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MINISTER: Honourable Judith Reid, Minister of Transportation

DATE: April 23, 2003

TITLE: Highway Tolling Policy **FOR DECISION**

ISSUE:

The province has recognized the need to increase investment in transportation infrastructure. It has been determined that significant highway capacity increases can be delivered through public-private partnerships that will entail the levying of tolls. The *Transportation Investment Act*, passed in the Fall 2002 session of the Legislature, is enabling legislation that permits the province to enter into these partnerships. A tolling policy is required to establish where, when and how tolls will be instituted and how various concerns arising out of the use of tolling will be addressed. This policy is intended to be fair and equitable to all British Columbians and to be applied across the province.

RECOMMENDATION:

It is recommended that Cabinet approve the proposed tolling policy, as summarized in the 11 principles outlined in this submission, and outlined in the attached “Guidelines for Tolling: BC Ministry of Transportation”.

BACKGROUND:

The Ministry of Transportation Service Plan for the period from 2002/2003 to 2004/2005 has the stated objective of ‘improving the highway infrastructure network, increasingly through public-private partnerships’. Establishment of a policy and legal framework was required to enable public-private partnerships for building, owning, financing and operating provincial highways.

To meet the objective, the *Transportation Investment Act* was introduced in the Legislature in Spring 2002. A draft policy paper entitled “Creating Opportunities for Expanding Transportation Infrastructure” was released in June 2002. Included in the paper was a section on the proposed tolling policy. A tolling policy is required to establish where, when and how tolls will be instituted and how various concerns arising out of the use of tolling will be addressed.

To provide the opportunity for public feedback, government posted the Bill and draft policy paper on its website and distributed copies to key stakeholders. Seventy-six submissions were received on the draft tolling policy. Many of the submissions contained constructive suggestions that lead to changes in the tolling guidelines.

The revised tolling policy consists of a set of principles that will be applied in developing the tolling provisions for each partnership. Each partnership will have unique circumstances that will be taken into consideration and, therefore, the policy is embodied in a set of principles rather than being prescriptive.

FISCAL MANAGEMENT CONSIDERATIONS:

The tolling policy will allow the province to implement public-private partnerships that provide for transportation improvements. Funds generated from tolls will be used for transportation projects.

PRINCIPLES:

The following proposed set of principles will constitute the tolling policy. These principles are elaborated upon in the attached policy paper “Guidelines for Tolling: BC Ministry of Transportation”.

1. Only major projects that result in significant increases in capacity will be subject to tolling.
2. Tolls will be implemented only if there are clear, demonstrable net benefits for the users of the new or improved facilities.
3. Tolls will be implemented only if a reasonable untolled alternative is available.
4. The level of tolls and limits on the amount and frequency of increases will be established in advance.
5. Public consultation will occur in all cases where new tolls are considered.
6. The public will have the same rights to access tolled highways as non-tolled highways.
7. Tolls will be used to generate revenue for transportation projects and provide a return on the investment of the private-sector partners.
8. The same maintenance, safety and other standards, and rules of the road, will apply to tolled highways as non-tolled highways.
9. The privacy of personal information used to levy and collect tolls will be protected.
10. A fair and expeditious process will be available for resolving tolling disputes.
11. The consequences of failing to pay tolls will be fair and reasonable.

SIGNIFICANT IMPLICATIONS:

LEGISLATION REQUIRED:

A number of these principles require legislation to be implemented. The *Transportation Investment Act* that was passed in the Fall 2002 session of the Legislature addresses this requirement. The Bill will be brought into force by regulation in the near future.

CONSULTATIONS:

Preparation of the *Transportation Investment Act* has incorporated input from affected agencies. These include; Ministry of Finance, British Columbia Assessment Authority, ICBC, Ministry of Attorney General, Ministry of Management Services, Ministry of Community, Aboriginal and Women's Services and Ministry of Provincial Revenue.

To provide opportunity for public and stakeholder feedback, the government posted the Bill and draft policy paper on its website and distributed copies to key stakeholders. Seventy-six submissions were received on the draft tolling policy.

A summary of all submissions received on the draft policy has been prepared, along with Ministry responses to all of the significant issues raised. This summary of responses, and the approved tolling policy, will be posted on the Ministry's website.

RECOMMENDED DECISION:

It is recommended that Cabinet approve the proposed tolling policy, as summarized in the 11 principles outlined in this submission, and outlined in the attached “Guidelines for Tolling: BC Ministry of Transportation”.

SIGNATURE:

Honourable Judith Reid
Minister of Transportation

Date

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