

## **TOLLS AND CONGESTION PRICING**

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.

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. Greater engine efficiency and a move towards alternative fuels have reduced tax receipts and magnified the imperfect relationship between fuel use and highway wear and tear. Highway officials warn 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.

Equity and access are significant concerns if we were to turn to tolling as a major revenue source for our road system. Tolling is a use tax and the way that tolling authorities apply tolls can negatively or positively impact motorcoach travel, congestion, access to employment, or the ability of people who do not drive to use alternative modes. Tolling 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 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, improving air quality, minimizing pavement wear and, helping to 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 without taking into account the value of private transportation resources brought to the table. Additional burdens placed on the privately operated public transportation network only serve to create more transportation obstacles to those served cost effectively by motorcoaches.

Tolls should provide incentives to travelers to choose buses, either publicly or privately owned, over cars. Tolling 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.