The Tolling Debate in CT:

Where we've been & where we might go

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Agenda

1. Background recent tolling discussion in CT
2. Presentation of 2018 study results
3. Recent election results & next steps

When & why CT started discussing tolls: Chronology

Value Pricing Studies

- Value Pricing Program = special *federal exemption for tolling*

Focus on only 2 corridors:

- **I-95 SW CT** & **I-84 Viaduct Hartford**

Governor's Transp. Finance Panel

- Appointed to recommend funding options
- Recommends **statewide tolling** to address long-term needs

Governor's Executive Order

- Directed CTDOT to prepare tolling plan
- Plan completed in 2018

2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018

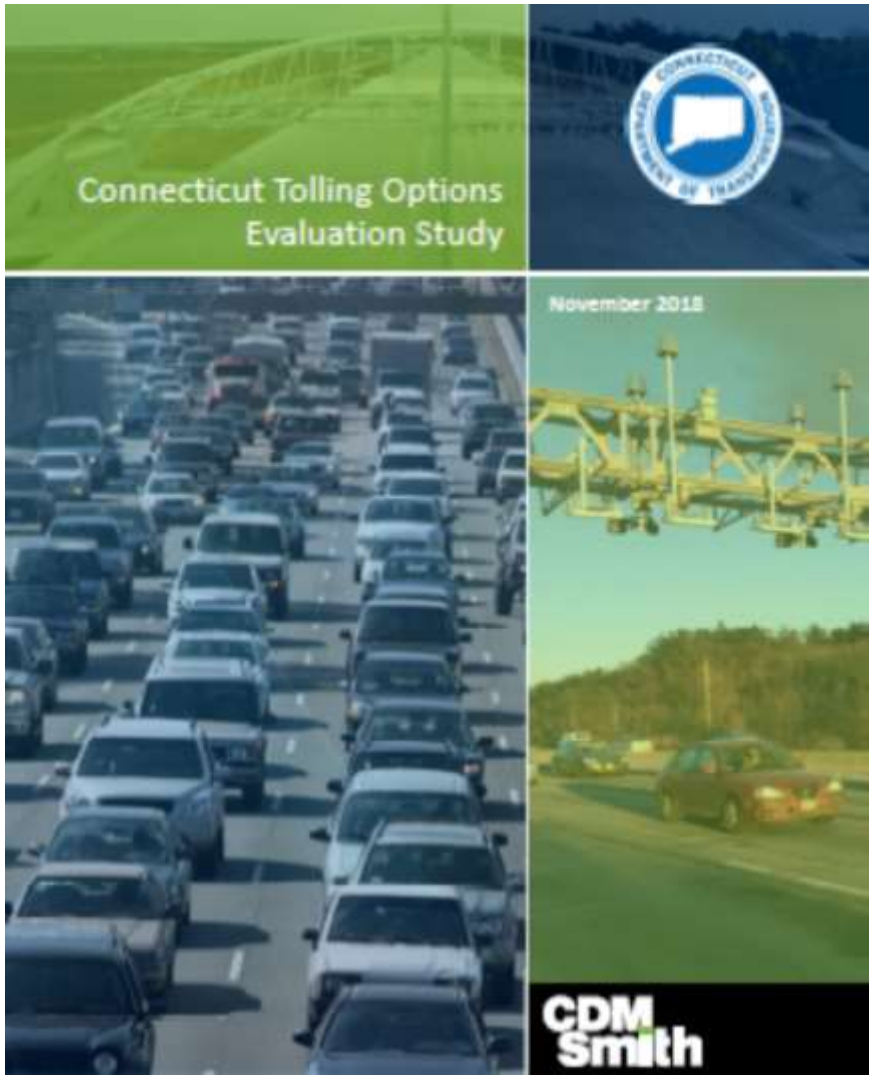
Strategic Transportation Plan: *Let's Go CT*

- Broad statewide perspective
- Highlighted huge backlog of **preservation projects** & **congestion problems**
- Raised questions on how to fund statewide program

Funding for Next Phase

- State Bond Commission allocates **$10 Million** for next tolling phase
- **NEPA** & **Final Toll Plan**

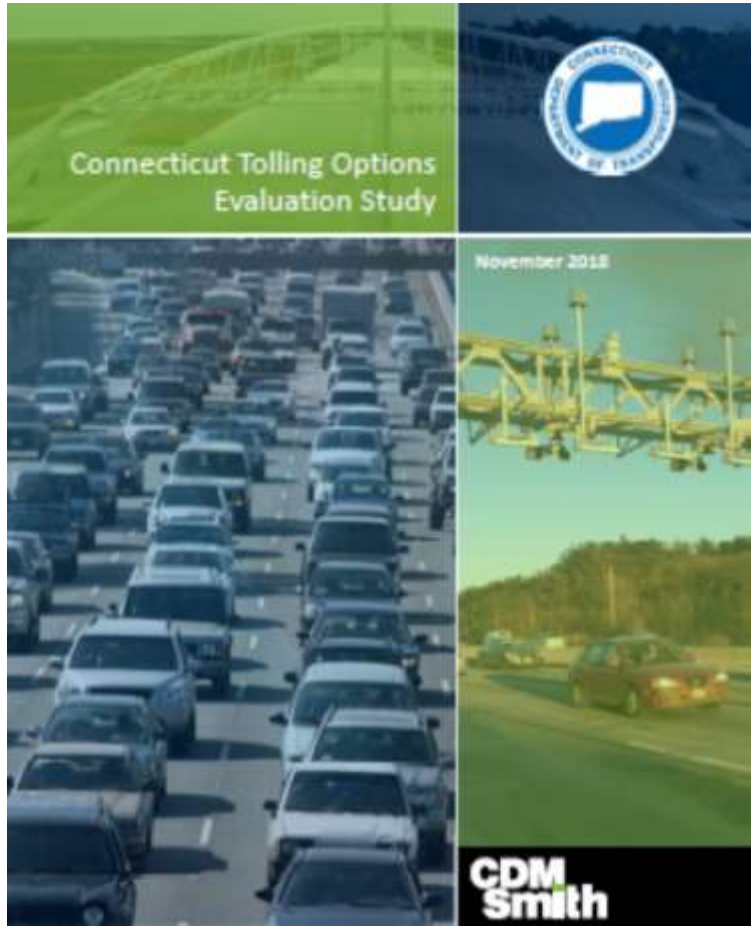
2018 Toll Study



Study Purpose & Approach

- Develop answers to key policy and implementation questions
- Evaluate a variety of tolling options for CT
- Select 1 option & develop a toll *scenario*
  - Not a recommended plan
  - Single representative toll scenario:

2018 Toll Study: Single Representative Scenario



Purpose & objectives of single scenario

- Reasonable baseline for discussion with Legislature
- Basic objectives:
  - Keep rates comparable to neighboring states
    - **All neighboring states have tolls**
  - Keep costs to CT drivers as low as possible
    - **Offer discounts**
  - Ensure that out-of-state drivers pay a fair share.
    - **30% of traffic on major interstates**
  - Ensure that trucks pay their fair share
    - **trucks do more damage to roads & bridges**

Basic assumption for all scenarios: All-Electronic Tolling

No more toll booths

- transactions are cashless
- No traffic back-ups, no accidents

All-Electronic Toll (AET) collection

- Collection via E-ZPass or image of license plate
- Legislation must allow use of cameras & enforcement mechanisms

Coverage: Potential Highways to be Tolled

Toll System Coverage
in baseline scenario

- Highways included
  - All Interstates
  - 4 non-Interstates
- Basis for coverage
  - **Finance Panel recommendation**
  - **Fairness:**
    - geographic equity
    - entire state covered
    - all regions contribute to state highway program

Toll Rates and Discounts

Tested numerous:

- Toll rate structures &
- Toll discount programs

Each evaluated to identify:

- Best scenario for discussion

Toll Rate Structure: Cars & Trucks

Toll Rate Classes

Class 1: Cars, motorcycles, pickups, small vans

(**2.0 x Class 1**) Class 2: Medium trucks

(**4.0 x Class 1**) Class 3: Heavy trucks

Toll Rate Structure: Multiple Categories

Cars	vs	**Trucks**	**Higher rate for trucks**	Heavy Trucks = **4.0** x Car Rate
EZPass	vs	**Video**	**Higher rate for video users**	Video = **1.5** x EZPass reflects higher collection cost
Off-Peak	vs	**Peak Period**	**25% higher rate** for peak period	25% higher rate is **fixed** Does not change dynamically
CT-EZPass[1]	vs	**Out-of-State**	**30% discount** for CT-EZPass	CT-EZPass discount for cars & **trucks**
Frequent User[1] **(Commuter)**	vs	**Infrequent User**	**20% discount** for frequent user	Only for **CT-EZPass**

[1] Discounts reflect sensitivity to CT drivers who must regularly use toll facilities for commuting & daily activities

Toll rates assumed for scenario *(truck rates = 4.0 x cars)*

	Payment Category	Passenger Cars (class 1)		Heavy Trucks (class 3)	
		Off-Peak	Peak Period	Off-Peak	Peak Period
1	**CT-EZPass** *(30% discount)*	**4.4** cents/mi	**5.5** cents/mi	**17.6** cents/mi	**22.0** cents/mi
2	**CT-EZPass: *Freq. User*** *(20% discount)*	**3.5** cents/mi	**4.4** cents/mi	------	------
3	**Out-of-State EZPass**	**6.3** cents/mi	**7.9** cents/mi	**25.2 cents/mi**	**31.6 cents/mi**
4	**Video Toll** (registered)	**7.9** cents/mi	**9.9** cents/mi	**31.6** cents/mi	**39.6** cents/mi
5	**Video Toll** (not registered)	**9.4** cents/mi	**11.8** cents/mi	**37.6** cents/mi	**47.2** cents/mi

Peak rates 25% higher than off-peak

Truck rates = 4X cars

Comparison to Other States

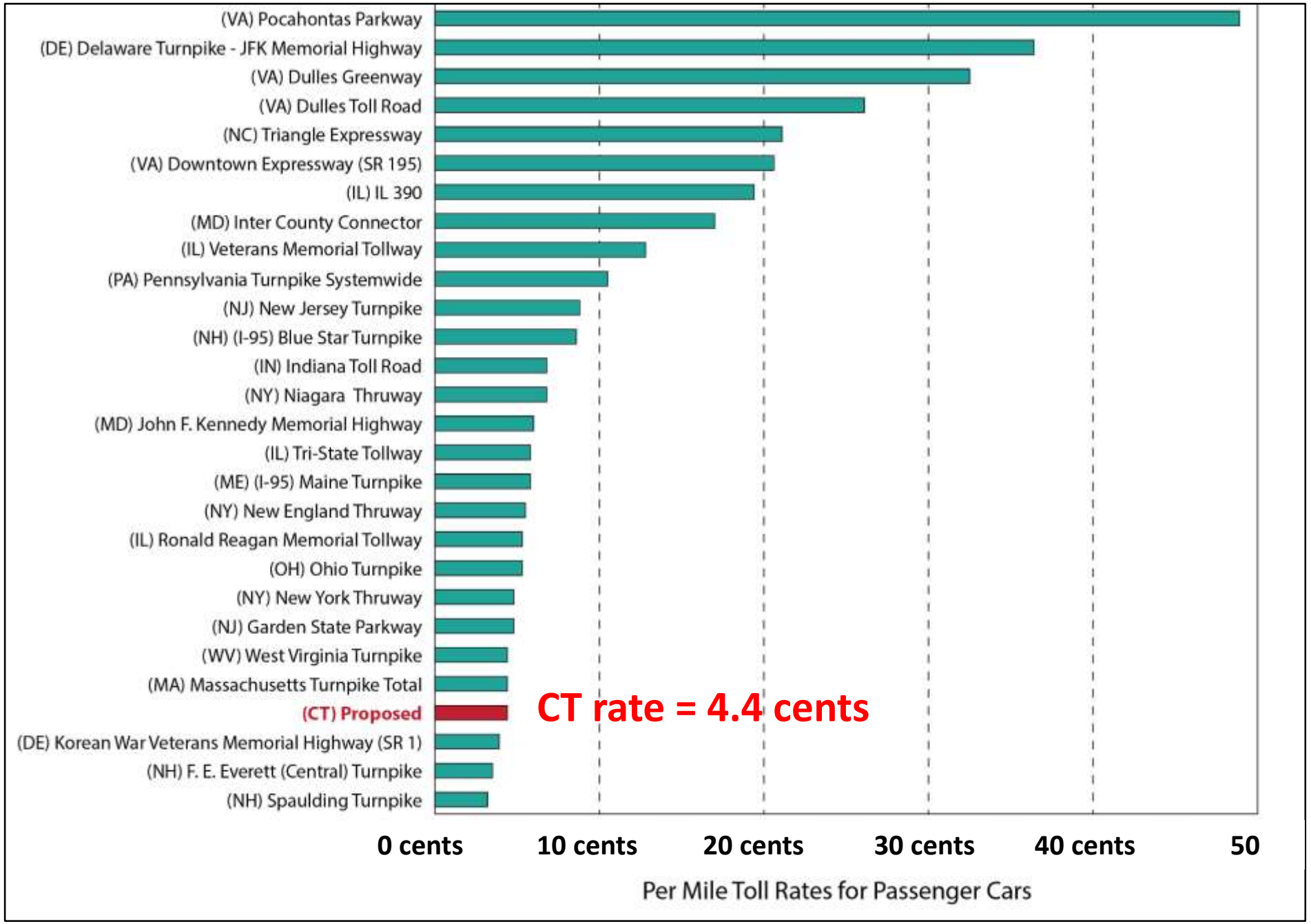
Compare Toll Rates by State

"**Cents**/Mile" Toll Rates: Passenger Vehicles

Payment Method	Mass TPKE	Maine TPKE	NH Cen. TPKE	**Connecticut assumptions**		New Jersey TPKE		PA TPKE
	All Day	All Day	All Day	**Off Peak**	**Peak**	Off Peak	Peak	All Day
Freq User State EZ Pass	4.4	2.9	3.5	**3.5**	**4.4**	8.8	11.4	10.5
In-State EZ Pass	4.4	5.8	3.5	**4.4**	**5.5**	8.8	11.4	10.5
Out-of-State EZ Pass	5.6	6.3	5.0	**6.3**	**7.9**	8.8	11.4	10.5
Video/Cash	8.5	6.3	5.0	**9.5**	**11.8**	11.7	11.4	15.2
Frequent User Discount	0%	50%	0%	**20%**	**20%**	0%	0%	0%

Maine, NH, New Jersey, and PA Turnpikes offer Cash payment options. Massachusetts is AET.

Maine offers a 50% frequent user discount for 40 or more trips/month (25% for 30-39 trips/month)



Toll Rates per mile

By state & highway

In-state E-ZPass rate (off-peak or all day)

CT among lowest in northeast US

Toll rates & discounts yield: **Gross Revenues***

Gross Revenue Sources - 2023/opening year *(millions $)*

	CT drivers	Out-of-State	Total
Cars	$473 M	$295 M	**$768 M**
Trucks	$172 M	$146 M	**$318 M**
Total	**$645 M**	**$441 M**	**$1,086 M**

Shares of Total Gross Revenue

	CT drivers	Out-of-State	Total
Cars	43.6%	27.2%	**70.8%**
Trucks	15.8%	13.4%	**29.2%**
Total	**59.4%**	**40.6%**	**100.0%**

Out-of-State Vehicles

Will pay **$441 M**

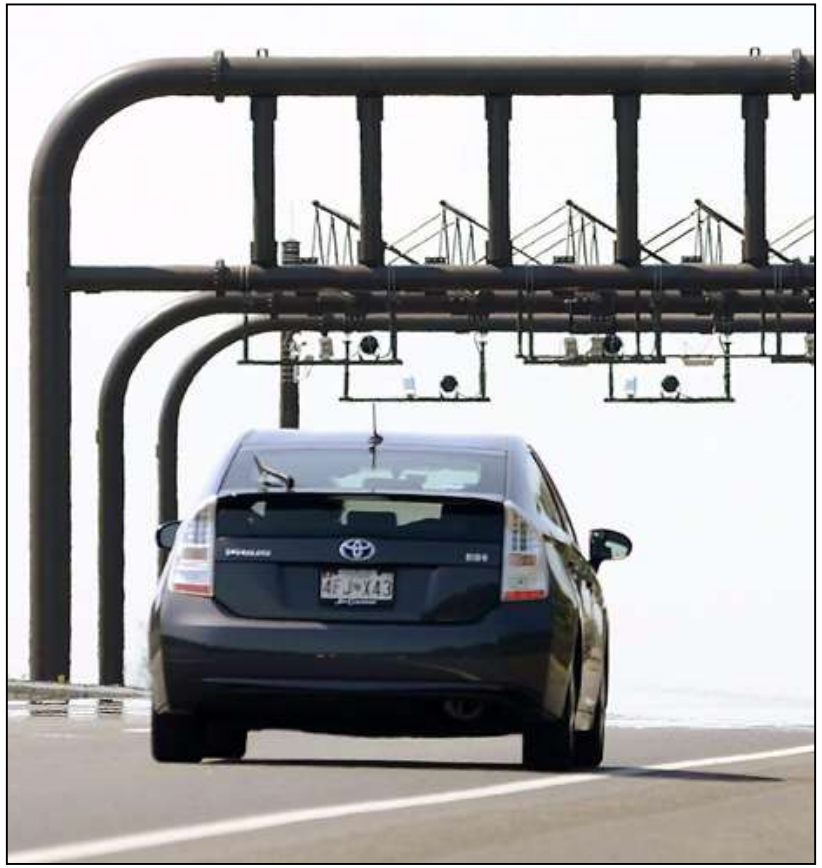
for using CT highways

41% of revenue

31% of traffic

*2023/opening year

Gantry Locations: Fairness vs Efficiency



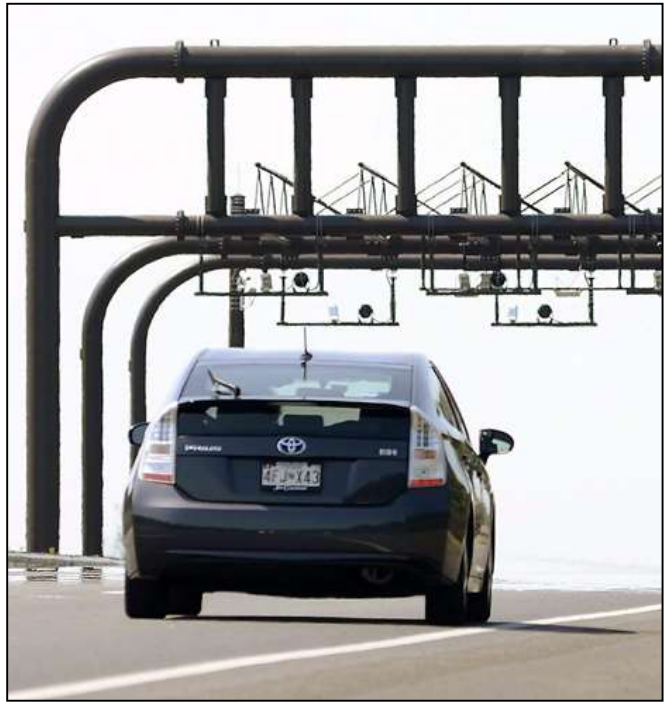
Fairness:

- **No more than one location** per town (on a given route)
- **No tolls on bridges:** avoid economic barriers between towns
- **Minimize local traffic diversions**: a problem in cities
  - Avoid tolls in cities where frequent exits & city street grids can create traffic diversion problems

Efficiency: optimize the balance between:

- **Number of gantries** (capital & operating costs)
- **Number of exits** (lost revenue)

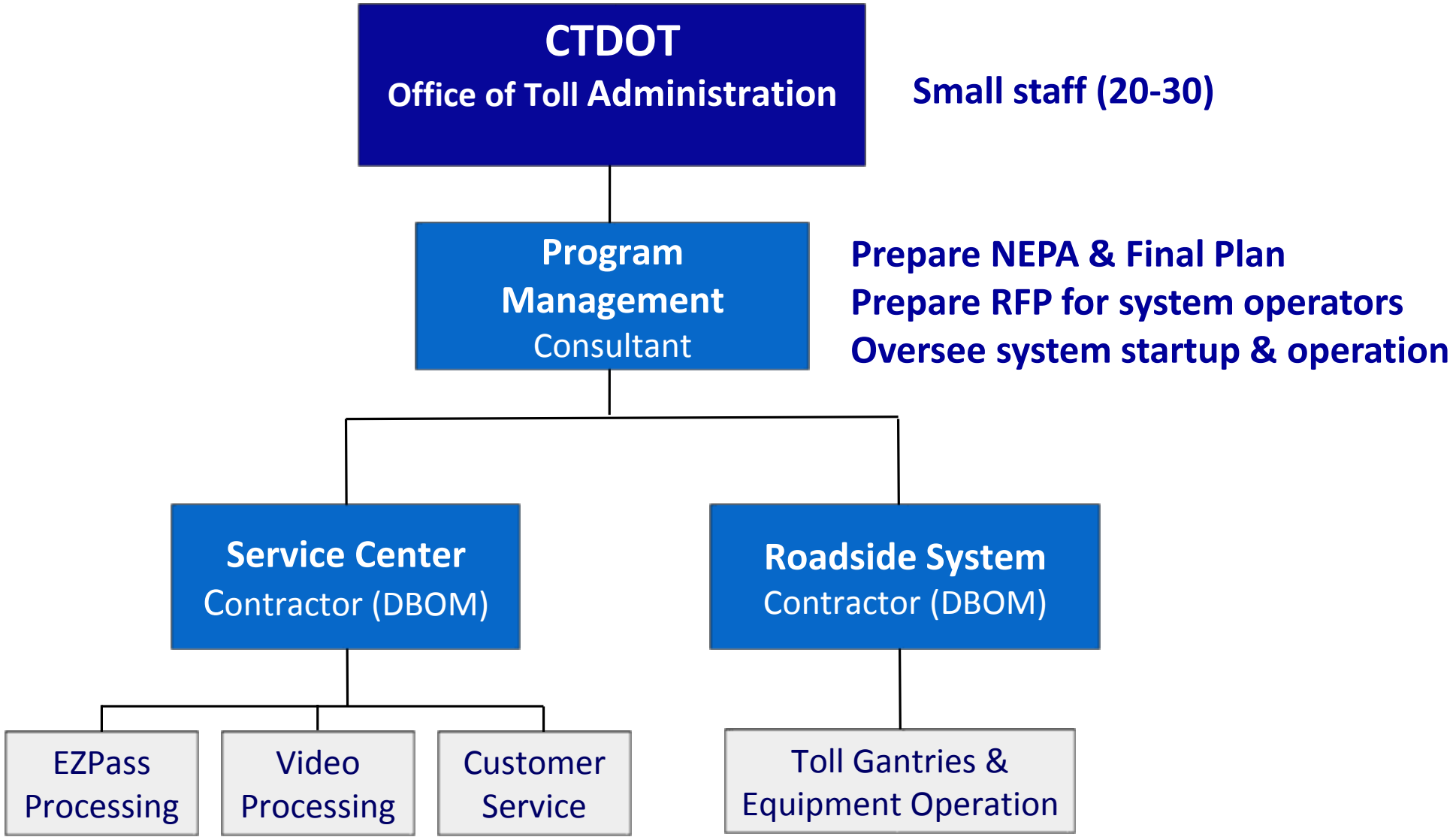
CT's CHALLENGE: Too many exits



- Mass Pike: **130 miles** & **21 exits**
  - **13 gantries**: 1 between each exit with 3 exceptions
    - Springfield, Worcester, Boston
- I-95 NY to New Haven: **47 miles** & **47 exits**
  - Not practical or necessary for CT to put a gantry between each exit
  - Seek an **optimum balance** between too many gantries & too few
- Result: Baseline scenario : **6-mile spacing** on average

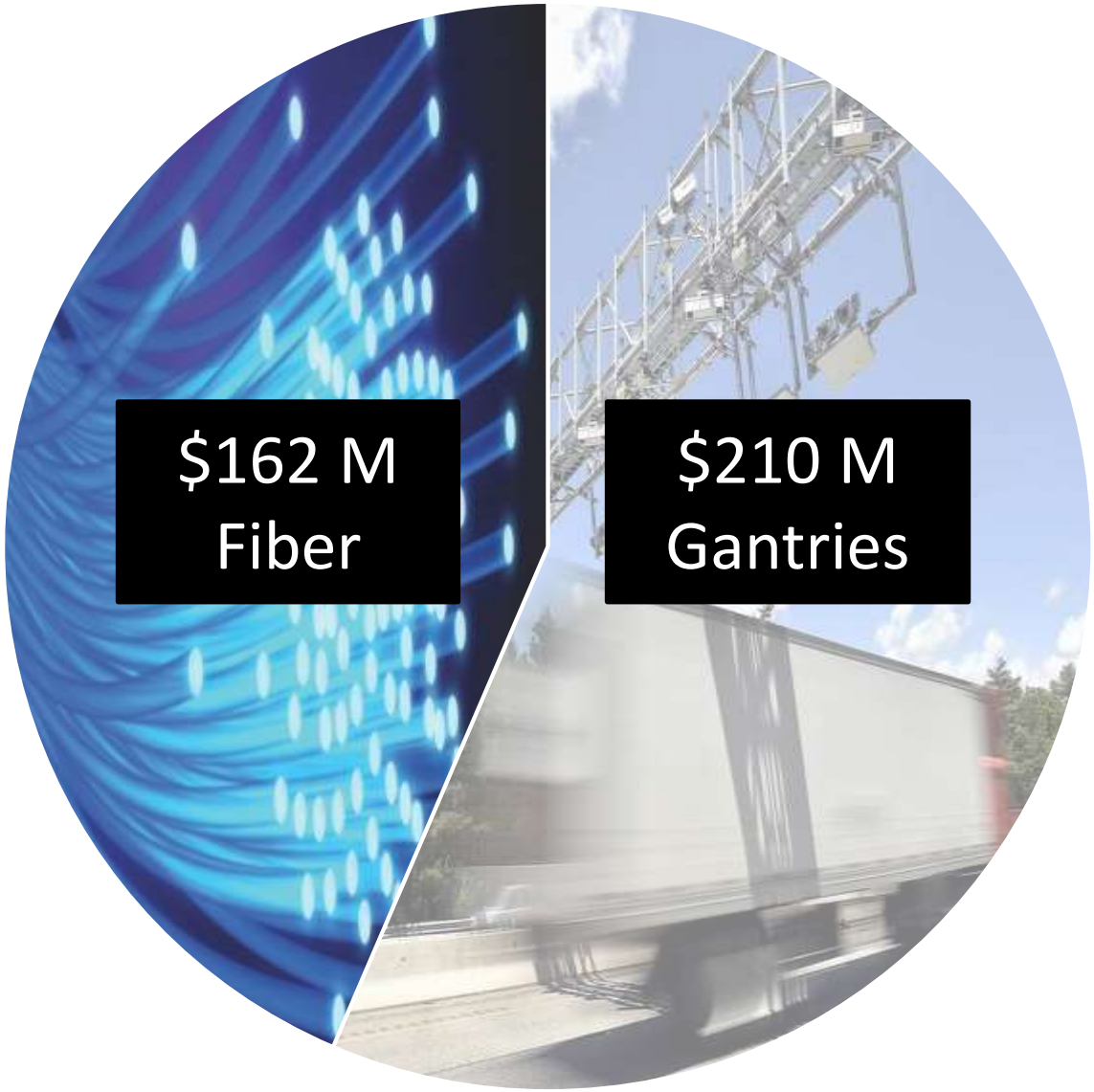
How to Organize and Manage a Toll System

Organizational & Management Structure



Toll Costs and Net Revenues

Capital Cost Estimate



Roadside Systems

Total capital cost

$ 372 million

Annualized capital cost*

$ 38 million

* *Gantries annualized over 10 years, Fiber annualized over 20 years*

Operating Cost Estimate

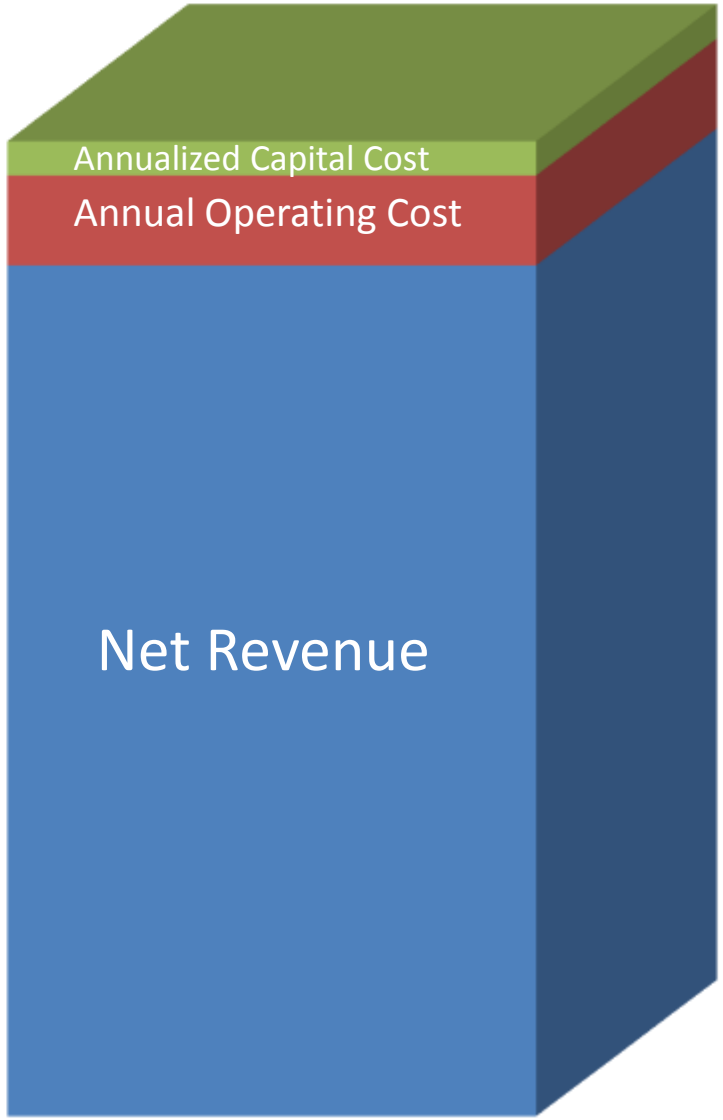
Annual Operating Cost

$ 100 million

Service Center: staffing, equipment & building leasing

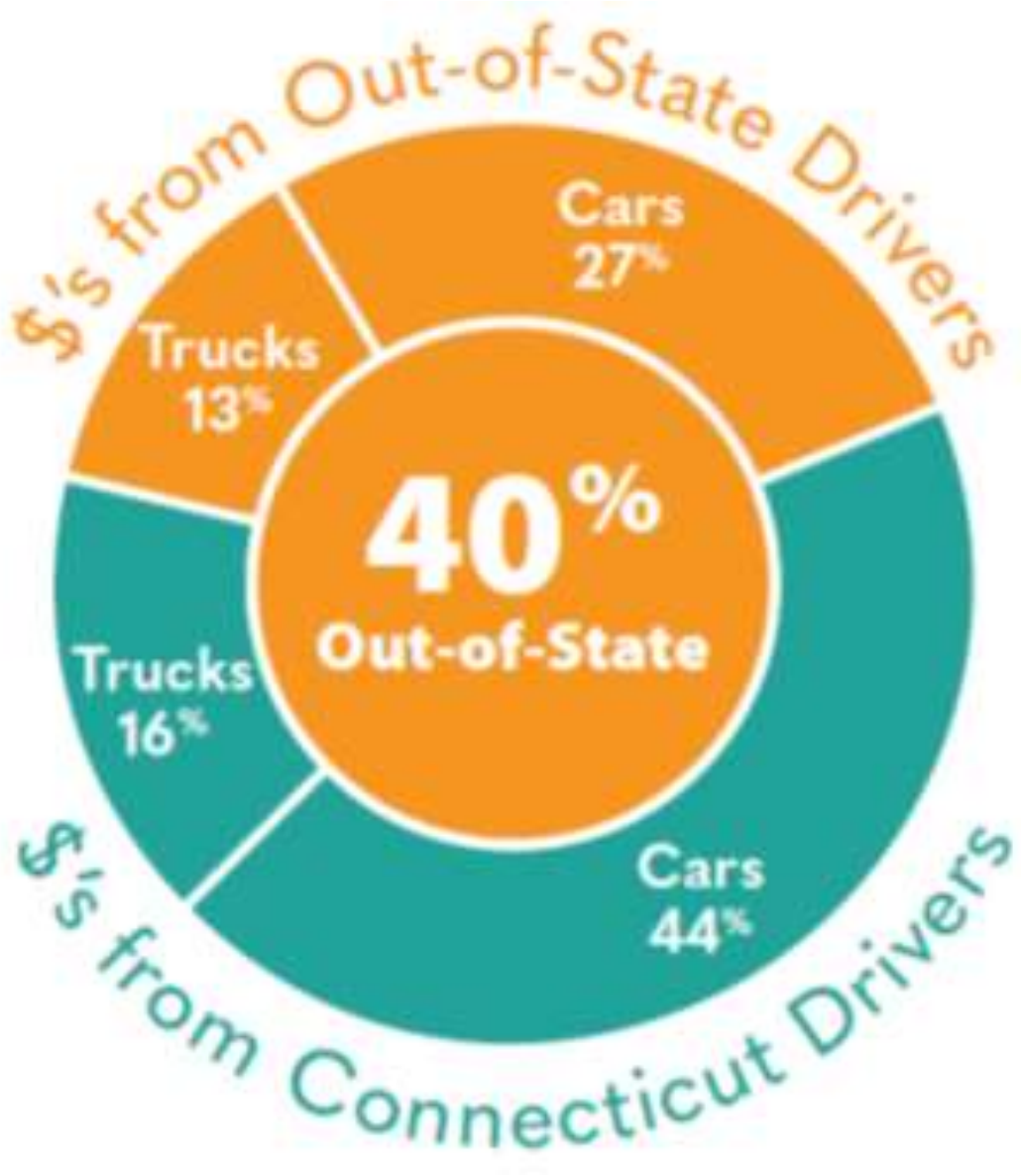
Roadside System: operating & maintenance

Annual Toll Revenue (Millions)



Gross Annual Revenue	**$1,086**
Annualized Capital Cost	$ (38)
Annual Operating Cost	$ (100)
Net Annual Revenue	**$ 948**

In-State & Out-of-State sources of toll revenue



CT trucks	$ 150 M
CT cars	$ 414 M
Out-of-State trucks	$ 128 M
Out-of-State cars	$ 258 M
Net Annual Revenue	**$ 948 M**

Lessons Learned

Favorable reactions:

- Huge revenue potential at low rates
- Drivers like 2 discount options
- Taxpayers like 40% out-of-state revenue share
- Taxpayers like lockbox

Unfavorable reactions

- Too many gantries
- Too many highways included
  - Fewer objections to I-95, I-84, I-91 (RT 15 must be included due to diversion)
    - These 4 generate over **70%** of statewide revenue.
    - Also over **80%** of out-of-state revenue
- Even at low toll rates, a "statewide" system can lead to higher annual cost to residents.
  - Other states have only 1-2 toll roads.

Next Steps

Adjusting to recent events

Next Steps: **Original Work Plan**

- **State Bond Commission** action *(Spring 2018)*
  - Approved $10 Million for NEPA study & final statewide toll plan

- **RFQ** for **PMC** (toll consultant) was to be issued Nov – Dec.

  Program Manager Consultant **(PMC)** scope of work

  - Prepare **NEPA**
  - Prepare **final plan**
  - Assist in getting **state & federal approvals**
  - AFTER approvals: **prepare RFPs** for
    - *Roadside collection system*
    - *Back Office system*

Next Steps: Recent Developments

- **Transportation Lockbox**
  - November ballot included referendum question on transportation lockbox
  - All transportation revenues must remain in State Transportation Fund
    - Must be spent on **transportation projects only**
    - Transportation revenues **cannot be diverted from STF**
  - **88%** of voters approved lockbox

Next Steps: Recent Developments

New Governor elected

- Governor Lamont **favors truck-only tolls** like RI's new tolls
- Already asked develop info on **truck-only tolling**.
- Are preparing for expected request to also develop a **truck-only proposal.**
  - Discussions with RIDOT: RI program is really a **"bridge" tolling** program that's **limited to trucks**
  - Discussions with FHWA
  - Expect more direction from Governor Lamont shortly

What next: Tolling likely to be a major focus in upcoming Legislative session.

Thank You

'*Truck-Only*' Tolling Fact Sheet

RI's "Truck Tolling" Program

- Based on federal tolling exemption for "Bridges"
  - **Bridge requirement**: Can toll any bridges or tunnels being reconstructed or replaced
  - **Timing:** Cannot start tolling until reconstruction starts
  - **Toll Rate**: based on cost to reconstruct
  - **Revenue restrictions**: used for specific bridge being reconstruction
  - **Once bridge paid off**: revenue can be used for any eligible Federal-Aid expense.
  - **Lawsuit:** Trucking industry challenging legality
- Net Revenues
  - **RI:** $41 million at full build out (14 tolls)
  - **CT:** $100 - $200 million? ($218M from trucks under full tolling scenario)
    - CT implementation: will be paced by schedule of bridge reconstruction program