



Toll Roads from the Perspective of the Trucking Industry

The condition of the United States' infrastructure is an ever growing area of concern as the American Society of Civil Engineers most recently gave the U.S. a D+ across all transportation modes, with one out of every five miles of highway pavement being in poor condition and four in ten bridges being 50 years or older.¹ Perhaps the biggest issue facing American's infrastructure today is how to pay for it as federal, state, and local governments search for viable options to finance various transportation projects.

One funding option that has continued to reemerge over the years is tolling even despite its poor record as a viable alternative. First, toll roads are terribly inefficient as the administrative, collection, and enforcement costs of a typical toll facility are 33.5% of the revenue generated, compared to 1% of revenue for the fuel tax.

Second, research continues to validate that toll roads seldom reach forecast traffic levels or revenue expectations. In 2010, the University of Texas concluded "tolled projects tend to suffer from substantial optimism bias in forecasts, with predicted traffic volumes exceeding actual volumes by 30% or more about half of the time."² Standard & Poor's conducted a study on 104 toll roads, bridges, and tunnels and found that almost 90% of new toll roads failed to meet revenue expectations in the first full year. By year three, 75% of those tolls remained poor performers.

Third, a number of tolling projects have failed ignominiously with the Interstate System Reconstruction & Rehabilitation Pilot Program (ISRRPP) being a striking example. This exemption to the federal ban on tolling existing interstates has never seen a successful pilot project in its 19-year history.³ In fact, Moody's Investors Service issued a report in 2017 noting \$120 billion of debt among 52 U.S. toll roads.⁴

One side of the discussion that has often been overlooked however is the impact of tolls upon the trucking industry, which transports approximately 70% of the nation's freight. In fact, many of the nation's communities rely solely on trucks to receive their goods and supplies.

¹ <http://www.infrastructurereportcard.org/>

² Jason D. Lemp & Kara M. Kockelman. "Understanding and Accommodating Risk and Uncertainty in Toll Road Projects: A Review of the Literature." University of Texas (Austin), Transportation Research Record: Journal of the Transportation Research Board. January 11, 2010.

³ <http://static.politico.com/42/38/cdf00702418bae275ced9c73d8bb/alliance-for-toll-free-interstates-letter-to-house-t-i-committee.pdf>

⁴ Global Credit Research, "Moody's: US toll roads likely to fund infrastructure backlog," Moody's Investors Service (April 2017), https://www.moodys.com/research/Moodys-US-toll-roads-likely-to-fund-infrastructure-backlog--PR_365480

The National Cooperative Highway Research Program and the Transportation Research Board sponsored a research project in 2011 to better understand the trucking industry's perspective on toll facilities.⁵ The study collected data from truck drivers, dispatchers, and fleet managers involved with various types of trucking. The research found that the trucking industry **strongly agreed** with the following statements:

- Toll roads are too expensive
- Toll roads exist mainly for raising money for the government
- Toll roads are too expensive for what they provide
- I avoid toll roads whenever I can

The study also found that the trucking industry **agreed** with the following statements

- Traffic is worse on secondary roads once toll roads are opened
- If I take a toll road I can't access my preferred service providers

Finally, the study noted that the trucking industry **disagreed** with the following statements:

- Toll roads can help drivers comply with hours of service regulations
- Having drivers use toll roads improves my company's on-time performance
- Toll roads are a more fair way of funding road construction and maintenance than fuel taxes

In order to avoid tolls, both truckers and motorists are often forced to drive onto secondary roads which are not designed to handle the level or type of increased traffic. This was clearly illustrated by the exodus of traffic from the Ohio Turnpike when toll rates on that highway were increased by 82% in the 1990s. When the Ohio Turnpike increased its truck toll rate to 17.6 cents per mile for 5-axle trucks, the result was massive diversion to alternate routes. The Ohio Department of Transportation found that a decade after the increase, growth in truck traffic on the turnpike was static, while truck traffic on parallel roads tripled. ODOT determined that these parallel routes had much higher crash rates. For example, U.S. 20, which saw a 267% increase in truck traffic, had a fatal crash rate that was 17 times higher than the Turnpike's rate.⁶

The decision of instituting toll roads may seem straight forward from political perspective, but from the perspective of a truck driver, the out of pocket cash burden of toll charges is a very serious and real issue, especially considering that many drivers do not receive reimbursement. According to surveys of its members, the OOIDA Foundation found that the average owner-operator pays approximately \$2,000 every year in tolls. OOIDA firmly believes that the fuel tax remains the only equitable and efficient method to fund our nation's highways.

⁵ Howard P. Wood, "NCFRP: Truck Tolling: Understanding Industry Tradeoffs When Using or Avoiding Toll Facilities," Transportation Research Board (October 2011).

⁶ http://www.tollfreeinterstates.com/sites/default/files/Ohio_Turnpike2.pdf

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