JOINT MEETING OF THE OREGON AND WASHINGTON TRANSPORTATION COMMISSIONS
REVISED AGENDA
September 19, 2012
Pendleton, Oregon

Tuesday, September 18

6:00 PM No-host dinner with Oregon and Washington Commissions. (Hamley Steakhouse, 8 SE Court Avenue, Pendleton, OR 97801) (Bus to pick up Commissioners at 5:45 pm in the Red Lion Hotel lobby.)

JOINT MEETING OF THE OREGON AND WASHINGTON TRANSPORTATION COMMISSIONS
Pendleton, Red Lion Hotel
Walla Walla Room
304 SE Nye Avenue
Pendleton, Oregon 97801
(541) 276-6111, Fax (541) 276-2413

Wednesday, September 19

8:00 AM ODOT's regular monthly agenda review and briefing session with ODOT staff in the *Cayuse Room*.

Joint Meeting: Oregon and Washington Transportation Commissions

9:00 AM E) Receive a video presentation about the CTUIR Transit System. ***(20 min., Jim Beard, Confederated Tribes of the Umatilla Indian Reservation)***

9:20 AM F) Introductions ***(30 min., Oregon and Washington Commissions)***

9:50 AM G) Economic ties between Washington and Oregon. Informational. ***(40 min., Michael Fischer, Cambridge Systematics)***

10:30 AM H) Receive an informational presentation of the Rail Corridor. Informational. ***(30 min. John Sibold, Cascades Corridor Director, WSDOT)***

11:00 AM I) Receive an informational presentation of the Electric Highway. Informational. ***(30 min. Jim Whitty, ODOT and Jeff Doyle, WSDOT)***

11:30 AM J) Receive an informational presentation on Road Usage Fee/Charge efforts under way. Informational. ***(45 min. Jim Whitty, ODOT and Jeff Doyle, WSDOT)***

12:15 PM Working Lunch – break and pick up lunches in *Cayuse Room*.

JOINT MEETING OF THE OREGON AND WASHINGTON TRANSPORTATION COMMISSIONS
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Pendleton, Oregon

Wednesday, September 19, (continued)

12:30 PM K) Working Lunch – Conduct an informational discussion about the Columbia River Crossing project, tolling governance, and legislative oversight efforts. Informational. ***(2 hours, Kris Strickler, ODOT and Nancy Boyd, WSDOT)***

2:30 PM L) Wrap-up Informational. ***(20 min., Secretary Hammond and Director Garrett.)***

2:50 PM ADJOURN

FORMALMONTHLY MEETING
Pendleton, Red Lion Hotel
Walla Walla Room
304 SE Nye Avenue
Pendleton, Oregon 97801
(541) 276-6111, Fax (541) 276-2413

Regular Monthly Meeting: Oregon Transportation Commission

Note: The Commission may choose to take agenda items out of order, pull, defer or shorten presentation time of agenda item(s) to accommodate unscheduled business needs. Anyone wishing to be present for a particular item should arrive when the meeting begins to avoid missing an item of interest.

Website address to view agendas/minutes on the Internet: *http://www.oregon.gov/ODOT/COMM/otc_main.shtml*

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to Jacque Carlisle, Commission Assistant, at (503) 986-3450.

3:05 PM B) Public Comments. ***(Up to 15 min.)***
(Public testimony is valued by the Commission, and those who wish to testify are encouraged to sign up on the public comment sheet provided at the meeting handout table. Note: This part of the agenda is for comments on topics not scheduled elsewhere on agenda. General guidelines: provide written summaries when possible and limit comments to 3 minutes. If you bring written summaries or other materials to the meeting, please provide the Commission Assistant with 10 copies prior to your testimony.)

JOINT MEETING OF THE OREGON AND WASHINGTON TRANSPORTATION COMMISSIONS
REVISED AGENDA
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Pendleton, Oregon

Wednesday, September 19, (continued)

3:20 PM C) Request approval of the 2015-2018 Statewide Transportation Improvement Plan (STIP) Funding Allocation and Project Selection process for the ***Enhance*** category. Approval/Informational. ***(60 min., Jerri Bohard and Paul Mather)***

4:20 PM D) Consider approving items on the Consent Calendar (See below). Approval. ***(5 min., Matthew Garrett)***

4:25 PM ADJOURN

CONSENT CALENDAR

1. Approve the minutes of the August 15-16, 2012, Commission meeting in Baker City.

2. Confirm the next two Commission meeting dates:

    - Tuesday and Wednesday October 16-17, 2012, meeting in Silverton
    - Wednesday, November 14, 2012, in Salem

3. Adopt a resolution for authority to acquire real property by purchase, condemnation, agreement or donation.

4. Request approval of the following rules:
    a. Amendment of 734-020-0019 relating to advisory speeds.
    b. Amendment of 735-063-0065, 735-063-0067 and 735-063-0070 relating to CDL "V" restriction.
    c. Amendment of 735-070-0004 relating to cancellation of driving privileges for providing a false or fictitious address to DMV.

5. Request approval to amend the 2012-2015 Statewide Transportation Improvement Program (STIP) to add the Preliminary Engineering (PE) phase for the Interstate 205: U.S. 26 to Clackamas River Seismic Retrofit project. This project will be funded by project savings realized in the State Bridge Financial Plan. The estimated cost of the PE phase of this project is $750,000.

JOINT MEETING OF THE OREGON AND WASHINGTON TRANSPORTATION COMMISSIONS
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Pendleton, Oregon

Wednesday, September 19, (continued)

6. Request approval to amend the Statewide Transportation Improvement Program (STIP) to add $184,200 to construct wildlife fencing adjacent to Interstate 5 in conjunction with the Interstate 5: Glendale-Hugo Paving and Climbing Lane project in Region 3. Funding for this project will come from project savings contained in the Region 3 Financial Plan. The total estimate for this project is nearly $50 million.

7. Request approval to add a Policy Option Package to the ODOT ARB for the purchase of land, design and construction of a new building complex that will consolidate Region 1 Maintenance District offices and crews. The estimated costs is $15 million. Funding for the project will come from the Region 1 financial plan.

Oregon
John A. Kitzhaber, MD, Governor

Department of Transportation
Office of the Director, MS 11
355 Capitol St NE
Salem, OR 97301-3871

DATE: September 13, 2012

TO: Oregon and Washington Transportation Commissions

FROM: Matthew L. Garrett
Director

SUBJECT: **Agenda E**- Confederated Tribes of the Umatilla Indian Reservation (CTUIR) Public Transit video *Lessons in Nation Building.*

Requested Action:
Receive an informational presentation and watch a video about the CTUIR Public Transit's Honoring Nations-The Harvard Project on American Indian Economic Development video *Lessons in Nation Building.*

Background:
In most rural areas of America, it is difficult to get around without a car, and many people must depend on friends or family for rides. It can be tough to plan medical appointments, maintain work schedules, shop for necessities, or sign up for classes.

The Confederated Tribes of the Umatilla Indian Reservation (CTUIR) found this lack of mobility in and around their reservation troubling. In response, they decided to sponsor a bus and taxi voucher service for travel in the area. Now recognized by both state and federal transit officials as one of the most efficient and capable public transit systems in the Pacific Northwest region, CTURI Public Transit has opened up new opportunities for tribal citizens and strengthened relations with neighbors.

Copies to:
Jerri Bohard Dale Hormann Patrick Cooney Clyde Saiki

Oregon
John A. Kitzhaber, MD, Governor

Department of Transportation
Office of the Director, MS 11
355 Capitol St NE
Salem, OR 97301-3871

DATE: September 13, 2012

TO: Oregon and Washington Transportation Commissions

FROM: Matthew L. Garrett
Director

SUBJECT: **Agenda G** - Economic ties between Oregon and Washington

Requested Action:
Receive an informational presentation about the economic ties between Oregon and Washington.

Background:
Trade between Oregon and Washington is critical to the economies of both states. Mr. Michael Fischer, from Cambridge Systematics, is a national expert in the design and implementation of innovative freight forecasting models and freight data collection programs. Mr. Fischer will provide an overview of the freight movements and the economic impacts between Oregon and Washington.

Attachments:

- Economic ties between Washington and Oregon presentation

Copies (w/attachments) to:
Jerri Bohard Dale Hormann Patrick Cooney Clyde Saiki
Michael Bufalino

Economic/Trade Ties Between Oregon and Washington

presented to

Joint Meeting of the Oregon and Washington Transportation Commissions

presented by

Cambridge Systematics, Inc.

Michael Fischer

September 19, 2012

Transportation leadership you can trust.

CAMBRIDGE SYSTEMATICS

Overview

- Trade between Washington and Oregon is critical to the economies of both states and contributes significantly to their overall freight movements
- Freight movements between Washington and Oregon involve important industry sectors and major commodities
- Freight movement between Washington and Oregon is mostly by truck and highly concentrated in the I-5 corridor

CAMBRIDGE SYSTEMATICS

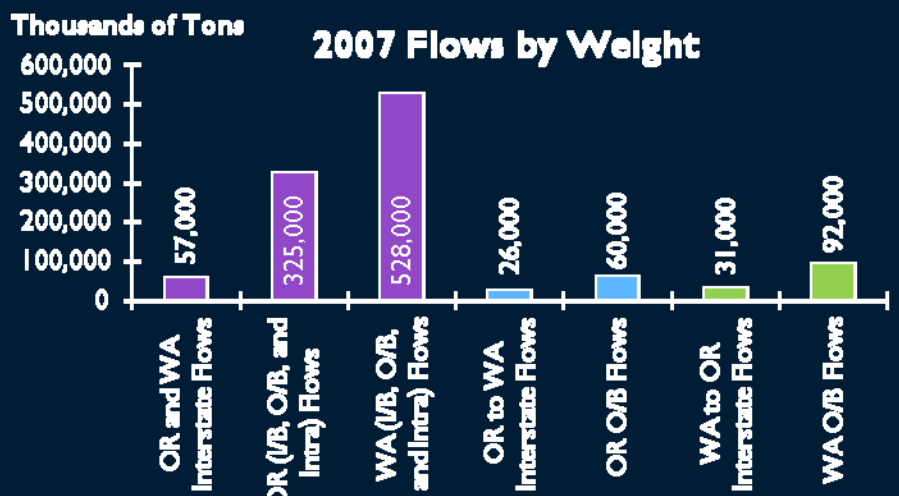
Related Efforts and Sources of Freight and Economic Information – The Foundation

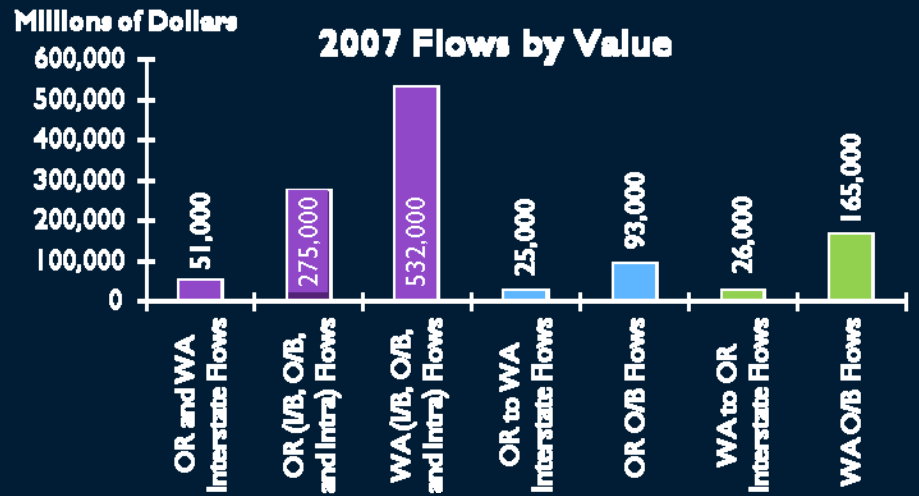
- Freight and Economic Data
  - » FHWA Freight Analysis Framework (FAF3)
  - » ODOT Statewide Integrated Model (SWIM)
- Current State Efforts
  - » Washington Freight Mobility Plan
  - » Oregon Rail Plan Update
- Recent State Freight Publications
  - » 2010 Oregon Rail Study
  - » 2011 Oregon Freight Plan
  - » Washington State 2010-2030 Freight Rail Plan
  - » The Impact of Truck Congestion on Washington State's Economy
  - » 2011 Freight and Goods Transportation System, WSDOT

How Much of Oregon/Washington's Freight Movement is Between the Two States?

How Much of Oregon/Washington's Freight Movement is Between the Two States?

- Trade between Oregon and Washington make up 18% of Oregon freight movement and 11% of Washington total freight movement by weight, and 19% and 10% of the total freight movement by value, respectively
- Outbound shipments from Oregon to Washington make up 43% of Oregon outbound shipments by weight and 27% by value
- Outbound shipments from Washington to Oregon make up 34% of Washington outbound shipments by weight and 16% by value



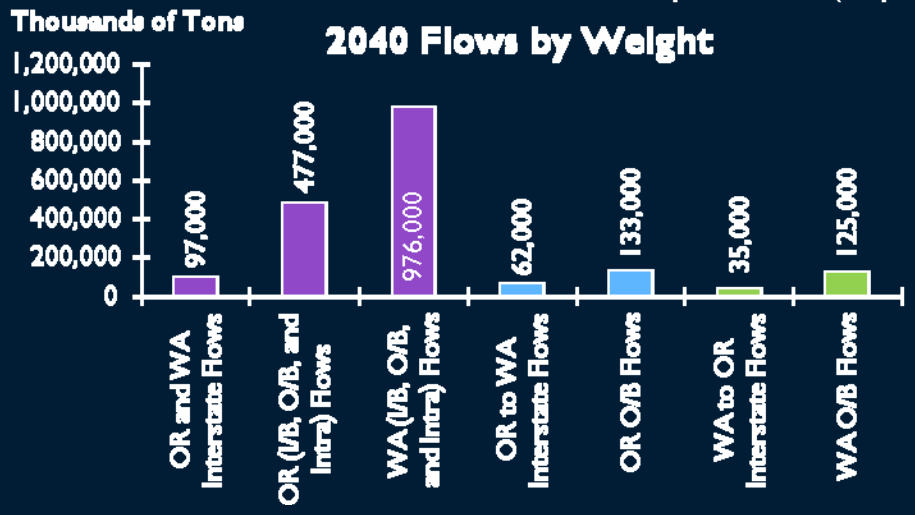


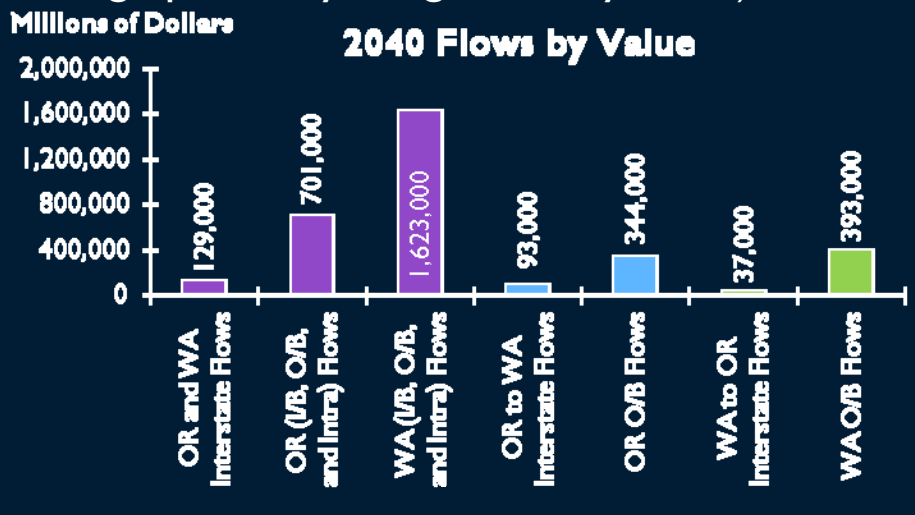
Source: FHWA Freight Analysis Framework (FAF3)

CAMBRIDGE SYSTEMATICS

How Much of Oregon/Washington's Freight Movement is Between the Two States?

- Compared to 2007, trade between the states is expected to increase by 70% in weight, and 153% in value by 2040, indicating continued shift to higher value products
- Outbound shipments from Oregon to Washington are forecasted to increase as a share of total outbound shipments in terms of weight (4 percentage points), but is forecasted to experience a slight decrease in share by value (1 percentage point)
- Outbound shipments from Washington to Oregon are forecasted to decrease as a share of total outbound shipments (6 percentage points by weight and by value)





Source: FHWA Freight Analysis Framework (FAF3)

CAMBRIDGE SYSTEMATICS

What Are the Significant Trade Flows Between Oregon and Washington and How Are They Related to Key Industry Sectors?

What Are the Significant Trade Flows Between Oregon and Washington?

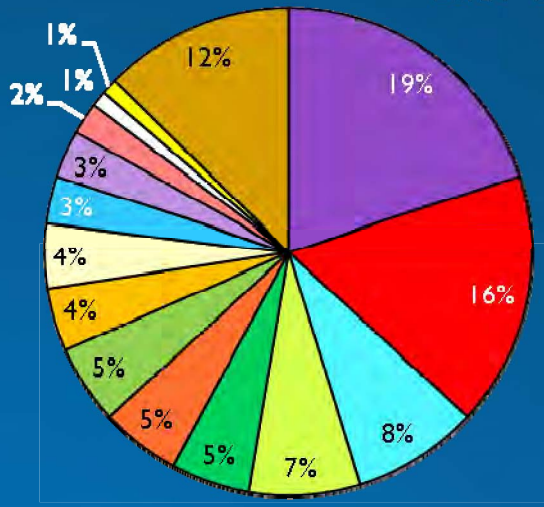
- In terms of value of shipments, a large share of Oregon shipments to Washington are durable goods and mixed freight/consumer products, whereas Washington ships a more varied mix of manufactured products (durable and non-durable), fuels, and some mixed freight/consumer products

- In terms of weight both states ship large amounts of construction- and agriculture-related products – Washington also ships a large amount of fuels to Oregon by weight

- By 2040 miscellaneous manufactured products, textiles, electronics, and waste/scrap will all experience increases in share of Oregon shipments to Washington, whereas mixed freight (consumer goods), machinery, waste/scrap, and textiles will experience increases in share of Washington shipments to Oregon

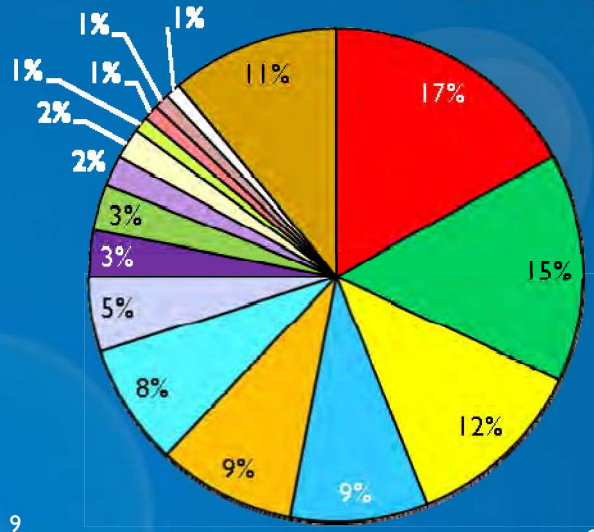
What Are the Significant Trade Flows Between Oregon and Washington

2007 Oregon to Washington Flows by Weight



- Nonmetal Mineral Products
- Wood Products
- Gravel
- Other Foodstuffs
- Mixed Freight
- Newsprint/Paper
- Milled Grain Products
- Other Commodities
- Cereal Grains
- Other Agriculture Products
- Animal Feed
- Waste/Scrap
- Fuel Oils
- Base Metals
- Gasoline

2007 Washington to Oregon Flows by Weight



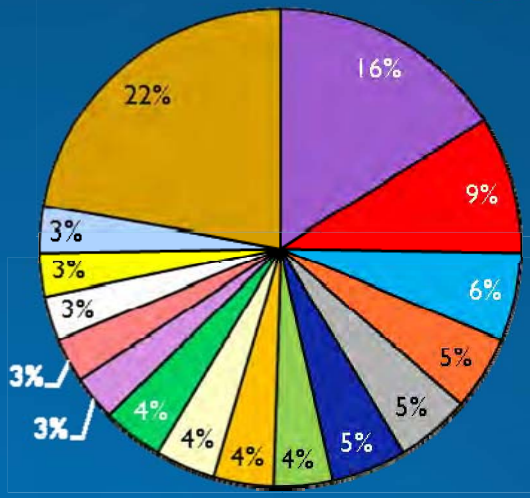
- Cereal Grains
- Gasoline
- Waste/Scrap
- Natural Sands
- Other Foodstuffs
- Mixed Freight
- Base Metals
- Paper Articles
- Gravel
- Fuel Oils
- Wood Products
- Nonmetal Mineral Products
- Newsprint/Paper
- Other Agriculture Products
- Nonmetallic Minerals
- Other Commodities

Source: FHWA Freight Analysis Framework (FAF3)

CAMBRIDGE SYSTEMATICS

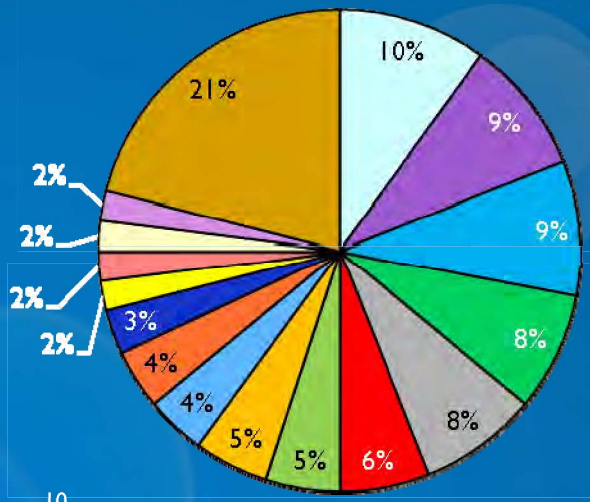
What Are the Significant Trade Flows Between Oregon and Washington *(continued)*

2007 Oregon to Washington Flows by Value



- Mixed Freight
- Textiles/Leather
- Machinery
- Electronics
- Other Foodstuffs
- Motorized Vehicles
- Wood Products
- Cereal Grains
- Miscellaneous Manufacturing Products
- Other Agriculture Products
- Base Metals
- Articles-Base Metal
- Plastics/Rubber
- Nonmetal Mineral Products
- Transport Equipment
- Other Commodities

2007 Washington to Oregon Flows by Value



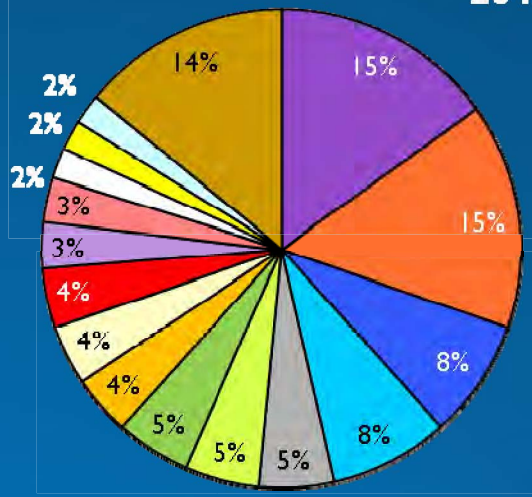
- Gasoline
- Mixed Freight
- Machinery
- Pharmaceuticals
- Fuel Oils
- Textiles/Leather
- Wood Products
- Cereal Grains
- Other Foodstuffs
- Electronics
- Motorized Vehicles
- Meat/Seafood
- Articles-Base Metal
- Miscellaneous Manufacturing Products
- Base Metals
- Other Commodities

Source: FHWA Freight Analysis Framework (FAF3)

CAMBRIDGE SYSTEMATICS

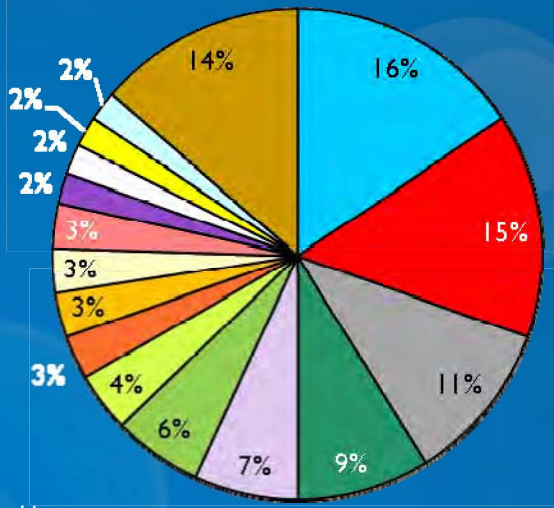
What Are the Significant Trade Flows Between Oregon and Washington *(continued)*

2040 Oregon to Washington Flows by Weight



- Other Agriculture Products
- Other Foodstuffs
- Gravel
- Wood Products
- Miscellaneous Manufacturing Products
- Base Metals
- Milled Grain Products
- Coal-N.E.C.
- Nonmetal Mineral Products
- Waste/Scrap
- Mixed Freight
- Animal Feed
- Cereal Grains
- Meat/Seafood
- Newsprint/Paper
- Other Commodities

2040 Washington to Oregon Flows by Weight



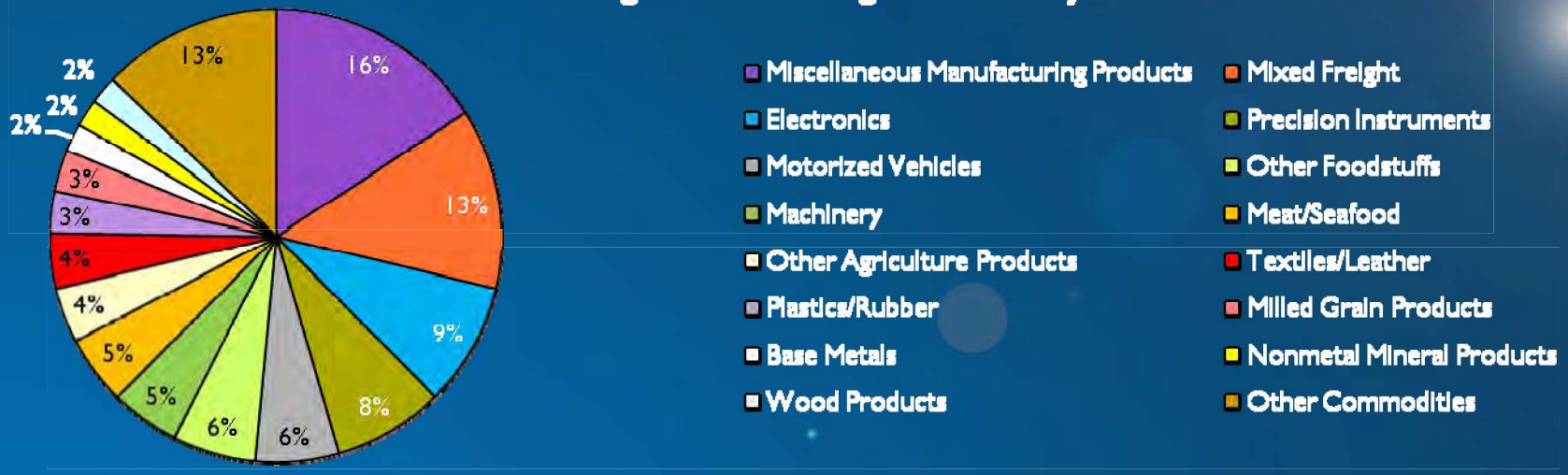
- Waste/Scrap
- Gravel
- Fuel Oils
- Mixed Freight
- Newsprint/Paper
- Other Foodstuffs
- Building Stone
- Paper Articles
- Cereal Grains
- Gasoline
- Wood Products
- Nonmetal Mineral Products
- Natural Sands
- Other Agriculture Products
- Nonmetallic Minerals
- Other Commodities

Source: FHWA Freight Analysis Framework (FAF3)

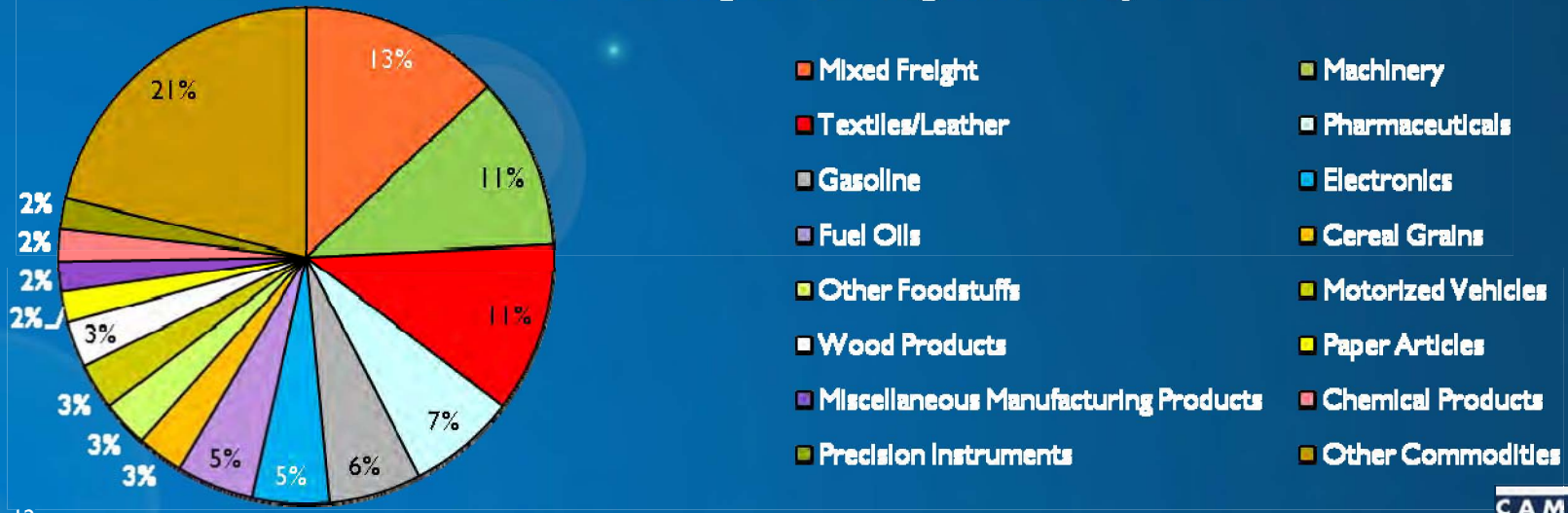
CAMBRIDGE SYSTEMATICS

What Are the Significant Trade Flows Between Oregon and Washington *(continued)*

2040 Oregon to Washington Flows by Value



2040 Washington to Oregon Flows by Value



Source: FHWA Freight Analysis Framework (FAF3)

CAMBRIDGE SYSTEMATICS

Freight Dependent Industries that Contribute to Oregon/Washington Trade

2009 Real GSP by Sector (in Millions of CPI Adjusted Current Dollars)

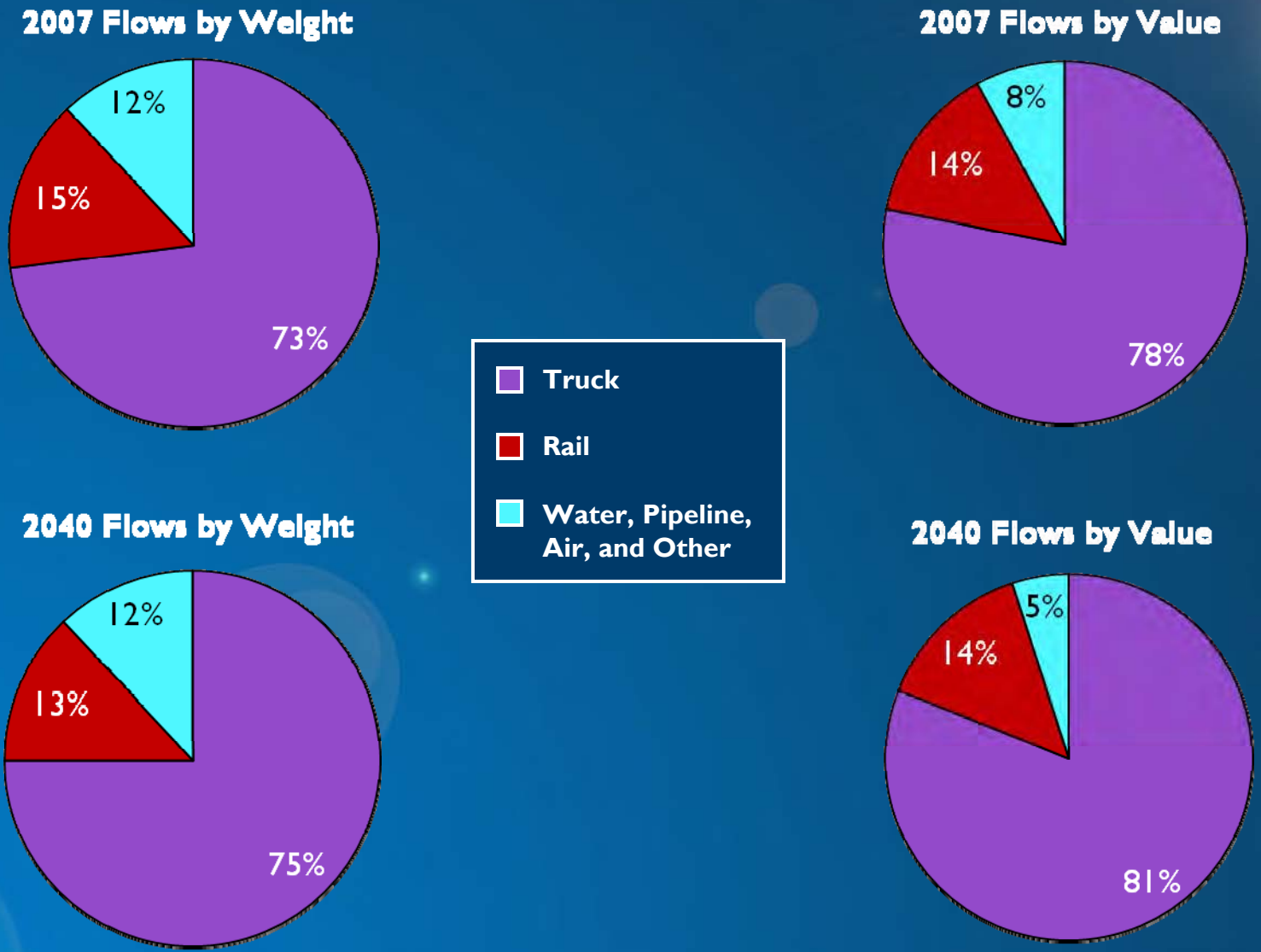
Sector	Oregon	Washington
Agriculture, Forestry, Fishing, and Hunting	4,195	5,566
Mining	109	511
Construction	4,361	14,260
Durable Manufacturing	57,109	28,089
Nondurable Manufacturing	5,428	9,512
Wholesale Trade	11,435	17,720
Retail Trade	11,749	22,134
Transportation and Warehousing	4,851	8,966
Military	551	8,031
Utilities, Services, Government (Non-Military), and Other	101,553	216,532
Total	**201,340**	**331,321**

Source: U.S. Bureau of Economic Analysis and Oregon Office of Economic Analysis

- Freight dependent industry sectors accounted for 49.3% of GSP in Oregon and 32.2% of GSP in Washington in 2009.
- Sectors including agriculture, construction, durable goods manufacturing, wholesale trade, and transportation and warehousing generated much bi-state trade

What Modes Are Used to Transport Freight Between Oregon and Washington and Which Corridors Carry the Greatest Bi-State Trade?

Which Transportation Modes are Most Important for Oregon/Washington Trade?



Source: *FHWA Freight Analysis Framework (FAF3)*

CAMBRIDGE SYSTEMATICS

Examining Freight Corridors

- The Oregon Statewide Integrated Model (SWIM) was adapted to provide commodity analysis capabilities for key corridors in Oregon and neighboring states
- Focus is on highway movements
- Detail in Washington is not comprehensive but provides basis for analyzing certain key corridors

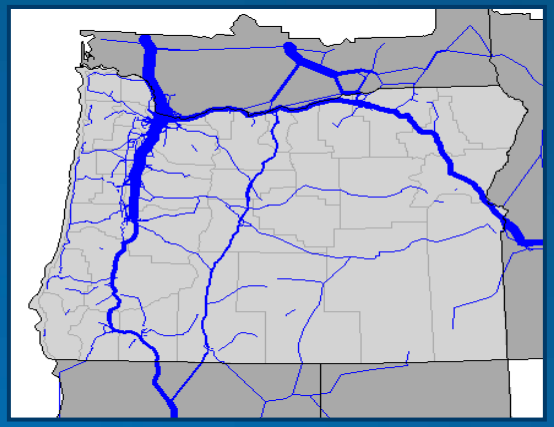
Oregon/Washington Trade Flows in Key Highway Corridors

- Most Oregon-Washington interstate trade occurs in the I-5 Corridor
  - » Analysis suggests that for the Cascadia megaregion, Washington-Oregon trade dominates highway flows at least from Olympia to Salem – reach for some commodities extends beyond this but for other commodities the trade is mostly within the Portland/Vancouver metro area
  - » U.S. 97 is the only other corridor of significance from a bi-state trade perspective
- Patterns of movement along I-5 and U.S. 97 vary considerably for different commodities

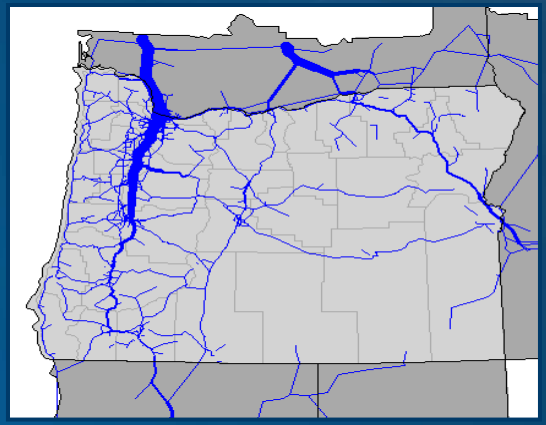
Which Corridors Carry the Most Significant Trade Between Oregon and Washington?

For All Commodities

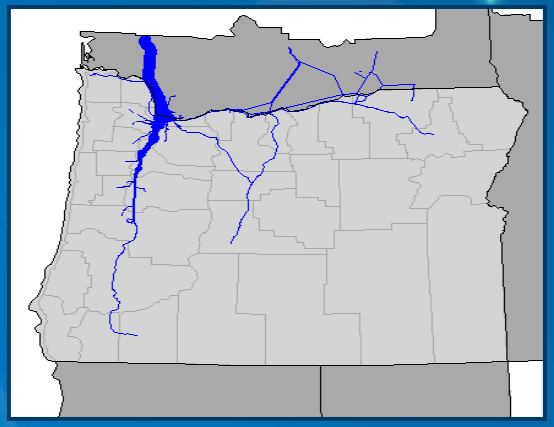
All Value Flow



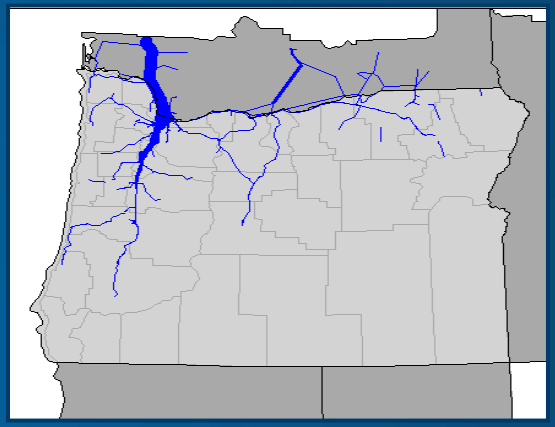
All Tons Flow



Oregon-Washington Value



Oregon-Washington Flow



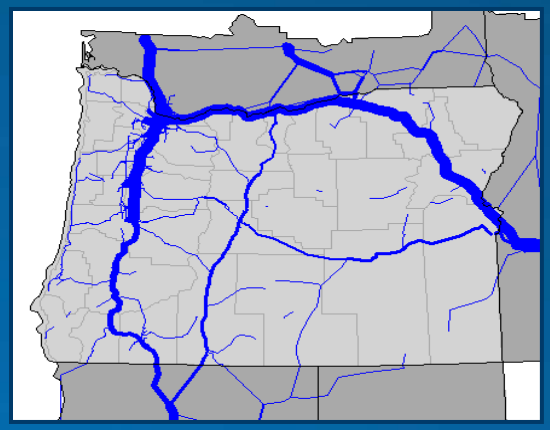
Source: Oregon Department of Transportation, Transportation Planning and Analysis Unit

CAMBRIDGE SYSTEMATICS

Which Corridors Carry the Most Significant Trade Between Oregon and Washington?

Machinery, Instruments, Transportation, Equipment, Metals

All Value Flow



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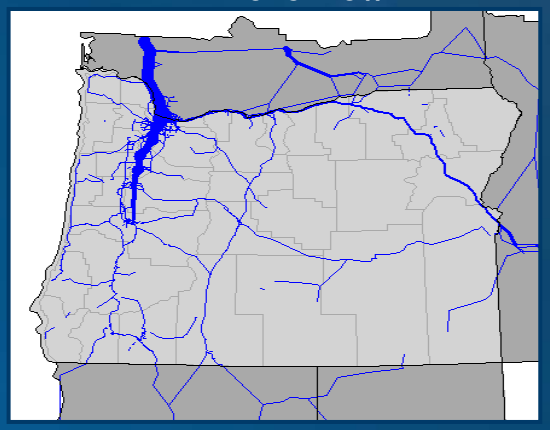
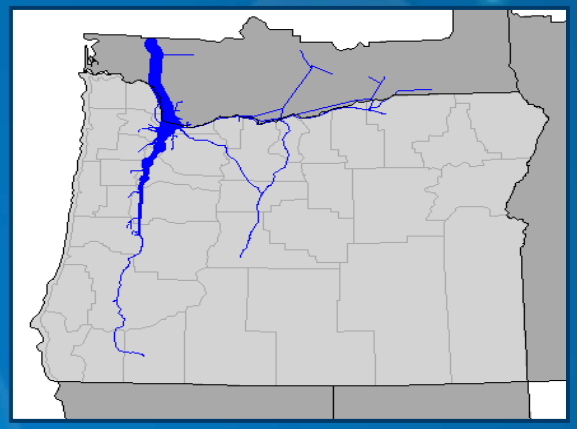
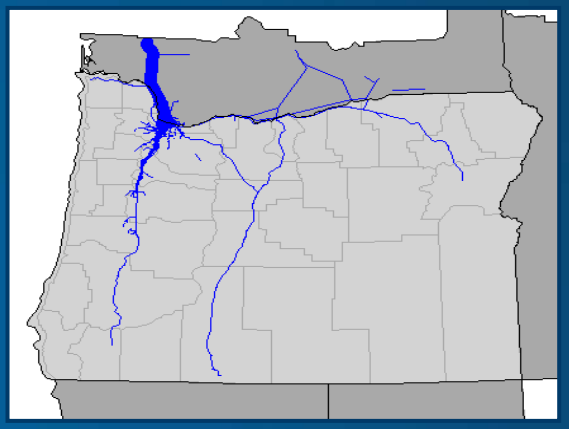


Oregon-Washington Value



Oregon-Washington Flow



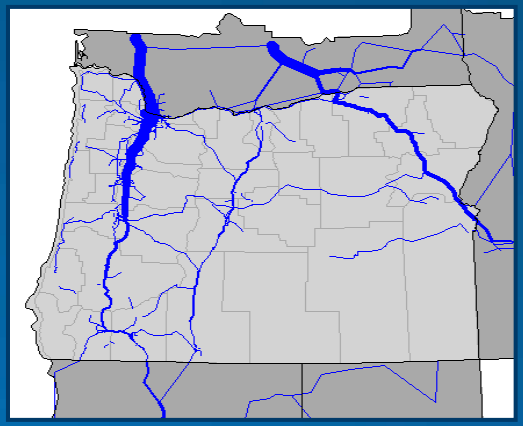
Source: Oregon Department of Transportation, Transportation Planning and Analysis Unit

CAMBRIDGE SYSTEMATICS

Which Corridors Carry the Most Significant Trade Between Oregon and Washington?

Other Manufactured Products (e.g., Textiles, Furniture)

All Value Flow



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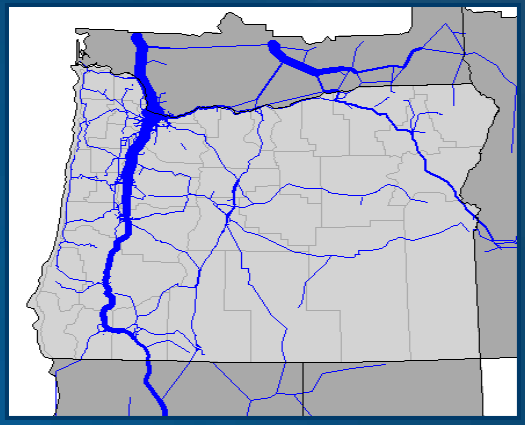
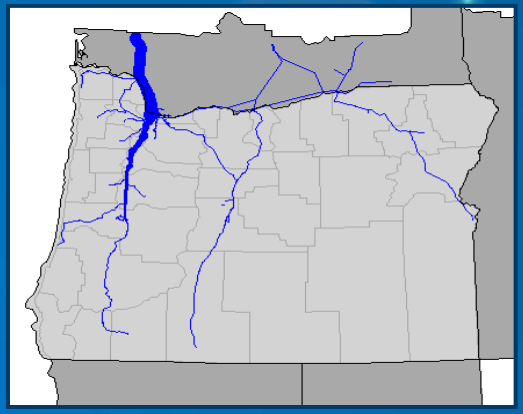
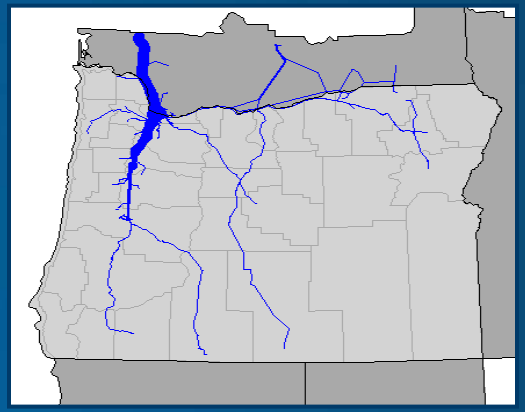


Oregon-Washington Value



Oregon-Washington Flow

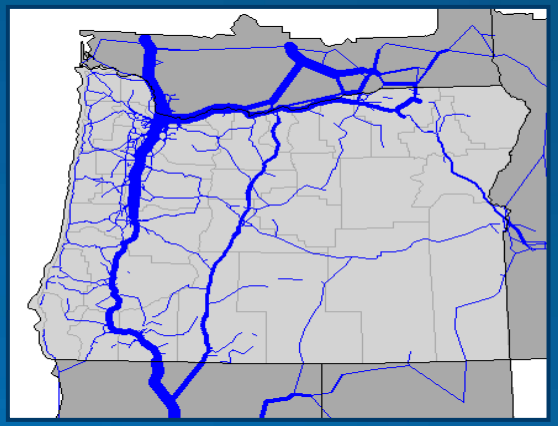


Source: Oregon Department of Transportation, Transportation Planning and Analysis Unit

Which Corridors Carry the Most Significant Trade Between Oregon and Washington?

Ag, Food, Kindred, Products

All Value Flow



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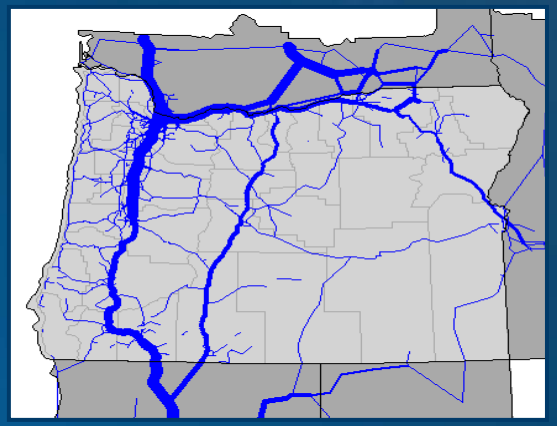
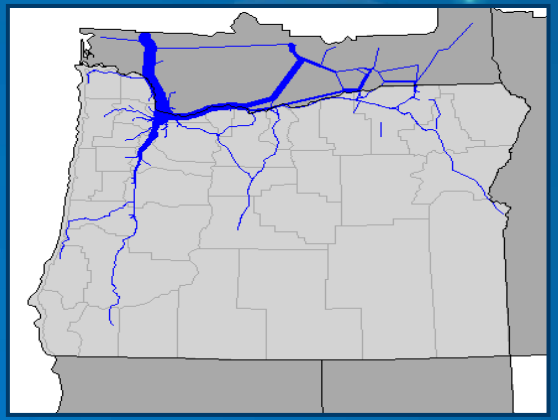
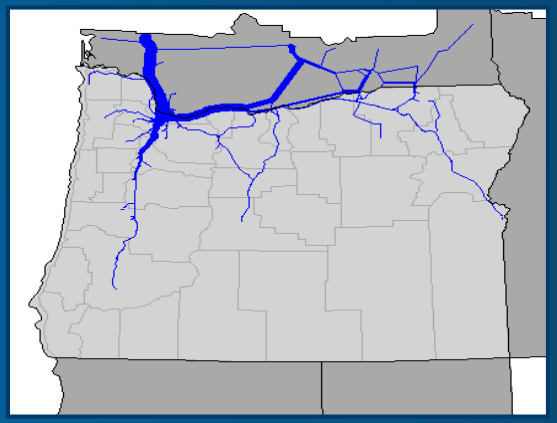


Oregon-Washington Value



Oregon-Washington Flow



Source: Oregon Department of Transportation, Transportation Planning and Analysis Unit

CAMBRIDGE SYSTEMATICS

Thoughts for the Future of Oregon-Washington Trade and Economic Ties

- Trade between Oregon-Washington is and will continue to be an important part of both state economies and freight profile
  - » Both states are shifting to higher value products which will change traditional interdependencies built around resource commodities
- Megaregion trends and shifts to high-value products will extend both state's trading partnerships but will also create even greater focus on truck movements and the I-5 corridor
- Opportunities to explore alternative modes, especially in a fully integrated and multimodal approach to the I-5 corridor, should be a focus of future planning

Oregon
John A. Kitzhaber, MD, Governor

Department of Transportation
Office of the Director, MS 11
355 Capitol St NE
Salem, OR 97301-3871

DATE: September 13, 2012

TO: Oregon and Washington Transportation Commissions

FROM: Matthew L. Garrett
Director

SUBJECT: **Agenda H** – Rail Corridor

Requested Action:
Receive an informational presentation on the Pacific Northwest Rail Corridor.

Background:
A new Oregon and Washington partnership is producing a Corridor Management Plan for managing the passenger rail service between Eugene and Vancouver, B.C., as one continuous rail corridor rather than two separate state operations. The plan will include governance, centralizating fleet management, scheduling, budgeting and capital planning, with a goal to improve passenger rail performance to the benefit of riders and economies in both states.

Attachment:
PowerPoint Presentation

Copies (w/attachment) to:
Jerri Bohard Dale Hormann Patrick Cooney Clyde Saiki
Hal Gard

Pacific Northwest Rail Corridor
A corridor approach to Amtrak Cascades

John Sibold
Cascade Rail Corridor Director
State Rail and Marine Director, WSDOT

Hal Gard
Rail Administrator, ODOT

Oregon Transportation Commission & Washington State Transportation Commission
Pendleton, OR
September 19, 2012

Washington State Department of Transportation

Oregon Department of Transportation

Presentation overview

- Program history
- Current performance
- Upcoming changes under PRIIA
- Corridor approach

Washington State Department of Transportation

Oregon Department of Transportation

Pacific Northwest Intercity Passenger Rail Corridor

Amtrak Cascades

467-mile corridor
- 300 miles in Washington
- 134 miles in Oregon
- 33 miles in British Columbia

11 daily trains
- 4 round trips between Seattle & Portland
- 2 round trips between Seattle & Vancouver, B.C.
- 2 round trips between Portland & Eugene

Washington State Department of Transportation

Oregon Department of Transportation

Amtrak Cascades history

1993 – Amtrak began one Seattle-Portland daily round trip

1994 – Washington State expanded the service with an additional Seattle-Portland daily round trip

1994 – Oregon extended one Seattle-Portland round trip to Eugene

1995 – Washington expanded service to Vancouver, B.C.

1996 – Washington added another leased train

1999 – Amtrak Cascades brand debuted, Washington added a third Seattle-Portland daily round trip, and purchased custom-built trains

2000 – Oregon extended a second Seattle-Portland round trip to Eugene

2001 – Washington added a station stop in Tukwila, WA

2004 – Oregon added a station stop in Oregon City, OR

2006 – Washington added a fourth daily Seattle-Portland round trip

2009 – Washington added second daily round trip to Vancouver, B.C.

Current partnership

- Washington and Oregon (state funding) and Amtrak (federal funding) sponsor the service

- BNSF and UP own the tracks

- Amtrak operates the service
  - We pay Amtrak via a contract
  - Amtrak pays the railroads

- Talgo and Amtrak maintain equipment
  - Washington pays Talgo via contract
  - *Oregon will pay Talgo via contract when new equipment starts service*

Washington State Department of Transportation

Oregon Department of Transportation

Designated high-speed rail corridors

Washington State Department of Transportation

Oregon Department of Transportation

Categories of rail service

Commuter rail: scheduled service on fixed routes on a non-reservation basis primarily for short-distance (local) travel between a central business district and adjacent suburbs.

Rapid transit system: an electric passenger railway in an urban area with a high capacity and frequency, and grade separation from other traffic.

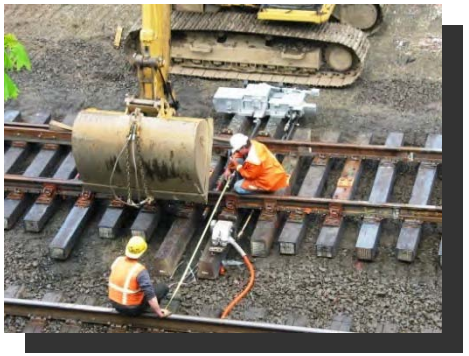
Light rail or **light rail transit (LRT)**: urban rail public transportation that generally has a lower capacity and lower speed than heavy rail and metro systems but higher capacity and higher speed than traditional street-running tram systems.

Intercity passenger rail / emerging high-speed rail: Developing corridors of 100–500 miles, with strong potential for future HSR Regional and/or Express service. Top speeds of up to 90–110 mph on primarily shared track (eventually using positive train control technology), with advanced grade crossing protection or separation. Intended to develop the passenger rail market, and provide some relief to other modes.

Long-distance passenger rail: Cross-country rail service, such as Amtrak Coast Starlight (Seattle to Los Angeles) and Amtrak Empire Builder (Portland/Seattle to Chicago).

System investments

- Washington was successful in securing nearly $800 million in federal funds due to strategic state investments
- 20 projects in Washington building additional rail-line capacity and upgrading tracks, utilities, signals, passenger stations and advanced warning systems
- ODOT will bring two new trainsets into revenue service in early 2013.
- WSDOT will purchase new locomotive and train equipment
- ODOT EIS to lead way for future federal investment in HSR corridor - $10 million ($4.2 million ARRA funds/$5.8 million Oregon funds)



Washington State Department of Transportation

Oregon Department of Transportation

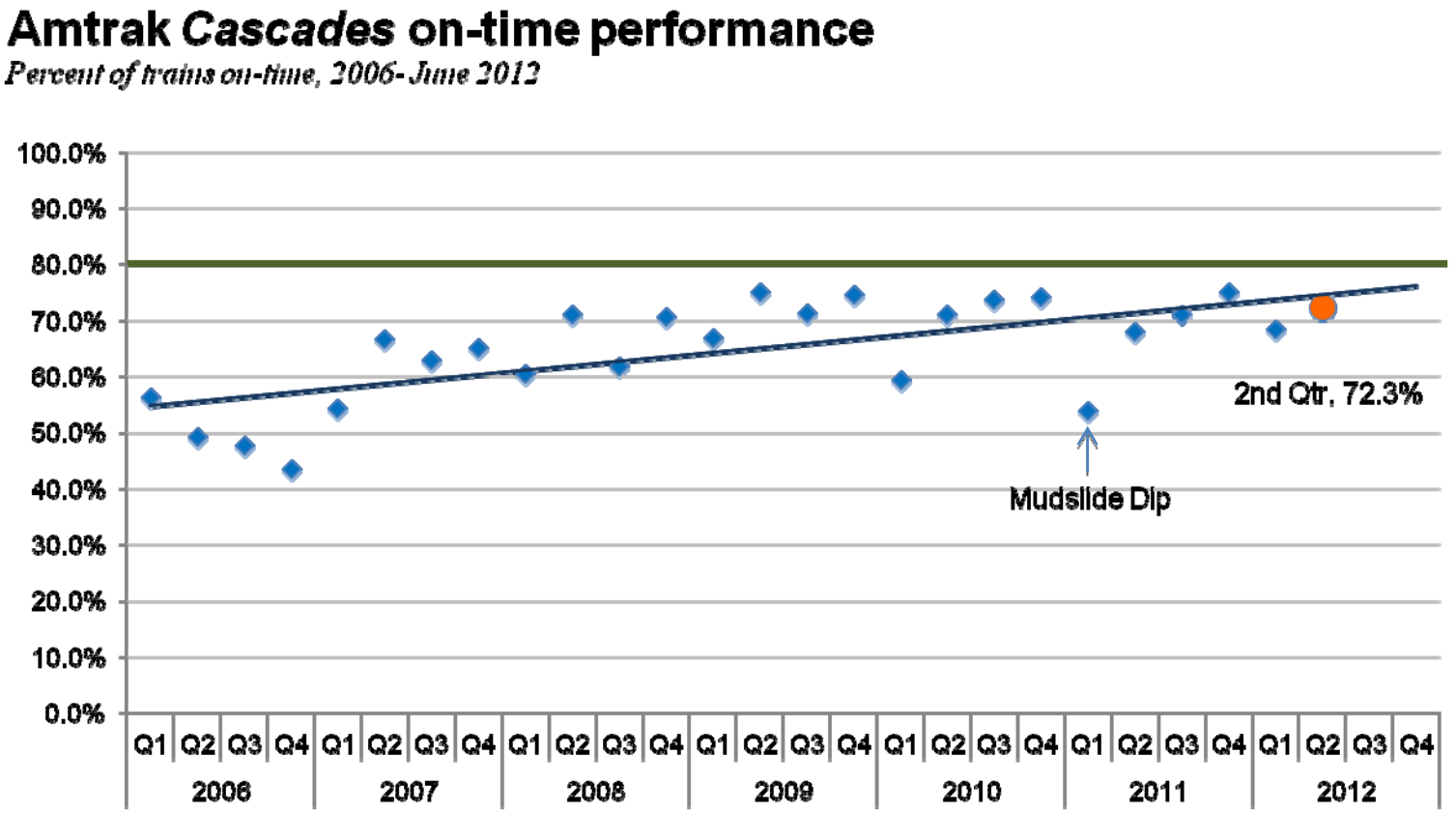
ARRA stimulus funding service requirements

Federal funding for capital improvements requires WSDOT to commit to service outcomes for 20 years beginning 2017:

- Two additional round trips between Seattle and Portland, for a total of six
- 10-minute time savings
- Improved on-time performance to 88%

These service outcomes support our shared program goal of more frequent and reliable Amtrak Cascades service.

Improvements in on-time performance

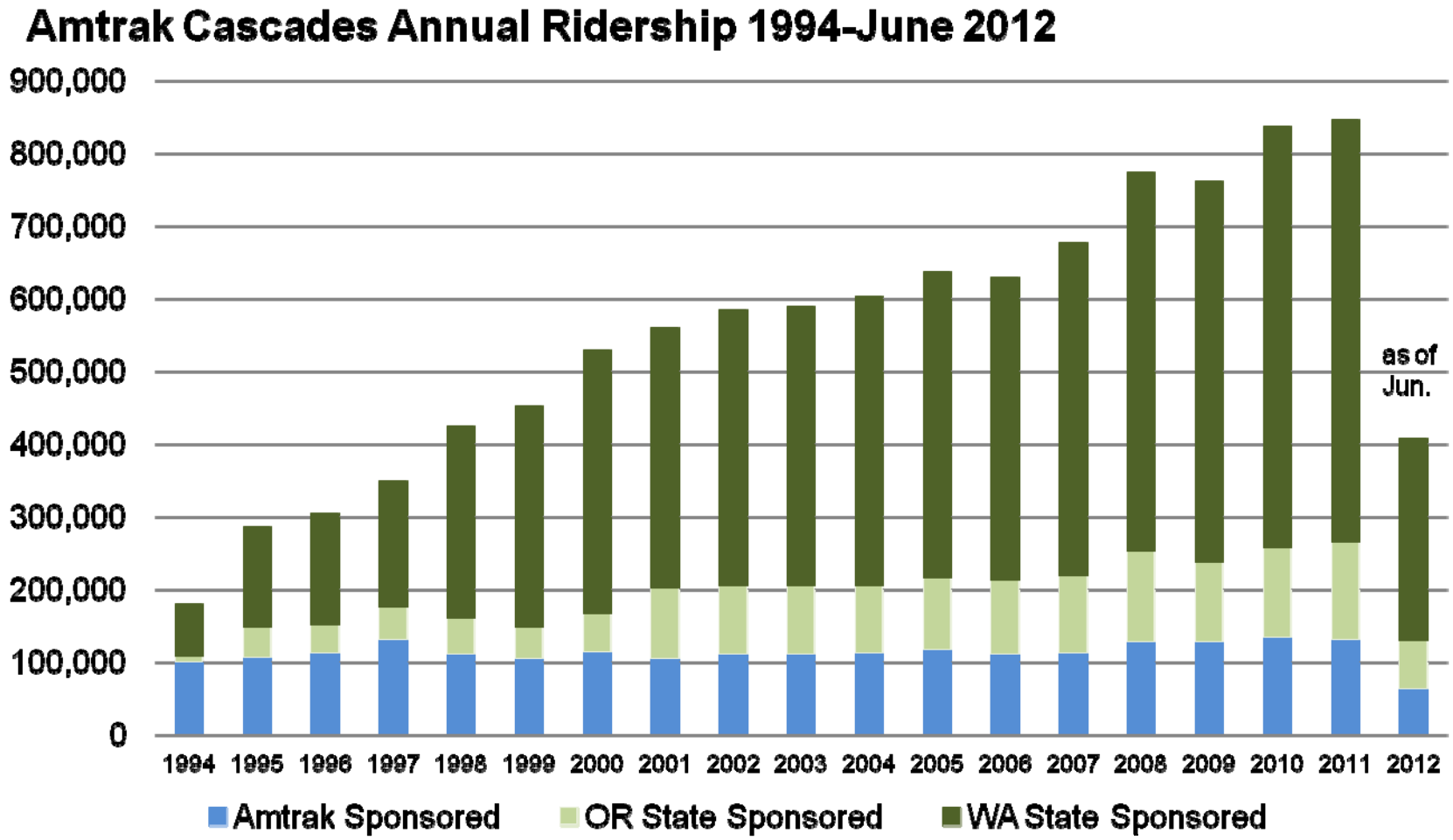


Data source: WSDOT State Rail Division

Washington State Department of Transportation

Oregon Department of Transportation

Growth in annual ridership

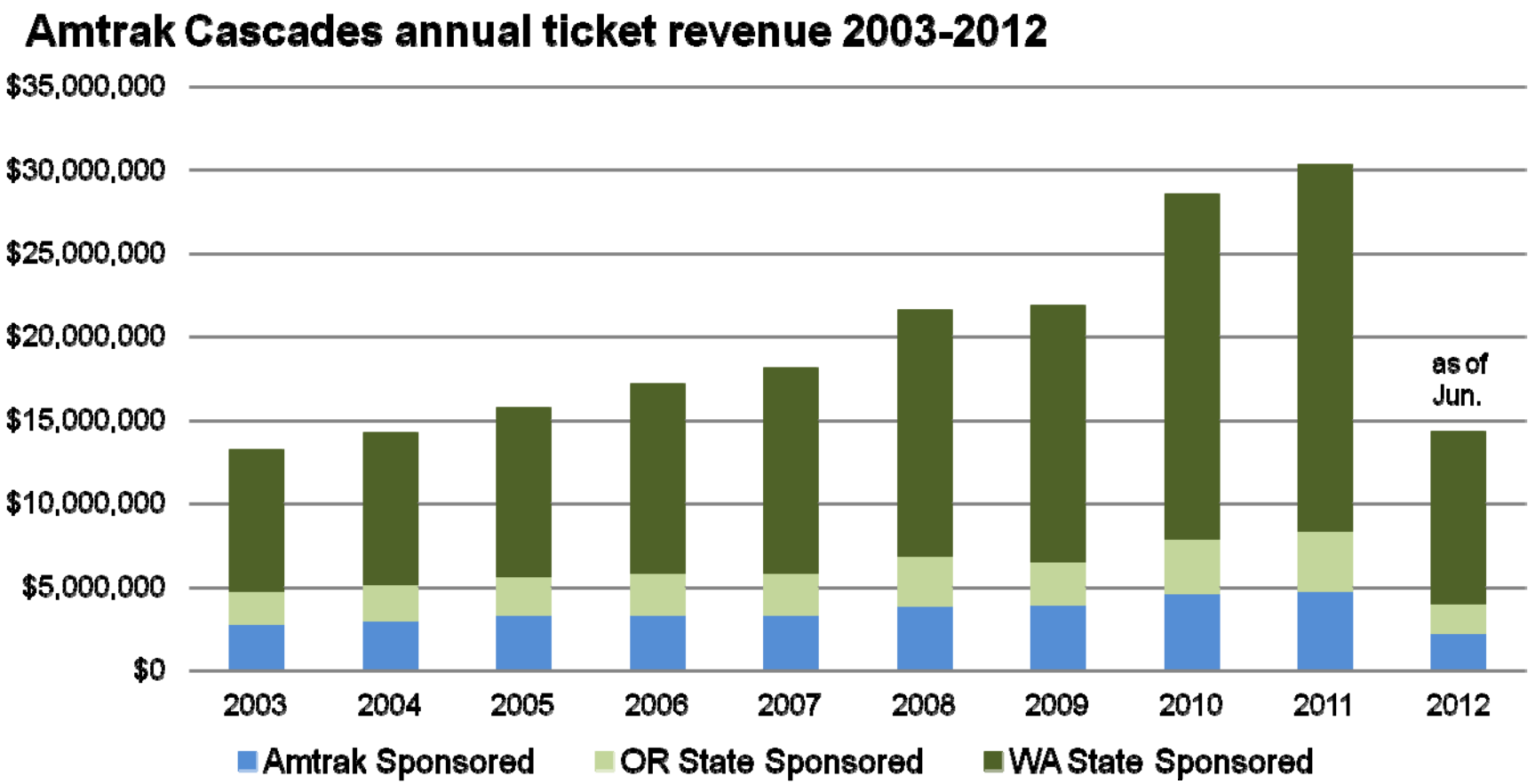


Data source: WSDOT State Rail Division

Washington State Department of Transportation

Oregon Department of Transportation

Growth in annual ticket revenues



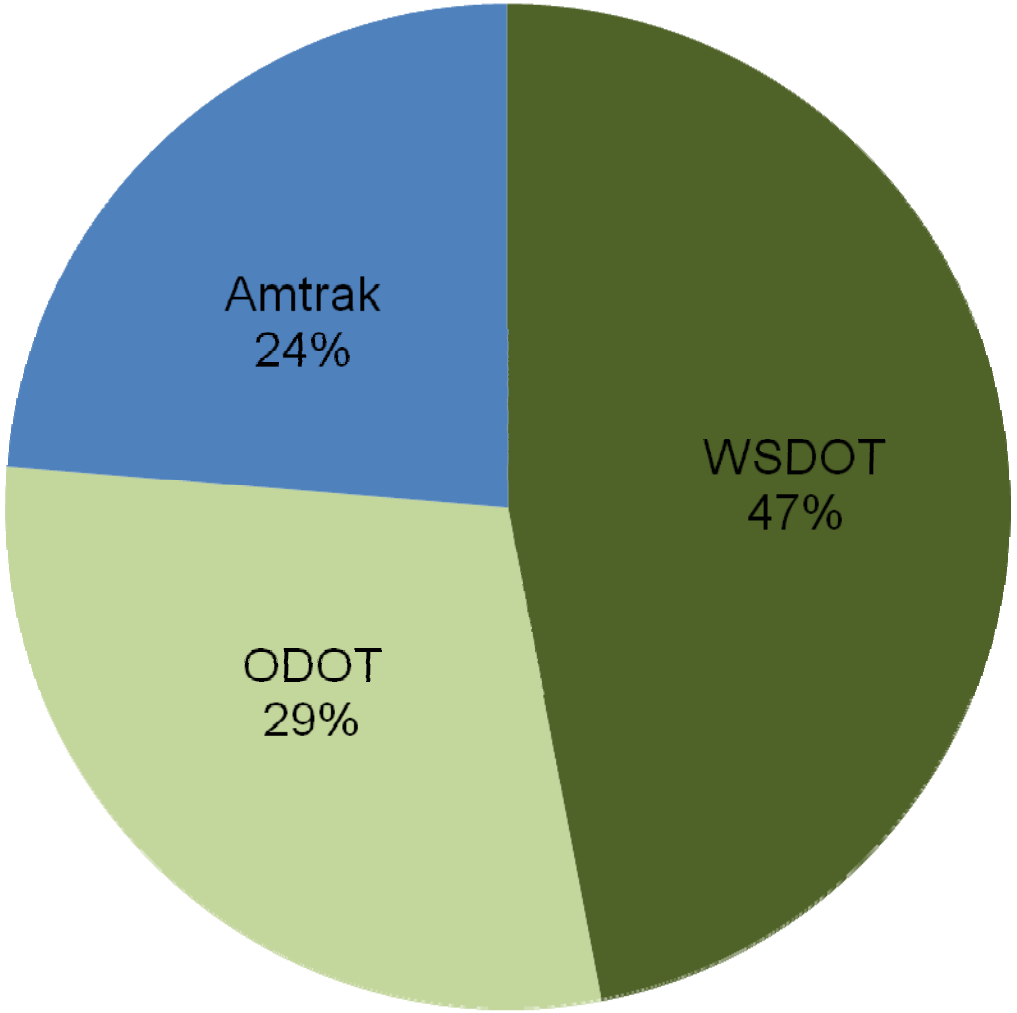
Data source: WSDOT State Rail Division

Washington State Department of Transportation

Oregon Department of Transportation

Existing cost sharing

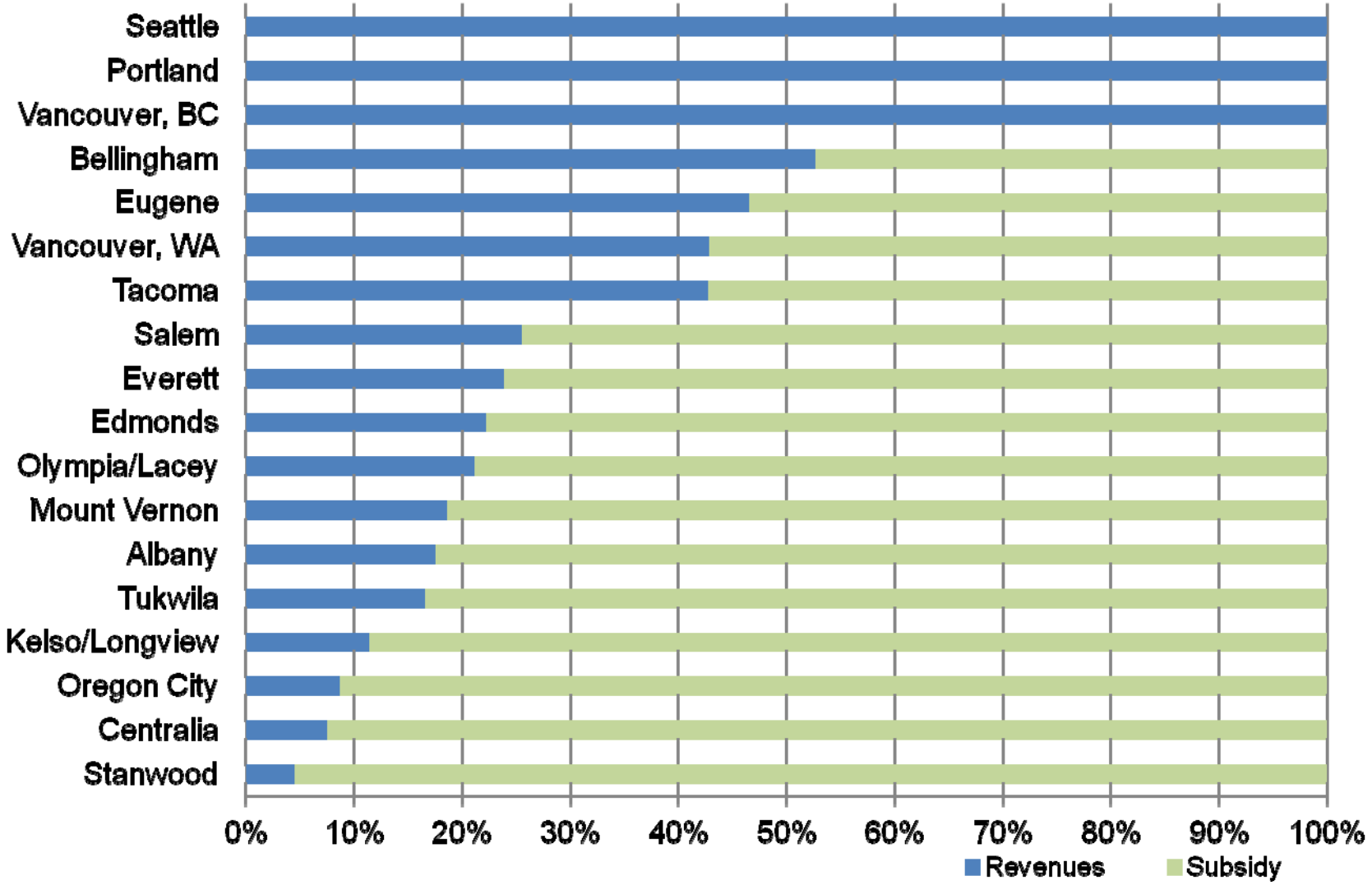
Projected allocation of costs for 2011-2013 biennium



Washington State Department of Transportation

Oregon Department of Transportation

Farebox recovery by station



Washington State Department of Transportation

Oregon Department of Transportation

Funding challenges

- Economic climate
  - State revenue forecasts have been lower than anticipated
- Operating fees - Amtrak
  - Washington pays $9 million per year; Oregon pays $5.5 per year
- Equipment maintenance fees - Talgo
  - Washington pays $4 million per year; Oregon pays $0
- Track infrastructure maintenance - 20 years (2017 start)
  - Washington pays ~$3 million per year; Oregon pays $0
- Additional trips between Seattle and Portland won't begin until 2017

What is the Passenger Rail Investment and Improvement Act (PRIIA)?

- A 2008 law passed by Congress requires states to pay for all state-sponsored service.
  - The States for Passenger Rail Coalition, chaired by Washington Transportation Secretary Hammond, developed and endorsed Amtrak methodology
  - WSDOT is working with Oregon to develop an implementation strategy.

- One Amtrak Cascades train between Seattle and Portland is currently funded by federal Amtrak dollars.

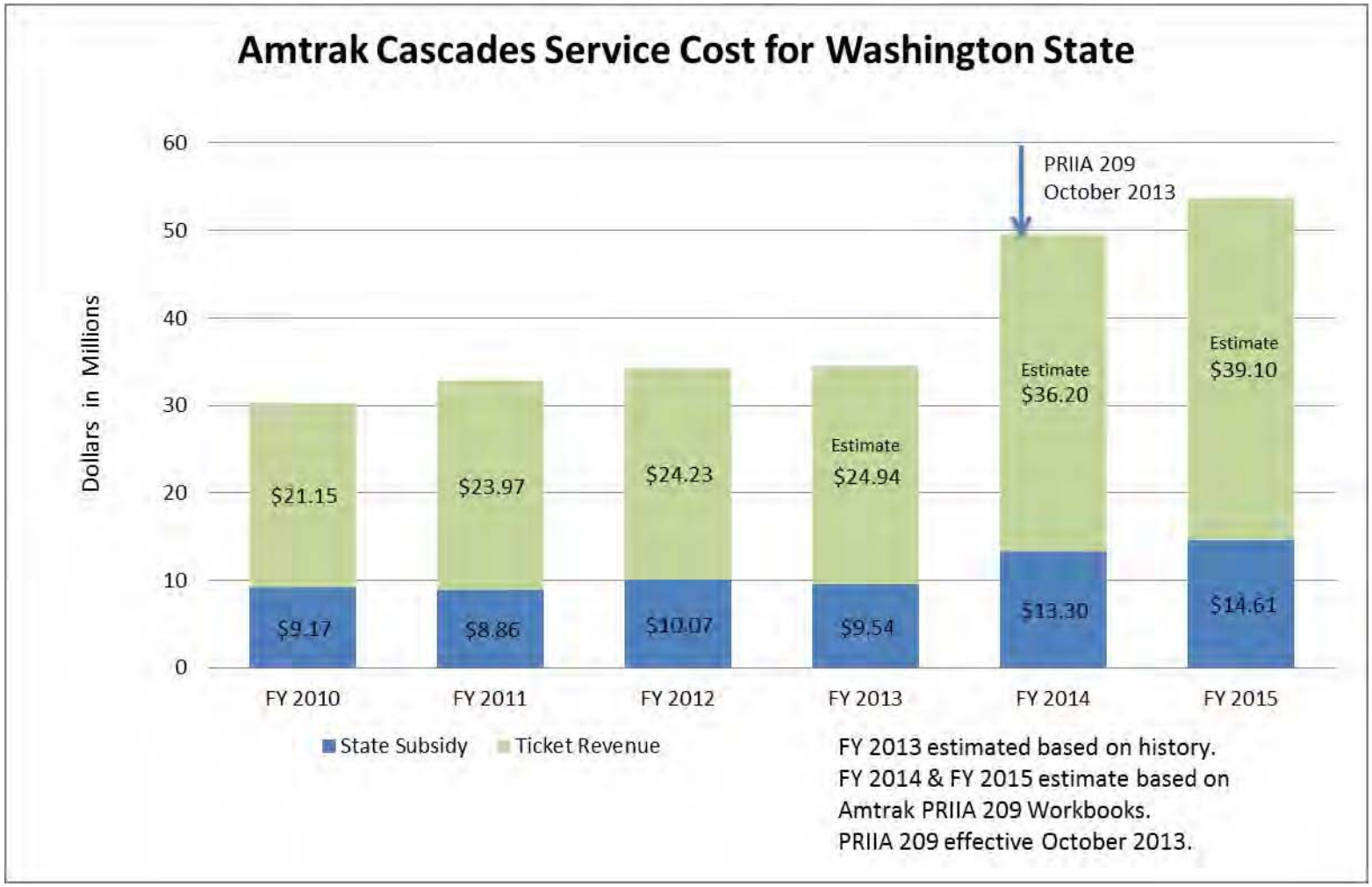
- Starting in October 2013, Washington and Oregon must absorb those costs.

Preparing for PRIIA

	Today	Estimated impact, starting October 2013
Operations	Amtrak contributing 23.7% of costs in 2011-2013	Additional $3 million per year for Washington; additional $2 million per year for Oregon.
Equipment	Amtrak owns 2 of the 5 trainsets in the fleet	Additional $1.5 million per year for Washington; additional $350,000 per year for Oregon.
Facilities	Data not available	To be determined

Federal Act requires states to pay full subsidy

PRIIA 209 becomes effective October 2013



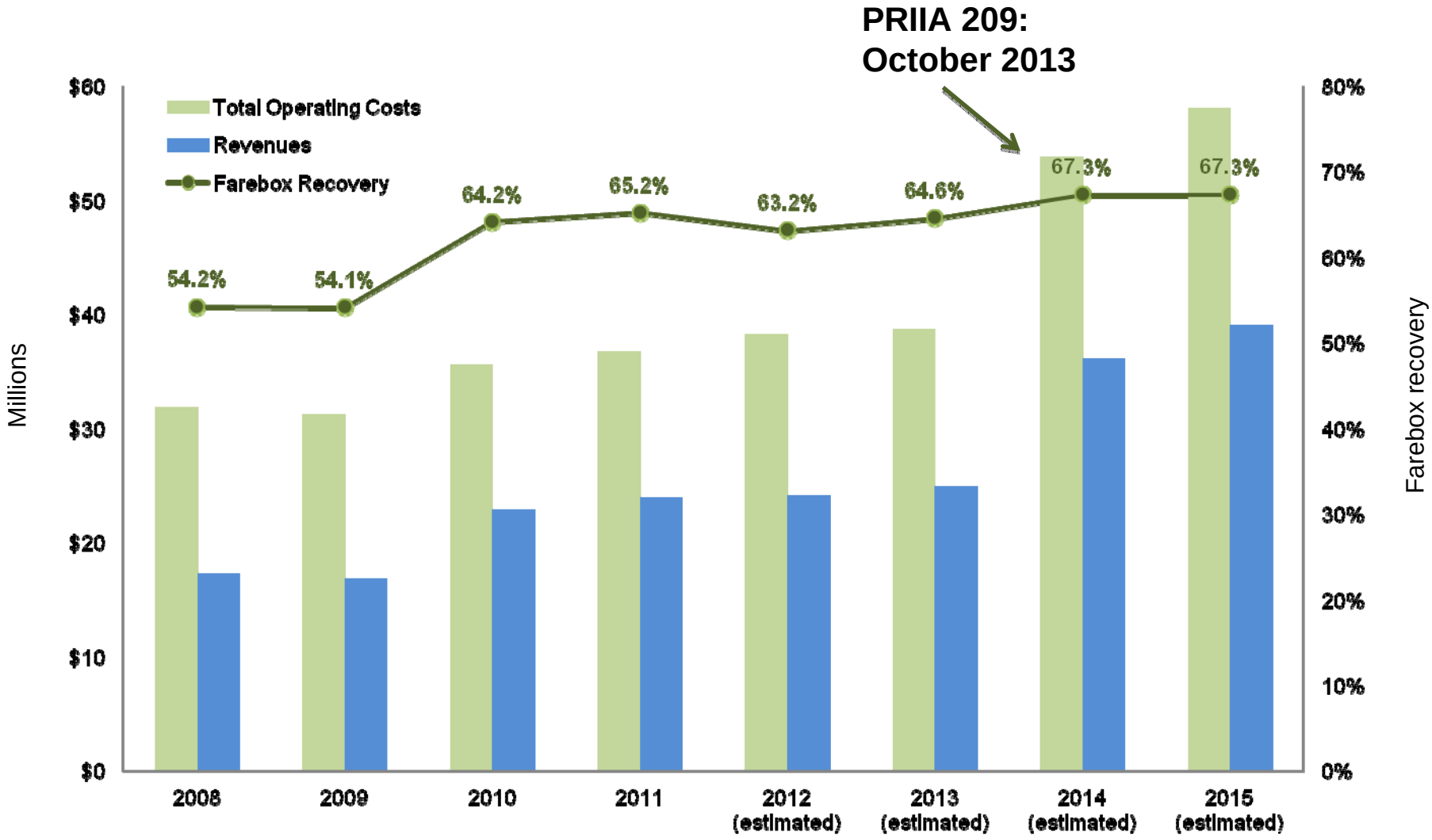
Currently, federal subsidies through Amtrak pay for 23.7% of Amtrak Cascades service. In October 2013, the federal-subsidy percentage becomes zero.

Washington State Department of Transportation

Oregon Department of Transportation

Increasing revenues, reducing state subsidy

Washington-financed trains



Source: WSDOT State Rail Division, based on Amtrak financial billing data and PRIIA 209 workbooks.

Washington State Department of Transportation

Oregon Department of Transportation

Corridor approach to address challenges
Washington, Oregon & British Columbia

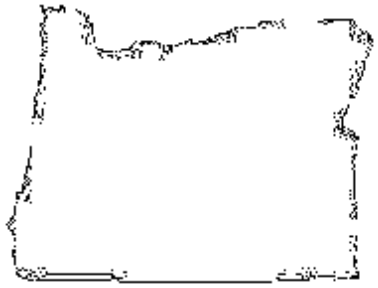
- **Deliver consistently** on customer expectations for HSR (fast, reliable, safe, affordable)
- **Build revenue** to cover the cost of operations (yield maximum revenue per seat)
- **Grow ridership** in the largest business centers (provide service where demand exists)
- Provide a **competitive transportation** alternative (price, time, convenience)
- **Pool resources for increased efficiencies** (eliminate unnecessary expenses)
- **Reduce costs** (seek out alternative service providers)
- **Partners share** in revenue and costs (OR, WA, BC)

Washington State Department of Transportation

Oregon Department of Transportation

Memorandum of Understanding
Corridor partnership - Spring 2012

State Transportation Plan
State Rail Plan



State Transportation Plan
State Rail Plan

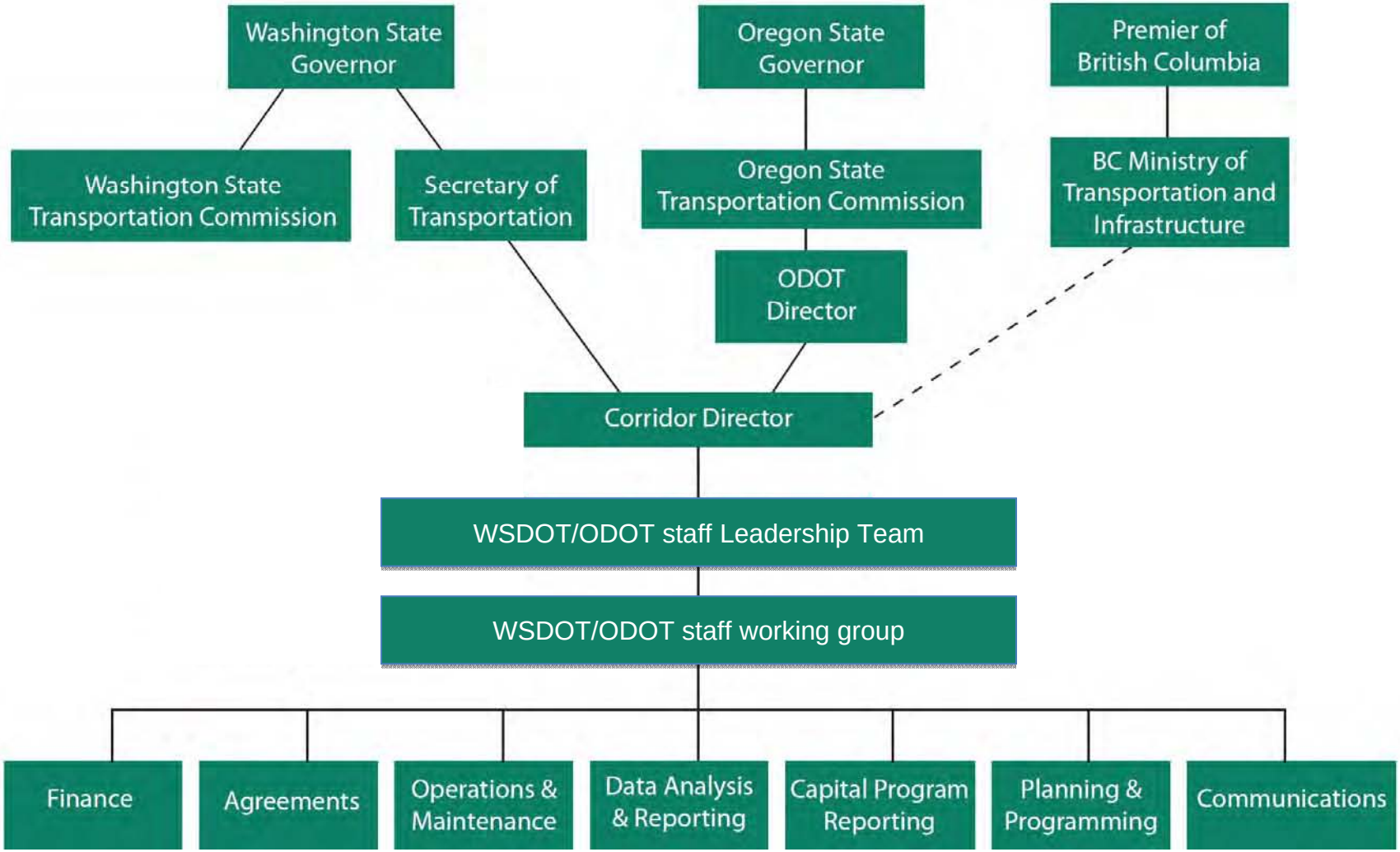
British
Columbia

Cascades Rail Corridor Plan – January 2013

Washington State Department of Transportation

Oregon Department of Transportation

Cascades Rail Corridor team



DRAFT

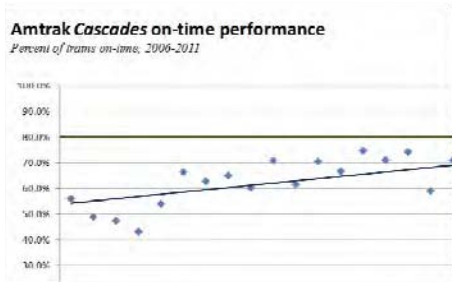
Washington State Department of Transportation

Oregon Department of Transportation

Corridor approach to service delivery

Action items under the MOU:

- Schedule changes
- Performance measurement
- Marketing
- Grant applications
- Fare increases
- Maintenance agreements
- Customer inquiries
- Recommended project priorities



Washington State Department of Transportation

Oregon Department of Transportation

The corridor approach in action:

Proposed schedule change - pilot program

- Recommend one am & one pm departure (PDX & EUG) to increase riders
- 90 day lead time for implementation
- Union Pacific approval at no cost

Do potential benefits outweigh the costs? What are the risks?

Results of the benefit-cost evaluation: (annual)

North of Portland	Loss	($317,000)
South of Portland	Gain	$439,000
Through Portland	Loss	($81,000)
Net revenue impact	**Gain**	**$41,000**

Next steps - review results; consider margins of error and associated risks; make final decision when new trains arrive.

The corridor approach in action:
Guidance for station design and new stops

- Provide service and infrastructure to a standard determined necessary to serve the state's interest and financial and operational commitments.

- Proponents may pursue enhancements if:
  - Changes are not in conflict with goal of provide faster, more frequent, reliable passenger rail service.
  - Proponents take responsibility for the cost of enhancements.

Washington State Department of Transportation

Oregon Department of Transportation

Corridor approach next steps

Fall 2012	• Draft corridor management plan – “roadmap” • WSDOT/ODOT executive briefings, review and comment
Winter 2013	• Final corridor management plan endorsement in January • Begin work on WSDOT-ODOT-Amtrak agreement
Spring 2013	• Final WSDOT-ODOT-Amtrak agreement
Fall 2013	• PRIIA Section 209 implementation; states pay 100%

Washington State Department of Transportation

Oregon Department of Transportation

Contact information

John Sibold
Cascades Rail Corridor Director
WSDOT State Rail and Marine Director
360.705.7900 or siboldj@wsdot.wa.gov

Hal Gard
ODOT Rail Administrator
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Washington State Department of Transportation

Oregon Department of Transportation

Oregon
John A. Kitzhaber, MD, Governor

Department of Transportation
Office of the Director, MS 11
355 Capitol St NE
Salem, OR 97301-3871

DATE: September 13, 2012

TO: Oregon and Washington Transportation Commissions

FROM: Matthew L. Garrett
ODOT Director

SUBJECT: **Agenda I** – Informational Presentation on the Electric Highway

Requested Action:
Receive an informational presentation from Jeff Doyle, Director of WSDOT's Transportation Innovative Partnerships Program, and James Whitty, Manager of ODOT's Office of Innovative Partnerships and Alternative Funding, on the Electric Highway and the cooperative efforts to promote the introduction and adoption of Electric Vehicles (EV) in Washington and Oregon with the deployment of EV Charging Infrastructure in the states.

Background:
WSDOT and ODOT have worked in cooperation to coordinate procurement of private sector services for deployment of an electric vehicle fast charge network along Interstate 5 in an effort to establish a *West Coast Electric Highway*. The innovative procurement programs of each state assisted these efforts.

This informational presentation will provide information about the status of each state's portion of the West Coast Electric Highway.

Attachments:
- Oregon's PowerPoint Presentation
- Washington's PowerPoint Presentation

Copies (w/attachments) to:

Jerri Bohard	Dale Hormann	Patrick Cooney	Clyde Saiki
Betsy Imholt	Art James	Ashley Horvat	James Whitty

Oregon Department of Transportation

West Coast Electric Highway

Joint Meeting of the Oregon and Washington Transportation Commissions

September 19, 2012

WEST COAST ELECTRIC HIGHWAY

Drive cleaner. Drive smarter. Drive electric and save!

Southern Oregon Electric Vehicle Charging Network

- ***ODOT*** awarded ***$915,000*** in ***ARRA*** funding to install ***10 EV Fast-chargers*** along I-5 from Halsey to Ashland

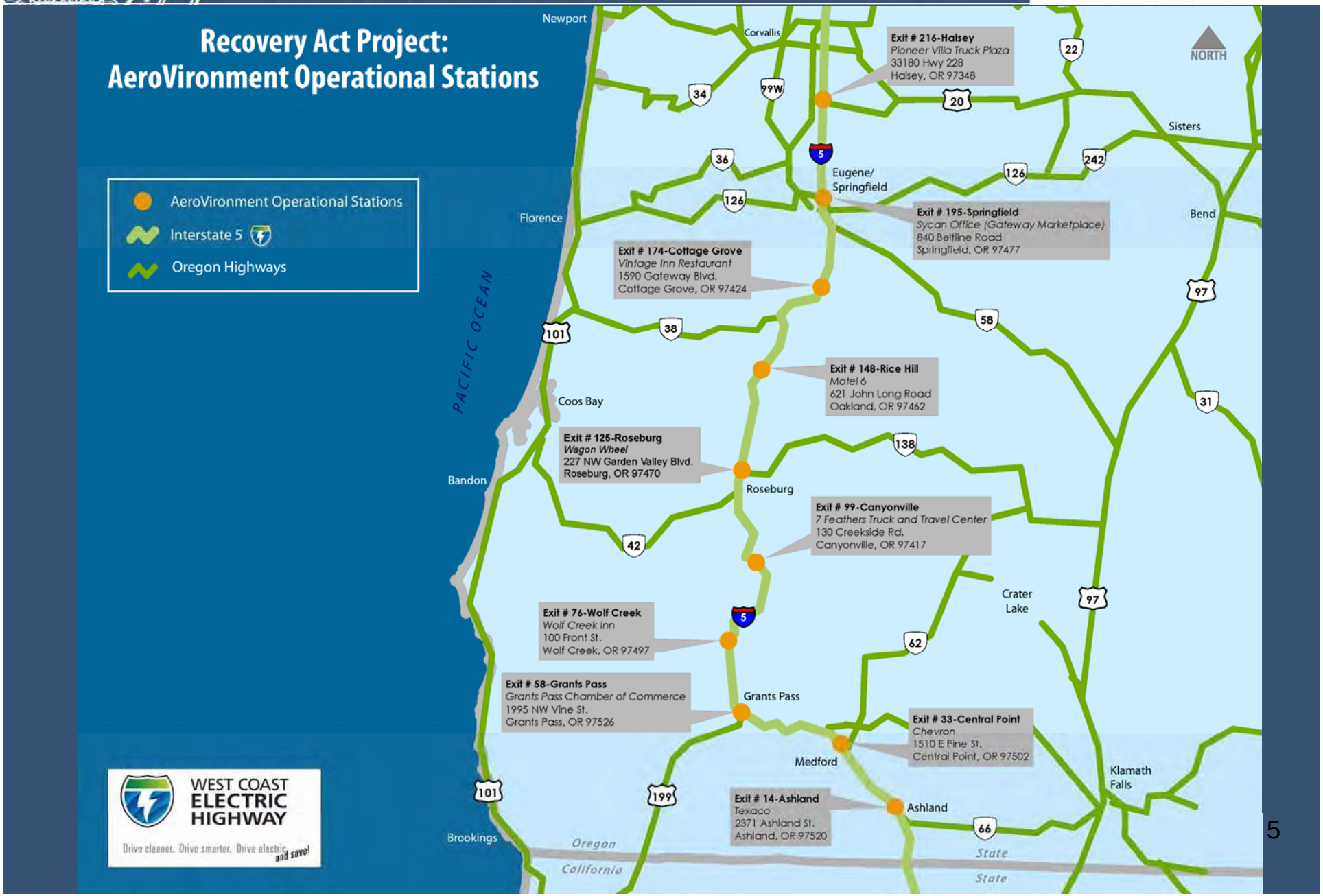
- **Coordinates installation of level 2 and DCFC charging stations with other Oregon and Washington installations**

Oregon Department of Transportation

ODOT hires AeroVironment for deployment

Oregon Department of Transportation

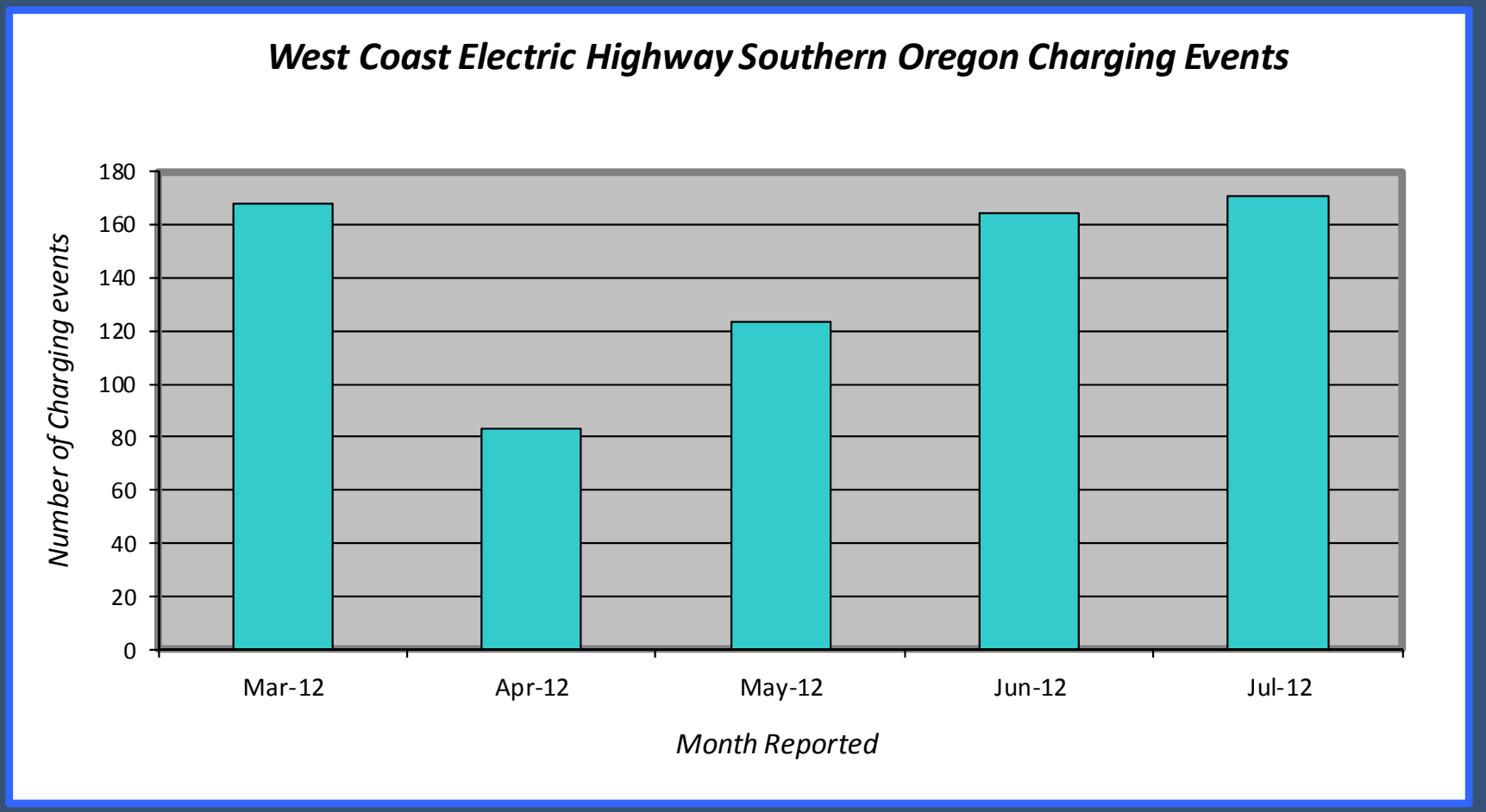
Recovery Act Project: AeroVironment Operational Stations



WEST COAST ELECTRIC HIGHWAY

Drive cleaner. Drive smarter. Drive electric and save!

EV Charging Results



742 gallons of gasoline saved!

Oregon Department of Transportation

Senator Jeff Merkley

Border-to-Border: Oil-free across Oregon

July 2nd- 3rd

Energy Independence

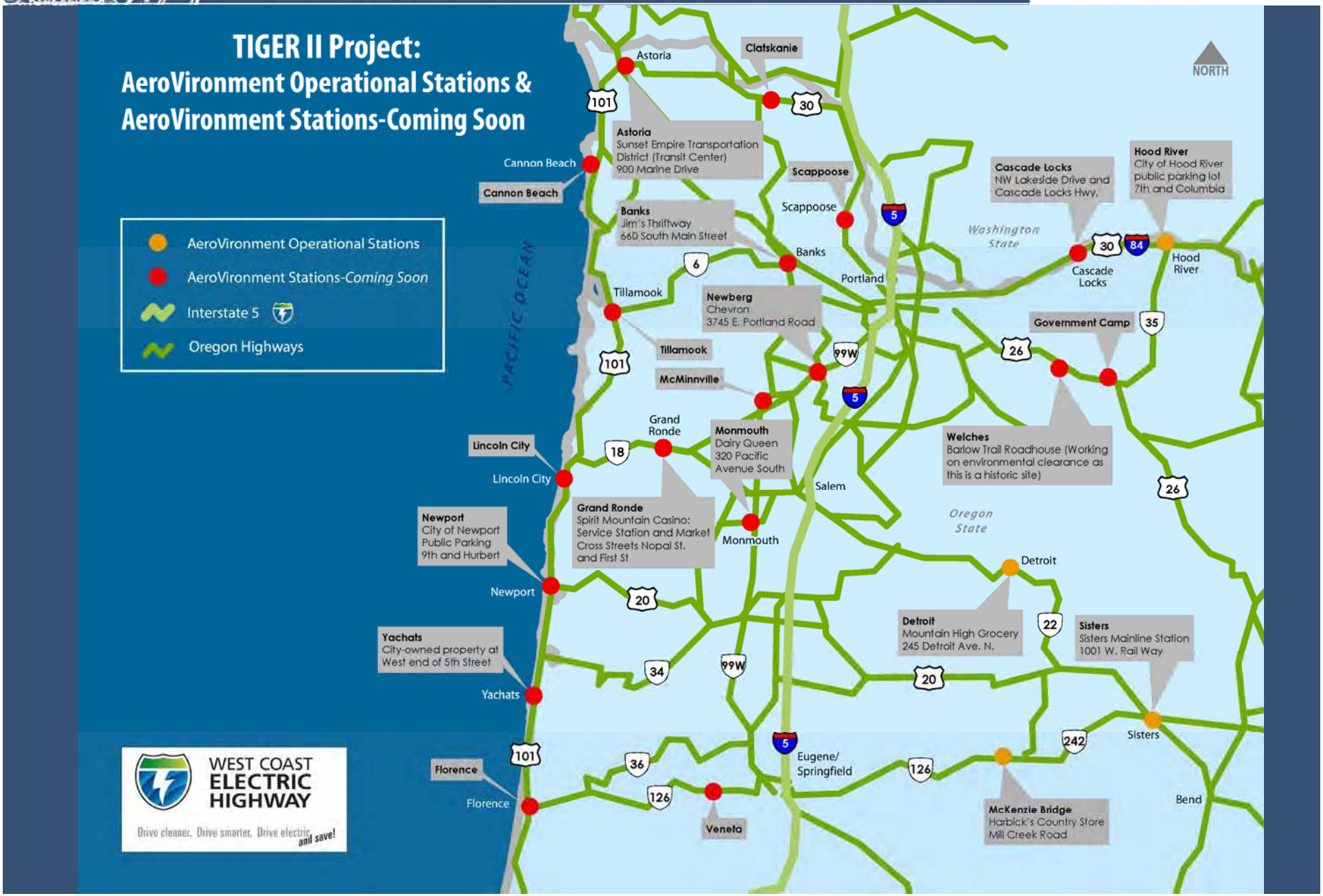
WEST COAST ELECTRIC HIGHWAY

The "Electric Vehicle Corridor Connectivity" Project

- **ODOT** awarded ***$3.34 million*** to expand the ***EV fast-charge network*** in **Northwest Oregon**
- ***Additional* 33** "fast-chargers" on ***Oregon Coast, Columbia River Gorge, & Cascades***

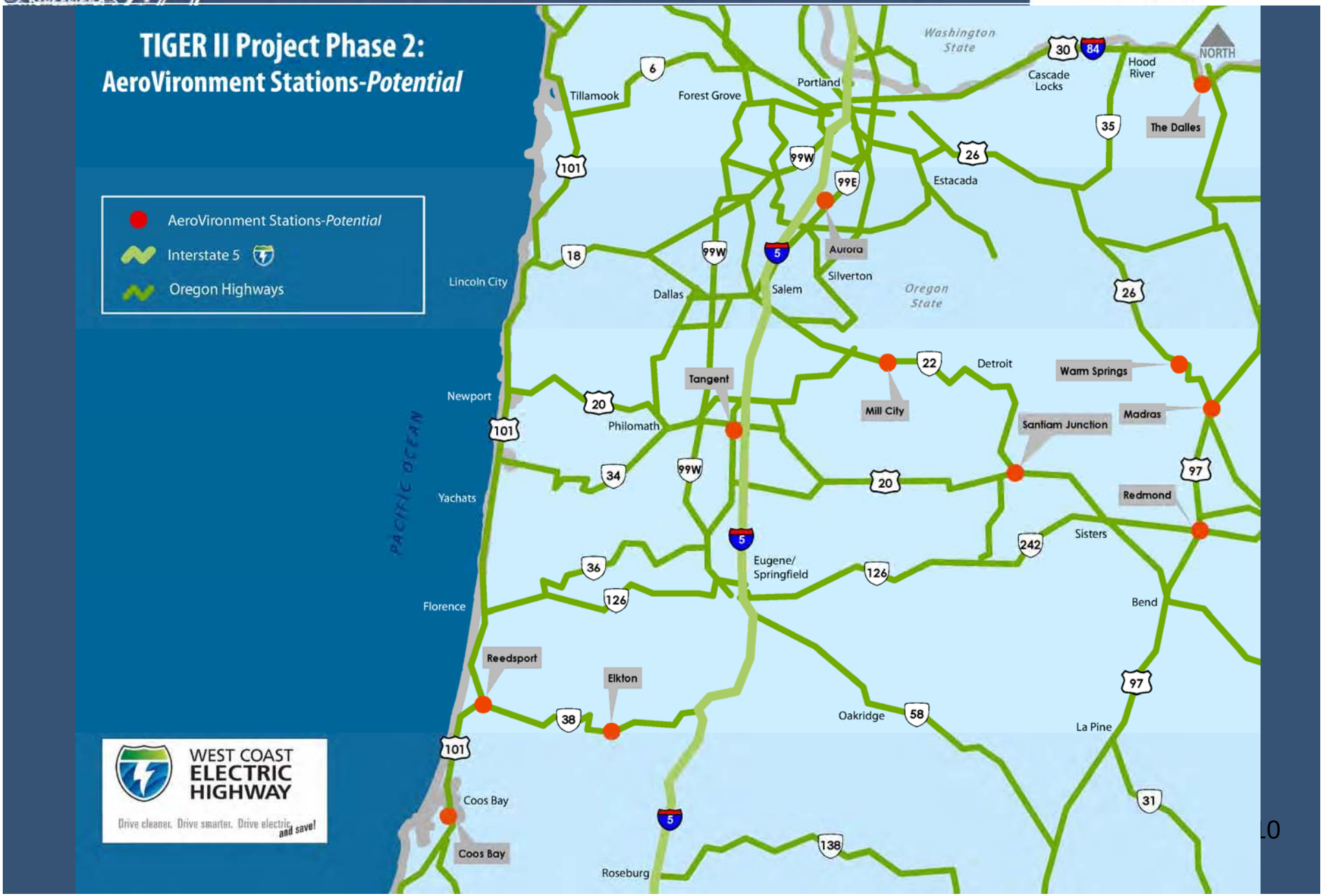
Oregon Department of Transportation

TIGER II Project:
AeroVironment Operational Stations & AeroVironment Stations-Coming Soon



Oregon Department of Transportation

TIGER II Project Phase 2:
AeroVironment Stations-*Potential*



WEST COAST ELECTRIC HIGHWAY

Pacific NW Collaboration to Develop the West Coast Electric Highway

Jeff Doyle
Director, Public/Private Partnerships
Washington State Department of Transportation

Presented to
Joint Washington and Oregon Transportation Commissions
September 19, 2012

Washington State Department of Transportation

West Coast
Electric
Highway

Presentation Overview

- Why Electric?
- Project Purpose
- Collaborative Efforts
- Project Outcomes
- Washington's Network

Washington State
Department of Transportation

West Coast Green Highway Initiative

- Public/private partnerships to promote petroleum reduction and **sustainable transportation solutions** on the I-5/Hwy 99 corridor
- Provide travelers with electric vehicle charging and alternative fuel infrastructure, from British Columbia to Baja California (BC to BC)
- Tri-State initiative (Washington, Oregon, and California) with agreement with BC Province
- Partnership with state DOTs, existing businesses and fuel providers, emerging technologies, and travelers
- Unique west coast driving experience with consistent infrastructure, branding and signage.

2008 WSDOT Alternative Fuels Corridor Economic Feasibility Study:

"The primary challenge to Alternative Fuels commercialization is how to build a market – simultaneously – for *new vehicle technologies*, *new fuels*, and *new infrastructure* to support them."

Comparative Costs for Alternative Fueling Stations

	Land & Building	Fueling Equipment	Supply Chain
Gasoline	$ 1,348,500	$ 571,000	Established
Biodiesel	" " or Co-located	$ 127,000*	Limitations
Hydrogen	" " or Co-located	$ 318,000	Not Established
Electricity	Kiosk format	$ 50,000 - $100,000**	Grid

* Number of pumps scaled for smaller initial demand

** Upper range includes utility connections and necessary upgrades

Washington State Department of Transportation

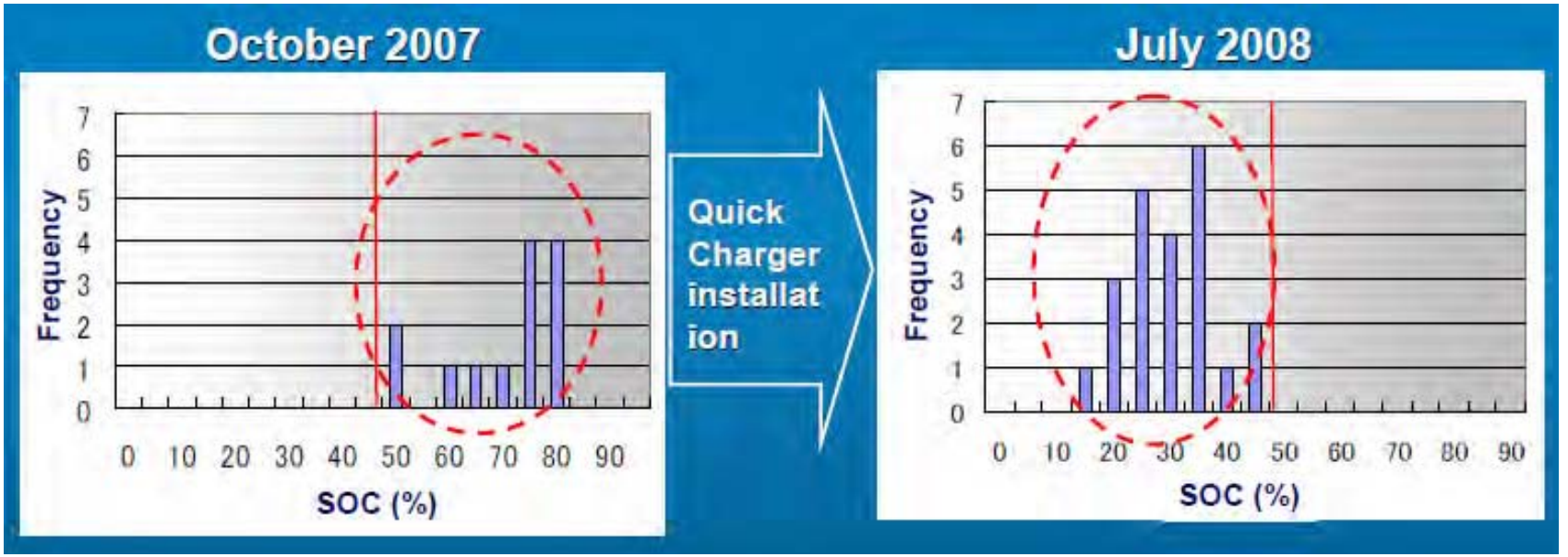
EVs are not fully utilized when “range anxiety” exists

Source: Tokyo Electric Power Company (TEPCO)

Strategically-located Fast Charge stations alleviate range anxiety

Source: Tokyo Electric Power Company (TEPCO)

Strategically-located Fast Charge stations build range confidence



Drivers returned EV's with > 50% SOC

Drivers returned EV's with < 50% SOC

Source: Tokyo Electric Power Company (TEPCO)

Benefits of Electric Highway

Advancing mass commercialization of electric vehicles

The Electric Highway is a public-private partnership among government agencies, private retailers, utilities, equipment manufacturers, and EV drivers. The state's electric highway:

- provides mobility choices for drivers
- connects communities
- reduces greenhouse gas emissions
- advances energy independence
- creates green jobs and supports a green economy
- meets state EV legislation (HB 1481);
- helps support the federal goal of 1 million EVs by 2015

" This 'green freeway' you're planning…would link your states with a network of rest stops that allow you to do more than just grab a cup of coffee, but also charge your car."

- President Obama
3/19/2009

Washington State Department of Transportation

Project Purpose*: Commercialization* of Electric Vehicles

- **EV charging network:** 12 public charging locations in critical recharge zones outside of The EV project (I-5, US 2 and I-90) to make DC fast charging available every 25 to 60 miles.
- **Charging equipment:** Both AeroVironment DC fast charger (CHAdeMO) and Level 2 EVSE (J1772) at each location.
- **Locations:** Private retail locations such as shopping malls, restaurants, and fueling stations. Plus, two “gateway” safety rest areas along I-5.
- **Funding:** Seed funding of $1.5 M through Washington State Department of Commerce, State Energy Program, US Department of Energy.
- **Target completion date**: Fall, 2012

US Dept of Energy's Transportation Electrification Project: $200+ million for EV Infrastructure

Nation-wide:

14,000 Level 2 (240V) chargers

300 - 400 DC Fast Charger (480V) ports

5,700 Nissan LEAF cars

2,600 Chevrolet Volt cars

60+ project partners

1,200 new jobs by 2012 and

5,500 new jobs by 2017

18 major cities and metropolitan areas

Supporting regional vision for innovation and sustainable transportation

Regional Effort

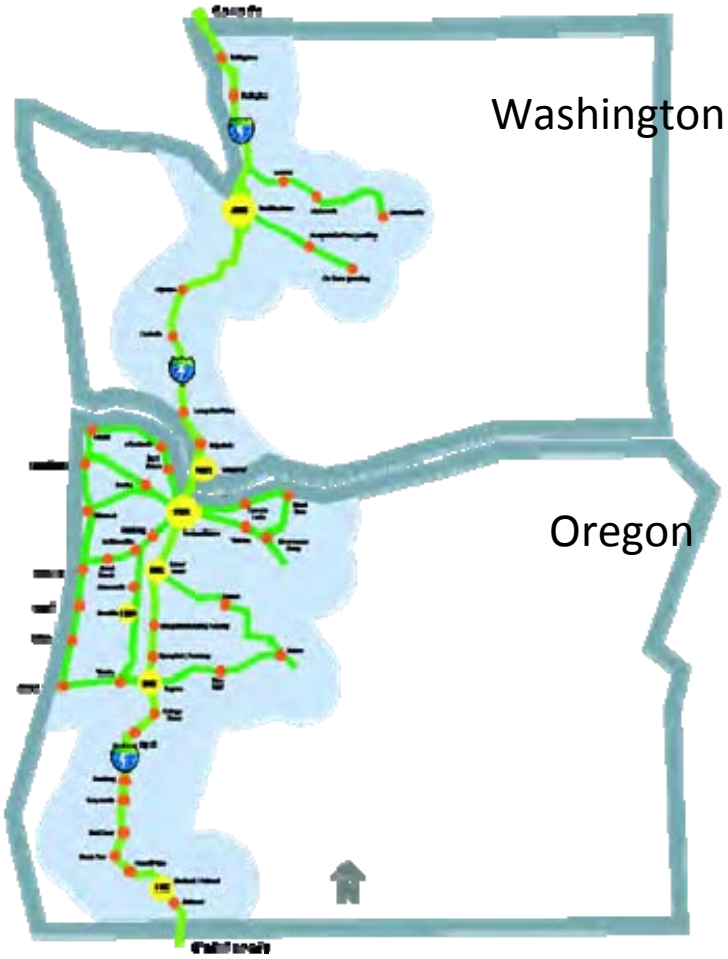
- Equipment Specifications
- Highway Signs
- Branding and Marketing
- Unique EV Driver Experience

Oregon I-5 Green Highway Project

10 DC fast charge stations
US Department of Energy,
Oregon Department of Energy,
State Energy Program ~ $1m

Oregon EV Corridor Connectivity Project

30+ DC fast charge stations
US Department of Transportation
TIGER II (Transportation Investment Generating Economic Recovery) $3.4m



USDOT TIGER II

Consistent EV Driving Experience

Fast-Charge Site Criteria:

- Within ½ mile of highway interchange
- Safe and convenient access
- Parking spaces
- Restrooms and drinking water
- Shelter and lighting
- 480V 3-phase electric power supply
- Customer amenities (food, traveler information)

WEST COAST ELECTRIC HIGHWAY

Recognizable Highway Signs and Branding

Federal Highway Administration interim approval to test alternate EV charging station symbol. Manual on Uniform Traffic Control Devices for Streets and Highways (MUTCD) D9-11b (Alternate)

Washington's Electric Highway

In Washington, the state's electric vehicle charging network includes fast public charging locations in critical recharge zones outside of The EV project.

At each private retail location, electric vehicle drivers will find both fast and Level 2 charging equipment operated and maintained by AeroVironment.

•**Along I-5**, six fast-charging stations are open, with two locations north of Everett and four locations south of Olympia.

•**Along US 2**, four fast-charging stations are open, reaching out to Wenatchee and creating the nation's first EV-friendly scenic byway.

•**Along I-90**, construction is planned for two fast-charging stations reaching east to Cle Elum.

In addition, two safety rest areas along I-5, Custer SB and Gee Creek, are now equipped with Level 2 charging. Nonprofits Adopt a Charger and the Seattle Electric Vehicle Association provide the electricity.

Collaborative EV Efforts Underway in Washington

The EV Project

ECOtality $20M in U.S. DOE funds to install charging infrastructure in Puget Sound, 1,000 public and fleet charging stations, 20+ fast-chargers, 1,000 private charging stations for Nissan LEAF owners

Charge America

Charge Northwest/Coloumb awarded $37M to install 5,000 charging stations in 37 regions, including eastern King County (Bellevue).

Clean Cities

Western Washington Clean Cities Coalition awarded $15M to install charging stations and purchase fleet vehicles.

Cities and Counties

Local governments are using Energy Efficiency and Conservation Block Grants to purchase charging stations and fleet electric vehicles.

Washington State Plug-In Electric Vehicle Task Force

Forum in Washington state for the discussion and coordination of strategies to support the electrification of transportation.

For more information, contact:

Jeff Doyle
Director
Public/Private Partnerships
Washington State Department of Transportation
(360) 705-7039
DoyleJ@wsdot.wa.gov

www.westcoastelectrichighway.com

ODOT Slides start here.
Remaining WSDOT slides are backup info only – not to be presented.

Oregon
John A. Kitzhaber, MD, Governor

Department of Transportation
Office of the Director, MS 11
355 Capitol St NE
Salem, OR 97301-3871

DATE: September 13, 2012

TO: Oregon and Washington Transportation Commissions

FROM: Matthew L. Garrett
Director

SUBJECT: **Agenda J** – Informational Presentation on Road User Fee/Charge Efforts

Requested Action:
Receive an informational presentation from James Whitty, Manager of ODOT's Office of Innovative Partnerships and Alternative Funding, and Jeff Doyle, Director of WSDOT's Transportation Innovative Partnerships Program, and on Road User Fee/Charge research, policy and pilot program development efforts under way in Oregon and Washington.

Background:
Both Oregon and Washington Legislatures passed legislation directing research activities, policy development and pilot programs relating to charging motorists for distance traveled: Oregon in 2001 and 2011, and Washington in 2012.

Since the legislature created the Road User Fee Task Force (RUFTF) in 2001, Oregon led the nation in road usage charge development, implementing policies adopted by RUFTF in a 2006-07 pilot program. This pilot tested the pay-at-the-pump model and was regarded as a success across the nation. Oregon's RUFTF recently adopted policies to enable ODOT to redesign the road usage charge system to achieve greater public acceptance. ODOT will test the redesigned system in a three-month pilot program this fall.

Working with a legislatively mandated advisory group, the Washington Transportation Commission, in coordination with WSDOT, began research and policy development in 2012. This legislation also directs WSDOT to prepare a concept of operations for a pilot program to test charging by distance.

This informational presentation will provide information about the status of each state's efforts on road usage charge development.

Attachments:
- Oregon's PowerPoint Presentation
- Washington's PowerPoint Presentation

Copies (w/attachments) to:

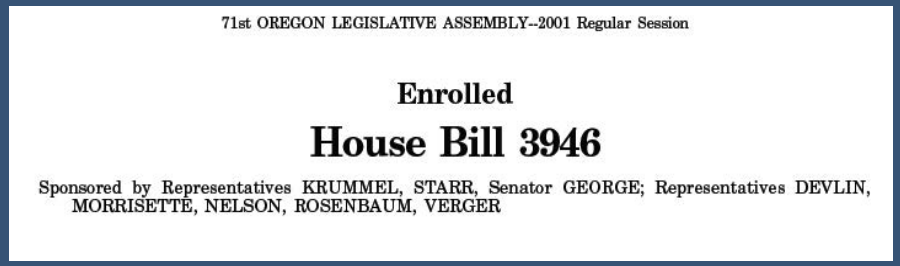
Jerri Bohard	Dale Hormann	Patrick Cooney	Clyde Saiki
Betsy Imholt	Les Brodie	Tom McClellan	Gregg Dal Ponte
Randal Thomas	James Whitty		

Road Usage Charge Pilot Program

Joint Meeting of the Oregon and Washington Transportation Commissions

September 19, 2012

Road User Fee Task Force



71st OREGON LEGISLATIVE ASSEMBLY--2001 Regular Session

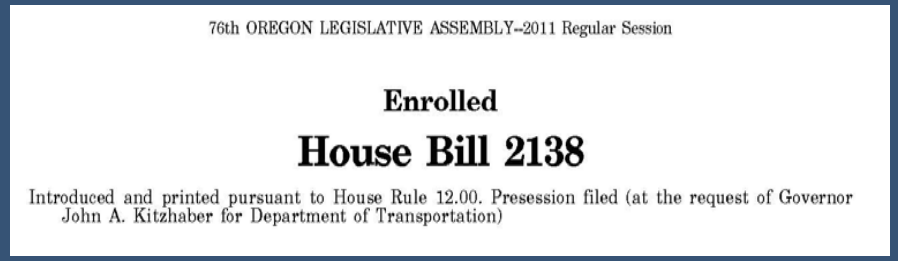
Enrolled

House Bill 3946

Sponsored by Representatives KRUMMEL, STARR, Senator GEORGE; Representatives DEVLIN, MORRISETTE, NELSON, ROSENBAUM, VERGER

2001

"To develop a design for revenue collection for Oregon's roads and highways that will replace the current system for revenue collection."



76th OREGON LEGISLATIVE ASSEMBLY--2011 Regular Session

Enrolled

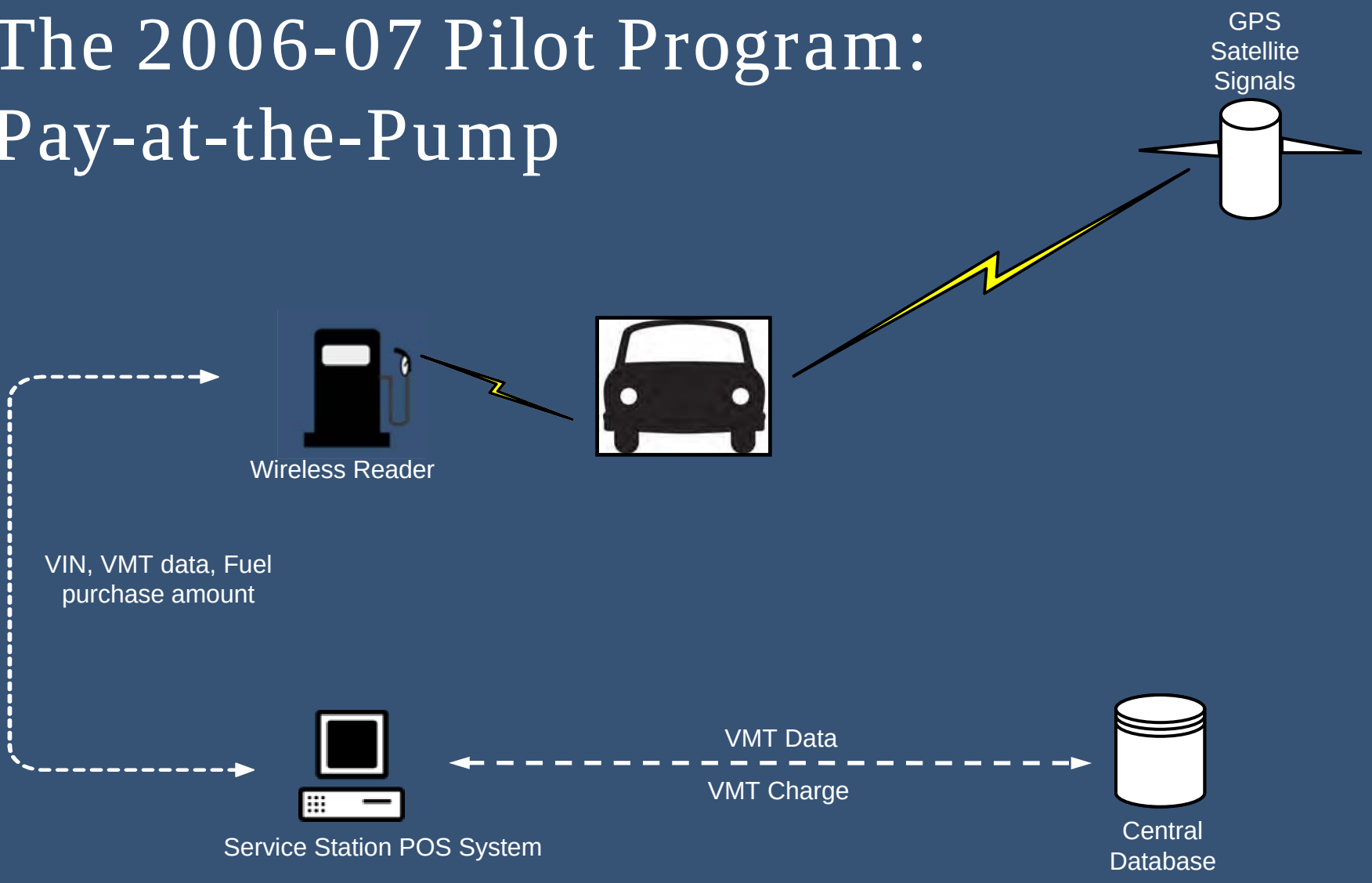
House Bill 2138

Introduced and printed pursuant to House Rule 12.00. Presession filed (at the request of Governor John A. Kitzhaber for Department of Transportation)

2011

Directs the Road User Fee Task Force to consider additional factors in adopting policies for a new pilot program.

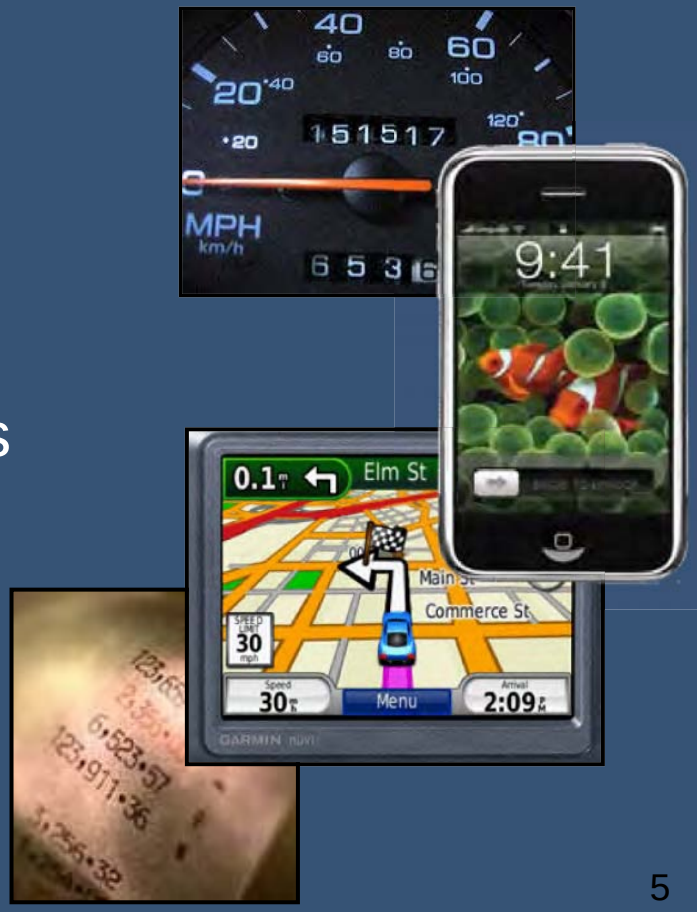
The 2006-07 Pilot Program: Pay-at-the-Pump



National Review & Support

Next Pilot:
Three Month Demonstration of New Mileage Charge System

- Open system to integrate with existing technology market
- Four mileage reporting choices
- Private sector administration
- Multi-state application

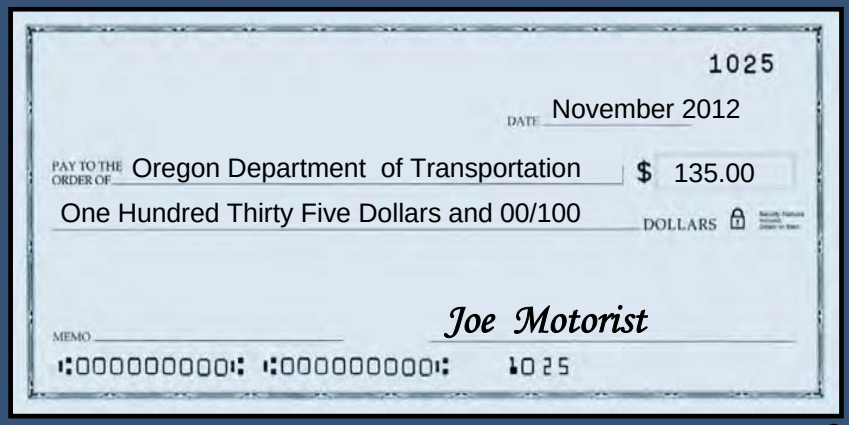


Option 1: The Basic Plan (without GPS)

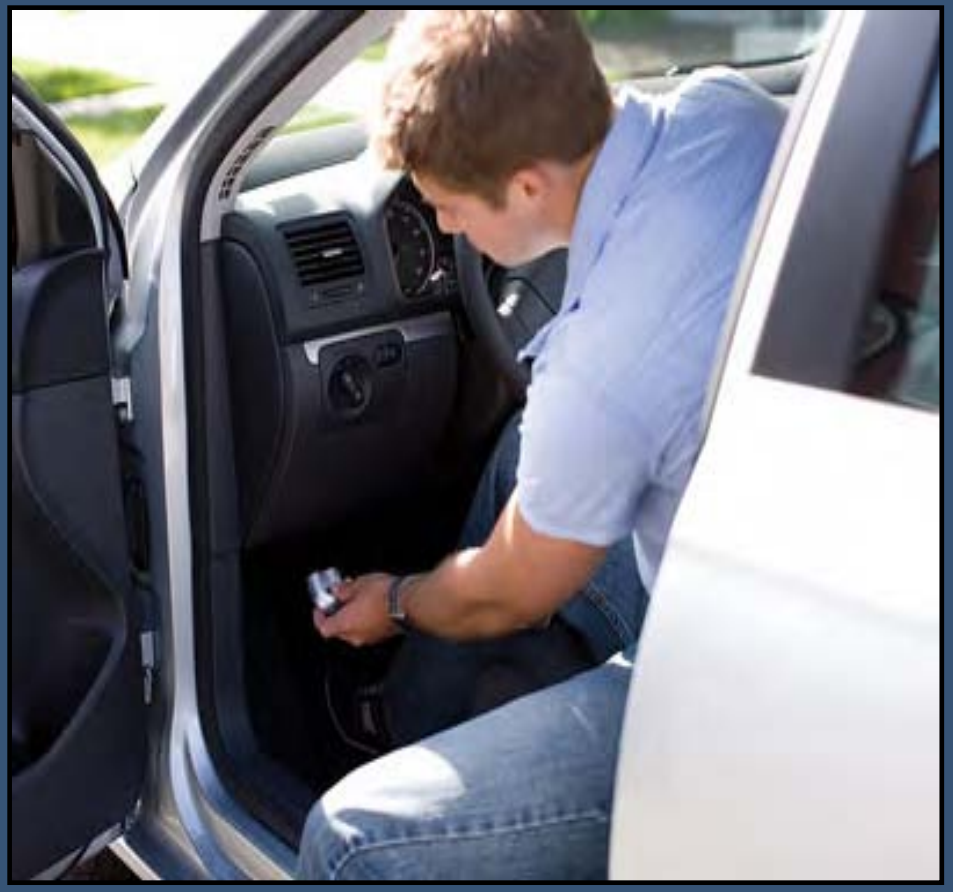
Option 2: The Smart Phone Plan

Option 3: The Advanced Plan (with GPS)

Option 4: Prepaid Flat Rate Plan



Installation of an On board Unit



Payment of Road Usage Charge

- Invoice
  - Receive by mail or by email
- Options for payment
  - Check
  - Credit
  - Debit
  - Electronic Funds Transfer

From :
Sanef S.A.
30, Boulevard Galliéni
92 130 Issy les Moulineaux
France

On behalf of :
Oregon Department of Transportation
3700 SE 92nd Ave
Portland
Oregon
97216

sanef

To :
A Customer
123 Main Street
Portland
Oregon
97201

Invoice No: SI1012-1234
Invoice Month: October 2012
Issue Date: Nov 5 2012

Item Description	Amount	Rate ($)	Subtotal
VRM: YG59RZW Vehicle: BMW Mini Clubman D VIN No: MWWMN52080TW95921 OBU No: 0507011044000022 Plan: BASIC			
Mileage Tax	1123 miles	$0.0150	17.52
Fuel Tax Refund	15.51 gals	$0.30	-4.65
	Subtotal for Mini Clubman YG59RZW		**12.87**
VRM: SL58RZJ Vehicle: Volvo V70 SE LUX D5 VIN No: YV1BW71419I088570 OBU No: 0507011218500921 Plan: ADVANCED / SMARTPHONE			
Mileage Tax			
Total Mileage	1465 miles		
3(HOMESTATE) Taxable Miles	845 miles	$0.0150	-13.18
Fuel Tax Refund	29.17 gals	$0.30	-8.45
	Subtotal for Volvo V70 SL58RZJ		**4.73**
TOTAL Mileage Tax Due			
Total Mileage Tax Due / You are owed a credit of			**$17.60**
Payment Date			**Dec 05 12**

To pay your Mileage Tax, please visit https://odot.sanetolling.co.uk and follow the on-screen instructions.

Road Usage Charge Pilot Program Progress Report

Start date: Mid-Autumn

50 volunteer participants agree to

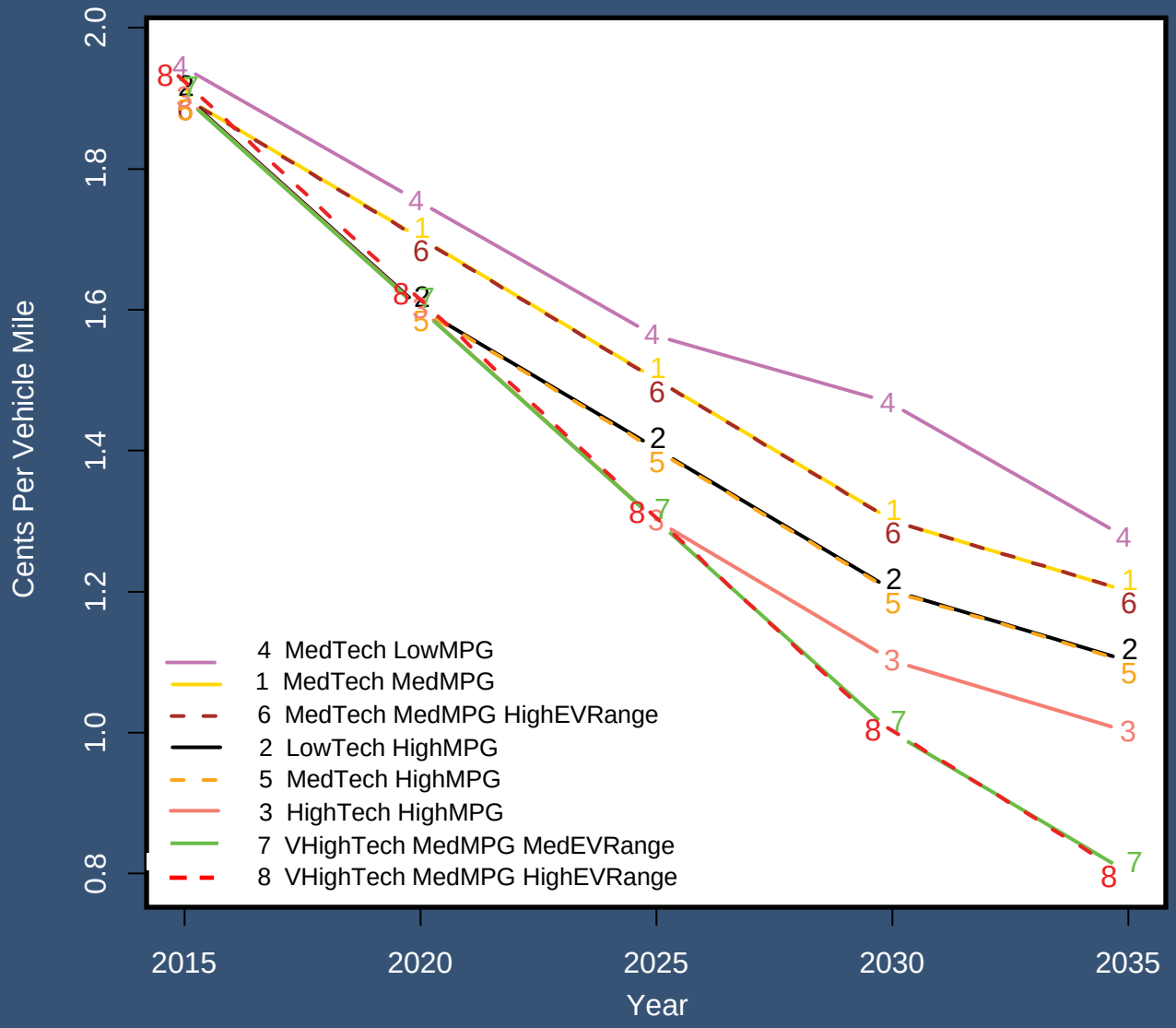
- Pay 1.56 cents per mile
- Get fuel tax rebate

Private sector firms provide

- On board mileage reporting technologies
- Tax processing and account management
- Tax accounting

Additional Research Underway

Forecast of Fuel Taxes on Light Duty Vehicles



Additional Research Underway

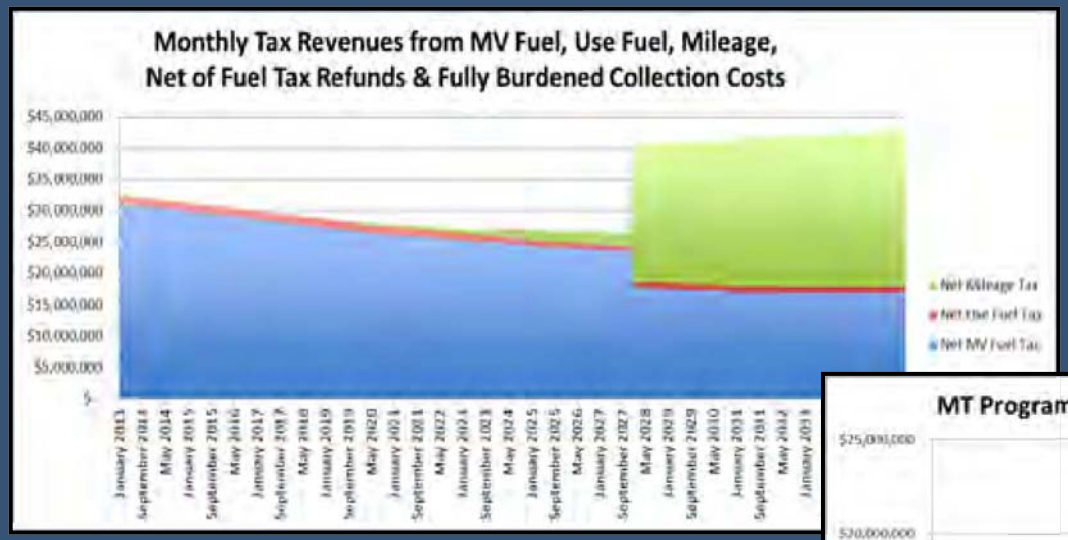
Operational and Transactional Cost Model

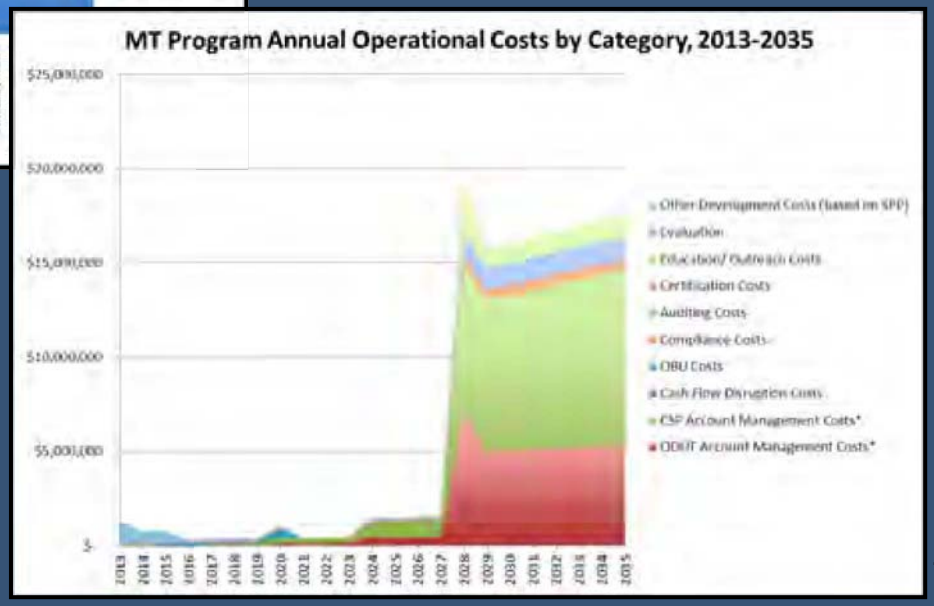
Fleet Forecast Scenario	
Select Fleet Forecast:	4
Vehicle Class	**Year to start RUC participation**
EV	2015
PHEV	2015
Hybrid - Low	Beyond 2035
Hybrid - High	2020
Diesel - Low	Beyond 2035
Diesel - High	2024
Alt Fuels - Low	Beyond 2035
Alt Fuels - High	2024
Gasoline ICE - High	2028

RP Choices						
CSP			**VS.**	**ODOT "CSP of Last Resort"**		
Percentage of All Accounts	CSP	82%		Percentage of All Accounts	ODOT	18.00%
OBU Type	CSP Basic	40%		OBU Type	Basic	90.00%
	CSP Advanced	60%			Self Report	9.00%
	CSP FAT	0%			FAT	1.00%
Frequency	CSP Weekly	0%		Frequency	Weekly	0.00%
	CSP Monthly	75%			Monthly	10.00%
	CSP Quarterly	25%			Quarterly	55.00%
	CSP Annually	0%			Annually	35.00%
Prepay vs. Postpay	CSP Prepay	10%		Prepay vs Postpay	Prepay	10.00%
	CSP Postpay	90%			Postpay	90.00%
				Method	Cash	4.00%
					EFT	12.00%
					Debit	16.00%
					Credit	20.00%
					Check	48.00%
				Location	In Person	5.00%
					Pay By Phone	12.00%
					Online/Smartphone	35.00%
					Pay By Mail	48.00%

Additional Research Underway

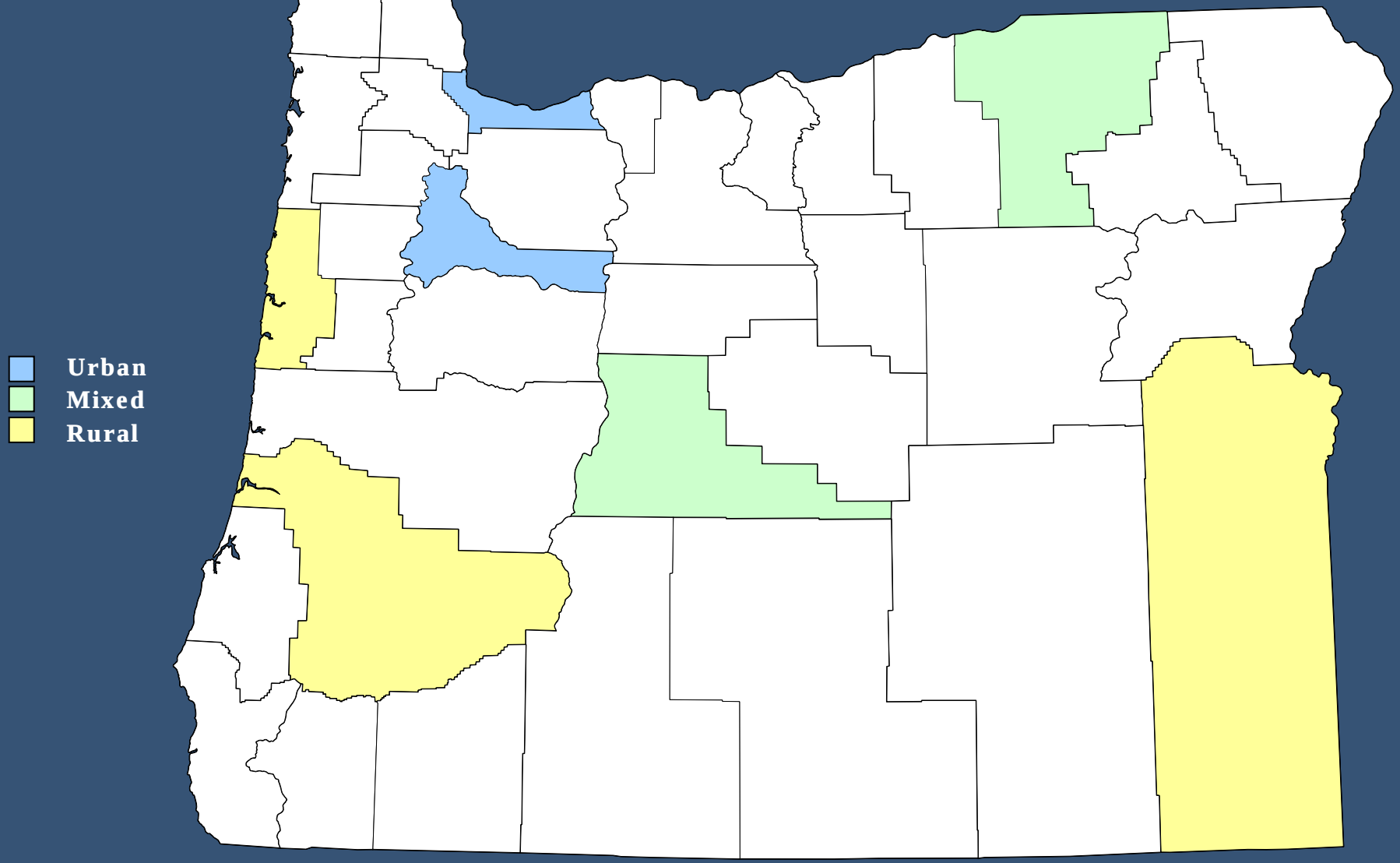
Operational and Transactional Cost Model



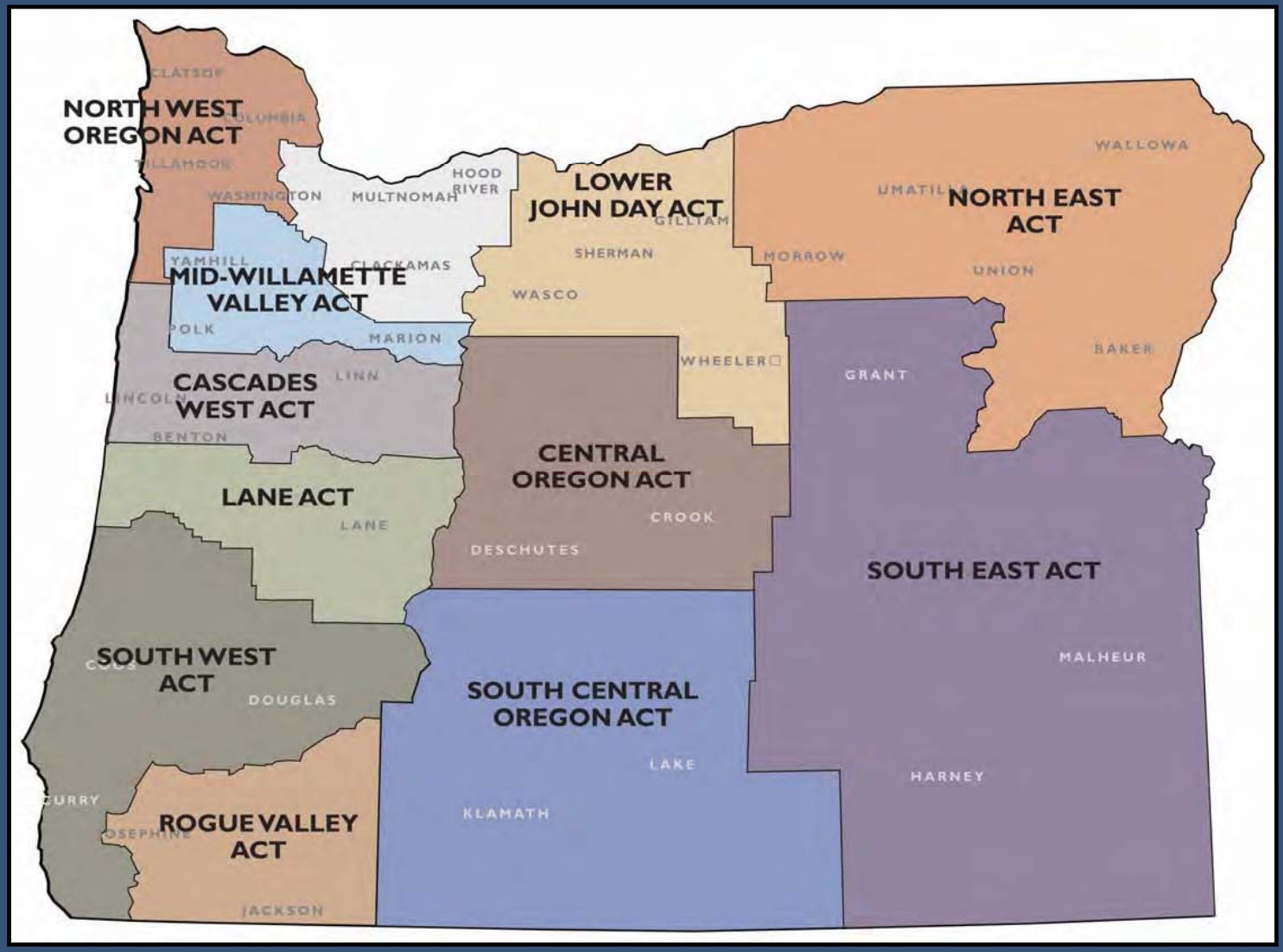


Additional Research Underway

Urban and Rural Analysis

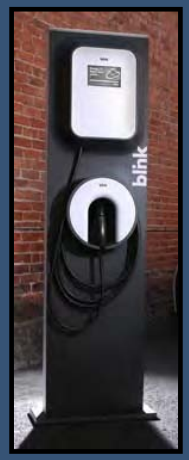


Presentations to Area Commissions on Transportation



Road User Fee Task Force Preparing Legislation

- For electric and plug-in hybrid vehicles
- Road usage charge of 1.56 cents per mile
- Rebate fuel tax paid
- ODOT develops methods for reporting miles
- Motorists shall have choices
- Protects personally identifiable information
- Private sector administration option



Road Usage Charge Assessment in Washington State

Paula J. Hammond, P.E.
Secretary

Steve Reinmuth
Chief of Staff

Jeff Doyle
Director
Public/Private Partnerships

Joint Washington and Oregon Transportation Committee Meeting
September 19, 2012

Road Usage Charges (RUC)

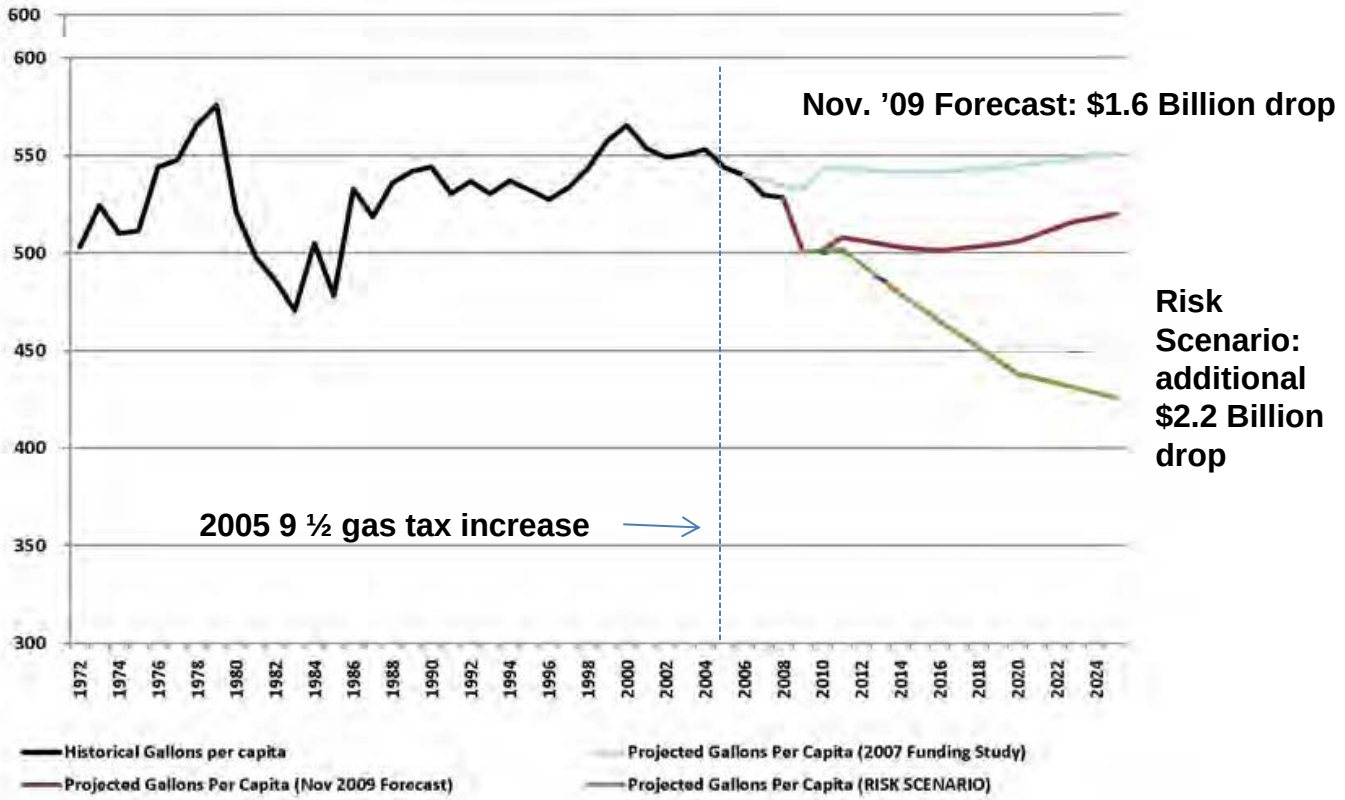
A Road Usage Charge is an alternative method of collecting revenue from drivers based on how much of the road system they use.

Washington State is in the beginning stages of examining the feasibility of a Road Usage Charge system.

Primary Purpose for Considering Road User Charge System in Washington

Transportation Tax Policy | Insufficient Funding Levels | Improve Traffic Operations | Environment/ Land Use Policy | Energy Security

Steep erosion in per capita gas tax revenues highlights need for reform:



1920's-era Taxing Mechanism – Gas Tax – Must Evolve to Serve Tax Policy Objectives

Washington's "User Pays" Transportation Tax Principle:

In the near future, how much gasoline cars burn will no longer be a close approximation for how much of the roadway cars use. The nexus between gas taxes paid and actual roadway usage will diminish sharply as vehicles become much more efficient and are powered by alternative fuels.

Fairness and Equity Implications for Washington Residents:

Drivers of new, highly fuel-efficient vehicles will contribute less to the cost of transportation infrastructure than owners of average or lower MPG vehicles. Rural residents, older drivers and those with lower incomes will spend disproportionately more of their income to maintain roadways.

Global Factors Unduly Affect Washington Roadway Maintenance

Oil price spikes influence gasoline consumption. When gasoline consumption drops, transportation accounts run short. Debt gets paid first, leaving decreased funding levels for programs that rely on cash i.e., roadway maintenance.

Legislative Authorization to Investigate this Funding Strategy

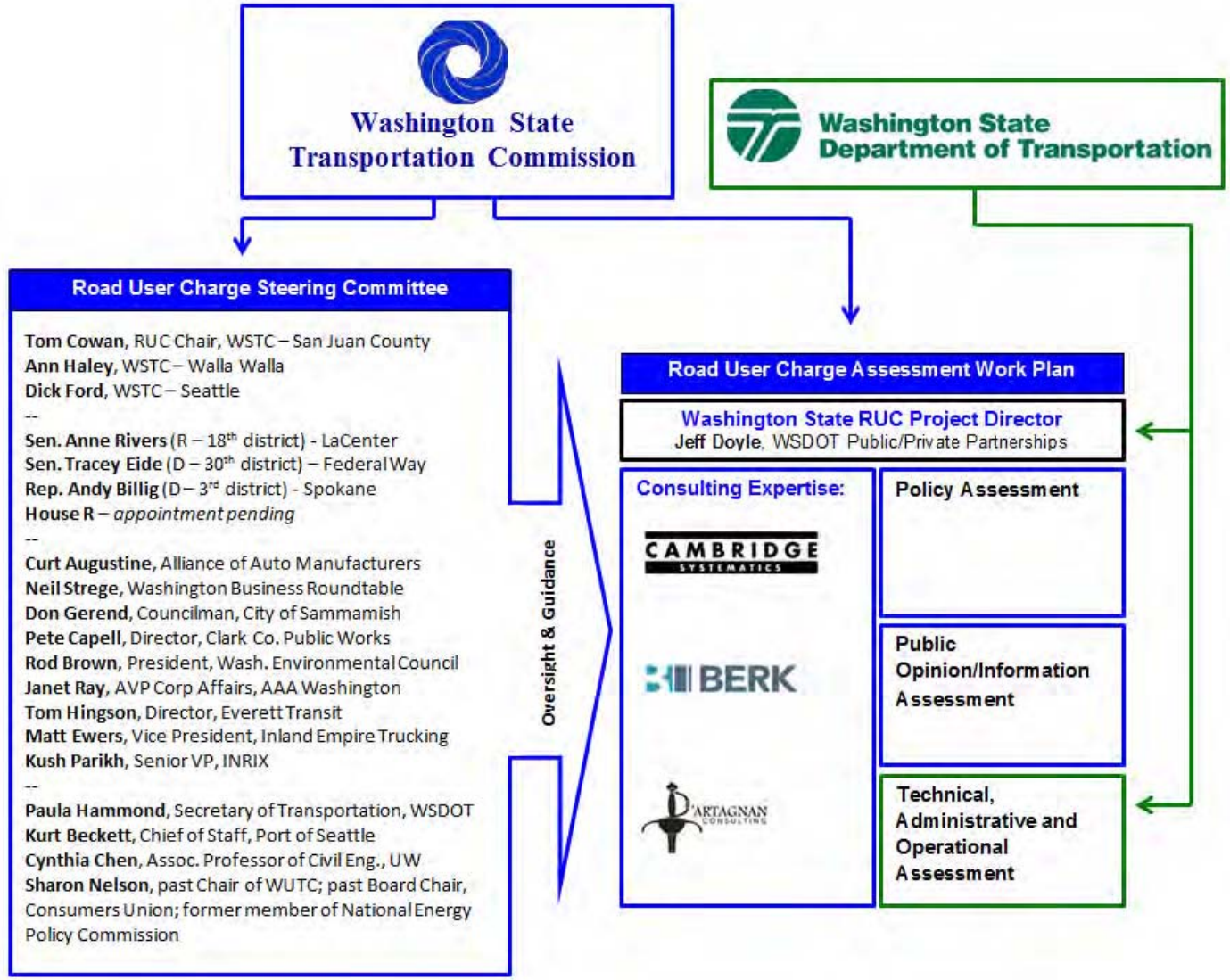
Transportation Commission to conduct Road User Charge Assessment…

- $775k provided to the Commission to "determine feasibility of transitioning from the gas tax to a road user assessment system of paying for transportation."
- Research and analyze reports and data, and identify issues for policy decisions;
- Make recommendations for the design of system-wide trials;
- Develop a plan to assess public perspectives and educate the public on current transportation funding system and options for a new system.
- Transportation Commission must convene stakeholder Steering Committee to guide work through June 30, 2013.

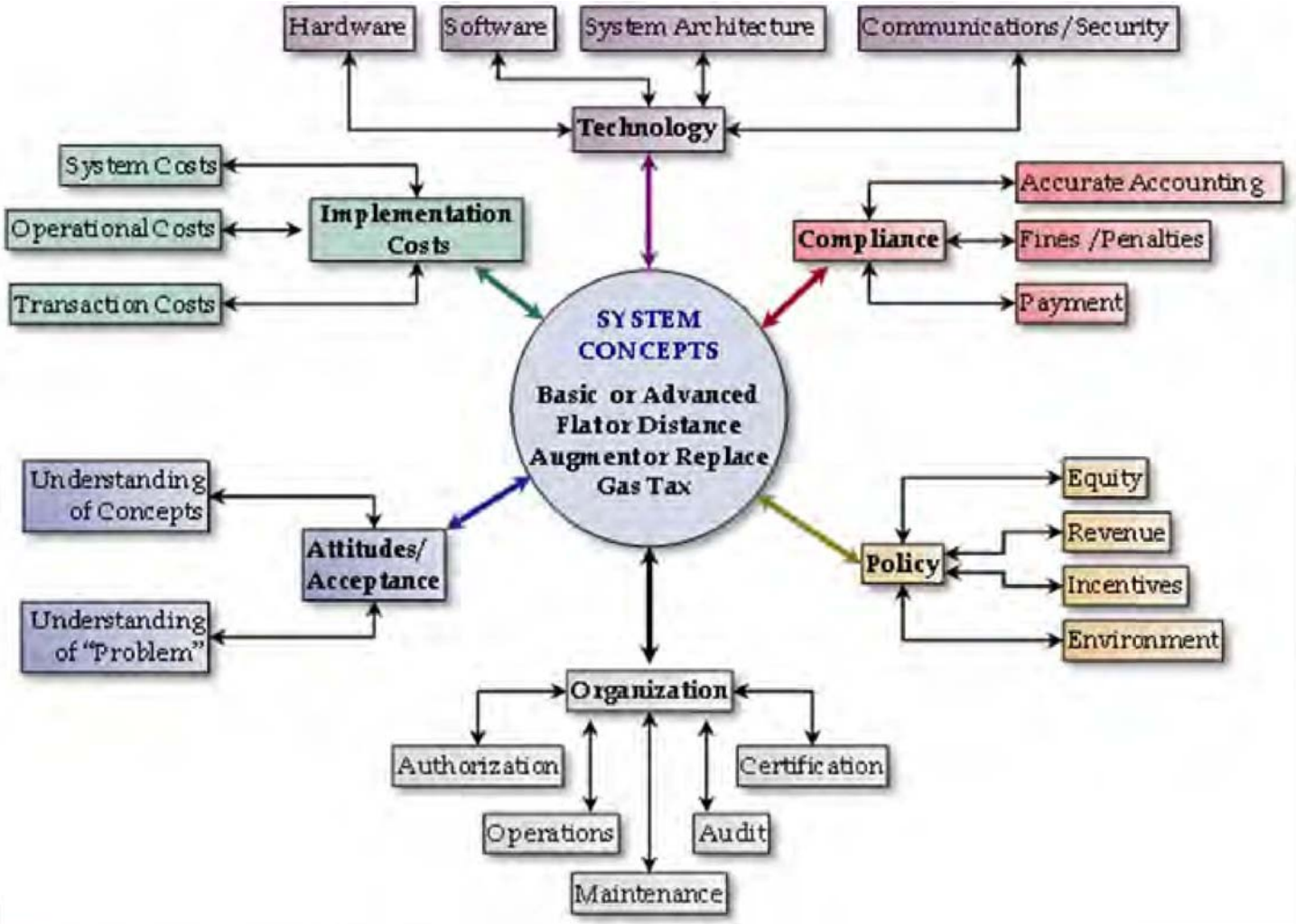
WSDOT to continue work assessing operational feasibility…

- $225k provided to WSDOT for technical, administrative and operational Assessment, to be carried out in coordination with Commission's funded work.
- Must consider technology, agency administration, multistate and federal standards.
- Preliminary operational concepts will lay foundation for future system tests (subject to future funding).

RUC Project Oversight & Management



RUC: Policy, Technology, Operations and Public Acceptance are Interrelated



Determining Feasibility of Transition to Road User Charge System

Legislative Requirement:	Work Plan Element:	Key Issues:
• Review RUC reports, data • Identify policy issues	**Policy Assessment**	Use of Revenues Rate-setting Gas Tax Transition Privacy
• Assess public perspectives/educate on current system and future options	**Public Opinion/Information Assessment**	Public Acceptance Consumer Choice Equity and Fairness
• Assess operational, technical and administrative feasibility • Recommend design for system tests (demonstration or pilot)	**Technical/ Administrative/ Operational Assessment**	Cost Compliance Enforcement Governance Jurisdictional Issues Reliability Complexity

RUC Schedule and Key Deliverables

RUC Steering Committee Meetings:

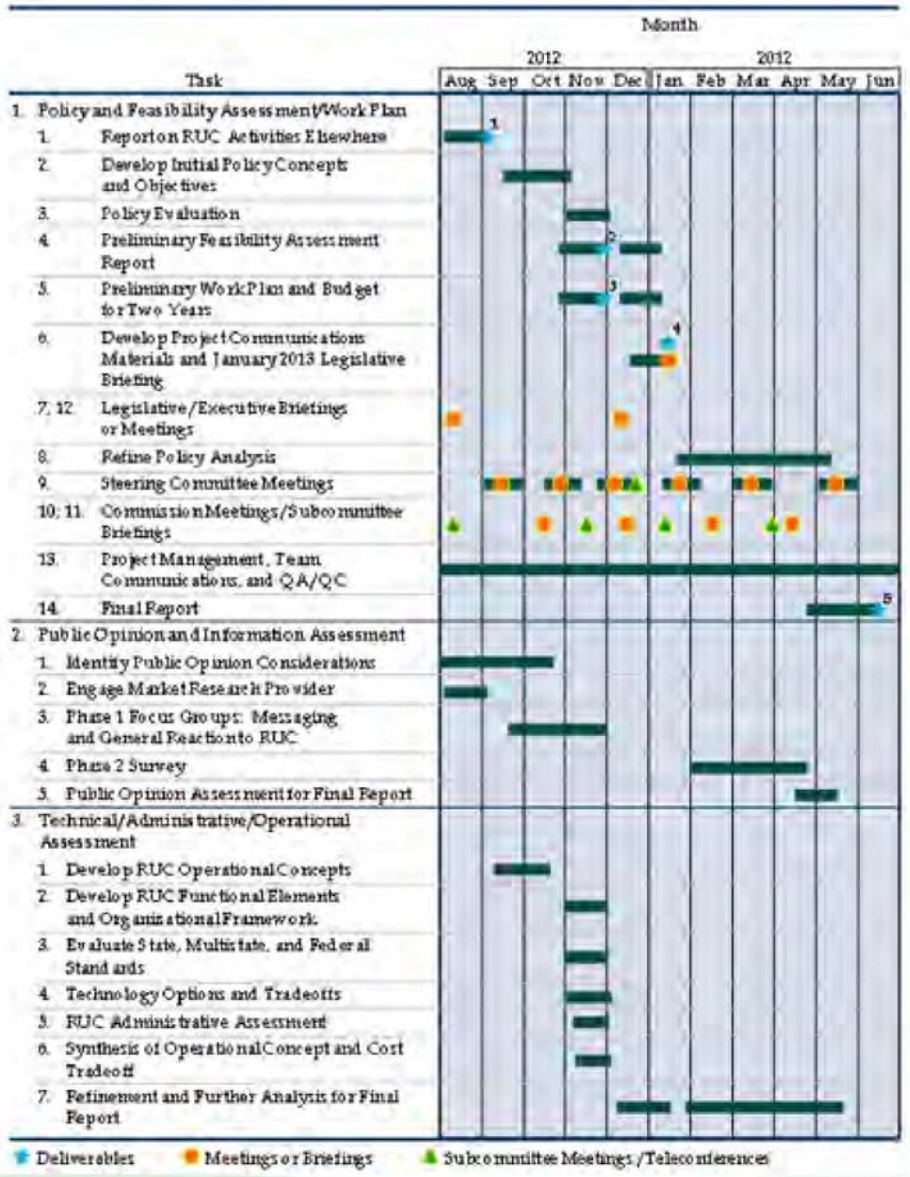
- September 13 (Seattle)
- October 30 (Seattle)
- December 4 (Olympia)
- January 25 (Olympia)
- March – June, 2013: exact dates TBD

Key Milestones:

- Preliminary Feasibility Assessment Report (12/4)
- Preliminary Operational Concept (12/4)
- Preliminary Work Plan and Two-Year Budget (1/25)
- Final Report, including Public Opinion Assessment (June, 2013)

Key Deliverables:

- RUC Activities Synthesis Report
- Feasibility Assessment Report
- Preliminary Operational Concept
- Public Opinion and Acceptance Report
- Preliminary design for future Pilot Project



Washington State Department of Transportation

Questions?

Jeff Doyle, *J.D.*
Director of Public/Private Partnerships; and

State Project Director
Road User Charge Assessment

Washington State Department of Transportation
(360) 705-7023
DoyleJ@wsdot.wa.gov

Partnerships@wsdot.wa.gov

Oregon
John A. Kitzhaber, MD, Governor

Department of Transportation
Office of the Director, MS 11
355 Capitol St NE
Salem, OR 97301-3871

DATE: September 13, 2012

TO: Oregon Transportation Commission

FROM: Matthew L. Garrett
Director

SUBJECT: **Agenda K** - Columbia River Crossing Project informational presentation and discussion regarding bistate toll setting structure options

Requested Action:
Received an overview and status update of the Columbia River Crossing project bistate toll setting structure options.

Background:
The Columbia River Crossing (CRC) project staff will give an overview and status update on this project of statewide and national significance.

The CRC project is a multimodal project focused on improving safety, reducing congestion, and increasing mobility of motorists, freight traffic, transit riders and bicyclists along a five-mile section of the Interstate 5 corridor connecting Vancouver, Washington, to Portland, Oregon. The project will be funded by federal sources (transit and highway), state funds (Oregon and Washington), and tolls.

The project's funding plan is focused on applying for funds from the Federal Transit Administration in 2013. In order to meet this timeline, decisions need to be made this year about the toll setting structure.

In August 2012, the Commission received a presentation about possible bistate toll setting options. A similar conversation was held with members of the WSTC. Feedback from the Commissions has been incorporated, and an update on revised options will be provided.

Attachments:
- Letter to Dan O'Neil
- Columbia River Crossing toll-setting structure options
- Engrossed Substitute SB 6445
- PowerPoint presentation

Copies(w/attachments) to:

Jerri Bohard	Dale Hormann	Patrick Cooney	Clyde Saiki
Paul Mather	Patricia McCaig	Kris Strickler	Jason Tell

Oregon
John A. Kitzhaber, M.D., Governor

Oregon Transportation Commission
355 Capitol St NE
Salem, OR 97301
Phone: (503) 986-3450
Fax: (503) 986-3432

September 6, 2012

Dan O'Neil, Chair
Washington Transportation Commission
PO Box 47308
Olympia, WA 98504-7308

Dear Chair O'Neil and Members of the Washington Transportation Commission,

The members of the Oregon Transportation Commission are looking forward to our upcoming joint commission meeting September 18th and 19th in Pendleton, Oregon. We have many topics between our two commissions that warrant a joint review, but none more important and timely than moving the Columbia River Crossing project forward. We expect this to be the beginning of a strong partnership between the two states as we work to create a toll-rate setting structure for the CRC that first and foremost provides the greatest financial benefit to taxpayers with the least amount of risk.
To prepare for our CRC discussion September 19th, I thought it might be helpful to provide a brief background of Oregon's executive and legislative activities over the last year and an update on recent Oregon Transportation Commission discussions on bi-state toll setting structure options.

<u>Oregon executive and legislative background</u>
As you know, the Columbia River Crossing's design and construction schedule has been centered on taking advantage of federal financial support, especially transit funding, from the Federal Transit Administration's New Starts program. The New Starts program is currently funded and the CRC is well positioned to receive support, as much as $850 million, through the life of the project construction. The timing of the application for that federal support requires both states to commit funds in early 2013. In Oregon, to prepare for that potential 2013 funding request, Governor Kitzhaber asked the Oregon State Treasurer to conduct an independent review of the CRC's financial options, an assessment of strengths and weaknesses, as well as project phasing schedules with contingency plans if some of the funding does not materialize, in the summer of 2011. The State Treasurer made specific recommendations which have been adopted by the project including:

- Recalibrating the tolling financial projections to reflect reduced traffic volumes in response to the recession
- Assume a level debt service rather than borrowing against assumed toll rate increases

- Perform an investment grade study earlier than anticipated to inform traffic and revenue projections
- Consider the use of pre-completion tolling of the existing Interstate Bridge and TIFIA (Transportation Infrastructure Finance and Innovation Act) loan funding to reduce financial risk
- Establish a robust toll-setting mechanism to assure that all toll-related debt service is paid in full each year through toll revenues

Parallel to the State Treasurer's independent review, the Governor also asked legislative leadership to convene an oversight committee to review the CRC's history, assumptions and funding plans. The bi-partisan, bi-cameral committee has been meeting since September 2011. It has focused most of its attention in two areas; first reviewing the project assumptions and the alternatives vetting process; and second, reviewing the numbers and assumptions used for the CRC's financial plan and the state's equity needs and timing. The committee most likely will complete its work this December and continues to work to identify future uncertainties, minimize financial risks to taxpayers and the state, and address immediate questions from stakeholders and the public.

OTC Bi-State Tolling Discussions

As we move to secure state funding to meet the requirements of our federal funding applications (New Starts funding and TIFIA assistance) in 2013, we must simultaneously demonstrate progress to our federal partners on establishing the CRC's toll rate setting structure. Washington's 2012 legislative action approving the CRC as a toll eligible project was a critical first step.

The next step, establishing a bi-state toll rate setting structure by December 2012, is necessary in part because of requirements included in the 2012 Washington toll authority language which requires that a bi-state toll setting structure agreement be in place and sit through a Washington legislative session before it becomes effective. That mandate puts both states on a calendar for a bi-state toll setting structure decision by December 2012. Although there are differences in responsibilities and oversight between our two commissions, OTC, like the WSTC, has the responsibility of setting and managing toll rates for projects in Oregon. To prepare for our joint September meeting the OTC began preliminary discussions on bi-state toll setting structures. Our discussion included a review of three options for toll setting structures and their corresponding strengths and weaknesses. Two of the three options involve a bi-state approach to rate setting and bonding. For the third option, one state would set the tolls and secure the bonds. I wanted to share with you a summary of our discussions to date. I hope this work along with the results from your tolling subcommittee later this week will help jumpstart our September joint commission discussion.

OTC Draft Guiding Principles

- Provide equal representation from both states – recognizing the authorities and obligations of each state, now and into the future
- Minimize the financial risk to both states, for now and into the future
- Capture the lowest feasible borrowing costs for the project
- Provide support for all federal funding sources, including the FTA New Starts funding, FHWA discretionary funding and the TIFIA program
- Establish and foster a bi-state commission relationship that allows for seamless rate setting decisions for now and into the future

In addition to the three options discussed at our August meeting, we have asked staff to begin exploring ways to reinforce and clarify the bi-state toll rate setting concepts presented, which may include another option that is a blend of the two presented.
This project is a priority for the Oregon Transportation Commission, and its importance to the entire state of Oregon cannot be overstated. We know there is much work ahead of us, and are ready, committed and eager for businesses, residents and travelers to begin to experience its economic, mobility, freight and safety benefits.
I look forward to our discussions on the 19th, and well into the future.

Sincerely,

Pat Egan, Chair
Oregon Transportation Commission

Cc: Oregon Transportation Commissioners

DRAFT – for internal review only

COLUMBIA RIVER CROSSING TOLL-SETTING STRUCTURE OPTIONS

September 10, 2012

This document summarizes information on four options for toll-rate setting and bonding structures for the Columbia River Crossing project. References to bonds in this document are exclusive to those bonds which would be repaid by the net toll revenue stream. Project funding will be provided through federal funding, state funding and tolls. This document does not deal with how each state will meet its own equity contribution, i.e. state funding. The following information regarding bonds should be kept in mind when reviewing this document.

Bond Background

Toll-backed bonds incorporate a contractual commitment by the issuer to set toll rates to produce revenue to repay the debt. Investors typically require projected toll revenues to be in excess of debt service to protect their investment if actual revenues do not keep pace with projections; this requirement is called coverage. The higher the coverage ratio, the smaller the amount that can be financed on a given toll revenue stream. Toll-backed bonds can either be revenue bonds or general obligation (GO) bonds. The types of toll-backed bonds considered in this analysis include:

Stand-alone toll revenue bonds backed only by toll revenues.

- Likely to require high coverage ratios (annual toll revenues at least twice the size of annual debt service)
- Higher borrowing costs
- Minimal impact on state's GO credit

Toll bonds supported by a state backstop, e.g. triple pledge bonds issued by the State of Washington which are first backed by toll revenues, second by motor vehicle fuel taxes and third by the full faith and credit of the state

- Relatively low coverage ratios (annual toll revenues no less than 1.3 times the size of annual debt service)
- Low borrowing costs at the state's long-term GO rates
- Negative impact on GO credit as increases debt burden

TIFIA loan (long-term borrowing from the federal government at subsidized rates tied to the 30-year U.S. Treasury rate). The availability of TIFIA loans is limited although recently substantially increased with the new transportation act. The application process can be lengthy and uncertain.

- Coverage ratios determined by perceived risk of the credit; i.e. strong credits require relatively low coverage and no additional credit enhancement, weaker credits require higher coverage as well as debt service reserve funds
- Low borrowing costs in the current market
- Minimal impact on state's GO credit

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COLUMBIA RIVER CROSSING TOLL-SETTING STRUCTURE OPTIONS

September 10, 2012

Option	Policy Considerations	Financial Market Considerations	State Considerations	Other Considerations
Separate State Bonds and Joint Toll-Setting with the Full Commissions Toll-backed Bonds: Each state issues bonds backed by its predetermined share of CRC toll revenues. Revenue collection to be conducted by Washington. Each state adopts substantially identical bond covenants. Each state pledges to bond holders that it will adjust toll rates as necessary to meet all of the bond covenants. Toll-setting: The two commissions negotiate an initial rate structure. Each commission separately adopts the agreed-upon rate structure by a majority vote of that commission. In the event of a disagreement on subsequent rate adjustments there would be a predetermined rate adjustment (based upon third-party recommendation) that would automatically occur to sufficiently meet rate covenants and pay the debt for the project. Alternatively, in the event of a disagreement concerning the structuring of tolls, the stages pledge to increase/adjust toll rates based upon a predetermined "equation" or "calculation" as defined by the agreement between the WSTC and the OTC. Variation on this Option (Suggested by WA Commission): If the two commissions reach an impasse on a rate adjustment, both commissions would vote and a majority vote of the combined commissions would prevail (a majority of 12 members).	• Gives each state a definitive and equal role in setting toll rates and structure. • There may be a question of delegation of authority in the case of a combined Commission majority vote.	Issuance of bonds by two separate governmental entities secured by the same toll revenue stream is unprecedented and could result in more expensive debt if bonds are not supported by a state backstop.	• Spreads the debt burden across two states. • Different borrowing conditions, choices, covenants and issuance conditions in each state may result in different borrowing capacity based on equivalent revenue streams. This could require the state that delivers fewer proceeds for construction to fund additional equity contributions from other sources.	• May require the use of a third party trustee to administer the flow of funds so that bondholders of both states are protected. • Both states responsible for TIFIA borrowing, likely complicating TIFIA application, negotiations and commitments.
Separate State Bonds and Joint Toll-Setting with Commission Subcommittees Toll-backed Bonds: Each state issues bonds backed by its predetermined share of CRC toll revenues. Revenue collection to be managed by Washington. Each state adopts substantially identical bond covenants. Each state pledges to bond holders that it will adjust toll rates as necessary to meet all of the bond covenants. Toll-setting: A bi-state committee consisting of a subset of transportation commission members from both states establishes and adjusts tolls as necessary to comply with bond covenants. The toll rates are expected to produce revenues required by the states' equivalent bond covenants. In the event of a disagreement concerning the structuring of toll rates, the committee chair (an "odd" numbered member of the	• Gives each state a definitive and equal role in setting toll rates and structure. • Neither state currently has statutory authority to delegate toll-setting authority to a subcommittee of their transportation commission. • Relies on an individual from one state as the tie-breaker which may politicize timing and/or frequency of toll increase requests; potential for politicization may be mitigated with defined rate increases during the construction period.	Issuance of bonds by two separate governmental entities secured by the same toll revenue stream is unprecedented and could result in more expensive debt if bonds are not supported by a state backstop.	• Spreads the debt burden across two states. • Different borrowing conditions, choices, covenants and issuance conditions in each state may result in different borrowing capacity based on equivalent revenue streams. This could require the state that delivers fewer proceeds for construction to fund additional equity contributions from other sources.	• May require the use of a third party trustee to administer the flow of funds so that bondholders of both states are protected. • Both states responsible for TIFIA borrowing, likely complicating TIFIA application, negotiations and commitments.

Option	Policy Considerations	Financial Market Considerations	State Considerations	Other Considerations
committee) casts the tie-breaker vote. The committee chair position rotates between the states annually or biennially.				
Separate State Bonds and Joint Toll-Setting with Full Commissions and Subcommittees Toll-backed Bonds: Each state issues bonds backed by its predetermined share of CRC toll revenues. Revenue collection to be managed by Washington. Each state adopts substantially identical bond covenants. Each state pledges to bond holders that it will adjust toll rates as necessary to meet all of the bond covenants. Toll-setting: The two transportation commissions jointly establish and adjust toll rates as necessary to comply with bond covenants. The transportation commissions coordinate with a bi-state transportation commission sub-committee that recommends a single toll rate structure for adoption by both transportation commissions in separate actions. In the event of a disagreement concerning the structuring of tolls, the states pledge to increase all toll rates to the extent necessary based on the recommendation of a Joint Toll Consultant as to what set of rates is likely to produce revenues to meet all bond covenants.	• Gives each state a definitive and equal role in setting toll rates and structures. • Bi-state sub-committee may avoid issues related to delegation of authority. • Toll rate setting relies on action by three groups making it difficult to take action quickly; potential for difficulty to take action quickly may be mitigated with defined rate increased during the construction period	Issuance of bonds by two separate governmental entities secured by the same toll revenue stream is unprecedented and could result in more expensive debt if bonds are not supported by a state backstop.	• Spreads debt burden across two states. • Different borrowing conditions, choices, covenants and issuance conditions in each state may result in different borrowing capacity based on equivalent revenue streams – This could require the state that delivers fewer proceeds for construction to fund additional equity contributions from other sources.	• May require the use of a third party trustee to administer the flow of funds so that bondholders of both states are protected. • Both states responsible for TIFIA borrowing, likely complicating TIFIA application, negotiations and commitments.
Washington Issues all Toll-Backed Bonds and Sets Tolls Toll-backed Bonds: Washington issues all bonds backed by CRC toll revenues, either as revenue bonds or as general obligation bonds. Through a bond resolution, Washington makes a rate covenant, i.e. contractually commits to set toll rates to produce toll revenues as required in the bond resolution. Washington contractually commits to Oregon and pledges to bond holders that it will adjust tolls as necessary to meet all of Washington's bond covenants. Toll-setting: Washington collaborates with Oregon in the determination of appropriate toll rates, although only Washington is ultimately responsible for taking actions to satisfy the rate covenants.	• Concept previously used for Oregon and Washington bi-state bridges funded by tolls. • Oregon currently does not have statutory authority to delegate toll-setting to the Washington State Transportation Commission. • The single-state rate covenant diminishes Oregon's role in influencing the structure and level of toll rates. Oregon decision-makers and citizens may have significant concerns with Washington having sole authority to set toll rates for Oregon bridge users. • Washington state legislators may want to specify use of funds	The simplicity and clarity of the toll-setting process and security pledge support the strongest credit and therefore this option likely provides for the lowest cost of capital compared to the other three options.	• The single-state structure places 100% of the debt burden on Washington; effect on GO credit variable depending on how bonds are supported • Oregon has little say as to how toll-backed debt will be structured.	A single-state structure simplifies the TIFIA application, negotiations and commitments.

CERTIFICATION OF ENROLLMENT

ENGROSSED SUBSTITUTE SENATE BILL 6445

Chapter 36, Laws of 2012

62nd Legislature
2012 Regular Session

INTERSTATE 5 COLUMBIA RIVER CROSSING PROJECT

EFFECTIVE DATE: Sections 1-3 and 5-8: Contingent (See Section 7)
Section 4: 06/07/12

Passed by the Senate February 14, 2012
YEAS 33 NAYS 15

BRAD OWEN

President of the Senate

Passed by the House February 29, 2012
YEAS 65 NAYS 33

FRANK CHOPP

Speaker of the House of Representatives

Approved March 15, 2012, 2:07 p.m.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 6445** as passed by the Senate and the House of Representatives on the dates hereon set forth.

THOMAS HOEMANN

Secretary

FILED

March 15, 2012

Secretary of State
State of Washington

ENGROSSED SUBSTITUTE SENATE BILL 6445

Passed Legislature - 2012 Regular Session

State of Washington 62nd Legislature 2012 Regular Session

By Senate Transportation (originally sponsored by Senator Pridemore; by request of Department of Transportation)

READ FIRST TIME 02/07/12.

AN ACT Relating to financing the Interstate 5 Columbia river crossing project; reenacting and amending RCW 43.84.092 and 47.56.810; adding new sections to chapter 47.56 RCW; creating new sections; providing a contingent effective date; and providing a contingent expiration date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec. 1.** The legislature finds that the replacement and improvement of the Interstate 5 Columbia river crossing is critical for the west coast's transportation system and for the safety of Washington and Oregon drivers. The interstate bridge includes two side-by-side structures built in 1917 and 1958. In 2005, approximately one hundred thirty-four thousand vehicles traveled across the interstate bridge each day, and about forty billion dollars in freight crosses the river each year. Collisions on and near the bridge occur at a rate almost twice as high as other similar urban highways, and the aging bridges are vulnerable to earthquakes. Replacing these structures and making multimodal improvements to facilitate travel in the bistate corridor is essential for the economy of the region.

Therefore, the state must develop a comprehensive approach to fund an Interstate 5 Columbia river crossing project.

NEW SECTION. **Sec. 2.** A new section is added to chapter 47.56 RCW under the subchapter heading "toll facilities created after July 1, 2008" to read as follows:

(1) For the purposes of this section and sections 3 and 4 of this act, "Columbia river crossing project" means the bistate, multimodal corridor improvement program between the state route number 500 interchange in Vancouver, Washington and the Victory Boulevard interchange in Portland, Oregon.

(2) The Columbia river crossing project is designated an eligible toll facility. Tolls are authorized to be imposed on the Columbia river crossing project. However, the tolls must be charged only for travel on the existing and replacement Interstate 5 Columbia river bridges. Tolls may not be charged for travel on any portion of Interstate 205. Toll revenue generated on the Columbia river crossing project must be expended only as allowed under RCW 47.56.820. The total cost of the Columbia river crossing project may not exceed three billion four hundred thirteen million dollars.

NEW SECTION. **Sec. 3.** A new section is added to chapter 47.56 RCW under the subchapter heading "toll facilities created after July 1, 2008" to read as follows:

(1) A special account to be known as the Columbia river crossing project account is created in the state treasury.

(2) Deposits to the account must include:

(a) All proceeds of bonds and loans issued for the Columbia river crossing project, including any capitalized interest;

(b) All tolls and other revenues received from the operation of the Columbia river crossing project as a toll facility to be deposited at least monthly;

(c) Any interest that may be earned from the deposit or investment of those revenues;

(d) Notwithstanding RCW 47.12.063, proceeds from the sale of any surplus real property acquired for the Columbia river crossing project; and

(e) All damages, liquidated or otherwise, collected under any contract involving the Columbia river crossing project.

NEW SECTION. **Sec. 4.** A new section is added to chapter 47.56 RCW under the subchapter heading "toll facilities created after July 1, 2008" to read as follows:

For the Columbia river crossing project, the tolling authority may 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 and the Oregon state transportation commission made pursuant to this section takes effect, and is not binding and enforceable until, thirty days after adjournment of the next ensuing regular legislative session. If the tolling authority has not entered into an agreement with the Oregon state transportation commission by December 31, 2015, this section expires.

Sec. 5. RCW 43.84.092 and 2011 1st sp.s. c 16 s 6, 2011 1st sp.s. c 7 s 22, 2011 c 369 s 6, 2011 c 339 s 1, 2011 c 311 s 9, 2011 c 272 s 3, 2011 c 120 s 3, and 2011 c 83 s 7 are each reenacted and amended to read as follows:

(1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.

(2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the

cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.

(3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.

(4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the cleanup settlement account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the Columbia river crossing project account, the common school construction fund, the county arterial preservation account, the county criminal justice assistance account, the county sales and use tax equalization account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community trust account, the drinking water assistance account, the drinking water assistance administrative account, the drinking water assistance repayment account, the Eastern Washington University capital projects account, the Interstate 405 express toll lanes operations account, the education construction fund, the

education legacy trust account, the election account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the federal forest revolving account, the ferry bond retirement fund, the freight congestion relief account, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the public health services account, the health system capacity account, the high capacity transportation account, the state higher education construction account, the higher education construction account, the highway bond retirement fund, the highway infrastructure account, the highway safety account, the high occupancy toll lanes operations account, the hospital safety net assessment fund, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the mobile home park relocation fund, the motor vehicle fund, the motorcycle safety education account, the multiagency permitting team account, the multimodal transportation account, the municipal criminal justice assistance account, the municipal sales and use tax equalization account, the natural resources deposit account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account beginning July 1, 2004, the public health supplemental account, the public transportation systems account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puyallup tribal settlement account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state employees' insurance account, the

state employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state route number 520 civil penalties account, the state route number 520 corridor account, the state wildlife account, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the transportation 2003 account (nickel account), the transportation equipment fund, the transportation fund, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building account, the volunteer firefighters' and reserve officers' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state economic development commission account, the Washington state health insurance pool account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving fund, and the Western Washington University capital projects account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, and the state university permanent fund shall be allocated to their respective beneficiary accounts.

(b) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the state treasury that deposits funds into a fund or account in the state treasury pursuant to an agreement with the office of the state treasurer shall receive its

proportionate share of earnings based upon each account's or fund's average daily balance for the period.

(5) In conformance with Article II, section 37 of the state Constitution, no treasury accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

Sec. 6. RCW 47.56.810 and 2011 c 377 s 7 and 2011 c 369 s 2 are each reenacted and amended to read as follows:

The definitions in this section apply throughout this subchapter unless the context clearly requires otherwise:

(1) "Eligible toll facility" or "eligible toll facilities" means portions of the state highway system specifically identified by the legislature including, but not limited to, transportation corridors, bridges, crossings, interchanges, on-ramps, off-ramps, approaches, bistate facilities, and interconnections between highways. For purposes of a bistate facility, the legislature may define an "eligible toll facility" to include a part of a project that may extend beyond the state border.

(2) "Express toll lanes" means one or more high occupancy vehicle lanes of a highway in which the department charges tolls primarily as a means of regulating access to or use of the lanes to maintain travel speed and reliability.

(3) "Toll revenue" or "revenue from an eligible toll facility" means toll receipts, all interest income derived from the investment of toll receipts, and any gifts, grants, or other funds received for the benefit of transportation facilities in the state, including eligible toll facilities.

(4) "Tolling authority" means the governing body that is legally empowered to review and adjust toll rates. Unless otherwise delegated, the transportation commission is the tolling authority for all state highways.

NEW SECTION. **Sec. 7.** Except for section 4 of this act, this act takes effect upon, and tolls may not be collected on the Columbia river crossing project until: (1) Certification of the secretary of transportation to the governor that the department of transportation has received satisfactory evidence that sufficient funding, including federal funds, will be available to complete the phase of the Columbia

river crossing project that includes the construction of the Columbia river bridge and landings; and (2) the agreement or agreements described in section 4 of this act have taken effect. If the secretary of transportation does not provide such certification to the governor by December 31, 2015, this act, except for section 4 of this act, is null and void.

NEW SECTION. **Sec. 8.** The secretary of transportation must provide notice that the governor has received certification as described under section 7 of this act to affected parties, the chief clerk of the house of representatives, the secretary of the senate, the office of the code reviser, and others as deemed appropriate by the secretary. Additionally, the tolling authority, as defined in RCW 47.56.810, must provide written notice that the agreements described under section 4 of this act have taken effect to affected parties, the chief clerk of the house of representatives, the secretary of the senate, the office of the code reviser, and others as deemed appropriate by the tolling authority.

Passed by the Senate February 14, 2012.
Passed by the House February 29, 2012.
Approved by the Governor March 15, 2012.
Filed in Office of Secretary of State March 15, 2012.

Columbia River CROSSING

A long-term, comprehensive solution

Oregon Transportation Commission
Washington State Transportation Commission

Pendleton, Oregon

September 19, 2012




Oregon Department of Transportation

Washington State Department of Transportation

Federal Transit Administration • Federal Highway Administration
City of Vancouver • City of Portland • SW Washington Regional Transportation Council • Metro • C-TRAN • TriMet

A project of national significance

- Critical link between Canada and Mexico
- One of the worst freight bottlenecks in the nation
- $40 billion in freight crosses bridge; $71 billion by 2030
- 1 in 4 Washington jobs and 1 in 5 Oregon jobs are trade-related

Columbia River CROSSING

Critical I-5 problems

- **Crashes**: 400 per year increasing to 750 by 2030
- **Congestion**: 4 to 6 hrs. per day increasing to 15 hrs. by 2030
- **Freight immobility**: 1 in 4 Washington jobs are trade dependent
- **Earthquake risk** due to pilings in vulnerable soils
- **Limited transit options**: Subject to I-5 congestion
- **Poor bike and ped access**: 4 ft. wide shared path

Columbia River CROSSING

Project benefits

- Significantly reduce crash rates by up to 70%
- Reduce congestion by up to 70%
- Improve reliability of state's transportation system for freight movement
- Provide better access to ports and support regional job growth
- 1,900 jobs per year during construction
- Meet current seismic safety standards
- Up to 6 million light rail transit boardings per year

Columbia River CROSSING

Topics to be covered

- Financing plan elements and timing
- OR and WA toll setting roles and responsibilities
- Review and discuss options for toll setting structure
- 2012 next steps

Columbia River CROSSING

Columbia River CROSSING

Financing

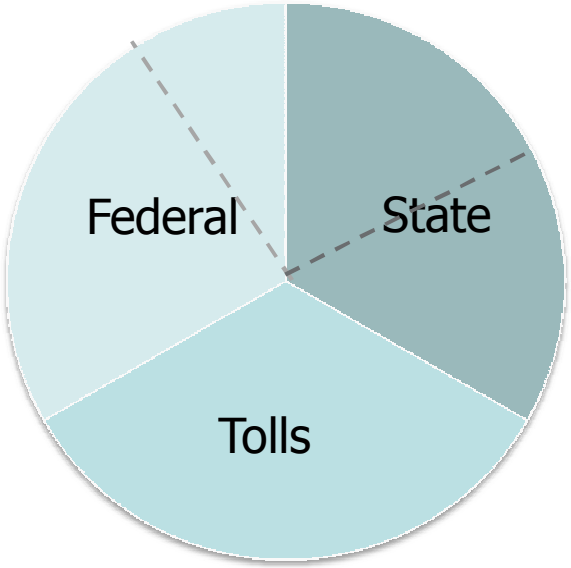



Oregon Department of Transportation

Washington State Department of Transportation

Federal Transit Administration • Federal Highway Administration
City of Vancouver • City of Portland • SW Washington Regional Transportation Council • Metro • C-TRAN • TriMet

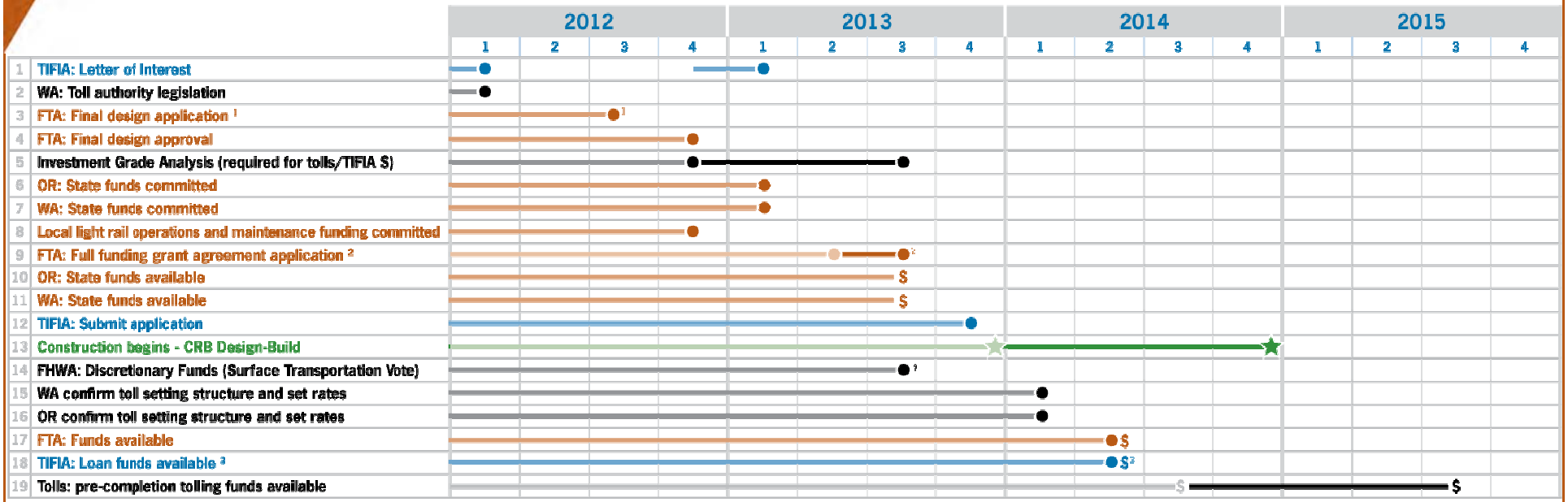
Funding sources for CRC



Targeted Columbia River Crossing Funding Sources	Amount (billions)
FTA New Starts (light rail).....	**$0.85**
FHWA.....	**$0.4**
Tolls.....	**$0.9 - $1.3**
Washington	**$.45**
Oregon.....	**$.45**
TOTAL FUNDING SOURCES	**$3.05-3.45**

Columbia River CROSSING

Funding schedule (subject to change)



Estimated funding sources

Federal Transit	$850 M
Federal Highway	$400 M
Tolls*	$900 M - $ 1.3 B
OR/WA state funds ($450/each)	$900 M

*TIFIA is a federal loan and credit program. Tolls are the revenue source for the loan. The federal backed loan program reduces coverage rate for tolls.

[1] Must have 50% non-FTA funds committed or budgeted. Tolling authority in 2012 expected to meet this requirement.
[2] Must have all funds authorized.
[3] TIFIA is typically the last funding source. Must have full finance plan and FTA approved.

KEY

● ● ● ★ = Due Date BLUE = TIFIA BLACK = Tolling ORANGE = FTA and State Funding

DRAFT: 09/11/12

Columbia River CROSSING

TIFIA loan

- FHWA's program provides federal credit assistance in the form of direct loans, loan guarantees, and standby lines of credit to finance transportation projects of national and regional significance.
- Coverage ratios determined by perceived risk of the credit.
- Subsidized rates tied to the 30-year Treasury rate. Low borrowing costs in current market.
- Minimal impact on state's GO credit.

Columbia River CROSSING

Columbia River CROSSING

Bi-state toll setting




Oregon Department of Transportation

Washington State Department of Transportation

Federal Transit Administration • Federal Highway Administration
City of Vancouver • City of Portland • SW Washington Regional Transportation Council • Metro • C-TRAN • TriMet

State tolling responsibilities

- **Both departments are responsible for the planning, analysis and construction of all toll bridges and other toll facilities.**
- **Washington and Oregon Transportation Commissions have toll-setting authority in their respective states.**

Columbia River CROSSING

Oregon tolling responsibilities

- **The Oregon Legislature has granted authority to the Transportation Commission to set tolling policies.**
- **The Oregon Transportation Commission has general supervision and control over all matters pertaining to the selection, establishment, location, construction, improvement, maintenance, operation and administration of state highways.**
- **The Oregon Commission also has the authority to designate toll facilities after evaluating a proposal based on set criteria.**

Columbia River CROSSING

Washington tolling responsibilities

- State policies regarding tolling are provided in statute.
- Only the Legislature may authorize the imposition of tolls on eligible toll facilities in Washington.
- The State Transportation Commission sets toll rates and considers statutory toll policies in determining toll rates.
- The Commission also establishes exemptions and ensures that toll rates will generate revenues sufficient to meet operating costs of the eligible toll facilities and for the payment of debt service on the bonds.

Columbia River CROSSING

2012 Washington State Legislation

- Designated the Columbia River Crossing project as an “Eligible Toll Facility”
- Creates the Columbia River Crossing account
- Authorizes the Washington State Transportation Commission to enter into agreements with the Oregon State Transportation Commission regarding the joint setting, adjustment and review of toll rates.
- Any agreement between the two Commissions is not enforceable until 30 days after the next regular legislative session.
- If the Washington Commission has not entered into an agreement by December 31, 2015, this authority expires.

Columbia River CROSSING

Columbia River CROSSING

Commission Discussion

2012 – Proposed work plan

- **September**
  - Conceptual agreement on toll-setting structure
- **October/November**
  - Work with bi-state finance/legal staff to draft agreement language
  - Discussions with commissions, as needed
- **December**
  - 12/10 Washington Legislative Oversight Committee
  - 12/12 WSTC vote
  - 12/19 OTC vote

Columbia River CROSSING

Columbia River CROSSING

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Toll-Free	**866-396-2726**

Oregon Department of Transportation

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