



Agency: Maryland Transportation Authority

Testimony: Toll Rate Range Setting Process, Phase 1 South: American Legion Bridge I-270 to I-370

Position: Oppose

Hearing Date: July 12, 2021

Background

According to the toll rate setting [materials](#), the Maryland Transportation Authority (MDTA) is seeking public comment on the minimum and maximum toll rate ranges and the soft rate cap within, process for annual toll escalation, and toll discounts for certain types of vehicles. A 63-field grid of rates has been presented, ranging from 20-cents-per-mile for a passenger car using E-ZPass all the way up to \$42.33-per-mile for a big-rig trucker without a payment system. All of the rates will increase by 2.1% a year plus inflation. The toll lane developer will be allowed to exceed the soft rate cap whenever traffic on the toll lanes dips below 50 miles an hour or whenever traffic volume exceeds 1,600 passenger vehicles per hour, per lane.

Testimony

Sierra Club Maryland Chapter is concerned with the excessively high tolls required under this proposal, the high social costs of the toll lanes, and the way this toll rate and toll lane proposal deepens inequities in Maryland and fails to serve the public interest.

High Tolls. Amid all the permutations in the proposed dynamic toll pricing for 63 different scenarios, there are some things that stand out. In 2026, when the toll lanes would open, the maximum toll for a passenger car to drive from the George Washington Parkway to the I-270/I-370 interchange would be **\$50** in 2021 dollars. During evening rush hour 4–7 p.m. the tolls for that trip will match or exceed the soft cap nine (9) weekdays out of ten (10) (see image at right). The maximum toll rate for a big rig trucker with no transponder or other payment plan is \$42.33 per mile, so that's \$296 for a 7-mile trip. Those tolls—from passenger car to big rig—are too high. Toll rates will be far too high for average drivers on a daily basis. They are exclusive, inequitable, and discriminatory. It bears mentioning that even these exceedingly high toll rates and escalations now under discussion will not satisfy Transurban.¹

Table IV-5: Estimated Frequency Soft Rate Cap is Exceeded and Prevented from Increasing (f)

Segment	5:00AM to 6:59AM		7:00AM to 8:59AM		9:00AM to 9:59AM		10:00AM to 2:59PM		3:00PM to 3:59PM		4:00PM to 5:59PM		6:00PM to 6:59PM	
	\$1.50 Exceeded Due to Traffic Conditions	\$1.50 Reached But Not Allowed to Exceed Due to Traffic Conditions	\$1.50 Exceeded Due to Traffic Conditions	\$1.50 Reached But Not Allowed to Exceed	\$1.50 Exceeded Due to Traffic Conditions	\$1.50 Reached But Not Allowed to Exceed	\$1.50 Exceeded Due to Traffic Conditions	\$1.50 Reached But Not Allowed to Exceed	\$1.50 Exceeded Due to Traffic Conditions	\$1.50 Reached But Not Allowed to Exceed	\$1.50 Exceeded Due to Traffic Conditions	\$1.50 Reached But Not Allowed to Exceed	\$1.50 Exceeded Due to Traffic Conditions	\$1.50 Reached But Not Allowed to Exceed
George Washington Parkway to River Road (ALB IL)	-	-	13%	24%	1%	1%	-	-	1%	1%	67%	32%	61%	29%
River Road to George Washington Parkway (ALB OL)	-	-	-	-	1%	1%	-	-	2%	2%	13%	9%	2%	2%
River Road to I-495 (East of I-270 West Spur) (IL)	-	-	2%	-	-	-	-	-	-	-	1%	12%	14%	74%
I-495 (East of I-270 West Spur) to River Road (OL)	-	-	-	-	-	-	-	-	1%	2%	5%	20%	1%	3%
River Road to Westlake Terrace (MD I-495 R / I-270 W Spur NB)	-	-	-	-	-	-	-	-	-	-	62%	29%	34%	34%
Westlake Terrace to River Road (MD I-495 OL / I-270 W Spur SB)	-	-	-	-	1%	1%	-	-	-	-	2%	6%	1%	2%
I-270 East Spur to I-270 @ East Spur West Spur Interchange (NB)	-	-	-	-	-	-	-	-	-	-	-	-	-	1%
I-270 @ East Spur West Spur Interchange to I-270 East Spur (SB)	-	-	-	-	-	1%	-	-	-	-	-	-	-	-
Westlake Terrace to Wootton Parkway (I-270 NB)	-	-	-	-	-	-	-	-	-	-	14%	19%	12%	19%
Wootton Parkway to Westlake	-	-	-	-	-	-	-	-	-	-	-	-	-	-

¹ A [November 18, 2020 letter](#) from Transurban-led Accelerate Maryland Partners to MDTA's Deb Sharpless requests various [revenue-increasing alterations](#) to the numbers and escalations for the toll lanes.

High Social Costs. The Hogan Administration and Maryland Department of Transportation claim this private toll lanes plan comes at virtually no cost to taxpayers. That is not really true, because the people who will pay the tolls are mostly Maryland taxpayers; the toll lanes are not being donated to Maryland. Maryland taxpayers also will be forced to absorb the cost of billions in utility relocations that will not be reflected in the tolls. The costs of the highway expansion will also be paid by individuals, school children, and communities harmed by significantly increased greenhouse gas and other health-damaging air pollution, significantly increased stormwater runoff, and the loss of property value, historic places, wildlife habitat, parkland, and tree canopy. To see the many additional costs this project will have for generations, view our [June 29, 2021 testimony](#). It explains our central argument that a Final Environmental Impact Statement (FEIS) is necessary to know the impacts and costs of the project and must be completed before making toll rate or other commitments, including signing a contract with a developer.

The private toll operators have a strong incentive to make congestion on the free lanes as bad as possible, so that people will pay their high tolls. Thus, the majority of travelers will experience congestion the same or worse than before, particularly since an existing lane on I-270 will become a toll lane, squeezing more drivers onto fewer general-purpose lanes.

This toll lane proposal and the high tolls will further deepen the regional [east-west racial and economic divide](#) and societal inequities. High price toll roads are inequitable. This plan turns public land over to private investors for the benefit of the affluent. Those who can afford to take the HOT or Express lanes will experience a faster, safer commute while everyone else experiences high congestion. The tolls will not be accessible to working class families. The toll lanes are also designed to serve longer distance and pass-through traffic rather than locals. We remain deeply concerned over the plan's anti-transit bias and expenditure of scarce transportation dollars for a project that will primarily benefit the affluent and not be affordable for economically disadvantaged environmental justice populations.

Public Interest Concerns. We must also reiterate our concern that this deal is not in the public interest. Privatizing roadways can lead to significant control of regional transportation by private companies accountable to their shareholders rather than the public. The monopoly power Transurban would have in our region would also allow toll markups² exploiting their monopoly power as well as give Transurban inordinate influence on our politics and planning.³ There is simply a misalignment between the goals of good government and the goals of P3 toll lane companies such as Transurban. Transurban is on record saying its goal in our region is to “maximize the tolls” and admitted that: “An increase in the number or improvement in quality of alternative roads, public transportation or mass transit options, ... and their relative convenience, affordability and efficiency, could reduce traffic volumes on our toll roads and therefore reduce our earnings.”⁴ Thus, improvements that would be good for and desired by Marylanders and sensible in the midst of a climate crisis are undesirable for Transurban and shareholders. This toll lane proposal sets up a perverse incentive for a private company and our own government to lock in car-dependency and act against the public interest for generations.

In summary, we strongly disagree with the high tolls that are proposed that surely will substantially increase over time, with the high cost the project will have on our health, environment, and pocketbooks, and with the way this toll rate and toll lane proposal deepens inequities in Maryland and fails to serve the public interest.

² Ian Parry, [Green Tax Design in the Real \(Second-Best\) World](#). In *Encyclopedia of Energy, Natural Resource, and Environmental Economics* 3, 2013, pages 161–168.

³ There are already concerning indications of this in the [toll lanes solicitation process](#).

⁴ [Transurban Prospectus](#), September 16, 2020, page 13, publicly available on the website of the Singapore Stock Exchange.