



# VARIABLE PRICING



**More Information:** [tti.tamu.edu/policy/how-to-fix-congestion](http://tti.tamu.edu/policy/how-to-fix-congestion)

## Description

Variable pricing programs raise or lower the price of tolls or facilities during certain time periods to improve the road's efficiency. The price can adjust on a set schedule or in real time, based on traffic demand. Adjusting the price encourages drivers to:

- Choose an alternate route.
- Change departure time.
- Use transit, carpool, or vanpool.
- Telecommute or not take the trip at all.

Variable pricing is one of the most effective ways to manage traffic congestion while giving drivers different options.

## Target Market

- Toll roads.
- Toll lanes.
- Bridges and tunnels.
- Parking facilities.

Variable pricing works best in congested areas or parallel routes. Street parking spaces and garages can also use variable pricing to help better manage demand.

## How Will This Help?

- **Reduces traffic** by moving some demand to other times, routes, or modes, or by eliminating trips.
- **Increases driver awareness** of trip costs using information displayed on signs.
- **Produces additional revenue** that can be applied to maintenance, rehabilitation, and other mobility efforts.
- **Accommodates low-income users** through transit alternatives and discounted fees.

## Implementation Issues

Difficulties lie in balancing ever-increasing capital, operating, and maintenance costs with available funding. Helping drivers overcome confusion and understand the potential benefits of variable pricing will be critical. Users may not want to pay to travel on facilities that have always been free. This public pressure may deter variable pricing programs.



## SUCCESS STORIES

**In Minnesota**, the IH 35W HOV lanes were underused and had significant excess capacity, while the other freeway lanes were congested. **Leaders implemented variable pricing as part of the IH 394 and IH 35W MnPass lanes.**

Between 2008 and 2012, the IH 35W MnPass lanes increased



**In Los Angeles**, transit and carpooling options were promoted with the rollout of the IH 10 and IH 110 Express Lanes. Promotional efforts included a carpool loyalty and transit rewards program.

After tolling began and a year after service improvements:

