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Numbers still don't add up for Mon-Fayette extension

By Colin McNickle

The Southwestern Pennsylvania Commission (SPC) reversed course this week, deciding Monday to again include the final and northernmost leg of the Mon-Fayette Expressway in its long-range transportation plan for the region.

The SPC had tabled that decision in March, with leading members questioning the efficacy of the project and hoping to use earmarked money for other projects. But upon learning that could not be easily done, the commission re-upped its support.

But an Allegheny Institute analysis of new and updated information continues to make a strong financial argument against extending the Mon-Fayette Expressway from Pennsylvania Route 51 at Jefferson to the Parkway East (I-376) at Monroeville, says think tank president Jake Haulk.

"In sum, the increasing cost of construction … has far outpaced both traffic and revenue collected (on the existing expressway)," Haulk says (*in Policy Brief Vol. 17, No. 27*).

Planners and pols alike appeared to have soured on building the last leg of the Pennsylvania Turnpike toll road extension, now estimated to cost about $2 billion. Some activists, citing supposed "benefits" of the highway (from a discredited study), continued to hold out hope that it would be constructed and hailed Monday's reversal.

But Haulk says the project continues to represent fiscal folly, an exercise in failed cost-benefit analysis.
The key to that conclusion is an examination of how the three western Pennsylvania turnpike extensions have performed, Haulk says. And the record is not good.

First, there's the Beaver Valley Expressway, completed in 1992 at cost of $15 million per mile. Its traffic peaked in 2008 and its 2016 volume was down 10.5 percent from that level. Toll revenue, however, rose 69 percent, attributable to ongoing toll hikes, Haulk says.

Then there's the Amos K. Hutchinson Bypass in Westmoreland County. Completed in 1993 at a cost of $20.5 million per mile, Haulk says its traffic has been fairly flat since 2008 but with some slight growth in 2011. Even without a gain in net traffic volume between 2008 and 2016, toll revenues increased because of toll increases, Haulk again reminds.

"For each of these toll roads, it appears likely that continuous hikes in toll costs have had a chilling effect on traffic volume growth," Haulk says.

Which brings us to the Mon-Fayette Expressway. Its 48 existing miles were completed in five phases, from 1990 to 2012, at an average cost of $35 million per mile. However, the last stages, completed in 2008 and 2012, each cost $50 million per mile.

Indeed, as each new segment opened, traffic volume increased. To wit, that volume rose 53 percent between 2008 and 2016 with toll collections increasing 187 percent, Haulk says.

But even then, Haulk stresses, none of these three toll roads come close to the rest of the Turnpike system in terms of revenue per mile. The Mon/Fayette Expressway collects less than a fourth as much as the rest of the system, he says.

By the way, at a capital cost of 5 percent, those last two legs constructed would have to produce revenue of $2.5 million per mile – five times the expressway's current average – to justify construction on a cost-revenue (benefit) analysis of the road, Haulk notes.

The proposed 13-mile extension is projected to cost $2.2 billion (a figure the think tank scholar reminds is almost certain to increase). "That would represent $150 million per mile in cost, triple the per-mile cost of the last 17 miles of (expressway) completed," Haulk says.

"The extension would need to produce $78 million in toll collections annually to justify the costs on a cost-revenue basis – that is $6 million per mile, three times what the Turnpike system currently generates," Haulk says.

And that doesn't include yearly costs for maintenance, toll collections and administration, he adds.

Proponents of building the Mon-Fayette's final segment need to show – "with rigorous and credible analysis" – that the projected vehicle usage, toll revenue and economic impact on the community would be sufficient to warrant the massive use of tax dollars from the wholesale fuel tax for the project," Haulk stresses.

He says there likely are far more productive uses for such money, as some pols who once opposed the project argued. And if there are not, the wholesale fuel tax should be rolled back, Haulk adds.

"Those higher fuel prices and the escalating tolls that are necessary to fund Turnpike borrowing that supports public transportation are almost certainly having a negative impact on the state's economy," he concluded.

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