Deservet News

Is tolling the best way to maintain the federal interstate system?

By Deborah Sutton November 5, 2014

In the last decade, about half of the 1,000 miles that have been added to the nation's interstate highway system are tolled, said Robert Puentes of The Brookings Institution on "<u>The Diane</u> <u>Rehm Show</u>."

The reason for having more toll roads than ever before is a shortage of government highway funds needed for maintenance and construction, leaving states strapped and looking for innovative solutions.

Toll roads are appealing because they are easier to finance and residents "know where their money is going. It goes to retire the toll road debt, support toll road operations, and pay for the vital maintenance needed to preserve the roadway," Patrick D. Jones, chief executive officer of the International Bridge, Tunnel and Turnpike Association, told <u>Forbes</u> in April.

Technology has also played a role in the growth of toll roads. In the Northeast, the <u>E-ZPass</u> electronic toll system, which is fairly new to the area, allows drivers to prepay for the toll and then zip through the toll station at highway speed. The convenience is supposed to draw in more motorists and thereby more revenue.

But the position of the newly formed <u>Alliance for Toll-Free Interstates</u> (ATFI) is that tolling is an inefficient alternative to the fuel tax and is based on overly optimistic projections of traffic and revenues, according to the Forbes report.

Indeed, some experts contend that when motorists have a choice between a toll road and an alternative route, many won't use the more expensive toll road.

ATFI is pushing the position that "a long-term sustainable funding source for transportation infrastructure in this country must not include the tolling,' said (ATFI) spokesperson Hayes Framme," according to Forbes.

The group supports financing federal highways through the federal gasoline tax. The federal gas tax was originally intended to cover the costs of interstate road repairs and construction. However, the <u>18 cents-per-gallon tax</u> has not been raised since 1993, while federal highway needs have increased in the past 20 years.

The stagnant tax rate coupled with more environmentally conscious driving habits influencing how people drive and the types of cars purchased (fuel-efficient over gas-guzzling) have contributed to the budget gap.

The Federal Highway Trust Fund is spending, in rough terms, about \$55 billion a year while taking in about \$39 billion to \$40 billion a year, mainly funded by the gas tax. "So there is a big gap there," said Chris Edwards of the Cato Institute on radio's "<u>The Diane Rehm Show</u>."

And the deficit is expected to grow wider. "Looking ahead, the Congressional Budget Office predicts new federal fuel-economy standards will reduce revenue by 21 percent in 2040," according to a <u>Wall Street Journal</u> article from 2012.

Increasing the federal gas tax is an obvious solution, but "there are enormous political limits and fear about raising taxes," said Donald Cohen, executive director of In The Public Interest, on "The Diane Rehm Show." Amid already-high gas prices, an increase would be met with heavy opposition.

Another option, one that many economists see as the fairest and most efficient, is "to tax drivers on the amount of miles they drive. However, this would prove impossible to measure. Checking a vehicle's odometer periodically would compel drivers to tamper with the mechanism and GPS tracking devices would be an invasion of privacy," stated the WSJ report.