



ALLIANCE FOR
TOLL-FREE INTERSTATES

May 12, 2021
Alliance for Toll-Free Interstates
PO Box 20
Richmond, VA 23218

Delivered via email

President Joseph R. Biden, Jr.
The White House
1600 Pennsylvania Avenue NW
Washington, D.C. 20500

Secretary Pete Buttigieg
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

RE: The American Jobs Plan and Tolling in Infrastructure

Dear President Biden and Secretary Buttigieg:

The Alliance for Toll-Free Interstates (ATFI) is a growing alliance of individuals, businesses and organizations advocating for long-term, sustainable, efficient, equitable, and sensible highway infrastructure funding solutions. ATFI appreciates how difficult it is to find long-term solutions to the Highway Trust Fund's revenue challenges and that the Administration did not put forth the idea of tolling in its infrastructure proposal. We also applaud the renewed public emphasis on infrastructure funding coming from Congress but wish to register our opposition to tolling on existing interstates. We urge the Administration and Congress to reject tolling of existing interstates as a financing method and encourage federal legislators to avoid policies that move toward devolution of the interstate system.

Implemented properly, infrastructure funding can provide meaningful employment opportunities while modernizing the transportation system to improve the free flow of people and goods throughout the country. However, poorly conceived infrastructure legislation can be counterproductive, causing unintended impacts that are detrimental to transportation networks, economies and local communities.

Keeping these principles in mind, **ATFI strongly opposes financing surface transportation infrastructure through tolling existing interstates in any form or variation.** Tolling interstate lanes that drivers now access freely is not only unpopular; it is the worst approach available to raising transportation revenue. Imposing tolls on existing interstates will increase shipping costs for goods; suppress consumer activity; double-tax businesses and drivers, waste revenues on bureaucratic administration; discriminate against marginalized communities; divert traffic onto local roads to the detriment of communities near toll facilities; and disrupt the free flow of goods along our nation's largest travel corridors. Expanding tolling of existing interstates is not a viable solution; it is a demonstrably failed idea and an abdication of Congressional responsibility to fund the Interstate Highway System by passing the buck to the states.

ALLIANCE FOR TOLL-FREE INTERSTATES

As our nation seeks to recover from the devastating economic impacts of the COVID-19 pandemic, tolls will hurt businesses trying to reopen. During these unprecedented times, it is important to ensure that critical industries continue to function and job losses are minimized to the greatest extent possible. Hardest hit by tolls will be small businesses and their employees, especially in the immediate area surrounding new tolls. Toll raises business costs for moving goods through the supply chain, hurting the competitiveness of local companies. Evidence suggests that the vast majority of trucks do not respond to congestion pricing because the shippers determine pick-up and delivery times, not the trucking companies. Restaurants, convenience stores, travel plazas and gas stations operating near the newly tolled interstate will face higher costs from manufacturers and shippers, who will be forced to charge more to transport goods by truck. **American consumers will be shouldering the burden by paying more for goods, demonstrating the fact that the toll is nothing more than an underhanded tax on the general public.** Efforts to expand tolling will reroute prosperity around these communities.

Tolling existing interstates is double taxation. Since the inception of the Federal Interstate Highway System, the federal gas tax has always been the primary source of revenue for the construction and maintenance of federal interstate lanes. Every time a motorist puts gas in their vehicle, they are upholding their end of the deal for interstate maintenance. Converting non-tolled roads to tolled facilities, even when combined with a congestion relief effort, forces drivers to pay two taxes for that same road: a gas tax and a toll tax.

Tolling is a highly inefficient form of taxation, to the point of being fiscally irresponsible. Toll gantries cost millions of dollars to build and maintain. Even with the latest technology, the Congressional Budget Office estimates collection costs alone are at least 8 to 11 percent of revenue collected. Toll management, enforcement and operations total a significantly larger portion of revenues that do not go to actual road improvements. In 2018, the all-electronic North Carolina Triangle Expressway spent 36.8 percent of annual revenue on toll operating costs; those are funds that could have gone toward road improvements with more efficient funding mechanisms. In contrast, nearly 100 percent of fuel tax revenue can go toward infrastructure improvements because the cost of administering the taxes is less than 1 percent, and increased registration fees do not increase collection costs. **Because tolls are generally upheld as a “user fee” for the roads traveled, diverting these funds from infrastructure improvements violates the public trust. When it comes to tolls, drivers will pay more and get less.**

Not only are the financial ramifications of tolls unfair to the public, but the social costs are also discriminatory. **Tolls devour take-home pay for drivers and are especially oppressive to low-income individuals.** They would make driving on vital roads and bridges simply unaffordable for some families, particularly with the harsh economic reality many Americans face today. Additionally, electronic tolling discriminates against the tens of millions of financially vulnerable Americans who do not have bank accounts. This places the heaviest burden from tolls on the backs of those least able to afford it, who, lacking the financial instruments of a debit or

credit card, are sent a bill in the mail charging them the toll plus a fee and a stamp. Unfortunately, cashless tolls are on the rise. For example, the Pennsylvania Turnpike Commission recently announced that the March switch to all-electronic tolling due to the COVID-19 pandemic would become a permanent change, further disenfranchising drivers already suffering from other economic impacts from the novel coronavirus. Tolls are expensive for all drivers, but especially costly for drivers without bank accounts.

Tolling through public-private partnerships (P3s) robs everyday drivers to line the pockets of Wall Street and international investors. Privatization of our interstates turns public assets into privately controlled assets, left to be operated and maintained in a way that first and foremost meets the expectations of the private company's shareholders and investors. With a fiduciary responsibility to shareholders, how can a company be expected to act in the best interest of the public when those interests are at odds with each other? With tolling contracts for 30 years and longer along important thoroughfares, drivers will pay far more for P3 roads and bridges than they cost to rebuild.

Tolls will force drivers to use secondary roads. Studies have shown tolls divert traffic onto secondary roads. All of this traffic diversion will force hardworking commuters to decide if it's worth adding time to their commute every day rather than pay new toll taxes—essentially creating a two-tiered transportation system between the rich and poor. The vast majority of people do not control their job's daily schedule, so the congestion pricing and spot tolling will, by design, shift traffic onto local roads during peak travel times. Pricing drivers off the road does not solve congestion, but pushes the problem to smaller roads not designed to handle the increased traffic. Local municipalities are then stuck with increased maintenance costs and new public safety concerns such as higher accident rates on local roads and toll-driven congestion delays for first responders. **Allowing new tolls on existing roads will segment the nation's surface transportation network to the detriment of all.**

Encouraging states to employ financing tactics that could disrupt the free flow of goods on major interstate corridors would interfere with interstate commerce and could expose states to a constitutional challenge. A tolling approach that uses strategic placement of gantries or discounts that primarily benefit intrastate travelers would interrupt local economies in state border communities. For example, truck-only tolls were implemented in Rhode Island in 2018 using the federal bridge tolling exemption, and the Rhode Island Department of Transportation has been challenged in court for disrupting interstate commerce. Rhode Island's bridge tolling lawsuit will consume taxpayer dollars in defense of a policy that simply doesn't serve the taxpayers' interests. Federal policies should not send states down this path.

Loosening tolling restrictions amounts to the federal government shirking its responsibility to generate sustainable funding for roads. Financing through public-private partnerships does not address the long-term solvency problems of the Highway Trust Fund. Allowing states the "flexibility" to toll in fact foists the infrastructure funding problem onto state and local

governments and fragments our infrastructure system. As America's conveyor belt, our highway system, which trucks utilize to move 71% of the nation's freight, must continue to be maintained and improved. The significant loss of revenue due to a precipitous drop-off in fuel purchases is straining transportation department budgets and has forced states to delay or cancel thousands of transportation projects. We join with state transportation departments and other groups to support additional federal funding to ensure that projects are not delayed or canceled and that the next generation of American infrastructure can be built and maintained.

The truth about tolls is that the negative impacts outweigh the benefits. Tolls are bad public policy with numerous negative consequences, both economic and social. We appreciate you taking into account your constituents' vocal opposition to tolling existing interstates. As we have seen recently in states such as Connecticut, Indiana, Virginia, and more, when states learn the true impacts of tolling existing interstates, they reject this option. The reasonable response to that failure is to eliminate it and move on to more viable, equitable revenue generation ideas.

Americans need sustainable investment in our infrastructure, not inefficient policies that take more and more money from hardworking motorists and businesses. The needs of America's transportation network are vast and deserve serious attention without the distraction of tolls.

As infrastructure is discussed, ATFI's members – thousands of private citizens and numerous businesses and organizations – urge you to fully reject any tolling in infrastructure policy by eliminating programs for tolling existing interstates, restricting toll bridge projects and further limiting how toll revenue is spent.

Thank you for your time and consideration. We look forward to working with the Administration and Congress on this important issue and further strengthening motorist protections from tolls. Should you have any questions, please do not hesitate to contact info@tollfreeinterstates.com.

Sincerely,

Alabama Trucking Association, Inc.

Arizona Trucking Association

Alaska Trucking Association, Inc.

Arkansas Trucking Association

American Bakers Association

Best Way Express

American Farm Bureau Federation

California Trucking Association

American Frozen Food Institute

Citizen Outreach

American Motorcyclist Association

Colonial Freight Systems, Inc.

American Moving and Storage Association

Colorado Motor Carriers Association

American Trucking Associations

Delaware Motor Transport Association, Inc.

ALLIANCE FOR TOLL-FREE INTERSTATES

Duncan & Sons Lines, Inc.	National Association of Blind Merchants
FedEx Freight	National Association of Convenience Stores
Florida Trucking Association	National Council of Chain Restaurants
Georgia Motor Trucking Association, Inc.	National Motorists Association
Golden Strip Transfer	National Private Truck Council
Hawaii Transportation Association	National Shippers Strategic Transportation Council (NASSTRAC)
Idaho Trucking Association	National Tank Truck Carriers
Illinois Trucking Association, Inc.	NATSO, representing America's Travel Plazas and Truckstops
Indiana Motor Truck Association, Inc.	Nebraska Trucking Association
International Franchise Association	Nevada Trucking Association, Inc.
Iowa Motor Truck Association, Inc.	New Hampshire Motor Transport Assoc.
Kansas Motor Carriers Association	New Jersey Motor Truck Association
Kentucky Trucking Association	New Mexico Trucking Association
Leathers Enterprises	New York State Motor Truck Assn.
Louisiana Motor Transport Association, Inc.	No Tolls I-95 Coalition, Inc.
Maine Motor Transport Association, Inc.	North Carolina Trucking Association, Inc.
Maryland Motor Truck Association, Inc.	North Dakota Motor Carriers Association
Trucking Association of Massachusetts	Ohio Trucking Association
Michigan Trucking Association, Inc.	Oklahoma Trucking Association
Minnesota Trucking Association	Old Dominion Freight Line, Inc.
Mississippi Trucking Association	Owner-Operator Independent Drivers Association (OOIDA)
Missouri Trucking Association	Pennsylvania Motor Truck Association
Motor Carriers of Montana	Rhode Island Trucking Association, Inc.
Motor Transport Association of Connecticut	
Motorcycle Riders Foundation	

ALLIANCE FOR TOLL-FREE INTERSTATES

SIGMA, America's Leading Fuel Marketers
South Carolina Trucking Assoc., Inc.
South Dakota Trucking Association
Specialized Carriers & Rigging Association
Tennessee Trucking Association
Texas Trucking Association
Truck Renting and Leasing Association
Truckload Carriers Association
UPS
Utah Trucking Association

Vermont Truck and Bus Association, Inc.
Virginia Trucking Association
Volvo Group North America
Washington Trucking Associations
Werner Enterprises
West Virginia Trucking Association, Inc.
White Castle
Wisconsin Motor Carriers Association
Wyoming Trucking Association, Inc.
Yellow, formerly YRC Worldwide