

TO: TransLink Board of Directors
Mayors' Council on Regional Transportation

FROM: Geoff Cross, Vice-President, TransLink Transportation Planning and Policy
Mike Buda, Executive Director, Mayors' Council on Regional Transportation

DATE: May 24, 2018

SUBJECT: **ITEM 2.2 – Joint Regional Mobility Pricing Steering Committee Review of the Mobility Pricing Independent Commission Final Report and Next Steps**

PROPOSED RESOLUTIONS

The Joint Regional Mobility Pricing Steering Committee recommends that the Mayors' Council on Regional Transportation:

1. Receive the Mobility Pricing Independent Commission's final report entitled "Metro Vancouver Mobility Pricing Study: Findings and Recommendations of the Mobility Pricing Independent Commission for an Effective, Fair and Affordable Mobility Pricing Policy", dated May 2018.
2. Confirm that the Mobility Pricing Independent Commission has satisfied its mandate and key requirements, as outlined in its terms of reference dated June 30, 2017.
3. Direct staff, in consultation with the Joint Planning Committee, to undertake additional work, research and engagement to further explore key issues and questions related to mobility pricing in connection with other regional transportation challenges as outlined in this report, before any decisions can be made on whether to consider mobility pricing further.
4. Direct staff to forward a copy of the Mobility Pricing Independent Commission's final report to the Metro Vancouver Board of Directors, the Provincial Government, and Federal Government, for information.
5. Receive this report.

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PURPOSE

To provide an overview of the Mobility Pricing Independent Commission's ("the Commission") final report and outline recommended next steps to advance continued work and engagement on mobility pricing.

BACKGROUND

Advancing regional mobility pricing, including road usage charging, is a key commitment outlined in the Regional Transportation Strategy and 10-Year Vision. To support this commitment, the Commission was established in June 2016 by the TransLink Board of Directors and Mayors' Council and mandated to provide independent advice and recommendations on (1) how the region should proceed with advancing a comprehensive approach to road usage charging and (2) how to better coordinate pricing of all transportation modes and services in the region. The Commission work is intended to be the first step in a multi-year, multi-phase process for determining an appropriate way forward on regional mobility pricing.

DISCUSSION

Assessment of Commission Activities and Deliverable

The Commission's terms of reference outline the mandate and requirements of the Commission as set by the Mayors' Council and TransLink Board. Attachment A summarizes staff's assessment of the Commission's activities and final submission against the requirements in the terms of reference, dated June 30, 2017.

In general, the Commission have satisfied the key requirements within the timelines provided. The two requirements that were not fully satisfied owing to time constraints include: holding working meetings of the Commission in public and formally engaging a peer advisory panel. However, the Commission did make good efforts to meet the spirit of these requirements by conducting extensive public engagement throughout its term, substantively engaging with a stakeholder advisory panel and a users' advisory panel, and seeking the advice of experts through its consultant team.

Summary of Commission Findings

The Commission's final report entitled: *"Metro Vancouver Mobility Pricing Study: Findings and Recommendations of the Mobility Pricing Independent Commission for an Effective, Fair and Affordable Mobility Pricing Policy"* and its appendices provide a record of all research, analysis, and consultation undertaken as part of their project and a summary of recommendations for next steps. Management have reviewed the final report and summarized the Commission's key findings as follows:

1. **Congestion is hurting our quality of life and economy.** The Commission has identified that, if left unchecked, congestion will continue to worsen and further degrade our region's livability and economic competitiveness.
2. **We cannot build our way out of congestion through more roads or transit alone.** The Commission has identified that new roads and transit can slow the rate of growth in traffic congestion, but

continued growth in our regional population and economy – and the new traffic this growth brings – will quickly fill up any new road or transit capacity.

3. **Region-wide road usage charging is the most effective tool to provide a systematic, meaningful and lasting reduction in traffic congestion.** The Commission has identified that road usage charging provides a transformative opportunity for significant reductions in traffic congestion around the region that are not achievable through investment in roads or transit only.
4. **Two road usage charging concepts are worth exploring further in our region.** There are multiple approaches for how to structure road usage charging, as evident from other jurisdictions like London, Stockholm and Singapore. Of the concepts considered by the Commission, two key concepts that are most likely to have a meaningful impact on congestion in Metro Vancouver are point charges and distance based charges.
5. **These two concepts provide an opportunity to re-think how we pay for transportation.** In addition to substantial reductions in congestion, the Commission estimates that both point charge and distance based charge concepts could generate enough revenue to re-assess our broader approach for funding transportation in the region. This includes the potential to shift or reduce taxation away from other existing revenue sources, including the regional fuel sales tax.
6. **People have serious concerns about road usage charging.** These include concerns related to fairness, affordability, transparency and accountability about how revenues would be spent, and availability of transportation options like transit. The Commission has indicated these concerns needed to be taken seriously and considered further before any decision is made.
7. **There are a number of principles that should be considered in developing a policy that is effective, fair and affordable.** The Commission recommends that a regional mobility pricing policy for Metro Vancouver should: (a) deliver meaningful reductions in congestion in a way that is fair and coordinated between all modes and services, (b) be consistent, equitable and aligned with availability of alternatives, (c) ensure accountability in how revenue is used, but raising revenue should not be the primary aim, and (d) be predictable but adaptable, and support other economic and environmental and social objectives of the region, including protection of privacy.
8. **There are still important unanswered questions that need to be resolved.** Significantly more work and regional dialogue is needed to inform a decision around how to proceed with road usage charging in Metro Vancouver. The Commission has indicated this work will take time and need to be done carefully.

Staff Recommendations on Next Steps

The Commission's work and final report provides an extensive preliminary analysis of potential impacts, issues, opportunities and challenges associated with advancing mobility pricing in Metro Vancouver. The report outlines a number of outstanding questions and areas that require further study that the Commission was not able to address due in large part to time constraints. In addition to these next steps, management recommends continued dialogue and engagement with the public and stakeholders, especially on issues around affordability, fairness and privacy, be a key component of any next steps in this process.

Management are seeking direction to continue to advance work and activities related to ensure decision-makers have a complete account and assessment of key information and impacts to inform a future decision. Work in the following areas is proposed:

1. **Policy principles:** *What are the ultimate principles to guide further policy development?*
Review and work with stakeholders and decision-makers to confirm the Commission's recommended principles for a future mobility pricing policy.
2. **Performance targets:** *How should we measure success?*
Development of performance targets related to congestion, reliability and safety to help shape rate-setting and performance monitoring for any future mobility pricing system.
3. **Affordability, equity and accessibility:** *How do we ensure any system is fair, affordable and does not make mobility inaccessible?*
Further investigation on affordability, equity and accessibility impacts of mobility pricing, including: more information on potential household costs, regional distribution of costs and benefits, opportunities for tax shifts (e.g., reducing or eliminating the fuel sales tax), the potential roles of price caps, discounts and rebates, and the availability of other transportation options like transit.
4. **New mobility:** *What is the role of pricing in a future with increasingly automated mobility?*
In the absence of pricing, ride-hailing and automated mobility is likely to substantially increase traffic congestion. Further analysis is required to understand the potential of mobility pricing to manage these impacts and ensure that new mobility supports our regional objectives.
5. **Coordinated pricing:** *How do we ensure a seamless customer experience across all modes?*
Further investigation on opportunities to coordinate and align future mobility pricing policy across existing modes (like driving and transit) and emerging modes (like ride-hailing, car-sharing, etc.).
6. **Regional impacts:** *What are the broader positive and negative impacts?*
Further investigation of mobility pricing on regional planning impacts, including growth and development, air quality and others as identified in the Regional Growth Strategy and Regional Transportation Strategy.
7. **Administration:** *How should it be governed and regulated?*
Research on potential models for the administration and oversight of a future mobility pricing system, including how to collect and distribute revenues across multiple agencies.
8. **Technology:** *How could this be implemented and what will it cost?*
Assessment of available technology (e.g., costs and readiness) to support mobility pricing and integrated payment systems.

Much of the additional policy-related work identified above can be accomplished through the Regional Transportation Strategy planning process set to commence in late 2018. Alongside this policy analysis, Management will initiate additional work to support the more technical questions above. Management anticipate this policy, technical and feasibility work will take approximately 1 year to complete.

CONCLUSION

The Mobility Pricing Independent Commission has fulfilled its mandate and provided the region with a foundation of evidence, research and recommendations for advancing the dialogue on mobility pricing in Metro Vancouver. Additional work and engagement is needed to address outstanding questions and concerns before any decisions can be made on whether to consider mobility pricing further.

ATTACHMENTS

Attachment A: Assessment of Commission Activities

ATTACHMENT A
Assessment of Mobility Pricing Independent Commission Activities

REQUIREMENT IN TERMS OF REFERENCE	COMMISSION ACTIVITIES	SATISFIES REQUIREMENTS (YES/NO)
MANDATE		
<p>Section 3.3: The Commission’s mandate is to provide the following:</p> <ul style="list-style-type: none"> a. An evaluation of the viability and acceptability of potential road usage charging alternatives for motor vehicles and recommendations on how the region should proceed with developing and implementing a more coordinated regional road usage charging policy and system. b. An assessment of the implications of introducing coordinated regional road usage charging in Metro Vancouver in terms of consistency, compatibility, and coordination for other types of transportation and mobility. 	<p>The Commission has completed a comprehensive preliminary investigation on the viability and acceptability of road usage charging options for Metro Vancouver. This was the primary focus of their efforts. The Commission’s recommended principles for a comprehensive mobility pricing policy outline considerations for how to ensure consistency and integration in pricing across all modes.</p>	Yes
REQUIREMENTS: SCOPE OF ACTIVITIES		
<p>Section 7.1.a: Review and consider key plans, policies and relevant work both completed and underway on regional road usage charging and mobility pricing.</p>	<p>As part of their work, the Commission reviewed relevant plans and policies, including the Regional Transportation Strategy, 10-Year Regional Transportation Vision, and Regional Growth Strategy. The Commission also reviewed and considered previous studies on road usage charging and mobility pricing completed by TransLink.</p>	Yes
<p>Section 7.1.b: Identify appropriate and feasible alternatives for a regional road usage charging system for motor vehicles and determine how each alternative performs against regional objectives for mobility pricing outlined in section 4 of these terms of reference.</p>	<p>The Commission identified a long-list of ten policy tools. A coarse-level evaluation was used to assess each tool and identify a short-list for further study and evaluation. The Commission’s evaluation framework included criteria to measure the key objectives for mobility pricing as identified by the sponsoring authorities, in addition to other considerations.</p>	Yes

<p>Section 7.1.c: Conduct extensive public and stakeholder engagement and outreach to build awareness of its work, promote education and an informed and constructive dialogue on road usage charging and on mobility pricing in general, and solicit feedback on opinions, preferences, and concerns to factor into the Commission’s evaluation and recommendations.</p>	<p>The Commission completed two phases of extensive public and stakeholder consultation. Activities and tactics included community meetings, stakeholder workshops, and an on-line survey. The Commission received input from over 17,350 residents and over 390 stakeholders and government officials.</p>	<p>Yes</p>
<p>Section 7.1.d.i: Reviewing and considering approaches and impacts of different road usage charging and coordinated mobility pricing in other jurisdictions worldwide.</p>	<p>The Commission engaged and collaborated with international experts to study lessons learned from other jurisdictions that have explored and implemented decongestion charging.</p>	<p>Yes</p>
<p>Section 7.1.d.ii: Assessing the ability of the existing and planned regional transportation system in Metro Vancouver to accommodate any forecast changes in travel patterns, including changes to peoples’ choices in travel routes, time of travel, amount of travel, and mode of travel that are likely to result from introducing comprehensive and integrated road usage charging.</p>	<p>The Commission conducted transportation modelling and analyses to forecast the impacts and results of different congestion point charge and distance-based charge concepts on regional travel demand.</p>	<p>Yes</p>
<p>Section 7.1.iii: Estimating the potential average costs to road users of different approaches to road usage charging and how these related to what currently exists.</p>	<p>The Commission conducted transportation modelling and analyses of different congestion point charge and distance-based charge concepts at various charge rates to estimate the costs for road users. The Commission utilized existing costs like fuel tax and transit fares for comparison.</p>	<p>Yes</p>
<p>Section 7.1.d.iv: Providing illustrative examples of the impact of changes to transportation costs for typical households at various income levels and locations.</p>	<p>The Commission conducted transportation modelling and analysis to estimate typical out-of-pocket costs for households at different income levels and locations for different congestion point charge and distance-based charge concepts.</p>	<p>Yes</p>
<p>Section 7.1.d.v: Estimating near- and long term revenue potential of alternative road usage charging systems and identifying opportunities to optimize all regional transportation funding sources to meet future needs</p>	<p>The Commission conducted transportation modelling and analysis of different congestion point charge and distance-based charge concepts to estimate the revenue potential of each concept.</p>	<p>Yes</p>

<p>Section 7.1.d.vi: Identifying and assessing governance, regulatory, technical, administrative and related aspects of implementing and operating a comprehensive and integrated regional road usage charging system.</p>	<p>The Commission’s final report provides preliminary recommendations on pathways to implementation based on the research conducted on implementing, operating, and integrating a road usage charging system.</p>	<p>Yes</p>
<p>Section 7.1.d.vii: Considering the impact and implications of alternative forms of pricing on future mobility systems in Metro Vancouver including, but not limited to, automated vehicles and shared mobility services.</p>	<p>The Commission included “future-proofing” as a key criteria in their evaluation framework, which included considerations related to the interaction of decongestion charging with future mobility systems.</p>	<p>Yes</p>
<p>Section 7.1.e: Identify key trade-offs and conflicts between the ability of different alternatives to meet the specified regional mobility pricing objectives and other considerations as determined by the Commission.</p>	<p>The Commission utilized a structured evaluation framework and process to identify and analyze key trade-offs and conflicts between the three core objectives and other identified evaluation criteria.</p>	<p>Yes</p>
<p>REQUIREMENTS - MEETINGS</p>		
<p>Section 7.2. a: The Commission will formally convene regular meetings open to the public during its term to review work and deliberate.</p>	<p>The Commission did not convene any public meetings during its term. We understand this was a decision by the Commission Chair and Vice-Chair given the complexity of the subject matter as well as the project timelines. , and project timelines of the subject matter. Minutes and proceedings from Commission meetings were provided on the Commission’s website.</p>	<p>No</p>
<p>REQUIREMENTS: DELIVERABLES</p>		
<p>Section 7.3. a: The Commission will summarize its work and recommendations in a final report to the Sponsor Authorities.</p>	<p>The Commission’s final report contains the summary of activities and final recommendations for the consideration of the Sponsor Authorities.</p>	<p>Yes</p>
<p>REQUIREMENTS: PUBLIC COMMUNICATIONS</p>		
<p>Section 7.4: The Commission will have a public website. All materials, including agendas, presentations, analyses, working papers and reports, considered at the public meetings of the Commission will be made available on the website.</p>	<p>The Commission’s public website (www.itstimemv.ca) provided key project information, multilingual FAQs, publishes research and reports and Commission meeting minutes.</p>	<p>Yes</p>

ADVISORY PANELS		
<p>Section 11.1: Three advisory panels will be convened to provide strategic advice to the Commission on a regular basis, with the goal of identifying key issues, opportunities, needs and considerations to help inform the Commission's approach, work and activities needed to fulfill its mandate:</p> <p>a. Users Advisory Panel: comprised of local residents and users of the transportation system, including auto drivers, transit riders, and others, with representation from across the region.</p>	<p>The Commission convened a User Advisory Panel (UAP) through a third-party recruiting firm to ensure the group was representative of Metro Vancouver's diverse population. The panel consisted of 15 Metro Vancouver representatives. Consideration was given to age, cultural and gender identity, income, geography, and mode of transportation. Three User Advisory Panel meetings were conducted to provide ongoing guidance and advice to the Commission.</p>	Yes
<p>b. Stakeholders Advisory Panel: comprised of representatives from major regional stakeholder groups representing community and business from across the region.</p>	<p>The Commission invited regional and local stakeholders representing organizations across key sectors (advocacy, social service, health, transportation, industry, business, environment, academic, and labour) to participate in two rounds of stakeholder engagement and workshops through the project. The Commission also hosted at-request meetings with other stakeholder organizations and city councils.</p>	Yes
<p>c. Peer Advisory Panel: comprised of representatives from peer agencies with experience in road usage charging and mobility pricing elsewhere and available to provide independent perspectives on the conceptual and practical aspects of proposals under considerations by the Commission.</p>	<p>The Commission established a Peer Advisory Panel but due to the compressed timeline and resources of the project, had limited opportunity to engage the panel in a meaningful way.</p>	No
BUDGET		
<p>Section 13.1: The Commission will be provided a total budget of \$2.31 million to undertake its work.</p>	<p>The Commission led a process that was financially sound and prudent. No requests for additional budget were submitted to the Sponsoring Authorities.</p>	YES