

GAO Highlights

Highlights of [GAO-13-687](#), a report to the Chairman, Committee on Commerce, Science and Transportation, U.S. Senate

Why GAO Did This Study

The Northeast is home to some of the most highly traveled interstate crossings in the United States, funded by toll revenues collected from the traveling public. Since 1921, Congress has provided its consent to New York, New Jersey, Pennsylvania, and Delaware to enter into legal agreements known as interstate compacts, establishing four bi-state tolling authorities to build and maintain toll bridges and tunnels. In recent years, bi-state tolling authorities have come under scrutiny for toll increases and other concerns, and GAO was asked to review their toll-setting decisions and oversight framework. GAO examined: (1) the authority of bi-state tolling authorities to set and use tolls and the factors that influence toll setting; (2) the extent to which the authorities involve and inform the public in toll-setting decisions; and (3) the extent to which the authorities are subject to external and internal oversight. GAO reviewed federal and state laws, bi-state tolling authority documents, and interviewed officials from the authorities and state audit offices. GAO does not make recommendations to non-federal entities; nonetheless the authorities could benefit from greater transparency in public involvement and clearer lines of external oversight. DOT had no comments on a draft of this report and three authorities provided technical comments, which GAO incorporated as appropriate. In addition, the Port Authority of New York and New Jersey disagreed, stating its policies constituted a documented public involvement process. GAO maintains that these policies were not publicly available, or a defined and structured process.

View [GAO-13-687](#). For more information, contact Susan Fleming at (202) 512-2834 or flemings@gao.gov.

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INTERSTATE COMPACTS

Transparency and Oversight of Bi-State Tolling Authorities Could Be Enhanced

What GAO Found

Bi-state tolling authorities have broad authority to set toll rates and use revenues for a range of purposes, including maintaining, repairing, and improving their infrastructure. In setting tolls, bi-state tolling authorities are primarily influenced by debt obligations and maintain specific operating revenues to repay their debt. A federal statute requiring bridge tolls to be “just and reasonable” has less influence on tolling decisions, in part, because no federal agency has authority to enforce the standard.

Bi-state tolling authorities are not required to follow federal or general state requirements for involving and informing the public; they set their own policies that can be less stringent than practices of transportation agencies that follow federal or state requirements. In their most recent toll increases, the bi-state authorities generally provided the public limited opportunities to learn about and comment on proposed toll rates before they were approved. For example, one bi-state authority did not hold any public toll hearings, while another provided one day for hearings. In contrast to federal and general state requirements and leading practices, the bi-state authorities did not in all cases (1) have documented public involvement procedures for toll setting; (2) provide the public with key information on the toll proposals in advance of public hearings; (3) offer the public sufficient opportunities to comment on toll proposals; and (4) provide a public summary of comments received before toll increases were approved.

External oversight of the bi-state authorities is limited as only one of the four authorities has been regularly audited by a state audit entity. While these audits have uncovered areas of concern, the authority of most state audit entities to oversee the bi-state authorities is unclear. Differences in states’ laws and disagreements between the bi-state authorities and state audit agencies have raised questions about the authority of several states to provide oversight. Each of the four bi-state authorities provides some internal oversight, but one has not established access authority for its inspector general, which, as a result, lacks an assurance of independence. Because internal auditors are generally not required under internal audit standards to report to outside audiences, the public may lack knowledge of their efforts to ensure accountability for the use of toll revenues.

Interstate Bridges and Tunnels Owned by Bi-State Tolling Authorities

Bi-State authority	Tolled interstate bridges and tunnels
Delaware River and Bay Authority	<u>1 toll bridge</u> : Delaware Memorial Bridge
Delaware River Joint Toll Bridge Commission	<u>7 toll bridges</u> , including the I-78, Milford-Montague, Delaware Water Gap, and Portland-Columbia Bridges
Delaware River Port Authority	<u>4 toll bridges</u> , including the Ben Franklin, Betsy Ross, Walt Whitman, and Commodore Barry Bridges
Port Authority of New York and New Jersey	<u>4 toll bridges, 2 toll tunnels</u> , including the George Washington, Bayonne, and Goethals Bridges; Holland, and Lincoln Tunnels

Source: GAO analysis of bi-state tolling authority documents.