

# SmartMove...

## SUCCESS STORIES FROM THE TOLLING INDUSTRY

### Agency

Oklahoma Turnpike Authority

### Project

Turnpike Helps Oklahoma Leverage Funds for State-Wide Highway Upgrades

### Purpose

Maximizing the funds available for infrastructure improvements across the state's network of tolled and general-purpose highways.

### Vital Stats

- Nearly \$710 million in soft match credits between 2001 and 2012;
- Almost \$800 million in soft matches since 1992.

### History

With the adoption of the Intermodal Surface Transportation Efficiency Act (ISTEA) in 1991, the U.S. Congress allowed states to count capital investments by toll roads as part of their local contribution to match federal funding for highway infrastructure projects.

The pertinent section of Title 23 “permits states to substitute certain previous toll-financed investments for state matching funds on current federal aid projects,” according to the Federal Highway Administration (FHWA)<sup>1</sup>. The provision gives states more flexibility to use toll revenues to meet non-federal share matching requirements.

For a state like Oklahoma, which operates the largest toll network in the U.S. by miles of highway,<sup>2</sup> this provision

1 [www.fhwa.dot.gov/ipd/finance/tools\\_programs/federal\\_aid\\_matching\\_strategies/toll\\_credits.htm](http://www.fhwa.dot.gov/ipd/finance/tools_programs/federal_aid_matching_strategies/toll_credits.htm)

2 606 miles in 2011, according to IBTTA's Facts in Brief 2012, <http://www.ibtta.org/files/PDFs/Facts%20Stats%20Final.pdf>

means the value of certain capital expenditures on toll roads can be used to offset the state's required contribution toward federal aid projects on the state's untolled roads, which typically range from 10 to 50 percent of a given project's cost.

To calculate a soft match, the federal government takes the three-year average of a state's Maintenance of Effort for highway capital investments, including investments on tolled facilities. The following year, the soft match is applied to any expenditure above the three-year average. Since federal grants generally cover 75 to 90 percent of the cost of approved projects, the match brings the state an extra \$3 or \$4 in needed infrastructure funding for every eligible dollar the Turnpike invests in capital improvements.

### Results

Between 2001 and 2012, the state Department of Transportation earned nearly \$710 million in federal



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capital funds as a result of soft matches for capital expenditures made by the Oklahoma Turnpike.

The Turnpike also receives a credit for state motor fuel tax that represents the gas Oklahoma drivers consume while they're using one of the state's tolled facilities. Since the Turnpike tracks trips and travel distances, it's a relatively simple matter to calculate consumption based on average miles per gallon in three categories—heavy trucks, light trucks and passenger vehicles. If the Turnpike Authority doesn't need this credit to satisfy its debt requirements,

it is passed along to the DOT. In 2013, the Turnpike Authority transferred about \$41 million to the state.

### Key Success Factors

“We are reinvesting the toll dollars spent on our system, while also helping the Oklahoma Department of Transportation use those credits on non-tolled systems,” said Oklahoma Turnpike Executive Director Tim Stewart.

“From our perspective, everything about this is a positive to the state. We're reinvesting into the local highway network. If the local network is improved, it helps bring drivers to our network, and that improves revenues. So it's a partnership.”

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