ABSTRACT

The purpose of this paper is to provide historical background on the gradual diversification of governance structures among toll facilities in the United States. This paper addresses the following questions: what is the general historical trend of toll facility developments in the United States, what are socio-economic factors driving the development of transport infrastructure, especially the development of toll facilities, during the pre-interstate era between 1890 and 1956, why did states start building toll facilities in 1980s, what are some major regulatory changes on tolling at the federal level since 1991, and finally what explains the expansion of private investments in transport infrastructure projects since 1991.

In the United States toll facilities, also called turnpikes, have been in use since the 19th century. However, turnpikes did not gain broader popularity until 1940, when the construction boom began in the states and the Pennsylvania Turnpike, the first high performing toll road, opened. The toll road construction boom slowed after 1956 when Congress passed the Federal-Aid Highway Act mandating federal financing of the Interstate system and decided to make new Interstate systems toll-free.

Toll facility construction began to receive attention again when the Dulles Toll Road was built by the Virginia Department of Transportation in 1984. A significant change occurred in 1987 when Congress allowed up to 35 percent federal aid to assist in the construction of toll roads. Also, the Intermodal Surface Transportation Efficiency Act (ISTEA) was passed in 1991, which permitted tolls on federally aided roads. Together with the growing experience of diversified financing schemes in other infrastructures such as electricity and water, federal legislative changes encouraged the growth of toll facilities financed with both public and private sources in the 1990s, especially after the passage of the Transportation Infrastructure Finance and Innovation Act (TIFIA) in 1998.

The paper proceeds as follows. Section 2 discusses the era of private toll facilities between 1792 and 1902. Section 3 reviews the pre-interstate era and public provisions of transportation infrastructure between 1890 and 1956. Section 4 illustrates the post-interstate era and the legislative innovations that occurred between 1956 and 2014. Section 5 lists lessons for policy makers and the last section concludes with a summary of findings from each section.