The I-RIDE Proposal
A Smart, Reliable Policy to Fund Transportation Infrastructure in Illinois

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A New Way Forward
# Illinois’ Vast Transportation System

## Road Infrastructure
- Over 144,000 miles of highway
- 105.5 billion vehicle miles traveled in 2013
- Over 26,500 bridges
- Highways connect Illinois businesses to 22.4 million consumers in nine major metro areas in under 350 miles

## Public and Freight
- 67 public transit providers annually transporting 400 million rides
- Over 110 public-use airports
- Rail: 40 freight railroads and half of the nation’s freight “touches” Chicago
- Illinois is the largest intermodal port in the Western Hemisphere

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Illinois at a Fork in the Road

Current Problems

- Driving on “poor to mediocre” roads costs drivers $2.4 billion annually – $292 per motorist
- Traffic congestion costs $4 billion in Chicago area alone
- 40% of RTA rail cars and passenger stations are beyond their useful life

Projected Needs

- 1 in every 3 road miles and 1 in 10 bridges will be in unacceptable condition by 2018
- $5 billion is needed just to maintain and operate the current state system annually (in 2014 dollars)
- +500,000 residents and +24% freight volume by 2025

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Insufficient Revenue to Meet Need

Revenue Sources for Highway Funds, FY2013 Actual Budget

- Motor Fuel Taxes: $1,485,250,000 (36.28%)
- Federal Government: $1,191,188,000 (29.09%)
- Road Fund Licenses and Fees: $843,721,000 (20.61%)
- Other Nonmajor Funds: $574,058,000 (14.02%)

The long-term outlook of revenue streams is NEGATIVE.

- Federal funding
- CAFE Standards
- Alternative fuel vehicles
- Vehicle miles traveled
- Motor fuel tax receipts
- State capital bills

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The Oregon Model: Road User Fee

- Drive more, pay more.
  - Cost = Benefit
  - Rate = Miles Driven + Investment

- First Oregon Pilot (2006 to 2007):
  - 285 vehicles with volunteer drivers
  - Collected at fueling stations
  - 91% of participants would pay mileage fee instead of gas tax

- Second Oregon Pilot (2012 to 2013):
  - Drivers from Oregon, Washington, and Nevada
  - Charged 1.56 cents per mile traveled
  - Proved the system could be expanded to multiple states
For the average car, the per-mile rate of 1.56 cents generated **+28 percent** more revenue than the state’s 30-cent fuel tax.

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**The Oregon Model: Road User Fee**

**TABLE 5-2**

<table>
<thead>
<tr>
<th>FLEET FUEL ECONOMY SCENARIO</th>
<th>GALLONS OF FUEL CONSUMED</th>
<th>FUEL TAXES COLLECTED</th>
<th>PER-MILE CHARGE COLLECTED</th>
<th>PER-MILE VS. PER-GALLON</th>
</tr>
</thead>
<tbody>
<tr>
<td>19.2 mpg</td>
<td>6,311</td>
<td>$1,893</td>
<td>$1,893</td>
<td>0%</td>
</tr>
<tr>
<td>24.7 (RUCPP actual)</td>
<td>4,914</td>
<td>$1,479</td>
<td>$1,893</td>
<td>+28%</td>
</tr>
<tr>
<td>40 mpg</td>
<td>3,034</td>
<td>$910</td>
<td>$1,893</td>
<td>+108%</td>
</tr>
<tr>
<td>55 mpg</td>
<td>2,207</td>
<td>$662</td>
<td>$1,893</td>
<td>+186%</td>
</tr>
<tr>
<td>All electric vehicles</td>
<td>$0</td>
<td>$0</td>
<td>$1,893</td>
<td>N/A</td>
</tr>
</tbody>
</table>

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The Illinois Road Improvement and Driver Enhancement Program

I-RIDE

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Policy Proposal

• A true pay-as-you-go system

• Public-private partnership (P3) to promote cost efficiency and protect privacy rights

• Maintain motor fuel tax to collect revenues from out-of-state drivers – Illinois drivers receive full refund credits for all motor fuel taxes paid at the pump.
Policy Proposal

The key to I-RIDE success is allowing individuals to make choices.

1. **The I-RIDE Smart Plan** – Reports only miles traveled on public, non-tolled Illinois roads using a GPS measuring device (“dongle”).

2. **The I-RIDE Convenient Plan** – Motorists pay for all vehicle miles traveled (including those traveled out-of-state or on toll roads). Location is not tracked.

3. **The I-RIDE Deluxe Plan** – Flat rate to avoid mileage reporting altogether. Most expensive option for the average motorist.
Privacy Concerns

• Motorists have a choice!

• No government mandate to use GPS location services

• Private vendor in charge of collecting revenues:
  • Most Americans already grant private firms access to their basic information when they use smartphone apps, use the Internet (IP address), and swipe credit/debit cards.

• Pay-as-you-drive insurance industry uses “dongles”
  • Other options: in-vehicle telematics, GPS boxes, mobile apps, etc.
### Scenario 1: Replacement-Level Rates

<table>
<thead>
<tr>
<th>2013 Vehicle Miles Traveled on Public Roads (91.9%)</th>
<th>Annual Vehicle Miles Traveled</th>
<th>I-RIDE Rate</th>
<th>100% Smart Plan Revenues</th>
<th>100% Deluxe Plan Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger Vehicles and Single Unit Trucks</td>
<td>90,189,116,100</td>
<td>$0.015 per mile</td>
<td>$1,277,213,168</td>
<td>$4,262,904,926</td>
</tr>
<tr>
<td>Buses</td>
<td>632,203,200</td>
<td>$0.020 per mile</td>
<td>$11,937,261</td>
<td>$28,647,770</td>
</tr>
<tr>
<td>Multiple Unit Trucks</td>
<td>6,101,496,000</td>
<td>$0.025 per mile</td>
<td>$144,010,559</td>
<td>$79,676,139</td>
</tr>
<tr>
<td>Total</td>
<td>96,922,815,300</td>
<td></td>
<td>$1,433,160,988</td>
<td>$4,371,228,836</td>
</tr>
</tbody>
</table>

**Motor Fuel Taxes from In-State Motorists**

- $1,124,600,591
- $1,124,600,591

**New Revenues under 100% I-RIDE Smart Plan**

- $308,560,397
- $3,246,628,245

- **Replaces MFT revenues**
- 1.5 cents per mile for passenger vehicles
- **$0.3 billion net gain** in annual funding compared to MFT
- Based on 100% Smart Plan

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I-RIDE Rates: Improvement Rates

Scenario 2: Improvement Rates

<table>
<thead>
<tr>
<th>2013 Vehicle Miles Traveled on Public Roads (91.9%)</th>
<th>Annual Vehicle Miles Traveled</th>
<th>I-RIDE Rate</th>
<th>100% Smart Plan Revenues</th>
<th>100% Deluxe Plan Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger Vehicles and Single Unit Trucks</td>
<td>90,189,116,100</td>
<td>$0.030 per mile</td>
<td>$2,554,426,335</td>
<td>$8,525,809,853</td>
</tr>
<tr>
<td>Buses</td>
<td>632,203,200</td>
<td>$0.035 per mile</td>
<td>$20,890,206</td>
<td>$50,133,598</td>
</tr>
<tr>
<td>Multiple Unit Trucks</td>
<td>6,101,496,000</td>
<td>$0.040 per mile</td>
<td>$230,416,895</td>
<td>$127,481,823</td>
</tr>
<tr>
<td>Total</td>
<td>96,922,815,300</td>
<td></td>
<td>$2,805,733,437</td>
<td>$8,703,425,274</td>
</tr>
<tr>
<td>Motor Fuel Taxes from In-State Motorists</td>
<td></td>
<td></td>
<td>-$1,124,600,591</td>
<td>-$1,124,600,591</td>
</tr>
<tr>
<td>New Revenues under 100% I-RIDE Smart Plan</td>
<td></td>
<td></td>
<td>$1,681,132,846</td>
<td>$7,578,824,683</td>
</tr>
</tbody>
</table>

- Replaces MFT revenues + critical improvements to system
- 3.0 cents per mile for passenger vehicles
- $1.7 billion net gain in annual funding compared to MFT
  - Brings state up to $5.21 billion in funding, meeting the $5 billion annual need
## I-RIDE Rates: Full Capacity Rates

### 2013 Vehicle Miles Traveled on Public Roads (91.9%)

<table>
<thead>
<tr>
<th>Category</th>
<th>2013 Vehicle Miles Traveled</th>
<th>Annual Vehicle Miles Traveled</th>
<th>I-RIDE Rate</th>
<th>100% Smart Plan Revenues</th>
<th>100% Deluxe Plan Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger Vehicles and Single Unit Trucks</td>
<td>90,189,116,100</td>
<td>$0.040 per mile</td>
<td>$3,405,901,780</td>
<td>$11,367,746,470</td>
<td></td>
</tr>
<tr>
<td>Buses</td>
<td>632,203,200</td>
<td>$0.045 per mile</td>
<td>$26,858,837</td>
<td>$644,574,834</td>
<td></td>
</tr>
<tr>
<td>Multiple Unit Trucks</td>
<td>6,101,496,000</td>
<td>$0.050 per mile</td>
<td>$288,021,119</td>
<td>$159,352,279</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>96,922,815,300</td>
<td></td>
<td>$3,720,781,736</td>
<td>$12,171,673,583</td>
<td></td>
</tr>
</tbody>
</table>

**Motor Fuel Taxes from In-State Motorists**

- **New Revenues under 100% I-RIDE Smart Plan**
  - $-1,124,600,591
  - $-1,124,600,591

**New Revenues under 100% I-RIDE Smart Plan**

- **2,596,181,145**
- **$11,047,072,992**

### Highlights

- **Highest-quality infrastructure in the nation**
- **4.0 cents per mile for passenger vehicles**
- **$2.6 billion net gain** in annual funding compared to MFT
  - Average Illinois Tollway Rates: 6.0 cents for cars, 44.0 cents for trucks

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I-RIDE Revenues vs. the Motor Fuel Tax

Projected Revenues: MFT vs. I-RIDE (2016-2030)

- Motor Fuel Tax Revenue Estimates
- I-RIDE Replacement-Level Estimates
- I-RIDE Improvement Estimates
- I-RIDE Full Capacity Estimates

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How Do I-RIDE Rates Compare?

<table>
<thead>
<tr>
<th>Average Expenditures of Illinois Households</th>
<th>Annual</th>
<th>Monthly</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Costs to Stay Connected to: Power and Energy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity Costs</td>
<td>$1,113</td>
<td>$93</td>
</tr>
<tr>
<td>Natural Gas Costs</td>
<td>$933</td>
<td>$78</td>
</tr>
<tr>
<td><strong>Costs to Stay Connected to: Entertainment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cable TV: Expanded Basic Service (no Internet)</td>
<td>$723</td>
<td>$60</td>
</tr>
<tr>
<td><strong>Costs to Stay Connected to: Wireless Cellular Phones</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Verizon</td>
<td>$1,776</td>
<td>$148</td>
</tr>
<tr>
<td>Sprint</td>
<td>$1,728</td>
<td>$144</td>
</tr>
<tr>
<td>AT&amp;T</td>
<td>$1,692</td>
<td>$141</td>
</tr>
<tr>
<td>T-Mobile</td>
<td>$1,440</td>
<td>$120</td>
</tr>
<tr>
<td><strong>Costs to Stay Connected to: Jobs, Restaurant, Stores, and People</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Motor Fuel Taxes</td>
<td>$235</td>
<td>$20</td>
</tr>
<tr>
<td>Proposed I-RIDE Fees: Improvement Rates (including MFT)</td>
<td>$589</td>
<td>$49</td>
</tr>
<tr>
<td>Proposed I-RIDE Fees: Full Capacity Rates (including MFT)</td>
<td>$781</td>
<td>$65</td>
</tr>
</tbody>
</table>

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Proposed Flow of I-RIDE Fund Dollars

I-RIDE FUND
Total Vendor Remittances (After All MFT Refunds)

I-RIDE Commission, Administration, and Contracts ($100.0 million per year)

CREATE Program/Freight Mobility ($260.0 million per year)

I-RIDE FUND
Balance (Capped at $4.0 billion)

Highways and Roads 80.0%

Transit 20.0%

Surplus Discretionary Fund (Revenues over $4.0 billion)

Transportation Grants

Series A Transportation Bond Repayment/Issuance

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I-RIDE Commission

- I-RIDE Commission established to set I-RIDE rates according to demand and needs.

- 20 members:
  - Governor (or representative) and IDOT Secretary of Transportation (or representative) serve as ex officio, nonvoting members
  - 18 regional commissioners from nine IDOT regions (2 per region) with voting power, appointed for four-year term
  - No more than 10 regional commissioners from the same political party as the Governor
  - Chair elected among regional commissioners

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Investing I-RIDE Fund Dollars to Serve the People of Illinois
## Distribution of Revenues: First 5 Years

<table>
<thead>
<tr>
<th>I-RIDE Third Scenario: Full Capacity Rates</th>
<th>Five-Year Plan, All Else Constant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Capacity Model (100% Smart Plan)</td>
<td>$12.98 billion</td>
</tr>
<tr>
<td>Administrative Costs</td>
<td>$0.50 billion</td>
</tr>
<tr>
<td>CREATE Program Contributions</td>
<td>$1.30 billion</td>
</tr>
</tbody>
</table>

### New Spending

<table>
<thead>
<tr>
<th>20% Mass Transit</th>
<th>$2.24 billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>90% Northeastern Illinois</td>
<td>$2.01 billion</td>
</tr>
<tr>
<td>10% Downstate</td>
<td>$0.22 billion</td>
</tr>
<tr>
<td>80% State &amp; Local Highways</td>
<td>$8.94 billion</td>
</tr>
<tr>
<td>45% Northeastern Illinois</td>
<td>$4.03 billion</td>
</tr>
<tr>
<td>55% Downstate</td>
<td>$4.92 billion</td>
</tr>
</tbody>
</table>

- I-RIDE basically allows for perpetual 5-year capital bills
- Under “Full Capacity” Rates, I-RIDE would generate **$11.18 billion** in NEW programmable dollars in first 5 years.
- A portion invested in alternative fuel vehicle infrastructure.
Economic Impacts of I-RIDE

Short-Term: Five Years

Direct Construction Job-Years

- CMAP Region: 42,775
- Downstate: 42,282
- CREATE Program: 9,947

Short-Term Effect on Illinois' GDP

- CMAP Region: $1.21
- Downstate: $0.95
- CREATE Program: $0.26

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## Economic Impacts of I-RIDE

**Long-Term: CMAP Region (IDOT #1)**

### Example of How New I-RIDE Funds Could Be Used in CMAP Region, First 5 Years

<table>
<thead>
<tr>
<th>CMAP Region</th>
<th>Highways</th>
<th>Transit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available Funds</td>
<td>$4.03 billion</td>
<td>$2.01 billion</td>
</tr>
<tr>
<td>List of CMAP Projects</td>
<td>Illinois 53/120 Tollway Circle Interchange, I-55 Express Toll Lanes, Elgin O’Hare Western Access, Illiana Expressway</td>
<td>Metra UP West Improvements, Metra SouthWest Improvements, West Loop Transit Center: Phase 1</td>
</tr>
<tr>
<td>Constrained Costs of Projects</td>
<td>$3.83 billion</td>
<td>$2.10 billion</td>
</tr>
</tbody>
</table>

**Long-Term Impact on Gross Regional Product (according to CMAP)**: +$3.02 billion

**Annual Congested Vehicle Hours Traveled in Region**: -34.6 million

**Percent Reduction in Traffic Congestion**: -6.4%

**Jobs Accessible within 45 Minutes By Car or 75 Minutes By Transit**: +79,341

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Comparing Illinois to Oregon
# Illinois Compared to Oregon

## User Cost or Revenue Source

<table>
<thead>
<tr>
<th>User Cost or Revenue Source</th>
<th>Illinois</th>
<th>Oregon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road Fund Revenue Per Capita, 2013</td>
<td>$259</td>
<td>$325</td>
</tr>
<tr>
<td>State Revenues Used for Highways, 2012</td>
<td>$6.0 billion</td>
<td>$1.9 billion</td>
</tr>
<tr>
<td>Federal Payments for Highways, 2012</td>
<td>$1.4 billion</td>
<td>$0.6 billion</td>
</tr>
<tr>
<td>Federal Government Share of Revenues</td>
<td>23.7%</td>
<td>29.1%</td>
</tr>
</tbody>
</table>

## Bridges

![Bridges Graph](image)

- **Acceptable**
  - Illinois: 83.8%
  - Oregon: 81.1%

- **Structurally Deficient**
  - Illinois: 7.5%
  - Oregon: 4.6%

- **Functionally Obsolete**
  - Illinois: 8.7%
  - Oregon: 14.3%
# Why I-RIDE Rates Are Higher than Oregon

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage Higher Than Oregon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per-Mile Road User Fee (Passenger Vehicles)</td>
<td>166.7%</td>
</tr>
<tr>
<td>Population</td>
<td>224.0%</td>
</tr>
<tr>
<td>Workers</td>
<td>244.7%</td>
</tr>
<tr>
<td>Household Income</td>
<td>16.1%</td>
</tr>
<tr>
<td>Trucking Employees</td>
<td>280.7%</td>
</tr>
<tr>
<td>Production-Transportation-Material Moving Jobs</td>
<td>297.6%</td>
</tr>
<tr>
<td>Total Motor Fuel Usage</td>
<td>206.6%</td>
</tr>
<tr>
<td>Total Vehicle Miles Traveled</td>
<td>215.3%</td>
</tr>
</tbody>
</table>

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The I-RIDE Program Should Be Implemented
Final Notes

1. The technology exists.

2. 84% of Chicago residents said that the city needs to “greatly improve” infrastructure and 73% of southern IL resident DID NOT think infrastructure in their area was in “good” or “excellent” condition.

3. Lowest responsible private bidders must be chosen to administer program to prevent vendor fraud.

4. A portion of I-RIDE funds must be invested in alternative fuel vehicle infrastructure or in a tax credit at the dealership as an incentive to purchase an environmentally-friendly car.

5. Public transit receives I-RIDE dollars but does not pay into the system.
Remember, Remember...

- The Illinois Road Improvement and Driver Enhancement (I-RIDE) program is a smart, world-class infrastructure policy.

- Supports over 31,000 new jobs every year, including 19,000 direct construction jobs.

- Fiscally-responsible policy that maintains an adequate, predictable, sustainable revenue stream every year.

- Promotes taxpayer fairness by keeping money in the General Fund to pay for schools, fire and police departments, etc.

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Resources


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