

The Adobe Tower
by Jerry Hall and Loretta Hall

Toll Tolerance

In the first half of the 20th century, momentum grew for improving the nation's vehicular mobility. But the expense of building long sections of high-quality rural highways was daunting even to the engineers and politicians who believed in its necessity. Some believed that the most reasonable approach was to build toll roads so that the motorists and freight haulers who benefitted from the highways would be the ones to pay for the system's construction.

A prominent example of this strategy was the Pennsylvania Turnpike, which was built on the remnants of the never-completed South Pennsylvania Railroad and eventually extended to 360 miles in length. Although it was spectacularly successful as a modern freeway, it was not a reliable model for testing the feasibility of the toll road alternative for rural highway construction. It was conceived and built in the financial context of the Great Depression. The Pennsylvania state government supported the concept of the turnpike and authorized the sale of bonds to fund its construction. Unwilling to accept any financial risk, however, the legislature refused to back the bonds with the "full faith and credit" of the state government. As a practical matter, this rendered the bonds unsaleable.

Two New Deal programs allowed the project to proceed. The Public Works Administration, which funded projects to combat the nation's unemployment problems, contributed 40 percent of the turnpike's cost. The rest of the cost was covered by bonds purchased by the federal Reconstruction Finance Corporation.

In 1938, while the Pennsylvania Turnpike was being built, Congress directed the Bureau of Public Roads (BPR) to evaluate the feasibility of using toll revenues to construct a grid of five or six transcontinental routes. The BPR collected enormous amounts of data from the states and analyzed it carefully. Because the proposed highway system was unprecedented, the analysis was also based on several key assumptions made by BPR chief Thomas MacDonald:

- a toll road can't compete with a substantially parallel free road, which must still be provided to serve the large amount of short-range traffic
- to make people willing to pay, the design standards of the free road must be noticeably lower than those of the toll road
- to remain free of congestion and attract a sustaining amount of traffic, the toll road must be designed for a greater capacity than it will actually attract
- toll roads are more expensive because of toll collection costs and higher interest rates for financing

The resulting analysis, published in the 1939 report *Toll Roads and Free Roads*, was that the proposed national toll road network was not feasible. Recognizing the importance of a modern highway system, however, MacDonald and his assistant, Herbert Fairbank, proposed in that report an alternative: a more extensive system of free roads that would serve a greater amount of non-local traffic. Financed jointly by federal, state, and local governments, this highway system would "include substantially every major line of interregional travel in the country" and connect

“the populous cities of the United States, almost without exception.”

To further develop this promising concept, President Roosevelt appointed a National Interregional Highway Committee led by MacDonal and Fairbank. The resulting report, *Interregional Highways*, proposed a 39,000-mile highway system, three-fourths of which was rural. Shelved during most of World War II, the 1941 report was dusted off and submitted to Congress in 1944 as a way of stimulating the post-war economy. The proposal prompted lively debates, primarily about how the system would be funded. Perhaps as a way of reassuring states of their importance in the process, the Federal-Aid Highway Act of 1944 called for the selection of a National System of *Interstate* Highways totaling as much as 40,000 miles.

In the flurry of post-war economic activity, analysts revisited the idea of toll roads. They reasoned that uncongested highways with gradual curves and grades would save motorists time, fuel, and vehicle maintenance. Several states built bond-financed toll roads without federal assistance. Some, like the Maine Turnpike were commercially successful; others, like the Oklahoma Turnpike, failed to pay for themselves.

Far from being a “system,” the state-authorized turnpikes were a patchwork affair. The most dramatic example was the Kansas Turnpike, which opened in 1956; at the Oklahoma border, it dead-ended at a farm field. Hundreds of motorists ran headlong into the field, even after a massive wooden barricade was installed.

This patchwork approach to rural highways ended with the Federal-Aid Highway Act of 1956 and the resulting National System of Interstate and Defense Highways. With the federal government paying 90 percent of the cost of building these roads, the states lost interest in developing new toll roads. In 1957, the Interstate System absorbed over 2000 miles of toll facilities, including bridges and tunnels as well as roads. The states were allowed to continue collecting tolls to pay off the bonds that had financed these facilities. However, seeing that other Interstate highways were being built with mostly federal funds, the states asked to be reimbursed for a similar proportion of the construction cost of their toll facilities that had become part of the System. Congress studied the issue, concluding in 1958 that repayment would take \$2.5 billion—a sum they were unwilling to authorize. Finally, the Intermodal Surface Transportation Efficiency Act of 1991 authorized \$4 billion for such reimbursements.

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This is the fifth in a series of articles tracing the development of the Interstate Highway System.