



# **PUBLIC COMMENT FOR THE PENNSYLVANIA HOUSE TRANSPORTATION COMMITTEE REGARDING PENNDOT MAJOR BRIDGES P3 TOLLING INITIATIVE**

**March 17, 2021**

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. We believe Pennsylvania Governor Tom Wolf and the Department of Transportation's (PennDOT) pursuit to expand tolling is misguided. We urge the Governor, General Assembly and Pennsylvania's Public-Private Transportation Partnership (P3) Board to reject all efforts to expand tolling, including the proposed use of tolls on major bridges throughout the commonwealth.

Implemented properly, infrastructure funding can provide meaningful employment opportunities to those individuals and communities that need it the most, while also modernizing the transportation system to improve the free flow of people and goods throughout the country. At the same time, poorly conceived infrastructure legislation can be counter-productive, causing unintended impacts that are detrimental to transportation networks, the economy, local communities and low-income populations.

Keeping these principles in mind, **ATFI strongly opposes tolling major bridges in Pennsylvania in any form or variation.** Tolling interstate lanes that drivers now freely access is not only unpopular, but it is also an inefficient financing mechanism that is the worst approach available to raising transportation revenue. Imposing tolls on existing interstates will increase shipping costs for goods; suppress consumer activity; waste revenues on bureaucratic administration; double-tax businesses and drivers; discriminate against poor communities; and divert traffic onto local roads, increasing traffic, accidents and road wear and tear in communities near toll facilities.

**As our nation seeks to recover from the devastating economic impacts of the COVID-19 pandemic, tolls will hurt businesses trying to reopen.** Hardest hit by tolls will be small businesses and their employees, especially in the immediate area surrounding the selected bridges. Tolls raise 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. **Every day 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 in Pennsylvania will reroute prosperity around these communities.

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**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 go 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 Pennsylvania bridges simply unaffordable for some families, particularly with the new economic reality many 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. Tolling is expensive for all drivers, but especially costly for drivers without bank accounts.

**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 everyday 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 being pushed by PennDOT 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

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public safety concerns such as higher accident rates on local roads and first responders delayed by toll-driven congestion. **Bridge tolls will segment the state transportation network to the detriment of all.**

**Privatizing and tolling Pennsylvania's bridges 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 also 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 a P3 bridge than it cost to rebuild.

**A tolling approach that seeks to minimize the impacts on Pennsylvania drivers through strategic placement of gantries or discounts that primarily benefit intrastate travelers could be subject to a constitutional challenge for discriminating against interstate commerce.** As policymakers consider tolling Pennsylvania bridges, they should be aware of the actions of their counterparts in Rhode Island. Truck-only tolls were implemented there in 2018 using the same federal bridge tolling exemption that Pennsylvania is considering, 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. Pennsylvania would do well to avoid this path altogether.

It is our hope that the PennDOT comment period will bring to light that the proposed congestion tolling projects will have serious impacts on other roads, freight movements, businesses and people throughout the commonwealth and beyond.

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 Connecticut, Florida, Virginia, Indiana 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.

**As the Major Bridges P3 project is discussed, ATFI's members – thousands of private citizens and numerous businesses and organizations – urge the Governor, General Assembly and P3 Board to fully reject tolling of existing interstates.** Pennsylvania needs sustainable investment in infrastructure, not discriminatory, ineffective policies that take more and more money from hardworking motorists and businesses. The needs of Pennsylvania's transportation network are vast and deserve serious attention without the distraction of tolls.

ATFI appreciates the opportunity to offer these comments and ask they be submitted for the official record. We thank the Legislature, PennDOT and the P3 Board for their efforts to resolve the state's transportation problems and will be happy to answer any questions via [info@tollfreeinterstates.com](mailto:info@tollfreeinterstates.com).

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