

The Badger Institute: Value-added tolling would address Gov. Walker's concerns

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Feb. 8, 2018 – The Badger Institute and the Reason Foundation said Thursday the state should pursue tolling and offered a solution to concerns expressed by Gov. Scott Walker.

“The stars seem to be aligned for Wisconsin to join the ranks of states deciding to rebuild and modernize their Interstate highways using the revenues from all-electronic tolling,” said Robert W. Poole Jr., director of transportation policy at the Reason Foundation and author of the Badger Institute report [Rebuilding and Modernizing Wisconsin's Interstates with Toll Financing](#).

“Leaders in both houses of the Legislature representing both parties are favorable to the idea. The Trump Administration's new infrastructure plan promises to remove federal restrictions on Interstate tolling and encourage states to use toll revenue to match new federal support.”

The Badger Institute has long advocated for toll roads. Leaders of the state Senate and Assembly have now embraced tolling as a long-term solution to Wisconsin's road funding dilemma as well. Gov. Walker expressed concerns about effectively raising taxes on Wisconsin drivers, but Poole noted that Value-Added Tolling would alleviate that problem.

“Value-Added Tolling means only charging tolls once highway customers get improved infrastructure to use,” said Poole. “And it also means not charging both tolls and fuel taxes for the same stretch of roadway.”

For Wisconsin, that would mean the following:

- Implement electronic tolling to pay for rebuilding specific Interstates and interchanges;
- Begin tolling only after the new pavement and bridges are ready to open; and,
- Provide rebates of state fuel taxes to those who pay tolls in the rebuilt corridors.

“Rebates of fuel taxes are simple to calculate via the electronic tolling system,” Poole said. “This should satisfy Gov. Walker’s legitimate concerns about double-charging users.”

A policy study released today by the Reason Foundation ranked each state’s highway system by 11 different categories. [**Ranking the Best, Worst, Safest, and Most Expensive State Highway Systems — The 23rd Annual Highway Report**](#) gave Wisconsin an overall rank of 38th in highway performance and cost-effectiveness.

Badger Institute President Mike Nichols pointed out that there are no other realistic, long-term solutions to the state’s transportation dilemma.

“We need more revenue to prevent widespread deterioration of our roads,” said Nichols. “More debt is not the answer. Over 20 percent of all transportation fund revenues are already used for debt service rather than improving our roads. All told, we spend over half a billion per year just servicing transportation-related debt.”

“Raising gas taxes on everybody isn’t fair or logical either,” Nichols added. “Fuel-efficient cars already burn less gas and soon enough – when the price of electric vehicles plummets – many of us won’t be buying much gas at all. We need to wean ourselves off gas taxes, not increase them.

“All-electronic tolling is a free-market, logical, fair, modern solution. No toll plazas. No toll booths. No lines. Just better roads that get us to our jobs and back home to our families on time.”

Poole also noted that the national board of AAA (America’s largest highway user group) has endorsed Value-Added Tolling, and should be supportive of such an effort in Wisconsin.