

## Why doesn't Michigan have toll roads?

### We almost once did...

The Michigan Turnpike Authority was established in 1951 to build turnpikes between Detroit-Chicago and Toledo-Bay City (these roads later became I-94 and I-75).

### However...

Federal funding for the Interstate Highway System covered most of the cost of freeway construction, ending Michigan's interest in toll roads.

### Some challenges:

- Usually, toll roads have fewer interchanges - a different design philosophy than Michigan freeways.
- Toll roads can divert traffic to parallel routes, with possible neighborhood impacts.
- Toll roads may discourage tourism and business location.

## Future of tolling

Interest in toll finance is growing, with the following concepts being considered nationally:

### Toll conversions of existing freeways

While tolling interstates is not currently allowed by federal law, restrictions on tolling other kinds of freeways have been eased.

### Mileage-based user fees

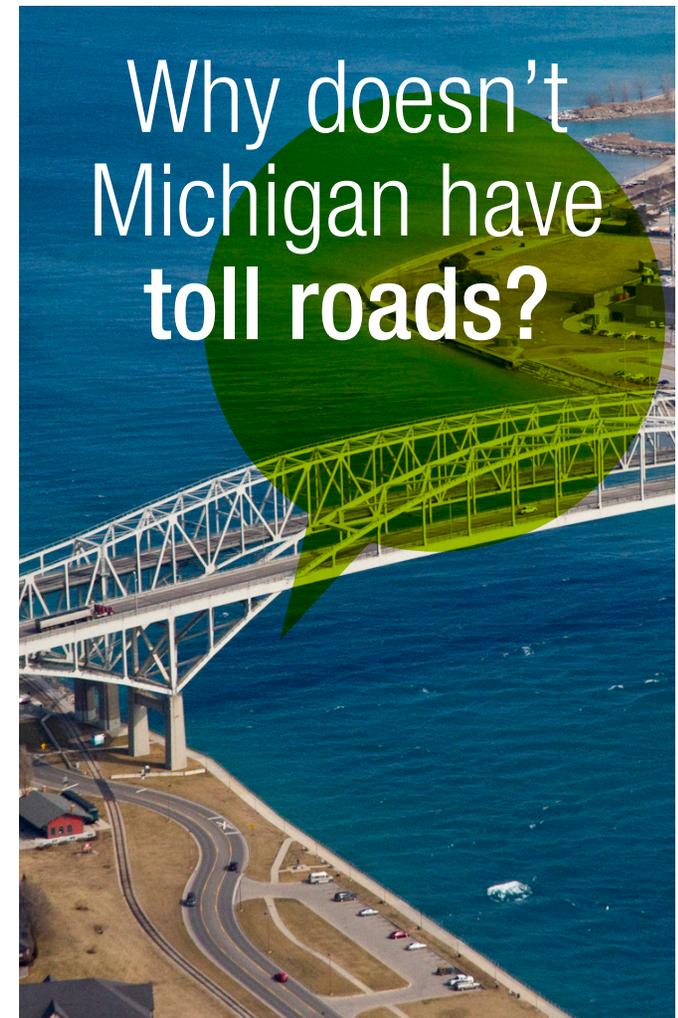
There are ongoing studies in some states, including Oregon, Washington, and Minnesota, to charge drivers based on routes and/or distance driven.

### Cordon tolls

Some cities in other countries have begun charging motorists as they enter specific areas as a way of managing congestion.



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## Types of toll roads and strategies



### Toll Roads

Also known as turnpikes or tollways. A toll is charged for use of the roadway according to a fixed schedule.

New technology allows tolls to be collected at one or multiple locations via electronic transponder or license plate sensors.



### High Occupancy (HOV)/Toll (HOT) Lanes

Limited-access highway lanes that provide free or reduced cost access to HOVs (two or more passengers in a vehicle) and make other lanes available at a price to single-occupant vehicles (SOV).

### Congestion Pricing

Tolls can be tied to a time of day or a fixed schedule to ration use of lanes to reduce congestion. Express lanes also may carry commuter buses at higher speeds on predictable, delay-free schedules.



## What is a toll?

A toll is a fee charged for using a freeway, bridge or tunnel.



Photo courtesy of the Illinois State Toll Highway Authority

### While there are currently no toll roads in Michigan, tolls are collected at the following transportation facilities:

- Blue Water Bridge
- International Bridge
- Mackinac Bridge
- Detroit-Windsor Tunnel \*
- Ambassador Bridge \*

*\*Privately owned and operated.*

### Tolls can:

- Direct new revenue to high-volume roads
- Free existing fuel and registration tax revenues for use on other roads
- Raise funding without statewide tax increases
- Reduce congestion through pricing

## Tolling trends today

Nationally, recent developments are making toll roads more viable:

### Improved technology

It isn't just cash that is collected at toll booths. Transponders and license plate readers can collect tolls by radio or video without slowing traffic, reducing the cost of collection and saving drivers time.

### Revenue gridlock

Transportation revenues have lagged far behind needs at the local, state, and federal levels due to increased vehicle efficiency and declining purchasing power.

### Private capital

Tolls can attract private investors to buy bonds or own roads, although tolls may not cover all modern project costs. State and local revenues or federal aid will likely still be needed.

### Increased private involvement

Private firms also may be involved in toll roads in all project phases, including: design, financing, building, ownership, operation, and maintenance.

Tolls can provide revenue for repaying private financing or government infrastructure loans.

### Focused funding

Michigan fuel and vehicle taxes are constitutionally restricted to transportation; tolls do not have to be.

## Federal law and tolling

### Changes in federal law

Currently, federal law prohibits conversion of interstates to toll roads, although there has been talk of changing that. There are a few exceptions:

### New freeways

Freeways that replace free-access roads, or new routes, including interstates, may be tolled.

### Reconstructed roads

Under the Moving Ahead for Progress in the 21st Century Act (MAP-21), non-interstate roads and bridges may be reconstructed as toll roads, and toll lanes may be added to interstate freeways if there is no reduction of free lanes.

### Value-Pricing Pilot Program

Also known as "congestion pricing," this program's priority is to reduce traffic congestion by influencing driver behavior via lower tolls during non-peak hours and higher tolls during peak travel times. Currently, the program is unavailable to new participants.



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