

**METRO VANCOUVER
MOBILITY PRICING INDEPENDENT COMMISSION**

FINAL TERMS OF REFERENCE

Revised - June 30, 2017

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1. POLICY CONTEXT

- 1.1. The *Regional Transportation Strategy (2013)* and *10-Year Vision (2014)* set out goals to provide sustainable transportation choices; support a compact urban area; foster safe, healthy and complete communities; enable a sustainable economy; and protect the environment.
- 1.2. To achieve these goals, the *Regional Transportation Strategy (2013)* and *10-Year Vision (2014)* established long-range (2045) targets to:
 - a. make half of all trips by walking, cycling, and transit; and
 - b. reduce the distances people drive by one-third.
- 1.3. In support of these goals and targets, a core policy direction in the *Regional Transportation Strategy (2013)* and *10-Year Vision (2014)* is to advance an integrated and coordinated approach to pricing mobility services in Metro Vancouver in order to improve fairness, improve system efficiency by managing congestion and improving travel reliability, and support continued investment in the regional transportation system through new revenues.
- 1.4. Mobility pricing refers to the suite of public and private usage charges associated with using everyday transportation services, including for instance: transit fares, bridge tolls, road usage charges, and other fees.

2. PROBLEM

- 2.1. **The current regional mobility pricing system is not perceived as fair:** Metro Vancouver currently has systems in place to charge for usage of transit. In contrast, the region's approach to charging for usage of roads and bridges is still somewhat undeveloped, ad-hoc and limited. The current approach to tolling new bridges in the region that cross the Fraser River but not existing bridges or facilities raises concerns around fairness. This approach also results in diversion of traffic from tolled to un-tolled facilities which then worsen congestion in the communities around the un-tolled bridges.
- 2.2. Notwithstanding the significant recent investment in road facilities through the Gateway program and other initiatives, general **traffic congestion is steadily increasing across the region** as Metro Vancouver's population increases every year. This congestion results in less reliable travel times which negatively impact quality of life and economic competitiveness. The region currently lacks any direct pricing model to encourage drivers or the goods movement sector to choose less busy routes, times of day, or alternative modes of travel.
- 2.3. Today, fuel sales taxes contribute substantially towards the revenue needed to build, operate and maintain our transportation system. For example, the regional fuel sales tax contributes over a quarter of TransLink's annual operating budget. As a result of reduced auto use and more fuel efficient vehicles, including the emergence of entirely electric vehicles, however, **regional fuel sales tax revenue is declining and is an increasingly unreliable funding source** for transportation improvements.

- 2.4. Revenues from current road usage charges (fuel sales tax and bridge tolling) are fragmented and collected by different road authorities and agencies.
- 2.5. Mobility pricing is a complex topic as it involves aspects of transportation funding, demand management and long-standing practices concerning the use of roads. Successful implementation of change will require the engagement of multiple levels of government and stakeholders and broad community support across urban, suburban and rural areas of Metro Vancouver.
- 2.6. In October 2014, the Mayors' Council approved a resolution, which was later endorsed by the TransLink Board of Directors, to convene an Independent Commission to lead an objective and credible process to identify opportunities for a better road usage charging system in the region.

3. MANDATE

- 3.1. The Metro Vancouver Mobility Pricing Independent Commission (herein referred to as the "Commission") is tasked with providing independent recommendations to the TransLink Board of Directors and Mayors' Council on Regional Transportation on key matters related to regional mobility pricing in Metro Vancouver.
- 3.2. The Commission's work and recommendations will inform the development and implementation of mobility pricing policy in Metro Vancouver for years to come.
- 3.3. Specifically, the Commission's mandate is to provide the following:
 - a. An evaluation of the viability and acceptability of potential regional road usage charging alternatives for motor vehicles (including both automobiles and trucking-based goods movement) Metro Vancouver and, based on this evaluation, recommendations on how the region should proceed with developing and implementing a more coordinated regional road usage charging policy and system. This will be the primary focus of the Commission's work and should consider any and all existing or potential charges associated with road usage by motor vehicles, including but not limited to:
 - i. fuel sales taxes (currently an indirect road usage charge);
 - ii. vehicle insurance premiums (currently distinguishes between infrequent and regular usage);
 - iii. vehicle permits related to usage;
 - iv. point tolls on roads and bridges
 - v. vehicle levies; and
 - vi. per-kilometre fees on roads and bridges.
 - b. An assessment of the implications of introducing coordinated regional road usage charging in Metro Vancouver in terms of consistency, compatibility, and coordination with pricing for other types of transportation and mobility.

- 3.4. The Commission is expected to undertake its work through a comprehensive and transparent process that includes research, analysis, and extensive public and stakeholder education, dialogue, and engagement.
- 3.5. Key requirements and expectations of the Commission as it undertakes its work are outlined in section 7 of these terms of reference.

4. SUPPORTING REGIONAL OBJECTIVES FOR MOBILITY PRICING

- 4.1. In undertaking its work, the Commission shall ensure its recommendations support the following three regional objectives for mobility pricing: manage congestion; promote fairness; and support investment in the transportation system. Further detail on each objective is provided below.
- 4.2. A preferred regional mobility pricing and road usage charging system for Metro Vancouver should:
 - a. Manage congestion, which includes:
 - i. reducing delays and improving travel time reliability for people and goods, especially for peak times, directions, and locations; and
 - ii. encouraging shorter trip distances and trips by walking, cycling, and transit as these trips are more efficient with respect to road capacity, time, energy, emissions, and land use.
 - b. Promote fairness, which includes:
 - i. treating all users consistently;
 - ii. charging users for what they use (i.e. user-pay principle);
 - iii. charging users for the delays and other negative externalities they impose on each other;
 - iv. maintaining affordable access and mobility for all residents of the region regardless of where they live, work, or travel; and
 - v. being complemented by a network of sufficient transportation alternatives.
 - c. Support investment, which includes:
 - i. generating revenue to help fund, on a stable and reliable basis, the operation and maintenance of both existing transportation service and infrastructure in the region and the delivery of additional service and infrastructure needed to provide reasonable transportation choices for residents and goods across the region;
 - ii. generating revenue that is sustainable and reliable over time;
 - iii. collecting revenue in an efficient and cost-effective manner; and
 - iv. distributing revenue in a transparent, accountable and equitable manner.

5. AUTHORITY AND REPORTING

- 5.1. The Commission's authority is provided by the TransLink Board of Directors and Metro Vancouver Mayors' Council on Regional Transportation (herein referred to as the "Sponsor Authorities"). The Commission will serve at the pleasure of the Sponsor Authorities.
- 5.2. While the Commission will have wide latitude in its ability to make recommendations on the matters set out in these terms of reference, such recommendations should take into account existing regional planning, policy objectives, and any forecasted changes or trends in regional growth, development, and land use in Metro Vancouver as set out in *Metro Vancouver 2040 Regional Growth Strategy (2011)*, the *Regional Transportation Strategy (2013)*, the *10-Year Vision for Transportation (2014)*, and *B.C. on the Move Provincial Transportation Plan (2014)*.
- 5.3. While the Commission is intended to function independently from the Sponsor Authorities, it is expected to provide a minimum of two (2) interim briefings on the progress of its work to the Joint Regional Mobility Pricing Steering Committee (herein referred to as the "Steering Committee" and comprised of members from the Sponsor Authorities and potentially other authorities) on behalf of the Sponsor Authorities during its term. Additional briefings may be provided to the Steering Committee, at the discretion of the Commission Chair.
- 5.4. The Commission will submit its final recommendations to the Sponsor Authorities at a joint public meeting.
- 5.5. The Commission's recommendations will be considered as advice to the Sponsor Authorities and are not binding on the Sponsor Authorities. The Sponsor Authorities may take into consideration other advice or material in determining a preferred regional mobility pricing policy approach and implementation process.
- 5.6. Any potential modifications or amendments to these Terms of Reference requested by the Commission must be made in writing to the Steering Committee for consideration and decision.

6. PUBLIC & STAKEHOLDER ENGAGEMENT

- 6.1. The Commission will have wide latitude to utilize and conduct a range of public and stakeholder education, dialogue and consultation activities throughout the duration of its term and utilize the findings from these activities as key inputs to help inform and guide its recommendations.
- 6.2. The Commission will be responsible for the format and scope of consultation and other engagement activities. These may include, for example, open houses, public meetings, online consultation, telephone town halls, and other means of engagement to ensure a high degree of public and stakeholder education, dialogue, involvement and awareness of this initiative.

- 6.3. Public and stakeholder consultation will take place throughout Metro Vancouver and in adjacent communities beyond Metro Vancouver boundaries if appropriate.

7. REQUIREMENTS

7.1. Scope of Activities:

It is anticipated that the Commission will consider undertaking the following tasks and activities in order to inform the development of its recommendations:

- a. Review and consider key plans, policies and relevant work both completed and under way on regional road usage charging and mobility pricing.
- 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.
- c. Conduct extensive public and stakeholder engagement and outreach in order 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.
- d. Undertake or commission research and technical analysis work required to support and inform its evaluation and recommendations, including but not limited to:
 - i. Reviewing and considering approaches to and impacts of different road usage charging and coordinated mobility pricing in other jurisdictions worldwide;
 - 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;
 - iii. Estimating the potential average costs to road users of different approaches to road usage charging and how these related to what currently exists;
 - iv. Providing illustrative examples of the impact of changes to transportation costs for typical households at various income levels and locations;
 - 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; and
 - vi. Identifying and assessing governance, regulatory, technical, administrative and related aspects of implementing and operating a comprehensive and integrated regional road usage charging system.
 - 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.

- 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.

7.2. Meetings:

- a. The Commission will formally convene regular meetings open to the public during its term to review work and deliberate. These public meetings will include an opportunity for public delegations, subject to any reasonable restrictions imposed by the Commission.
- b. The Commission will host its public meetings in communities across Metro Vancouver.
- c. The Commission Chair and Vice-Chair will be available for regular meetings and briefings with the Staff Secretariat as required (approximately once per week).
- d. The Commission may hold working sessions which may be in camera, at the discretion of the Chair.

7.3. Deliverables:

- a. The Commission will summarize its work and recommendations in a final report to the Sponsor Authorities.
- b. The Commission's final report will include:
 - i. A letter from the Chair outlining the process the Commission followed;
 - ii. A summary of the Commission's findings, analysis, and recommendations; and
 - iii. Appendices describing the detailed work, analysis and reports used to inform and guide the Commission's work and recommendations.
- c. If the Commission is unable to produce a consensus report, the Chair will prepare a report which covers the matters noted in b. above identifying areas in which there is a consensus as well as those where there is no consensus, explaining the lack of consensus.

7.4. Public Communications:

- a. The Commission will have a public website. All materials, including agendas, presentations, analyses, presentations, working papers and reports, considered at the public meetings of the Commission will be made available on the website.
- b. The Commission will announce public meeting dates, times and locations well in advance.
- c. The Commission may issue press releases, status updates, and other public communications as it sees fit.

- 7.5. Transparency:
- a. The Commission is expected to conduct as much of its process and deliberations in a public forum as possible.

8. SIZE, COMPOSITION AND COMPENSATION

- 8.1. The Commission will be comprised of a maximum of 14 members, including a Chair and Vice-Chair.
- 8.2. Commission members will be community leaders drawn from across Metro Vancouver Collectively, Commission membership and composition are intended to reflect the demographic and geographic diversity of the region.
- 8.3. Commission members will receive the following compensation for the duration of the Commission's term:
 - a. Commission Chair: \$2,500 per month and a stipend of \$550 per meeting of the full Commission.
 - b. Commission Vice-Chair: \$1,666 per month and a stipend of \$550 per meeting of the full Commission.
 - c. Commission Members: Stipend of \$550 per meeting of the full Commission.
- 8.4. The per meeting stipend provided to Commission members does not apply to activities or events that the Commission may wish to convene outside of its formal meetings, including open houses, stakeholder forums or events, and others where full Commission participation may not be warranted or possible.

9. TERM

- 9.1. The Commission will initiate its work on or around June 1, 2017 and will formally dissolve upon the completion and submission of its final report on or around April 30, 2018.

10. STAFF SECRETARIAT

- 10.1. The Commission will be supported by a Staff Secretariat.
- 10.2. The Staff Secretariat will be responsible for managing the activities of the Commission, as directed by the Commission Chair, including:
 - a. Coordinating and overseeing all research and analysis, including managing consultant services required by the Commission;
 - b. Information management;

- c. Production of reports and other materials;
- d. Organizing meetings, and public and stakeholder engagement events; and
- e. Managing budget and other resources.

11. ADVISORY PANELS

- 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 in order to help inform the Commission's approach, work and activities needed to fulfill its mandate:
 - 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.
 - b. Stakeholders Advisory Panel: comprised of representatives from major regional stakeholder groups representing community and business from across the region.
 - 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.
- 11.2. The advisory panels are not intended to replace broader regional dialogue, education and consultation with the public and stakeholders.
- 11.3. TransLink will provide assistance to the Commission to help convene these advisory panels early on in the Commission's process.
- 11.4. Once established, on-going administration of the advisory panels will be the responsibility of the Staff Secretariat.

12. ROLES AND RESPONSIBILITIES

- 12.1. Role of Sponsor Authorities:
 - a. Provide authority to the Commission;
 - b. Delegate authority to the Joint Regional Mobility Pricing Steering Committee, as appropriate;
 - c. Be available for consultation with the Commission, at the discretion of the Commission Chair; and
 - d. Receive Commission findings and respond
- 12.2. Role of Commission Chair and Vice Chair:

- a. The Chair will plan and preside over the proceedings of the Commission and assist it in arriving at consensus on the matters before it; and
 - b. The Vice-Chair will act in the place of the Chair when requested by the Chair and be available to assist and advise the Chair in the conduct of the affairs of the Commission.
- 12.3. Role of Commission Members:
- a. Attend all meetings;
 - b. Work to understand objectively the problem and meet the objectives as set out in the mandate for the Commission; and
 - c. Work collaboratively to achieve a consensus concerning the Commission's recommendations.

13. BUDGET AND RESOURCES

- 13.1. The Commission will be provided a total budget of \$2.31 million to undertake its work.
- 13.2. This budget is intended to ensure the Commission can make use of appropriate and independent resources and expertise in strategic planning and decision-support, policy analysis, and consultation and engagement, among others, to help fulfill its mandate.