

TOLLS AND CONGESTION PRICING

ISSUE

The pending funding lapse in the federal Highway Trust Fund (HTF) has forced executives and legislatures to look for funding sources outside of traditional tax revenue. One proposed method to address the shortfall is through tolling. In addition, variable tolling methods known generally as peak period or congestion pricing are being considered as a means of reducing congestion. However, tolling by private or public entities could have a significant impact on the motorcoach industry.

BACKGROUND

The traveling public expects continued investment in the transportation infrastructure in order to maintain and expand our mobility. HTF revenues come largely from fuel taxes. With greater engine efficiency and a move towards alternative fuels come fewer tax receipts. Highway officials warn that in the future the country cannot depend on fossil-based fuel taxes to fund its surface transportation system.

Tolling has been proposed as one approach to address the funding shortage; it not only creates revenue but can potentially help to manage congestion. 31 out of 50 states currently have or are planning tolling projects. However, tolls also raise the possibility of creating inequities among transportation users and providers.

One potential concern is the disparity in the ability of all socioeconomic groups to use the road if the tolls aren't applied in an even-handed manner. Parallel to that issue is a lack of viable transportation options for those who are not able or cannot afford to drive alone. A primary intended result of tolling, congestion mitigation can be further enhanced by reasonable bus tolling practices or negatively impacted by heavy tolling. Tolls should provide incentives for passengers to choose transit buses or motorcoaches over cars. People who can't afford cars or choose to ride the bus, particularly those in rural areas with fewer transportation options, could be directly and negatively impacted if tolls increase passenger pricing. Increases in pricing can act as a regressive tax on those members of society that can least afford to travel and who are using the transportation system capacity the most efficiently.

Further, tolls should not favor already heavily subsidized public mass transportation over privately operated mass transportation. Today, many public transit buses are exempt from tolls. Like motorcoaches, transit buses take cars off the road, improve air quality, minimize pavement wear and, help mitigate congestion. However, privately operated motorcoaches are largely not exempt from tolls. This inequity could grow even worse if tolling expands and congestion pricing programs are implemented. Additional burdens placed on the privately operated public transportation network only serve to create more transportation obstacles to those served cost effectively by motorcoaches.

ABA POSITION

Tolls should provide incentives to travelers to choose buses, either publicly or privately owned, over cars. Tolls should not favor already heavily subsidized public mass transportation over privately operated mass transportation or act as a regressive tax on bus passengers. On those roads where publicly funded transit buses are exempt from paying tolls or variable pricing charges, the same benefit should be provided to motorcoaches.

