

# Tight Funds And Roads Needing Repair Drive States To Tolls

By [Matthew Nesto](#)

Law360, New York (January 19, 2018, 9:28 PM EST) -- The use of toll roads is set to rise dramatically across the nation, experts say, driven by a perfect storm of tight funding, massive repair needs and urban gridlock.

As it stands, roughly 3 percent, or 6,000 of 164,000 miles, of U.S. highways have tolls, but transportation industry data shows that number already has started to rise sharply, with 35 states now collecting \$14 billion annually at nearly 400 different locations.

“With the federal government not raising the gas tax in 25 years, since 1993, and state budgets being tight, toll facilities are growing in number,” said Bill Cramer, communications director for the International Bridge, Tunnel and Turnpike Association.

“State and local governments are seeing tolling as a viable and useful option,” he said, adding the proceeds can pay for roads and provide a steady stream of revenue to maintain that road, bridge or tunnel at high quality and safety.

Officially, the IBTTA’s latest national survey on toll facilities showed 5 billion trips and transactions were recorded in 2015, which the group said marked a 7 percent increase from the previous year and “a record-breaking rate of growth” that had seen toll use double in less than 10 years.

Although tolls are prohibited on much of the aging, 50-plus-year-old federal interstate system, the [Federal Highway Administration](#) reopened a pilot program last October that allowed states to implement tolls on existing interstates if the proceeds were used to finance improvements and upgrades.

Virginia is one state that is currently innovating toll collections to address transportation problems, especially on the notoriously packed Interstate 66 Beltway that connects to Washington, D.C. In December, Virginia became one of 11 states to use “dynamic pricing” to deal with rush-hour traffic via a new system that assesses demand and calibrates a price every six minutes. While early reports were filled with stunned commuters being unexpectedly hit with charges that surged to \$40 for a 10-mile trip, [Virginia Department of Transportation](#) officials say things have since stabilized, with rush-hour round-trips averaging less than \$20.

Colorado is another state that is using — and adding to — price-managed lanes, which collect a toll only from single-occupancy vehicles that take the busiest roads at the worst times.

Colorado’s Transportation Commission “has adopted a policy that express lanes are to be explored for added capacity,” said state transportation spokeswoman Megan Castle.

“We know we can't build our way out of congestion, and express lanes — which are always offered alongside free general purpose lanes and are a choice for drivers to use — allow us to provide a reliable travel time now and into the future using tolls as a way to manage congestion,” she added.

Whether it's purely for revenue, to deal with congestion, or both, new high-tech tolls are in the works in California, Florida, Texas and North Carolina, as the industry continues its migration from electronic toll collection to all-electronic tolling, which the IBTTA says already has seen cash transactions fall below 20 percent.

At the same time, increased fuel efficiency and the use of electric vehicles have only heightened concerns over the viability and stability of the per-gallon gasoline taxes collected at the pump. To that point, a Tax Policy Center analysis of state and local motor fuel tax revenue from 1977 to 2015 shows total gas tax revenues grew just 6.3 percent in the last five years.

“The toll revenue is also very helpful in allowing us to add critical capacity in congested corridors, in a funding-restrained environment,” Colorado's Castle said.

Of course, not everyone is in favor of this trend. The Alliance for Toll-Free Interstates rejects the self-funded studies conducted by toll operators or construction companies, saying they nearly always overpromise and underperform. The group also argues that tolls serve as a double tax on motorists who already have paid fuel taxes, and takes exception with the purported benefits of electronic tolling, calling it inefficient at collecting revenue and ineffective at improving traffic.

“There is no silver bullet for funding transportation. States will need to use a blend of funding sources, but the absolute worst option with the longest list of negative impacts is tolling,” ATFI spokesperson Stephanie Kane said in an email to Law360. Kane cited recent bankruptcies and reorganizations of toll operations in Texas, Indiana, Virginia and South Carolina.

In Connecticut, where the state is reconsidering its two-decade no-toll policy, state Sen. Toni Boucher said via [Twitter Thursday](#), “Before we talk tolls, let's talk about how transportation money is being spent.”

New York City, which already has the highest toll collections in the country, is mulling how to implement a congestion zone system, while voters in San Francisco will decide if they want Bay Area bridge fees to rise by \$1 or \$3 when they head to the polls in June.

Whatever the fix, no one disputes that a remedy is needed and will be costly.

“The Highway Trust Fund is not covering the costs needed for major infrastructure investments and repairs,” the IBTTA's Cramer said. “The federal gas tax is not sustainable [and] most of our interstate system is 40, 50 and 60 years old.”

--Editing by Robert Rudinger and Tim Ruel.