

Road Charging Scheme: North America - Canada, Toronto (407 Express Toll Route)

Type of Scheme

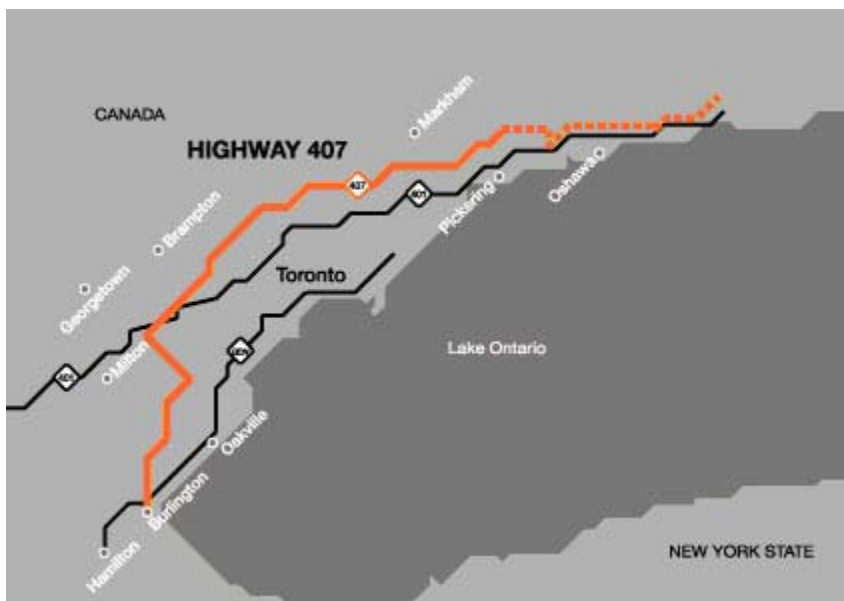
- Variable priced motorway toll road.

Date of Introduction

- 1997.

Background

- Opened in October 1997, 407 ETR (Express Toll Route) is one of the world's first all-electronic, open access toll highways serving the Greater Toronto Area. It is 108 km long and runs just north of the city.
- Its aim was to relieve traffic congestion around Toronto, particularly on the toll-free, parallel Highway 401, by building more road infrastructure.
- A public-private partnership, it was originally constructed for the Ontario Provincial Government by private company, Raytheon who also operated the road for the government during its initial operation from October 1997 to 1999.
- In 1999 the province sold the 407 ETR for almost double the original investment. The government built the highway for approximately CA\$1.6 billion and the 407 ETR Consortium bought it in 1999 for CA\$3.1 billion (plus CA\$900 million for future construction and working capital).



Aim

- To relieve traffic congestion through further road construction.

How it Works

Charges:

- Charges are variable depending on:
 - time of day (peak or off peak). Peak hours are weekdays between 6am and 10am and 3pm and 7pm.
 - vehicle class (or weight) - charges are triple for heavy double vehicles than they are for light vehicles.
 - distance travelled (charged by the km).
- Discount is given if the vehicle is equipped with an electronic tag since this minimises the work for highway administrators.
- Rates can only be changed if one month's notice is given by private operator.
- The typical trip on 407 ETR is 19 kilometres at a cost of \$2.65.

Technology:

- Tolls are collected by an electronic toll collection system (ETC) system that accounts for 70%; 30% are collected via a licence plate recognition system.
- For ETC users, electronic tags are placed inside the vehicle and communicate with overhead gantries.
- Gantries record each vehicle passing under it and the tolling computer deducts the appropriate toll from the driver's toll account.
- Nearly 600,000 electronic tags are now in circulation, up nearly 230 per cent from 1999.
- If individuals choose not to lease a tag, trips are logged by the licence plate recognition system are charged an additional fee.
- Electronic tags are mandatory for heavy vehicles with a gross weight of more than five tonnes.
- There is no minimum charge; billing is retrospective on a monthly basis.
- ETC cost approximately one billion Canadian Dollars, financed through sale of toll revenue bonds on world markets, guaranteed by the Ontario Government.

Exemptions:

- Law Enforcement Vehicles.
- Fire Fighting Vehicles.
- Ambulances.
- Department of National Defence Vehicles.
- Vehicles bearing Ontario diplomatic licence plates.



Enforcement:

- If the traveller is not from the area or simply chooses not to use a transponder, trips are logged by using a number plate recognition system based on a system of video cameras and an image processing system. Once the license plate has been photographed, the toll charge is then added to a CA\$3.35 Video Toll Charge per trip and posted to the user.
- Number plate of any heavy vehicle without an electronic tag is photographed by cameras and a bill is sent by post to vehicle owner.
- Accounts overdue more than 90 days may be sent to a collection agency and are subject to a collection fee of \$13.50 (plus applicable taxes). These accounts may also be

sent to the Ministry of Transportation (MTO) for collection through the plate denial process.

Revenue

- Revenues in 2005 were \$420.3 million compared with \$380.2 million in 2004.

Benefits/Results

- Congestion relieved throughout the area's overloaded highway system.
- Journey times are half those of similar, free highways.
- Driver approval is high.
- Further highway widening and improvements have been funded toll income.
- Traffic volume has risen steadily since tolling began and continues to grow with over 320,000 average workday trips - up 40 per cent from 1999.
- Officials expect that the \$929.8 million project will be paid for 5 years earlier than originally expected.

Next Steps

- To accommodate future needs, ETR has the capability of expanding from six to 10 lanes.

Website

407 Express Toll Route:

www.407etr.com.

References

Erin Schiller, 1998, The Road Ahead: The Economic & Environmental Benefits of Congestion Pricing.

Glenna Carr, 1998, Public Private Partnerships: The Canadian Experience.

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