

2025 REGIONAL PLAN
Policies and Programs

Pricing Strategies



Many regions around the nation and the world are looking to pricing strategies and incentives to improve and maintain transportation networks. These strategies can help reduce traffic and improve air quality and the condition of our roadways, all while generating transportation funding for priority projects.

Pricing strategies can help address decades of imbalanced investment in roads and can create more funding for other types of transportation, including transit, all while managing traffic. Additionally, they can ensure all members of the public who use the public infrastructure contribute their fair share to maintain it. Gasoline tax has been the primary source of transportation funding for decades. The gasoline tax was originally intended to be a user fee, however, as people transition to more fuel-efficient cars and electric vehicles there are significant disparities in how much people are paying into the system. New revenue sources could help the region build a complete transportation system that provides people with many ways to get around, wherever and whenever they need it. Offering the public more choices to get around besides driving will free up roadway space for people who need to drive.

What should I know about pricing strategies?

Pricing can improve traffic flow and air quality while reducing greenhouse gas emissions. These policies will be carefully developed to make sure they don't unfairly burden people with limited incomes, people of color, seniors, rural communities, or others. Funding from fees will be reinvested in a variety of safe, convenient, and affordable transportation options available to the public.

In addition, pricing policies are not always fees charged to users: they could also be programs that offer incentives to encourage people to try ways of getting around other than driving alone (e.g. reduced or free transit). As we expand transportation choices, this will make getting around more affordable and accessible.

Policy and Program Connections



Climate



Fix It First



Health



TDM



Technology & Improvements



What kind of pricing strategies might happen here?

The 2025 Regional Plan does not include a Road User Charge, but it considers a variety of other user fees and incentives to manage traffic and encourage travelers to consider more sustainable transportation choices. Before putting any of these policies into action, though, we will study them and get the public's feedback at every step of the way. These strategies include:

- **Managed Lanes**
- **Delivery fees**
- **Ridehailing company service fees**
- **Parking fees**
- **Incentives**

Read more about these strategies on reverse.



Managed Lanes

Highways with one or two lanes that charge tolls ranging in price; these offer a faster trip to solo drivers if they choose to pay, while providing free access to emergency vehicles, public transit, carpoolers, and others. Tolls may adjust based on traffic and other factors to help keep people moving safely and efficiently. Our I-15 Express Lanes are one example of this.



Delivery fees

Fees when people order things delivered by vehicle which are meant to offset increases in traffic and road wear and tear as online shopping becomes more popular. Delivery fees incentivize companies to bundle products into fewer orders (which reduces how many delivery trips are made) or to use cargo bikes for deliveries in urban areas. Other states like Colorado and Minnesota already have a system like this.



Ridehailing company service fees

Fees per trip for Ridehailing Companies, including on-demand passenger and ridehailing services such as Uber and Lyft. Rates could vary by distance traveled, number of riders, or other factors. Data collection efforts both in San Diego and across the nation have indicated that ridehailing services have many negative impacts – they generate a lot of extra miles driven as drivers can travel long distances to pick up their next customer and seek higher paying trips. They also generate a lot of traffic on our local streets and at the curbs in our busiest areas. San Francisco, Chicago, Seattle, and other major U.S. cities already have fees like this to address these impacts.



Parking fees

Paid parking spaces where prices vary by time of day, location, and other factors. These help manage the number of spots available in high-demand areas while generating funding for city and County transportation projects, including flexible fleets like shared Neighborhood Electric Vehicle services.



Incentives

Offering free or discounted transit passes to high-need groups to encourage more people to ride transit. One example of this is our Youth Opportunity Pass pilot program, which offers free, unlimited public transit for people 18 and under. Another example is the Try Transit program which provides eligible employees with a free one-month transit pass. Expanding these programs to more high-need groups could encourage more sustainable transportation choices.

What's Next?

SANDAG staff will consult with its Board of Directors, stakeholders, and community members while working to implement these new pricing or incentive strategies. Programs must be carefully constructed, considering who will pay what and how much and how revenues would be distributed to ensure that no group, such as those driving fuel-powered vehicles, low-income individuals, rural residents, or those with long commutes, are paying more than their fair share.

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