

# I-69 TIER 1 TOLL ROAD RE-EVALUATION REPORT: Preliminary findings June 29, 2006

Note: Due to time constraints, we have not been able to review the entire document.

Tier 1 Re-evaluation: Reviewed by Shannon Fisk, Staff Attorney at ELPC:

**1. The Re-evaluation demonstrates that a tolled I-69 is not worth the money.** While the cost estimate for Alt. 3C increases to approximately \$2 billion, the purported traffic and safety benefits of the non-tolled alternative fall dramatically. In fact, in some cases local communities would actually have worse traffic problems if a tolled I-69 is built.

- As tolled facilities, Alt. 1 and 3C would provide only minor levels of congestion relief, and Alt. 3C would actually increase congestion in the 26 county area when measured in terms of congested vehicle hours traveled.

- The re-evaluation provides a long list of local roads that would experience increased traffic as compared to a no-build alternative if Alt. 3C is tolled. (pp. 72-74) At least part of this increase is due to the fact that Route 37 would actually have less traffic on it if it became part of a tolled I-69 than under current conditions.

- As a toll road, Alt. 3C injury crash reductions are only 27% to 47% of those for the non-tolled scenario, and fatal crash reductions are only 0-21% of those for the non-tolled scenario (p. 37)

- As a toll road, Alt. 3C saves only 2,500 daily truck hours at a 75% toll and leads to an actual increase of 100 daily truck hours at a 100% toll. (p. 41)

- Tolling at 100% causes daily truck traffic on Alt. 3C to fall from 7,800 to 3,100, and causes overall traffic to fall from 37,100 to 16,300. (p. 42)

- The cost estimate for Alt. 3C increases from between \$1.73-\$1.83 billion for non-tolled to between \$1.95-\$2.05 billion for tolled.

**2. The Tier I Reevaluation underestimates the impacts that tolling would have:**

- Assumes that tolling would be fully electronic, meaning that there would be no delay in travel time due to the collection of tolls (p. 4).

- Uses a baseline scenario that assumes that the per-mile toll rates in 2030 would be 75% of the projected per-mile toll rate for the Indiana Toll Road in 2030. Also examines scenarios involving toll rates set at 50% and 100% of the Indiana Toll Road rates. (p. 28). The study provides no justification for having the baseline be 75% rather than 100%, or for why we should assume that tolls wouldn't be higher than the current projections for the Indiana Toll Road. A more sensible approach would have analyzed 75%, 100%, and 125% of the rates on the Indiana Toll Road.

- Does not appear to factor the costs of the tolls into the evaluation of various performance measures. The re-evaluation acknowledges that tolling would reduce traffic on I-69 and, therefore, would reduce various projected benefits from the highway. There is no evidence, however, that costs were factored in. For example, the re-evaluation reasserts that Alt. 3C would greatly increase personal accessibility in terms of access to Indianapolis, educational institutions, and urban areas (pp. 33-34), this increased accessibility is not measured against the significant increased cost the tolls would impose (p. 98). Similarly, while the study claims that Alt. 3C would lead to an increase of \$137 million in annual disposable income in the study area under the 75% baseline scenario (p. 39), there is no evidence that this amount factors in the dollars that residents in the study area would pay in tolls.

### **3. The Re-Evaluation improperly calls for tolling of the US 41/I-70 alternative and fails to acknowledge that a non-tolled US 41/I-70 is superior to a tolled Alt. 3C**

- No justification is provided for why US 41/I-70 would need to be tolled. If the State cannot afford the Alt. 3C, then it should proceed with the much cheaper US 41/I-70 alternative.

- In some areas, the non-tolled US 41/I-70 performs better than the tolled Alt. 3C.

- non-tolled US 41/I-70 would increase the number of people within 30 minutes of an urban area by 9,000. Tolled 3C would increase by only 7,000. (Note that this is a significant decrease from the 37,000 increase projected for the non-tolled Alt. 3C, so it might be a typo). (Compare ROD, p. 13 with Re-evaluation p. 32).

- non-tolled US 41/I-70 would decrease accident fatalities by 8, injuries by 811, and property damage by 778. For 100% tolled Alt. 3C, the numbers are 0, 270, and 228, respectively. (p. 37).

- non-tolled US 41/I-70 would increase annual disposable income by \$51 million. 100% tolled Alt. 3C would increase income by \$115 million, but at an annual toll cost of \$91 million. (p. 39 and 42).

- non-tolled US 41/I-70 would save 2,300 daily truck hours. 100% tolled Alt. 3C would increase daily truck hours by 100. Even 75% tolled Alt. 3C would decrease daily truck hours by only 2,500.

- Non-tolled US 41/I-70 would carry 14,900 trucks and 41,300 total vehicles per day. 100% tolled Alt. 3C would carry only 3,100 trucks and 16,300 total vehicles daily.

- The Re-evaluation still does not consider spending any of the cost savings from US 41/I-70 on upgrading local roads, which would do more for personal accessibility, local congestion relief, and local economic development than a new, tolled I-69.

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**\*\* Total employment, annual disposable income, employment in high-growth industries are reduced by 30% to 40% on the preferred alternative 3C (Table 3-5, p. 39).**

\*\* (Note: The following tolling data comes from Table 2. Appendix C. page 154. This assumes

I-69 would be tolled the whole way, as INDOT has declared it would be. I suspect these rates are low but they make the point that a tolled I-69 will cost everyone who uses it a lot of money.)

\*\* By the time it would be built in 2016, the toll rates are estimated to be 7 cents/mile for autos and 15-25 cents/mile for trucks (depending on the size of truck). From Bloomington to Indy, 50 miles one-way, that would be \$7.00 round trip for autos and \$15-25 round trip for trucks.

The costs will steadily increase, by 2030 the cost, Bloomington to Indianapolis only, is estimated to be \$9 per round trip for autos and \$22-36 per round trip for trucks.

\*\* The cost for the trip from Indy to Evansville, 142 miles, would start at about \$10 ONE WAY for autos and about \$21-36 for trucks. This would increase over time to \$13 for autos to \$31-51 for trucks, ONE WAY.

\*\* Low income users would be disproportionately affected by tolls. They have less income to spend on tolls.

\*\* Tolled I-69 would be a net loss for the state with costs far exceeding benefits. Tolling greatly reduces transportation benefits.

\*\* On page 98, under the title: "Benefits of Build Alternatives", the Report states:

"Tolling reduces the traffic volumes that would use I-69. The reduction in traffic volumes on I-69 reduces some of the benefits of completing the new interstate. For example, I-69 as a toll road would provide less congestion relief and less safety benefits, because more cars would remain on two-lane rural roads, city streets, and other non-access-controlled facilities - which have less capacity and higher crash rates than an interstate. I-69 also would provide lower economic benefits, at least with regard to economic benefits that correlate directly to traffic volumes."

\*\* The cost of the 3C route is now estimated by INDOT to be \$2 billion (Table B-2. Appendix B). The study indicates that the final cost will be higher. In several instances out of date cost estimates from previous studies are used.

\*\* The cost of a non-tolled US-41/I-70 route is about \$1 billion, one half of the cost of a tolled 3C route. The money saved by using the Common Sense Alternative, US-41/I-70, could be used to upgrade and repair highways throughout the region. It could also be built faster, something INDOT seems to favor above all else.