

To: Transportation Committee
 Transportation Subcommittee

From: Jennifer Carrier, Director of Transportation Planning

Date: January 16, 2018

Subject: Tolling

It has been requested that the Transportation Committee evaluate and discuss available information regarding tolling in Connecticut and forward any thoughts or recommendations to the Policy Board.

There is an immediate \$44.6 million need in Fiscal Year 2019 (starting July 1, 2018) to ensure CTDOT services and transportation capital projects continue as planned. The need increases each year, resulting in a need for over \$850 million over the next four years.

Tolling revenues would not be realized for at least 4 to 5 years. This is mostly a factor of the amount of time to prepare required environmental

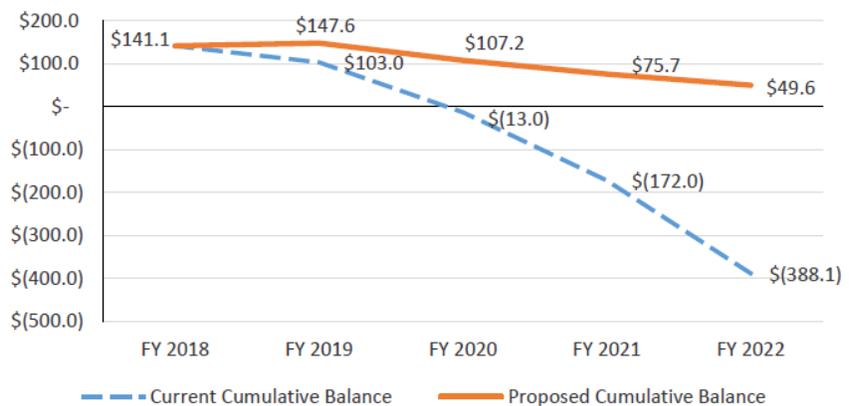
documents, coordinate with federal agencies and set up a regulatory authority. Understanding that transportation project delivery is not historically a strength of our State, we should strongly support legislation that permits a design-build or design-build-operation-maintain structure for tolling.

The annual net revenue from tolling could yield between \$1.1 and \$1.8 billion (2014 dollars, assumes interstates only tolling). Operating costs could range between \$102 and \$115 million per year (2014 dollars, includes collection cost plus annualized capital cost of system deployment). It is also estimated that approximately 30% of revenue from tolling of all Interstates would come from out of state motorists.

Staff Recommendation

To bring our infrastructure to a state of good repair, continue building a best-in-class transportation system, and support economic development there is merit in further exploring tolling as a revenue generating option.

SPECIAL TRANSPORTATION FUND
 Current Forecast versus Proposed Changes
 Cumulative Balance
 (in millions)



CRCOG staff supports a design-build or design-build-operation-maintain structure for tolling and the creation of an independent tolling authority. CRCOG staff also feels tolling all interstate and expressways is not be in the best interest of our state and recommends that we consider tolling interstates only (DOT recommends 347 miles however specific locations and benefits / drawbacks and revenues need to be assessed before supporting all 347 miles). To further develop these recommendations, CRCOG staff recommends forming a working committee to further develop these recommendations.

Attached to this memorandum is background information that supports these findings and recommendations.

Attachment

A majority of freeways in Connecticut are Interstate highways and, in general, adding tolls to these routes is prohibited by federal law, except under limited conditions / exemptions. A couple of these exemptions include:

- The Value Pricing Pilot Program (VPPP) – This program allows states to implement Interstate tolling with federal approval, if congestion pricing is part of tolling; Connecticut is one of 15 pilot states in the program.
- High-Occupancy Vehicle (HOV) Lane Conversion to High-Occupancy Toll (HOT) Lane – Federal code allows non-carpoools or single-occupant vehicles permission to use HOT lanes for a variable toll rate.

A white paper prepared in April 2015 titled, 'A Conceptual Look at Tolling Highways in Connecticut' evaluated six (6) hypothetical tolling options which might be considered. Three options involved statewide tolling options whereas tolls might be established on all Interstate highways and possibly other limited-access expressways and three options were hypothetical examples of project-specific tolling. These six options are generally highlighted below:

- A: All Interstate Tolling – Toll all interstate routes in the state (347 miles)
- B: All Interstate and Other Expressway Tolling – Option A plus other state-designated expressways and parkways (556 miles total)
- C: Border Tolls – Toll all limited-access routes at state borders (entering direction only) (Note: FHWA does not support this specific tolling application and it likely would not be approved.)
- D: Managed Lane – Involves charging tolls only on 1-2 lanes, and adjoining lanes remain toll free. This type of tolling includes converting HOV lanes to HOT lanes and/or building new express toll lanes. Evaluations to install an express toll lane along Interstate 95 between New Haven and the New York State line and convert HOV lanes to HOT lanes on Interstate 91 and Interstate 84 in the Hartford area were conducted.
- E: Spot Tolling – Tolls to a bridge or section of highway that is being reconstructed. Spot tolling is one of the tolling options evaluated with the reconstruction of the Interstate 84 viaduct in Hartford.
- F: Corridor Tolling – Tolling a much longer section of highway to assist in paying for a large reconstruction or expansion project. This was evaluated for the Interstate 95 corridor between New York and New Haven.

A high-level comparative summary from the white paper is shown below:

Comparative Summary of Statewide and Project Specific Tolling Concepts									
Average <i>Annual</i> Revenue (Millions in 2014 dollars)									
Tolling Project	Toll Rate/Policy	Gross Revenue	Operating Cost (A)	Net Revenue	% Out of State Revenue	Years to Implement	Tolling System Capital Cost	Highway Project Capital Cost	Net Revenue 25-years
Part I: Statewide options that require changes to federal and state laws									
All Expressways	\$0.10/mile	\$1,649	\$157	\$1,492	25%	4-5	635	----	\$37,300
	\$0.20/mile	\$2,619	\$139	\$2,480	25%	4-5	635	----	\$62,000
Interstates Only	\$0.10/mile	\$1,223	\$115	\$1,108	29%	4-5	449	----	\$27,700
	\$0.20/mile	\$1,922	\$102	\$1,820	29%	4-5	449	----	\$45,500
Border Tolls (entering CT) (Federal approval unlikely)	\$2 toll	\$211	\$15	\$196	54%	4-5	44	----	\$4,898
	\$4 toll	\$372	\$14	\$358	54%	4-5	44	----	\$8,950
Part 2: Project-level options that can be done under existing federal law or pilot program; changes to state law still required									
I-95 Tolling <i>add 4th lane and toll all lanes (B)</i>	\$0.10/mile	\$313	\$31	\$282	40%	5-8	92	\$4,000	\$7,050
	\$0.20/mile	\$475	\$26	\$449	40%	5-8	92	\$4,000	\$11,225
I-95 Congestion Pricing <i>add express toll lanes (C)</i>	toll rates set to manage demand	\$38	\$14	\$24	35%	5-8	97	\$10,000	\$598
I-84 Tolling <i>spot pricing on viaduct replacement</i>	\$1.00	\$49	\$5	\$44	18%	5-8	12	\$4,000	\$1,105
I-91 & I-84 HOV to HOT lane	toll rates set to manage demand	\$2	\$2	\$0	10%	2-3	11	\$40	\$10

(A) Operating cost includes collection cost plus annualized capital cost of system deployment
 (B) 4th lane between Bridgeport and Stamford
 (C) Express Lanes between New Haven and Greenwich

General revenues of nearby states is identified in the table to the right.

In 2016 Rhode Island passed legislation that creates a tolling program, referenced as RhodeWorks, that provides for the planning, execution, management and funding to bring the state’s infrastructure into a state of good repair. Over a 10 year period approximately \$4.7 billion will be provided to the state to fix its roads and bridges. The program targets large commercial trucks which may not be a good fit for Connecticut however its 10 year design, build, operate, and maintain contract may be something to research and implement here in Connecticut.

Toll Revenues of Nearby States		
State	Revenue (millions)	Year
Maine	\$ 133.8	CY 2016
Massachusetts	\$ 395.0	FY2016
New Hampshire	\$ 130.7	FY2016
New Jersey	\$ 1,570.7	CY2016
New York	\$ 708.3	CY2016
Pennsylvania	\$ 1,030.1	FY ending 5/31/16
Port Authority of NY&NJ	\$ 1,865.5	CY2016
Rhode Island	\$ 20.4	FY2016

State Office of Legislative Research