

OHIO TURNPIKE COMMISSION JUSTIFICATIONS FOR TOLL RATE ADJUSTMENTS

The Ohio Turnpike Commission (OTC) is converting its aging toll collection system and offering electronic tolling (E-ZPass®) to customers. The "go-live" date for the new system is planned for the Fourth Quarter of 2009. This document outlines some of the changes that will occur in the method of toll collection, as well as factors that led to the proposed new toll rate structure. A more detailed report entitled, "Report and Recommendation of New Toll Rate Schedules" is available online at www.ohioturnpike.org.

I. Inflationary Factors and Declining Toll Revenues

The OTC has lost nearly 30% of its purchasing power during the last nine years and, without the proposed toll rate adjustments, the OTC will struggle to maintain the roadway in good condition and repair.

- a) Since 2000, total revenues have increased by only 1.5%, while the Consumer Price Index during that same time has risen 31%.
- b) Prices for utilities, fuel, and materials needed to maintain the roadway such as road salt and asphalt have risen dramatically.
- c) Total revenues during the first nine months of 2008 were \$8.1 million dollars (or 4.7%) below those from the first nine months of 2007.

II. Capital Needs

The OTC's capital needs are significant and funds are currently not available for several multi-million dollar improvement projects including:

- a) Service plazas: Three sets of the original 53-year old facilities have yet to be reconstructed.
- b) Concrete base: 965 lane miles of deteriorating concrete base need to be replaced.
- c) Third lane: 21.8 lane miles of third lane have yet to be completed.

III. Noise Mitigation

The OTC is committed to working with neighboring communities that continue to express concerns regarding increasing traffic noise generated from the Ohio Turnpike.

- a) The OTC's intent is to undertake some form of noise abatement program for its neighbors.
- b) The OTC has conducted a study to explore noise mitigation techniques that could be implemented at various locations along the Turnpike corridor. The study will be followed by a pilot program to be completed in the first half of 2009 that will test the techniques identified.
- c) Noise mitigation is costly, and current revenue prohibits funding such projects.

IV. Toll Collection Method

The new vehicle classification system will change from weigh-in-motion to axle-based.

- a) Tolls are calculated based on vehicle class and distance traveled. The new vehicle classification system will classify vehicles based on the number of axles and the height of the vehicle.
- b) Axle counting is a more efficient way to classify vehicles, particularly with **E-ZPass®**.
- c) Axle-based classification will also be more adaptable to new technologies as they become available.

V. Toll Rate Incentives

OTC customers have been requesting electronic tolling. As an added customer convenience, the OTC is implementing this technology.

- a) Heavy Freight: The OTC is encouraging truckers with heavier loads to use the Ohio Turnpike rather than parallel routes. Under the proposed toll rate structure, heavier trucks will pay slightly less than truckers currently pay, while lighter trucks will pay somewhat more.
- b) **E-ZPass®** Incentives: The proposed toll rates will provide an incentive for customers to use an **E-ZPass®** transponder -- they will pay less than customers who don't use **E-ZPass®**. Furthermore, the passenger car rate for **E-ZPass®** users will not change from what it is today.

VI. Competitive Toll Pricing

The Ohio Turnpike's toll rates are among the most competitive in the country.

- a) The proposed toll rates are very competitive with the rates charged by other toll authorities in this east-west corridor, and the rates for commercial vehicles will remain among the lowest in the country.
- b) Prior to the temporary toll rate reduction in 2005, the OTC has implemented only two toll rate increases in the last 50 years.