ABSTRACT In the area of transportation policy, congestion pricing has been used to alleviate traffic congestion in metropolitan areas. The focus of this paper is to examine the perceived risk of traffic delay as one determinant of reactions to congestion pricing. This study recruits commuters from the Atlanta and Orlando metropolitan areas to participate in a naturalistic experiment where they are asked to make repeated route decisions in a driving simulator. In a repeated choice setting, this study examines belief formation and adjustments under an endogenous information environment where information about a route can be obtained only conditional on taking the route. Subjective probabilities are jointly estimated with risk attitudes assuming Subjective Expected Utility and Rank Dependent Utility. The results indicate: 1. Subjects initially overestimate the risk of congestion across the range of objective probabilities under study, 2. In subsequent periods the path of belief adjustments differ across the range of objective probabilities, such that only in the lowest risk condition is there evidence of a significant belief adjustment, and 3. The perception of congestion move toward the objective probability in the lowest risk condition only.

KEYWORDS Congestion pricing, risk perception, belief adjustment, risk attitudes, naturalistic experiments, driving simulators, joint estimation