
February 2024 Bi-State Tolling Subcommittee Meeting Summary– February 23, 2024
Location: Virtual

Attendees

Bi-State Tolling Subcommittee Members

Lee Beyer (OTC, Vice-Chair); Jim Restucci (WSTC, Vice-Chair);
Alicia Chapman (OTC, Member); Roy Jennings (WSTC, Member)

Staff / Other Attendees

Brent Baker (IBR); Travis Brouwer (ODOT); Reema Griffith (WSTC); Meghan Hodges (IBR);
Carl See (WSTC); Kristopher Strickler (ODOT)

Vice-Chair Beyer called the meeting to order and had the commissioners and staff introduce themselves. The Vice-Chair then shared instructions for public comment.

Overview of Oregon & Washington Toll Programs – Travis Brouwer & Carl See

Carl See shared an overview of how Washington’s toll program uses tolling to manage traffic and raise revenue to pay for debt, operations, and maintenance of toll facilities. The state legislature authorizes toll facilities and allocates revenue, while WSTC sets toll rates. WSDOT plans, builds, and operates toll facilities and the Office of the State Treasurer arranges financing and issues debt. Carl noted that tolling on the existing and replacement I-5 bridges for the Interstate Bridge Replacement Program was authorized by the state legislature in 2023. Mr. See reviewed how WSTC makes rate-setting decisions including showing relevant examples.

Travis Brouwer gave an overview of Oregon’s toll program. Tolling revenue will support corridor improvements, maintenance, and transportation projects. The state legislature gave OTC authorization to toll on state highways and provides direction in statute, while the commission sets toll rates and authorizes facilities. ODOT builds, plans, and operates toll facilities, and the Office of the State Treasurer issues and holds debt. OTC also has general authority to designate toll projects and set toll rates for the Interstate Bridge Replacement. Mr. Brouwer also gave an overview of Oregon’s work on a low-income toll program.

Discussion

Questions were asked regarding ODOT’s low-income toll program and bi-state back-office interoperability. On the low-income toll program, Mr. Brouwer shared information about Oregon’s household income data and ODOT’s plans to minimize operational costs and reduce barriers by using income verification from other benefit programs. On interoperability, Mr. Brouwer shared that there are ongoing conversations between ODOT and WSDOT, and that ODOT has already pursued interoperability with the BreezeBy system used in the Columbia Gorge and will be pursuing interoperability with national systems.

Toll Traffic & Revenue Analysis – Brent Baker

Brent Baker gave a brief overview of IBR’s funding structure. Mr. Baker reviewed the distinct levels of toll traffic and revenue studies. He explained these studies demonstrate to investors and lenders that the revenue stream is sufficient to meet financial obligations. A level three toll traffic

and revenue study will need to be completed before initial rate-setting and the beginning of toll operations, or before a bond sale.

Mr. Baker reviewed the level two traffic and revenue study scenarios completed for or in process for IBR with a range of potential toll rates and policies. He noted five of the seven scenarios are expected to meet the \$1.24 billion funding target, with the remaining needing more analysis to determine funding capacity. Results from the additional four scenarios will be presented in a future meeting.

Discussion

Clarifying questions about the scenarios were asked, particularly regarding the effects of the low-income toll program, weekend toll rates, and overnight tolling on program funding. Mr. Baker noted that weekend tolls are important to achieving the revenue target and that removing weekend tolls would necessitate higher weekday tolls. However, he noted that the analysis assumed there would not be overnight tolling on weekends pre-completion, which reflects a fiscally conservative approach and consideration for road users during construction. Addressing additional questions, Mr. Baker explained that the financial forecast horizon starts at the beginning of tolling through the following 35 to 40 years to support financing and that the Subcommittee has opportunities to refine any scenarios for inclusion in the Level 3 Traffic and Revenue Study.

Potential Operating Principles, Review & Discussion – Travis Brouwer and Reema Griffith

Travis Brouwer asked the Subcommittee to consider issues that both states believe are worth clarifying and putting into operating principles. He noted what issues could be included in the operating principles and asked if the Subcommittee was interested in adopting operating principles drafted by staff.

The group discussed the approach to differing opinions on the Subcommittee, agreeing that a majority vote is appropriate, but that consensus and unity are preferred when bringing recommendations to the full commissions for final decisions. It was determined staff would put forward operating principles for review and discussion at the March meeting. Lastly, the Commissioners and staff determined to further discuss which future meetings to hold in-person versus online, considering the preference for in-person decision-making, travel constraints, and the states' public meeting requirements.

Next Steps – Commissioner Lee Beyer

Vice-Chair Beyer noted that the next Subcommittee meeting is on March 15 at 1 p.m. He asked for any last thoughts before moving to public comment.

Public Comment

Chris Smith with the Just Crossing Alliance stated that he believes that the level two study overestimates traffic and that the level three analysis will have a more accurate estimate. He would like to move the study forward so that it's available for the final locally preferred alternative and legislators during the 2025 sessions. The Just Crossing Alliance also believes that

it is inequitable to begin tolling without providing additional transportation choices during construction.

John Ley noted that six years ago ODOT provided the opportunity for the public to comment on the Value Pricing Policy Committee on tolling policies. During that period, ODOT decided not to consider adding new lanes in either direction on I-5 and I-205 even though he considers that the best option to reduce congestion. John noted that WSDOT tolling facilities borrowed money during the pandemic, raising concerns about their financial viability. John stated that IBR should be abandoned as the cost of the program is continuing to increase and the current proposal doesn't reduce congestion.

John McCabe noted that earlier in the presentation, staff had said that under Washington statute toll rates on the Interstate Bridge could not be higher than other toll facilities in the state. This morning, the state legislature was told that rates would need to be higher than are currently in place in other facilities. He is concerned that these high toll rates will make it difficult to move forward. John is also concerned that the decision not to toll I-205 will cause diversion and will decrease revenue.

Steve Barnett, the Tribal Council Chairman of the Cowlitz Indian Tribe, stated that his tribe will be greatly impacted by the Interstate Bridge Replacement and would appreciate participating in a government-to-government relationship around toll rates going forward. He noted that all the tribes are asking to be exempt from tolling as it would have a disproportionate impact on tribal members.