2013 Transportation Finance and Mileage-Based User Fee Symposium

Thematic Report

IBTTA
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Executive Summary

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"I've already said we should get rid of the gas tax altogether," said Florida Transportation Secretary Ananth Prasad. The state decided last year to toll new Interstate capacity "because we recognized that our ability to make infrastructure improvements through the gas tax was not sustainable."

IBTTA President Rob Horr put the conversation about mileage-based user fees (MBUF) in the context of the association's *Moving America Forward* advocacy campaign. "We are moving aggressively to educate and inform the media, public officials, and the general public that tolling is a powerful and effective tool in the transportation funding toolbox," he told participants. A major dues increase was required to deliver a higher profile for the industry, and "in my opinion…this is money well spent."

Symposium speakers and participants called for immediate attention to the transportation infrastructure funding crisis. Pennsylvania Governor Tom Corbett said he had unveiled a $1.8-billion funding package in February, after years of seeing his state struggle to operate and maintain one of America's largest and oldest highway systems. Former Puerto Rico Governor Luis Fortuño cited the American Society of Civil Engineers' recent estimate that highways will need $2 trillion in additional investment over the next five years—four times the amount that was spent in the last five.

"There is no way to tax ourselves that high," he said. "And there is no way around it when our roads, bridges, and tunnels are starting to show their age. "

U.S. Representative Bill Shuster (R-PA), chair of the House Transportation and Infrastructure Committee, stressed the grassroots effort that will be required to rebuild and maintain the highway system and make the case for congressional support. "I'll be looking to you to get that help as we move forward," he told participants.

The symposium included updates on the MBUF pilot projects under way in Oregon, Nevada, and Washington, and on second-tier studies in several other states. Panelists also discussed different forms of road user charging in use in Europe. While stable revenue is the main motivation behind mileage-based user fees, they can also:

- Distribute the transportation tax burden more equitably based on use
- Apportion revenue by jurisdiction
- Reduce congestion, emissions, and road wear
- Provide value-added services to motorists
- Collect detailed but anonymous travel data to improve the effectiveness of transportation planning and operations.

Whether an agency funds a project through a P3 or goes directly to the financial markets to obtain bonds on its own, symposium panelists called for a pragmatic, realistic approach to financing. Fortuño discussed his administration's use of P3s to support public infrastructure—two toll roads, more than 100 schools, and a major airport upgrade—to complete needed projects while reducing the government deficit. Prasad cited infrastructure success stories stemming from the landmark P3 legislation his state adopted in 2008.

But for projects of all kinds, the perceptions of risk and reward can be a difficult issue. Institutional investors and bond rating agencies base their interest rates on long-term revenue stability and risk assessments, and traffic demand forecasts can be a point of vulnerability, particularly when they involve new demand. A user-based model, in which road revenues are placed in a special trust fund that backs up project financing, can reduce the cost of capital and draw more institutional investors to transportation projects.

With the decline of the federal Highway Trust Fund (HTF), some panelists pointed to a "de facto devolution," with 30 states considering changes in their funding and financing arrangements. But state departments of transportation won't have the resources to make up for the loss in federal funds, and the federal government should be wary of losing its ability to set standards and play an oversight role. Competitive discretionary grant programs and encouragement for P3s emerged as possible elements of the next federal highway bill that would help solve the transportation funding crisis.

Frank McCartney, Chair of IBTTA's Government Affairs Task Force, identified several possible priorities for industry advocacy leading up to the next highway reauthorization bill, including:

- Support for Interstate tolling enforcement capabilities and reciprocity among states on violation enforcement
- Support for MAP-21 flexibility to toll new capacity and capacity enhancement
- Flexibility for states to toll the Interstates and other federal aid roadways
- Establishment of practices and standards to enhance license plate and vehicle owner recognition
- Federal assistance to the American Association of Motor Vehicle Administrators (AAMVA) for license plate and data improvements
- Reimbursement of toll revenue losses associated with declared federal emergencies.

IBTTA Executive Director and CEO Patrick Jones urged participants to get involved with the *Moving America Forward* campaign. "This is a long-term effort to raise awareness of the vital role that tolling plays in building and rebuilding America's surface transportation infrastructure," he said. The association is reaching out to legislators, communicating through transportation and mainstream media, and building a wider network of support through social media, and has developed a series of information products that members can use to raise awareness in their own jurisdictions.

Introduction

Innovating to Find New Revenues was the theme of IBTTA's *2013 Transportation Finance and Mileage-Based User Fee Symposium*, and the program got under way in dramatic fashion, with two state transportation secretaries declaring they would willingly exchange gas tax revenues for more flexibility on tolling.

"I will tell you that I would trade the remaining 12 cents of my state gas tax for more flexibility to toll the Interstates," said Pennsylvania Transportation Secretary Barry Schoch in his opening remarks.

"The Interstates are where I need to build, they're the bulk of my traffic," and "it's something we have to consider politically," he said. "Is there a way to give something back while we achieve something else?"

"I've already said we should get rid of the gas tax altogether," said Florida Transportation Secretary Ananth Prasad. The state decided last year to toll new Interstate capacity "because we recognized that our ability to make infrastructure improvements through the gas tax was not sustainable." In a peninsula state with many rivers, bays, intercoastals, and bridges, "we understood that we had to diversify our revenue sources."

Through two days of general sessions, breakouts, and town hall discussions, participants explored mileage-based user fees, public private partnerships (P3s), and a variety of other funding and financing strategies to begin reversing the massive transportation infrastructure deficit, in the United States and around the world. IBTTA President Rob Horr, Executive Director of the Thousand Islands Bridge Authority, put the discussion in the context of the association's *Moving America Forward* advocacy campaign.

"IBTTA is on the move," he told participants. "We are moving aggressively to educate and inform the media, public officials, and the general public that tolling is a powerful and effective tool in the transportation funding toolbox." A major dues increase was required to deliver a higher profile for the industry, and "this investment has made possible the success we now see in the *Moving America Forward* campaign. In my opinion…this is money well spent."

The Time is Now

Symposium speakers and participants repeatedly made the case for immediate attention to the transportation infrastructure funding crisis. Pennsylvania Governor Tom Corbett said his state had struggled for years to keep up with the needs of one of America's largest and oldest highway systems. In February, Corbett unveiled a $1.8-billion transportation funding package, after committing to innovative funding mechanisms through a P3 bill that passed in 2012.

"It was a commitment to big ideas that helped create our nation's first superhighway, the Pennsylvania Turnpike," the Governor said. "Now is the time to act to ensure the long-term stability of our system."

Former Puerto Rico Governor Luis Fortuño cited the American Society of Civil Engineers' recent estimate that highways will need $2 trillion in additional investment over the next five years—four times the amount that was spent in the last five.

"There is no way to tax ourselves that high," he said. "And there is no way around it when our roads, bridges, and tunnels are starting to show their age. " With many states raising sales or gas taxes, "a much better solution is to charge a user fee or toll and guarantee not only that the money is there, but that it goes where it should."

U.S. Representative Bill Shuster (R-PA), chair of the House Transportation and Infrastructure Committee, acknowledged the need for "significant investments" and streamlined processes to get more bridges and roads built faster. When the T&I Committee takes up a surface transportation bill in 2014, he said legislators will consider all available funding mechanisms in their search for innovative solutions. He stressed the grassroots effort that will be required to rebuild and maintain the highway system, and to make the case for members of Congress to involve themselves with the process. "I'll be looking to you to get that help as we move forward," he told participants.

With growing support for some form of user financing, Chief Meeting Organizer Steve Morello of D'Artagnan Consulting said a transition away from the gas tax is more than a pipe dream. But he invited participants to imagine what would happen in the next 10 to 20 years if rising fuel efficiency continues to erode gas tax revenues, but there is no adoption of road usage charging. The poor condition of California's road network already causes more accidental injuries and deaths than drugs and alcohol combined, and "without a viable revenue stream, the status of our nation's surface transportation will continue to deteriorate."

But Pennsylvania Transportation Secretary Barry Schoch cautioned against underestimating the complexity or political risk of state transportation plans that depend on federal funding or approval. The state had to withdraw a previous proposal to widen and toll a major arterial and add commuter rail alongside, after critics asked why that route had been singled out. Federal flexibility to toll the Interstates would "take away the political fight about 'why us,'" he said. But "I don't think any state will [choose tolling as its] method of finance if they have to rely on yet another layer of approval beyond the state legislature."

Florida Transportation Secretary Ananth Prasad said his state recently adopted a strategy map for new express links and managed lanes, based on the success of projects along I-95. In contracts that combine financing, design-build capability, and asset management, he said governments can save money by combining several smaller projects into a single, larger one, and by transferring some of the project risk to a private sector partner.

For Florida, "being able to deliver a project 26 years quicker and locking in prices today" was preferable to issuing bonds and managing costs over a period of decades. But to build widespread public acceptance, Prasad said innovative finance advocates must improve public perceptions, while distinguishing long-term infrastructure investments from debt loads that states are determined to avoid.

Robert Keough of John Hancock Financial Services said investment pools are available for state agencies that can make the transition, and historically low interest rates make this an ideal time to invest. He said Hancock has $500 billion to invest, and is one of several insurance companies looking for reliable long-term assets.

"We're looking for assets where we can take the money we're getting today and invest it for the long term, and from your point of view, that should be exciting news," he said. "You're effectively focused on exactly what we're looking to buy."

Getting MBUF on the Road

While stable revenue is the main motivation behind mileage-based user fees, Paul Sorensen of the RAND Corporation said they can also:

- Distribute the transportation tax burden more equitably based on use
- Apportion revenue by jurisdiction
- Reduce congestion, emissions, and road wear
- Provide value-added services to motorists
- Collect detailed but anonymous travel data to improve the effectiveness of transportation planning and operations.

Randal Thomas of the Oregon Department of Transportation said the state's first attempt at MBUF, a pay-at-the-pump pilot project between 2006 and 2007, raised concerns about privacy and administration costs, and failed to capture the emerging growth of electric and hybrid vehicles. In 2011, state legislation directed ODOT to develop and test a road usage charge that did not require GPS data, was based on an open system, offered a menu of technology, reporting, and payment options, and allowed for private sector administration.

Oregon, Nevada, and Washington State launched a multi-state pilot project on November 1, 2012. Participants chose between two service providers, a government agency or a private sector firm, and five plans to report and pay for miles driven. Options included mileage reporting devices with and without GPS, a smartphone app that differentiated miles using the phone's GPS when activated, or a higher flat fee. Thomas said the pilot demonstrated that the market is ready for MBUF, and the system itself can operate cost-effectively.

To evaluate the pilot, an outside consulting team tested the original objectives against participant surveys, vendor interviews, financial analysis, and onboard data from mileage reporting devices (MRDs). Matthew Dorfman of D'Artagnan Consulting reported that participants' impressions of the system either improved, stayed positive, or stayed neutral during the pilot.

Actual experience with the system allayed some participants' initial concerns about system security and privacy, the availability of different payment options, and whether they would receive a gas tax refund after paying a mileage-based fee, he said. After using the system, participants were pleased with the ability to get set up online, manage their accounts, and receive automated refunds. Apart from some confusion about gas tax credits, the main outstanding issues are how to integrate electric and hybrid vehicles, and how to extend the program to multiple states.

Ben Miners of Intelligent Mechatronic Systems, Inc. said the Oregon pilot pointed to opportunities to boost acceptance of road usage charges by integrating the programs with services drivers need or want, such as roadside assistance, highway information and safe driving tips, usage-based insurance, and onboard infotainment and social networking for passengers.

He added that, with privacy protections that are already in place in other markets, MBUF data can be of special use to the newest and oldest drivers on the road. Tied in with beginner driver programs, the data can "encourage a meaningful discussion" between young drivers and their parents. At the other end of the spectrum, clear evidence of a clean, safe driving record could make it possible for an older driver to avoid being retested.

The ultimate challenge for MBUF will be total cost of ownership, but Miners said costs could be shared across governments, insurers, OEMs, and fleet operators, all of which would benefit from usage-based fees.

Later in the symposium, participants heard updates on a second wave of MBUF pilot projects taking place across the United States. Progress reports came from:

- Minnesota, where 500 volunteers from suburban neighborhoods produced 660 million trip data points with a smart phone app that supplied traffic and safety data in 98 zones, while demonstrating a fuel-neutral replacement for the gas tax
- Nevada, where state officials identified political and public acceptance, attention to privacy concerns, low administration costs, no new bureaucracy, and the need for a flexible, market-driven approach as cornerstones of a successful program
- Washington, where the DOT is engaging with opinion leaders and surveying other jurisdictions to come up with recommendations for an MBUF trial.

With several states investigating different forms of road user charging, the U.S. Government Accountability Office (GAO) decided to study the benefits and challenges of MBUF and the fee rates that would be necessary to supplement or replace revenues to the federal Highway Trust Fund (HTF). Based on a survey that achieved a 100% response rate from 51 state departments of transportation, Matt Barranca reported that:

- Mileage fees could lead to a more equitable, efficient system, by charging drivers based on actual use and creating price incentives to drive less.
- The data collection required to make the system work would raise privacy concerns.

- A MBUF system would not be cost-effective at current levels, and would only generate significant new revenue if it cost drivers more.

While all the state secretaries of transportation recognized the need for a new highway funding mechanism, Barranca said few of them had plans to do anything about it. The GAO recommended a pilot program to test the costs and benefits of mileage fees for commercial trucks and electric vehicles, and called on the U.S. Federal Highway Administration to update its highway cost allocation study. The last study, in 2000, showed that commercial trucks contributed about 33% of the revenues in the Highway Trust Fund, but accounted for about 40% of the damage on America's highways.

The GAO also studied commercial truck mileage fees that raised significant revenues in Germany and New Zealand and created incentives for commercial operators to upgrade their fleets, leading to greater fuel efficiency in Germany and reduced damage to roadways in New Zealand. Barranca said two factors contributed to the focus on commercial fleets: there are fewer privacy concerns with trucks than with private vehicles, and a new system is easier to implement with 10 million trucks, rather than 230 million private cars.

The symposium featured reports on several MBUF systems in Europe, including:

- A temporary "vignette" sticker system that several countries use to charge foreign drivers for the use of national roads, at rates ranging from US$3.90 per day to US$186.00 per year
- A mobility management system in The Netherlands that was designed to reduce traffic by 5% during peak periods, but achieved a 7.5% reduction
- A congestion tax in Stockholm that cut traffic by 20 to 25%, queuing times by 30 to 50%, and emissions by 14%, while generating US$123 million in new revenue
- A revenue-neutral system in Gothenburg, Sweden that uses video tolling as a congestion management tool during peak traffic hours.

One panel focused on the technology and business rules that would enable mileage-based systems. Ben Pierce of the Battelle Memorial Institute said it's important to consider both in tandem. "The discussion has been that we'll pick a technology, then talk about policy, or come up with a policy then pick a technology, but they have to go together." The most effective transition to MBUF would deal with objectives, technologies, and institutional frameworks all at once.

Alauddin Khan of the Nevada Department of Transportation said the MBUF conversation began in the mid-1990s, but agencies are still spending millions of dollars on studies. He recommended setting aside technical language and using social media and other advanced communications tools to engage the publicly directly and find out what they would want out of an MBUF system.

"No one talks about the people," Khan said. "We talk about efficiencies. We need to look at what this means to the people who are using it."

But Paul Sorensen said experience in other countries, advanced trials in the United States, and the prospect of more stable revenue have all drawn more attention to mileage-based user fees as a promising transportation revenue option. Experience so far shows that distance-based charging "works well in terms of raising revenue," and can shift vehicle and travel choices, but will run into challenges related to policy, technology, and the roles of federal and state governments and other institutions.

Sorensen said the best argument for a strong national system is the potential to address the deficit in the HTF. So while it will be easier to reach consensus on MBUF in individual states, "there is still some good logic for a federal role in funding trials and research," and in supporting the development of interoperability standards. He suggested four broad strategies that "should be viewed as promising, rather than proven" for introducing MBUF:

- Using trials and educational outreach to actively build support and mitigate opposition to MBUF
- Offering drivers a menu of technology-based payment choices, as well as a fixed-fee alternative for people who opt out of the system
- Harnessing private sector ingenuity and competition, by inviting multiple bidders to offer mileage fee metering and payment services alongside a broader range of driver services
- Starting small, by focusing on alternate fuel vehicles or declaring a voluntary adoption period when an MBUF system is first introduced.

Pragmatic Partnerships

Whether an agency funds a project through a public-private partnership (P3) or goes directly to the financial markets to obtain bonds on its own, symposium panelists called for a pragmatic, realistic approach to financing.

Former Puerto Rico Governor Luis Fortuño discussed his administration's use of P3s to finance public infrastructure—two toll roads, more than 100 schools, and a major airport upgrade—to complete needed projects while attacking a government deficit that had run out of control. Puerto Rico adopted three key principles: that infrastructure was critical for the island's economic growth and competitiveness; private and public investment must complement each other; and private sector participation would improve infrastructure development, operation, and maintenance.

With the introduction of America's first dedicated P3 authority, Fortuño said Puerto Rico created a single point of contact for private investors, while positioning itself to demand aggressive timelines for project completion. The authority's mandate emphasizes transparency and a commitment to protect the public interest, and it established its bona fides early by modernizing or rebuilding one public school in each town or city in Puerto Rico, all at the same time. "That way," he said, "everyone understood the benefits they could reap from a P3 mechanism."

Florida Transportation Secretary Ananth Prasad cited two success stories stemming from the landmark P3 legislation his state adopted in 2008: the 595 reversible lanes project, a $1.2-billion agreement that was expected to conclude ahead of schedule by the end of the year, and the PortMiami Tunnel, a P3 that featured funding from local, state, and federal governments.

But whether a project relies on a P3 or more conventional financing, several panelists said the public and political assessment of risk and reward can be a difficult issue.

Robert Keough said risk assessment is all-important for insurance companies like John Hancock. "We charge for our money based on predictability of repayment," he said, "so availability backed deals are the opportunities that John Hancock and other institutional investors can very well get their arms around." For states, low credit risk brings down the cost of capital, "which means users and taxpayers get their roads cheaper."

But forecasting demand, especially new demand, is a different story. "You might be right with your traffic forecasts, but more than likely, you won't be," and there are risks in either direction: while a troubled asset may not be managed as well as an agency intended, a road that exceeds its performance targets "will attract a lot of attention and scrutiny in the public sphere." Either way, "the risk on projects is tough to price, so you pay more for it."

Keough said a user-based model, in which road revenues are placed in a special trust that backs up project financing, "would really lower the cost of capital" and encourage more institutional investors to get involved with transportation projects.

Laura Barrientos of Moody's Investors Service said the rating agency's continuing negative outlook for the tolling sector reflects the slow pace of the economic recovery, a negative outlook for state and local governments, and a sense of toll rate fatigue. Other contributing factors are the increasing use of toll roads to support non-tolled facilities or other entities, coupled with new debt issued against uncertain traffic and revenue projections.

However, the agency recognizes that "the user-pay model is the way roads are going to be done," she said. "Unless or until we go to mileage-based user fees, user-pay is still the primary way to build new roads."

Stability of long-term revenue is all-important, and concession agreements are more likely to provide for regular toll rate increases, Barrientos said. On the other hand, concession agreements could limit flexibility by locking in future increases. Barrientos and Adam Torres of Standard & Poor's agreed there's insufficient field experience for agencies to arrive at a specific methodology to anticipate the performance of managed lane projects. Scott Zuchorski of Fitch Ratings said his firm has been studying diversion rates and volume-capacity ratios for managed lanes and will be publishing its findings this summer and fall.

Rick Geddes of Cornell University said much of the discussion turns on the trade-offs between private and public investment. P3s deliver savings through greater efficiency and faster project delivery. Governments can raise capital at lower rates, but "I've wondered about the true economic cost of that lower cost of capital," he said. The federal tax exemption reduces the effective interest rate on municipal bonds by 1.5 to 2.0%, but that's still a transfer from federal taxpayers to the issuer of the bonds.

In the end, "somebody has to be the residual risk-bearer," he said. "If it's the taxpayer, the risk doesn't go away, it's just borne by the taxpayer instead of by a private investor." And contrary to much of the economics literature, that may not be the best choice. Geddes pointed to "a whole set of legal arrangements that have evolved over more than a century to help manage risk" when the appropriate private entity takes it on. By contrast, "what's the limitation on liability to a taxpayer? They will come and take your house if you don't pay your taxes. It's unlimited."

Private institutional structures allow risk to be priced, Geddes said, and they're more transparent than traditional public projects, where taxpayers never get a true idea of the cost they've incurred. "Taxpayers are manifestly worse at bearing risk" than specialized investors working within a suitable legal structure.

Empowering the States

With U.S. state governments focusing more on transportation funding and finance, panelists and participants discussed the changing federal role in delivering the dollars to reverse the transportation infrastructure deficit.

According to one speaker at a recent IBTTA conference, state departments of transportation are organized for the sole purpose of maximizing the use of federal gas tax revenues. What that really means, said IBTTA Executive Director and CEO Patrick Jones, is that DOTs' role is to maintain, operate, and fund highway infrastructure by stretching a declining resource as far as it will go.

Government relations specialist Kathy Ruffalo of Ruffalo Associates said the decline of the Highway Trust Fund has brought new attention to the federal role in funding surface transportation. Although more and more members of Congress are prepared to vote for devolution, she said a reduced federal role would raise serious policy questions, including diminished federal capacity to set standards or play an oversight role.

Deron Lovaas of the Natural Resources Defense Council said Congressional gridlock has set the stage for "de facto devolution" of transportation funding. "There's no plan or strategy, but that's where we're headed." The American Association of State Highway and Transportation Officials (AASHTO) is tracking changes in funding and financing arrangements in 30 states, he said, and when local governments consider transportation funding measures, 70 to 80% of them routinely pass.

Joshua Schank of the Eno Center for Transportation said state and local governments are trying to raise their own transportation revenues because there's no consensus on the federal role in highway funding. The problem is that "they don't have the capability to replace very much." In September, an Eno study found that even under optimistic scenarios, state DOTs could likely only replace 60% of what they would lose should federal funding be cut.

In contrast to the current practice of allocating 92% of federal funding by formula, Schank said Congress should suggest new ways of raising revenue and encourage states and localities to spend it effectively. "It would be a missed opportunity if the federal government said 'you raise the money,'" with no formula or plan, he said, "because how you raise the money affects how you spend it."

To move in the right direction, he said the next highway bill should include competitive discretionary grant programs designed to encourage specific behaviors at the state level. Congress should also encourage P3s because "by necessity, they have to raise revenue. That's what they do. If they don't raise revenue, the private sector won't be involved."

But a participant questioned the proposition that states need incentives to raise money. "All they want is permission to toll the Interstates," he said. "They desperately want permission. There's been a real change in their thinking in the last couple of years."

The Year Ahead

Former U.S. Comptroller General David Walker told participants that governments must have a plan, a budget, and a set of performance measures to pursue any successful program, including transportation finance. He said his own cross-country tour convinced him that Americans will support smart, pragmatic reforms when they're told the truth, the whole truth, and nothing but the truth about the state of the country's finances, and the opportunities ahead for its transportation systems.

That reality, said Matt Barranca of the U.S. Government Accountability Office (GAO), is a $110-billion shortfall in the Highway Trust Fund over the next 10 years if Congress fails to solve the long-term revenue and spending gap in MAP-21. Legislators have "essentially broken the link" between the user-based system and the HTF by shoring it up with $50 billion in general revenue since 2008. "From GAO's perspective, this is not a sustainable solution to funding our transportation needs."

Barranca said the gas tax has fallen from 17% of average gas prices in 1993 to less than 5% today, and its purchasing power has declined dramatically: had it been indexed to inflation, the gas tax would now be 29 cents per gallon.

Joung Lee of AASHTO said highway infrastructure consistently places lower on any list of White House or congressional priorities than the industry would like to see, underscoring the "huge challenge in increasing awareness of the transportation issue before we even have a chance to make the ask."

While AASHTO was pleased with the policy reforms in MAP-21, it will be crucial to address the HTF solvency issue in the next reauthorization cycle. Lee said MBUF and a more flexible approach to tolling will be essential parts of the funding toolbox.

In a market capitalist society, he said, "transportation to date has existed in a parallel universe where system users have no idea what they pay, and no idea what they get back in return." A few years ago, AASHTO discovered that drivers thought they paid $7,000 to $8,000 per year in federal and state gas taxes, when the reality was closer to $300. Correcting that fundamental misperception "would be a great platform from which to make the honest to goodness value proposition for increased investment."

Adrian Moore of the Reason Foundation said a recent round of congressional meetings had revealed less opposition to MBUF than he'd expected. But more work is needed to establish transportation funding as a more urgent priority for government action, raise awareness of MBUF as a funding alternative, and counter the public opposition and misperceptions that greet any new MBUF initiative. He said pilot projects will only gain wide support in Congress if they extend beyond a single state like Oregon, with a five-member congressional delegation.

Frank McCartney, Chair of IBTTA's Government Affairs Task Force, said the tolling industry can only meet Congress' four-year deadline for national interoperability if the infrastructure financing issue is resolved. He reported on an IBTTA member survey that identified several possible priorities for toll industry advocacy leading up to the next highway reauthorization bill, including:

- Support for Interstate tolling enforcement capabilities and reciprocity among states on violation enforcement
- Support for MAP-21 flexibility to toll new capacity and capacity enhancement
- Flexibility for states to toll the Interstates and other federal aid roadways
- Establishment of practices and standards to enhance license plate and vehicle owner recognition
- Federal assistance to the American Association of Motor Vehicle Administrators (AAMVA) for license plate and data improvements
- Reimbursement of toll revenue losses associated with declared federal emergencies.

Although tolling agencies understand the drive for interoperability, McCartney said, "we're not going to get there without better tools to optimize revenue collection," particularly the ability to collect tolls on the Interstates. The message to Congress is that "we're not asking you for more money. We're asking you to be able to collect the money that's due to us in an efficient way."

Recalling David Walker's emphasis on a plan, a budget, and performance measures, McCartney said IBTTA's *Moving America Forward* campaign has all three. And with two state transportation secretaries offering to give up state gas taxes for more flexibility on tolling, "I think we're starting to see a trend." IBTTA will not seek a mandate on tolling, but will ask Congress for greater flexibility for states and regions to fund transportation improvements in the ways that best suit their needs and circumstances.

IBTTA Executive Director and CEO Patrick Jones urged participants to get involved with the *Moving America Forward* campaign. "This is a long-term effort to raise awareness of the vital role that tolling plays in building and rebuilding America's surface transportation infrastructure," he said. "It's a process that builds on success. And we need you to be engaged in that process."

Jones said IBTTA is influencing the transportation funding debate by reaching out to legislators, communicating through transportation and mainstream media, and building a wider network of support through social media. The association has also developed a series of information products that members can use to raise awareness in their own jurisdictions.