

## Estimates of Congestion Taxes

### Keeler and Small (1977) San Francisco Bay Area

They estimated optimal congestion taxes

Central Urban Highways - 65 cents per mile

Suburban Highways - 21 cents per mile

Fringe Highways - 17 cents per mile

For a 10 mile trip with 3 miles on Central Urban Highways and 7 miles on Suburban Highways, the daily congestion tax would be :  $3(\$0.65) + 7(\$0.21) = (\$1.95 + 1.47) \times 2 = \$6.84$   
 $\$6.84 \times 250 \text{ working days per year} = \$1710$

### Small (1993) Los Angeles

Peak period congestion tax averages 15 cents /mile with higher taxes on most congested roads. The average commute is 10 miles so the average commuter would pay \$3 per day in congestion taxes  $[10(\$0.15) \times 2]$ .

The congestion tax would reduce peak period congestion by 26 %.

### Mohring (1999) Minneapolis - St. Paul

The optimal congestion tax varies from 9 cents/mile to 21 cents/ mile. The congestion taxes would reduce peak period traffic volume by 12% on average and 25% on the most congested roads.