



Analysis of Reducing MD 200/Intercounty Connector Tolls

Presentation to the MDTA Board

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Toll Reduction Scenarios Analyzed

- Reduce all rates by 50%
- Reduce all rates by 33%
- Reduce all rates by 25%
- Reduce off-peak rates only by 50%
- Reduce overnight rate only by 50%

Results of Reducing All Rates By 25/33/50%

25% Reduction - Cutting all rates by 25% is estimated to result in 10 to 12 percent increase in transactions per year, and 14 to 16 percent decrease in revenue

33% Reduction - Cutting all rates by 33 percent is estimated to result in a 13 to 15 percent increase in transactions per year, and in 20 to 22 percent decrease in revenue

50% Reduction - Cutting all rates by 50 percent is estimated to result in a 20 to 24 percent increase in transactions per year, and a 31 to 35 percent decrease in revenue

Results of Reducing All Rates By 25/33/50% - Transactions

Annual Transactions (thousands) with Ramp-Up

<u>Year</u>	<u>Nov '11 Base</u>	<u>25% Cut</u>	<u>33% Cut</u>	<u>50% Cut</u>
2013	22,826	25,383	26,265	27,841
2014	27,635	30,865	32,027	34,157
2015	37,216	41,040	42,436	45,082
2016	38,293	42,138	43,455	46,310
2017	39,836	44,052	45,538	48,759
2018	40,798	45,148	46,533	49,666
2019	42,742	46,939	48,327	51,451
2020	43,512	47,906	49,878	53,309

Results of Reducing All Rates By 25/33/50% - Revenue

Annual Revenue (thousands) with Ramp-Up and Leakage

<u>Year</u>	<u>Nov '11 Base</u>	<u>25% Cut</u>	<u>33% Cut</u>	<u>50% Cut</u>
2013	\$39,557	\$33,482	\$31,353	\$27,013
2014	\$49,764	\$42,266	\$39,561	\$34,217
2015	\$65,148	\$54,676	\$50,973	\$43,664
2016	\$70,233	\$59,311	\$55,337	\$46,489
2017	\$73,028	\$61,816	\$57,820	\$48,923
2018	\$78,411	\$66,100	\$61,522	\$51,676
2019	\$82,095	\$68,761	\$63,937	\$53,526
2020	\$87,640	\$75,164	\$68,850	\$57,518



Results of Reducing Off-Peak Rate Only or Overnight Rate Only by 50%

- Cutting the off-peak rate by 50 percent has approximately half the impact, 11 to 14 percent increase in transactions and 13 to 19 percent decrease in revenue
- Cutting the overnight rate by 50 percent results in less than a 1 percent increase in transactions and less the 1 percent decrease in revenue. The reason for this very small impact is this period represents a small share of the overall traffic and revenue for the ICC