

Metropolitan Transportation Commission
Planning Committee

December 12, 2025

Agenda Item 5b

Next Generation Bay Area Freeways Study: Final Report

Subject:

Overview of the final Next Generation Bay Area Freeway Study Final Report, as submitted to the California Department of Transportation (Caltrans).

Background:

As determined during the Plan Bay Area 2050 analysis, Bay Area freeways will remain severely congested in the future without the implementation of bold strategies. The Next Generation Bay Area Freeways Study, kicked off in early 2022 in partnership with Caltrans, reimagines an alternative future for our freeways by exploring pricing strategies. Pricing has proven benefits in shifting driver behavior and addressing mobility and environmental goals. Accompanied by a meaningful suite of complementary strategies tailored to the Bay Area, pricing strategies may have the potential to advance equitable outcomes, rather than further exacerbating inequities. The Next Generation Bay Area Freeways Study is a first and early action that MTC is undertaking to step toward the vision of Plan Bay Area 2050's Strategy T5. This strategy is also in the Plan Bay Area 2050+ Final Blueprint and was essential in achieving the greenhouse gas target.

The study used public and partner engagement and technical analysis to collaboratively explore if there are equitable and politically acceptable "pathways" centered on pricing toward a shared vision of Next Generation Freeways. The study found that no single road pricing pathway is perfect; tough decisions about balancing tradeoffs will need to be made if pricing is to move forward. This planning study helped develop a more robust understanding of the opportunities and challenges of pricing strategies and lays the groundwork for further study.

The final report can be found in **Attachment A** and includes a detailed discussion on the analysis, community engagement process, and alternatives considered.

Study Goals and Pricing Pathways:

The study sought to evaluate whether pricing strategies could support Bay Area's Equity Priority Communities and advance a regional transportation system is **reliable, efficient, affordable, reparative, and safe**. Three pathways were analyzed to reflect new pricing strategies – highway all-lane tolling, regional mileage-based user fees, and dual priced lanes – alongside different variants of Bay Area Express Lanes for comparison purposes. **Table 1** below provides a high-level overview of tolling assumptions for each pathway:

Table 1 Toll Assumptions by Pathway Evaluated

Pathway	Assumed Toll Rates	Assumed Toll Hours
Pathway 1 – Highway All Lane Tolling	<ul style="list-style-type: none">• Minimum toll: \$0.50• Congested highways: \$0.30 per mile• Other highways: \$0.10 per mile	<ul style="list-style-type: none">• Monday through Friday, 6 to 10 AM and 3 to 7 PM• No tolls at midday or at night• No tolls on weekends
Pathway 2 – Regional Mileage-Based User Fee	<ul style="list-style-type: none">• \$0.05 per mile on all roads	<ul style="list-style-type: none">• 24 hours/7 days per week
Pathway 3 – Dual Priced Lanes on Highways	<ul style="list-style-type: none">• Variable tolls priced to achieve 45 mph speed in priced lanes	<ul style="list-style-type: none">• 5 AM to 8 PM• No tolls on weekends

Stakeholder and Public Engagement:

The study used an equity focused outreach process to identify pathways and complementary strategies that would make pricing more equitable and politically acceptable.

Staff formed a cross-sector partner advisory group and an ad hoc executive group made up of representatives from MTC's Policy Advisory Council, labor, business, freight, youth, academia, and local and state transportation agencies. These groups co-created the study's goals and used technical and public outreach findings to define pathways for analysis.

The community engagement process took place over two rounds between Summer 2022 and Fall 2023. Surveys and small group discussions with participants from around the region enabled staff to get input on the project goals and understand how pricing could improve equity outcomes and travel conditions.

The engagement process led to the following takeaways:

- People want pricing to bring faster and more reliable freeways; multimodal improvements; toll burden mitigation and cost predictability; and financial transparency.
- Themes of opposition include further inequities; limited ability to drive and move around the region; government misuse of public funds; limited congestion benefits; and added financial burden on top of high living costs and inflation.

Based on public engagement, staff established a reinvestment framework for net revenues – 50% to transit; 35% to local roads; and 15% to reparative infrastructure – which, along with a consistent and region wide pricing strategy and monthly toll caps for lower income drivers, would help build political support for freeway pricing and advance equitable outcomes.

Key Findings:

The study does not recommend a singular pricing strategy to pursue. Through working with Caltrans and the advisory group, Pathway 1 (all lane tolling) and Pathway 2 (regional mileage-based user fee) are recommended for further study. Plan Bay Area 2050+ reflects this recommendation and acknowledges that a pricing strategy is essential to meet climate goals, encourage mode shift, and fund transportation investments.

The analysis found that Pathway 1 (all lane tolling) is better suited to manage freeway congestion and advance climate goals, reducing greenhouse gas emissions and regionwide vehicle miles traveled by 2 percent and 4 percent per day, respectively. This pathway is also affordable to most residents. However, this pathway has a substantial risk of diversions to local streets, showing a 15 percent increase in travel times on major parallel roadways, which would disproportionately impact freeway-adjacent communities. All lane tolling resulted in a net annual revenue of approximately \$630 million.

Pathway 2 (regional mileage-based user fee) is better suited as a revenue raising tool. The per mile fee to achieve comparable greenhouse gas emission reductions to Pathway 1 raises

significant affordability concerns. With a \$0.05 per mile assumption, this pathway showed a 2 percent reduction in greenhouse gas emissions and regionwide vehicle miles traveled. A regional mileage-based user fee resulted in a net annual revenue of approximately \$2 Billion.

Pathway 3 (dual priced lanes) does not have strong potential to advance climate emissions reduction on its own, resulting in no reduction in greenhouse gas emissions and a 0.4 percent increase in regionwide vehicle miles traveled. However, this pathway does more to advance climate goals than freeway widening. Dual priced lanes are unlikely to generate significant net revenues, though it could expand public acceptance of road pricing by leaving some un-tolled lanes.

Next Steps:

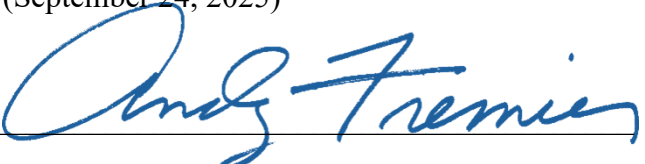
During the final phase of the study, staff worked with stakeholders to outline a high-level implementation roadmap. In the near term, staff will monitor statewide developments related to road pricing and strategize the evolution of Express Lanes as part of the forthcoming update to the Bay Area Express Lanes Strategic Plan. A second-phase study is recommended for 2027 (or later) to better understand the operational deployment opportunities and constraints and to assist policymakers in their evaluation of a preferred road pricing pathway in the Bay Area. The proposed timeline accounts for near-term uncertainties, including regional economic recovery, transit funding shortfalls, potential reforms to Senate Bill 375 and the outcome of the potential 2026 transportation revenue measure.

Issues:

California Air Resources Board (CARB) staff continue to be focused on how potential greenhouse gas and vehicle miles traveled reductions from a regional freeway pricing strategy (Strategy T5) are represented in Plan Bay Area 2050+. CARB has been requesting that MTC-ABAG provide data, assumptions, and a timeline for actionable next steps and milestones to determine whether the region is on track to meet the statutorily required greenhouse gas emissions reduction target by the year 2035 under Senate Bill 375. CARB staff have also been requesting further details on roles and responsibilities, authority needed to implement the ultimately selected pricing pathway, and evidence of implementation progress and commitments beyond planning studies.

Attachments:

- Attachment A: Next Generation Bay Area Freeway Study Final Report [Link](https://mtcdrive.box.com/s/1z127bltybnb0u9zuetazlibbd22qf7q)
(<https://mtcdrive.box.com/s/1z127bltybnb0u9zuetazlibbd22qf7q>)
- Attachment B: Caltrans Letter to MTC (September 24, 2025)



Andrew B. Fremier