
TESTIMONY SUBMITTED FOR THE RECORD

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
U.S. HOUSE OF REPRESENTATIVES

JANUARY 14, 2014

INTERNATIONAL BRIDGE, TUNNEL AND TURNPIKE ASSOCIATION

"BUILDING THE FOUNDATION FOR SURFACE TRANSPORTATION REAUTHORIZATION"



1146 19th Street, NW, Suite 600
Washington, DC 20036
(202) 659-4620
www.IBTTA.org

Testimony Submitted for the Record
Committee on Transportation and Infrastructure
U.S. House of Representatives
January 14, 2014

“Building the Foundation for Surface Transportation Reauthorization”

Introduction

On behalf of the International Bridge, Tunnel and Turnpike Association (IBTTA), we welcome the opportunity to submit comments for the Record of today’s hearing. IBTTA is the worldwide association for the owners and operators of toll facilities and service providers to the toll industry. Our mission is to advance toll financed transportation. Founded in 1932, IBTTA has more than 60 toll agency members in the United States and hundreds more in 20 countries on six continents.

We are very appreciative of the Committee on Transportation and Infrastructure’s (Committee) timely approach to developing a successor to the Moving Ahead for Progress in the 21st Century Act (MAP-21). While MAP-21 made effective improvements to the administration and operation of the federal-aid highway program, it was, regrettably, unable to provide a long-term answer to the question of funding the federal transportation program at an adequate level to meet the nation’s needs.

We appreciate the difficult task before the members of this Committee. We are heartened by the very thoughtful work on advancing the Water Resources Reform and Development Act, which gives us great hope that Congress can also move the highway authorization in an equally bipartisan manner.

For many years, IBTTA and its members have participated in the nationwide discussion related to improving and funding the federal-aid highway program. We recognize that securing support for additional funding – whether from an existing source or from a new funding method – will be difficult.

As part of this discussion, IBTTA would ask that states be given maximum flexibility to meet their individual transportation funding challenges – including through the use of tolling on existing Interstate System routes.

The United States has a rich history with regard to the use of tolling. Throughout the country, tolling has proven to be a viable, proven and increasingly popular tool to fund major surface transportation infrastructure projects.

Most of the 62 U.S. toll agency members of IBTTA receive no federal or state funds to support their day-to-day operations – yet, on an annual basis, they generate more than \$10 billion in tolls. That is equal to nearly one-third of the federal gas tax revenues collected each year.

Today's toll agencies are extremely productive and efficient in their ability to generate revenues to support their operations and investment needs, while also creating value for customers through high service levels, reliability and mobility options.

The use of tolls is a central component to this nation's transportation funding system. Tolls establish a direct connection between the use of the road and payment for that use. For too long, motorists have falsely believed our roads are free. Our highways are not free nor have they ever been. However, it's easy to see why that misperception persists. There is no direct link between paying the fuel tax and using the roads it funds. Tolling re-establishes that connection.

IBTTA recognizes that tolling is not the only solution to fund surface transportation. We are not suggesting that tolls and pricing are appropriate for all transportation projects. There are systems and roadways in the United States with too little traffic or demand to support a pricing mechanism that could effectively recover the cost of operation. But tolls can be an important solution in certain states for certain projects.

In the past decade, we have seen a resurgence in toll financing to support new construction projects sponsored by state, county and local governments. The vast majority of those projects are outside of the federal-aid system, due largely to restrictions under current law, as well as a traditional bias against tolling existing Interstate highways. Because of the erosion in proceeds from the fuel tax and reductions in federal and state funding for transportation, city, county, state, and regional governments are stepping up to fill the void by once again going to investor-based financing models to pay for the projects their constituents need now and in the future.

Remove barriers to tolling and pricing.

While MAP-21 allows for the tolling of new Interstate System capacity, IBTTA strongly encourages the committee to consider allowing the expansion of this funding tool to include existing mileage on the Interstate System. At a time of constrained resources at all levels of government, it is important to provide states and local governments with as many funding options as possible to meet this nation's growing infrastructure investment challenges.

Granting states the ability to consider tolling of the existing Interstate System is even more critical now when federal and state revenues remain limited and major highway, bridge and tunnel infrastructure is in need of repair.

The original Interstate System included several thousand miles of tolled highways. Tolling was also seriously considered as the primary Interstate System funding mechanism before the determination was made to rely on the federal fuel tax.

IBTTA believes relaxing federal constraints related to tolling of the existing Interstate System should be a priority in any further program extensions or authorizations. Removing the barriers to tolling would encourage states to begin the massive effort to reinvest in failing highways and build new ones. That investment, in turn, will create jobs and help strengthen the economy.

We are very aware of the concerns of some Members about allowing tolling on the Interstates. However, eliminating the Title 23 restrictions would add another tool to the funding toolbox that states, counties and localities desperately need. Eliminating the federal restrictions is unlikely to result in any immediate increase in Interstate tolling since the question of toll financing is every bit as difficult a political question for state and local governments as it is for the Congress. As we saw last year in Virginia – even a strong gubernatorial interest in pursuing tolling on I-95 was seriously blunted, and even abandoned, in the face of strong in-state opposition. But simply having tolling as part of the public debate helped to build support for a state fuel tax modification that resulted in greater revenues available for the state’s road program.

We would suggest that the tolling option provides both a viable tool to improve infrastructure, as well as a means to help frame and advance the debate over other funding options. If states are allowed to consider Interstate tolling, some states might advance the concept. But successfully implementing it would happen only after serious public and political debate.

We encourage you to make these flexible, innovative financing tools available as part of the overall financing toolbox of state, county and local governments.

Technological advances have made and continue to make tolling much more convenient to drivers. Electronic toll collection (ETC) has been in use for 25 years and is now well-established and well-received by our customers. ETC has enabled open road tolling, where motorists pay their tolls at highway speeds, unhindered by stops or toll plaza congestion. Additionally, toll agencies can manage congestion through variable pricing. As traffic congestion increases, tolls increase to manage volume and ensure smooth, reliable trip times. As traffic tapers off during non-peak travel, tolls are then reduced. Advances in tolling technology have allowed agencies to manage facilities more efficiently by increasing the capacity of existing assets.

Conclusion

Funding today’s transportation system requires many solutions. Everything should be on the table for states and local governments to decide the optimum funding solutions. Federal transportation partners need a toolbox of funding options and the flexibility to craft those options specifically to meet local needs. IBTTA is committed to working with this committee and the entire Congress to move forward in addressing the transportation needs of this nation.

Thank you for the opportunity to present the views of IBTTA members and the tolling community.