Article Review

[Name of the Writer]

[Name of the Institution]

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**1. Why are states increasingly relying on congestion pricing to address traffic?**

The states are increasingly relying on congestion pricing to address traffic because highway congestion increases the cost of travel in most urban areas of the United States. It has been observed that traffic congestion has continued to increase in the united states and it takes more time to travel from one place to another than before. There are many states which are turning to a free-market solution for highway congestion. The states are relying on congestion pricing because there are many drivers who are cost conscious and they don't want to pay too much for the highways. The basic idea is to keep them in slower lanes and create priced express lanes for those who are willing to pay for speed. The rise in the tolls is the main reason why states are increasingly relying on congestion pricing to address traffic these days in the United States (Krol, 2016).

**2. Why are some states placing a cap on tolls? What is the downside to allowing the market price based on current traffic to prevail?**

Toll caps are placed basically by states to minimize the total congestion. Some states are placing a cap on tolls because some times due to the increase in the drivers there are heavy traffic jams on the highways. To avoid heavy traffic jams, they have put a cap on the tolls. The caps are built for the different category drivers according to what they will pay for travelling on a highway. The downside to allowing market price based on current traffic to decrease the traffic congestion on the highway because only those people will travel on highways who can pay the toll price easily and others will change their time according to the tolls price (Calvert, 2019).

**3. Do you believe that the price elasticity of demand for using the toll roads discussed in the article is relatively elastic or inelastic? Why?**

The price elasticity of demand for using the toll roads is relatively inelastic because elastic demand a small change in the price and causes a greater change in the quantity while inelastic demands a change in the price but will not have a much effect on the quantity demand. In this article, the prices have changed but haven't minimized the congestion which means it won't have affected traffic congestion.

**4. What do you think? Should states use congestion pricing to mitigate traffic? Should price caps be placed on tolls or do you believe that market prices should be allowed? Please be sure to support your opinion**

States must use congestion pricing to mitigate traffic because it is the only solution to control traffic of the highway. It helps in changing the price of the tolls according to the number of drivers using the roads. The benefit of congestion pricing is that travelers change their time of traveling when they see a rise in the price of toll which helps in reducing the traffic on the highways. Price caps should be displayed on the tolls because they help to minimize the total congestion and to avoid heavy traffic jams. Traffic issues are becoming a huge concern for the country like the United States. Congestion pricing schemes have been not that much popular in the United , but there are many benefits of these schemes which people might see in the future and will favor this.

**References**

Krol, R. (2016). Tolling the Freeway: Congestion Pricing and the Economics of Managing Traffic.

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