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COMMENTARY

Life in the Slow Lane

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Americans are going to be driving on toll roads a lot more in the years ahead. One of the least pleasant experiences of this form of travel is the toll booth. But it doesn't have to be this way. We can, if we want, get rid of every toll booth and toll plaza in the country.

Technology is leading the way. First came windshield-mounted transponders, like the Northeast's E-ZPass, Florida's SunPass and California's FasTrak. Transponders were first introduced merely to speed up passage through toll booths. Then engineers figured out they worked fine at highway speeds, and that plazas could be eliminated for "open-road" tolling of vehicles with transponders. Only cash-payers, off to the side, would have to queue up. This transformation has been completed on the Illinois Tollway system and is under way on Florida's Turnpike and a number of others.

Engineers are now developing new toll roads from scratch that are entirely cashless. On the Melbourne CityLink in Australia and the new toll motorway system in Santiago, Chile, you either pay by transponder, or you call in and register your license-plate number for certain days when you plan to use the toll road. They bill you when their video cameras pick out your plate number.

And in Toronto, Canada, you can drive onto Highway 407 with no transponder and no reservation. They will simply video your license plate and send you a bill. The 407 has had this system since 1997. It is one of the world's most successful new toll roads.

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Why do away with toll booths? No more delays, accidents and pollution caused by long lines of waiting cars. No more need for large swathes of land for toll plazas, making it possible to fit toll roads into tight corridors where congestion relief is needed. Lower payroll costs, no buildings and no cash "shrinkage" (i.e., theft) by collectors.

Today there are only a handful of no-cash toll roads in the U.S. The half-dozen high-occupancy toll lanes now operational in California, Colorado, Minnesota, Texas and Utah are all cashless, as they have to be to make use of market pricing, with toll rates changing to reflect periods of higher and lower demand. So is the recently built Westpark toll road in Houston and Tampa's new elevated express toll lanes on the crosstown expressway. Several new toll roads in Texas are being

planned as cashless, and so are planned HOT lanes in northern Virginia, Miami, Dallas and elsewhere. But I've been able to identify only two existing toll-road systems that have made firm plans and set deadlines for getting rid of all toll booths: the North Texas Tollway Authority in Dallas and the Miami-Dade Expressway Authority.

Why isn't everybody doing this, since the technology works and has been proven overseas? There are legitimate concerns to be weighed. Unless the toll road already has high transponder market share, some fraction of cash customers may simply stop using the toll road if the cash option is eliminated. There are also real costs (staffing and technology) involved in video license-plate recognition and billing. And there is the problem of what to do with all the now-redundant toll collectors, especially if they are unionized.

It is not coincidental that the pioneers in cashless tolling have been investor-owned toll road companies: the 91 Express Lanes in California, Highway 407 in Toronto, the Cross-Israel Highway, the Melbourne CityLink and Santiago's toll motorways. All of these cashless toll roads were developed by private companies under long-term public-private concession agreements.

It is also not coincidental that the public-sector toll agencies in Florida and Texas going cashless are among the most businesslike and entrepreneurial, in a public-sector industry that has historically been very conservative and in some states highly politicized.

To a company whose business is offering its customers high-quality mobility (and to public toll agencies that think and operate like businesses), going cashless and boothless is a no-brainer. One of the very first actions taken by the companies that leased the Chicago Skyway in 2005 and the Indiana Toll Road in 2006 was to introduce electronic toll collection.

Elsewhere one can sense the first stirrings of change. In recent weeks, the Port Authority of New York & New Jersey, the Massachusetts Turnpike Authority and Denver's E-470 toll agency have all announced studies of going cashless. The new North Carolina Turnpike Authority is seriously considering developing its new toll roads without any toll booths or plazas.

I'm confident that the growing number of private-sector toll companies can be counted on to put their customers' interest first, by eliminating cash tolling. Since most U.S. toll roads are still operated by public-sector agencies, however, voters should demand that they phase out toll booths and toll plazas by a date certain -- a decade from now should be plenty of time.

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