TEA-21 Reauthorization Advocacy

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TEA-21 Reauthorization: The Time Has Arrived to Support Toll-Based Funding

IBTTA Position Paper – DRAFT 5-6-05

As Congress works toward reauthorization of TEA-21 (the Transportation Equity Act for the 21st Century) it should recognize and take into account the significant shift in public attitudes about the federal government’s relationship to national highway building.

Widespread enthusiasm for using tolls to build, operate, and maintain transportation infrastructure has been slowly building since the late 1980s. The past 18 months has seen a rising groundswell of political, financial, and popular support for using tolls – as opposed to increased gas or sales taxes – to bridge the gap between transportation needs and available funding.

We as a nation are now at a “tipping point” at which Congress has the opportunity to show its full and immediate support – via TEA-21 reauthorization legislation – that will enable user fee-based solutions to help pay for the nation’s roadway transportation systems.

Popular Opinion, Political Leaders Prefer User-Fee Solutions

The current discussion of highway program reauthorization is taking place in an environment of greatly reduced highway revenues while transportation needs have risen to an all-time high.

Congestion in urban areas is growing at alarming rates and threatens the free flow of commerce, freight, and passenger traffic. The 2005 Report Card from the American Society of Civil Engineers, in fact, recently gave the nation’s transportation infrastructure a “D” grade, while the American Association of State Highway and Transportation Officials estimated nearly $2 trillion will be required to meet basic needs through the first quarter of the 21st century.

Conventional wisdom may have suggested that tolling was unpopular with the public. This is fundamentally incorrect. User-financed transportation systems have an established track record throughout the United States, and have widespread acceptance in countries like England, Canada, Israel, Chile, and Australia.

Opinion polls repeatedly show, by two to one margins, that direct user fees such as tolls are greatly preferred over general taxation to fund transportation infrastructure. In fact, state and county governments as well as metro-region organizations all around the country have built, are building, or are considering building a variety of user fee-based facilities to increase highway capacity, relieve severe congestion, rebuild failing infrastructure, and maintain and improve existing highways.

The New York Times describe this shift as “one of the biggest philosophical changes in transportation policy since the toll-free interstate highway system was created . . .”

Reauthorization Carries Full Support of Toll Industry

The International Bridge, Tunnel and Turnpike Association (IBTTA) represents the owners and operators of toll bridges, tunnels and motorways in the U.S. and around the world. The IBTTA membership supports a federal agenda that promotes projects and incentives that emphasize (a) the highest operational and safety standards, and (b) management mechanisms to ensure greater productivity and efficiency from the nation’s transportation assets.

The toll industry is positioned to be a major contributor to future transportation mobility through new construction, maintenance, and efficient operation of existing highways, roads, and bridges.
Toll facilities have been, and will continue to be, a safe and reliable complement to America’s tax-supported highways.

Our U.S. members generate more than $8 billion in annual revenues used to design, build, maintain, and operate highways, tunnels, bridges and other surface transportation infrastructure in both urban and rural areas throughout the United States. In some regions, toll revenues also subsidize mass transit.

**Industry Provides Innovative, Responsible Expertise**

Innovative finance has been on the federal agenda for many years and several programs have been successfully implemented. IBTTA and its members stand ready to assist in the formulation of public policy that capitalizes on the flexibility and leveraging capability of toll financing and the strong track record our members have in asset management and operations.

Toll operators, for example, have become masters of tax-exempt debt financing, which permits them to expedite the construction and rehabilitation of major highway facilities. IBTTA members have also become experts at private equity financing and the various sources of such funding. Both of these techniques offer a viable alternative to traditional gas taxes, providing funds for highway projects of critical importance that might otherwise be delayed for many years.

As important as the financing and construction of the roadways are, the efficient operation of the nation’s transportation system is the best near-term opportunity to reduce congestion and increase mobility. Toll facility operators provide a high level of efficiency and service to attract and retain customers.

**User-Fee Industry Highlights Specific Areas of Support**

Specifically, we urge the Congress to give serious consideration to the following legislative elements:

- Congress should foster the use of innovative financing to build and maintain transportation infrastructure, including toll motorways, bridges, and tunnels through the elimination of existing language in Title 23 U.S.C. which limits the use of toll financing on Federal aid highways and through the continuation of the Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA).

  Congress should also encourage the development of state infrastructure banks (SIB) and similar credit assistance programs at the state level to foster toll transportation infrastructure improvements and the coordination and consolidation of efforts to seek bond financing from the private sector investment community.

- Congress should allow the states maximum flexibility to consider and implement all forms of financing mechanisms for transportation infrastructure improvements, and should allow the broadest possible interpretation of toll agency capital expenditures and bonding to maximize the leveraging of these efforts under current law.

  Capital investments made by toll agencies can be used by state DOTs as a soft match to gain federal funding, yet not all states use this tool and thereby lose valuable financial asset. The flexibility of this provision should be broadened to allow the fullest use of toll revenues as soft match funds.

- Congress should continue the Value Pricing Pilot Program, and extend Section 1216(a) of TEA-21 to allow the use of tolls on the Interstate highway system at the discretion of the STAs to support the value pricing and toll projects that promote efficient traffic management and reduce road congestion.

  The Value Pricing Pilot Program has been very successful in those instances where actual projects and applications have been undertaken, and the program holds enormous potential to address traffic congestion.
As Robert Poole, Director of Transportation Studies for the Reason Foundation and a veteran highway-funding observer, recently told National Public Radio, "Toll-based solutions for relieving congestion and increasing roadway capacity have been popping up all over the country in the past two years. Considering the slower rate of change we experienced in the 1990s, the pace now is staggering."

Because of the huge investment the federal government has made in surface transportation, and because of the significant role that toll facilities play in the national highway system, it is a matter of federal interest to ensure that tolling be used to create and improve mobility by providing options and choices in when, where, and by what means people choose to travel, and to supplement inadequate tax funding for highway transportation improvements.

For additional information, please contact Neil Gray, IBTTA's Director of Government Affairs at (202) 659-4620 or neilgray@ibtta.org.

"There Are No Free Roads"™
Money Talks: The Financial Facts About Tolls and Transportation

Fact Sheet – DRAFT 5-6-05


Congress is now considering bills to renew TEA-21 funding; one for $283.8 billion over a six-year period, the level requested by the Bush administration; or $318 billion initiated by another bill in the House of Representatives. The difference is approximately $34 billion dollars. When adjusted for inflation, the $283.8 billion bill provides only a 5.4 percent increase over 2004 levels.

U.S. DOT: A six-year investment of $375 billion has been identified by the U.S. Department of Transportation (U.S.DOT) as the minimum amount necessary to maintain current transportation conditions.

According to U.S.DOT, every $1 billion invested in transportation will create roughly 47,500 jobs. Therefore $283.8 billion in TEA-21 funding would yield roughly 13.5 billion jobs, while $318 billion in funding would yield roughly 15.1 billion jobs.

TEA-21 Delay: According to the American Association of State Highway and Transportation Officials (AASHTO), the delay in passing TEA-21 has caused the following:

- Delays in state projects being put out for bid resulting in tens of thousands of jobs lost.
- Some state DOTs are advancing state funding for projects that would be eligible for federal-aid, and are therefore diverting money for the projects until federal money is available.
- In December 2004, McGraw-Hill Construction Report noted that year-to-date construction starts for highways and bridges were down 5%. States don’t have the resources to commit to long-term investments.

Trends: Within the last five years, serious highway congestion is up by 40% with an estimated 230 major bottlenecks across the country, and an average of 46 hours per year lost to commuters stopped by traffic.

Drivers have increased the number of miles driven by 80% over the 20 years. New highway lanes have only increased by 4% adding to the congestion problem. (See New York Times article by Timothy Egan, “Paying on the Highway to Get Out of First Gear”, pub. 4/28/05)

AASHTO projects freight traffic up 70% by 2020 and increased travel demands up 44%.

Traffic Costs: In 2003, the Federal Highway Administration (FHWA) reported traffic congestion cost the U.S. economy $67.5 billion annually in lost productivity and wasted fuel.
Traffic crashes in 2003 killed more than 43,000 people. Crashes are estimated to cost the U.S. economy approximately $230 billion annually.

According to the American Society of Civil Engineers (ASCE):
- 32% of major roads in the U.S. are in mediocre or worse condition, costing U.S. motorists $54 billion annually in repairs.
- 27% of U.S. bridges are structurally dysfunctional. Repairs will cost an estimated $9.4 billion annually for 20 years.
- 38% of major urban roads are congested.

Gas Tax:
The federal tax is 18.4 cents per gallon raising approximately $40 billion annually which is used primarily for transportation infrastructure. States determine their own gas tax. Sample ranges: Georgia at 7.5 cents, Wisconsin at 32.1 cents, Colorado at 22 cents. As the cost of fuel rises, consumers are not inclined to favor increased gas tax, but are showing broad support of pay-as-you-go systems.

Toll Roads:
According to the FHWA, in 2003, U.S. urban and rural interstate systems comprised of toll roads, toll bridges, and toll tunnels totaled approximately 5,031 miles.

Almost 24 states have recently passed legislation enabling pay-as-you-go transportation systems, often built and operated by the private sector. (See *New York Times* article "Paying on the Highway to Get Out of First Gear", by Timothy Egan, pub. 4/28/05)

Examples of Tollway Revenue Generation:
- Florida's Turnpike generated $450 million in toll revenue collected in fiscal 2003.
- State Route 91 Express (HOT) Lanes, Orange County, CA revenues exceed $29 million per year.

IBTTA:
U.S. toll operator members of IBTTA generate more than $8 billion in annual revenues that are used to design, build, maintain, and operate highways, tunnels, bridges and other surface transportation infrastructure in both urban and rural areas throughout the United States.

While toll revenues cannot supercede the need for funding TEA-21 reauthorization, it can certainly help bridge the gap between the need for investment in transportation infrastructure and the available funding to do so. Therefore, it is imperative that language in TEA-21 support state's ability to implement tolling facilities.

For additional information, contact Neil Gray, IBTTA's Director of Government Affairs at 202-659-4620 or neilgray@ibtta.org

*"There are no free roads."™*
States’ Practices: Meeting Transportation Needs Through Innovative Toll Facilities

FACT SHEET – DRAFT 5-6-05

There are urgent needs for transportation improvement throughout the United States. Every state, county, city, and town is experiencing congestion, deteriorating infrastructure, and/or safety issues on its roads and highways.

The Federal Highway Administration reported in 2003 that traffic congestion cost the U.S. economy $67.5 billion annually in lost productivity and wasted fuel. Traffic crashes in 2003 killed more than 43,000 people. Crashes are estimated to cost the U.S. economy approximately $230 billion annually.

The U.S. Congress has responded to this crisis by increasing transportation funding by enacting the Transportation Equity Act of the 21st Century (TEA-21) and is currently debating bills that will continue a solid funding stream for critical transportation improvements.

State and local governments, however, are also developing innovative solutions to bridge the gap between the need for investment in transportation infrastructure and the available funding to do so. Florida, Texas, Virginia, and California are four examples among many states that have “taken the bull by the horns.” Each has built or expanded toll facilities to meet the needs of its traveling public.

- Florida’s Turnpike Enterprise has been charged by Governor Jeb Bush to help keep Florida “on the move” through customer-oriented, environmentally sound, user-financed facilities. Its 2003-2008 strategic plan calls for the most aggressive expansion program in the system’s history, with more than $4 billion in projects scheduled to extend, expand, and improve Turnpike Enterprise roadways.

- The Texas Department of Transportation (TxDOT) is proposing a 4,000-mile network of corridors with separate car and truck lanes, rail lines, and utility easements to allow faster and safer transportation of people and freight. This monumental undertaking constitutional amendment that allows Texas more flexibility to pay for transportation projects through a variety of means: public-private partnerships, user fees or tolls, the Texas Mobility Fund, and regional mobility authorities.

- Since 1997, the Virginia Department of Transportation (VDOT), with the third-largest state-maintained highway system in the U.S., has been implementing the Public Private Transportation Act, sharing the expense of the transportation system between public and private sector interests, thereby jumpstarting a number of critical projects that would not have otherwise occurred.

- In California, private firms can finance, design, construct and operate toll road facilities within the state - at no cost to the state or federal government. California SR91 in Orange County is an excellent model of how public-private partnerships can be used to relieve congestion. SR91, a four-lane toll facility built in the median of the Riverside Freeway, is the first privately financed toll road built in the U.S. in the last 50 years.

Almost 24 states have recently passed legislation enabling pay-as-you-go (toll-based) transportation systems, some built and operated by the private sector. Federal funding and mandates are integrally tied to a state’s ability to take the steps they need to reduce congestion and rebuild and maintain these vital engines of economic growth. Therefore, it is imperative that
the TEA-21 reauthorization removes any remaining barriers that prevent states from implementing tolls systems to improve their transportation networks.

For additional information, contact Neil Gray, IBTTA’s Director of Government Affairs at 202-659-4620 or neilgray@ibtta.org.

“There are no free roads.”™
About IBTTA

Fact Sheet - DRAFT 5-6-05

Mission: The International Bridge, Tunnel and Turnpike Association (IBTTA) is the worldwide alliance of toll operators and associated industries that provides a forum for sharing knowledge and ideas to promote and enhance toll-financed transportation services.

Founded: Founded in 1933, IBTTA is the only association representing the worldwide toll industry.

Services: IBTTA's priority is helping members stay abreast of trends that will see the toll industry emerge as one of the most important forces in highway finance and operations around the world. Finance Summits, meetings, exhibitions, and workshops are offered throughout the year.

Members: IBTTA membership is comprised of roughly 250 members in 26 countries on six continents. In addition to the U.S.A., there is significant representation from European toll operators in Italy, France, Spain and Portugal as well as Australia, South Africa, Japan and India. IBTTA members are leaders in technological innovation with expertise in the ways technology is reshaping road financing, organizational models, and service delivery.

Advocacy: IBTTA has a full-time staff member devoted to government affairs issues that involve monitoring and responding to Federal and State initiatives impacting association members. The government affairs policy direction of the association is guided through the Government Affairs Task Force. For additional information, contact Neil Gray, IBTTA's Director of Government Affairs.

Revenue: IBTTA is funded primarily through membership dues and meeting registrations, exhibits, and sponsorships.

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"There are no free roads."™
Enterprising Innovations on Highways
Transcript: National Public Radio
May 3, 2005

NEAL CONAN, host: This is TALK OF THE NATION. I'm Neal Conan in Washington.

Despite the spike in gas prices, America's highways welcome more cars every day, and that means America's drivers face evermore congestion. Despite the evident need for more and wider roads, most state transportation agencies complain that their budgets are only getting leaner. Now from the Trans-Texas Corridor to the Washington Beltway, private companies have offered to step in and construct the next generation of highways if they're allowed to collect tolls in return. The states are trying their hand at this, too. Among the best-known models is the Riverside Freeway in Southern California, or more specifically the Express 91 lanes in the middle of the freeway.

Joining us now is Chris Hughes. He covers the Riverside Freeway as a traffic reporter for KFI AM 640 in Burbank, California. Nice of you to be with us today.

Mr. CHRIS HUGHES (Traffic Reporter, KFI AM 640): Oh, nice to be with you.
CONAN: It's a little after 11:00 in the morning there. What's traffic on the Riverside Freeway like?
Mr. HUGHES: Right now on the Riverside Freeway, which is the 91 East, there's a pocket of traffic from Lakeview to Imperial. Then up ahead at Piercy, a metal bar in the two left lanes. Then on the 91 East to Tyler, which is further beyond that, a four-car crash with about a two-mile backup from Magnolia. And then going the opposite direction, West 91 past the 15, there's another accident that's moved off to the right shoulder. That's backed up from McKinley, so about a two-mile backup there.
CONAN: So not moving swiftly. Is that a fair summation?
Mr. HUGHES: Oh, that's fair, indeed.
CONAN: What about the lanes in the middle, the Express 91 lanes?
Mr. HUGHES: Actually, those are moving quite nicely right now.
CONAN: Now tell us a little bit more about these Express 91 lanes. As I understand it, there's something called HOT lanes. What does that stand for?
Mr. HUGHES: That stands for high occupancy toll lanes...
CONAN: So if you...
Mr. HUGHES: ...which means...
CONAN: Yeah. If you've got four people in your car, you're allowed on?
Mr. HUGHES: Yes. Three-plus, you're allowed through free or half-price, depending on the time of day. Everyone else pays a pretty steep fare.
CONAN: And how steep is it?
Mr. HUGHES: On Thursday and Friday afternoons, heading eastbound, which is the absolute worst time for the freeway, it can be up to $7.
CONAN: How do they adjust the rates like that? I mean, the toll collectors ask for money depending on what time of day it is?
Mr. HUGHES: It is completely--actually, it's completely an automatic toll system. You must have what's called a transponder, and it's issued by a company called FasTrack, and there's no toll collectors. And what they have are changeable message signs that when the traffic gets heavy on predetermined schedules, that OCTA, which is the transit agency here determines, they will adjust the toll. So it starts anywhere from a dollar five in the morning, which would be 3 or 4:00 in the morning, all the way into the afternoon, which can be $7. And then the signs will change to tell you what the current toll is.
CONAN: So you can make this decision as you go along as I understand it. You not only cover the Riverside Freeway, you drive the Riverside Freeway?
Mr. HUGHES: I do drive the Riverside Freeway every morning and every afternoon.
CONAN: And what do you do? Do you pay for the express lanes and the privilege of getting to work—What?—20 minutes faster or something?
Mr. HUGHES: Well, exactly. If I'm running late for work, and it may only save me—because I'm at 4:30 in the morning, but even then, the traffic is starting to build on the 91. So if I'm running late for work and it's really important that I get to work on time, then I will pay that $2, I think it is at that time, it is $2 at that time—to save those five extra minutes. And definitely in the afternoon, if I leave work, get out late at 3 or 4:00, then after that, you can sit in traffic for an hour if you don't use the toll lane. So it really depends, if I really need to get home or I'm really tired or I really don't feel like sitting in the traffic, that's when I'll do it. If I'm feeling better, maybe I'll just ride in the regular lanes.
CONAN: So maybe—What?—three days out of five, four days out of five, every day?
Mr. HUGHES: I would say probably three days out of five, yeah, that's fair to say.
CONAN: Well, Chris Hughes, thanks very much. Did you ever consider doing national traffic? Big backup behind St. Louis.
Mr. HUGHES: We could do it all from here.
CONAN: Chris Hughes, thanks very much for being with us today.
Mr. HUGHES: No problem.
CONAN: Chris Hughes is a traffic reporter for KFI 640 AM in Burbank, California, and he joined us from the station studios there.

Southern California is also the destination of a great white shark recently released from captivity after eating several of her tank mates. We'll hear about her further adventures later this hour. But right now, traffic solutions. What do you think? Are you willing to pay extra to save some time and frustration? Do you welcome innovations like HOT lanes or worry that they're unfair? Is it appropriate for private companies to build and operate roads? Our number here in Washington is (800) 989-8255. That's (800) 989-TALK. And the e-mail address is ttn@npr.org.

One man who's clear on his answers to those questions is Robert Poole, director of transportation studies at the Reason Foundation, which is a libertarian think tank, and he's with us now from his home in Ft. Lauderdale, Florida. Nice to have you on TALK OF THE NATION.

Mr. ROBERT POOLE (Reason Foundation): Oh, good to be here, thanks.
CONAN: As I understand, you've been arguing for privatization of the nation's highway system for 17 years now. Do you see this as some sort of turning point?
Mr. POOLE: I think so. The last 18 months have been kind of like one of the—Malcolm Gladwell's tipping point for the idea, and it's popping up all over the country, particularly the places that are plagued with awful rush hour traffic congestion.
CONAN: And what examples do you point to? The HOT lanes on the Riverside Freeway?
Mr. POOLE: Well, HOT lanes on the Beltway in Washington, DC, were just approved at the end of last week. There's three or four different proposals in Atlanta, some from private companies. Some are just being considered by the state road tollway authority. Minneapolis-St. Paul is converting an HOV lane to a HOT lane this month. I mean, you know, they'll cut it over and people will start being able to pay. A project to do the same thing, to convert an underutilized HOV lane to HOT lane is moving forward in Denver and should be operational by this fall. Big private sector proposals in Texas ranging upwards from—some of them in the billion-dollar scale, one at about—between 6 and 7 billion. So, I mean, there's a lot of activity going on, and it's kind of staggering considering how slow this idea was to catch on for the past 12 or 13 years.
CONAN: Well, tell us about how this works. I mean, those HOT lanes were set aside to ease traffic congestion by encouraging people to—you can get a quicker ride if you have a lot of people in your car.
Mr. POOLE: The problem is it's not very sustainable long term. You either have the problem of it's not popular enough, in which case, you're wasting an awful lot of expensive concrete on a lot of empty space, even though some people do carpool. But in those selected corridors where it works well, after a while, those special lanes fill up and they don't offer much time-saving advantage compared to the regular lanes. Whereas if you turn them into price lanes, the variable pricing tool turns out to be very flexible and very powerful. You can actually keep the traffic
flowing by metering the flow, limiting the number of vehicles that use the lane in a given time period, keep it flowing smoothly at high speed, and really basically guarantee people time savings.

CONAN: And also, as we heard in the case of the HOT lanes on the Riverside Freeway in California, the price is adjusted, varying on the time of day and congestion. Hello?

Mr. POOLE: Hello. Right.

CONAN: Yes. So technology is a big part of this.

Mr. POOLE: It's a very big part of this. None of this would be possible without, first of all, the non-stop electronic toll collection. In the East Coast, it's called EZ-Pass, and here in Florida, it's called SunPass. On the West Coast, it's called FasTrack. But it's all the same technology. It's a radio frequency beam that reads your account number on the fly at 65 miles per hour or faster, and basically debits your account for the amount of the toll, and that means the toll can be whatever level is needed to be a proper screener of traffic flow.

CONAN: Now is there any data about which drivers pay to use these kinds of lanes?

Mr. POOLE: Yes. The two most successful projects are the one on the Riverside Freeway in Orange County, California, and another one on I-15 in San Diego. Both of them have had detailed academic studies that looked at all kinds of questioning, including the demographics of who uses them, and what we find is that, as you would expect, the people who use them the most are people in higher incomes. I mean, just like, you know, who goes to nice restaurants? You know, who buys coffee in Starbucks rather than a 25 cent cup of coffee? It's people with more disposable income.

However, the really interesting finding is that even in the bottom 20 percent of the income distribution, you have significant use, but that use—I mean, there's virtually nobody in the lower half of the income distribution that uses them every day. But what most people do, most ordinary people, is that they use them as a kind of insurance policy. You have the transponder on your windshield. You have an account set up, and day by day, trip by trip, you assess the situation when you're approaching those express lanes and deciding, how important is it to me to save 20 minutes today? Do I really need to be there on time? Is it worth paying $2, $3, $4—whatever the price may be at that time? And if it is, you pay and you go and you get the time savings. And if it isn't, you just, you know, fight it out with everybody else in the regular lanes.

CONAN: Now do you worry that the introduction of these systems, should they become more popular and more widely used across the country—in a system like they have in California, like the one we heard described at the beginning of this segment, isn't it inevitable that more and more people are going to want to use the less congested HOT lanes and that, well, as they go more and more to the HOT lanes, maintenance falls off on the rest of the highway, and inevitably, you end up with a really dramatically two-tiered system?

Mr. POOLE: I mean, that is a danger. That could happen. But for one thing, it's important to keep in mind that the highway system in general is like 99.9 percent of the system, and even if we added whole networks—of these lanes in the major cities with congestion, they'd still account for maybe half of 1 percent of the total lane miles of the highway system. So the gasoline tax that pays for the ongoing maintenance of the system would still be used for that system, and the good news is that the premium toll revenues that people seem to be willing to pay to save time, in many cases, are enough to pay for for—there's certainly enough to pay for the full maintenance of the express lanes, but in some cases, they're enough to pay for most or all of the cost of building new express lanes from scratch, and that's, in fact, going to be the case on the Washington Beltway.

CONAN: And you're also suggesting that by bringing these new technologies—we're going to be getting much more innovative roads.

Mr. POOLE: Oh, yes. I mean, I think just being able to buy time savings is probably only the first step. And once you have the communications technology in place, you can go to a somewhat more expensive transponder and have two-way communications, so that you could have a little screen in the car that warns you of road hazards, alerts you to things that you need to pay attention to and so forth. And this may get married into some of the advance what are called ITS, Intelligent Transportation System technologies, like cruise control that has a feature like radar that keeps you from bumping into the car ahead of you by putting on your brakes and so forth.
There's a lot of new technology coming along. The cars of the 21st century are going to not be that much like the cars of the 20th century by the time this revolution rolls through. Nor are the highways going to be like 20th century highways.

CONAN: We're talking about the future of our highways. Will they be freeways? Our number, if you'd like to join the conversation, is (800) 989-8255. That's (800) 989-TALK. Our e-mail address is tctn@npr.org. Back after the break.

I'm Neal Conan. It's TALK OF THE NATION from NPR News.

CONAN: This is TALK OF THE NATION. I'm Neal Conan in Washington.
We're talking about new strategies states have on the board to raise money and control traffic. Toll lanes, private roads, fast passes— are you already paying to speed up your commute? How much is an open road worth to you? Our number is (800) 989-8255, (800) 989-TALK. Our e-mail address is tctn@npr.org. Our guest is Robert Poole, director of transportation research at the Reason Foundation.

Let's get some callers on the line. Melissa is with us. Melissa's calling from Columbia, South Carolina.

MELISSA (Caller): Hi. I have a comment and a question about an alternative thing for use for the HOV lanes. I was wondering why, especially in medium-size or smaller cities, that they can't be changed into rail lines for trains? I live in a city that's currently pretty small, but it's growing, and traffic is getting worse, and I'm really disturbed by the fact that as far as I know, there's no plans for trains. So is that a possibility or a ridiculous scenario?

CONAN: Robert Poole.

Mr. POOLE: OK. Your intuition is right that we could use those rights of way for higher capacity transit, but especially in a smaller community, a high-speed bus guaranteed to operate at the speed limit is probably a much more flexible and lower cost alternative than rail. The same bus can pick people up in a neighborhood, get on to the high-speed premium lane, go non-stop to an area full of jobs, and then make a number of stops to drop people off practically at their door. A train can't do that. A train requires people to get to it on one end, wait on the platform, take the train. Then at the other end, if you're lucky, it's right near your destination. But chances are, you're going to need a shuttle of some sort to actually get where you need to go. So that's potentially three vehicles instead of one and two waiting times as opposed to a single-seat ride with a high-speed bus.

CONAN: Melissa, does that make sense to you?

MELISSA: Yeah, it does. Are there any plans, that you know of, of that happening in cities already?

Mr. POOLE: Yes. Actually, I'm glad you asked that. Houston is really pioneering this in the United States. They are building four HOT lanes in the median of probably their most congested freeway called the KD Freeway. And an integral part of the plan is high-speed express bus service that will operate in a flexible way. It'll be fed partly at park-and-ride lots, but some of those same buses will be able to do local pickups, and then when they get to the end at downtown Houston, they make a number of stops. So it's a prototype, and I think it's something that other cities should definitely be considering.

CONAN: Well...

MELISSA: OK, great. Thank you.

CONAN: ...thanks for the call, Melissa.

MELISSA: OK.

CONAN: Here's an e-mail that we have, this from Christian. 'I was wondering about a technology used in Canada and if it could be used here as well. In Canada, they use a camera system to photograph license plates of vehicles using toll roads and send a bill to the registered owner of the vehicle. There are no backups at all on ramps as cars move on it at a regular rate of speed. I was traveling around the Toronto area and found this to be convenient, got a bill a short time later, even though my vehicle was registered in the state of New York.'

Mr. POOLE: Yes. That works. That's the Highway 407 Toll Road in Toronto, very innovative, and it's privately run on a 99-year lease. There are similar non-stop toll collection systems that don't require a transponder on your car. In Israel, to Cross-Israel Highway; in Santiago, Chile, a whole
system is just going live this year; and in Melbourne, Australia. I've driven on the Toronto one and on the Melbourne one, and they're great.

CONAN: Let's get another guest on the show. Not everybody is sold on the idea of these HOT lanes. Joining us now is Mantill Williams, a spokesman for the American Automobile Association. He's with us from Jersey City in New Jersey. Nice to have you on the program.

Mr. MANTILL WILLIAMS (AAA): Thanks for having me.

CONAN: AAA opposes these HOT lanes. How come?

Mr. WILLIAMS: Oh, no. AAA does not oppose the HOT lanes. We view—as looking at these HOT lanes on a case-by-case basis, and we believe that, you know, if these HOT lanes—if they give motorists the option to pay an alternative—an alternative or parallel road facility that provides that superior level of service, we definitely on a case-by-case basis. Now where we would have, I guess, an issue with it is if you were putting these HOT lanes on existing capacity. We think that you should use this type of opportunity in order to expand the capacity, like—that's going on in the Washington, DC area, where they're adding on the Beltway, or if you have an underutilized HOV system, because we know HOV doesn't work in every place, so when HOV is not—has been underutilized, then we would definitely support probably those HOT lanes in those particular situations.

CONAN: Particularly if it involves people, as you say, adding capacity, either expanding a road or building a new one.

Mr. WILLIAMS: Yeah, absolutely. We think that if it's taxing or either adding a toll to existing capacity, we think that's just punishing people, and that is more punitive, and we don't think that's really going to help improve the flow of traffic, and it's really not going to really help people out in terms of their daily commute.

CONAN: Now I find it somewhat curious, we're reaching you in the state of New Jersey. Now the New Jersey Turnpike is ostensibly part of I-95 but it's certainly not a freeway.

Mr. WILLIAMS: That is correct. New Jersey's a toll road. I'm actually at the AAA national office. I'm based out of DC, but I have to be up here for a meeting. But, yeah, again, the New Jersey Turnpike was established, you know, as a toll road. It was established as a road that does add capacity. So in those cases, again, where you are adding capacity, where you're giving the motorists another option or where you're taking an existing HOV lane that has been completely underutilized and you're turning that into a HOT lane, in those particular cases, we may support some roads.

CONAN: Do you have any opinion as to whether it's appropriate for private companies to build and operate these roads or whether they should be maintained and operated by state agencies?

Mr. WILLIAMS: Well, I think private financing could be a viable alternative, you know, for generating funds for toll construction, but I think where we have to be careful is of these franchise agreements for privately financed toll roads. They should never prevent public agencies from making the needed capacity and safety improvements on those non-price lanes and roads.

CONAN: So as you look at the future, do you think that there's going to be a lot more construction of our old familiar interstate highways or do you think that we're going to be switching to more of these more innovative approaches?

Mr. WILLIAMS: Yeah. I think it's going to have to be a combination of a number of things, because as we found out, that people are not willing to pay higher gas taxes, and when we've actually tried to float proposals out there to where people can even pay for transportation on their sales tax—even a half cent of sales tax, people aren't willing to pay more in taxes. So it may be our only alternative. If that's the only way we can get additional capacity, by building these, you know, high-occupancy toll roads or toll roads, that may be our only alternative in certain circumstances.

CONAN: Well, thank you very much.

Mr. WILLIAMS: All right. Thank you.

CONAN: Mantill Williams is spokesman for the AAA, the American Automobile Association, and he joined us from the Hyatt Hotel in Jersey City, New Jersey, where, as he said, he's attending a conference.

And, Robert Poole, talk to us a minute. The New Jersey Turnpike, as he mentioned, was established as a toll road and then incorporated into the interstate system, but the interstate
highway system constructed after the war, the Eisenhower Interstate System, this really had a different philosophy.

Mr. POOLE: Well, it's from a whole philosophy--like the Pennsylvania Turnpike that was the pioneer long-distance toll road--was that tolling can provide both the initial funding source and a superior source of ongoing funds for maintenance, repair, expansion and rebuilding, because highways do wear out. Sometimes people have the idea that, you know, once the initial bonds are paid off, it's unfair to have the road continue as a toll road, but, you know, the Pennsylvania Turnpike is now undergoing a complete rebuild, because the pavement is just worn out. And, I mean, it is the way of roads. They're never really paid for in the final sense. You always have ongoing maintenance expenses, and eventually you have complete reconstruction.

So it doesn't bother me that we have a system that--the interstate system that is partly toll and partly, quote, unquote, "free." But it does bother me, actually, when you look ahead the next 25 years or so, as we have more and more alternative fuels, possibly something like hydrogen fuel cells, certainly the existing tax on gasoline and diesel fuel may not be around by the middle of the century, and in that case, something more like tolling is probably going to be the option of choice.

CONAN: Unless they devise some sort of new tax...

Mr. POOLE: Right.

CONAN: ...on those alternative fuels, but that's another issue.

Mr. POOLE: Well, that's always a possibility.

CONAN: Yes. Or they could also raise the gasoline tax and have more money flowing into the interstate system and build really nice roads.

Mr. POOLE: They could if wishes were horses.

CONAN: Let's get some more callers on the line. This is Theresa. Theresa's in her car phone in Miami. Hello, Theresa.

THERESA (Caller): Yes, hello.

CONAN: Yes. You're on the air. Go ahead.

THERESA: Hi. I had a question about--has anybody ever thought of graduating the toll according to the speed of travel, kind of like blending the turnpike into the Autobahn system?

Mr. POOLE: Oh, that's an interesting--I've never actually heard of that, but I don't see why it wouldn't be possible. You could have higher speed lanes for a premium price, like the Autobahns, you know, go 75, 85, 90 miles an hour.

THERESA: Yeah. Because I travel about 70 to 80,000 miles a year, and I would gladly pay twice what I pay in tolls now to be able to do it at a hundred and twenty-five miles an hour.

Mr. POOLE: Well, you know, the Autobahns--the safety record of the Autobahns has been studied, and they don't appear to have any higher accident rate than...

THERESA: Exactly.

Mr. POOLE: ...our interstate highways, so it seems that it is quite possible to have safe, much higher speed highways if we had the political will to do it...

THERESA: If they're going to privatize the system, it takes the federal government out of regulating the speed limit.

Mr. POOLE: That's true. That's true. And, you know, if you had a private franchise operation, there would be no reason in principle, as long as they were responsible for designing it for safety--you know, the right kind of curves and banking and so forth to handle the higher speeds. There's no reason in principle why they shouldn't be allowed to offer that for sale.

THERESA: Well, thank you. That basically was my question. I just wanted to throw it up in the air to see if maybe someday, it'll happen.

CONAN: Theresa, thanks very much.

THERESA: All right. Thank you.

CONAN: Bye-bye. Let's go now to Ven(ph), and Ven's with us from Rockford, Michigan. Hello, Ven?

VEN (Caller): Yeah, hello.

CONAN: Hi. You're on the air.

VEN: Yeah. Obviously, I don't know if the guy told you, but I'm pretty much against it. Anything...

CONAN: How come?
VEN: Anything that could exclude somebody with less money than somebody else, it's a privilege for the rich.
CONAN: Well, there's first-class travel on trains...
Mr. POOLE: Including Amtrak, run by the government.
VEN: This is a little different than the train or something, you know. It's--freeways and highways were never made for--to exclude people of less money.
CONAN: Well, there have always been tolls on, as we were talking about, the Pennsylvania Turnpike, New Jersey Turnpike, Massachusetts Turnpike. All those places have tolls. Everybody pays them.
VEN: Right. Right. Yeah. But they don't have exclusive lanes that can reduce your trip by 100 or 200 percent, you know.
CONAN: So you basically think this is unfair?
VEN: Yeah. Yeah. OK.
CONAN: All right. Robert Poole, can you respond to that?
Mr. POOLE: Well, I mean, I think some people will have that view, and I think that that review has to be looked at, taken seriously, but I think on the other side of it you have to look--we have a funding crisis in this country. We are not taking in enough money to add virtually any capacity to the highway system. We have massive congestion problems. If there's some kind of a public policy innovation that somehow persuades people to pay hefty tolls to make it possible for there to be an escape valve that everybody can use when they really need it, and that transit buses can operate at high speeds and reliable service, seems to me that's a good trade-off. That even though, yeah, not everybody can use it every day because it's expensive, society's gonna benefit from having that relief valve available as many freeways as possible for emergency vehicles, for, you know, the police to get to accidents and so forth, and for the transit system to use to offer a much higher quality of service. So I think given--particularly given the funding crunch affecting highways, that there's a lot of merit, even though not everyone will like, you know, the feel of the idea.
CONAN: Hmm. We're talking with Robert Poole of the Reason Foundation about the increasing possibility of both public and private toll roads replacing interstate highways. You're listening to TALK OF THE NATION from NPR News.
And let's get another caller on the line. This is Rodney in Stephens City, Virginia.

RODNEY (Caller): Yes, sir. I've been delivering air freight in the Washington, DC, area for the last 20 years, and I've been following this HOT lane they're talking about with the Virginia Beltway.
CONAN: Widening the Washington Beltway in Virginia by a couple of lanes, which would be HOT lanes. Yeah, go ahead.
RODNEY: Yeah, and it doesn't make any sense at all what they're talking about doing. All I've heard is what they've released in the news, and they're saying from Springfield to the Georgetown Pike, and that's one of the few areas of the Beltway that flies during rush hour. What you're gonna do there, if you put in two more lanes merging into the Beltway at Georgetown Pike, you're gonna back up that part which doesn't back up now.
CONAN: Well, we're losing your cell phone, Rodney, but I'll put your question to Robert Poole. And just to explain to listeners who are not from the Washington, DC, area that the place he's talking about was just about where the Memorial Bridge crosses the Potomac River and meets the George Washington Parkway in northern Virginia and hooks up with the Beltway there. But go ahead.
Mr. POOLE: Unfortunately I don't drive--I've only driven the Beltway once in my life, and it was an absolute parking lot.
CONAN: Oh, you lucky dog.
Mr. POOLE: And it was the stretch where the HOT lanes are being proposed, and I would have eagerly, eagerly paid twice the going toll rate to get where I needed to go. But I find it hard to believe that his traffic perceptions are accurate because, I mean, the companies--the team of companies that are--that have the proposal that was just accepted really know their stuff. I mean, they've been in the business of doing roads, and one of them operates successful toll roads in Australia. I can't imagine they would pick a stretch of the Beltway that has--that doesn't have a
huge congestion problem and that desperately needs relief that people would be willing to pay for.

CONAN: And if they have chosen the wrong place, that's their problem.
Mr. POOLE: It's their problem. That's right. There's no taxpayer money at risk in this project.
CONAN: Now there have been problems. Now another toll road in Southern California, the 73 in Orange County...
Mr. POOLE: Yes.
CONAN: ...is, as I understand it, facing potential default.
Mr. POOLE: That's correct. It is poten--it looks like it may default by--I think it's 2013, because it's simply not getting as much traffic as was forecast. But even there, even though that's a government agency toll road, the bonds are toll revenue bonds. They are not an obligation on the general taxpayers of Orange County, so if it goes bust, sophisticated bond buyers will be the ones who lose, but not the taxpayers.
CONAN: And this was just a miscalculation by urban planners?
Mr. POOLE: It's just a miscalculation. You know, start-up toll roads are pretty difficult to accurately forecast. The first 10 years or so of a toll road's traffic can depend on a lot of things: the state of the economy, the state of real estate development in the area. You know, the Dulles Greenway outside of Washington, DC, had to be refinanced after its first three or four years because the development hadn't taken place as much as projected. Today that road--that area's booming, the road is adding additional lanes, but the first few years were really, really tough. And that is true in general for toll roads. Some do better than forecast, but quite a few do worse than forecast in the first five or six years.
CONAN: We're talking about the future of the American highway system. We're gonna take a short break. When we come down we'll continue our conversation with Robert Poole of the Reason Foundation. We'll also move from clogged roads to the open ocean on the trail of the most famous great white shark since Bruce, the star of "Jaws," and we'll also talk today about the formation and the acceptance of the new coalition government in Baghdad. Stay with us. If you'd like to join the conversation, (800) 989-8255, (800) 989-TALK. Our e-mail address is totron@npr.org.

CONAN: Today we're talking about new solutions to highway funding. Hardly surprising, most of them require you to put your money where your wheels are. Is privatization the answer? Our number is (800) 989-8255, (800) 989-TALK. Our e-mail address is totron@npr.org. Our guest is Robert Poole, director of transportation at the Reason Foundation. He's with us by phone from his home in Ft. Lauderdale in Florida.
And let's get another caller on the line: Bob. Bob's calling from San Diego.
BOB (Caller): Yeah. I wanted to make first a quick comment about the 91 and then go to the 15. The 91 has a problem in the contract with the state. It does not allow the state to improve the existing highway, and there have been many deaths out there. They even went to court about it and lost in court. So the existing highway is somewhat dangerous because of lack of improvement. The other thing is on the 15. I've been in San Diego 25 years. I watched the HOV lanes open, and someone from Caltrans at the time told me they expected people to look over and see another person in the car and figure out how they could do it. It didn't work. It's eight and a third miles long. And so then they put the Speedpass on it where you can pay anywhere from 50 cents to $8 to go either north or south, and I think it's ridiculous because the taxpayers paid for those roads, and now they're being charged double by having--and as an individual you can buy your way on, but other than that--as a car pooler, I think you have two or more you don't pay anything, but you're an individual, you pay.
CONAN: Robert Poole, why don't we take those things one at a time?
Mr. POOLE: OK. OK. In order, first on the 91, there was a clause in the original privatization contract that said that the state agreed not to add any capacity in that corridor except for safety reasons. Growth was so rapid in that corridor that it became politically untenable, and although the company had the legal right to exercise its provision, the Orange County government prevailed on the Legislature to give them the right to buy the company out, and they did. They bought them out at market value and everybody came away happy. The road is now operated by
the Orange County Transportation Authority and improvements to the free lanes are under way.
On the...
CONAN: The second part is double taxation, I think.
Mr. POOLE: Double taxation, right. Problem is, when you pay—when you have a lemon, what do
you do with it? The HOV lane in I-15 was a lemon that had vast amount of empty space that
people simply weren’t using to car pool, so a state senator who was a former mayor of Poway
came up with the idea, ‘Why not sell the excess capacity to people willing to pay for a faster trip?’
And it’s proved so successful, despite the caller’s view—he’s very much in the minority—80
percent of the population of every income group, every ethnic group and every age group
supports the idea that this is the best improvement that’s ever been done in that corridor and they
support the expansion which is currently under way to make it 20 miles long instead of eight
miles.
CONAN: So, Bob, I take it you don’t use those lanes?
BOB: Thank God I live off the 5. I don’t live on the 15. But the 15 is the worst traffic in San Diego.
The 5 isn’t good, but the 15 is much worse, and they are planning to put HOV lanes in on the 5,
and one of the—and I go to the meetings because I live right off and I drive 2,000 miles a month
around this county, and I noted—and one of the fellows from Caltrans told me their forecasts show
that even when they put two HOV lanes on each side of the freeway on the 5 running from
Oceanside down to San Diego, they will be at excess capacity in 30 years. But that’s their
optimism, and I wonder if it’s the same optimism they used in ‘87 on the HOV lanes on the 15.
CONAN: Bob, thanks very much for the call.
Let’s see if we get one more caller in on this question, and Rochelle(ph). Rochelle is with us from
San Jose, California.

ROCHELLE (Caller): Hi.
CONAN: No surprise we’re getting a lot of interested callers from California. Go ahead.
ROCHELLE: I think that these paid lanes, it’s a terrible idea. Firstly, I’d like to see us stop talking
about privatization as if it’s a good thing because it’s really not, and also it’s just gonna further
polarize the society and isolate the people who are lower income more.
CONAN: Let me ask you about the philosophical point, Rochelle. Privatization is a bad thing, you
say?
ROCHELLE: Right. Private companies don’t have any interest in the public good. The whole
point of private companies is to make profit, and so something that is supposed to be for the
whole society should not be left up to a private company.
CONAN: Robert Poole?
Mr. POOLE: Well, I mean, I think what Adam Smith attempted to teach us was that the beauty,
the genius of a free-market system is to channel private companies’ desire to make a profit into
figuring out what people want and need. And turns out in this country there’s an enormous
suppressed demand for better, more reliable, faster commuting trips, and that’s what private
companies are now attempting to fulfill in a way that the public sector has just failed to do. The
public sector has not, by and large, brought us things like HOT lanes. Private sector has been
taking the lead—now some of the projects are being done by the public sector now, but this is
something that’s been pioneered by the private sector because they saw a way to make money,
satisfying a real, real need that people have.
CONAN: Rochelle?
ROCHELLE: Private sector gets huge subsidies from the government that people pay for, and so
this isn’t exactly a free-market situation. If it were a real free-market situation, the public wouldn’t
be subsidizing these private companies.
Mr. POOLE: Well, the 91 express lanes were built and operated by a private company with no
government money whatsoever. Now that’s not always gonna be the case. There are some HOT
lane projects—I’ve reviewed a lot of studies of planned ones—there are some that are so
expensive that the amount of tolls that looks like people would be willing to pay wouldn’t fully
cover the cost, and so then the question is—I mean, I would say: Is it a good use of public money
to make sure that such projects come into existence and can be used by people to supplement
what is available through the financing made possible by tolls? And that’s a judgment call, but in
general, I think these are good projects and are worth putting some of the user tax money from fuel taxes into.
ROCHELLE: I think a better use of public money would be public transportation that everyone can use and is available to all incomes.
Mr. POOLE: Well, I agree that public transportation is important, and one of the benefits—one of the reasons why the San Francisco--the Metropolitan Transportation Commission of the whole Bay Area region has agreed on a $3 billion HOT network—a network of HOT lanes for the Bay Area—is because they see this facilitates region-wide, high-speed express bus service, and that's a great benefit. It's a win-win proposition, that drivers win, but so do transit users.
CONAN: Rochelle, I'm afraid...
ROCHELLE: ...(Unintelligible).
CONAN: I'm afraid we're gonna have to leave it there. I appreciate your phone call, though.
ROCHELLE: Thanks a lot.
CONAN: And I'd like to thank Robert Poole for his time today.
Mr. POOLE: Thank you very much, Neal.
CONAN: Robert Poole is director of transportation for the Reason Foundation and joined us by phone from his home in Ft. Lauderdale in Florida.

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Paying on the Highway to Get Out of First Gear
By TIMOTHY EGAN (NYT) 2026 words
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CORRECTION APPENDED

It is a California still life. In this land of mobile ambition and instant communities, life is on hold in the parking lot that is the Riverside Freeway, 10 miles or more going nowhere at all hours of the day on one of the most congested auto corridors in the world.

But like a mirage in the exurban desert, a narrow river of traffic moves swiftly down the middle of this highway. The fast lanes, the 91 Express, are sometimes called Lexus lanes, first class on asphalt. They can turn a two-hour commute to work into a 30-minute zip. For a solo driver, on-time arrival comes with a price: nearly $11 per round trip, a toll collected through electronic signals.

The freeway in places is no longer free. From the backed-up pools of frustration in Chicago's adjacent counties, to the farthest Virginia fringes of the commute to Washington, to Texas, where plans are under way to build a 4,000-mile network of toll roads, the United States has outgrown its highway system.

But state and federal governments, beset by deficits, say they have barely enough money to service the existing system, let alone build new roads. As a result, nearly two dozen states have passed legislation allowing their transportation systems to operate pay-as-you-go roads, and in many cases, letting the private sector build and run these roads.

Social engineering is merging with traffic engineering, creating new technologies that charge people a variable toll based on how many cars are on the road -- known as congestion pricing -- or reduce toll rates for high occupancy to encourage car-pooling. The White House wants to allow states to charge user fees for virtually any stretch of an interstate.

It is shaping up as one of the biggest philosophical changes in transportation policy since the toll-free interstate highway system was created under President Dwight D. Eisenhower in 1956. It mirrors changes taking place overseas as well. London began charging tolls two years ago to enter the center of the city during weekday business hours.

"It's a big and important shift, and we in the Bush administration think its time has come," said Mary E. Peters, the federal highway administrator, in an interview. The administration is trying to make it easier for states to convert car pool lanes to toll lanes, and to allow private investors to build and operate highways -- and charge for their use."
In just five years, the number of regular highway bottlenecks has increased by 40 percent, with 233 daily choke points across the map, according to several auto and trucking organizations. The average commuter now loses 46 hours a year sitting idle in a car. And the number of miles driven has gone up more than 80 percent over the last two decades while the number of new highway lanes has increased by just 4 percent.

So Virginia is negotiating with a private company to build and operate 14 miles of toll lanes in one of the most congested parts of the Capital Beltway. Chicago just leased its 7.8-mile skyway toll bridge to a private operator for $1.8 billion.

And the vast Trans-Texas Corridor project, which would be the largest private highway system in the country, would allow corporations to charge tolls for 50 years as a way to pay for high-speed lanes in the state.

In a sense, the trend is a throwback to when toll roads connected many major cities. Those turnpikes still charge for driving on them, and belong to the Interstate System, but they receive no federal money. As the Interstate System was built -- more than 46,000 miles of interconnected highways -- it was financed with gas taxes and came with prohibitions against charging tolls.

Now the era of the big new public highway project is over, federal authorities say. But states are still crying out for new roads -- or at least ways to make the old ones work -- without any signs that gas tax revenue can meet their needs.

"Californians can't get from place to place on little fairy wings," said Gov. Arnold Schwarzenegger in announcing a plan in January that could allow private investors to build toll roads. "We are a car-centered state. We need roads."

California adds nearly 500,000 vehicles a year to its roads, state officials say. Commuters in the Los Angeles area spend about 93 hours a year stuck in traffic -- the worst of any region in the country, according to tallies kept by the Texas Transportation Institute.

Here in the far eastern edge of the Los Angeles metropolitan area, the population has tripled in 25 years, and the region is growing by 12,000 people a month. The commute, from the cheaper homes of Riverside County to the jobs of Orange and Los Angeles Counties, is known as the Santa Ana Crawl, and about 300,000 cars make it every day on the Riverside Freeway.

Charging tolls on the road's express lanes has been a big hit in this laboratory for congestion pricing. On the 91 Express, the prices vary from hour to hour in a system where traffic is constantly monitored and costs are adjusted accordingly. The car pool lanes, which are still free, are enforced by state patrol cars. But critics say it sets up a class system for motorists. Or, that it amounts to a double charge, since state and federal gas taxes were levied to pay for road construction in the first place.

"We already paid for these roads," said Angela Washington, a teacher who takes the
torturous commute from this sprawling bedroom community to a job in Orange County, and uses the toll lanes on occasion. "I guess the idea is you buy your way out of congestion, but you do pay."

But people say they like the fact that there are no toll booths, and they can virtually guarantee being on time -- for a child's soccer match, job appointment or doctor's visit. Average peak hour speeds on the 91 Express lanes were 60 to 65 miles an hour last year, versus 15 to 20 m.p.h. on the free lanes, according to federal officials.

"It's like everything else: you can fly coach, or you can fly first class," said Caleb Dillon, an X-ray technician in Riverside whose commute is an hour each way. "I'm not a rich guy, but I like having the option of saving time when I really need it."

The tolls have also succeeded in doing what no amount of cajoling and public service announcements could do: get people to car-pool. The 91 now has the highest occupancy per vehicle of any major road in California, state officials said. The reason is that toll lanes here are still free for people who car-pool, offering an incentive to travel together -- a savings in tolls of more than $50 a week.

The new tolls rely on radio technology to debit an account instantly, and they are priced to ensure maximum flow of traffic and pay for the road but still make it worthwhile for a driver to leave the free road.

"It's a big cultural shift for people all of a sudden to get used to paying for roads that were free," said Robert Poole, of the libertarian Reason Foundation. But, he said, "people are so fed up with congestion" that they are open to change. For 17 years, Mr. Poole has been the chief theorist for private solutions to gridlock. His ideas are now embraced by officials from Sacramento to Washington.

Texas has taken the most ambitious step, under Gov. Rick Perry. The Trans-Texas Corridor, pegged to cost up to $185 billion, would be financed by private investors, who expect to be repaid through tolls.

A consortium, the Spanish firm Cintra, has already been chosen to build the initial segment, from Dallas to San Antonio. The corridor would be nearly a quarter-mile wide, for rail, truck and auto traffic along with oil, gas, electric and water lines, to be built over the next 50 years. But an unusual alliance of opponents -- ranging from the conservative Texas Farm Bureau to the Sierra Club -- is fighting the plan, saying it will slice up farms and lead to further deterioration of declining rural towns.

The Bush administration has endorsed the Texas plan, saying it represents the future for highways.

"This is an opportunity to bring in the private sector," said Ms. Peters. "It's all about having options."
But there are some cautionary stories, based on California's experience. The 91 Express was initially run by a private consortium, which agreed to operate it with a provision that the state could not add other competing lanes of traffic. This brought a lot of anger, worsened traffic and led to a regional government buyout of the lanes, which then threw out the clause about competing lanes. The buyout cost $207 million.

Another toll road in this region, the 73 in Orange County, is facing a potential default on its bonds because it is not meeting traffic or revenue projections. Commuters say they shun it because it does not save much time compared with nearby free roads.

Some highway user groups are concerned that the toll roads will be used simply as a way to raise taxes, without any guarantee that the money will go into roads. These groups and their allies in Congress tried, unsuccessfully, to have a provision inserted into the House version of the transportation bill now moving through Congress that would allow charging for only new lanes -- not converting free lanes into pay lanes.

Minnesota will do just that next month on Interstate 394, converting car pool lanes into paid express lanes on a road that carries commuters to and from the suburbs west of Minneapolis. The fee will vary according to traffic and car pools will still be free.

State officials are promoting the system as the wave of the future -- an on-time auto commute, for a price.

Correction: May 5, 2005, Thursday A chart last Thursday with an article about a trend toward toll roads to ease congestion included one carpool system erroneously among those that allow single-occupancy vehicles for a fee. The QuickRide program on Interstate 10 in Houston is for two-occupant vehicles that use the carpool lane for a fee during peak times when the rules require at least three occupants. It does not permit single-occupant vehicles.

Photo: At least one motorist, each way, was willing to pay the toll to drive the express lanes of a California freeway. (Photo by J. Emilio Flores for The New York Times)(pg. A1)

Chart: "Driving in the Fast Lane, and Paying for It"
Some highway lanes once reserved for car pools can now also be used by single-occupant vehicles for a price that varies, in most cases, according to times of day or levels of traffic congestion. Solo drivers who use these lanes are billed electronically. Here are some examples.

CALIFORNIA

Location: SR-91, east of Los Angeles
Project name: 91 Express Lanes
Date initiated: 1995
Tolls -- One-way use of lane, for single-occupant vehicles.
Tolls vary by time of day and levels of traffic congestion and range from $1.05 to $7.

Location: I-15, in northern San Diego
Project name: I-15 Express Lanes
Date initiated: 1998
Tolls -- One-way use of lane, for single-occupant vehicles.
Tolls vary by time of day from 50 cents to $4, but can go as high as $8 in severe traffic congestion.

MINNESOTA

Location: I-394, in Minneapolis
Project name: I-394 MnPASS
Date initiated: To open May 16
Tolls -- One-way use of lane, for single-occupant vehicles.
Tolls vary by traffic levels and can range from 25 cents to $4 but can reach $8 in heavy traffic.

TEXAS

Location: I-10 corridor, west of Houston
Project name: QuickRide
Date initiated: 1998
Tolls -- One-way use of lane, for single-occupant vehicles.
A flat fee of $2 during morning or evening peak hours.

COLORADO

Location: I-25, north of downtown Denver
Project name: I-25 HOT Lanes
Date initiated: To open in December
Tolls -- One-way use of lane, for single-occupant vehicles.
Variable pricing preset by time of day ranges from 50 cents to $3.25.

(Sources by Orange County Transportation Authority; San Diego Association of Governments; Departments of Transportation for Minnesota, Texas and Colorado.) (pg. A23)

Maps of California, Minnesota, Texas and Colorado highlighting respective roads. (pg. A23)

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IBTTA TEA-21 Reauthorization
Talking Points

DRAFT 5-6-05

Quick Background
The federal transportation legislation currently under consideration by Congress and the Executive Office is the third iteration of a transportation vision established by Congress in the 1990s.

The Intermodal Surface Transportation Efficiency Act (ISTEA) was the first version passed in 1991 and renewed in 1998 as the Transportation Equity Act for the 21st Century (TEA-21).

The U.S. House and Senate have extended transportation funding a number of times in 2003 and 2004 but the Bush Administration’s version, called SAFETEA, has not been enacted.

IBTTA Members Laud Congress’s Efforts to Reauthorize TEA-21
- IBTTA members support the TEA-21 reauthorization. Transportation funding is essential to our nation’s economic growth and global competitiveness. It’s also essential for improving the safety on our nation’s roadways. Failure to invest adequately will result in continuing deterioration of the nation’s highway, bridge and transit infrastructure and lead to an increase in the congestion that deprives Americans of productive hours and time with their families and friends.

- IBTTA members also support the use of toll-based funding to help bridge the gap between transportation needs and the available funding. Our U.S. members generate more than $8 billion in annual revenues used to design, build, maintain, and operate highways, tunnels, bridges and other surface transportation infrastructure throughout the United States. In some regions, toll revenues also subsidize mass transit.

Groundswell of Support for Toll-Based Funding
- Conventional wisdom has suggested tolling is unpopular with the public. This is fundamentally incorrect. Opinion polls repeatedly show, by two to one margins, that direct user fees such as tolls are greatly preferred over general taxation to fund transportation infrastructure.

- State and county governments as well as metro-region organizations all around the country have built, are building, or are considering building a variety of user fee-based facilities to increase highway capacity, relieve severe congestion, rebuild failing infrastructure, and maintain and improve existing highways.

- This represents “one of the biggest philosophical changes in transportation policy since the toll-free interstate highway system was created,” according to The New York Times, which reported in a lengthy article at the end of April 2005 that “nearly two dozen states have [already] passed legislation allowing their transportation systems to operate” user-funded facilities.
Specific Recommendations for Legislation

- Remove any remaining legal barriers that prevent states from placing tolls on Interstate highways. IBTTA believes that state governments (and their constituents) should have the opportunity to decide whether toll facilities are an appropriate transportation strategy -- without restrictions from the federal government.

- Continue TEA-21 Section 1216 -- section (A), providing support for "value pricing" activities; and Section (B), allowing limited instances of interstate conversion to toll financing with state government and U.S. DOT discretion.

- Support greater use of high occupancy toll (HOT) lanes to relieve severe congestion in the nation's largest metropolitan regions.

For additional information, contact Neil Gray, IBTTA's Director of Government Affairs at 202-659-4620 or neilgray@ibtta.org.

"There are no free roads."™
IBTTA's Tips for Meeting With Your U.S. Representative and Senators

DRAFT 5-6-05

Write, and then call ahead of time for an appointment.

Don't feel intimidated by the legislator. Most likely, you are more of an expert on your subject than the legislator. Be confident.

Be personable. Begin your meeting by complimenting the Senator or Representative on legislation that he or she has written or supported. This will set a pleasant tone for the rest of your meeting.

Be knowledgeable of your subject and organized in your presentation. Show that you are a credible authority on your topic and keep your pitch concise. Remember to emphasize how the issue affects those in your community. For instance, infrastructure investment is a national issue with local ramifications.

Be open to questions. Be an active listener and answer the legislator's questions with accurate facts. If you're unsure about an answer, offer to look into the matter and call back.

Don't allow the legislator to divert from a subject matter. If he or she attempts to evade your question, tactfully ask for an answer and how the Senator or Representative plans to vote on the issue.

Have perseverance when your legislator seems unsupportive of your cause. Respond to any hostility by providing arguments to opponent's questions. This may require you to do some additional research before you meet with your legislator.

Emphasize that the legislator's constituency supports what you are advocating. The fact that an issue is important to his/her constituents will most likely prompt the Senator or Representative to make your goals part of his/her agenda.

Ask for a commitment. Find out exactly how the Senator or Representative will further your cause. But do not press for a commitment if your legislator is clearly opposed to your views.

Be willing to meet with a staff person if the legislator is unavailable. A staffer is able to inform the Senator or Representative of your views and relay your concerns.

Write a follow-up thank you letter, reiterating the main points made during your meeting.

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