

HOUSE BILL REPORT

ESSB 6445

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: Senate Committee on Transportation (originally sponsored by Senator Pridemore; by request of Department of Transportation).

Brief History:

Committee Activity:

Transportation: 2/21/12 [DP].

Brief Summary of Engrossed Substitute Bill

- Authorizes the tolling of the existing and replacement Interstate 5 Columbia River bridges.
- Designates the Columbia River Crossing (CRC) Project as an eligible toll facility, defines the parameters of the project area, and caps the cost of the project at \$3.413 billion.
- Creates the CRC Project Account in the State Treasury, which is an appropriated account that retains its own interest income.
- 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, which do not go into effect until 30 days after the adjournment of the next legislative session.
- 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 complete construction of the bridge and landings will be available; and (2) the Washington State Transportation Commission has entered into agreements with the Oregon State Transportation Commission regarding toll setting.

HOUSE COMMITTEE ON TRANSPORTATION

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.

Majority Report: Do pass. Signed by 22 members: Representatives Clibborn, Chair; Billig, Vice Chair; Liias, Vice Chair; Armstrong, Ranking Minority Member; Angel, Asay, Eddy, Finn, Fitzgibbon, Hansen, Jinkins, Johnson, Klippert, Ladenburg, Moeller, Morris, Moscoso, Reykdal, Rivers, Takko, Upthegrove and Zeiger.

Minority Report: Do not pass. Signed by 5 members: Representatives Hargrove, Assistant Ranking Minority Member; McCune, 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, bistate 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 Bill:

The CRC Project is defined as a bistate, multimodal corridor improvement program between the SR 500 interchange in Vancouver, Washington, and the Victory Boulevard interchange in Portland, Oregon. The total cost of the CRC Project may not exceed \$3.413 billion.

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 bridge. Tolls may not be charged for travel on any portion of Interstate 205.

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 to carry out the purposes of this section. Any agreement between the tolling authority or the Oregon State Transportation Commission takes effect, and is not binding or enforceable until, 30 days after the next ensuing regular legislative session.

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 only be made: (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 CRC Project Account (Account) is created in the State Treasury and the types of revenue and monies that must be deposited into the Account are specified. The Account is an appropriated account and retains its own interest income.

Tolls may not be collected on the project until: (1) certification of the Secretary of the Washington State Department of Transportation (WSDOT) to the Governor that the WSDOT has received satisfactory evidence that sufficient funding, including federal funds, will be available to complete the phase of the project that includes the bridge and landings; and (2) an agreement between the tolling authority and the Oregon Transportation Commission has taken effect. If the Secretary of the WSDOT does not provide such certification to the Governor by December 31, 2015, then the authority to toll the project and several other related provisions are null and void.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains a contingent effective date, except for section 4, 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 or agreements regarding toll setting. Section 4, relating to entering into agreements for the setting of toll rates, takes effect 90 days after the adjournment of session.

Staff Summary of Public Testimony:

(In support) This project has been in the works for at least 17 years. Serious discussions regarding the scope of the project began in 2000, and have been ongoing ever since. As currently conceived, this project will generate 16,000 jobs over the seven years it will take to build it.

This project is important for both trade and the economic vitality of the region and the state.

There is certainly controversy regarding the project and the funding sources used to pay for it. People are not fans of tolls, but tolls are the best available way to fund the local portion of the project. If other funding can be found, then there is obviously no reason to toll.

The recent issuance of the record of decision for the project has provided the necessary green-light for the project, except for the funding. The passage of this bill would provide a strong statement that would assist in the pursuit of New Starts and other federal funds for the project. The bill contains appropriate safeguards, but still says that we are serious about constructing the project.

The \$3.413 billion cap on the total cost of the project is acceptable and helps to manage both the scope and the expectations for the project.

The southwest Washington construction industry has the highest unemployment rate in the state. The current I-5 bridges are too old to be updated and need to be rebuilt using twenty-first century technology. This will, in turn, improve the employment situation in the construction industry.

(With concerns) Clark County is concerned with how long the tolls on the I-5 bridges will last. It approves of the cap on the total cost of the project, and the ban on the tolling of I-205.

(Opposed) Three of the four senators from Clark County are opposed to the bill. It is also in violation of RCW 47.56.830, which requires that tolls be fairly and equitably applied.

The I-205 and I-5 crossings of the Columbia River are only six miles apart. Traffic will divert from the tolled bridges, on which the tolls could reach \$12 if the George Washington bridge is a guide, to the free bridges, and the bonds will fail. The states should instead construct a six-lane alternative bridge for \$500 million.

Persons Testifying: (In support) Senator Pridemore, prime sponsor; David Dye, Washington State Department of Transportation; and David Myers, Washington State Building and Construction Trades Council.

(With concerns) Mike Burgess, Clark County.

(Opposed) Jon Haugen.

Persons Signed In To Testify But Not Testifying: None.