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“Pricing Managed Lanes”

(joint work with Robert Phillips)

Abstract: A managed lane is loosely defined as a separated highway lane operated with active flow management. The entity responsible from operating the lane manages the flow to the lane by levying tolls or setting regulations. Managed lanes with tolls are becoming an important way to finance new public works. We investigate the optimal operating policies for managed lanes with tolls by taking the viewpoint of the operating entity which may seek to maximize the revenue or the social surplus.