The Toll Industry of the Future: Looking Ahead to 2030

Ed Regan
Senior Vice President

Christopher Mwalwanda
Vice President
Looking Ahead to 2030

• Major Growth Coming in US Tolling
  – New toll roads
  – Express lane networks
  – Widespread interstate tolling

• By 2030, Measured by Mileage, the toll Industry May be 4 Times Bigger Than Today

• An “Unscientific” But Realistic Gaze at the Future
The Primary Drivers of Tolling Growth

• Many States Have Identified New Projects With No Source Of Funding
  – New or extended roads
  – New or reconstructed bridges and tunnels

• Explosive Growth in Express Toll Lanes
  – Dozens of new projects
  – ETL networks in major urban areas
  – State mandates to “toll new capacity”

• Tolling Of Existing Interstates
  – It is coming (no other viable options)
  – It will dwarf everything else when it does
States with Potential New Toll Roads or Extensions
States with Potential New or Reconstructed Toll Bridges or Tunnels
States with Potential New Tolled Managed Lanes
Fertile Ground for New Tolling Initiatives

Potential Toll Roads and Bridges
Potential Toll Roads and Express Lanes
Potential Toll Bridges and Express Lanes
Potential New Projects: All 3 Types
Express Lanes - Near Term Growth Focus

- About 100 Miles Or So of Express Lanes Today
- Another 500 Miles On the Drawing Board Today
- Regional ETL Networks the New Rage
  - Could add 1500 more miles of ETL’s by 2025
Tolling the Interstates
The “Ultimate” Growth Driver

• The Interstate System Is Our Most Important National Transportation Asset
  – Conceived and funded by the Federal government
  – But it owns none of it
  – And it's over 50 years old and falling apart

• There Are Few Other Options
  – States face $2 trillion cost to rebuild and maintain over the next 50 years

• The Armor is Cracking
  – USDOT proposal to allow unrestricted tolling for reconstruction
  – Arguments against tolling wearing thin

The Long Term Outlook
  – Prohibition will be essentially eliminated by 2020
Early Signs of Interstate Tolling

• Connecticut
  – Special Commission on Transportation funding strongly considering all electronic tolling on interstates as a new sustainable revenue source
  – Looking at three major corridors; I-95 west, I-95 east and I-84 west

• Rhode Island
  – Looking at adding tolls to several bridges in need of major repair / replacement on the interstate system
  – Currently permitted under Federal law

• Wisconsin
  – Soliciting consultant proposals for a statewide interstate system tolling study
  – Likely to be considered by 2017 legislature

• Missouri
  – Already has “pilot program” agreement with FHWA to toll I-70 between St. Louis and Kansas City
  – Seeking public and political approval
The Interstate Tolling Era

- Perhaps 1/3 of All States Will Choose To Add Tolls by 2030
  - Accelerates after 2020
  - All-electronic only
  - Really need true nationwide electronic toll interoperability

- Huge New Opportunity For P3 Concessions
  - To expand, rebuild, reconstruct and maintain interstate routes over long-term concession period
  - Most likely thru availability payments so states maintain control of toll rates and policies

Huge Increase In Proportion Of American Cars and Trucks Equipped For Electronic Tolling
## Potential Interstate Route Toll Conversions

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Number Of States</th>
<th>Miles of Interstate</th>
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</thead>
<tbody>
<tr>
<td>2015-2020</td>
<td>3</td>
<td>2,000</td>
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<tr>
<td>2020-2025</td>
<td>5</td>
<td>4,000</td>
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<tr>
<td>2025-2030</td>
<td>10</td>
<td>8,000</td>
</tr>
<tr>
<td>15-Year Totals</td>
<td>18</td>
<td>14,000</td>
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</table>
Sizing Up the Industry

• In The Near Term (2015-2020) Look For Express Lanes to Lead the Way
  – Several new toll roads, mostly in high growth urban regions
  – Only a few “pilot” Interstate conversions

• In the Medium Term (2020-2025) Most States Start Looking Hard at Interstate Tolling
  – Congress opens the door
  – Express Lane networks continue

• In the Longer Term (2025-2030) Look For a Big Increase In Interstate Tolling
# Potential Increase in Toll Road Miles

<table>
<thead>
<tr>
<th>Toll Road Category</th>
<th>Approx.</th>
<th>2015-</th>
<th>2020-</th>
<th>2025-</th>
<th>2030-</th>
<th>Totals</th>
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<tbody>
<tr>
<td>Traditional Toll Roads</td>
<td>5,400</td>
<td>300</td>
<td>200</td>
<td>100</td>
<td></td>
<td>6,000</td>
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<tr>
<td>Express Toll Lanes</td>
<td>100</td>
<td>800</td>
<td>400</td>
<td>300</td>
<td></td>
<td>1,600</td>
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<tr>
<td>Interstate Conversions</td>
<td>--</td>
<td>2,000</td>
<td>4,000</td>
<td>8,000</td>
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<td>14,000</td>
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<tr>
<td>Incremental Miles</td>
<td>--</td>
<td>3,100</td>
<td>4,600</td>
<td>8,400</td>
<td></td>
<td>--</td>
</tr>
<tr>
<td>Cumulative Miles</td>
<td>5,500</td>
<td>8,600</td>
<td>13,200</td>
<td>21,600</td>
<td>21,600</td>
<td></td>
</tr>
<tr>
<td><strong>Percent Increase Over 2015</strong></td>
<td>--</td>
<td>56.4%</td>
<td>140.0%</td>
<td>292.7%</td>
<td></td>
<td>--</td>
</tr>
</tbody>
</table>
Comparison of Toll Roads by Category
2015 vs. 2030

**2015**
- Traditional Toll Roads: 98.2%
- Express Toll Lanes: 1.8%

**2030**
- Traditional Toll Roads: 64.8%
- Express Toll Lanes: 7.4%
- Interstate Conversions: 27.8%
In Summary, by 2030 We May See

- A Much Larger and Very Different Toll Industry
  - Many new players including more State DOT’s, MPO’s and private operators

- Over 20,000 Miles Of US Toll Roads

- Over 1,500 Miles Of Express Toll Lanes

- 50-100 More Toll Bridges/Tunnels (Mostly Reconstructed)

- Over 125 Million Vehicles Signed Up For Electronic Tolls
  - Almost half of all vehicles with ETC transponders

At Least $60 Billion In Annual Toll Revenue Collections
Thank You

reganej@cdmsmith.com
mwalwandace@cdmsmith.com