

HOUSE BILL REPORT

HB 2676

As Reported by House Committee On: Transportation

Title: An act relating to financing the Interstate 5 Columbia river crossing project.

Brief Description: Concerning the Interstate 5 Columbia river crossing project.

Sponsors: Representative Moeller; by request of Department of Transportation.

Brief History:

Committee Activity:

Transportation: 2/6/12, 2/7/12 [DPS].

Brief Summary of Substitute Bill

- Authorizes the tolling of the existing and replacement Interstate 5 Columbia River bridges.
- Designates the Columbia River Crossing project as an eligible toll facility and defines the parameters of the project area.
- Authorizes the Washington State Transportation Commission to enter into agreements with the Oregon State Transportation Commission regarding the mutual or joint setting, adjustment, and review of toll rates.
- Requires certification by the Secretary of the Washington State Department of Transportation, in order for the act to go into effect, that: (1) sufficient funding authority to initiate construction has been received; and (2) the Washington State Transportation Commission has entered into agreements with the Oregon State Transportation Commission regarding toll setting.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 25 members: Representatives Clibborn, Chair; Billig, Vice Chair; Liias, Vice Chair; Armstrong, Ranking Minority Member; Angel, Asay, Eddy, Finn, Fitzgibbon, Hansen, Jinkins, Johnson, Klippert, Kristiansen, Ladenburg, McCune, Moeller, Morris, Moscoso, Reykdal, Rivers, Ryu, Takko, Upthegrove and Zeiger.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Minority Report: Do not pass. Signed by 4 members: Representatives Hargrove, Assistant Ranking Minority Member; Overstreet, Rodne and Shea.

Staff: David Munnecke (786-7315).

Background:

The Legislature is the only entity with the authority to authorize tolls on an eligible toll facility. An eligible toll facility is defined as portions of the state highway system specifically identified by the Legislature, including transportation corridors, bridges, crossings, interchanges, on-ramps, off-ramps, approaches, bi-state facilities, and interconnections between highways. The Legislature has authorized collection of tolls on the following facilities:

- the Tacoma Narrows Bridge;
- the State Route (SR) 520 floating bridge;
- the SR 167 high-occupancy toll lanes; and
- the Interstate 405 express toll lanes.

The Legislature has designated the Washington State Transportation Commission (Commission) as the state tolling authority with responsibility for setting toll rates, including variable pricing, and reviewing toll operations. Prior to the convening of each regular session of the Legislature, the Commission must report to the transportation committees of the Legislature on any increase or decrease in toll rates approved by the Commission.

The Interstate 5 (I-5) Bridge crosses the Columbia River and connects Vancouver, Washington, and Portland, Oregon, with two identical bridge structures. One bridge structure carries traffic northbound to Vancouver, and the other bridge structure carries traffic southbound to Portland. The northbound bridge was built in 1917, and the southbound bridge was built in 1958. The Columbia River Crossing (CRC) project, as described in the record of decision, will replace the I-5 bridges, extend light rail to Vancouver, improve closely-spaced interchanges, and enhance the pedestrian and bicycle paths. The estimated project costs range from \$3.1 billion to \$3.5 billion.

Summary of Substitute Bill:

The CRC project is defined as a bi-state, multimodal corridor improvement program between the SR 500 interchange in Vancouver, Washington, and the Victory Boulevard interchange in Portland, Oregon.

The CRC project is designated as an eligible toll facility. Tolls are authorized to be charged for travel on the existing and replacement I-5 Columbia River bridges. The tolling authority is authorized to enter into agreements with the Oregon State Transportation Commission regarding the mutual or joint setting, adjustment, and review of toll rates as the tolling authority may find necessary or convenient to carry out the purposes of this section.

Toll revenue generated on the CRC project must only be expended to construct, improve, preserve, maintain, manage, or operate the CRC project. Expenditures of toll revenues are subject to appropriation and must be made only: (1) to cover the operating costs of the eligible toll facility, including necessary maintenance, preservation, administration, and toll enforcement by public law enforcement within the boundaries of the facility; (2) to meet obligations for the repayment of debt and interest on the eligible toll facility, and any other associated financing costs including, but not limited to, required reserves and insurance; (3) to meet any other obligations to provide funding contributions for any projects or operations on the eligible toll facility; (4) to provide for the operations of conveyances of people or goods; or (5) for any other improvements to the eligible toll facility.

The act takes effect upon, and tolls may not be collected on the project until, certification of the Secretary of the Washington State Department of Transportation (WSDOT) to the Governor that: (1) the WSDOT has received sufficient funding authority to initiate construction of the CRC project; and (2) the Commission has executed an agreement with the Oregon Transportation Commission regarding the mutual or joint setting, adjustment, and review of toll rates. If the Secretary of the WSDOT does not provide such certification to the Governor by December 31, 2015, the act is null and void.

Substitute Bill Compared to Original Bill:

The substitute bill prevents the charging of tolls for travel on any portion of Interstate 205.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill contains a contingent effective date and takes effect if, by December 31, 2015, the Secretary of the WSDOT provides certification to the Governor regarding sufficient funding authority for the project and execution of an agreement regarding toll setting.

Staff Summary of Public Testimony:

(In support) This bill authorizes the tolling of the CRC project. It is important that we pass this bill in order to keep the project moving forward.

The WSDOT supports this bill and requested it in order to keep the CRC project on track. The existing I-5 bridges over the Columbia River have intermittent bridge lifts and four to six hours of congestion every day. By 2030 there is projected to be 15 hours of congestion every day, and this will effect ports, commerce, and freight movement. Businesses understand that the project is necessary, and want to have certainty regarding how long a trip to Portland will take.

The CRC project will create a project that will serve the region for 100 years. The plan is to build the bridge and the necessary landings first, and then the rest of the project. This project

has been worked on for 16 years now. There have been seven years of planning, 950 events, and thousands and thousands of people involved. The completed project will have created thousands of jobs, and is expected to reduce accidents by 70 percent.

The current plan is to begin tolling the existing bridges when the construction begins for the new bridges. This would save money in the long run, but the exact timing of the beginning of tolling is still unclear and would need to be approved by the federal government. The authorization to toll is critical this year according to the federal government in order to get funding through the New Starts Program. The Oregon Transportation Commission can and will authorize the tolling of the project in Oregon. A bond bill will be necessary next year in order to leverage the tolls to build the project.

The tolling will be done through the current Washington Good to Go system, which will reduce the total cost. We do not want drivers to have to deal with different systems. The details will be worked out over the next several years, and the project will be using an all-electronic tolling system. People will be able to pay with transponders, license plate readers, and pay-by-mail, and there will be reciprocal agreements with other states to ensure payment.

There are many approaches to tolling and the state needs to pick the approach that will work best for this project. Before setting tolls, the Commission usually holds several meetings in the area the tolls will effect, and tries to have a robust public process. There is no limit on the number of meetings that can be held, and the Commission intends to hold a number of meetings in both urban and rural areas. The Commission considers the rates and the potential exemptions carefully, and will need to do a great deal of work here on the rate level and the effect of light rail. The rate itself will come at the end and is set through the rulemaking process, which takes months. The Tacoma Narrows Bridge project assumed escalating toll rates, but the Commission and the State Treasurer are in favor of level toll rates. The two state commissions are already working together on the project.

The two states consider the CRC to be one project, and are working together on it. There are a number of agreements that need to be worked out, and then the Legislature will have an opportunity to weigh in on them.

The CRC project did not receive funding in the Nickel package or the Transportation Partnership Act package like the Alaskan Way Viaduct and SR 520. The time is ripe on the federal side to apply for \$850 million in funding from the Federal Transit Administration. The project may also be ready to receive federal funds as a project of regional and national significance if such a program is created. However, the project does still need \$450 million from both Washington and Oregon. An itemized list of the costs of the project has already been created.

There has already been a dialog with the public regarding this project, but more needs to be done in the future. There have been commitments to public involvement made on both sides of the river, and some of this will be accomplished through the already created Mobility Council.

The record of decision for this project was signed in 2011, after an Environmental Impact Statement (EIS) process that took four years. This EIS process, among other things, looked

at the effect on the cost to drivers and small business. There was also a diversion analysis conducted, which estimated only a 5 percent diversion rate in the long run but something similar to SR 520 in the short run.

(Opposed) None.

Persons Testifying: Representative Moeller, prime sponsor; Paula Hammond and Nancy Boyd, Washington State Department of Transportation; Mark Brown, City of Vancouver; Kelly Parker, Greater Vancouver Chamber of Commerce; Rick Wickman, Identity Clark County; Reema Griffith, Washington State Transportation Commission; and David Myers, Washington State Building and Construction Trades Council.

Persons Signed In To Testify But Not Testifying: None.