

Indiana Toll Road rates going up

Deal to raise truck fees to net state \$1 billion

NIKI KELLY | The Journal Gazette

INDIANAPOLIS – Indiana Toll Road rates will jump significantly and the state will receive \$1 billion over three years to put into trails, broadband, roads and flights.

Many applauded the move Tuesday, but the trucking industry is not happy with the surprise announcement affecting current contracts and business costs.

“Today we're sending a big message to the world that Indiana is making a huge investment in our quality of life and for those who aspire to join us,” Gov. Eric Holcomb said when announcing his Next Level Connections program Tuesday.

Gary Langston, president of the Indiana Motor Truck Association, said the industry understands the need for quality infrastructure and supported the legislature raising taxes last year leading to Indiana having the fourth-highest diesel fuel tax nationwide.

“It's shocking the state would make this decision without considering the impact on us,” he said. “We were given no opportunity to plan for it or work with customers.”

Langston said the increase purposefully doesn't affect passenger cars because state officials know the general public wouldn't stand for it.

“But every time transportation costs go up it impacts the costs of goods,” he said. “We will all be paying for it.”

The majority of the new money, about \$600 million, will go to accelerating the completion of the Interstate 69 section between Martinsville to Indianapolis. Instead of being completed in 2027 it will be finished in 2024.

The rest will be spent as follows:

- \$100 million will be used to offer grants to providers to bring affordable high-speed fiber optic broadband access to unserved or underserved areas of the state.
- \$90 million will fund a grant program for local and regional trails, with an emphasis on connecting between cities, towns and counties with existing trails.
- \$190 million for improvements to U.S. 20 and U.S. 30 and new interchanges on U.S. 31.
- \$20 million to establish additional international nonstop flights to and from Indianapolis.

In addition, INDOT is separately agreeing to add millions for highway trash pickup and mowing.

“Today's announcement underscores Gov. Eric Holcomb's commitment to making our state an attractive destination for workers and businesses alike,” House Speaker Brian Bosma said. “I look forward to working with the governor to help build connections for all Hoosiers through supporting strong policies that solidify Indiana's position as the economic powerhouse of the Midwest.”

Holcomb said the broadband investment will make sure Hoosiers living in rural Indiana have access to high-speed, affordable internet. And he said he looks forward to walking his dog, Henry, on new hiking and biking trails.

Tom VanParis, CEO of Indiana Electric Cooperatives, said the “announcement further demonstrates Gov. Holcomb's commitment to eliminating the 'haves and have-nots' and to reshaping how this vital service is made available to all Hoosiers, regardless of location.”

The new spending is only possible because of a major change in the Indiana Toll Road Lease. Under the current lease, the Indiana Toll Road Concession Co. is allowed to raise toll rates the greater of 2 percent or inflation annually. The amendment the Holcomb administration negotiated will increase the toll rate for vehicles with three or more axles – not passenger cars – by 35 percent starting Oct. 5.

That means a Class 3 vehicle – a small dump truck for example – would now pay \$22.04 from border to border – up from \$16.33. A four-axle vehicle – such as a pickup truck with a trailer – will jump from \$34.04 to \$45.96. A five-axle vehicle – most commonly a semitractor-trailer – would jump from \$44.46 to \$60.02.

State officials refused to say what the Indiana Toll Road Concession Co. is expected to receive in new revenue. An email seeking comment from the company was not returned.

Holcomb said the company will start paying the state in October while taking on the risk that traffic counts will remain steady and revenue will grow.

He also said the state hired an outside consultant to assess the change and he is confident that “Indiana got a good deal.”

The agreement still has to be finalized by the Indiana Finance Authority at its Sept. 20 meeting.

Negotiations started about a year ago when the ITRCC approached the state about raising toll rates to be more competitive with other toll roads.

According to the governor's office, even after the one-time increase, the rate per mile will remain lower than nearly all other similar roads across the country.

In Class 5, Indiana rates would be higher than Ohio, New York and Florida toll roads but lower than Illinois, Pennsylvania, Virginia and North Carolina toll roads.

Langston said most trucking contracts are done a year in advance and the long-term Indiana Toll Road lease has allowed companies to figure in fixed increases every July. But this new hike is coming out of the blue, he said, even though state officials have been working on it for a year.

Democratic Rep. Pat Bauer of South Bend said the new hike comes on top of the 10-cent gasoline tax increase passed by the Republicans last year. Another penny was added in July of this year and another penny will be added next year.

“It is time that Gov. Holcomb and his Republican majorities learn to live within their means and stop increasing taxes every year on Hoosiers and Indiana businesses, like those in the trucking industry and those who depend upon the trucking industry,” he said.

“The other thing that is bothersome is that the Holcomb administration will not say how much additional revenue the private company running the toll road will make off this rate hike. For a governor who prides himself on transparency, he is intentionally muddying the water by not coming clean on the details of this proposal.”

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