



Tacoma Narrows Bridge Tolls Questions and Answers

How does the State Transportation Commission set toll rates?

The State Transportation Commission is legally required to set toll rates for the Tacoma Narrows Bridge (TNB) in an amount that is sufficient to pay the debt for the bridge, as well as to pay costs related to maintenance, preservation and operations of the bridge.

The Commission begins each toll-setting process with the advice of the Governor's appointed TNB Citizen Advisory Committee (CAC) and includes public input. In addition to this, during the toll-setting process the Commission evaluates bridge expenses, trends in traffic volumes, the schedule for bond payments, and ending balances in the toll revenue account. Each of these elements are considered prior to making a toll rate decision.

How does the TNB financing plan affect toll rates?

The TNB was financed with an escalating debt repayment plan. This means debt payments are low in the early years (starting in 2007) and rise over time. For instance, from 2007 to 2009, the state paid \$41 million in debt payments. In the current 2011-2013 budget, debt payments for the bridge are nearly \$90 million. By 2015-2017, the payments will be approximately \$133 million, and will ultimately reach \$174 million in 2027-2029. This repayment schedule means that tolls must increase over time to pay the state's fiscal obligations.

How do current toll rates compare to the original plan?

Initial tolls were projected to be \$3 for all toll payers when the bridge opened. The 2007 Legislature provided a loan to buy down the toll rates for transponder users, which allowed initial electronic toll collection rates to be set at \$1.75. The original TNB financial plan also projected \$4 toll rates for all users, from July 2009 to June 2012. **Since the bridge opened in 2007, tolls have increased only once – in July 2008 – and have been held constant since.**

Where do the toll revenues go and what can they be used for?

Toll revenue is deposited into a dedicated account for the TNB. Those revenues can be used only to pay for the cost of TNB's operations, maintenance, and preservation, as well as the debt payments. By law, toll revenue **cannot be used to pay for anything else**, including any other transportation projects or activities in the state.

What are the next steps in 2012 rate setting?

The Commission has put forth its toll proposal which is based upon several months of analysis and discussion as well as recommendations made by the TNB Citizen Advisory Committee (CAC). The next step is to gather input from the general public between March and May and then a final decision will be made in May at the Commission's hearing.

Key dates in the toll rate-setting process are:

- March 20 – The Commission will receive CAC recommendations and propose a toll rate schedule at its meeting in Olympia.
- The Commission will hold two public input meetings:
 - o April 18, 6 to 8 p.m. – Port Orchard City Hall
 - o April 19, 6 to 8 p.m. – Gig Harbor Civic Center
- May 21 – The Commission will hold a final rate hearing at Gig Harbor Civic Center and will take action to adopt the rates.
- July 1 – New toll rates take effect.

For more information contact:

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Why is a reserve fund necessary for TNB?

A revenue reserve, just like a personal savings account, is in place to ensure TNB debt obligations will be paid regardless of any unforeseen events that may reduce toll revenues. The Commission has established a reserve requirement of 12.5% of total annual costs -- a significantly smaller reserve than is required on all other toll facilities in Washington

What is the total cost of the new bridge?

The new bridge cost \$735 million, of which \$11 million was funded primarily by the gas tax. In addition, the state has invested \$583 million of gas tax revenue in the SR 16 corridor to improve the approaches to the bridge and add new lanes that improve traffic flow between Gig Harbor and I-5.

Will the tolls end when the bridge debt is paid?

Yes. The law currently states that tolls will end when the bonds are paid. Only the Legislature can change this provision.

Why does the state toll bridges?

When the second TNB was authorized, the state did not have enough gas tax revenue to build a new bridge so bonds had to be issued, creating a large debt for the state. Toll revenue has paid for most large bridges built in Washington in the past and will likely continue to be the case in the future. Travelers using the SR 520 Bridge across Lake Washington are now paying tolls to cross the existing bridge in an effort to raise \$1 billion in toll revenue over the next 30 years to pay for the construction of the new SR 520 Bridge. The Legislature has now authorized tolling to pay for a portion of the SR 99 Alaskan Way Viaduct Replacement Tunnel in Seattle and the I-5 Columbia River Crossing in Vancouver.