BIPARTISAN POLICY CENTER

February 8, 2012

The Honorable Harry Reid
Senate Majority Leader
S-221, The Capitol
Washington, DC 20510

The Honorable Mitch McConnell
Senate Minority Leader
S-230, The Capitol
Washington, DC 20510

Dear Majority Leader Reid and Minority Leader McConnell:

The Bipartisan Policy Center (BPC) believes that the passage of the surface transportation authorization bill, Moving Ahead for Progress in the 21st Century (MAP-21), by the Senate Committee on Environment and Public Works (EPW) represents an essential first step toward establishing a performance-based transportation program.

We encourage timely action by the full Senate to complete action on a surface transportation authorization bill, based on MAP-21. However, MAP-21 can be made more effective by enhancing the capacity of states and metropolitan regions to raise the capital for surface transportation investments through the use of tolling and other user charges.

As we are in a period of severely constrained investment resources for surface transportation, states and metropolitan regions should be afforded a greater opportunity to raise funds for investment in transportation facilities and networks. If states and metropolitan regions lack the tools to fill the funding gap created, as federal support for transportation investment ceases its historic growth, there will be a decline in the performance of the nation's transportation system. Therefore, federal barriers to tolling and pricing should be removed or at least substantially reduced.

We recommend that MAP-21 should be amended to eliminate the current prohibition on the tolling of the Interstate Highway System. This amendment aligns with the recommendations of two Congressionally-established commissions and of many other studies. All have found that substantial fiscal and performance benefits would be gained from granting state and local governments more flexibility to establish direct charges on users. These charges could provide essential revenues for the maintenance and reconstruction of the Interstate Highway System and positively influence the management and operation of these facilities.

Public interest and support for tolling has increased in recent years. Many states with significant metropolitan regions are considering the construction or expansion of major highways through the use of tolling, and would do so, if allowed.

Recognizing the challenge of fully eliminating the prohibition on tolling, the Senate could, alternatively, provide greater flexibility to state and local governments by extending the Federal Highway Administration's ability to authorize tolling and highway pricing pilot programs and removing the current caps on the number of participants in these programs. This proposed amendment is reflected on legislative approaches taken by Senator Tom Carper of Delaware and Senator Mark Kirk of Illinois in this Congress. While there are some differences in their approaches, both measures would seek the increased tolling flexibility that BPC supports.

By removing these barriers and limitations, Congress would provide states and regions with the ability to undertake innovative and flexible programs to fund their transportation needs as federal funding declines. While there would be no limit on the number of states and regions that could participate in the tolling and pricing pilot programs, we recommend that Congress require that the United States Department of Transportation (DOT) adopt criteria to protect users. Participants in the uncapped pilot programs should certify to DOT that the tolling regimes they adopted were consistent with these criteria, and DOT could undertake post-performance audits.

The criteria might, for example, require that toll revenues be first applied to the maintenance and improvement of the facility or facilities on which they are charged. Surplus toll or user-fee revenue could only be used for a Title 23 or Title 49 purpose that is within the transportation or travel corridor in which the tolled facility is located, or, in the case of a tolled facility in a major metropolitan region (that is, a region of one million or more people), for any transportation improvement within the region.

As the nation's transportation system evolves, state and local governments should not be unduly constrained in their abilities to fund sorely needed and vital transportation improvements through reasonable fees on direct users of those facilities. Added flexibility in raising capital through the elimination or reduction of federal barriers to tolling or pricing will enable projects in heavily traveled and economically significant regions to proceed, in circumstances in which public resources may be inadequate.

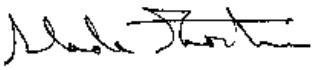
The ability to establish these state and local revenue streams would greatly enhance the effectiveness of the substantially expanded Transportation Infrastructure Finance and Innovation Act (TIFIA) program that MAP-21 proposes. Moreover, the existence of such revenue streams is essential, if we are to expand the utilization of public-private partnerships in the development and restoration of major transportation facilities.

Current fiscal constraints highlight the need for states and metropolitan regions to be more self-reliant in raising and investing resources. MAP-21 offers significant steps toward improving transportation infrastructure, and the removal of these federal barriers would greatly improve the impact and benefits of this legislation.

We look forward to working with a broad bipartisan coalition of senators to expand support for this approach and in gaining its inclusion in MAP-21.

Sincerely,

The Honorable Sherwood Boehlert
Co-Chair, National Transportation Policy Project , Bipartisan Policy Center



The Honorable Slade Gorton
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The Honorable Martin Sabo
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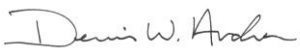
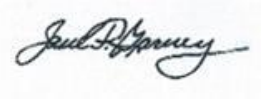


The Honorable Dennis Archer
Co-Chair, National Transportation Policy Project, Bipartisan Policy Center

Rob Atkinson
President, The Information Technology & Innovation Foundation
Chair, National Surface Transportation Infrastructure Financing Commission



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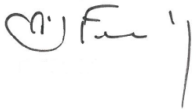

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Cc: Senator Barbara Boxer

Senator James Inhofe