THE I-RIDE PROPOSAL

WHY: Illinois’ transportation infrastructure is inadequate. If the state takes no action, 1-in-3 road miles and 1-in-10 bridges will be structurally deficient or obsolete by 2020. The total funding needed to maintain and operate the state system has been estimated at $5 billion per year. Unfortunately, declining Motor Fuel Tax receipts and the looming budgetary problems of the federal Highway Trust Fund imperil the long-term revenue sources to maintain and modernize Illinois’ system.

WHAT: The I-RIDE is a road user fee for each mile traveled by a vehicle that is equal to the damage caused by the vehicle to the infrastructure plus costs to invest in future needs. Utilizing a public-private partnership (P3) agreement, the I-RIDE allows individuals to choose their own pay-as-you-drive plan:

1. The I-RIDE Smart Plan – reports only miles traveled on public, non-tolled Illinois roads using modern technologies;
2. The I-RIDE Convenient Plan – records all miles traveled without the use of location services; and
3. The I-RIDE Deluxe Plan – charges motorists a flat rate equal to 30,000-50,000 miles per year, providing another alternative for those who do not want mileage reporting technology in their automobiles.

HOW: The I-RIDE rate schedule would depend on the goals of the policy:

1. Replacement-level Rates – To simply replace the Motor Fuel Tax, the required rate is 1.5 cents per mile.
2. Improvement Rates – To maintain and operate the system at acceptable levels, the required rate is 3.0 cents per mile.
3. Full Capacity Rates – To invest in a world-class transportation network, the required rate is 4.0 cents per mile.

COSTS: Under “full capacity” rates, the typical bill to an Illinois household will be $65 per month (including Motor Fuel Taxes at the pump). This is lower than typical electricity, natural gas, cable/Internet, and cell phone bills.

BENEFITS: At just $65 per month per household, the state is conservatively expected to generate an additional $2.6 billion in annual funds. The I-RIDE would support 31,000 new jobs every year, including 19,000 construction jobs. Full capacity funding would complete the CREATE program, reduce traffic congestion, and increase worker-to-firm connectivity.

SUPPORT: In 2014, 84% of Chicago residents said the city needs to “greatly improve” its roads, highways, and railroads. In 2010, only 26% of southern Illinois residents thought that the quality of infrastructure in their area is “good” or “excellent.” Finally, an Aug. 2015 poll of Illinois’ top economics/policy professors found that 87% think Illinois should increase transportation infrastructure investment, with 69% saying that it would increase employment and boost the economy. 52% of the state’s top economics/policy academics support switching to a road user charge compared to 20% who oppose.

CONCLUSION: The I-RIDE program allows the state to become a global leader in smart, comprehensive infrastructure investment policies that grow the economy. The I-RIDE is a fiscally-responsible policy that maintains an adequate, predictable, and sustainable revenue stream every year. By making those who actually drive on the roads pay for their usage, the I-RIDE also promotes taxpayer fairness. Moreover, in promoting the stability of infrastructure funds, the I-RIDE encourages business location in Illinois because firms can be certain that their products will be efficiently and predictably delivered to the market.

The Illinois Road Improvement and Driver Enhancement Program should be implemented.


- The I-RIDE Proposal: A Smart, Reliable Policy to Fund Transportation Infrastructure is available at: http://goo.gl/Hlbr1.
- The Views of Economics and Policy Academics in Illinois is available online at: http://goo.gl/pCn1K.