

STATE OF COLORADO

COLORADO TOLLING ENTERPRISE

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Testimony of

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House Committee on Transportation and Infrastructure

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Mr. Chairman and Members of the Subcommittee:

Thank you for the opportunity to present to you today on Colorado's experience with our recently opened I-25 HOV/Tolled Express Lanes in metropolitan Denver. My name is Peggy Catlin, and I am the Deputy Executive Director of the Colorado Department of Transportation (CDOT) and the Acting Director of the Colorado Tolling Enterprise, a division within CDOT authorized by state statute to finance, design, build, operate and maintain a system of toll highways. I am pleased to share our experiences in the implementation of this significant project with the Subcommittee as I believe that our approach to this corridor has been extremely successful and can serve as a model for other states that are interested in pursuing similar options.

Background:

For more than 10 years, the Colorado Department of Transportation (CDOT) operated a reversible, high occupancy vehicle (HOV) facility along a seven-mile stretch of Interstate 25 between downtown Denver and U.S. Highway 36. The I-25 HOV lanes, as they existed, were very successful carrying more people, per lane, per hour than the adjacent general purpose lanes.

In the peak hour, the general-purpose lanes carried an estimated 1870 people per hour compared to 2050 in the HOV lanes. However, the lanes carried fewer vehicles, resulting in significant unused capacity. In fact, while the adjacent general purpose lanes served over 200,000 vehicles a day, the HOV lanes only served approximately 10,000 vehicles.

Recognizing the fact that the HOV lanes could carry more vehicles and offer more choice and convenience for all kinds of drivers with varying needs, CDOT began to explore solutions such as high occupancy toll lanes (HOT) that would require legislative action.

In 1999, legislation passed allowing CDOT to convert an existing HOV lane into an HOT lane. After evaluating potential HOV facilities, it was determined the I-25 HOV lanes were the best candidate.

As one of the 15 states in the Federal Value Pricing Pilot Program, CDOT received a Federal Value Pricing Grant of \$2.8 million to begin implementing this conversion.

Partner agencies:

While CDOT and the CTE were the lead agency on this significant project, the concept could not have been successfully implemented without the collaboration and partnership of several other transportation agencies in the Denver metro area. These partner agencies include Denver's Regional Transportation District (RTD), the Denver Regional Council of Governments (DRCOG), the City and County of Denver, the Federal Highway Administration and the Federal Transit Administration.

Additionally, Colorado partnered with the two existing metro area toll facilities, E-470 and the Northwest Parkway, to ensure interoperability and seamless customer service and billings.

Cost to Implement:

The total cost of the project, including two feasibility studies, technology components, construction, and a reserve fund for two years of maintenance and operations costs was approximately \$9 million. Maintenance and operations costs range from \$800,000 to \$1 million annually. This expense was previously paid for by the local transit agency and CDOT using taxpayer dollars. It is now covered by toll revenue. Additionally toll revenues pay for increased law enforcement of the lanes at a cost of \$50,000 annually.

Implementation of the I-25 HOV/Tolled Express Lanes:

The new I-25 HOV/tolled Express Lanes opened in June 2006, marking the first time solo drivers could legally access existing HOV lanes by paying a toll. Carpools, buses and motorcycles continue to use the lanes toll-free.

The purpose of the I-25 Express Lanes is not to generate revenue but rather to maximize the highway by allowing solo drivers access to the lanes while not impacting carpools and buses. In order to ensure the lanes don't become congested, the number of solo drivers in the lanes is managed by adjusting the toll rate at various times of the day. In the peak hour, the toll is higher than at other times of day.

Tolls are collected electronically and are deducted automatically from an active EXpressToll® account enabling motorists to use the same transponder on two other existing toll facilities in the Denver metro area. Toll enforcement is handled via license plate photo technology. On-site law enforcement officers enforce HOV violations. HOVs are not required to have a transponder.

Toll prices vary depending upon the time of day and range from 50 cents to \$3.25 with higher rates during peak periods. This varying price ensures the HOV/Express Lanes remain free flowing.

Success stories and public sentiment:

The lanes have been overwhelmingly successful and are meeting first-year revenue and user projections. The CTE projected 500 toll-paying vehicles would use the Express Lanes each morning and afternoon peak period by the end of the first year and is currently averaging more than 1,000. The CTE was forecasting \$800,000 in toll revenue for the first year and reached that just six months after opening. To date, more than \$1.8 million has been collected.

The lanes carry approximately 33,000 people per day, representing between 10 and 15 percent of the total person trips along that stretch of I-25 and these vehicles travel at full highway speeds, as compared to congested rush hour traffic.

In order to ensure no degradation in transit service and travel speeds, bus travel-time performance is monitored. Since opening, the number of buses that have not achieved their target travel time is between one and three percent monthly. This is mostly due to incidents or weather.

It is important to note that the goal of the project is not to generate revenue but rather to cover expenses that would previously be paid for by taxpayers. Toll revenues will cover operations, snow removal, maintenance, and a reserve for eventual reconstruction costs totaling nearly \$2 million annually.

The opening of the I-25 HOV/tolled Express Lanes fell on the heels of a Denver metropolitan area resident survey that found more than two-thirds of respondents (67.9 percent) said they believe tolled Express Lanes can be a good way to pay for the addition of new highway lanes. They overwhelmingly (74.4 percent) prefer tolled Express Lanes over increasing taxes.

Conclusion:

While the project is off to a solid start and the increase in use is encouraging, the project's success has been and is still largely dependent upon public perception and partner relationships. Colorado was the fourth state in the nation to implement a HOT lanes project and while other states were invaluable in providing information and lessons learned, HOT lane projects greatly vary from state to state and each have unique challenges and issues. Tolling in general can be controversial but the added issues related to modifying an HOV facility and accommodating carpools and transit to ensure a positive outcome, limiting toll-paying vehicles due to capacity and communicating simply is difficult as there are many unknowns. Regardless, these issues are manageable.

It takes a tremendous effort to implement a HOT lane project as they are uncommon across the nation. It's easy to underestimate how a lack of understanding or coordination can negatively impact a HOT lane project. Issues such as engineering, safety, toll collection, customer service, technology, enforcement, business rules and policies must be well thought out and reflect the individual needs of a state or region. Outreach, communication and coordination must be aggressive, well planned, thorough and strategic from early planning stages through implementation and it must be continuous both before and after a facility opens.

Colorado's I-25 project clearly demonstrates that the public is receptive to these types of projects and the benefits to motorists and transit agencies are great.