

"Federation Corner" column  
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### **Ask not for whom the ICC tolls, for it tolls for thee**

by Wayne Goldstein

With apologies to the poet John Donne, I want to tell the residents of Montgomery County and the rest of Maryland that chances are that many of you who will never use the ICC will still pay ICC tolls. I don't mean that you will pay the \$3 billion cost through your state gasoline taxes or your state property taxes or your state income taxes, although you will pay for it in all of those ways. I don't mean that there are small and medium-sized state road projects and large state transit projects that won't get built in the next 20 years both in Montgomery County and throughout the state because of the enormous cost to build this one road project primarily for the benefit of the largest and richest county in the state, although that will also happen.

What I mean is that when you use the William Preston Lane Jr. Memorial Bay Bridge, whether for a summer weekend trip to the Eastern Shore or as part of your regular commute, you will pay an ICC toll. When you travel to or through Baltimore and use the Fort McHenry Tunnel, the Baltimore Harbor Tunnel, or the Francis Scott Key Bridge as part of a trip or a commute, you will pay an ICC toll. When you use the Thomas J. Hatem Memorial Bridge on Route 40 to cross the Susquehanna River, you will pay an ICC toll. When you travel on the John F. Kennedy (JFK) Memorial Highway portion of I-95, you will pay an ICC toll. When you use the Harry W. Nice Memorial Bridge on Route 301 to cross the Potomac River, you will pay an ICC toll.

In fact, it is my understanding that some of you have already been paying an ICC toll for some of these toll facilities owned and operated by the Maryland Transportation Authority. In November 2003 the toll for the Nice Bridge was increased from \$1.50 to \$3 to help pay for other transportation projects in the state. In fiscal year 2005, the tolls for the McHenry & Harbor Tunnels, the Key and Hatem Bridges, and the JFK Highway were all raised by \$1. The most expensive tolls in Maryland are the \$5 to cross the Hatem Bridge or to travel the 50-mile long JFK Highway, but these are also one-way tolls.

To a large extent, the users of these seven toll facilities are a captive audience. There are no easy ways to avoid using these bridges and tunnels and this stretch of highway. In addition, most of these facilities are either part of long interstate highways (I-95) or major state roads (50 and 301). None of them have the characteristics of the ICC. The ICC ostensibly connects two separate interstate highways, but there are also interstate and local roads that are alternative routes. The ICC is a road to nowhere in that it is not a regional road that connects up numerous jurisdictions over hundreds of miles. Thus, it is unlikely that there will be a large amount of through traffic using the road. Most users will be commuters and people making local trips.

The ICC is currently expected to use variable tolls that will cost as much as \$3.50 each way, or \$7 round trip, mostly during rush hour when commuters will be the major users. At 18 miles long, a round trip on the ICC could be as much as 20 cents a mile, while the \$5 one-way toll for a round trip on the 50-mile long JFK Highway would be 5 cents a mile. However, this seeming bargain is before one even factors in the incredibly steep discount offered to commuters. In fact, a commuter pays 80 cents to use the JFK Highway, meaning the cost is 8/10ths of one cent per mile for a round trip, an 84% discount from the regular toll. Furthermore, the commuter rates for the other six toll facilities range from 40 cents to \$1 for commuters. The Hatem Bridge matches the 84% commuter discount offered to use the JFK Highway, with other commuter discounts ranging from a 60% discount for the Bay Bridge to an 80% discount for all of the others.

Thus, since the maximum \$7 round trip ICC toll will be in effect when the most commuters would use the road at its most congested times of day, ICC commuters would expect to pay seven to almost nine times more than the 80 cents to \$1 for a round trip enjoyed by all other commuters using all other state toll facilities. Will ICC commuters accept this extraordinary inequity? If not, Maryland Transportation Authority

officials will surely be forced to lessen the commuter subsidy everywhere else while also trying to take further advantage of those passing through the state who don't vote or pay taxes in Maryland. Thus, one way or another, users of all the other toll facilities in the state will be paying a direct ICC toll.

However, if any toll user in Maryland were to challenge any state official as to the fairness of any high toll, they might get the same answer that I got when I challenged the following statement, because the cost of tolls was not included: "According to an independent study conducted by the University of Maryland, an Intercounty Connector (ICC) would provide important economic benefits to Maryland's economy. Study results show an ICC is projected to: 'Create annual user benefits valued at over \$250 million starting in 2010, equating to more than \$5 to 7 billion over 20 years'."

From page 175 of Volume 3 of the ICC Final Environmental Impact Statement:

"The economic study that was conducted by the University of Maryland consisted of an overall economic assessment of constructing various alignments of the ICC. Therefore, the cost of tolls becomes economically neutral because it never 'leaves' the economic balance sheet. In other words, the tolls are collected and assumed to be redistributed to the transportation system and therefore are not included in this type of economic analysis.

"Tolls calculated by an operating agency for the use of a public infrastructure facility, such as a highway, represent a transfer between economic agents. On one hand, users incur an out-of-pocket cost, which in principle, offsets or pays for part of the benefit they receive from the facility. On the other hand, the government entity experiences a benefit, in the form of the collected funds. These costs and benefits, in aggregate, cancel each other. The net result for society or for the economy of that transfer is zero. Just as an economic analysis of highways does not consider the revenues collected by the operating agency as (benefits) it also does not consider the tolls incurred as (costs). For this reason, tolls do not directly enter in the economic computation of total benefits."

In other words, any amount that you will pay now or in the future for any ICC or other toll doesn't really "cost" you anything at all.