



# CONGRESSMAN JOHN E. PETERSON

PROUDLY SERVING PENNSYLVANIA'S FIFTH CONGRESSIONAL DISTRICT

[www.house.gov/johnpeterson](http://www.house.gov/johnpeterson)

(202) 225-5121

## ***REPEAL ACT 44*** **TELL GOVERNOR RENDELL AND HARRISBURG** **NO TO TOLLING I-80**

***Act 44 will have a disastrous economic affect on the entire State of Pennsylvania.*** Act 44 mandated the tolling of the State's **only East-West four lane corridors** – I-80 and the Turnpike – at the highest rates in the nation. This will cause interstate traffic and the billions of dollars it brings to the state in business, to avoid Pennsylvania which will result in a devastating loss to our economy. It will also force existing businesses and residents onto adjoining roads, creating traffic and safety concerns along the entire 311 mile I-80 corridor. Under Act 44, the round trip toll on I-80 will start at \$51 for a car and \$308 for a truck and will grow to \$66 and \$400, respectively. One of the thousands of affected businesses in Pennsylvania recently stated, "The extra expense to our company if I-80 were tolled would amount to \$410,000 a year...that figure jumps to \$515,000 along with a 3 percent annual increase...basically put us out of business in Pennsylvania." Do the Governor and legislators who voted for Act 44 honestly believe that tolling I-80 will attract new business and encourage those already here to remain and grow?

***PennDOT Study and the Governor's own Transportation Reform Commission advised against tolls on I-80.*** The Governor and legislature choose to ignore their own experts who advised against tolling I-80. A February **2005 PennDOT Tolling Study** with "staff assistance from the Pennsylvania Turnpike Commission" concluded that "converting I-80 to a toll road not be pursued at this time. The initial impetus for converting I-80 to a toll road no longer exists. The once deteriorating condition of I-80 has been corrected by PennDOT and the annual cost of maintaining I-80 is no longer an abnormal drain on PennDOT's budget." In addition, the **Governor's own Transportation Funding and Reform Commission** just eight months before Act 44 was passed by the legislature recommended "that no additional funding should be provided for highways, bridges and transit unless a series of parallel action are taken to reform funding structure..."

***Tolling I-80 should not be the bail out for past mismanagement of our transportation spending.*** The Federal Government pays more than its fair share to Pennsylvania. Pennsylvania receives \$1.15 in federal funding for every one dollar it contributes to the federal fund. According to his own testimony this past May in Washington, Governor Rendell proclaimed that "The Federal Government has been very good to Pennsylvania in highway funding." Add to that the fact that Pennsylvania has the highest diesel fuel tax in the country (\$.381/gallon) and the second highest gasoline tax (\$.312/gallon) and we have to wonder where the money for our roads and bridges has gone.

***Tolling of I-80 has little to do with solving Pennsylvania's transportation and infrastructure problems.*** It has to do with paying off debt and fixing problems that should have been addressed years ago. Until the Governor and our state legislator find the courage and political will to start managing our transportation systems properly, they will toll every highway, making Pennsylvania even less competitive in the market place.

## Cost-Benefit Analysis of Tolling I-80 (Act 44) vs. PA Turnpike Lease

	<b>Tolling I-80 (Act 44)</b>	<b>Turnpike Lease</b>
<b>Annual Revenue</b>	<b>\$750 million</b> in 2008 to <b>\$1.1 billion</b> in 2017	<b>\$1.6 Billion annually</b> , according to Morgan Stanley (Note: Estimates for Chicago and Indiana were exceeded by more than 50% in actually bidding and revenue)
<b>Tolls on Turnpike</b>	Minimum 25% increase in 2009, 3% annually thereafter	Maximum increases would be established in legislatively approved lease agreement: No increase in 2009, estimated 2% to 6% annual cap thereafter, according to Morgan Stanley
<b>Tolls on I-80</b>	<b>\$300 billion</b> in revenue in 2010 – estimated toll of \$50 for round trip for passenger car – raising 6% annually	<b>NONE</b>
<b>Interest EARNED by Taxpayers</b>	<b>NONE</b>	Upwards of <b>\$3 million per day</b>
<b>Interest PAID by Taxpayers</b>	Estimated <b>\$11 billion over 35 years</b>	<b>NONE</b>
<b>Repayment of Bonds + Interest by Taxpayers</b>	Estimated <b>\$25 billion over 35 years</b>	<b>NONE</b>
<b>Financial Risk/Insufficient Revenues</b>	<b>Taxpayers</b> – through Motor License Fund/Gas Tax	<b>Private Company and Investors</b>
<b>Availability of Funds For Immediate Needs</b>	<b>NONE</b> – funding is back-loaded	Complete or Partial – Legislature can get a payment up-front
<b>Management</b>	<b>Turnpike Commission:</b> Patronage & Bloat	<b>Private Sector:</b> Innovation & Efficiency
<b>Transparency and Openness</b>	No hearings, no public vetting of proposal, no reform/limits of Turnpike Commission	Full vetting of process, open hearings, lease agreement, legislative approval

*Data provided by the Commonwealth Foundation, an independent, non-profit public policy research and educational institute located in Harrisburg, PA. - [www.Commonwealthfoundation.org](http://www.Commonwealthfoundation.org)*