

**Statement of Michael J. Riley  
President**

MICHAEL J. RILEY  
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**Motor Transport Association of Connecticut  
Before**

**The Joint Committee on Transportation  
March 12, 2010**

Re: Senate Bill No. <sup>5474</sup> ~~427~~ AN ACT CONCERNING THE  
ESTABLISHMENT OF ELECTRONIC TOLLS AT THE STATE'S  
BORDERS.

I am Michael J. Riley, President of Motor Transport Association of Connecticut (MTAC), a statewide trade association, which represents around 1,000 companies that operate commercial motor vehicles in and through the state of Connecticut. Our membership includes freight haulers, movers of household goods, construction companies, distributors, tank truck operators and hundreds of companies that use trucks in their business and firms that provide goods and services to truck owners.

**MTAC OPPOSES THIS BILL**

- **TOLLING OF EXISTING HIGHWAY LANES IS NOT PERMITTED**

**Raymond LaHood, the Secretary of the United States Department of Transportation, has announced his opposition to tolling existing interstate highways.** While in general a supporter of tolls, Secretary LaHood has said that tolls should only be used to increase capacity or relieve congestion.

Since its creation, the Interstate System has been financed under the philosophy that tax-supported roads are preferable to toll roads, and tolling (other than on Interstate segments that pre-date the establishment of the Interstate System in 1956) is limited to the reconstruction or replacement of Interstate bridges and tunnels.

**Imposing tolls on existing lanes of the Interstate System would have a devastating effect on the trucking industry.** The trucking industry's historical average profit margin is between two and four cents per mile. Financing the Interstate System with tolls would require tolls well above this level. Virginia, for example, is currently proposing a truck-only toll



on I-81 of \$0.37 per mile. The trucking industry is highly competitive and taxes of this magnitude simply cannot be passed along to shippers. **Tolling of existing Interstate highways is simply wrong.** Turning highways into cash cows for individual states is unfair to the highway users who have paid for the construction and maintenance of these roads through the payment of fuel taxes. Fuel taxes have been the preferred funding method of the Interstate Highway System since its establishment in 1956. Subjecting users to additional tolls represents double taxation. Tolling on existing highways is nothing more than an ill-conceived quick fix for transportation funding shortfalls. Often toll revenue doesn't even end up funding highway projects. In Pennsylvania a portion of proposed toll revenues were going to the Philadelphia transit system.

- **CONNECTICUT ALREADY HAS HIGH FUEL TAXES AND COLLECTS FROM EVERY LARGE TRUCK THAT COMES HERE**

Passenger car drivers can avoid paying Connecticut's high gas tax (41.6 cents per gallon 10/01/09) by purchasing their fuel in other states and using it here.

However, **every large truck from other states pays Connecticut the fuel tax on every gallon of fuel which it consumes in our state.** Trucks don't pay taxes where they buy fuel . . . trucks pay the taxes in the states where they use the fuel.

**At 45.1 cents per gallon, Connecticut now has the highest diesel fuel tax in the country.** (See attached comparison).

Fuel taxes, registration, license and permit fees, fines and other motor vehicle charges are "user fees" deposited into the Special Transportation Fund (STF).

- **TRUCKERS ALSO PAY HIGHER FEDERAL FUEL TAXES**

Additionally, **truckers currently pay a federal diesel fuel tax of 24.4 cents per gallon, a 12% excise tax on new tractors and trailers, an annual vehicle use tax of up to \$550, and a tax on tires.** According to the Federal Highway Administration (FHWA), commercial vehicles paid a total of \$14.3 billion in federal highway user taxes, or approximately 40% of all federal highway user fees. Imposing an even greater tax burden through tolls would be both unfair and inequitable. **Tolls are double taxation.**

- **THE GROSS RECEIPTS TAX, A HIGHWAY USER FEE, IS DIVERTED TO THE GENERAL FUND**

**Since 2006, Connecticut has diverted almost \$880 million from the Gross Receipts tax, a highway user fee, to the General Fund.**

(See attached article *the ct mirror* 2/19/10)

Connecticut diverts revenue generated by the Gross Earnings Tax on Petroleum Products (GET), a tax on the wholesale sale of gasoline and, (until recently) diesel fuel, into the General Fund. This diversion costs the Special Transportation Fund hundreds of millions of dollars of highway user fees which are currently paid into the general revenues of the state and not on transportation spending. Before Connecticut imposes tolls, it should first make sure that all highway user funds are used on transportation. **All GET revenue generated by fuel sales should be deposited in the STF.**

- **THE LEGISLATURE AND ADMINISTRATIONS HAVE A RECORD OF RAIDING FUNDS**

Connecticut has a long history of moving revenue streams back and forth from the General Fund to the Special Transportation Fund. We cannot expect that to change without guaranteeing, through a **constitutional amendment, if necessary, that funds generated by transportation users are used for transportation.**

- **TOLL REVENUE MUST BE DEDICATED**

Tolls should not be enacted without identifying the specific projects, for which toll revenue would be spent. Toll revenues should finance improvements in the state's transportation infrastructure. **Tolls imposed upon those improvements should be dedicated to pay off the costs of those improvements,** and then it should be used for maintenance and repair of those improvements. These revenues should not be used for other transportation facilities and absolutely not be diverted to general or other special funds.

Connecticut has capacity problems on I-95, I-84 West of Waterbury, Route 11, and Route 7. Interchange improvements are needed at the intersection of I-95 and I-91 in Waterbury as well as I-84 and Route 8.

Additional needs are the Aetna Viaduct in Hartford and the Moses Wheeler Bridge.

- **BORDER TOLLS ARE UNFAIR**

If tolls are established, their **burden should be spread across the state** and not be borne disproportionately by citizens who live along the borders with neighboring states.

Additionally, border tolls charge everyone who enters the state the same amount. **People who get off at the first exit in Greenwich, should not pay the same as people who travel I-95 all the way to Rhode Island**

- **TOLLS WOULD RESULT IN TRAFFIC BEING DIVERTED**

Tolls would create **diversion** to already overburdened local roads.

- **TOLLS WILL INCREASE COST OF DOING BUSINESS**

Tolls would add to **the cost of living** and the cost of doing business in the state.