

**Title:** “Toll Pricing in Texas: Adjusting to a New Paradigm in Transportation”

**Author:** Cal y Mayor, Mexico; and CandM Associates, Dallas, Texas. **Speaker:** Oscar Correa

**Case Study:** Texas Turnpike Authority’s New Toll Road Regulatory Frames

**Structure of Paper:** see abstract, below.

**Structure of Lecture:** Oral presentation by Oscar Correa, aided by Power Point visual aids.

**Commitment:** the authors and speaker commit to, duly registered, attend the seminar.

**Language of paper and talk:** English. **Time:** 30 Minutes

**PAPER’S ABSTRACT:** The user’s price paid to utilize transportation infrastructure is directly or indirectly transferred to select cohorts of the population in diverse ways. This paper will explore the relationship of novel price-transfer mechanisms vis-à-vis the user’s perception of such new fee in the context of the state of Texas’s ambitious plans for its highway infrastructure in the twenty first century. From a technical, fiscal, and social viewpoint, the paper will explore the significance for users of the unavoidable changes in taxing / tolling systems that will accompany the state’s plans.

Identifying existing fiscal sources that typically fund transportation infrastructure projects, the paper will identify current and expected shortfalls, and the consequences for the welfare of the population. The government’s mandate to provide viable transportation infrastructure for its citizens is, today, severely confronted by shortages in available funds and lives at the center of a fluid context where shortages, on the one hand, and the availability of new technologies, on the other, have prompted innovative mechanisms—and business models—that tend to increasingly integrate the private sector in the financing, construction and operation of highways and other modes of transportation. Public / private business models for the provision of public services have not come without criticism, and lessons have been learnt from past negative experiences as well. It is however, generally accepted that, a greater intervention of private capital and expertise in the provision of transportation means is necessary. In Texas, new business models have been devised, if not completely, partially, by establishing seminal regulatory frames and programs that allow for flexibility in the development of what Silvia Moreno, of the Washington Post, has called “the most ambitious highway project since the Eisenhower administration introduced the interstate system in the 1950s.”

Inevitably, end-users—riders, drivers, indirect users—will ultimately feel the impact of such plans as most strategies tend to focus pricing on the user, as directly as possible, and not on the population (or sub-population, as in the case of gasoline taxes) at large. These strategies will be differently perceived by users, analysts, commentators, policy makers, and the citizenry. From Main Street to Wall Street, communities will be affected, as they share the benefits, and costs and risks. Other dimensions of the debate touch on environmental, socioeconomic (e.g., property rights—purchase of ample Right of Way), and the most obvious the direct (toll) costs to the users. Other U.S. states and industry practitioners are “watching” this novel transportation paradigm, naturally awaiting results. Grassroots opponents have also voiced their concerns, on grounds that include the trampling over property rights and the loss of local business.

The sheer scope and complexity of the plans is bound to have international reach as well. The Trans-Texas Corridors, as these mega-highways are known, play a direct role in the movement of goods between the U.S. and Mexico. As such, the impact on communities along the border, and on the border population as a whole, is real.

Based on the pertinent new Texas regulatory frame (and related fiscal normative), and on the specific technical character of the new transportation supply and other cost components, the paper will comment on their relationship to users (payers), to their voice and vote, and to how this debate may affect the mechanisms by which the final future pricing of transportation in the state of Texas is developed.