



# I-77 Toll Lane Facts (Page 1 of 3)

The following pages detail the major criticisms associated with the I-77 toll lane system and contract. The NCDOT posted a rebuttal on their web site to these criticisms. Their rebuttals were vague, misleading and defective. This document provides facts and reasoning to refute the NCDOT claims and to set the record straight. Additional supportive information and in-depth analysis is available online at [wideni77.org](http://wideni77.org). And on Facebook, please visit: "Widen I77," "Cintra / I-77 Mobility / NCDOT : Uncovered," or "Toll Free NC."

| I-77 Toll Lane Criticism   | NCDOT Rebuttal  | Anti-Toll Facts and Reasoning   |
|--|---|---|
| <p>A general-purpose lane project would relieve congestion for less money</p>  | <p><b>Not true.</b> While adding capacity in the form of general-purpose lanes would theoretically reduce congestion temporarily, national data suggest the benefits of adding general-purpose lanes in urban corridors are eroded within 7-10 years. In this growing urban area, express lanes are the best-known solution to provide immediate and long-term travel time reliability. In addition, motorists would have to wait up to two decades for funding to become available under traditional funding methods. With the express lanes project, drivers see badly needed congestion relief in three years.</p>   | <p><b>Truth.</b> General purpose lanes <i>always</i> add capacity. Intentionally restrictive toll lanes do very little to add capacity or reduce congestion. Due to the expensive tolls, usage will be minimal, forcing congestion to remain and increase elsewhere. "Express lanes are the best known solution" is an intentionally misleading claim to push this undesirable system. Claiming a two decade wait for traditional funding is also an untrue threat. Based on NCDOT's own cost estimates, state contributions to the various aspects of this contract and its liabilities, are as much as 300% more than for traditional lanes. The state IS spending far more on this contract and many billions more on other non-tolled and far less congested highways throughout the state.</p>   |
| <p>Tolls will be \$20 each way when the project opens.</p>   | <p><b>Not true.</b> Using publicly available information from the bond rating agencies, tolls at peak hour are projected to vary from 14 cents to 40 cents per mile, on average. Actual toll amounts will be set later and will vary by time of day and traffic conditions, but will only be as high as the market will support. There will be at least six segments in the corridor between Mooresville and Charlotte, and drivers will choose how many segments they will use each day.</p> <p>The Express Lanes were designed with no pre-set toll rates in order to ensure free-flow conditions 24 hours a day. Market economics successfully balance supply, demand and price in countless other industries, from the price of a loaf of bread to the price of a haircut. Tolls will only be what non-HOV users are willing to pay for a predictable commute at no less than 10 miles below the posted speed limit. If drivers decide it's not a good value to pay a toll at a given rate, I-77 Mobility Partners will have to lower the toll to encourage drivers to use the lanes.</p> | <p><b>Truth.</b> NCDOT estimates peak-period tolls to begin at \$.40 per mile or \$20 round trip from Mooresville to Charlotte. That's \$5,000 per year for daily users. Toll lanes in other cities charge up to \$2 per mile. I-77 may see those rates too because this contract has no maximum toll rate per mile and congestion is already extreme. The tolls are based on usage. As traffic conditions worsen, and more frustrated drivers choose the toll lanes, the rates go up. Cintra calls this a "free market" solution, when actually it is price gouging of a public amenity.</p> <p>Travelers will only be interested in using toll lanes when the general purpose lanes are congested, thus, the cost of tolls during non-congested times are meaningless to a commuter.</p> <p>NCDOT and Cintra pervert the concept of "supply and demand" by intentionally restricting access to the toll lanes with high costs. This increases congestion in the general purpose lanes, which leads to increased frustration of drivers and their willingness to pay very high tolls. NCDOT labels this as successful market economics. Successful for <u>them</u>. Highway robbery for you! And, to compare a "loaf of bread or haircut" to the necessity of a daily commute to work or school or a hospital is not only nonsense...it is a cruel disregard for the people who suffer everyday with the dangers and delays on I-77.</p> |
| <p>The project is doomed to fail.</p>  | <p><b>Not true.</b> Rigorous review of projected traffic by ratings agencies, bond issuers and lenders establishes reasonable expectation that the project can be sustained. Among the benefits of a public-private partnership (P3), however, is that the risk of failure will be borne by private equity investors and bond-holders, not by the people of North Carolina.</p>   | <p><b>Truth.</b> Numerous Cintra projects have failed in the US and Europe due to inaccurate projections. These projections enable Cintra to borrow billions for construction. And because this contract is risky, the State must underwrite the \$300 million loan, and pay \$75 million more in toll subsidies in order to get bond approval. Failure is likely because to meet the Cintra projections, I-77 revenues must rival much larger cities like Los Angeles.</p>   |
| <p>Tractor-trailers won't benefit, since they can't use the lanes</p>  | <p><b>Not true.</b> The non-tolled lanes will see relief as vehicles choose to move to the express lanes. Other recently completed projects have seen 10 mph improvements in average speed in the non-tolled lanes. Additional relief will come as projects across the state offer multiple corridors for through tractor-trailers that use I-77 to get from South Carolina to Virginia.</p>  | <p><b>Truth.</b> NCDOT claims trucks will see relief due to cars using the toll lanes and due to new projects elsewhere. Due to expensive tolls, 90-95% of cars remain in the general purpose lanes, thus congestion remains. NCDOT estimates an 18% increase in speed in the general purpose lanes. That's equal to going from 20 mph to 23.6 mph. Hardly noticeable! NCDOT claims improvements on I-26 and I-40 will help, but commercial trucks that need to use I-77 are still not allowed to use these lanes and won't be helped.</p>  |
| <p>The I-77 Express Lanes project won't be finished until 2020.</p>  | <p><b>Not true.</b> The Concession Agreement requires that the project be completed and open by Jan. 7, 2019. Failure to comply would cost the developer \$10,000 a day. The developer has a history of completing projects ahead of schedule.</p>  | <p><b>Truth.</b> Construction was to begin in March 2015 and take 3.5 years to complete. 10 months later, no ground had been broken. Even today, major changes are being made to the project. The \$10,000 per day penalty is minuscule compared to the profits on this \$655 million project and can always be blamed on the state.</p>  |
| <p>The State of North Carolina will be on the hook for a large amount of outstanding debt if the I-77 Express Lanes project does not perform as anticipated.</p> | <p><b>Not true.</b> Claims that the state would be required to cover a large portion of the outstanding debt in case of a project debt default are absolutely false. In any situation involving developer bankruptcy, the state's liability is zero.</p>  | <p><b>Truth.</b> If Cintra defaults, it will be due to inadequate toll revenues. The state has underwritten the \$300 million loan, so if a default occurs, the state must take responsibility for the debt. The state claims that continuing tolls will be used to pay the loan. But since Cintra would have defaulted due to inadequate revenues, the state will also face that problem. Thus, the state will pay the loan with tax dollars, or sell the debt at a loss also paid for by tax dollars. The claim there is no state liability is untrue.</p>  |





**I-77 Toll Lane Facts** (Page 2 of 3)

The following pages detail the major criticisms associated with the I-77 toll lane system and contract. This document provides facts and reasoning to refute the NCDOT claims and to set the record straight. Additional supportive information and in-depth analysis is available online at [wideni77.org](http://wideni77.org). And on Facebook, please visit: "Widen I77," "Cintra / I-77 Mobility / NCDOT : Uncovered," or "Toll Free NC."

| I-77 Toll Lane Criticism  | NCDOT Rebuttal   | Anti-Toll Facts and Reasoning   |
|---|--|---|
| <p>The local I-77 economy will lose as much as \$34 million per year, and up to \$13 billion over the lifetime of the contract.</p> | <p><b>Not true.</b> Express lanes will allow businesses to service more costumers and will allow customers to have better access to local business due to the improved traffic conditions in the corridor. Ultimately, users of the express lanes will only be willing to pay a certain toll if they are getting a net benefit from that trip therefore the net economic effect for the region will be positive as the benefits will outweigh the costs. In addition the region will receive an immediate benefit from an initial investment of over \$600 million and over the years a part of the toll proceeds will be used for the maintenance and upkeep of the corridor, therefore reinvested in the local economy. The Lake Norman area of I-77 handles 93,000 vehicles per day on average. A Charlotte-area commuter spends an average of 40 hours per year stuck in congestion. That is 3.72 million hours per year lost idling in traffic.</p> | <p><b>Truth.</b> Commerce depends on the free flow of goods and services and easy access for suppliers and customers. Toll lanes prohibit all commercial vehicles and encumber access by others due to limited access points and restricted access to the exit ramps. The expensive \$655 million project does not alleviate the region's transportation headaches and in fact, will make them worse.</p> <p>The massive profits from construction go to Cintra and its LLC subsidiaries which are not locally owned. Little if any money will be "reinvested" in the local economy. Very little if any toll revenues will even go to the state government. In fact, the state will pay \$1 million in tax monies per year for maintenance.</p> <p>The toll lane revenues are projected to be \$34 million per year. That's equal to about 700 jobs, each paying \$50,000, taken out of our economy every year and going to investors. Billions over the life of the contract. Cintra will retain only about 30 local employees. Of the 93,000 vehicles on I-77 per day, 90-95% will not benefit from the toll lanes. The increasing congestion will have an increasing negative impact on the economy.</p> |
| <p>Tolls will be prohibitively expensive for the majority of drivers.</p>   | <p><b>Not true.</b> Every driver will be able to choose the length of his or her trip in the express lanes.. Tolls will vary per segment, depending on travel conditions and the time of day. During periods when fewer people choose to use the express lanes, rates will be lower. By providing motorists with a choice, the express lanes project can serve a variety of users on the I-77 corridor.</p>  | <p><b>Truth.</b> The only time anyone will want to use the toll lanes is when congestion is high and that's when Cintra will jack the prices up as high as \$20+ round trip. Every day use would mean \$5,000+ per year. NCDOT says you have "a choice," and that choice is... pay the high tolls on lanes you helped pay for, or sit in traffic forever. Meanwhile, people who are unemployed, or have low, middle or fixed incomes, students, retirees, single moms and more — none of these people can afford daily \$20 tolls.</p>  |
| <p>Toll lanes are not designed to reduce congestion, but instead guarantee it.</p>  | <p><b>Not true.</b> Express lanes are required by federal law to operate at a minimum free-flow speed. Every motorist who chooses to use the express lanes frees up space in the general-purpose lanes. In this growing urban area, express lanes are the best-known solution to provide immediate and long-term travel time reliability.</p> <p>To recuperate its investment, the operator has a very strong incentive to encourage the use of the express lanes by setting reasonable rates which, at the same time, will have the greatest impact in reducing congestion on the general-purpose lanes.</p>  | <p><b>Truth.</b> The law requires a 45 mph average speed in the toll lanes. This is achieved by regulating access to them using expensive tolls. Due to high tolls, only 5-10% of travelers use these lanes, while 90-95% remain in the congested lanes. As population increases, all future increases in traffic also remain economically trapped in the congested lanes. The International Bridge Tunnel and Toll Association, a leading industry advocate, states toll lanes depend on the "operational failure of the general purpose lanes" to be financially successful. This means that general purpose lanes must remain congested to ensure that frustrated travelers will pay the highest tolls to escape congestion. That is what the toll companies want so they can charge the highest tolls.</p>  |
| <p>Toll lanes will create separate and unequal public roads.</p>  | <p><b>Not true.</b> <u>Data</u> from other states with similar express lanes projects show that people of all income levels use the lanes to provide a reliable travel time. In addition, transit users and carpoolers can use the express lanes free of charge and receive the benefit of travel time reliability. Everyone values their time, and the express lanes project creates an option for how people travel along the I-77 corridor.</p>   | <p><b>Truth.</b> Even though everyone helps pay to build the toll lanes through fuel taxes, use of them is restricted by the expensive tolls that only 5-10% of the wealthiest travelers can afford. Thus, the toll lanes become "first class lanes" for the wealthy, while everyone else remains trapped in a lesser quality road option. The state is obligated to provide options that serve all citizens equally, not provide better roads for wealthier people. It is a flippant disregard for citizens to tell them to carpool or take a bus when they cannot afford these discriminatory toll lanes.</p>   |
| <p>Foreign profiteers, corporations and state politics are influencing local transportation policies.</p>                           | <p><b>Not true.</b> Local transportation planners began evaluating express lanes in 2007 through the Fast Lanes study. Four strong teams responded to the requalification process to build this locally developed project. Only Cintra, a global infrastructure company, and its partners submitted a bid that met NCDOT's requirements. Throughout the process of finalizing the I-77 Express Lanes project, NCDOT conducted more than 40 meetings with mayors, town and city leaders, officials and staff from the regional metropolitan planning organization, legislators, business forums and the general public to discuss all matters of importance. NCDOT will continue to meet with stakeholders on a frequent basis until the project is completed. Further, every public document including bid proposals, contracts and all amendments have been posted promptly on NCDOT's website.</p>   | <p><b>Truth.</b> An organization named the American Legislative Exchange Council (ALEC), is comprised of investors and businesses that lobby state agencies to be awarded expensive transportation projects like the one on I-77. Beginning in 2011, ALEC members lobbied NC Reps. Thom Tillis, Fred Steen and Jason Saine to push tolling contracts in North Carolina. Cintra a foreign owned company and member of ALEC, was awarded the I-77 contract. This contract had no other bidders and was developed mostly in secret. Over the next 5 years, then Gov. Pat McCrory deflected all attempts to cancel the contract, even though there was tremendous mounting public and political condemnation of the contract. It is important to note that Gov. McCrory's close friend and campaign manager, Russell Peck, worked for Cintra throughout this time. Meanwhile, local towns and government officials were lured with political favors disguised as other transportation funding and were threatened to agree to the tolls, or..... wait decades for I-77 road widening and relief from the now dangerous congestion.</p>  |





### I-77 Toll Lane Facts (Page 3 of 3)

The following pages detail the major criticisms associated with the I-77 toll lane system and contract. This document provides facts and reasoning to refute the NCDOT claims and to set the record straight. Additional supportive information and in-depth analysis is available online at [wideni77.org](http://wideni77.org). And on Facebook, please visit: "Widen I77," "Cintra / I-77 Mobility / NCDOT : Uncovered," or "Toll Free NC."

| I-77 Toll Lane Criticism   | NCDOT Rebuttal   | Anti-Toll Facts and Reasoning   |
|--|--|---|
| Ninety-four percent of citizens and businesses oppose the toll lanes and want free lanes.          | <b>Not true.</b> The last statistically valid poll of motorists in planned future express lanes corridors showed 61 percent of users were in favor of implementing tolls as a means of funding new lane construction rather than increasing the sales tax or gas tax. It is understandable that no one wants to pay tolls, but also, no one likes to sit in traffic. Express lanes provide long-term travel time reliability for those who choose to pay a toll.   | <b>Truth.</b> The single NCDOT poll gave two choices -- toll lanes now, or wait 20 years for general purpose lanes. Faced with the threat of continued neglect, frustrated respondents voted as NCDOT states. However, there have been many polls conducted by the Lake Norman Chamber, The Charlotte Business Journal, WSOC and many other news agencies. Consistently 90-95% of area businesses and citizens vote firmly against these toll lanes. In addition, the elected councils of two counties and four towns have passed resolutions calling upon NCDOT to cancel this contract.   |
| I-77 is singled out for tolls, while NCDOT builds free lanes and roads elsewhere.                  | <b>Not true.</b> North Carolina's first modern toll road is the Triangle Expressway in Raleigh, operational since 2011. The Fast Lanes study in 2007 studied a number of corridors, and additional express lanes projects are scheduled for construction in North Carolina on I-40, I-485 and U.S. 74. This section of I-77 from Charlotte to Mooresville has unique physical and geographical limitations that also make it an ideal candidate for express lanes.   | <b>Truth.</b> Except for the Triangle Expressway in Raleigh, all of the planned tolled highways in North Carolina surround Charlotte with I-77 being the most expensive and restrictive. Meanwhile, almost every major city and many smaller ones in North Carolina are slated for major interstate improvements costing many billions -- none of them being tolled. What makes I-77 so much worse are the "geographical limitations" the NCDOT, mentions. These limitations are exactly why I-77 is so important to local travelers as their main artery and must be widened without tolls.  |
| Toll lanes impede traffic during emergencies.  | <b>Not true.</b> In the event of an emergency, NCDOT can suspend tolling immediately, independent of the timing of a formal emergency declaration. Additionally, the completion of the additional lanes through this project will help tremendously in the case of a formal emergency or evacuation declaration because it doubles the available number of lanes on certain sections of the corridor. Emergency vehicles have unimpeded access to the express lanes at all times.  | <b>Truth.</b> When congestion occurs on I-77, all lanes are blocked up, especially during an emergency or accident. In such cases, changing lanes is often not possible. With no shoulders, cars can't even get out of the way for emergency vehicles. The addition of 26 miles of the toll lane barriers and the reduction or elimination of both inside and sometimes outside shoulders, this system will make emergency travel much more dangerous. And even now, the NCDOT seems unconcerned with safety as accidents in the construction zone are up 120% and there are not even reduced speed limits or posted warning signs in the construction area.  |
| I-77 needs to be 10 lanes wide from Statesville to Rock Hill, S.C.                                 | <b>Not likely.</b> The issues we face with constantly expanding our roadways are not only related to funding. Specifically, for the I-77 corridor, its limited and invaluable right-of-way and geography, including lakes, present even greater challenges requiring a new solution. The express lanes project provides a long-term sustainable congestion solution for the entire corridor. The stated widening from Statesville to Rock Hill would require extensive environmental reviews and traffic studies not yet conducted.  | <b>Truth.</b> Our region and state is growing. The NCDOT has a duty to provide infrastructure to accommodate that growth with responsible and efficient solutions. These I-77 toll lanes are neither. They are instead, the most expensive, most restrictive and least effective "widening" concept. They will guarantee dangerous congestion and an even more expensive resolution in the future. Until recently, the NCDOT had always planned to widen I-77 to at least 8 general purpose lanes. Building general purpose lanes instead of inefficient toll lanes would save taxpayers hundreds of millions of dollars, that could be much better put to use if applied towards increasing bus routes and potential rail transit.   |
| Several of Cintra's projects have failed.  | <b>Not true.</b> Only one of Cintra's nine North American projects, the Indiana Toll Road, filed for bankruptcy. Project usage fell short of projections as a result of the 2008 economic crisis, but the debt was finally restructured without requiring a dime from the state, which still got the \$3.85 billion in upfront payment plus \$458 million in project improvements that were part of the original contract. The operations of the project were never at risk and the developer continued to meet all performance standards. As with the I-77 Express Lanes project, the risk on these projects rests with the Developer, not the state. | <b>Truth.</b> Cintra is owned by Spanish conglomerate Ferrovial. Between Cintra, Ferrovial and their many LLC shell companies, they have undergone numerous bankruptcies in the US and Europe and often due to similar circumstances based on not living up to the revenue projections they create prior to borrowing billions for construction of these projects. And of Cintra's North American projects, most are not comparable in that most are not "toll lane" projects. As of this writing two similar projects have filed bankruptcy. The Indiana project and the SH130 project in Texas. Others failed projects exist in Europe. Furthermore, Cintra/Ferrovial has a history of legal and ethical problems including bribery of government officials, coercion of unions and competitors, construction defects as well as the many bankruptcies. |
| I-77 Mobility Partners will have access to private information collected from express lanes users. | <b>Not true.</b> Any customer information will be collected, stored and kept secure by the North Carolina Turnpike Authority (Under NCDOT), NOT Cintra or I-77 Mobility Partners. Drivers who choose to use the express lanes and choose to set up a NC Quick Pass account will do so using the same application currently used by NC Quick Pass customers. No social security numbers, medical information or birth dates will be collected by the Turnpike Authority, NCDOT, Cintra or I-77 Mobility Partners.   | <b>Truth.</b> Regular users of the toll lanes will be required to have a transponder and a credit account. This credit account will provide the toll collection agencies the same personal data that your banks and credit card companies have. Failure to pay tolls may lead to extremely excessive penalties and even denial of your auto registration and plate renewal. Cintra's most recent project, 407ETR near Toronto, Ontario, has had massive public outcry and ongoing legal battles over these types of heavy-handed collection tactics of Cintra and their government associations. Even worse, some tolling contracts allow for the tolling agency to take possession of your vehicle over an unpaid toll.  |
| An economic impact study for I-95 in North Carolina showed that tolls are bad for the economy.     | <b>Not true.</b> According to that study, "implementing the proposed improvements regardless of how it is funded results in a net positive economic impact for the I-95 corridor region and the state as a whole."   | <b>Truth.</b> Of course implementing improvements "regardless of how they are funded" will achieve some amount of positive impact. But at what cost in other ways?<br><br>When you add up the negative social and economic impacts of the I-77 Cintra contract, no reasonable person can conclude anything but that this contract should be cancelled immediately.  |