

I-5 Bridge Bi-State Tolling Subcommittee

March 15, 2024, Meeting 2



Washington State
Transportation Commission



***Oregon
Transportation
Commission***

Public Comment Instructions

- During the meeting:
 - On the Zoom Webinar, when invited to provide public comment at the end of this meeting, click the 'Raise Hand' icon
 - You will be assigned a number at the front of your name in zoom to identify the order of public commenters
 - When it is close to your turn, a prompt will pop up on screen to accept an invitation to join as a 'panelist'
 - When you are called on, you will be able to provide your 3-minute public comment
 - When you are finished, staff will re-assign you from a 'panelist' to an 'attendee' in the meeting
- Written comments
 - Please submit any written comments to info@bistatesubcommittee.org

Update on Oregon & Washington Toll Programs



Subcommittee Operating Procedures



Summary of Proposed Operating Procedures

- Policy considerations beyond the financial requirements based on each state's statute
- Meeting membership, co-chairs, and meeting attendance
- Process for advancing recommendations and research requests
- Guidelines for public meetings and on meeting recordings and summaries
- Public records requirements
- Commitment to tribal consultations

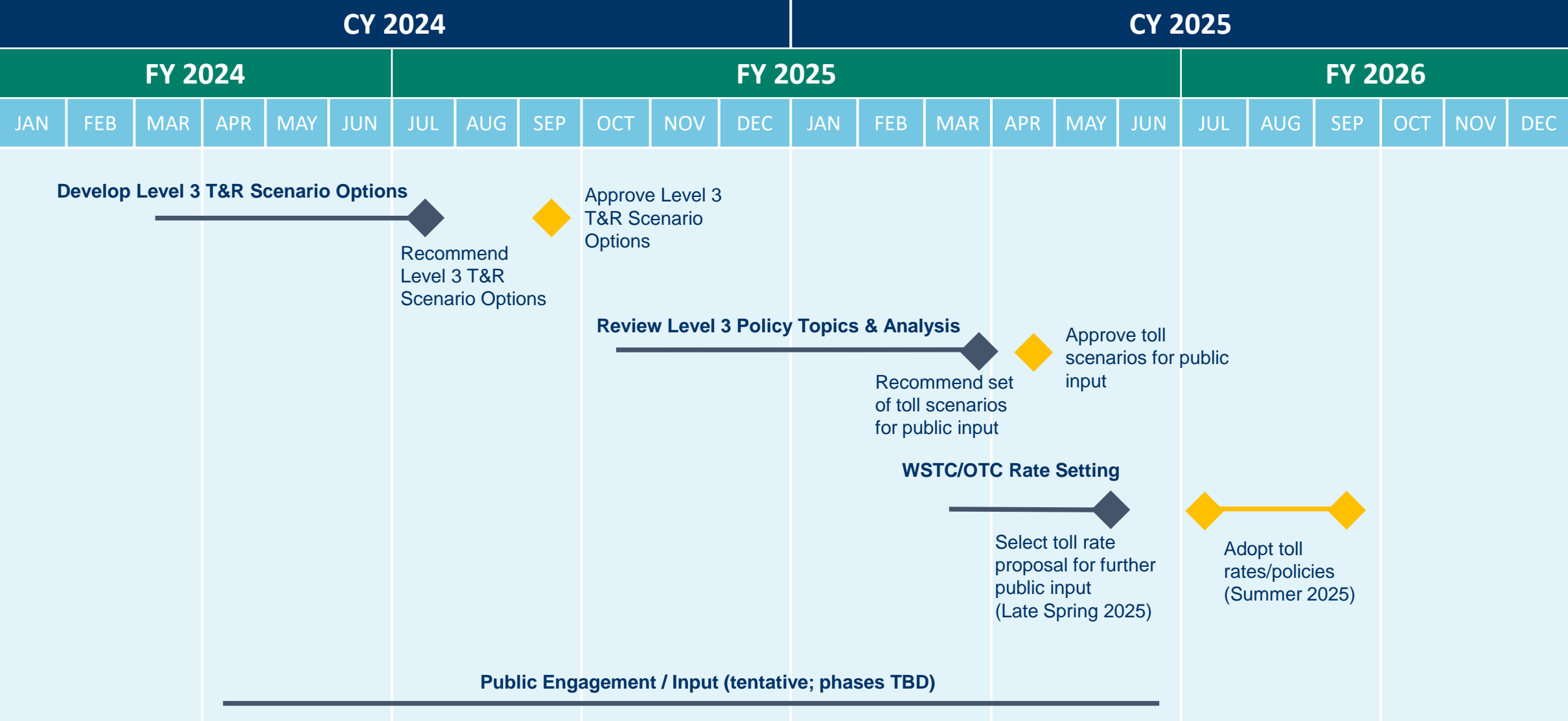
2024 Work Plan & Meeting Schedule



2024 I-5 Bridge Bi-State Subcommittee: Approach for Work Plan

- Include following subcommittee topics to support Commissioners on coming to agreement on recommended level 3 traffic & revenue scenarios:
 - Review of level 2 traffic & revenue study analysis and assumptions beginning in April
 - Planned and focused discussions that inform level 3 scenario selection
 - Policy choices
 - Rate-setting choices
 - Relevant project / program updates
 - Iterative narrowing of potential Level 3 traffic & revenue scenario options
 - Narrow options in May-June
 - Select final recommended scenarios in July
 - Development / updates on engagement plan and tribal consultations

I-5 Bridge Rate Setting Schedule



Legend

◆ Subcommittee action

◆ Full Commission action

Proposed I-5 Bridge Bi-State Subcommittee 2024 Meeting Schedule

Looking forward from March 2024 through December 2024, and considering the timing of tasks outlined on the previous slides, the following is a suggested schedule for the remainder of the year:

- March 15 - virtual
- April 19 – virtual
- May 17 – in-person
- June 21 – virtual
- July 19 – in-person
- **August – no meeting**
- **September – Joint in-person meeting of the full Washington and Oregon Commissions**
- **October – no meeting**
- November 15 – virtual
- December 20 – virtual

I-5 Bridge Bi-State Subcommittee: March – May 2024

Proposed Meeting Tasks

March - Major Tasks:

- Potential Operating Procedures – Proposal & Discussion
- Proposed Work Plan – Getting to Level 3 Scenarios
- Policy Review – Options addressed in Level 2 T&R Study

April - Major Tasks:

- Relevant IBR & state tolling updates
- Review & discuss Level 2 scenario analysis (scenarios H-K)
- Policy Discussions:
 - Pre-completion & weekend tolling
 - Escalation
 - Truck tolls
 - Rates by payment method
- Discussion on engagement plans (example: review staff recommendations)

May* - Major Tasks

- Relevant IBR & state tolling updates
- Policy Discussions
 - Low-income discount options
 - Emergency vehicles & transit vehicles discount options
- Level 3 Scenario Development
 - Workshop on preliminary scenario recommendations
- Discussion on engagement plans / update on engagement activities

**Proposed in-person meeting*

I-5 Bridge Bi-State Subcommittee: June & July 2024

Proposed Meeting Tasks

June - Major Tasks

- Relevant IBR & state tolling updates
- Policy Discussions
 - Tribal discount/exemption options
- Level 3 Scenario Development
 - Identify preliminary scenario recommendations
- Discussion on engagement plans / update on engagement activities

July* - Major Tasks

- Relevant IBR & state tolling updates
- Level 3 Scenario Development
 - Recommend level 3 T&R scenarios for adoption by full Commissions in September 2024
- Discussion on engagement plans / update on engagement activities

**Proposed in-person meeting*

Joint Meeting of Washington & Oregon Commissions: September 2024 – *Proposed Meeting Tasks*

Major Tasks*

- Relevant IBR & state tolling updates
- Level 3 Scenario Selection
 - Review and discuss subcommittee recommendations
 - Approve Level 3 traffic & revenue scenarios
- Discussion on engagement plans going forward & update on engagement activities

**Proposed in-person meeting*

Overview of Meetings & Effort: September – December 2024

With level 3 traffic and revenue scenarios scheduled for approval by the full Commissions in early September, subcommittee discussions will shift to focusing on specific toll policy topics, public engagement, and tribal consultation.

Major Tasks

- Relevant IBR and state tolling updates
- Toll Policy Development
 - Detailed discussions on key toll policy topics
- Conduct engagement activities with communities and stakeholders
- Begin tribal consultations

ODOT Low-Income Toll Program Update



Oregon's Low-Income Toll Program Development

- Oregon's assessment picked up where WSTC's Low-Income Toll Program study left off (2021)
- Delivered Oregon legislature required Low Income Toll Report, which focused approach to two-benefit levels and created a list of inclusive operational practices (2022)
- Conducted 20+ traffic and revenue scenarios at different income-thresholds and benefit levels to estimate impacts and honed in on key operational details (2023)

Current Low-Income Toll Programs

Facility	Geographic extent	Income Level	Benefit
San Mateo 101 Express (San Francisco, CA)	San Mateo County residents	200% FPL	\$100 credit (one-time)
Elizabeth River Bridge Crossings (Hampton Roads, VA)	Hampton Roads region residents	200% FPL	50% discount; only for first 10 toll trips a month
I-10/I-110 Express Lanes (Los Angeles, CA)	Los Angeles County residents	200% FPL	\$25 credit (one-time)
Central 70 Express Lane (Denver, CO)	Globeville and Elyria-Swansea neighborhood residents	200% FPL	\$100 credit (annual)

Income-Verification Program Enrollment Rates

Benefit Program	Program Name	Area	State	Monthly Benefit (2023\$)	Enrollment Rate
Tolling	VDOT Toll Relief [Old]	Hampton Roads	VA	\$24	2.8%
	Low-Income Assistance Plan (Metro ExpressLanes)	Los Angeles County	CA	\$3	2.4%
	VDOT Toll Relief [New]	Hampton Roads	VA	\$28	1.2%
	San Mateo 101 Express Lanes Community Transportation Benefits	San Mateo County	CA	\$9	0.7%
Transit	ORCA LIFT	Puget Sound	WA	\$23	50%
	SFMTA Lifeline Pass	San Francisco Area	CA	\$40	45%
	Fair Fares NYC	New York City	NY	\$34	30%
	Low-Income Fare is Easy (LIFE)	Los Angeles County	CA	\$24	13%
	TriMet Honored Citizen Hop Fast Pass	Portland Metro Area	OR	\$36	10%
	LiVE RTD	Denver	CO	\$55	8%
	Metro Transit Transit Assistance Program (TAP)	Minneapolis	MN	\$25	1%
Other	Earned Income Tax Credit	National	All	\$180	79%
	SNAP	National	All	\$152	74%
	Medicaid	National	All	\$585	56%
	Low-Income Home Energy Assistance Program	State of Washington	WA	\$23	36%
	FCC Affordable Connectivity Program	National	All	\$15	25%
	FCC Lifeline	National	All	\$5	19%
	Pacific Power Oregon Low-Income Discount Program	Oregon	OR	\$8	15%

I-205 Toll Project: Traffic and Revenue Analysis

- Consultant completed a preliminary traffic and revenue analysis of 20 options. This included estimating enrollment rates based on the experience of 18 different programs.
- Analysis indicated a 50% or 75% discount would have a have relatively small impact on traffic and revenue because a discount will attract low-income drivers back to using the toll facility.

	Value	Enrollment*	Gross Revenue*	Traffic*
0-200% of Federal Poverty Level Options				
100% discount	\$115	23.2%	-6.9%	+5.0%
90% discount	\$80	15.0%	-4.1%	+3.2%
75% discount	\$65	11.0%	-2.1%	+1.9%
50% discount	\$45	6.0%	-0.6%	+0.7%

*Medium outcome in analysis

December 2023 Oregon Transportation Commission Direction

- Residents of Oregon and Washington State able to enroll
- The benefit will be a percentage discount
- Commitment to implement a 50% discount for customers whose income is up to 200% Federal Poverty Level (FPL)
- Commitment to study 10% and 25% discounts for 300% FPL and 400% FPL in further traffic and revenue studies to inform OTC's decision whether to offer a benefit at this income tier

Thank you

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Tolling Options Assessed in IBR Traffic and Revenue Analysis

Brent Baker



IBR Level 2 Toll T&R Study + Additional Scenarios

Scenario	Brief Description	Toll Rate & Policy Assumptions					Other Regional Toll Facilities	Meets 2023 Financial Plan \$1.24 B Funding Target	Preliminary Findings over Forecast Period (% changes relative to Scenario A)
		Min Auto Toll (FY 2026 \$)	Max Auto Toll (FY 2026 \$)	Annual Toll Escalation	Low Income Discount	Medium/Heavy Truck Tolls			
Scenario A	Base Tolls	\$2.15	\$3.55	2.15%	No	2x / 4x	I-205 Toll Project	Confirmed	• Preliminary analysis confirmed net toll revenues could provide at least \$1.24 B
Scenario B	Lower Tolls (NEPA)	\$1.50	\$3.15	2.15%	No	2x / 4x	I-205 Toll Project	Likely	• Traffic increases on average by 5% • Net toll revenue reduced by about 15%
Scenario C	Scenario A + No Toll Escalation	\$2.15	\$3.55	None	No	2x / 4x	I-205 Toll Project	Further analysis needed	• Traffic increases on average by 9% • Net toll revenue reduced by about 39%
Scenario D	Scenario A + RMPP	\$2.15	\$3.55	2.15%	No	2x / 4x	RMPP + I-205 Toll Project	Likely	• Traffic decreases on average by 5% • Net toll revenue reduced by about 3%
Scenario E	Scenario B + RMPP	\$1.50	\$3.15	2.15%	No	2x / 4x	RMPP + I-205 Toll Project	Further analysis needed	• Average traffic levels within 1% of Scenario A
Scenario F	Scn A + 50% Low Income Discount	\$2.15	\$3.55	2.15%	50%	2x / 4x	I-205 Toll Project	Likely	• Traffic increases on average by 0.4% • Net toll revenues reduced by about 2%
Scenario G	Scn A + 25% Low Income Discount	\$2.15	\$3.55	2.15%	25%	2x / 4x	I-205 Toll Project	Likely	• Traffic increases on average by 0.1% • Net toll revenue reduced by less than
Scenario H	Combines features of other scenarios	\$1.50	\$3.55	2.15%	50%	1.5x / 2x	RMPP + I-205 Toll Project	TBD	IBR Team recommendation targeted to meet funding target
Scenario I	Scenario H w/o RMPP	\$1.50	\$3.55	2.15%	50%	1.5x / 2x	I-205 Toll Project	TBD	Bi-State Subcommittee Request
Scenario J	Scenario H w/lower pre-completion	\$1.50 \$1.50	\$3.15 \$3.55	2.15%	50%	1.5x / 2x	RMPP + I-205 Toll Project	TBD	Bi-State Subcommittee Request
Scenario K	Scenario I w/lower pre-completion	\$1.50 \$1.50	\$3.15 \$3.55	2.15%	50%	1.5x / 2x	I-205 Toll Project	TBD	Bi-State Subcommittee Request

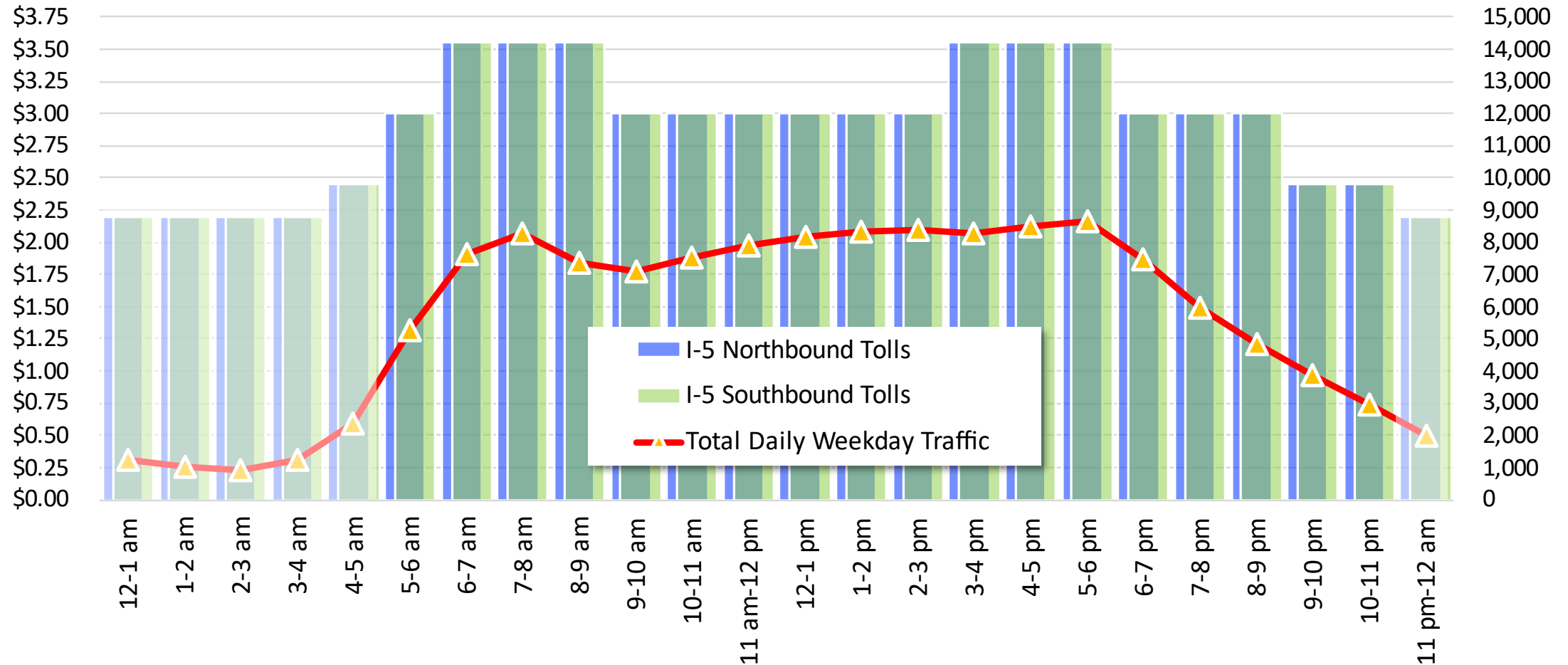
Notes:

- Weekend toll rates assumed to be constant at the minimum non-zero weekday value.
- The minimum toll is assumed to be \$0 overnight during pre-completion tolling (FYs 2026-33).
- All scenarios assume pre-completion tolling begins on the existing bridge in April 2026.
- RMPP = ODOT's Regional Mobility Pricing Project plans as of December 2022.
- The two low-income toll discount scenarios assume an eligibility threshold of 200% of the federal poverty level and are placeholders for a future benefit program that may comprise discounts or exemptions to be determined by the two Transportation Commissions.

Approach to Toll Rates Across Facilities

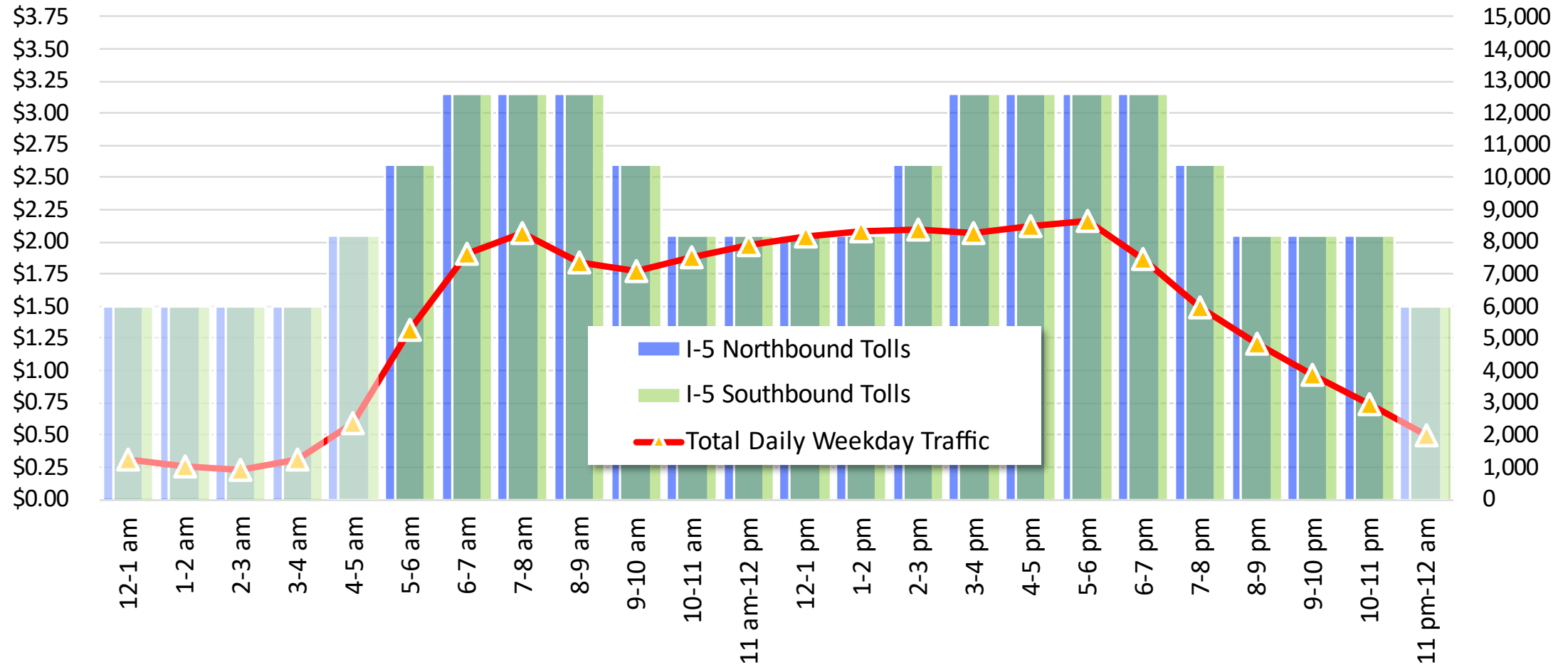
- ▶ **Washington:** generally applies time-of-day variable tolls and assumes the same for planned future toll facilities, with two exceptions:
 - Tacoma Narrows Bridge: tolls are always in place at the same rates, and only apply on eastbound traffic.
 - Tolls on the I-405 and SR 167 Express Toll Lanes vary *dynamically* based on conditions between a minimum and maximum toll rate.
- ▶ **Oregon:** planning work assumes time-of-day variable toll rates on a set schedule
 - Examining variable rate scenarios for I-205 designed to contribute \$400 M in funding
 - RMPP studying variable tolling when and where needed to help alleviate congestion
- ▶ **IBR program T&R Policy Assumptions:** analyzed time-of-day variable toll rates on a set schedule
 - Toll rates reflect the need to provide at least \$1 billion in program funding and congestion management with lower midday and off-peak tolls.
 - Assumed pre-completion tolling of the existing bridge during construction from 2026 to approximately 2033.

IBR “Scenario A” Toll Rates in Opening Year Values



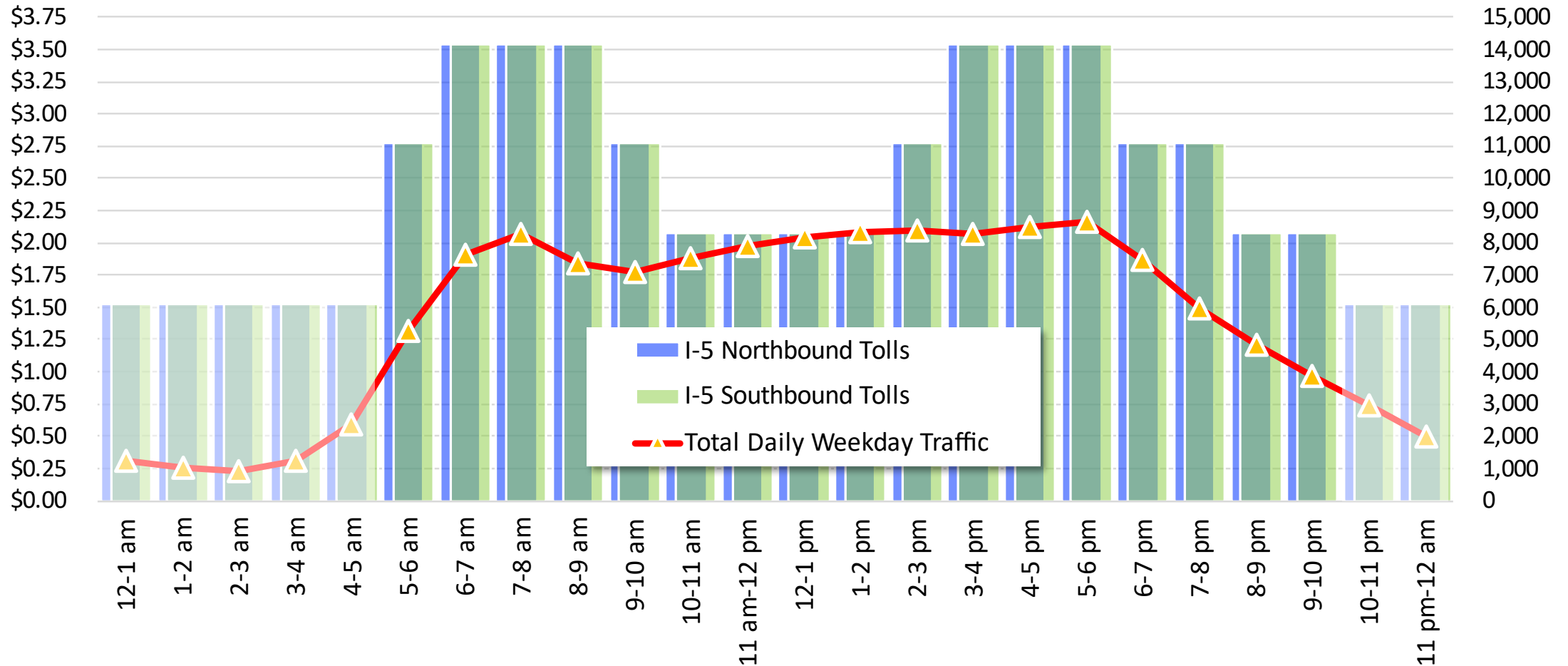
- ▶ For Scenarios A, C, D, F and G, toll rates range from \$2.20 overnight and weekends to \$3.55 in peak periods for customers with a registered account.
- ▶ Medium trucks were assumed to pay multiples of 2x and 4x the auto toll rate
- ▶ The Level 2 Toll T&R study assumed no pre-completion tolls overnight from 11 PM – 5 AM

IBR “Scenario B” Toll Rates in Opening Year Values



- ▶ For Scenarios B and E, toll rates range from \$1.50 overnight and weekends to \$3.15 in peak periods for customers with a registered account.
- ▶ Medium and heavy trucks were assumed to pay multiples of 2x and 4x the auto toll rate, respectively
- ▶ The Level 2 Toll T&R study assumed no pre-completion tolls overnight from 11 PM – 5 AM

IBR Other Scenario Hybrid Toll Rates in Opening Year Values



- ▶ For additional Scenarios H and I, toll rates range from \$1.50 overnight and weekends to \$3.55 in peak periods for customers with a registered account. Scenarios J and K match these rates once the new bridge opens but assume the lower “Scenario B” rates during pre-completion
- ▶ Medium and heavy trucks were assumed to pay **lower** multiples of 1.5x and 2x and 4x the auto toll rate, respectively
- ▶ The additional Scenarios H, I, J and K also assume no pre-completion tolls overnight from 11 PM – 5 AM

Approach to Escalation Across Facilities

- ▶ **Washington:** WSTC objectives and adopted policies vary by facility
 - Tacoma Narrows Bridge, SR 520 Bridge, and I-405 / SR 167 express toll lane tolls are adjusted “as needed”
 - SR 99 tunnel’s toll rate schedule assumes escalation of 3% every 3 years, pending review and approval by the WSTC
 - Escalation is being assessed as part of traffic & revenue analysis for the future Gateway Program projects, the SR 167 and SR 509 expressways
- ▶ **Oregon:** planning work for I-205 assumes inflationary escalation of 2.15%
 - 2.15% is a conservative estimate taken as the average of two third party inflation forecasts
 - RMPP planning work considers the potential for real growth in tolls (above inflation) that may be needed to manage congestion with traffic growth over time
- ▶ **IBR Program T&R Policy Assumptions:** testing tolls that keep pace with general inflation, with scenarios including 2.15% annually
 - Level 2 T&R study Scenario C shows the effects of no toll escalation
 - Future analysis may include toll escalation rates that vary in frequency and/or amount

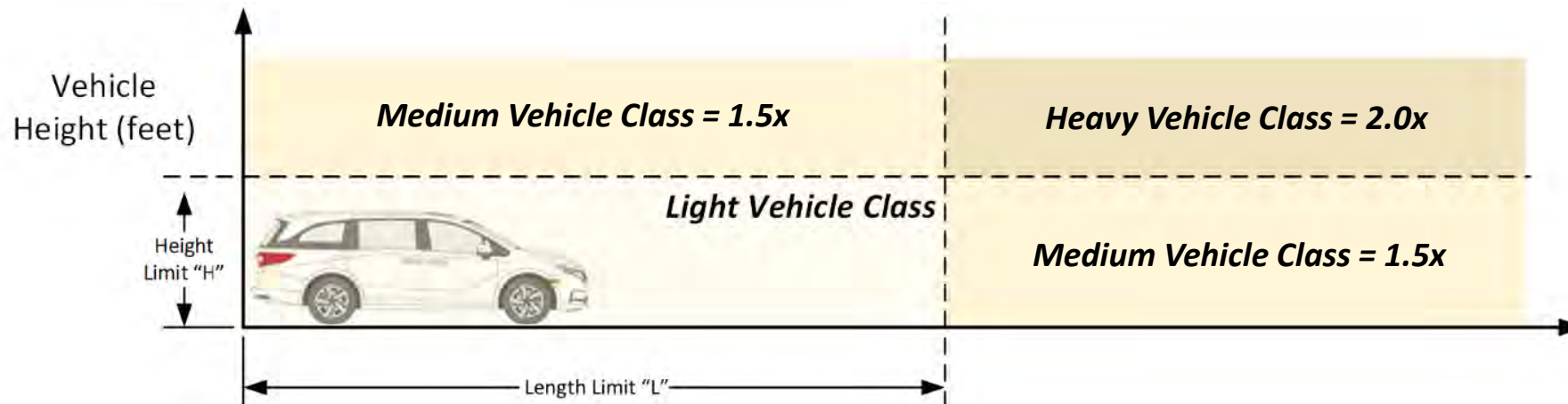
Approach to Truck Toll Multipliers Across Facilities

- ▶ **Washington:** axle multiplier approach
 - Requires embedded lane equipment to count axles
 - Maximum toll is 3x the base auto toll
- ▶ **Oregon:** plans for a shape-based classification
 - Uses above ground sensors to “sort” vehicles by size
 - Considering 1.5x medium and 2.0x heavy truck multiples
- ▶ **IBR Program:** analysis considered two different approaches
 - Level 2 T&R study used 2x medium and 4x heavy truck multiples based on prior CRC assumptions
 - Additional scenarios being analyzed assume 1.5x medium and 2.0x heavy truck multiples

	# Axles = N	Truck Toll Axle Multiplier Methods		
		N/2	N-1	N
Auto Toll	2	1.0x	1.0x	1.0x
Medium Truck (single unit)	2	1.0x	1.0x	2.0x
	3	1.5x	2.0x	3.0x
	4	2.0x	3.0x	4.0x
Large Truck (combination unit / tractor-trailer)	4	2.0x	3.0x	4.0x
	5	2.5x	4.0x	5.0x
	6	3.0x	5.0x	6.0x
	7	3.5x	6.0x	7.0x
	8	4.0x	7.0x	8.0x
	9	4.5x	8.0x	9.0x
	10	5.0x	9.0x	10.0x

Notes:

- WSDOT uses N/2 method, capped at 3x for 6+ axles



Low Income Toll Considerations Across Facilities

- ▶ **Washington:** WSTC conducted a Low-Income Toll Study for I-405 and SR 167 ETLs from 2020 - 2021 at direction of Legislature
 - In addition, in 2019 the legislature passed a proviso requiring WSDOT analyze and WSTC consider a low-income benefit for residents adjacent to the planned SR 509 expressway
- ▶ **Oregon:** Has studied and OTC approved implementation of a Low-Income Toll Program on ODOT facilities
 - Initial benefit will be a 50% discount for registered account customer at or below 200% of the Federal Poverty Level (FPL)
- ▶ **IBR Program:** considered two low-income scenarios in the Level 2 T&R study

IBR Program: <u>Preliminary</u> Low-Income Toll Effects with Users at 0-200% of FPL				
Discount Level	Enrollment Rate %*	Traffic (% change)	Gross Revenue (% change)	Net Revenue (% change)
50%	44%	< +1%	< -2%	< -2%
25%	22%	< +1%	< -1%	< -1%

* Among those that are income-eligible up to 200% of the FPL, assumes participation interest of 60% at the higher discount rate and 30% at the lower discount rate within the 73% share of users assumed to have a registered account for toll payment.

Pre-Completion Tolling on IBR

- ▶ During construction, the existing I-5 lane capacity will be maintained through the 5-mile program area during daytime hours
- ▶ Analysis assumed the bridge would be tolled during the construction period
 - Overnight tolls were excluded during pre-completion tolling
 - Scenarios J and K analyze lower toll rates during pre-completion tolling
- ▶ **Pre-completion tolling on IBR was identified to:**
 - Generate toll revenue to support pay-as-you go construction expenditures
 - Provide revenue for debt service payments once bonds are issued, minimizing capitalized interest costs
 - Create an opportunity to fine-tune toll collection operations and Traffic & Revenue forecasts before issuing bonds. Bonding is currently anticipated to start in 2029.
 - Help manage traffic demand through the corridor

Next Steps and Public Comment

Next Steps

Future meetings:

- April 19th, 1pm – 3pm
- May 17th, 1pm – 3pm

Subcommittee websites:

- Washington: <https://wstc.wa.gov/programs/tolling/i-5-bridge-over-the-columbia-river/>
- Oregon: <https://www.oregon.gov/odot/Get-Involved/Pages/Bistate-toll-commission.aspx>

To receive future meeting updates: Email info@bistatesubcommittee.org to sign up

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Thank You

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