

JOSEPH R. SCULLEY
PRESIDENT

Re: HB 5046 AN ACT CONCERNING THE SUSTAINABILITY OF TRANSPORTATION PROJECTS

“Something is bunk, and then you debunk it.” – George Costanza

Chairman Guerrera, Boucher, Leone, Ranking Member Carney, and members of the Transportation Committee, thank you for this opportunity to testify. I am Joe Sculley, President of Motor Transport Association of Connecticut (MTAC).

Regarding the issue of tolls, I respect anybody who feels strongly that tolls are needed in Connecticut. It is understandable that someone in Connecticut could look at other states and think that Connecticut can have the exact same thing. Unfortunately, because of federal law, it is much more complicated than that.

Additionally, I feel that the public has not received all of the important information about the potential implementation of tolls in CT. There have been some inaccurate statements made about tolls potentially being implemented. The inaccurate claims have been about gas taxes, congestion pricing, and diverting toll revenue away from the highway that is tolled, among other points.

GAS TAX NOT 25 CENTS PER GALLON

There have been misleading claims recently about the gasoline tax being 25 cents per gallon. The price of the gasoline tax is created from a two-tiered system. One tier is the per-gallon excise tax, which is 25 cents per gallon, and the second tier is based on the Petroleum Gross Receipts Tax. According to the American Petroleum Institute, as of January 2018, the second tier amounted to 14.3 cents per gallon, for a total gasoline tax rate of 39.3 cents per gallon. (The diesel tax is also based on a two-tier system, and is currently 41.7 cents per gallon).

CAN'T HAVE TOLLS LIKE OTHER STATES

Toll supporters point to the fact that surrounding states have tolls, so Connecticut can too. The fact is that federal law currently prohibits Connecticut from installing fixed-rate tolls on our highways. The fact is there is no comparison between, the Mass Pike, for example, and interstate highways in Connecticut. The Mass Pike was built with tolls. The tolls were not installed on the highway decades after the fact. All that the Mass Pike did was simply swap toll booths for electronic tolls. That is why the Mass Pike has fixed-rate tolls, which CT cannot implement on its highways.

CONGESTION PRICING PLANS NOT LIKE OTHER STATES

Toll proponents have stated that congestion pricing on interstates in Connecticut would be like congestion pricing on interstates in other states. Congestion pricing exists on interstates in other states because a new, express lane was built. Only the new lane(s) are tolled. Drivers have an option whether to use the toll lanes or stay on the toll-free lanes when the tolls get too high.



Connecticut wants to congestion price toll all existing lanes, which is very different from what other states have done with interstates within their borders.

\$47 TO TRAVEL 10 MILES

Interstate 66 lanes in Northern Virginia recently implemented a similar (but not identical) scheme to what CT is proposing, and the result was tolls as high as \$47 to travel 10 miles. <http://www.governing.com/daily-digit/4675-toll.html> If the General Assembly allows CT DOT to “implement tolls on Connecticut’s highways,” it is completely possible that the tolls could rise to these rates.

The system used on Interstate 66 is known as dynamic tolling. HB 5046 allows for dynamic tolling in CT. From section 7: “*(b) Such regulations may include, but need not be limited to: (1) Establishment of variable or dynamic toll rates that take into consideration the day of the week, level of congestion or anticipated congestions*”

IMPLEMENTING TOLLS WOULD COST STATE

The state’s own numbers (from Transportation Finance Panel report) show that CT would have to spend \$373 million just to set up tolling systems for all of the proposed tolls. That does not even include the millions that will be needed for Environmental Impact Studies, and studies on traffic diversion, local road congestion, and economic impacts. Connecticut does not need more inefficiencies and high costs in its government.

TOLL REVENUE CAN BE DIVERTED; MOTORISTS USED AS PIGGY BANK

Toll proponents claim that federal law restricts toll revenue from being spent on anything other than the road which is tolled. However, the Value Pricing Pilot Project allows toll revenue to be diverted from the highway which is tolled once pilot project operating costs have been covered. “Section 1012(b)(2) of ISTEA as amended provides that toll revenues generated by any congestion pricing pilot project must be applied first to pay for pilot project operating costs. Any project revenues in excess of pilot project operating costs may, according to section 1012(b)(3) of ISTEA as amended, be used for any projects eligible under Title 23, U.S.C.”

EXHORBITANT PENALTIES

Section 8 allows penalties of “one hundred dollars for each violation...” Could a driver who goes from the NY border to New Haven, who hits 12 toll gantries but never receives the bill, be charged penalties of \$100 X 12 for \$1,200?

UNINTENDED CONSEQUENCES

Tolls have been pitched as a way to get revenue from out of state drivers. If tolls are implemented, commuters and small businesses in Connecticut would be subject to them every day. Perhaps more realistically, they would be forced off the highway by the high tolls, since that is the goal of congestion pricing.

Out of state drivers (who are often wealthy individuals) who only use CT highways occasionally on their way to Mystic, Newport, Cape Cod, Boston, etc., would not be greatly disadvantaged by high tolls. Since they don't regularly use CT highways, it would likely not alter their lifestyle. But congestion price tolls will negatively impact CT residents and small businesses every day.

With this in mind, to put up tolls just to get some revenue from out of state fleets brings to mind the phrases "cutting off your nose to spite your face" or "throwing the baby out with the bathwater." Connecticut should not disadvantage its own residents at the expense of chasing a few dollars from out of state individuals.

CONCLUSION

MTAC agrees that congestion is a problem, and is a hindrance to interstate commerce. However, a regressive, discriminatory tolling scheme that is designed to force motorists off the highway via expensive tolls is not the answer.

The Special Transportation Fund is funded almost entirely by highway users. CT DOT regularly states that 60% of its operating budget is used for paying transit subsidies. This is not sustainable. The transit subsidies for seldom-used buses needs to be reduced in one way or another. Thank you for your consideration of these remarks.

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ABOUT CT TRUCKING INDUSTRY:

85.8%: number of Connecticut communities that depend exclusively on trucks to move their goods

\$3.2 billion: total trucking industry wages paid in Connecticut (2016)

59,390: trucking industry jobs in Connecticut (2016)

\$53,430: average annual salary in Connecticut (2016)

\$8,258: average annual CT-imposed highway user fees paid by tractor trailers

\$8,906: average annual fed-imposed highway user fees paid by tractor trailers