Assumed Evasion Impacts (7)
2011	(2) \$0.30 / \$0.25	4,535	285	4,820	2,796	\$7,648	\$508	\$8,156	\$854	\$9,010	\$5,226	\$4,979
2012	(3) \$0.30 / \$0.25	20,623	1,078	21,701	13,718	40,710	2,700	43,410	3,235	46,645	29,430	28,168
2013	\$0.30 / \$0.25	29,002	1,429	30,431	24,092	58,106	3,865	61,972	4,287	66,259	52,456	50,245
2014	\$0.31 / \$0.26	29,867	1,415	31,282	28,973	62,468	3,796	66,263	4,245	70,508	65,305	62,558
2015	\$0.31 / \$0.26	31,465	1,432	32,897	32,770	65,675	3,990	69,665	4,296	73,961	73,676	70,717
2016	\$0.325 / \$0.275	32,189	1,409	33,597	33,597	70,141	3,892	74,033	4,226	78,259	78,259	75,233
2017	\$0.325 / \$0.275	33,648	1,415	35,063	35,063	73,191	4,061	77,252	4,245	81,497	81,497	78,372
2018	\$0.335 / \$0.285	34,691	1,403	36,093	36,093	78,763	3,992	82,755	4,208	86,962	86,962	83,747
2019	\$0.335 / \$0.285	36,473	1,417	37,890	37,890	82,665	4,189	86,854	4,251	91,105	91,105	87,764
2020	\$0.35 / \$0.30	37,388	1,396	38,784	38,784	88,451	4,094	92,546	4,189	96,735	96,735	93,309
2021	\$0.35 / \$0.30	38,342	1,385	39,727	39,727	90,595	4,193	94,788	4,154	98,942	98,942	95,461
2022	\$0.37 / \$0.31	38,731	1,352	40,083	40,083	95,217	4,100	99,317	4,057	103,374	103,374	99,838
2023	\$0.37 / \$0.31	39,640	1,338	40,978	40,978	97,319	4,190	101,508	4,014	105,523	105,523	101,936
2024	\$0.385 / \$0.32	40,122	1,310	41,432	41,432	102,501	4,106	106,607	3,930	110,536	110,536	106,879
2025	\$0.385 / \$0.32	41,105	1,298	42,403	42,403	104,891	4,201	109,092	3,893	112,985	112,985	109,268
2026	\$0.405 / \$0.33	41,565	1,269	42,833	42,833	110,344	4,112	114,456	3,806	118,262	118,262	114,471
2027	\$0.405 / \$0.33	42,564	1,256	43,820	43,820	112,871	4,206	117,077	3,769	120,846	120,846	116,994
2028	\$0.43 / \$0.34	43,060	1,229	44,289	44,289	118,789	4,118	122,907	3,687	126,594	126,594	122,657
2029	\$0.43 / \$0.34	44,075	1,217	45,292	45,292	121,462	4,210	125,672	3,650	129,322	129,322	125,320
2030	\$0.45 / \$0.35	44,609	1,191	45,799	45,799	127,882	4,124	132,006	3,572	135,578	135,578	131,481
2031	(4) \$0.45 / \$0.35	45,472	1,213	46,685	46,685	130,324	4,202	134,527	3,640	138,167	138,167	133,992
2032	\$0.475 / \$0.37	45,567	1,216	46,784	46,784	135,670	4,375	140,045	3,649	143,694	143,694	139,376
2033	\$0.475 / \$0.37	46,289	1,235	47,524	47,524	137,820	4,445	142,265	3,706	145,971	145,971	141,585
2034	\$0.495 / \$0.385	46,547	1,242	47,789	47,789	143,932	4,642	148,574	3,727	152,301	152,301	147,749
2035	\$0.495 / \$0.385	47,455	1,266	48,721	48,721	146,727	4,732	151,459	3,799	155,258	155,258	150,617
2036	\$0.52 / \$0.405	47,547	1,269	48,816	48,816	152,698	4,925	157,622	3,807	161,429	161,429	156,629
2037	\$0.52 / \$0.405	48,455	1,293	49,748	49,748	155,599	5,018	160,617	3,879	164,496	164,496	159,605
2038	\$0.55 / \$0.425	48,569	1,296	49,865	49,865	161,997	5,224	167,222	3,889	171,110	171,110	166,048
2039	\$0.55 / \$0.425	49,562	1,322	50,884	50,884	165,243	5,328	170,571	3,967	174,538	174,538	169,374
2040	\$0.575 / \$0.45	49,612	1,324	50,936	50,936	171,863	5,543	177,405	3,972	181,378	181,378	176,037
2041	\$0.575 / \$0.45	50,143	1,338	51,481	51,481	177,019	5,709	182,727	4,015	186,742	186,742	181,257

12

(1) Toll revenues are shown in future dollars and assume a 3 mile minimum toll and a \$3.00 video surcharge.
(2) Phase 1 I-370 to MD 28 opens to traffic on October 1, 2010.
(3) Phase 2 MD 28 to U.S. 1 opens to traffic on November 1, 2011.
(4) After 2030, transactions are assumed to increase at 1 percent per year and revenues at 3 percent per year, adjusted to reflect biannual toll increases, rather than annual.
(5) Per mile toll rates increase on even-numbered years, beginning in 2014.
(6) Both Phase I and Phase II of the ICC are assumed to have three-year ramp-up periods.
(7) Total revenue is reduced to reflect impacts associated with potential toll evasion.

Passenger Car **\$0.25 Per Mile Peak**

		5.65	2.28	2.84	2.51	0.96	1.76	1.06	0.47
	I-370	MD 97	MD 182	MD 650	US-29	BCR	I-95	VMR	US-1
I-370		1.41	1.98	2.69	3.32	3.32	4.00	4.27	4.38
MD 97	1.41		0.75	1.28	1.91	1.91	2.59	2.85	2.97
MD 182	1.98	0.75		0.75	1.34	1.34	2.02	2.28	2.40
MD 650	2.69	1.28	0.75		0.75	0.75	1.31	1.57	1.69
US-29	3.32	1.91	1.34	0.75		0.75	0.75	0.95	1.06
BCR	3.32	1.91	1.34	0.75	0.75		0.75	0.95	1.06
I-95	4.00	2.59	2.02	1.31	0.75	0.75		0.75	0.75
VMR	4.27	2.85	2.28	1.57	0.95	0.95	0.75		0.75
US-1	4.38	2.97	2.40	1.69	1.06	1.06	0.75	0.75	

Passenger Car **\$0.20 Per Mile Off-Peak**

		5.65	2.28	2.84	2.51	0.96	1.76	1.06	0.47
	I-370	MD 97	MD 182	MD 650	US-29	BCR	I-95	VMR	US-1
I-370		1.13	1.59	2.15	2.66	2.66	3.20	3.41	3.51
MD 97	1.13		0.60	1.02	1.53	1.53	2.07	2.28	2.38
MD 182	1.59	0.60		0.60	1.07	1.07	1.61	1.83	1.92
MD 650	2.15	1.02	0.60		0.60	0.60	1.05	1.26	1.35
US-29	2.66	1.53	1.07	0.60		0.60	0.60	0.76	0.85
BCR	2.66	1.53	1.07	0.60	0.60		0.60	0.76	0.85
I-95	3.20	2.07	1.61	1.05	0.60	0.60		0.60	0.60
VMR	3.41	2.28	1.83	1.26	0.76	0.76	0.60		0.60
US-1	3.51	2.38	1.92	1.35	0.85	0.85	0.60	0.60	

13

Commercial Vehicle

		5.65	2.28	2.84	2.51	0.96	1.76	1.06	0.47
	I-370	MD 97	MD 182	MD 650	US-29	BCR	I-95	VMR	US-1
I-370		4.50	6.32	8.58	10.59	10.59	12.76	13.62	13.97
MD 97	4.50		2.39	4.08	6.09	6.09	8.26	9.09	9.47
MD 182	6.32	2.39		2.39	4.27	4.27	6.44	7.27	7.66
MD 650	8.58	4.08	2.39		2.39	2.39	4.18	5.01	5.39
US-29	10.59	6.09	4.27	2.39		2.39	2.39	3.03	3.38
BCR	10.59	6.09	4.27	2.39	2.39		2.39	3.03	3.38
I-95	12.76	8.26	6.44	4.18	2.39	2.39		2.39	2.39
VMR	13.62	9.09	7.27	5.01	3.03	3.03	2.39		2.39
US-1	13.97	9.47	7.66	5.39	3.38	3.38	2.39	2.39	

Commercial Vehicle

		5.65	2.28	2.84	2.51	0.96	1.76	1.06	0.47
	I-370	MD 97	MD 182	MD 650	US-29	BCR	I-95	VMR	US-1
I-370		3.60	5.07	6.86	8.49	8.49	10.21	10.88	11.20
MD 97	3.60		1.91	3.25	4.88	4.88	6.60	7.27	7.59
MD 182	5.07	1.91		1.91	3.41	3.41	5.14	5.84	6.12
MD 650	6.86	3.25	1.91		1.91	1.91	3.35	4.02	4.31
US-29	8.49	4.88	3.41	1.91		1.91	1.91	2.42	2.71
BCR	8.49	4.88	3.41	1.91	1.91		1.91	2.42	2.71
I-95	10.21	6.60	5.14	3.35	1.91	1.91		1.91	1.91
VMR	10.88	7.27	5.84	4.02	2.42	2.42	1.91		1.91
US-1	11.20	7.59	6.12	4.31	2.71	2.71	1.91	1.91	

Note: These rates assume that Electronic Toll Collection is used. Video customers pay an additional \$3.00 video administration fee per trip.

\$0.30 Per Mile Peak

Passenger Car

		5.65	2.28	2.84	2.51	0.96	1.76	1.06	0.47
	I-370	MD 97	MD 182	MD 650	US-29	BCR	I-95	VMR	US-1
I-370		1.70	2.38	3.23	3.98	3.98	4.80	5.12	5.26
MD 97	1.70		0.90	1.54	2.29	2.29	3.11	3.42	3.56
MD 182	2.38	0.90		0.90	1.61	1.61	2.42	2.74	2.88
MD 650	3.23	1.54	0.90		0.90	0.90	1.57	1.89	2.03
US-29	3.98	2.29	1.61	0.90		0.90	0.90	1.13	1.28
BCR	3.98	2.29	1.61	0.90	0.90		0.90	1.13	1.28
I-95	4.80	3.11	2.42	1.57	0.90	0.90		0.90	0.90
VMR	5.12	3.42	2.74	1.89	1.13	1.13	0.90		0.90
US-1	5.26	3.56	2.88	2.03	1.28	1.28	0.90	0.90	

\$0.25 Per Mile Off-Peak

Passenger Car

		5.65	2.28	2.84	2.51	0.96	1.76	1.06	0.47
	I-370	MD 97	MD 182	MD 650	US-29	BCR	I-95	VMR	US-1
I-370		1.41	1.98	2.69	3.32	3.32	4.00	4.27	4.38
MD 97	1.41		0.75	1.28	1.91	1.91	2.59	2.85	2.97
MD 182	1.98	0.75		0.75	1.34	1.34	2.02	2.28	2.40
MD 650	2.69	1.28	0.75		0.75	0.75	1.31	1.57	1.69
US-29	3.32	1.91	1.34	0.75		0.75	0.75	0.95	1.06
BCR	3.32	1.91	1.34	0.75	0.75		0.75	0.95	1.06
I-95	4.00	2.59	2.02	1.31	0.75	0.75		0.75	0.75
VMR	4.27	2.85	2.28	1.57	0.95	0.95	0.75		0.75
US-1	4.38	2.97	2.40	1.69	1.06	1.06	0.75	0.75	

(14)

Commercial Vehicle

		5.65	2.28	2.84	2.51	0.96	1.76	1.06	0.47
	I-370	MD 97	MD 182	MD 650	US-29	BCR	I-95	VMR	US-1
I-370		5.42	7.59	10.30	12.70	12.70	15.31	16.33	16.78
MD 97	5.42		2.87	4.91	7.31	7.31	9.92	10.91	11.36
MD 182	7.59	2.87		2.87	5.14	5.14	7.72	8.74	9.19
MD 650	10.30	4.91	2.87		2.87	2.87	5.01	6.03	6.48
US-29	12.70	7.31	5.14	2.87		2.87	2.87	3.60	4.08
BCR	12.70	7.31	5.14	2.87	2.87		2.87	3.60	4.08
I-95	15.31	9.92	7.72	5.01	2.87	2.87		2.87	2.87
VMR	16.33	10.91	8.74	6.03	3.60	3.60	2.87		2.87
US-1	16.78	11.36	9.19	6.48	4.08	4.08	2.87	2.87	

Commercial Vehicle

		5.65	2.28	2.84	2.51	0.96	1.76	1.06	0.47
	I-370	MD 97	MD 182	MD 650	US-29	BCR	I-95	VMR	US-1
I-370		4.50	6.32	8.58	10.59	10.59	12.76	13.62	13.97
MD 97	4.50		2.39	4.08	6.09	6.09	8.26	9.09	9.47
MD 182	6.32	2.39		2.39	4.27	4.27	6.44	7.27	7.66
MD 650	8.58	4.08	2.39		2.39	2.39	4.18	5.01	5.39
US-29	10.59	6.09	4.27	2.39		2.39	2.39	3.03	3.38
BCR	10.59	6.09	4.27	2.39	2.39		2.39	3.03	3.38
I-95	12.76	8.26	6.44	4.18	2.39	2.39		2.39	2.39
VMR	13.62	9.09	7.27	5.01	3.03	3.03	2.39		2.39
US-1	13.97	9.47	7.66	5.39	3.38	3.38	2.39	2.39	

Note: These rates assume that Electronic Toll Collection is used. Video customers pay an additional \$3.00 video administration fee per trip.



MONTGOMERY COUNTY PLANNING BOARD
THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

OFFICE OF THE CHAIRMAN

November 10, 2009

Councilmember Nancy Floreen, Chair
Transportation, Infrastructure, Energy
and Environment Committee
Montgomery County Council
100 Maryland Avenue
Rockville, Maryland 20850

Dear Ms. Floreen:

I am writing to offer my guidance on the establishment of the County's tolling policy for the Intercountry Connector for your consideration at the November 2 T&E Committee worksession. The establishment of toll rates is primarily an operational matter, so the Planning Board has not taken any position on the numerics of the pricing scheme. I do feel there are three basic philosophical elements that should be included in the state's decision-making process.

First, the toll rates should be set with the primary purpose of providing an effective and reliable travel time at any period of the day; they should not be focused on revenue generation. The introduction of roadway value pricing in Montgomery County is an important step forward in managing vehicular travel demand. Much of the public testimony is understandably focused on the out-of-pocket costs associated with daily use of the facility. However, value pricing is an effective way to establish the actual cost and benefit of travel by car at certain times of day according to our constituents, who constitute the primary travel market.

Second, it is important that the pricing system be as flexible as possible to react to market conditions. If the rates are set too high, the benefits of shifting traffic from the parallel arterial system will not be realized. Conversely, rates lower than what the market will bear will result in yet another congested roadway with slow speeds exacerbating both our mobility and air quality concerns. I would urge the state to shift as soon as feasible from the proposed peak period pricing system to true dynamic tolling wherein rates can change several times an hour based on actual demand. In the interim, the value pricing rates will likely need to be adjusted on a frequent basis, and the County Council should consider requesting annual reports from the state on ICC utilization and possible toll rate changes.

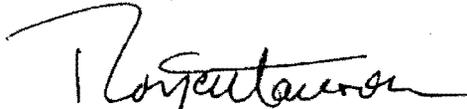
(15)

Finally, we continue to urge the state to pursue exemptions for transit and carpools in its portfolio of managed lane concepts. I recognize that, like the dynamic pricing concept, a HOT-lane policy will not be ready as part of the ICC design for opening day, but it should be part of the first generation of ICC upgrades as the technology improves.

Part of the value of HOT lanes nationwide is the ability to devote funding to transit from the highway toll revenues. To some extent this will be happening on the ICC as the project's Record of Decision commits to the provision of express bus services as part of the construction and operations package toward which the toll revenues will be dedicated. We look forward to an update from the Maryland Transit Administration on the express transit services that will be implemented on the ICC as we continue to receive periodic progress reports from the state on ICC construction.

Value pricing is a useful approach to provide mobility, improve reliability, induce more efficient travel patterns, and move toward fiscal sustainability. I support its implementation on the ICC as the first step toward managing demand through pricing initiatives within the County. Please contact Dan Hardy at 301-495-4530, or me if you would like to discuss any of these points further.

Sincerely,



Royce Hanson
Chairman

cc: Melinda Peters
Art Holmes
Dennis Simpson, MdTA

AGENDA ITEM #5
November 17, 2009
Addendum

MEMORANDUM

November 13, 2009

TO: County Council

FROM: Glenn Orlin, Deputy Council Staff Director

SUBJECT: **Addendum**—recommendations regarding toll charges for the Intercounty Connector (ICC)

Council staff has learned from MdTA that the County Executive had submitted comments on October 12 (©17-18). He shared the concerns that many have expressed that the range of tolls under consideration are too high.

f:\orlin\fy10\fy10t&e\sha\091117ccadd - icc tolls.doc



OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

October 12, 2009

The Honorable Martin O'Malley
Governor of Maryland
100 State Circle
Annapolis, Maryland 21401-1925

Dear Governor O'Malley:

I want to express my deep concern over the proposed toll rates for the Intercountry Connector (MD 200). While I support the concept of MD 200 being a toll facility, I also want to ensure that the toll rates are not so high as to thwart some of the very purposes for having the ICC, as expressed in the project Purpose and Need statement. In particular, I want to ensure that the toll rates are supportive of an ICC that improves community mobility and safety, and enhances the movement of people and goods to and from economic centers. I believe that the toll rates announced in the Notice for Public Comment are too high, and would result in toll rates that undermine the ability of the ICC to fulfill some of its purposes.

With regard to improving community mobility and safety, one of the main purposes of MD 200 is to relieve neighborhood residents of the burden of the significant east-west travel demand currently impacting their local streets. As the ICC Final Environmental Impact Statement (FEIS) notes,

absent an ICC, the local road system must accommodate extremely high volumes of traffic. This overloads existing roads, resulting in clogged intersections, longer travel times, and limited access for local residents from their driveways and smaller side streets. . . . the number of potential conflicts due to the numerous driveways, side streets, and other access points contributes to the unsafe condition of the local road network.

The tolling parameters for MD 200 should be such that for all times (peak and off-peak) commercial traffic not destined for a local neighborhood will use the ICC. In other words, the saved travel times which the ICC will offer can not be negated by toll rates so high that these vehicles continue to use the neighborhood roads. With respect to non-commercial vehicles, the same general approach should apply; that is, non-neighborhood traffic should be attracted to use the ICC, not repelled by high tolls. In peak periods it is recognized that the congestion management function of the tolls will necessarily dissuade some non-commercial drivers from using the ICC. But even here, a balance must be struck so that as high a proportion of vehicles as possible will be attracted to use MD 200 because its time savings benefits outweigh the negative attributes of toll costs.

The Honorable Martin O'Malley
October 12, 2009
Page 2

Another concern that I have about the high toll is the negative impact they may have on the movement of people to and from economic centers, especially people with lower incomes. During the planning phases of the ICC, toll rate ranges of \$0.13 to \$0.25 per mile in the peak period and \$0.08 to 0.17 per mile in the off peak period were presented in the FEIS. These are clearly lower than the ranges proposed in the Notice for Public Comment.

Finally, I wish to re-emphasize that this will be the first toll highway in the Suburban Maryland portion of the Metropolitan Washington Region. It will be a new experience for many of our residents, given the need for them to familiarize themselves not only with the EZ Pass program, but other aspects of a congestion-managed toll facility as well. It is important that the ICC live up to its promise of being a transportation resource attractive to as many users as possible, while at the same time being managed to avoid crippling congestion and being financially viable. I believe that unduly high toll rates in the early stages of ICC operations will upset this balance, and it will take a long time to recover from the imbalance which would be created instead. Thank you for your consideration of these concerns.

Sincerely,

Original signed by
Isiah Leggett
Isiah Leggett
County Executive

IL:tt

(18)