MOBILE RIVER BRIDGE & BAYWAY PROJECT

Tolling is necessary for the project's financial viability. Its Phase I cost is roughly double the entire state of Alabama's transportation budget, and rapidly rising inflation on construction materials further limits the State's ability to fund the project without revenue sources. Furthermore, ALDOT was told more than a decade ago by federal officials that an innovative funding/financing plan involving either loans and bonding or a public-private partnership would be essential to any successful project. Escalating costs have become the norm for projects of this nature nationwide.

ALDOT approached tolling with a clear mandate from the MPOs: preserve free routes, keep rates as low as possible, and prioritize commuters and other frequent travelers.

All of the tolling is structured to benefit frequent users, through both lower rates and locked-in rates. The final financing plan includes annual adjustments to some toll rates after tolling begins. The important exception is the $60 monthly unlimited ALGOpass, which is protected from increases for the first 10 years of tolling. This is the rate that daily commuters would likely utilize, and this locks in a price for them for 10 years after the project is completed and tolling begins.

In keeping with ALDOT's priority of protecting toll rates for frequent users, the passenger-vehicle ALGOpass rate is $3 per trip, which is well below the rate of inflation from the $2.50 rate the MPOs contemplated in 2021. The $60 monthly unlimited pass provides an even lower effective per-trip cost for daily commuters. No tolling begins until the project opens, currently projected around 2031.

The financing does require an inflation/escalation mechanism for most toll categories. That was necessary to support a long-term financing package involving the TIFIA loan and bond market. Simply put, a multibillion-dollar project financed over several decades could not realistically be financed on the assumption that revenues and toll rates would remain unchanged indefinitely.

ALDOT worked throughout the financing process to insulate regular users from those effects as much as possible, particularly through the ALGOpass program and the 10-year protection for the $60 monthly commuter pass. Motorists using interoperable transponders or pay-by-plate will pay higher rates and those categories are subject to annual adjustments beginning after tolling starts.

The 2021 MPO framework established a $2.50 passenger-vehicle toll as a goal, but it did not state that toll rates could never increase or prohibit future inflation adjustments. The final $3 ALGOpass opening rate represents a relatively modest adjustment as a result of substantial construction inflation over the past five years. We also discussed the need for an escalation component with the MPOs as the revised financing plan was developed this summer.

Ultimately, the escalation provisions are part of what was necessary to secure the financing that now fully funds the $3.2 billion Phase One construction program, while the ALGOpass structure is intended to give regular users the lowest-cost options available.

Tolling Q&A

When will tolling begin?

Tolls will not be collected during construction. Tolling will begin only when the new Mobile River Bridge & Bayway's Phase One improvements are completed and open to traffic, currently scheduled for 2031.

What will a passenger vehicle pay?

For a standard two-axle passenger vehicle, the opening-year toll options are:

Payment method	2031 rate
ALGOpass monthly unlimited plan	**$60/month**
ALGOpass per trip	**$3.00**
Compatible/interoperable transponder	**$7.70**
Pay-by-plate	**$15.40**

The $60 monthly ALGOpass provides unlimited trips for eligible two-axle passenger vehicles. For someone making 44 one-way trips per month, that equates to approximately $1.36 per trip.

Is $15.40 the toll most commuters will pay?

No. The $15.40 rate is the pay-by-plate rate for a standard passenger vehicle that uses the facility without a transponder. All users will be able to establish an ALGOpass account and pay $3 per trip or choose the $60 monthly unlimited option. Drivers who utilize the pay-by-plate option will also have an opportunity to get an ALGOpass and pay the $3 rate instead of the $15.40 rate.

Why is the pay-by-plate rate higher?

The pay-by-plate operates the same as toll roads/bridges in other states where billing is linked to the vehicle's license plate. This requires more resources on ALDOT's part to collect the toll payment, compared to an ALGOpass account. It will identify the registered owner and process and mail an invoice. ALGOpass is designed to be the lowest-cost and most efficient payment method and provides a significant discount for motorists who establish an account.

What is the $7.70 rate?

The $7.70 rate is the 2031 rate for a standard passenger vehicle using an interoperable transponder from another toll system. It is not the **ALGOpass** rate.

Motorists who already have toll accounts with other agencies will be able to use those transponders rather than establishing a separate ALGOpass account.

Will E-ZPass work?

Yes. The project will be interoperable with other toll systems. The Alabama Toll Road, Bridge and Tunnel Authority, working through ALDOT, anticipates joining a regional interoperability network and pursuing membership with the E-ZPass Group. The tolling equipment will be capable of reading multiple standard transponder protocols.

How much will an ALGOpass transponder cost?

ALGOpass transponders will be provided free during the initial rollout. Facts concerning distribution, replacement transponders and other details will be established well before tolling begins.

Will there be toll booths?

No. The project will use all-electronic, free-flow tolling. Vehicles will travel through electronic tolling points at highway speeds without stopping as is common with all modern toll projects across the United States.

Payment will be processed through ALGOpass, another compatible transponder, or pay-by-plate and subsequent billing.

Where will the toll apply?

The tolled route will extend from east of Virginia Street in Mobile, across the new Mobile River Bridge and the Bayway, to the US-90/98 interchange in Daphne.

The system will use eight electronic tolling locations positioned at or between interchanges to ensure that vehicles using the tolled facility are properly identified.

Will drivers pay at every tolling location they pass?

The project will operate as a closed system charging a single toll for a trip using the tolled facility. The system will not charge motorists multiple tolls during the same trip.

If I use only part of the tolled facility, will I pay less?

No. The toll is for accessing the tolled facility. The same toll applies whether a motorist travels the entire project or only a portion of it.

Can someone use the Wallace Tunnel and then get onto the Bayway without paying a toll?

A motorist can continue to use the Wallace Tunnel toll-free. However, entering the tolled portion of I-10/Bayway will result in a toll.

What routes will remain toll-free?

The Wallace Tunnel, Bankhead Tunnel, Africatown Bridge and US-90/98 Causeway will remain toll-free.

Motorists therefore will continue to have toll-free alternatives for crossing both the Mobile River and Mobile Bay.

Why is the existing Bayway being tolled if it is not being replaced in Phase One?

The existing Bayway is part of the Phase One project. It will be restriped from four lanes to six lanes, providing additional capacity to reduce congestion.

Federal approval through the Interstate System Reconstruction and Rehabilitation Pilot Program allows the improved I-10 project corridor, including the existing Bayway, to be tolled.

Will the future replacement Bayway also be tolled?

Yes. When the existing Bayway is ultimately replaced in Phase Two, the replacement facility is expected to continue operating as part of the tolled corridor.

When is Phase Two expected?

Current planning goals identify 2036 as the expected beginning of construction for replacement of the existing Bayway, subject to funding and other requirements. Phase Two is not included in the current Phase One project cost.

TOLL RATE ADJUSTMENTS

Will toll rates increase after the project opens?

Beginning the year after tolling begins, there will be toll rate adjustments annually. However, the $60 monthly unlimited ALGOpass will not see annual adjustments during the first 10 years after tolling begins.

For other toll rates during the first 10 years, the annual adjustment will be the greater of 5 percent or the applicable increase in the Consumer Price Index for the South region. After that period, the adjustment will be the greater of 2.5 percent or the applicable CPI increase.

Does that mean the $3 ALGOpass rate will increase?

Yes. The $3 opening-year ALGOpass per-trip rate is subject to the annual adjustment provision.

The special 10-year protection applies to the $60 monthly unlimited ALGOpass, not the $3 individual-trip rate.

Will the $60 monthly unlimited pass increase every year?

No. The $60 monthly unlimited ALGOpass is specifically protected from the annual increases during the first 10 years after tolling begins.

That rate remains $60 through 2041and is subject to increases after that time.

Why was the monthly plan treated differently?

The monthly unlimited plan is specifically designed for frequent users of the corridor. Holding that rate at $60 for the first decade provides those motorists with a predictable transportation cost during the project's initial years of operation.

Why are toll rates scheduled to increase?

The project is being financed over several decades, while the costs associated with operating a toll system and servicing long-term debt continue over that same period. The toll policy therefore establishes a long-term revenue structure rather than assuming that a 2031 toll rate can remain unchanged indefinitely. This is a common practice for long-term toll project financing.

The annual adjustment mechanism is part of the final financial structure supporting the project's bonds and federal TIFIA loan.

Does the 5 percent increase continue forever?

No. The base annual adjustment is 5 percent during the first 10 years and 2.5 percent thereafter.

In either period, however, the applicable CPI increase would apply instead if it were higher than the base percentage.

PREVIOUS TOLL PROPOSALS

Didn't ALDOT previously say the toll would be $2.50?

Earlier project plans contemplated a maximum opening passenger-vehicle toll of $2.50 and a $40 monthly unlimited-use option. The region's two Metropolitan Planning Organizations adopted a framework in 2021 that contemplated a $2.50 single trip toll rate for passenger vehicles.

The final financing plan establishes an opening ALGOpass passenger-vehicle toll of $3 and a $60 monthly unlimited option when the project opens in 2031. This change and an overview of the funding and financing plan was presented to the MPOs in June 2026 before ALDOT moved forward with plans for a financial closing on the TIFIA loan and toll-revenue bonds.

The project and its financing have changed substantially since the earlier proposal, including significant increases in construction costs and the development of the final federal loan and bond financing structure.

Did ALDOT previously promise that toll rates would never increase?

The earlier public material described the proposed opening toll rates. There was never a previous commitment that all toll rates would remain unchanged for the life of the facility; that is inconsistent with how the funding and financing markets operate – so such a promise would never have been practical, nor would it have been made.

When did the toll escalation become final?

The toll adjustment mechanism was established as ALDOT sought to finalize a viable toll policy and financing process throughout 2026.

FINANCING

How much does the project cost?

The Preliminary Official Statement identifies a total Phase One project capital cost of approximately $4.15 billion. The actual design and construction cost is $3.2 billion

The $4.15 billionfigure includes design and construction as well as right of way, utilities, toll-system integration, project oversight, contingencies, financing and other project costs. It also capitalizes interest.

How is the project being funded?

The financing includes a combination of federal grants and federal program funds, state funding, GARVEE financing, toll-revenue bonds and a federal TIFIA loan.

The TIFIA loan is authorized at up to approximately $2.52 billion.

Are Rebuild Alabama revenues pledged to the toll debt?

No. The revenues appropriated to ALDOT under the Rebuild Alabama Act are not pledged toward debt service.

What happens if toll revenue is lower than projected?

The financing structure includes reserves, rate covenants and other protections intended to address revenue performance.

How much toll revenue is projected?

The Traffic and Revenue Study projects approximately $160 million in gross toll revenue in the first full year of operation, increasing as traffic grows and rates adjust.

TRAFFIC AND PROJECT NEED

Why is this project necessary?

The existing Wallace Tunnel was designed for approximately 35,000 vehicles per day but carried approximately 63,000 vehicles per day in 2023. By 2049, traffic through the tunnel is projected to approach 95,000 vehicles per day without sufficient additional capacity. Peak travel days already hit or exceed those marks resulting in frequent congestion and bottlenecks.

The project is intended to increase I-10 capacity, reduce congestion, improve freight movement and provide a direct interstate route for hazardous-material trucks that cannot use the Wallace Tunnel.

What happens to hazardous-material trucks today?

Hazardous materials are prohibited from the Wallace Tunnel. Those trucks currently must leave I-10 and travel through local streets to reach the Africatown Bridge.

The new Mobile River Bridge will provide those vehicles with a direct interstate route across the Mobile River.

How many lanes will the new bridge have?

The new Mobile River Bridge will have six lanes — three in each direction — and 215 feet of air-draft clearance over the Mobile River.

The existing Bayway will also be restriped to provide three travel lanes in each direction.

ENFORCEMENT AND SPECIAL CIRCUMSTANCES

What happens if someone doesn't pay a toll?

Motorists who use the facility without a transponder will receive an invoice. Continued failure to pay can result in additional notices and administrative fees.

Ultimately, unpaid toll citations can result in a hold on vehicle-registration renewal and potentially civil collection proceedings.

What about out-of-state motorists?

The toll system will identify out-of-state vehicles through license-plate information, and the Toll Authority may pursue reciprocal enforcement agreements with other states.

Will emergency vehicles pay tolls?

Authorized emergency vehicles actively engaged in emergency duties are exempt, along with other vehicles exempted under applicable law.

What happens during a hurricane evacuation?

The Toll Policy allows toll collection to be suspended during qualifying declared emergencies when appropriate conditions are met.

The policy also allows procedures to address situations in which emergency responders force traffic onto the tolled facility.

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