



Testimony on Senate Bill 1121 (an act concerning prioritized progress)

Submitted by Scott Shepard, Policy Director

April 26, 2019

Good afternoon. My name is Scott Shepard. I am the Policy & Research Director for the Yankee Institute for Public Policy, Connecticut's free-market think tank. I submit this note in consideration of **Senate Bill 1121**.

We at Yankee Institute could hardly make our position on tolls any clearer.

- Tolls would work as a tax, rather than a genuine user fee, to the extent that money from tolls is diverted to non-road uses, such as the subsidization of train service to Manhattan.
- They would also be, and to the same extent, an incredibly regressive proposition, in that tolls would have to be paid by all parties to subsidize convenient travel for some of Connecticut's wealthiest residents.
- There is no coherent way that the current, state-wide tolling plan can be authorized by the U.S. Department of Transportation ("U.S. D.O.T.") under the only program conceivably available to the state, the value-pricing pilot program. That program permits the U.S. D.O.T. to authorize tolls for the primary purpose of *abating congestion*. It cannot plausibly be read to cover tolls on uncongested parts of Connecticut's highways, or to permit 24-hour-a-day tolling on roads that are congested for an hour or so during rush periods, but not otherwise. To permit Connecticut to toll the whole length of roads built and maintained with federal money without an immediate congestion hook would entirely explode the whole structure of federal financing of interstate roads. We do not think that the U.S. D.O.T. will be willing to do that in a fit of absent-minded generosity to Connecticut, and we think that even were it so to authorize, the authorization would be challenged and rejected in federal court.
- All of this means that the toll plan that has been sold to the state is a fantasy, and that the numbers on which toll supporters have been relying – such as 4.4 cents a mile, 40 percent of revenues from out of staters, and a less than 14 percent total cost – are also fantasies.
- The unreliability of these numbers is further established by the fact that they arise from a study performed by a proudly pro-tolls business that is a central part of a proudly pro-tolls trade organization. The state's tolling study was not neutral or objective; it was the product of an organization that will benefit directly and tangentially from the adoption of tolls in Connecticut.

- The current tolling bills include no guarantees that tolling will only proceed if the U.S. D.O.T. authorizes the plan as it's submitted, or that the plan that is finally authorized will *actually* bring in 40 percent out-of-state revenue, limit costs to less than 14 percent of total revenue, or function effectively and as promised at a 4.4 cent toll rate for Connecticut residents. Without those protections, everything the people of Connecticut have been told by tolls supporters dissolves, and the real goal of toll supporters is revealed to be "tolls at any price; tolls without regard to whether we can keep our promises about them; tolls regardless of how much harm they cause." That cannot be supported, and we vigorously oppose it.

Once tolls are taken out of the equation, the state is forced to fund transportation projects within its means. This will require three things: reducing the costs of transportation construction and maintenance as far as possible, to make each transportation dollar go as far as it can; reducing other costs of government to free up more funding for transportation spending; and prioritizing our capital project needs – both transportation and non-transportation – so that we spend our limited funds where they are most needed and where they will do the most good.

This bill is admirable insofar as it recognizes and acts on these necessities. Good faith and a true dedication to road and transportation safety and efficiency in this state requires further steps, including a true embrace of public-private partnerships – as many as the state needs, not an artificially constricted number – that can do the necessary work cost-effectively. This means re-writing the public-private partnership laws in this state not only to allow as many as are needed, but also to free these partnerships from the cost-hiking and special-interest driven rules, such as prevailing-wage laws, that currently contribute so extensively to making public works in Connecticut so intolerably expensive. The governor tried to take tentative steps in this salutary direction earlier this year; the Government Administration & Elections Committee gutted the bill. That was unconscionable.

We need a priority list for our capital projects, and we need to work through those projects as soon as we can afford to within our means. In order to work through them quickly enough, we need to free up other resources by lowering the cost of government wherever we can.

It's time to set aside disingenuous fantasies about tolling plans that will never be authorized as promised and would never in any case bring in the bonanza of out-of-state revenue at the low costs we have been told, and get to the responsible work of repairing our state affordably.