

State to receive \$1 billion in exchange for allowing higher truck tolls on Indiana Toll Road
Dan Carden, NWI Times
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MARTINSVILLE — Gov. Eric Holcomb announced Tuesday that the state will invest an additional \$1 billion in its transportation and technological infrastructure over the next six years, including \$190 million to improve U.S. highways 20, 30 and 31 in northern Indiana.

The money is coming from a one-time deal with the Indiana Toll Road operator, who has agreed to pay \$1 billion in exchange for permission from the Indiana Finance Authority to hike tolls by 35 percent next month on commercial trucks and other heavy vehicles.

The Republican chief executive said the toll increase, set for IFA approval Sept. 20, mostly will affect semi-trailer operators traveling the state-owned, but privately operated, tollway that runs for 156 miles between Illinois and Ohio across Indiana's northern border.

He said tolls for passenger cars will not change under the plan.

"The majority of the traffic is from out-of-state," Holcomb said. "We're capturing other people's money."

The governor declined to specify how much the Indiana Toll Road Concession Co. stands to make as a result of the toll hike during the 63 years remaining on its 75-year lease of the tollway that often lost money when it was under state control.

Typically, Toll Road rate changes are limited to annual inflation-level adjustments.

Holcomb explained that the Toll Road operator last year approached the state seeking a significant hike on all vehicles. He said Indiana and Toll Road officials worked in secret over the past 12 months to craft the best possible deal for the state and Hoosier motorists.

"We did have a third party assess this deal and I was assured this is a good deal for the state of Indiana," Holcomb said.

The governor's staff denied a request by The Times to review that assessment.

Holcomb insisted that in any case all the risk is on the Toll Road operator to continue attracting users, while the state gets to enjoy a windfall simply for permitting a truck toll increase.

"Keep in mind that our tolling structure here in the state of Indiana is well below market rate, and will remain so even after this increase," Holcomb said.

"But making this adjustment puts us more in line with our neighbors, and allows us to make this unprecedented investment to improve the quality of place and quality of life all over the state of Indiana."

'Next Level Connections'

Nearly one-fifth of the revenue generated by the deal, dubbed "Next Level Connections," will stay in northern Indiana and be used through 2023 to resurface pavement, improve bridges and build new interchanges along U.S. Highways 20, 30 and 31.

Holcomb said the goal is to make U.S. 31 from South Bend to Indianapolis of interstate quality, by eliminating all intersections and stoplights, and to also begin working toward that standard on U.S. 20 and U.S. 30.

However, the bulk of the funds, or approximately \$600 million, will be allocated to speed the final leg of Interstate 69 construction between Indianapolis and its suburb of Martinsville.

The prior expected completion date for the southwestern Indiana highway link was 2027.

The money from the new Toll Road deal will enable the state to finish the project by 2024, with greatly reduced financing costs, according to the governor's office.

A significant chunk of the original \$3.8 billion Toll Road lease also went toward construction of I-69 between the Ohio River city of Evansville and the Crane naval base south of Bloomington.

Holcomb rejected the contention that Region residents once again are being asked to pay higher tolls to construct far-off highways that few Northwest Indiana motorists ever will drive on.

"This is an Indiana asset that will benefit all of Indiana," Holcomb said.

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Indeed, beyond I-69, the Next Level Connections plan dedicates \$100 million to bring high-speed internet access to unserved and underserved areas of the state, which Holcomb noted generally includes southern Lake, Porter and LaPorte counties, and nearly all of Newton and Jasper counties.

Another \$90 million will go toward promoting the development and interconnection of hiking, biking and riding trails throughout the state, with a goal of having a trail within five miles of every Hoosier by 2020.

In addition, the state plans to spend \$20 million to subsidize more international direct flights from Indianapolis in the hope of making the highly-rated capital city airport more competitive with the international airports in Chicago and Detroit.

It also expects to be able to increase spending on highway mowing and trash pick-up, and to continue assessing the possibility of a fourth state port at Lawrenceburg.

Separately, the Toll Road operator has pledged to spend \$50 million over the next three years to increase truck parking capacity at travel plazas and to improve safety signage, on top of the more than \$300 million in pavement, bridge and travel plaza improvements it has completed since 2016.

"Long gone are the days for Indiana where we kicked the can down the road," Holcomb said. "Now, we're literally building the road, ahead of schedule and under budget."

House Speaker Brian Bosma, R-Indianapolis, and Senate President-designate Rod Bray, R-Martinsville, both praised the deal and the governor's plan to spend the money — even though Holcomb said it does not require General Assembly approval.

"Ensuring our state has sound transportation and broadband systems is key as we work to continue attracting businesses and talent to our state, and I applaud the governor's focus on this important issue," Bray said.

At the same time, former House Speaker Pat Bauer, D-South Bend, condemned the deal as "another tax increase," on top of Holcomb's annual fuel tax hikes, that will result in higher prices for Hoosiers as the cost of the new truck toll rates are passed along to consumers.

"Taxing one industry that uses the Toll Road in northern Indiana in order to support the various needs of other parts of the state is ridiculous," Bauer said.