The Tolling Debate in CT: Where we’ve been & where we might go

Tom Maziarz, Chief of Planning
CTDOT, Thomas.Maziarz@ct.gov
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1. Background recent tolling discussion in CT

2. Presentation of 2018 study results

3. Recent election results & next steps
When & why CT started discussing tolls: Chronology

**Value Pricing Studies**
- Value Pricing Program = special *federal exemption for tolling*
- Focus on only 2 corridors:
  - I-95 SW CT & I-84 Viaduct Hartford

**Governor’s Transp. Finance Panel**
- Appointed to recommend funding options
- Recommends *statewide tolling* to address long-term needs

**Governor’s Executive Order**
- Directed CTDOT to prepare tolling plan
- Plan completed in 2018

**Strategic Transportation Plan: Let’s Go CT**
- Broad statewide perspective
- Highlighted huge backlog of *preservation projects* & *congestion problems*
- Raised questions on how to fund statewide program

**Funding for Next Phase**
- State Bond Commission allocates *$10 Million* for next tolling phase
- NEPA & Final Toll Plan
Study Purpose & Approach

- Develop answers to key policy and implementation questions
- Evaluate a variety of tolling options for CT
- Select 1 option & develop a toll *scenario*
  - Not a recommended plan
  - Single representative toll scenario:
2018 Toll Study: Single Representative Scenario

Purpose & objectives of single scenario

- Reasonable baseline for discussion with Legislature
- Basic objectives:
  - Keep rates comparable to neighboring states
    - All neighboring states have tolls
  - Keep costs to CT drivers as low as possible
    - Offer discounts
  - Ensure that out-of-state drivers pay a fair share.
    - 30% of traffic on major interstates
  - Ensure that trucks pay their fair share
    - Trucks do more damage to roads & bridges
Basic assumption for all scenarios: All-Electronic Tolling

No more toll booths
- transactions are cashless
- No traffic back-ups, no accidents

All-Electronic Toll (AET) collection
- Collection via E-ZPass or image of license plate
- Legislation must allow use of cameras & enforcement mechanisms
Coverage: Potential Highways to be Tolled

Toll System Coverage in baseline scenario

- Highways included
  - All Interstates
  - 4 non-Interstates

- Basis for coverage
  - Finance Panel recommendation
  - Fairness:
    - geographic equity
    - entire state covered
    - all regions contribute to state highway program
Toll Rates and Discounts

Tested numerous:
  o Toll rate structures &
  o Toll discount programs

Each evaluated to identify:
  o Best scenario for discussion
Toll Rate Structure: Cars & Trucks

Toll Rate Classes

Class 1: Cars, motorcycles, pickups, small vans

Class 2: Medium trucks

Class 3: Heavy trucks

(2.0 x Class 1) Class 2: Medium trucks

(4.0 x Class 1) Class 3: Heavy trucks
### Toll Rate Structure: Multiple Categories

<table>
<thead>
<tr>
<th>Category</th>
<th>vs</th>
<th>Category</th>
<th>Rate Structure</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cars</td>
<td></td>
<td>Trucks</td>
<td>Higher rate for trucks</td>
<td>Heavy Trucks = 4.0 x Car Rate</td>
</tr>
<tr>
<td>EZPass</td>
<td></td>
<td>Video</td>
<td>Higher rate for video users</td>
<td>Video = 1.5 x EZPass reflects higher collection cost</td>
</tr>
<tr>
<td>Off-Peak</td>
<td></td>
<td>Peak Period</td>
<td>25% higher rate for peak period</td>
<td>25% higher rate is <strong>fixed</strong> Does not change dynamically</td>
</tr>
<tr>
<td>CT-EZPass¹</td>
<td></td>
<td>Out-of-State</td>
<td>30% discount for CT-EZPass</td>
<td>CT-EZPass discount for cars &amp; <strong>trucks</strong></td>
</tr>
<tr>
<td>Frequent User¹ (Commuter)</td>
<td></td>
<td>Infrequent User</td>
<td>20% discount for frequent user</td>
<td>Only for <strong>CT-EZPass</strong></td>
</tr>
</tbody>
</table>

¹ Discounts reflect sensitivity to CT drivers who must regularly use toll facilities for commuting & daily activities
## Toll rates assumed for scenario

(truck rates = 4.0 x cars)

<table>
<thead>
<tr>
<th>Payment Category</th>
<th>Passenger Cars (class 1)</th>
<th>Heavy Trucks (class 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Off-Peak</td>
<td>Peak Period</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Off-Peak</td>
</tr>
<tr>
<td>1 CT-EZPass</td>
<td>4.4 cents/mi</td>
<td>5.5 cents/mi</td>
</tr>
<tr>
<td>(30% discount)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 CT-EZPass: Freq. User</td>
<td>3.5 cents/mi</td>
<td>4.4 cents/mi</td>
</tr>
<tr>
<td>(20% discount)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Out-of-State EZPass</td>
<td>6.3 cents/mi</td>
<td>7.9 cents/mi</td>
</tr>
<tr>
<td>4 Video Toll (registered)</td>
<td>7.9 cents/mi</td>
<td>9.9 cents/mi</td>
</tr>
<tr>
<td>5 Video Toll (not registered)</td>
<td>9.4 cents/mi</td>
<td>11.8 cents/mi</td>
</tr>
</tbody>
</table>

**Peak rates 25% higher than off-peak**  
**Truck rates = 4X cars**
## Comparison to Other States

### Compare Toll Rates by State

"Cents/Mile" Toll Rates: Passenger Vehicles

<table>
<thead>
<tr>
<th>Payment Method</th>
<th>Mass TPKE</th>
<th>Maine TPKE</th>
<th>NH Cen. TPKE</th>
<th>Connecticut assumptions</th>
<th>New Jersey TPKE</th>
<th>PA TPKE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All Day</td>
<td>All Day</td>
<td>All Day</td>
<td>Off Peak</td>
<td>Peak</td>
<td>Off Peak</td>
</tr>
<tr>
<td>Freq User State EZ Pass</td>
<td>4.4</td>
<td>2.9</td>
<td>3.5</td>
<td>3.5</td>
<td>4.4</td>
<td>8.8</td>
</tr>
<tr>
<td>In-State EZ Pass</td>
<td>4.4</td>
<td>5.8</td>
<td>3.5</td>
<td>4.4</td>
<td>5.5</td>
<td>8.8</td>
</tr>
<tr>
<td>Out-of-State EZ Pass</td>
<td>5.6</td>
<td>6.3</td>
<td>5.0</td>
<td>6.3</td>
<td>7.9</td>
<td>8.8</td>
</tr>
<tr>
<td>Video/Cash</td>
<td>8.5</td>
<td>6.3</td>
<td>5.0</td>
<td>9.5</td>
<td>11.8</td>
<td>11.7</td>
</tr>
<tr>
<td>Frequent User Discount</td>
<td>0%</td>
<td>50%</td>
<td>0%</td>
<td>20%</td>
<td>20%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Maine, NH, New Jersey, and PA Turnpikes offer Cash payment options. Massachusetts is AET.

Maine offers a 50% frequent user discount for 40 or more trips/month (25% for 30-39 trips/month)
CT rate = 4.4 cents

CT among lowest in northeast US
### Gross Revenue Sources - 2023/opening year (millions $)

<table>
<thead>
<tr>
<th></th>
<th>CT drivers</th>
<th>Out-of-State</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cars</td>
<td>$473 M</td>
<td>$295 M</td>
<td>$768 M</td>
</tr>
<tr>
<td>Trucks</td>
<td>$172 M</td>
<td>$146 M</td>
<td>$318 M</td>
</tr>
<tr>
<td>Total</td>
<td>$645 M</td>
<td>$441 M</td>
<td>$1,086 M</td>
</tr>
</tbody>
</table>

### Shares of Total Gross Revenue

<table>
<thead>
<tr>
<th></th>
<th>CT drivers</th>
<th>Out-of-State</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cars</td>
<td>43.6%</td>
<td>27.2%</td>
<td>70.8%</td>
</tr>
<tr>
<td>Trucks</td>
<td>15.8%</td>
<td>13.4%</td>
<td>29.2%</td>
</tr>
<tr>
<td>Total</td>
<td>59.4%</td>
<td><strong>40.6%</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

Out-of-State Vehicles will pay $441 M for using CT highways, which is 41% of revenue and 31% of traffic.

*2023/opening year
Gantry Locations: Fairness vs Efficiency

Fairness:

• **No more than one location** per town (on a given route)

• **No tolls on bridges**: avoid economic barriers between towns

• **Minimize local traffic diversions**: a problem in cities
  – Avoid tolls in cities where frequent exits & city street grids can create traffic diversion problems

Efficiency: optimize the balance between:

• **Number of gantries** (capital & operating costs)

• **Number of exits** (lost revenue)
**CT’s CHALLENGE:** Too many exits

- **Mass Pike:** 130 miles & 21 exits
  - **13 gantries:** 1 between each exit with 3 exceptions
    – Springfield, Worcester, Boston

- **I-95 NY to New Haven:** 47 miles & 47 exits
  - Not practical or necessary for CT to put a gantry between each exit
  - Seek an **optimum balance** between too many gantries & too few

- **Result:** Baseline scenario: 6-mile spacing on average
How to Organize and Manage a Toll System
Organizational & Management Structure

CTDOT
Office of Toll Administration

Program Management Consultant

Small staff (20-30)
Prepare NEPA & Final Plan
Prepare RFP for system operators
Oversee system startup & operation

Service Center Contractor (DBOM)

EZPass Processing Video Processing Customer Service

Roadside System Contractor (DBOM)

Toll Gantries & Equipment Operation
Toll Costs and Net Revenues
Capital Cost Estimate

Roadside Systems
Total capital cost
$ 372 million

Annualized capital cost*
$ 38 million

* Gantry annualized over 10 years, Fiber annualized over 20 years
Operating Cost Estimate

Annual Operating Cost
$100 million

Service Center: staffing, equipment & building leasing
Roadside System: operating & maintenance
Gross Annual Revenue $1,086
Annualized Capital Cost $ (38)
Annual Operating Cost $ (100)
Net Annual Revenue $ 948
In-State & Out-of-State sources of toll revenue

CT trucks $150 M
CT cars $414 M
Out-of-State trucks $128 M
Out-of-State cars $258 M

Net Annual Revenue $948 M
Lessons Learned

Favorable reactions:
- Huge revenue potential at low rates
- Drivers like 2 discount options
- Taxpayers like 40% out-of-state revenue share
- Taxpayers like lockbox

Unfavorable reactions
- Too many gantries
- Too many highways included
  - Fewer objections to I-95, I-84, I-91 (RT 15 must be included due to diversion)
    - These 4 generate over 70% of statewide revenue.
    - Also over 80% of out-of-state revenue
- Even at low toll rates, a "statewide" system can lead to higher annual cost to residents.
  - Other states have only 1-2 toll roads.
Next Steps

Adjusting to recent events
Next Steps: Original Work Plan

• **State Bond Commission** action (*Spring 2018*)
  - Approved $10 Million for NEPA study & final statewide toll plan

• **RFQ** for **PMC** (toll consultant) was to be issued Nov – Dec.

  **Program Manager Consultant (PMC) scope of work**
  
  • Prepare **NEPA**
  
  • Prepare **final plan**
  
  • Assist in getting **state & federal approvals**
  
  • AFTER approvals: **prepare RFPs** for
    
    o *Roadside collection system*
    
    o *Back Office system*
Next Steps: Recent Developments

• **Transportation Lockbox**
  
  o November ballot included referendum question on transportation lockbox
  
  o All transportation revenues must remain in State Transportation Fund
    
      • Must be spent on *transportation projects only*
      
      • Transportation revenues *cannot be diverted from STF*
  
  o **88%** of voters approved lockbox
New Governor elected

- Governor Lamont **favors truck-only tolls** like RI’s new tolls
- Already asked develop info on **truck-only tolling**.
- Are preparing for expected request to also develop a **truck-only proposal**.
  - Discussions with RIDOT: RI program is really a **“bridge” tolling** program that’s **limited to trucks**
  - Discussions with FHWA
  - Expect more direction from Governor Lamont shortly

**What next:** Tolling likely to be a **major focus in upcoming Legislative session**.
Thank You
RI’s “Truck Tolling” Program

- Based on federal tolling exemption for “Bridges”
  - **Bridge requirement**: Can toll any bridges or tunnels being reconstructed or replaced
  - **Timing**: Cannot start tolling until reconstruction starts
  - **Toll Rate**: based on cost to reconstruct
  - **Revenue restrictions**: used for specific bridge being reconstruction
  - **Once bridge paid off**: revenue can be used for any eligible Federal-Aid expense.
  - **Lawsuit**: Trucking industry challenging legality

- Net Revenues
  - **RI**: $41 million at full build out (14 tolls)
  - **CT**: $100 - $200 million? ($218M from trucks under full tolling scenario)
    - **CT implementation**: will be paced by schedule of bridge reconstruction program