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Fitch Ratings: Driverless Cars Largely a Plus for Toll Roads; Managed Lanes Vulnerable

Link to Fitch Ratings' Report(s): The Effect of Automated Vehicles on Toll Roads (Automated Vehicles Are Likely Positive but Congestion Reliever Toll Roads Are Most Vulnerable)

Fitch Ratings-New York-03 February 2020: Though likely over a decade away from widespread usage, automated vehicles (AVs) will have a transformative effect on travel and traffic patterns for toll roads, according to Fitch Ratings.

While the effect on ratings is still too early to gauge, toll roads will likely benefit over time for numerous reasons. Perhaps chief among them will be an increase in vehicle miles traveled. "Commuters will now be able to complete other tasks en route if they don't have to drive, which makes longer journeys more tenable," said Scott Monroe, Director at Fitch Ratings. "More trips are also expected since empty cars can reposition themselves and individuals who cannot drive a conventional vehicle will have improved mobility."

However, the advent of AVs could be potentially disruptive and make forecasting future toll revenues more difficult since there are also competing factors that could decrease vehicle miles traveled. AVs could encourage more carpooling, resulting in fewer individual trips.

Toll roads with no viable competing routes, such as monopolistic bridge systems and large expressways, are difficult to avoid, making them the least susceptible to revenue loss from AVs. Conversely, congestion relievers like managed lanes are the most vulnerable. A driver will choose to use a toll road if the driver's value of time (VOT) saved is greater than the cost to pay a toll. AVs reduce VOT because a passenger's time is freed up to complete other tasks instead of driving. Even with an increase in the number of trips, "Since AVs decrease the value of time the willingness to pay tolls for a faster trip declines," said Monroe.

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