

## **Tolls v. trains: Which TxDOT grant is the better value?**

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Sometimes, when your government is throwing around what we the people think of as really big money, a little perspective is called for.

First of all, what might be huge sums to us is just a rounding error to agency heads, and often spent in just that way.

But it's worth taking a closer look to compare two allocations — \$50 million and \$18.7 million — by a Texas Department of Transportation, which works with an annual highway spending account of about \$11 billion.

The Texas Transportation Commission on Thursday approved allowing TxDOT to discount up to \$18.7 million worth of toll collections on trucks using the state-owned Texas 130 toll road.

The Legislature approved the discounts, which will reduce toll collections that would have to be made up by TxDOT.

On its face, the grant appeared to be throwing good millions after bad. TxDOT had tried a discount to lure truck drivers off I-35 and onto Texas 130 in 2013.

Truckers who could save more than \$40 on the normal tolls over the full 89 miles liked the discount so much that TxDOT was forced to abandon the program after just nine months at a cost of more than \$13 million.

Other than learning that drivers and truck companies really like deeply discounted tolls, TxDOT learned that at those prices 1,000 trucks or 4 percent of the roughly 25,000 trucks that pass through Austin on I-35 could be diverted.

State Sen. Kirk Watson, D-Austin, asked the Legislature in this past session to forgo \$36.1 million in toll receipts so TxDOT could try again. He managed, in a toll-road averse political environment, to get \$18.7 million.

From mid-April until the end of October, truck drivers with a state toll tag will pay \$16.08 rather than the current \$24.12 fee for 18-wheelers. From Nov. 1 through the end of August 2017, the discount increases to \$8.04, the same rate for the drivers of cars.

TxDOT intends to put up digital signs in advance of both I-35 exits to Texas 130 giving drivers real-time traffic counts as an added incentive, a Watson aide told Watchdog.

The goal of the program, the staffer said, was to determine a tipping point and the cost to the state to keep a small percentage of truck traffic off the most congested section of highway in Texas.

“We want to find the sweet spot,” the staffer said, “what it would cost, and what the benefit would be. If you get a project that has just a 5 percent impact, that’s huge. We don’t know if this is one of them. We’ll see.”

Chuck DeVore, who wrote The Road Forward, the Texas Public Policy Foundation’s most recent transportation policy paper, thinks TxDOT is making a wise choice.

Popular or not, Texas 130 is a sorely underused public asset, while congestion on I-35 is a public scourge. This program will give the Legislature what it desperately needs to address both problems, said DeVore, TPPF’s vice president of policy.

“I’m guessing they’ll come back with a lot of data that can inform operations on other toll roads in the state while determining best practices on Texas 130,” DeVore said.

If anything, DeVore said, the Legislature and TxDOT have not been innovative enough, perhaps in deference to the bond investors who loaned more than \$2 billion to the state to build the Texas 130, Loop 1 and Texas 45 tollway network.

The success of toll discounts might lead to expanding dynamic or congestion pricing on toll roads around the state. Varying the cost of tolls by time of day and traffic was not introduced to Texas until the end of 2013.

The general public might like a nickel toll at 3 a.m., but bristled when the state’s \$10 peak traffic toll on I-10’s Katy Managed Lanes in Houston went into effect last May.

### **‘An integrated system’**

The Texas 130 pilot might point the way to striking a balance between cost and benefit, which brought DeVore to the other, \$50 million TxDOT grant.

In late June 2014, TxDOT awarded \$50 million to Austin’s MetroRail line, \$28 million to buy four new rail cars and \$22 million to upgrade the downtown rail station.

Less than five months later, Austin voters said an emphatic “no” to borrowing nearly half of an estimated \$1.4 billion to build a second commuter rail line for the city.

The Cato Institute’s Randal O’Toole had warned Austin voters that improving its bus system was vastly more effective and less expensive than new rail.

Not unlike the original MetroRail Red Line, which launched in 2011 two years late and at nearly double its original estimated cost, MetroRail is just now beginning to use its 2014 grant.

Despite failing early on in its promise to attract business along the rail line and weathering actual ridership losses, MetroRail soldiers on, losing millions of dollars a year in operating costs while moving about 3,000 people on a weekday while about 220,000 cars use Austin’s section of I-35 every day.

Should MetroRail make good on its promise to double the number of rail cars at \$7 million apiece by 2018 and assuming every one of those cars is filled, Austin will have done little or nothing to relieve traffic congestion on I-35 or anywhere else in the city.

All for just \$50 million more.

Once built, Austin’s rail became just one more of TxDOT’s constituents, clamoring for resources. TxDOT’s own policies and the Legislature demand that a percentage of the agency’s overall budget be dedicated to mass transit.

If the goal of both grants is to reduce congestion, there is no question which grant DeVore thinks is the most cost-effective.

“You have to look at the transportation network as an integrated system, with efficiency being a key consideration,” DeVore said. “Cost-effectively reducing congestion in Central Texas, on I-35, and in Austin should be the goal of every local transportation policymaker.”