



Highlights of [GAO-06-554](#), a report to congressional requesters

Why GAO Did This Study

Congestion is increasing rapidly across the nation and freight traffic is expected to almost double in 20 years. In many places, decision makers cannot simply build their way out of congestion, and traditional revenue sources may not be sustainable. As the baby boom generation retires and the costs of federal entitlement programs rise, sustained, large-scale increases in federal highway grants seem unlikely. To provide the robust growth that many transportation advocates believe is required to meet the nation's mobility needs, state and local decision makers in virtually all states are seeking alternative funding approaches. Tolling (charging a fee for the use of a highway facility) provides a set of approaches that are increasingly receiving closer attention and consideration. This report examines tolling from a number of perspectives, namely: (1) the promise of tolling to enhance mobility and finance highway transportation, (2) the extent to which tolling is being used and the reasons states are using or not using this approach, (3) the challenges states face in implementing tolling, and (4) strategies that can be used to help states address tolling challenges.

GAO is not making any recommendations. GAO provided a draft of this report to U.S. Department of Transportation (DOT) officials for comment. DOT officials generally agreed with the information provided.

www.gao.gov/cgi-bin/getrpt?GAO-06-554.

To view the full product, including the scope and methodology, click on the link above. For more information, contact JayEtta Z. Hecker at (202)512-2834 or heckerj@gao.gov.

HIGHWAY FINANCE

States' Expanding Use of Tolling Illustrates Diverse Challenges and Strategies

What GAO Found

Tolling has promise as an approach to enhance mobility and finance transportation. Tolling can potentially enhance mobility by reducing congestion and the demand for roads when tolls vary according to congestion to maintain a predetermined level of service. Such tolls can create incentives for drivers to avoid driving alone in congested conditions when making driving decisions. In response, drivers may choose to share rides, use public transportation, travel at less congested times, or travel on less congested routes, if available. Tolling also has the potential to provide new revenues, promote more effective investment strategies, and better target spending for new and expanded capacity. Tolling can also potentially leverage existing revenue sources by increasing private-sector participation and investment.

Over half of the states in the nation have or are planning toll roads to respond to what officials describe as shortfalls in transportation funding, to finance new highway capacity, and to manage road congestion. While the number of states that are tolling or plan to toll has grown since the completion of the Interstate Highway System, and many states currently have major new capacity projects under way, many states report no current plans to introduce tolling because the need for new capacity does not exist, the approach would not generate sufficient revenues, or they have made other choices.

According to state transportation officials who were interviewed as part of GAO's nationwide review, substantive challenges exist to implementing tolling. For example, securing public and political support can prove difficult when the public and political leaders argue that tolling is a form of double taxation, is unreasonable because tolls do not usually cover the full costs of projects, and is unfair to certain groups. Other challenges include obtaining sufficient statutory authority to toll, adequately addressing the traffic diversion that might result when motorists seek to avoid toll facilities, and coordinating with other states or jurisdictions on tolling projects.

GAO's review of how states implement tolling suggests three strategies that can help facilitate tolling. First, some states have developed policies and laws that facilitate tolling. For example, Texas enacted legislation that enables transportation officials to expand tolling in the state and leverage tax dollars by allowing state highway funds to be combined with other funds. Second, states that have successfully advanced tolling projects have provided strong leadership to advocate and build support for specific projects. In Minnesota, a task force was convened to explore tolling and ultimately supported and recommended a tolling project. Finally, tolling approaches that provided tangible benefits appear to be more likely to be accepted than projects that offer no new tangible benefits or choice to users. For example, in California, toll prices on the Interstate 15 toll facility are set to keep traffic flowing freely in the toll lanes.