

# A SAFER ROAD TO TOMORROW

October 2019

## Senate Federal Transportation Bill Includes Toll Credit Purchasing Program

The U.S. Senate has approved legislation to reauthorize the Fixing America's Surface Transportation (FAST) Act. The FAST Act is set to expire in September 2020, and if allowed to relapse, could endanger federal funding for state infrastructure projects. The new proposal, called America's Transportation Infrastructure Act (ATIA) of 2019, was introduced in the Senate this past July. The encroaching deadline has had lawmakers scrambling for a bipartisan solution, and while both Republicans and Democrats have agreed on the need for more surface infrastructure funding, exactly where that money should come from has been hotly debated.

The new legislation is a five-year bill with funding levels of \$287 billion – a 27% increase over current levels. Of that total, \$259 billion (90%) will be distributed through formula programs to maintain and repair America's roads and bridges. The biggest new initiative proposed in the bill is a competitive "Bridge Investment Program" authorizing \$6.6 billion over a five year period while creating a new, discretionary multi-year funding process for large bridge repair projects costing over \$100 million.

The bill also aims to streamline project delivery for faster, cheaper, and more efficient projects, while also focusing on enhancing driver and pedestrian safety. There are some new programs addressing electric vehicle/alternative fuel infrastructure and climate change, some of which will be funded through Highway Trust Fund dollars.

A key program included in the bill is a pilot program that would allow states to transfer or sell toll credits. The program was first introduced in a 2018 bill by New Hampshire Senator Jeanne Shaheen and was ultimately placed into the ATIA this year. The purpose of the pilot program is to identify the extent of the demand and the cash price of toll credits as well as test the feasibility of expanding the pilot program to all states. Up to ten states would be allowed to participate in the pilot program, and states would have to apply to the Secretary to be considered. Proceeds from the sale of a credit can be used for the construction costs of any project originating within the state.

According to NH Department of Transportation Assistant Commissioner Bill Cass, New Hampshire has a current balance of over \$200M in toll credits.

The House Transportation and Infrastructure Committee also is working on a bill to address state infrastructure funding, but it is not expected to be released until spring of 2020. To move forward, the ATIA will require the approval of multiple congressional committees in both bodies, as well as the Trump administration.

The ATIA can be found in full here: <https://www.congress.gov/116/bills/s1992/BILLS-116s1992rs.pdf>



A SAFER ROAD  
TO TOMORROW  
Safety • Quality of Life • Economic Development

### Safer Road Partners

#### Associated General Contractors of New Hampshire

The Associated General Contractors is a non-profit trade organization of general contractors, subcontractors, and industry professionals dedicated to improving industry standards.

#### NH Good Roads Association

NH Good Roads Association is a non-profit trade organization established to encourage the development of a safe, efficient and environmentally sound highway transportation system.

#### Safety and Health Council of Northern New England

The Council's mission is to educate and promote safety & health policies, practices and procedures that prevent and mitigate human economic losses arising from unintended causes.

#### NH Association of Chiefs of Police

The Association secures a close relationship among commanding officers all over the state, to encourage a cooperative relationship among all police officials.

#### NH Lodging & Restaurant Association

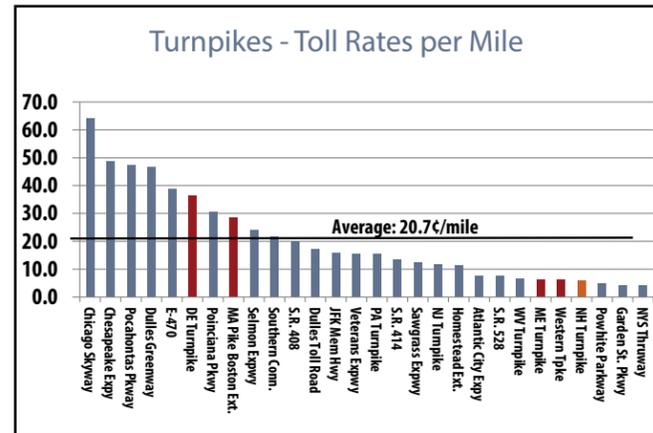
The Association is a non-partisan organization to promote, protect and educate the food service and lodging industries and to ensure positive business growth for our members.

#### Business & Industry Association

The Association is NH's leading business trade association. It advocates for business interests with state and federal legislators and

## New Hampshire's Toll Rate is 70% Below National Average

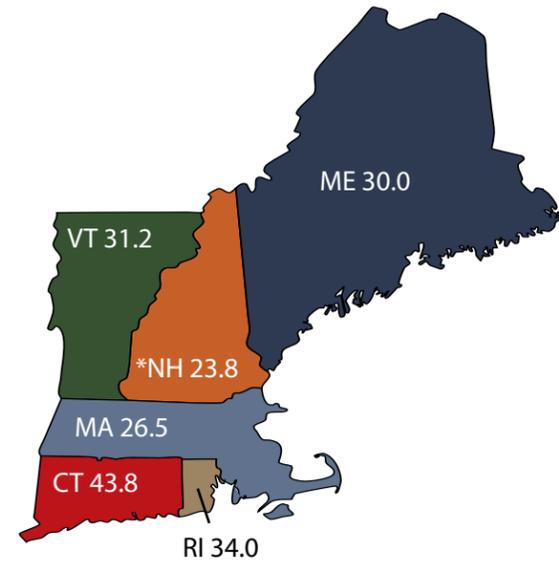
Tolls help raise revenue for the building and maintenance of our state roads and bridges, and according to data compiled by the New Hampshire Department of Transportation (DOT), New Hampshire turnpike fees are among the lowest in the country. The charts below, which appear in the department's 2019 Fact Book, illustrate the state's low toll rate compared to other state toll systems.



Turnpike- Toll Plaza	Typical Passenger Car: 2018	
	Cash	EZ-Pass
Central - Ramps	\$0.50	\$0.35
Spaulding	\$0.75	\$0.53
Blue Star - Side	\$0.75	\$0.53
Central - Mainline	\$1.00	\$0.70
Blue Star - Mainline	\$2.00	\$1.40

In addition to the low turnpike rate, New Hampshire has a relatively low state gas tax, also known as a "road toll". The state currently has a rate of 23.8 cents per gallon, along with a federal rate of 18.4 cents a gallon. According to the latest American Petroleum Institute report from July 2019, this total of 42.2 cents per gallon puts New Hampshire significantly below the national average of 54.5 cents, making it one of the lowest gas tax rates in the country. The state tax was last raised in 2014 by 4 cents per gallon, primarily to address infrastructure needs, yet it still remains the lowest rate in New England, as illustrated in the DOT's chart to the right.

New England Gas Tax/Road Toll per State (Cents per Gallon)



The NH Gas Tax/Road Toll totals 23.8 cents per gallon

- \* 22.2 cents flow into Highway Fund
- 1.6 cents are dedicated to other sources

The Federal Gas Tax Rate is 18.4 cents per gallon.  
Based on data from TaxFoundation.org

The toll rate and gas tax comparisons were among the many informative charts included in the fact book, which also highlights safety statistics, available highway funds, winter maintenance facts, and bridge conditions in the state. The full booklet can be downloaded by visiting the NH DOT website at <https://www.nh.gov/dot>.

## Report Ranks New Hampshire as 17th Worst Road Infrastructure in Nation

Insurance website QuoteWizard released a report in September on states with the worst road infrastructure. The company used Federal Highway Administration (FHA) data to rank states on overall quality of road infrastructure. Rankings were determined by a composite score based on a state's rating in percentage of poor condition roads, annual cost per motorist from roads in need of repair, and percentage of structurally deficient bridges, with number 1 having the worst overall road infrastructure and number 50 having the best overall road infrastructure. Also included, but not part of the ranking factors, is the percentage of state highway spending on road repairs to show which states are addressing the problem.

New Hampshire was placed at number 17, with:

- 25% of roads in poor condition
- \$525 average cost to motorists per year
- 10 structurally deficient bridges
- 45% of spending on road repairs

Most of New England was ranked around the bottom, with Rhode Island coming in at number 1. Connecticut was ranked number 12, Massachusetts was 15, Maine was 16, and Vermont was among the better states coming in at number 43.

The report showed the following key findings:

- Oklahoma and West Virginia followed Rhode Island as worst infrastructure rankings
- Tennessee, Georgia, and Florida were ranked best in nation for road infrastructure
- The top ten states with the worst infrastructure cost drivers an average of \$752 annually due to poor road conditions
- The top 5 states with the worst infrastructure spend below the national average of 30% on road repairs

QuoteWizard argues, "Taxpayer-funded highway capital delegated for states to maintain roads isn't enough to cover necessary repairs. Many states are spending the majority of their highway capital on expansion instead of maintenance of roads." The report summary goes on to say, "While analyzing FHA data, we found a correlation between states that use funds to maintain roads and states that rank well overall for road infrastructure. States with poor road infrastructure had higher costs per driver and typically poor road conditions across the board."

The report summary and full list of state rankings can be found here: <https://quotewizard.com/news/posts/states-with-worst-infrastructure>

## NH House Public Works Committee Hears Testimony on Road Usage Fee & Gas Tax Bills

On September 4, the House Public Works Committee heard testimony from Representative Norm Major regarding retained House Bill 478, which would implement a road usage fee. There was considerable discussion by the committee on the formula itself and whether fee calculations should be based on averages or more exact data pertaining to mileage and vehicle types. No groups spoke in opposition to the bill and most of the committee appeared in favor of some form of road usage fee. The NH Department of Transportation (DOT) reported on the federal grant they received to study a road usage fee that would combine EPA fuel efficiency ratings with automotive data to calculate each vehicle's fee. That portion of the grant is expected to be completed by the end of the year. The committee has until November to make a report and recommendation to the full House. Meanwhile, the state continues to borrow money from the general fund to balance the highway program, and the legislature is aware that they have underfunded the snow plowing budget by approximately \$4.5 million.

House Bill 538, which would raise the state gas tax by six cents, was also retained by the committee back in February. The committee will vote on the bill in late October.



A Safer Road to Tomorrow  
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## ***NH DOT Releases Annual Report***

Every year, the NH Department of Transportation (DOT) releases an annual report for the past fiscal year. The report provides a budgeted account summary and highlights of the department's efforts. In addition to the annual execution of the State's Ten Year Transportation Improvement Plan, the report details how and where funds have been invested to maintain and improve New Hampshire's roads, bridges and the entire transportation network. The report is organized under two major sections – the Department's Operating budget, and the Municipal Aid and Construction programs.

The Operating budget includes all aspects of running the agency including staffing, maintenance, design, fleet management and administrative costs. The Municipal Aid and Construction section reflects financial resources provided to Cities and Towns and construction expenditures for transportation improvements. Annual expenditures are summarized within these sections by division, program and work unit, along with accompanying performance measures and major accomplishments.

The full report can be found on the departments website at: <https://www.nh.gov/dot/media/publications.htm>

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