

New Research Documents Who Pays and Who Benefits From Toll System Revenue

The American Transportation Research Institute (ATRI) recently released new research that documents the collection and distribution of \$14.7 billion in U.S. toll revenue, representing 81.7 percent of U.S. toll collections. The research sheds light on many questions about tolling, including how much toll revenue is generated versus reinvested in toll facilities, and contrasts truck-generated toll revenue versus truck utilization of toll roads.

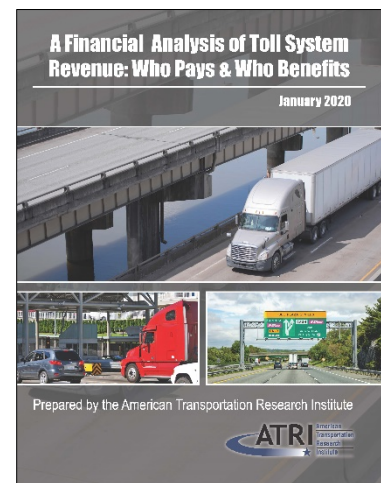
This study was identified as the top research priority for the industry by ATRI's Research Advisory Committee in 2019.

To better understand tolling, researchers collected public financial data from Comprehensive Annual Financial Reports (CAFR) published by 21 major toll systems, and attempted to standardize financial comparisons across systems. Once toll financial metrics were developed, each toll authority received an overnight courier package of the results, asking them to calibrate or corroborate the financial data; nine of 21 toll systems responded.

Key metrics included toll facility charges by user type, toll facility expenditures and toll revenue diversion to non-toll entities.

Using 2018 data from the 21 major toll systems, ATRI found:

- **ATRI's sample of 21 toll systems represents 81.7 percent of all U.S. toll collections.**
- **Toll Revenues are Up Significantly.** Toll revenues increased 72.54 percent over 10 years, with \$14.7 billion in revenue collected in 2018. For comparison, the percentage increase in the Consumer Price Index (CPI) which measures inflation for the same time period was 16.9 percent.
- **Toll Costs for Trucks Exceed Other Industry Cost Metrics.** Toll costs for commercial vehicles were \$0.45 per mile, which exceeds every cost per mile metric from ATRI's 2018 operational cost survey with the exception of driver wages, which were \$0.596 per mile. This is in stark contrast to the \$0.146 per mile paid by trucks for federal and state transportation-related taxes and fees.
- **Trucking Costs for Toll Roads are Inflationary; Toll Fees are Paid Over and Above Annual Federal and State Fuel Taxes Paid by the Industry to Travel Toll Roads.** In addition to paying **\$4.2 billion** in tolls across the 21 toll systems, trucks paid \$811 million annually in federal and state fuel taxes while traveling across the study sample's toll facilities.
- **Toll Facility Costs are High.** Of the \$14.7 billion in total toll revenue, \$4.764 billion or 32.4 percent of total revenue was used to cover facility costs. Of this, \$2.32 billion or 15.8 percent of total revenue was spent on toll collection costs.



- **Nearly 50 Percent of Toll Revenue Collected is Diverted to Uses Other than the Operation of Toll Roads and Bridges.** Slightly more than **48 percent** (or **\$7.1 billion**) was positive cash flow (i.e. “profit”) beyond the cost of operating the toll systems and paying interest. Of this, trucking paid **\$2.03 billion** or **28.5 percent**. A reasonable question is why these facilities are operating and justifying the current toll structure if the Net Cash Flows exceed a zero or breakeven level. Given that most agencies are government or quasi-government entities, the coverage of costs should be sufficient in order to justify a user-pays model.
- **Toll Payments are Subsidizing Transit and Non-Toll Facility Related Transportation Costs.** A total of \$3.013 billion (20.5% of \$14.7 billion) was transferred out by nine of the 21 toll systems to other government agencies that included mass transit and non-toll facility-related transportation.
- **Toll System Sample Received Over \$1 Billion in Cash from Other Agencies.** Cash provided to the 21 toll systems from other government entities totaled \$1.097 billion, 17.5 percent of which came from a federal interest rate subsidy known as Build America Bonds.
- **Tolling Impacts Interstate Commerce.** ATRI’s analysis included a first-of-its-kind data analysis to better understand the relationship between interstate commerce and toll road utilization. It was estimated that 79 percent of truck trips using toll roads in the study sample were engaged in critical interstate commerce, generating \$3.327 billion in toll revenue.

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