

The Toll Industry of the Future: Looking Ahead to 2030

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Looking Ahead to 2030

- Major Growth Coming in US Tolling
 - New toll roads
 - Express lane networks
 - Widespread interstate tolling
- By 2030, Measured by Toll Mileage, the Industry May Be 4-5 Times Bigger Than Today
 - How will the shape of our industry change
 - How might it impact IBTTA
- An “Unscientific” But Realistic Gaze at the Future
 - Just one man’s opinion

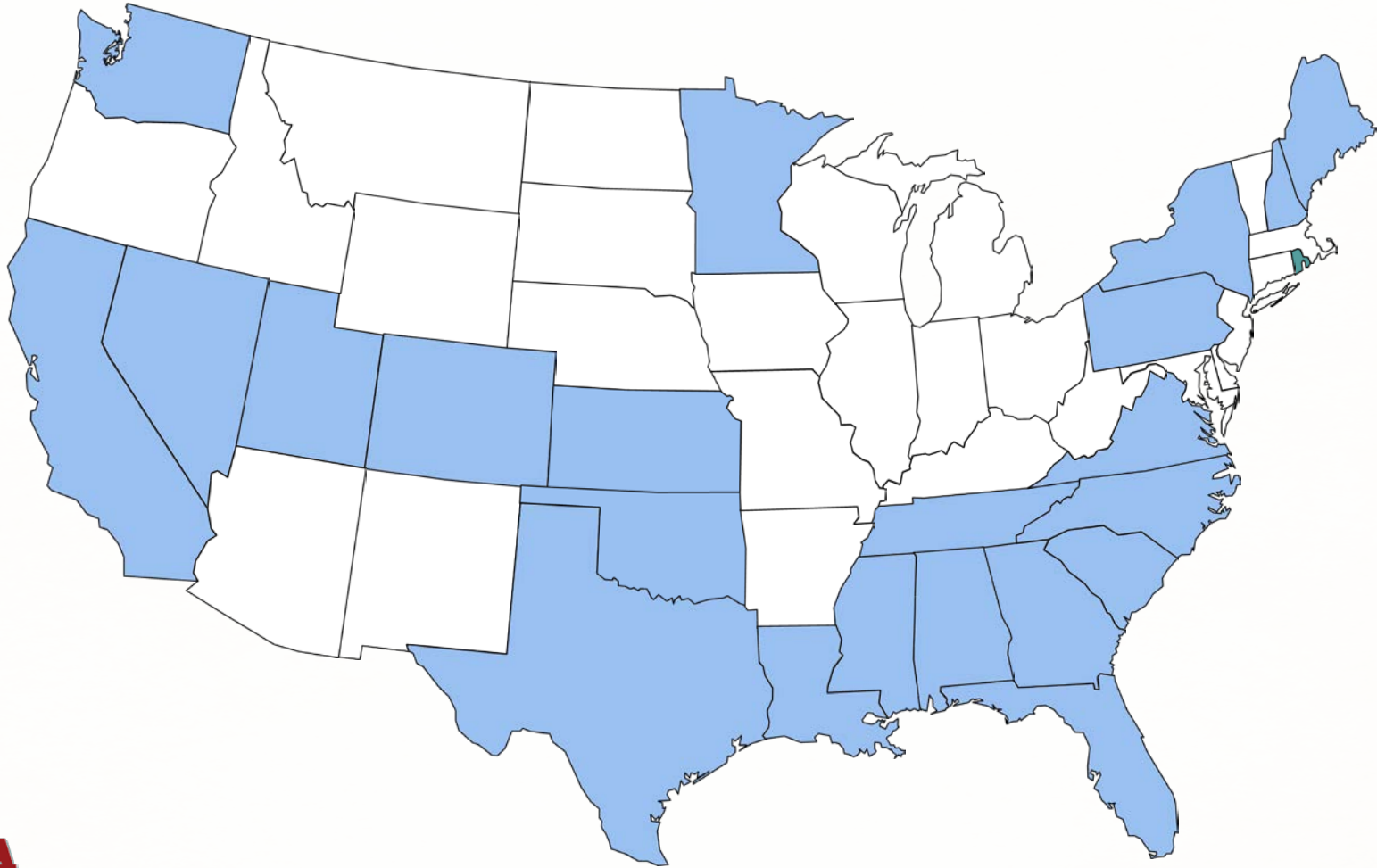
Limiting Conditions

- As a Traffic and Revenue Consultant, There Must Always Be “Limiting” Conditions and Disclaimers
- This View Is Focused Only On the US Toll Market
 - We will see growth in other countries as well
- This Is Pure Speculation, Based On a Look Into a Clear Crystal Ball
 - Our traffic and revenue forecasts do NOT use crystal balls, contrary to some people’s opinion
- There Are No Guarantees, But It’s a Reasonably Likely Outlook
 - I will be retired before we reach the first benchmark of 2020, so who cares
- If I’m Even Close... the Amount of Change and Growth Will Be Huge
 - And the opportunities almost limitless

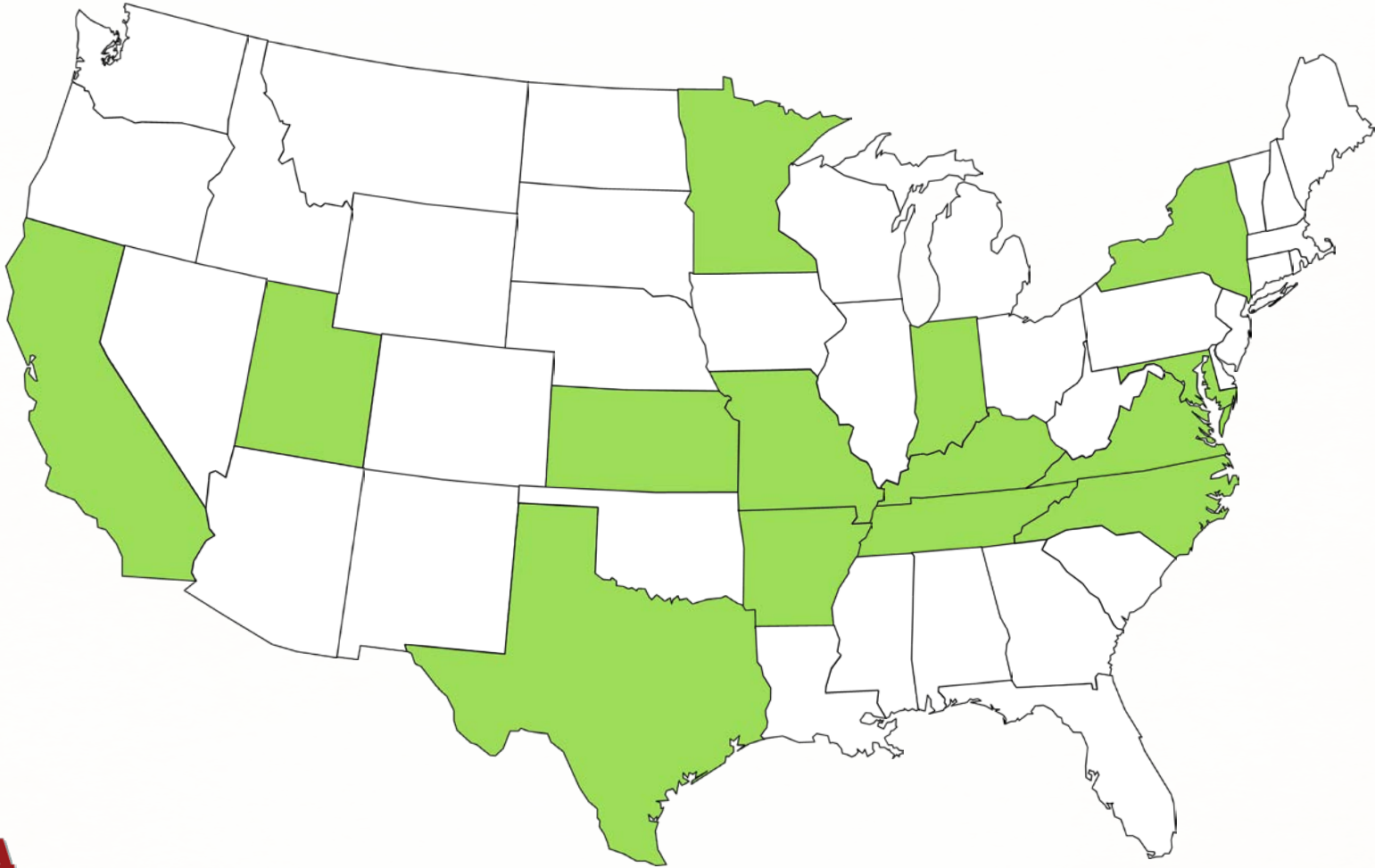
The Primary Drivers of Tolling Growth

- Many States Have Identified New Projects With No Source Of Funding
 - New or extended roads
 - New or reconstructed bridges and tunnels
- Explosive Growth in Express Toll Lanes
 - Dozens of new projects
 - ETL networks in major urban areas
 - State mandates to “toll new capacity”
- Tolling Of Our Existing Interstates
 - It is coming (no other viable options)
 - It will dwarf everything else when it does

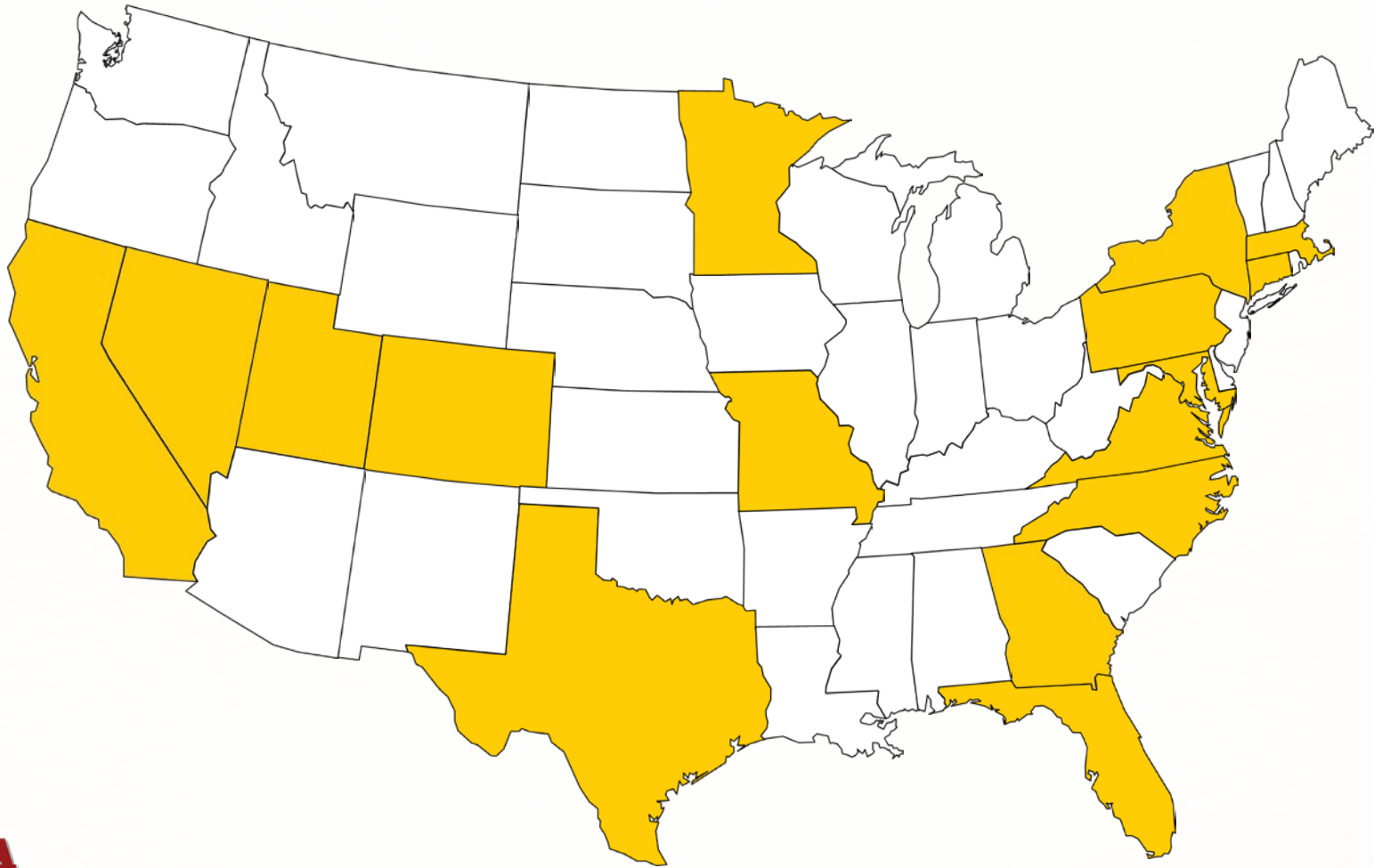
States with Potential New Toll Roads or Extensions



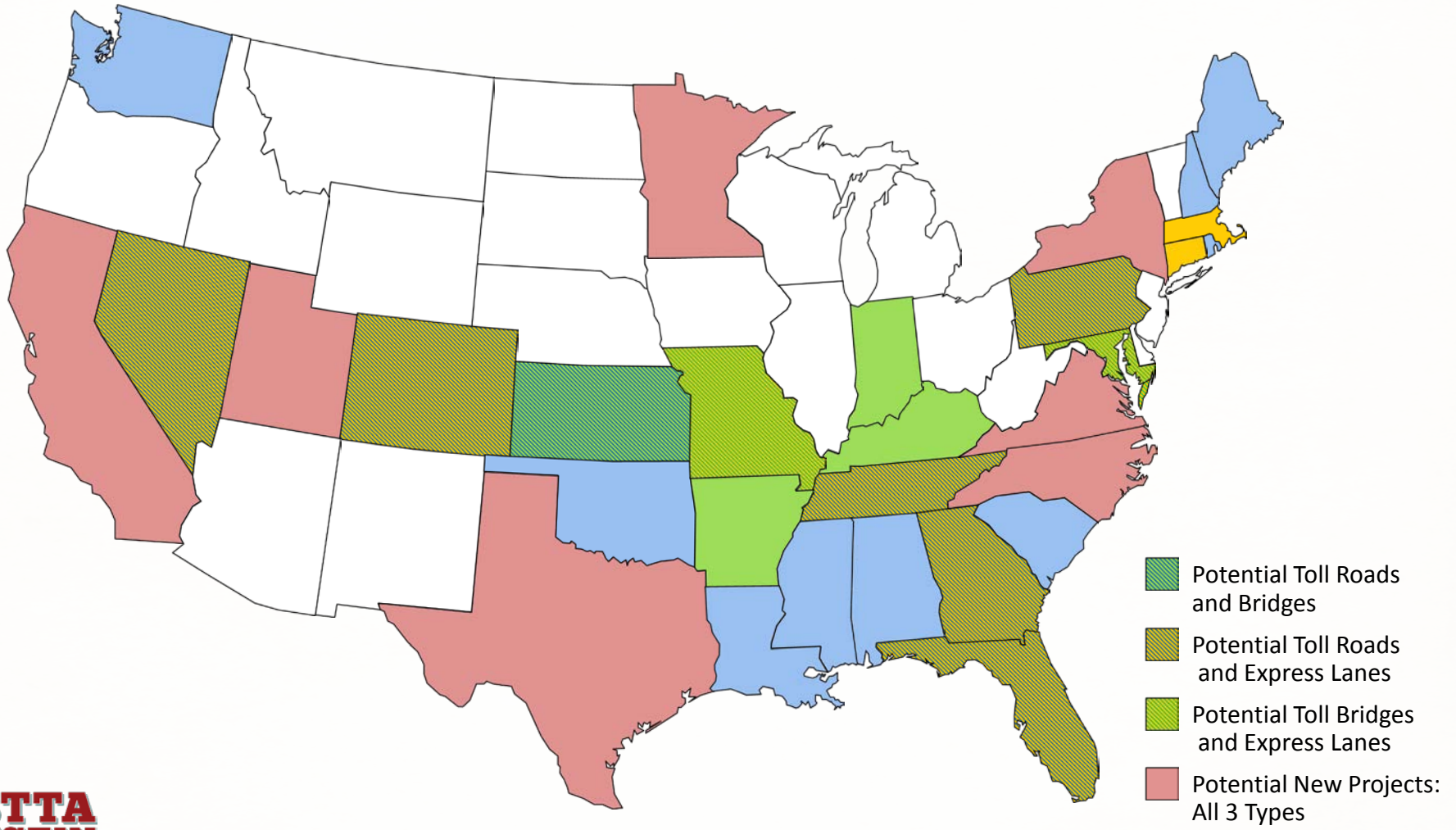
States with Potential New or Reconstructed Toll Bridges or Tunnels



States with Potential New Tolled Managed Lanes



Fertile Ground for New Tolling Initiatives

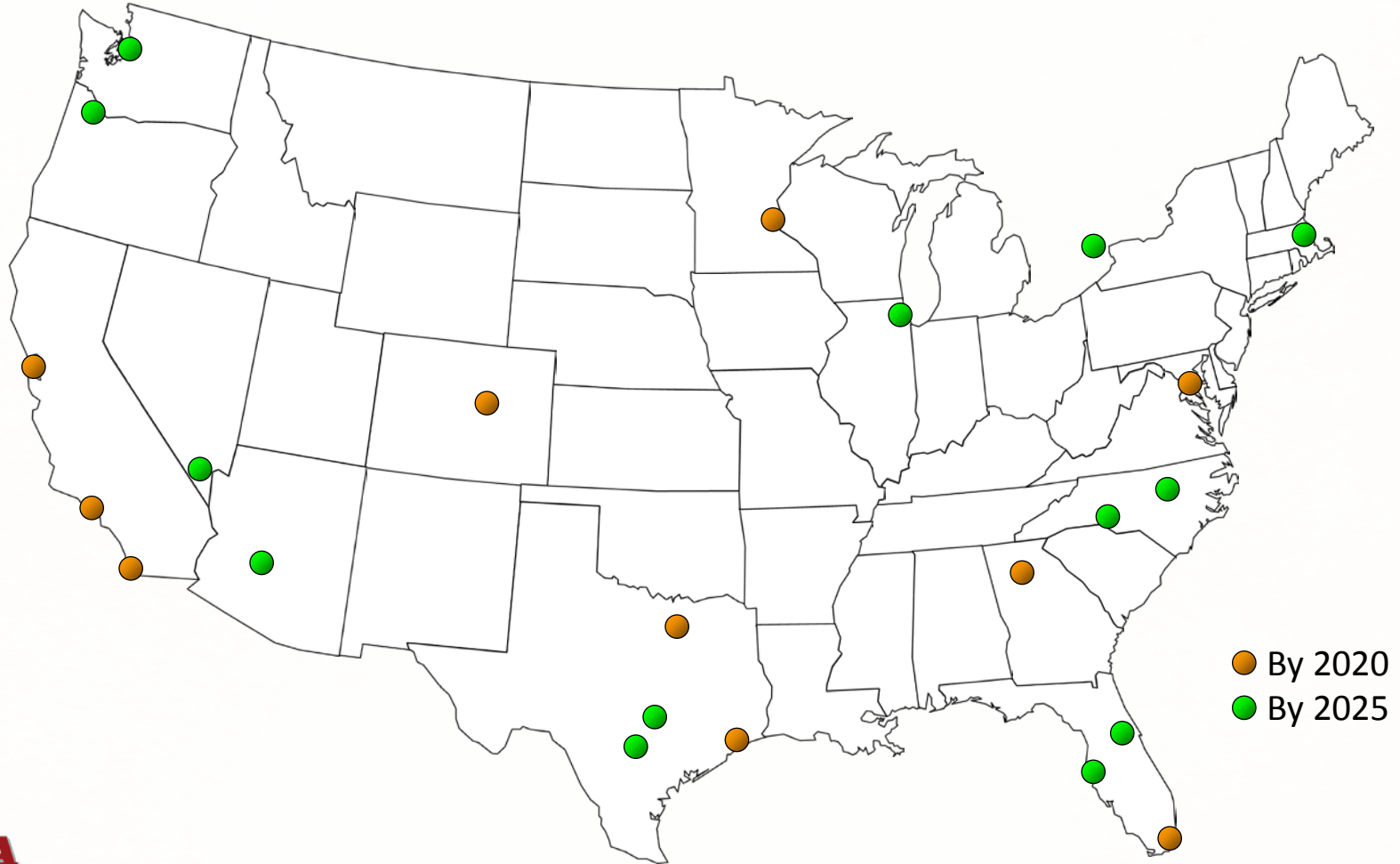


- Potential Toll Roads and Bridges
- Potential Toll Roads and Express Lanes
- Potential Toll Bridges and Express Lanes
- Potential New Projects: All 3 Types

Express Lanes - Near Term Growth Focus

- About 100 Miles Or So of Express Lanes Today
- Another 500 Miles On the Drawing Board Today
- Regional ETL Networks are the New Rage
 - Could add 1500 more miles of ETL's by 2025

Potential Express Lane Networks



Tolling the Interstates

The “Ultimate” Growth Driver

- The Interstate System Is Our Most Important National Transportation Asset
 - Conceived and funded by the Federal government
 - But it owns none of it
 - And its over 50 years old and falling apart
- There Are Few Other Options
 - States face \$2 trillion cost to rebuild and maintain over the next 50 years
- The Armor is Cracking
 - USDOT proposal to allow unrestricted tolling for reconstruction
 - Arguments against tolling wearing thin
- The Long Term Outlook
 - Number of reconstruction pilots will be increased with May, 2015 bill
 - Prohibition will be essentially eliminated by 2021 re-authorization

The Interstate Tolling Era

- Nearly Half Of All States Will Choose To Add Tolls by 2030
 - Accelerates after 2020
 - All- electronic only
 - Really need true nationwide interoperability
- Huge New Opportunity For P3 Concessions
 - To expand, rebuild, reconstruct and maintain interstate routes over long term concession period
 - Most likely thru availability payments so states maintain control of toll rates and policies
- Huge Increase In Proportion Of American Cars and Trucks Equipped For Electronic Tolling

Potential Interstate Route Toll Conversions

<u>Time Period</u>	<u>Low Scenario</u>		<u>High Scenario</u>		<u>Mid-Point</u>
	<u>Number Of States</u>	<u>Miles of Interstate</u>	<u>Number Of States</u>	<u>Miles of Interstate</u>	
2015-2020	2	2,000	4	3,000	2,500
2020-2025	5	4,000	8	6,400	5,200
2025-2030	<u>10</u>	<u>8,000</u>	<u>15</u>	<u>12,000</u>	<u>10,000</u>
15-Year Totals	17	14,000	27	21,400	17,700

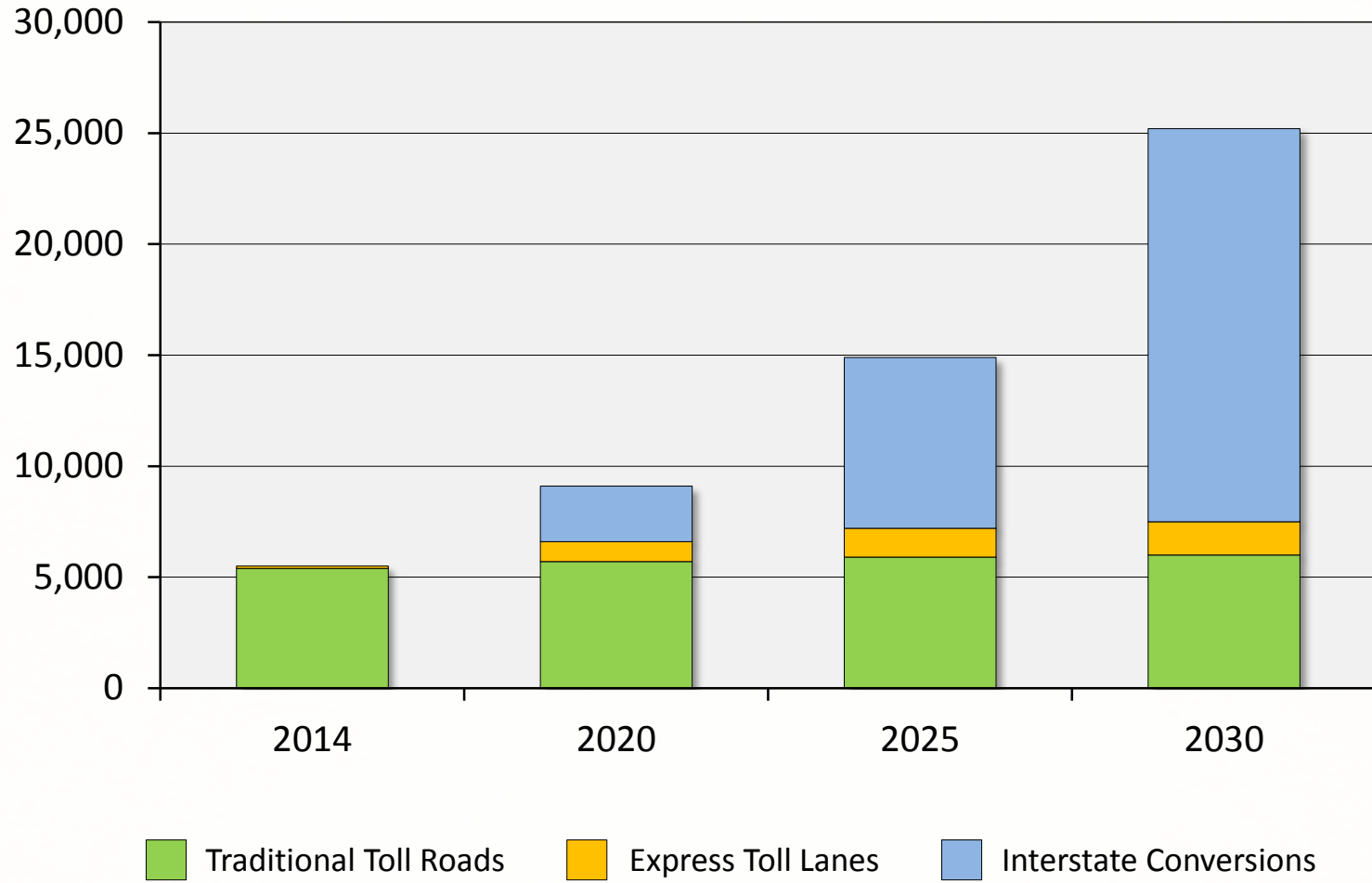
Sizing Up the Industry

- In The Near Term (2015-2020) Look For Express Lanes to Lead the Way
 - Several new toll roads, mostly in high growth urban regions
 - Only a few “pilot” Interstate conversions
- In the Medium Term (2020-2025) Most States Start Looking Hard at Interstate Tolling
 - Congress opens the door in 2021
 - Express Lane networks continue
- In the Longer Term (2025-2030) Look For a Big Increase In Interstate Tolling
 - Also early planning for shift to “per mile” road user charging which will ultimately reshape tolling technology

Potential Increase in Toll Road Miles

<u>Toll Road Category</u>	<u>Approx. 2014</u>	<u>Projected Increases by 5-Year Increment</u>			<u>Totals</u>
		<u>2015- 2020</u>	<u>2020- 2025</u>	<u>2025- 2030</u>	
Traditional Toll Roads	5,400	300	200	100	6,000
Express Toll Lanes	100	800	400	300	1,600
Interstate Conversions	--	2,500	5,200	10,000	17,700
Incremental Miles	--	3,600	5,800	10,400	--
Cumulative Miles	5,500	9,100	14,900	25,300	25,300
Percent Increase Over 2014	--	65.5%	170.9%	360.0%	--

Growth in Toll Road Mileage

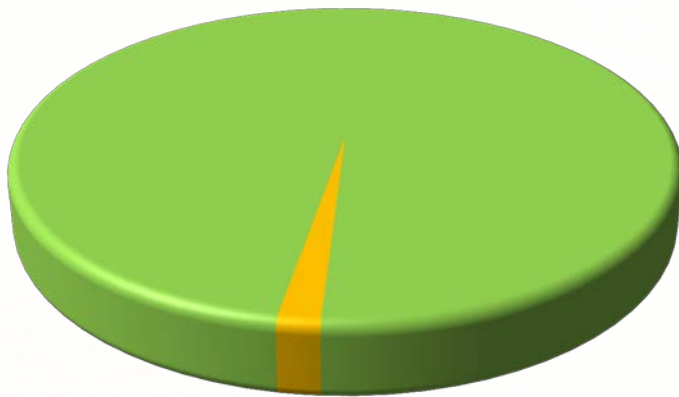


Comparison of Toll Roads by Category

2014 vs. 2030

2014

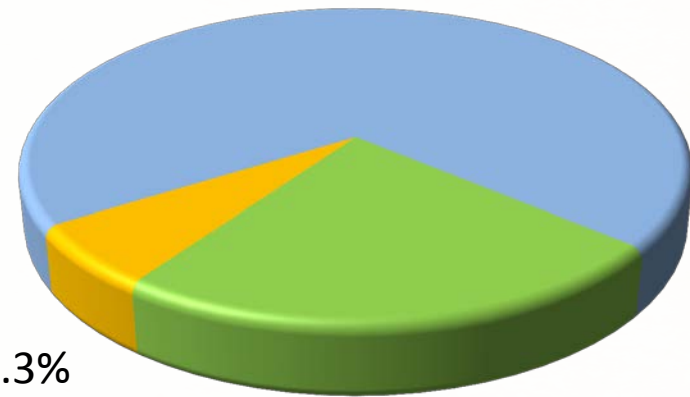
98.2%



1.8%

2030

70.0%



6.3%

23.7%

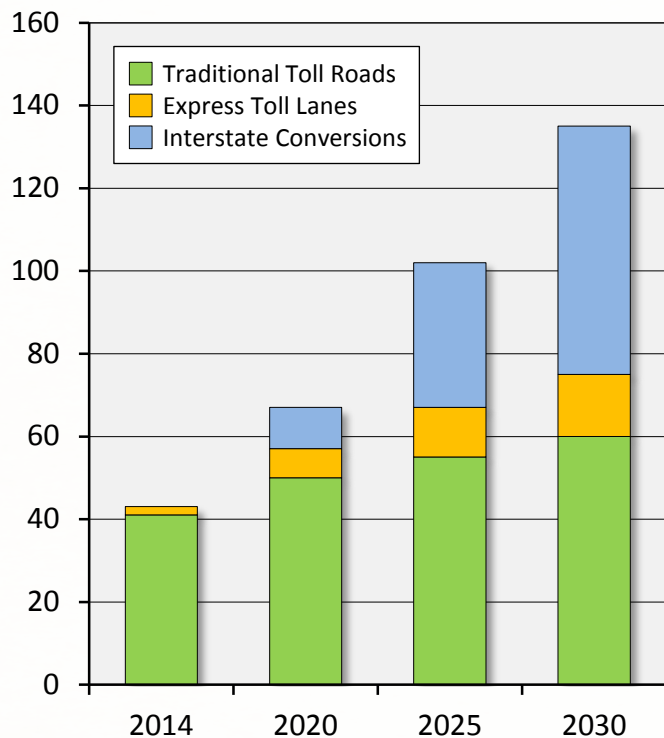
■ Traditional Toll Roads

■ Express Toll Lanes

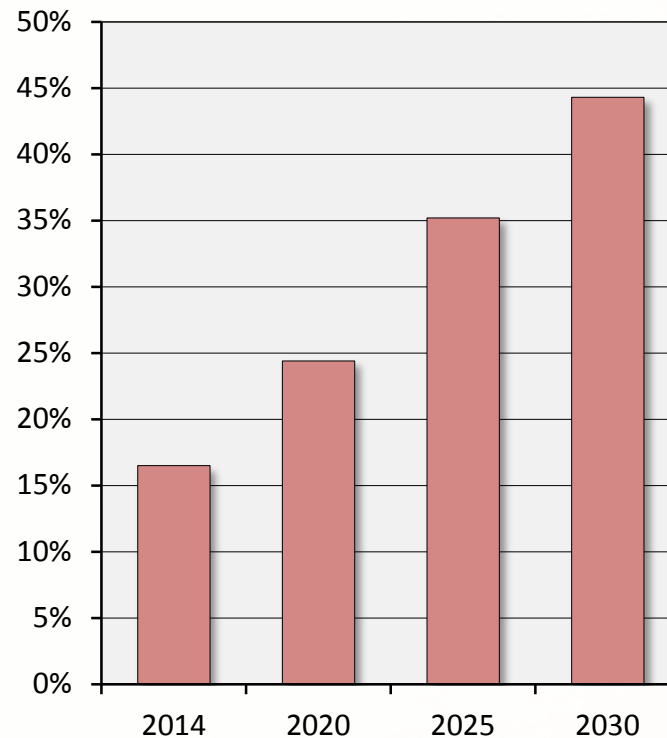
■ Interstate Conversions

Potential Growth in Toll Equipped Vehicles

Number of Vehicles



Percent of US Fleet



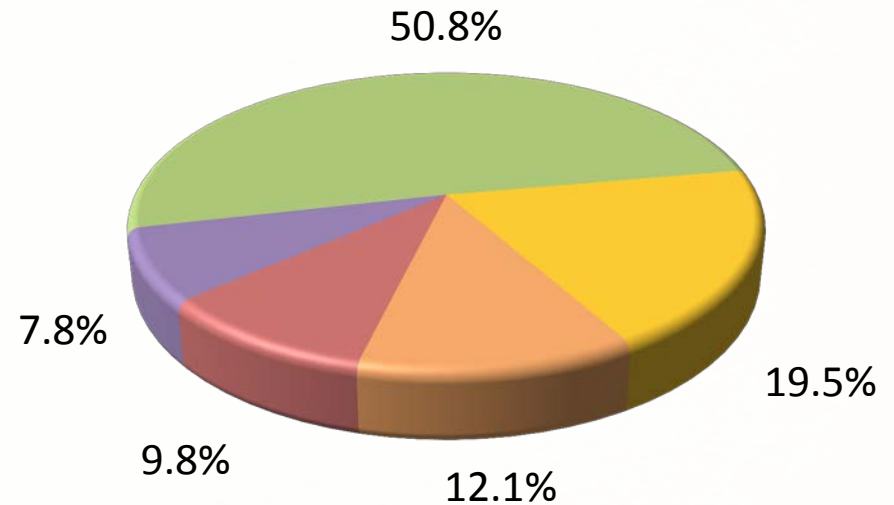
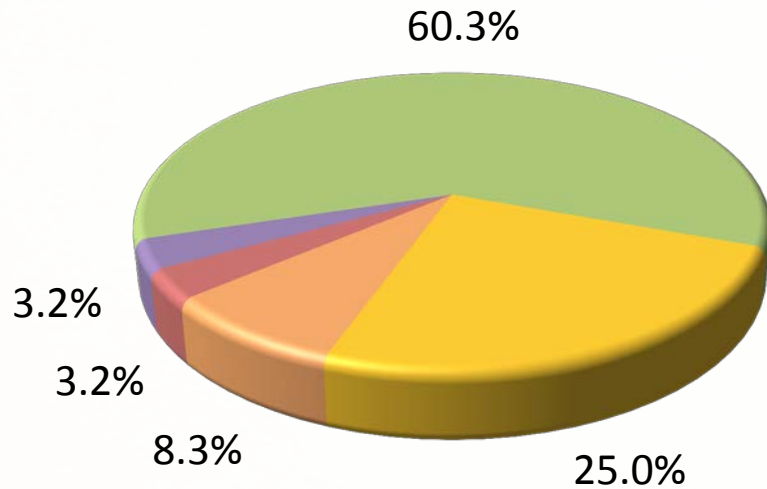
Changing IBTTA Membership Profile By Major Category

<u>Type of Organization</u>	<u>Approximate Current Members</u>		<u>Added in Next</u>	<u>Projected</u>
	<u>Total</u>	<u>U.S.</u>	<u>15 Years (US)</u>	<u>2030 (US)</u>
Toll Agencies	45	39	11	50
State DOT's	19	13	18	31
MPO's	5	5	20	25
Concessionaires	16	5	15	20
Consultants / Vendors	<u>107</u>	<u>94</u>	<u>36</u>	<u>130</u>
Totals	192	156	100	256

A Comparison of IBTTA Membership 2014 and 2030

2014

2030



■ Consultants/Vendors ■ Toll Agencies ■ State DOT's ■ MPO's ■ Concessionaires

In Summary, by 2030 We May See

- A Much Larger and Very Different Toll Industry
 - Many new players including more State DOT's, MPO's and private operators
- Over 25,000 Miles Of US Toll Roads
- Over 1,500 Miles Of Express Toll Lanes
- 50-100 More Toll Bridges/Tunnels (Mostly Reconstructed)
- Over 125 Million Vehicles Signed Up For Electronic Tolls
- At Least \$60-\$75 Billion In Annual Toll Revenue Collections
- Will We Adapt and Be Ready??

Thank You

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