



INDIANA DEPARTMENT OF TRANSPORTATION

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Eric Holcomb, Governor
Joe McGuinness, Commissioner

November 29, 2018

Dear Governor Holcomb:

In accordance with House Enrolled Act 1002, INDOT hereby submits a Strategic Plan for a statewide interstate tolling program. The Strategic Plan does not make a recommendation about implementation of a statewide interstate tolling program. It provides a series of strategies for *how* INDOT could implement a statewide interstate tolling program *if* Indiana decides to proceed.

The Strategic Plan summarizes several strategies for implementing a statewide interstate tolling program on I-65, I-70, and I-94. Although tolling could occur on other interstates within the state, these three have the highest traffic volumes, highest maintenance costs, and greatest future need for major interstate improvements. The following is a summary of the Strategic Plan:

- **Toll Rates:** Toll rates would be in alignment with rates used by toll agencies around the country;
- **Operations:** Interstate tolling would be “open road tolling” enabling vehicles to travel at full speed with no toll booths;
- **Financial:** Interstate tolling would be financially self-sufficient and would not impact Indiana’s debt rating;
- **Public Engagement:** Prior to implementation, INDOT would use applicable environmental review processes, which enable residents, businesses, and local public agencies to participate in a transparent public involvement process; and
- **Implementation:** INDOT would use a mixture of federal programs and procurement options to implement a phased construction program that modernizes I-65, I-70, and I-94 and enhances Indiana’s workforce.

The Strategic Plan forecasts that state highway revenue peaks in the mid-2020s, and then begins a consistent decline in subsequent years. The decline is due in part to increased fuel efficiency standards, anticipated increases in electric and non-combustible technology, and inflation. The need for major interstate improvements will remain consistent. Thus, subsequent to this plan, INDOT recommends our team investigate alternative funding opportunities that do not rely on increasing the state highway motor fuel excise tax.

INDOT recommends further research to document the potential benefits, impacts, and alternatives of a statewide interstate tolling program as well as other innovations in transportation. Recommended further analysis includes:

- **Interstate Widening:** Quantify safety benefits, congestion reduction, travel time savings, job creation, and other economic variables;
- **Non-Tolling Funding Options:** Investigate other fee-based programs, such as vehicle miles traveled, etc.;
- **Local and Regional Analysis:** Investigate benefits and impacts to local communities, such as environmental and socioeconomic considerations, as well as the opportunities for highway funding;
- **Quality of Life and Place:** Evaluate the effect of the overall program and how it can increase connectivity between communities and employment centers while addressing state, regional and local initiatives.

Completing the items listed above will provide the necessary data and information to make informed decisions regarding major interstate improvements and the best ways to fund those improvements.

Sincerely yours,

Joe McGuinness, Commissioner
Indiana Department of Transportation