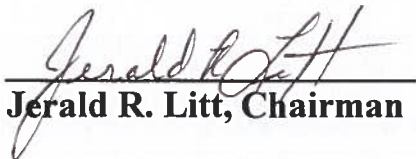


WASHINGTON STATE TRANSPORTATION COMMISSION

Policy & Procedure: 15
Effective Date: March 17, 2010
Amended: February 20, 2013
Amended: January 17, 2018


Gerald R. Litt, Chairman

Tacoma Narrows Bridge Toll Rate Setting Policy

General Assumptions & Principles

- Debt service for the eastbound Tacoma Narrows Bridge (TNB) has a unique financing structure such that the debt is paid from backed by the Motor Vehicle Account (MVA), and is backed by the full faith and credit of the state.
- The TNB has an insurance policy providing coverage of toll revenue loss in the event of physical damage to or near the bridge (within 5 miles).
 - Coverage applies only after meeting the revenue loss deductible.
 - There is no coverage for loss of revenue resulting from a recession or from physical damage occurring more than 5 miles from the bridge.
- It is the Commission's preference to make toll rate changes via the regular rulemaking process, as opposed to doing so via the expedited emergency rulemaking process.
 - The average rulemaking process takes approximately 60 days to complete (starting from the time a CR 102 is filed).
 - The Commission will initiate rulemaking in a timely manner by actively monitoring TNB costs, revenues, and traffic volumes.
- In reviewing the financial health of the TNB Account, the Commission will set rates in a manner so as to maintain an established Sufficient Minimum Balance (SMB) of ten million dollars.

Sufficient Minimum Balance

- The SMB shall not be less than **ten million dollars** measured on a retrospective three-month rolling average fund balance.
- Calculation of the SMB shall include the TNB civil penalty fund balance.
- The purpose of the SMB is to cover:
 - Revenue shortfalls not covered by loss of revenue insurance
 - Loss of revenue that occurs prior to when insurance coverage applies (deductible)

Rate Adjustment Trigger

- If projections of the TNB account fund balance indicate the three-month rolling average fund balance is projected to fall below the SMB, the Commission will take action to identify measures that address the projected shortfall.