

Tolls and Tolling

August 15, 2012 – One of the primary objectives of the American Concrete Pavement Association (ACPA) is providing safe, efficient and long-lasting quality pavement infrastructure. Quality pavement infrastructure requires adequate funding for construction and preservation. Regardless of whether funding is through a purely public funding mechanism, such as a gasoline tax, or through a user toll, infrastructure assets should be given appropriate attention to maintain their value and serve their purpose. As such, user fee increases are likely necessary from time to time to keep pace with demands from increased travel and freight stemming from population growth, as well as to keep pace with pavement cost inflation.

ACPA supports the use of tolls and tolling as one means of generating income used for highway and roadway investment¹. Tolls (whether for access, time, distance, etc.) are a true user fee. Use of toll facilities is typically optional, because road users almost invariably have alternate public routes. As such, users of toll facilities are effectively choosing to pay a toll for the added convenience that may be realized by improved access, shorter travel times, etc. Although most toll authorities have traditionally applied “flat tolls,” the development of innovative strategies, such as demand-management tools, are also available to optimize tolling for a direct benefit to road-users and other stakeholders.

Toll facilities tend to be in relatively good condition and are generally well maintained by owners. This is partly because funds for construction and preservation activities are used for their intended purposes and are generally not reallocated for other purposes. Also, the expenses for capacity enhancement or extending facilities are funded by tollway owner/operators through increasing toll charges and issuing new bonds.

Concrete pavements are an excellent choice for the toll facility owner/operator, as both competitive construction costs and low life-cycle costs consistently show concrete to provide the best investment value. Among the many reasons for these well-documented claims are concrete’s durability; sustainability features; reduced energy requirements; and other performance benefits.

For a variety of reasons, U.S. legislators are increasingly advocating for a greater reliance on public-private partnerships and toll facilities. One of the main objectives to devise and implement road pricing strategies² is that it allows for continued highway and roadway investment, while at the same time, reduce the financial role of the Federal and/or state governments. While tolls and tolling provide advantages in some cases, it is ACPA’s view that there is no single funding strategy or mechanism that fits all requirements. Careful consideration to assess the best solution or combination of approaches to meet the needs of all stakeholders, and then providing appropriate funding to build, maintain and preserve the assets is necessary. Increasing toll charges on existing facilities to construct additional lane miles, expand capacity, and/or preserve the existing assets must be given appropriate consideration.

#

¹ Tolls are collected by a public or public-private tolling authority that responsible for the facilities. Tolling authorities typically use tolls as a source of revenue that is in whole or in part used to fund construction, expansion, preservation, repair, maintenance, and operation costs.

² Road pricing refers to a fee related to the use of a roadway facility. Revenue from these fees can be reinvested in capacity expansion or used to pay for operations and maintenance. Toll revenue, specifically, is also the primary source of repayment for long-term debt issued to finance a toll facility itself. In general, tolling involves the imposition of a per-use fee on motorists. Source: Federal Highway Administration (FHWA), Office of Innovative Program Delivery, website at http://www.fhwa.dot.gov/ipd/revenue/road_pricing/defined/; 15 August 2012.