



# Memorandum

Subject: **ACTION:** South Carolina – Interstate System Construction Toll Pilot (ISCTP) Program - SAFETEA-LU, Section 1604(c) Candidate Application Conditional Approval Date: August 8, 2007

From: Dwight A. Horne  
Director, Office of Program Administration

In Reply  
Refer To: HIPA-10

To: Robert Lee  
Division Administrator  
Columbia, SC

This memorandum is in response to the South Carolina Department of Transportation's (SCDOT) application for the Interstate System Construction Toll Pilot (ISCTP) program under section 1604(c) of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). At this time, SCDOT's application does not contain all of the information required for eligibility under the ISCTP program as outlined in section 1604(c)(3) of SAFETEA-LU. However, given the information available in the application, as well as SCDOT's progress in the development of this project, we are granting SCDOT's application a "conditional acceptance" pending the completion of all application requirements. Under this "conditional acceptance" we are agreeing to reserve one of the three pilot slots for I-73 and allow SCDOT to proceed with the expectation that they will complete all requirements before we give our final approval. Please note that the reservation of a slot under this program is not specific to South Carolina but applies to all of I-73. Thus, if additional States meet the program requirements and wish to construct their portion of I-73 as a toll project, they may apply under this slot.

With respect to the application, the following additional items will need to be addressed prior to a final acceptance under this program:

- The designated metropolitan planning organization for the area must be consulted concerning the placement and amount of tolls on the facility [see SAFETEA-LU, section 1604(c)(3)(B)], and
- A facility management plan must be developed in accordance with SAFETEA-LU, section 1604(c)(3)(D).

Also note that in accordance with the Selection Criteria [SAFETEA-LU, section 1604(c)(4)], the State must develop, manage, and maintain a system that will automatically collect tolls. The State must also demonstrate that they have given preference to the use of a public toll agency with demonstrated capability to build, operate, and maintain a toll expressway system meeting criteria for the Interstate System.



Upon environmental clearance (which would include evaluation of the impacts of tolling), the facility segments will become eligible to be considered for final approval under the pilot program, provided all other provisions have been satisfactorily addressed as outlined above.

This "conditional acceptance" of I-73 as one of the pilot facilities is based on the assumption that a satisfactory timeline for subsequent actions will be developed, the proposal continues to advance in a timely manner, environmental clearances are appropriately obtained, and a toll agreement is executed between SCDOT and FHWA under the provisions of SAFETEA-LU, Section 1604(c)(6). This agreement, which must be executed prior to the FHWA's final approval to toll any portion or segment of the candidate facility, must provide for regular audits and that any toll revenues received from operation of the facility will be used in accordance with the requirements set forth in Section 1604(c)(6) prior to tolling. This agreement is to be coordinated with the Office of Program Administration (HIPA-10) and the Office of Chief Counsel (HCC-30).

Additionally, SAFETEA-LU, Section 1604(c)(7) requires a limitation on the use of Interstate Maintenance (IM) funds during the term of the pilot program. Funds apportioned for IM under Section 104(b)(4) of Title 23, United States Code, may not be used on any segment being tolled. The IM restriction would apply to general lanes as well as any special purpose lanes, while tolls are being collected under the pilot program.

Please feel free to contact Greg Wolf, of my staff at (202) 366-4655, should you have any questions or concerns about the approval contained in this memorandum.