

# Intelligence MEMOS



From: Benjamin Dachis  
To: John Tory, Mayor of Toronto  
CC: Toronto City Council  
Date: March 1<sup>st</sup>, 2017  
Re: **RE-HEAT TOLLS PLAN TO MAKE HOT LANES**

Tolling the Gardiner and Don Valley Expressways was a good idea. But, the Premier rejected the idea and said that she wanted commuters to have affordable options to tolls. Now what?

Losing the tolls will harm Toronto's economy through [worse congestion](#). But, you have an option that meets the Premier's criteria and can tackle congestion: a high occupancy toll (HOT) lane, a carpool lane open to single-occupant vehicles willing to pay a toll.

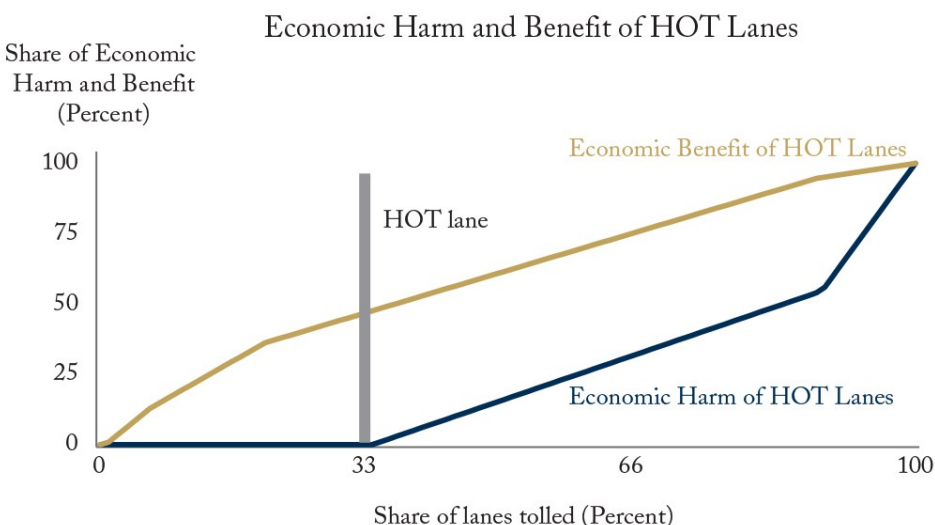
The price to access a HOT lane would vary based on demand to reduce congestion. Prices could be posted on road signs to show the cost of a trip before drivers enter. Drivers could decide if the potential time savings are worth the toll.

The province promised in its 2013 budget that it will open some HOT lanes on provincial highways and has regularly reiterated its commitment since. Toronto should follow the province's lead and ask the province to put HOT lanes on the Gardiner and Don Valley Expressways.

Tolling only one lane allows choice for drivers. They can either use the regular non-priced lanes, or try the HOT lane. That gives drivers the affordable option the Premier was looking for. The Premier was right that there is an economic harm to some people when they don't have a choice regarding paying road tolls.

There's an economic benefit to having a choice too. When people choose to use either the toll lane or the free lane, they choose the option that best suits their needs. People in the most urgent time crunch can get to where they need quickly. Plumbers or electricians can do one more job in a day, for example. Those in less of a rush can stay in the congested, but free, lanes.

With a HOT lane, the economic benefit per lane of putting tolls on only one lane is higher than the per-lane benefit of tolling every lane. Tolling the whole highway gets the most benefit, to be sure. But there's also more economic harm. According to [Jonathan Hall](#), an HOT lane expert, tolling only one lane out of the three available gets half of the economic benefit without any of the economic harm to people not able to afford the toll (see figure below). Tolling more than one lane increases the economic benefit, but more people feel the economic harm.



Toronto City Council bravely supported tolls last year. Supporting tolling one lane instead would get most of the economic benefit, without the economic harm the Premier worried about.

Source: Adapted from [Jonathan Hall](#).

*Benjamin Dachis is Associate Director of Research at the C.D. Howe Institute*