

The Future of Rhode Island's Infrastructure Funding

How We Got Here:

In 2015, Governor Gina Raimondo introduced truck-only tolling as part of her Administration's RhodeWorks program. The scheme was sold to the public and General Assembly to avert a safety crisis brought by statewide bridge deficiencies and one that could only be solved through an additional layer of funding beyond traditional means such as fuel taxes. Rhode Island exercised its right to toll overpasses under the Federal Highway Administration (FHWA) interstate bridge exemption rule that allowed tolling of certain structures on the interstate network which commanded an extra layer of funding. Structures such as bridges and tunnels have often been considered for these exemptions. Armed with that very narrow interpretation of the bridge exemption, the initial RhodeWorks program sought to impose tolls statewide on commercial vehicles Class 4 (typically a delivery van or landscape stake body) and higher classes to include tractor trailers by placing gantries in proximity to highway bridge overpasses. This legislation was held back by then Speaker Nicholas Mattiello citing concerns over the punitive burden the tolling scheme would place on Rhode Island businesses operating commercial vehicles or that are reliant on commercial vehicles to conduct business. The program's intent was to gain additional revenue from trucks passing through Rhode Island on the interstate who were believed to be 'getting a free ride' and 'doing all of the damage', points that have been effectively refuted.

In 2016, a revised version of RhodeWorks was introduced that narrowed the approach to specifically target only tractor-trailer combinations (class 8 commercial motor vehicles) for tolling thus exempting all other vehicles from tolling. This version also included a series of daily aggregate, interstate corridor and per gantry, per vehicle, per direction, per truck caps on the tolls charged to alleviate the financial burden on local companies relative to out-of-state plated companies. On an important side note, Rhode Island's leaders proposed several 'relief' measures to lessen the impact on local commerce such as tax credits and reduced registrations which were both deemed as potentially discriminatory due to the local nature of the relief. For example, a 50% reduction in registration fees for R.I. registered commercial vehicles meant that all interstate commercial vehicles traversing Rhode Island's roadways were eligible for the discount because unlike cars, interstate trucks are registered in every state via the Interstate Registration Plan (IRP). This reciprocity program means that each state (and Canadian province) receives apportioned registration fees (and fuel taxes under a similar reciprocity agreement) at the state's rate in accordance with a vehicle's miles traveled in each jurisdiction. In other words, the narrative bolstered by tolling proponents that out-of-state trucks get a free ride is/was entirely flawed. The short-lived 50% registration fee discount program was then abruptly halted upon acknowledgement the state would see a significant reduction in registration fee revenue from the same interstate motor carriers in the cross hairs of the RhodeWorks tolling ploy. To exclude apportioned registrations from the proposed registration relief plan would have been blatantly illegal and unconstitutional.

Ultimately, the truck-only toll legislation was passed in 2016, and the first tolls were collected in June of 2018. The American Trucking Associations (ATA) filed suit in federal court later that year and a decision was rendered by Judge William Smith in September of 2022 ruling that truck-only tolls were unconstitutional. During the period between 2018 and 2022, some \$100 million dollars was collected from trucking companies and Rhode Island businesses operating commercial vehicles.

Those illegally collected tolls remain a matter of interest to a group of carriers who seek to recoup their losses through legal means.

In December of 2024, the First Circuit Court of Appeals upheld that the current version of the legislation, as written, was unconstitutional and could only be made legal by the removal of the caps. This has cleared the way for tractor-trailers to be tolled exclusively should Rhode Island's current leadership decide to reactivate the tolling gantries. ATA, meanwhile, is weighing all legal and regulatory avenues and has also petitioned for a return of its legal fees due to the court's decision deeming the truck-only toll program as unconstitutional.

The Damage Myth

RhodeWorks was based on the false narrative that trucks are responsible for Rhode Island's infrastructure woes. However, the legislation as written carves out the heaviest, one-unit trucks that, by the Federal Highway Administration (FHWA) engineering standards exert the most weight due the short wheelbase and fewer axles. While a tractor-trailer can legally weigh up to 80,000 lbs., the average tractor-trailer weighs far less (according to the EPA, the average tractor-trailer combination weight is about 35,000 lbs. and over 90% of rigs weigh less than 73,000 lbs. fully loaded) and that weight is dispersed across 4 to 5 axles. A single unit dump truck with 3-axles on a 28–30-foot wheelbase weighs 76,400 lbs. with a Rhode Island Department of Transportation (RIDOT) issued overweight permit. Rhode Island issues, for a fee, an annual divisible overweight permit for trucks weighing up to 104,800 lbs., far more than the federally allowed 80,000 lbs. The "State of Rhode Island Comparative Revenue Report" shows the state derives \$3 million dollars annually from divisible load permit fees, overweight and oversize load permit fees. Where that money goes is unclear. While it is common for states to offer these permits for a fee, it is hypocritical at best for RIDOT to issue these permits for revenue generation while, at the same time, blaming trucks for bridge deterioration.

Bridges carry FHWA approved weight limits that can last indefinitely, e.g. not contribute to fatigue degradation, unless the following factors contribute to their deterioration:

- Poor design
- Poor construction and oversight
- Deficient maintenance
- Excessively overloaded trucks

For decades, Rhode Island had NO bridge maintenance programs, which ultimately led to the deterioration of the bridges throughout the state.

RIDOT Today:

RIDOT should be commended in many ways for its accomplishments over the past decade. Most notably, as attested to by Director Peter Alviti in his February 13th oversight hearing, the agency has solved its funding problem having replaced nearly 300 bridges and now having the resources to fund the new span of the Washington Bridge. The agency has expended \$4.8 billion dollars over the past eight years and now commands an annual budget nearing one billion dollars (see RIDOT's 2016-2024 budget).

While those are positive steps, this agency has historically lacked accountability for its shortcomings. In 2015, after decades of neglect of RI's bridges, it pivoted to identify a convenient

scapegoat in trucking as the root cause of the problem. Fast forward ten years, the agency, in the wake of the failure of the eastbound Washington Bridge, they again pointed the finger first at trucks and later at the contractors who worked on the bridge. The demise of this structure occurred under their watch. A full audit and detailed analysis of RIDOT must be conducted in terms of its efficiency, practices and current financial needs prior to any increased funding. Simply funding this agency 'in perpetuity' on the backs of Rhode Island's businesses and consumers is neither appropriate nor acceptable.

The Impacts of Removing the Protective Caps:

The inclusion of protective caps in the final version of the RhodeWorks legislation was a promise made with the state's business community and important to its passage in the General Assembly. Clearly, legislators in 2016 responded to the concerns of those engaged in local commerce and supply chain that the current structure of the scheme would levy repeated tolls to local trucks that were unsustainable. Most notably, the \$40 maximum daily cap gave predictability and protection to carriers and the per gantry caps ensured that repeated trips on commonly used interstate routes would not be overly burdensome to the local companies. We now know that the caps are unconstitutional which should render the program null and void.

If the plan were to go forward as is, here are some statistics that illustrate the burdens to local trucks with the removal of caps:

- With caps in place, RI trucks would pay \$393,013 per month. Removal of caps would cost 23% more, or \$118,146 per month (\$1.42M annually).
- In total, with caps lifted, RI trucks would pay \$511,159 per month (\$6.13M annually).
- The average toll for RI trucks would be \$4.07. Again, that's 23% higher than with caps.
- Because the I-95 through trip toll cap was set at \$20, and the toll rates at gantries on that route totaled below \$20, the caps didn't apply. Nor did the \$40 daily cap apply since a single round trip is below \$40. Lifting the caps would primarily affect trucks making deliveries to and from RI locations. This conclusion is backed up by the Louis Berger study, which found that only 6% of tractor-trailer trips are through trips. Therefore, at least 94% of the costs of lifting the caps will be borne by RI businesses.
- As an illustration, the analysis identified one truck that accumulated over \$218 in tolls in a single day but paid \$40 based on the daily cap. Removing the cap would have a major impact on commerce in RI and the cost of goods and services would increase exponentially.

The initial intent of RhodeWorks was, as previously noted, to collect tolls from interstate carriers passing through on our state's highways. Clearly, this theory was ill-conceived as only 6% of tractor trailer trips are 'through trips' shifting the burden to trucks deliveries in and out of Rhode Island. The fact that 94% of the uncapped burden will be borne by our local businesses has very serious consequences as follows:

- The costs of repeated and excessive tolls will be passed along to the consumer increasing our state's cost of living
- These costs will adversely affect Rhode Island's competitiveness in attracting new businesses
- Existing businesses will leave and/or realign their freight volume
- Carriers would have a financial incentive to avoid the tolls by diverting trucks away from the interstates and onto local roads (which trucks are legally permitted to do) that, unlike

interstates, are not designed to handle this type of traffic thus accelerating road degradation, increasing road maintenance costs for localities, increasing congestion on local roads, and heightening safety concerns.

Without caps, the daily, per truck cost escalates to an unsustainable level. In real time, one Rhode Island carrier has projected \$42 in tolls per round trip between Johnston and East Providence (Plainfield Pike @ \$6.50, Rte. 6 @ \$5.00, Seekonk River Bridge @ \$9.50). With 10 trucks on this route doing 7 trips per day, the cumulative cost incurred by this carrier escalates from \$400 per day to \$2870 per day.

Alternatives to Tolling:

The trucking industry and commercial vehicle operators currently contribute to Rhode Island's infrastructure paying and estimated 24% of all revenue generated despite representing only 6% of the current usage. Our industry has never shirked its financial responsibility, and, despite a decade of unprovoked challenges and difficulty, our Association remains open to discussing increased contributions through existing mechanisms that are more efficient, reliable, easy to collect, equitable, and comprehensive of all heavy-duty commercial users. They are as follows:

- Increase the Diesel Tax (See the American Transportation Research Institute (ATRI) Annual State Highway User Taxes Report)
 - Rhode Island's diesel tax rate currently stands at 37 cents which ranks our state as #41 of 50. California ranks 1st with the most expensive diesel tax rate of \$1.023, while Alaska ranks 50th at 9 cents as the least expensive.
 - Diesel tax is paid for at the pump by Rhode Island commercially registered vehicles while International Fuel Tax Agreement (IFTA) registered trucks pay to the states, the fuel tax rate per mile based on the state they drive in regardless of where they fill up. Hence, Rhode Island receives the appropriate fuel tax funding from every truck that travels within or through Rhode Island whether it is at the pump within our state or through their IFTA reporting. (The International Fuel Tax Agreement (IFTA) is a fuel consumption tax agreement among states and Canadian provinces to simplify the reporting of fuel used by interstate/inter-jurisdictional motor carriers.
 - An increase in the diesel tax would increase the state funding equal to the miles traveled and consumption by all users. The annual increases or benefits can easily be calculated by the state budget planners based on historical data of diesel taxes. With an already low ranking, there is ample room for an increase while, at the same time, collection and remittance of fuel tax is already in place with far less administrative and any cost increase will go directly to the Transportation Trust Fund and will be available to RIDOT and the State to be used for infrastructure projects, maintenance and repairs.
- Truck Registration Fee Increase
 - An increase in both Rhode Island heavy duty commercial registrations and IRP-apportioned registrations by interstate carriers will generate additional revenue for the Highway Trust Fund
- Overweight Permit Fee Increases

- A significant number of carriers – both interstate and intrastate - operate under the privilege of RIDOT-issued oversize and overweight permits. These fees net the state several million dollars. A modest increase in these fees, if they remain dedicated to bridges, would be appropriate and acceptable.
- Enforcement & Fines Increased
 - Armed with the latest technology, Rhode Island's enforcement community can now better identify grossly overweight carriers who abuse their permit privileges and contribute to bridge damage. An increase in the existing fine structure will provide additional resources and should be dedicated to bridge maintenance and repair.
- Zero Emission Vehicle (ZEV) Fees
 - Non-fuel consuming commercial vehicles can be assessed an initial fee at registration and annually for their road usage

Conclusion:

Trucking is the circulatory system of Rhode Island's economy. Twelve toll gantries in just over a 1000 square mile economic zone are the equivalent of supply chain cholesterol that makes Rhode Island less healthy and prosperous. Twelve uncapped toll gantries are the plaque in the arteries that cause a systematic failure to our supply chain, undermine our existing base of business, and thwart outside investment. A prominent Rhode Island retailer has recently stated that tolls increase the cost of everything shipped into, out of, and within Rhode Island.

Truck-only tolling is bad policy. The cost of reactivating the gantries will be significant and will take money from the funds needed to repair and maintain the roads. Tolls are permanent, expensive to collect and less efficient than the current fuel taxes. Utilizing one or some of the alternative funding options suggested above would be more efficient, nimble and predictable revenue tools that would both reinvigorate Rhode Island business owners and send a strong message that Rhode Island is, in fact, healthy and open for business. At best, toll revenue projections amount to a mere pittance of RIDOTS' growing and robust budget. After diversion around gantries, evasion of payment, ongoing fees and maintenance costs, and ongoing legal fees, this yield diminishes exponentially making the predictability of other sources more attractive and on par with toll revenue.

Truck tolling was conceived out of a financial need that no longer exists and to appease the special interests related to one state agency. Given the current fiscal health of RIDOT, the decision to impose tolls at this juncture is not necessary.

Rhode Island's leaders are, once again, openly discussing ways they can help our businesses offset the impact of tolls. Thus far, all attempts to do so - tax credits, truck registration discounts and, most notably caps, have all been determined by the courts as unconstitutional and impeding interstate commerce. The state cannot pass out relief to locals to offset financial burdens brought on by a program that impacts interstate commerce. Any attempts to do so will, no doubt, be met with legal action.

As I conclude this, the U.S. Secretary of Transportation is terminating New York's congestion pricing scheme - another tolling program that tries to circumvent the intent and spirit of the interstate

bridge exemption, asking users to pay for bridges and tunnels they have already paid for, and adversely affecting commerce. Regardless of the recent legal decision and partial reversal, it is very clear that the fate and future of schemes such as Rhode Island's truck-only tolling scheme will continue to play out in the legal and regulatory arenas.

Our industry and membership appreciate the opportunity afforded to us to share our perspective. This juncture affords us a fresh opportunity to close a dark chapter and set a new and collaborative course for sustained and equitable infrastructure funding using the proposed mechanisms. To that end, the greater good of our state would be best served by permanently ending truck-only tolling.

We stand together ready to support the infrastructure investments needed to protect and maintain the safety of our roads and bridges (our daily workplace) with one or several of the alternative mechanisms we suggested. Each of the revenue estimates can easily be calculated and will go directly to the transportation trust fund to help sustain and improve Rhode Island's infrastructure.

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Trucking's Economic Impact In Rhode Island (See RI Trucking Fast Facts):

Trucks move America and Rhode Island. We have 'Nothing Without Trucking'. The contributions of the industry beyond these core observations are many:

- There are 3950 trucking companies in Rhode Island – mostly small businesses operating trucks to sustain and perpetuate their business
- Trucking employs almost 19,000 Rhode Islanders or 1 in 23 jobs in the state
- Trucking wages exceed \$1 billion dollars annually
- 87.7 % of goods are shipped by truck in Rhode Island
- 98.4% of our state's manufactured goods are shipped by truck

The Financial Contributions of Trucking to Rhode Island's Infrastructure:

Throughout the decade-long debate over truck-only tolls, attempts at minimizing what the industry pays fell flat when these facts were provided. The trucking industry pays nearly one quarter of all road taxes owed by Rhode Islanders despite representing less than 10% of the vehicle miles traveled in the state. The combined federal and state roadway taxes paid are over \$60 million annually.

Summary of the federal highway user taxes paid by commercial vehicles:

Federal diesel tax of \$0.244 on 16,000 gallons	\$3904
Federal heavy vehicle use tax on an 80,000 lb. combo	\$550
Federal 12% excise tax on a \$200,000 purchase price, (\$150,000 Tractor, \$50,000 Trailer) (amortized over 4 years)	\$6000
Federal tire excise tax on 4 tires, (max weight at 6,175 lbs, - 3500 lbs, *[9.45 cents for every 10 lbs]) (18 per year but assuming the other 14 are untaxed retreads)	\$102
Total: \$10,556	

As exhibited above, a typical five-axle tractor-trailer pays \$10,556 annually with an additional \$6,964 in state taxes paid for a total of \$17,520 per truck (see ATRI Annual State Highway User Taxes). Included in these amounts are diesel taxes paid through the International Fuel Tax Agreement (IFTA) and registration fees paid through the International Registration Plan (IRP) as Rhode Island receives apportioned payments for each mile travelled in Rhode Island. It should be noted that Rhode Island ranks nationally as 41st in fuel/diesel tax rate and 16th in registration fees.

To summarize, trucks disproportionately pay more than their fair share through the current mechanisms in place.