



**REFOCUS.
REFORM.
RENEW.**
*A NEW TRANSPORTATION APPROACH
IN AMERICA*
FightGridLockNow.gov

U.S. Department of Transportation
Office of Public Affairs
Washington, D.C.
www.dot.gov/affairs/briefing.htm

News

FHWA 20-08
Thursday, September 11, 2008

Contact: Ian Grossman
Tel.: (202) 366-0660

Federal Highway Administration Does Not Approve Pennsylvania's Plans to Toll Interstate 80

WASHINGTON, DC – The Federal Highway Administration announced today that it did not approve an application from the Pennsylvania Department of Transportation and Pennsylvania Turnpike Commission to place tolls on Interstate 80. The agency said the planned use of toll revenues does not meet federal requirements as there is no basis to conclude that the proposed lease payments are legitimate operating costs.

“Tolling interstates is a viable option for many states to fund highway improvements or to improve performance conditions,” Highway Administrator Tom Madison said. “Because we are legally bound to ensure applications for this program meet all congressionally mandated requirements, however, we are regrettably unable to approve this application.”

The revised application seeking tolling authority under the Interstate System Reconstruction and Rehabilitation Pilot Program was submitted to the Federal Highway Administration on July 22, 2008. Under the proposal, PennDOT would transfer I-80 to the Turnpike Commission and make payments.

The Federal Highway Administration said the Commonwealth's application did not meet legal requirements for the correct use of toll revenue. Specifically, the application called for the Turnpike Commission to use toll revenue to pay annual lease payments to PennDOT. The federal agency noted that while under the program toll revenue can be used for lease payments, the amount of the payment is required to be based on an objective market valuation.

The Commission's application, however, included no information or data justifying the proposed amount for the annual toll payment or establishing that the level was based on an objective market valuation. The agency noted that earlier this year it had asked for just such justification as it reviewed the tolling application. The Commission, however, sent no additional information supporting the lease payment level, the agency said.

“There is simply no evidence that the lease payments are related to the actual costs of acquiring an interest in the facility,” explained Administrator Madison. “Although we are unable to move the application forward, we stand ready to assist the Commonwealth in finding creative ways to address its transportation needs.”

###