



## Recently Asked Questions

MARCH 2012

### 1. Is there a new plan to phase construction?

CRC has developed a construction sequencing plan and will create phasing options responsive to varying cash flow scenarios. Traffic flow and engineering realities dictate that construction will occur in sections, with the replacement bridge and light rail construction occurring first. Once the bridge and connections are built, land-side construction in Portland and Vancouver would follow.

CRC staff also has developed an option for a smaller first phase footprint in Oregon in response to a request from Governor Kitzhaber. A smaller, first-phase would allow all elements of the project to be built over time to maximize and match the money available with engineering practicability. At this time, decisions have not been made related to phasing.

### 2. How is CRC addressing questions related to height of the replacement Interstate Bridge?

CRC has been working with the U.S. Coast Guard since 2005 to improve the river crossing and river navigation. Current plans call for about 95 feet above the Columbia River datum, which provides between 75 and 95 feet of navigational clearance, depending on water level. This proposed navigational clearance was identified in 2006 by CRC based on a previous survey of river users and airport navigation limits. Some river users have stated they require greater clearances.

The construction of the replacement Interstate Bridge requires a general bridge permit be issued by the U.S. Coast Guard, an agency primarily focused on the needs of navigation. The formal process to apply for many permits begins once a project has completed its environmental planning process, which occurred in December 2011 with receipt of CRC's Record of Decision.

As part of the general bridge permit process, we are currently performing an updated data-collection effort. CRC has asked Columbia River vessel owners and ports to provide information on vessel size, frequency of vessel use and future business plans. This data will be considered as project officials continue to analyze existing and future river navigation clearance needs. The data and additional analysis also will be considered by the U.S. Coast Guard when reviewing a permit application from the Columbia River Crossing project.

CRC is working to ensure that interests of river users are met while also giving consideration to flight paths over the bridge, impacts to the nearby communities and the overall cost and schedule of the project. CRC expects the bridge permitting process to be complete early next year.

### 3. What is the significance of the record of decision and what happens next?

On Dec. 7, 2011, the Federal Highway Administration and Federal Transit Administration signed a record of decision for the Columbia River Crossing project. Federal transportation agencies have given formal approval for the CRC plan with this decision, which validates the technical and public process to date and allows final design and construction planning to occur. The record of decision is a significant milestone and concludes the environmental planning phase under the National Environmental Policy Act.

The record of decision formally selects the preferred alternative – a replacement bridge with light rail – identifies the environmental footprint and documents environmental commitments and mitigation. CRC staff will continue to work with sponsor agencies, stakeholders and the members of the public in the coming months to refine the local improvements during the final design and pre-construction phase.

The Oregon and Washington departments of transportation will have discussions around construction funding and future governance of the new facilities with the Oregon and Washington state legislatures and state transportation commissions.

#### 4. How will the CRC project benefit the region's economy and create jobs?

The I-5 corridor is the backbone of a network of roads that provide access to the greater Vancouver and Portland region, which is more susceptible to long-term economic losses from congestion than other areas because of its ties to trade. One in four jobs in Washington and one in five jobs in Oregon are supported by trade.

The Portland-Vancouver region's economy is intrinsically linked to its ability to export goods and products. Exports make up 20.6 percent of the Portland-Vancouver metro area's gross product, ranking it second nationwide amongst the top 100 metro regions for per capita exports, far above nearby Seattle and other west coast trade hubs such as Los Angeles. Likewise, this region's annual growth rate of exports has outpaced the nation's 100 largest metro areas by a factor of more than 2-to-1.

The Interstate Bridge is a key piece of freight infrastructure. Approximately \$40 billion worth of freight crossed the Interstate Bridge in 2005. CRC creates benefits for both trucks and marine freight through reduced congestion in the corridor, improved access to ports and highways, elimination of bridge lifts and a primary marine channel that is better aligned with the channel under the adjacent railroad bridge.

In addition, CRC highway, bridge and transit construction is estimated to support or sustain an average of 1,900 construction related jobs each year for a total of 20,000 jobs. Spending on construction of the Columbia River Crossing project would result in direct effects like demand for construction materials and jobs. These direct effects lead to indirect effects as firms in other industries provide goods and services to the construction industry. Finally, wages paid to workers in construction trades or supporting industries are spent on other goods and services; these are referred to as induced effects.

#### 5. What is included in the CRC project's finance plan?

The CRC project is expected to receive funding from three major sources: the federal government, the states of Washington and Oregon and tolling the I-5 bridge. CRC is widely recognized as a nationally and regionally significant project because the project area is part of a major national and international freight route that connects Mexico to Canada. CRC's multi-modal improvements, which include enhanced safety and congestion relief and increased transit options, uniquely position the project for federal funding.

CRC's conceptual funding plan includes the following amounts from these targeted sources:

- Federal discretionary highway, \$400 million
- Federal New Starts transit program, \$850 million
- States of Washington and Oregon, \$900 million
- Tolls, \$900 million - \$1.2 billion

CRC's finance plan takes an integrated approach. Federal legislation from 2010 requires the US Department of Transportation to evaluate CRC's finance plan as a single, integrated plan, rather than separate highway and transit plans, allowing the project to leverage additional federal funding to reduce the required local funding.

The project is taking all steps to secure the maximum amount of available federal funding, including federal discretionary highway funds as they are reauthorized. The majority of the light rail portion of the project is expected to be paid by a New Starts funding grant administered by the Federal Transit Administration. In 2009, the CRC project applied for \$850 million from the New Starts program. In addition, the project submitted a letter of interest to the federal TIFIA loan program, which currently offers good terms, thereby maximizing the borrowing capacity from tolls and reducing the debt burden on the states.

CRC will continue to refine its financial plan to reflect funding and timing of both state and federal funding contributions to the project. CRC will work with the transportation commissions and legislatures from both states to review the finance plan and determine state revenues. CRC will review construction sequencing options for the project based on potential funding scenarios and anticipated cash flows.

## **6. What are the next steps for tolling the Interstate 5 bridge? When will tolls begin and how much will they cost?**

Authority to toll highway facilities lies with the state legislatures in Oregon and Washington and the states' transportation commissions. The state transportation commissions set toll policy, including rates, timing and duration. In Washington, the legislature must provide project-specific authorization to toll a facility before the commission moves forward. The legislation providing that authorization was signed by Governor Gregoire in March 2012.

The project's final Environmental Impact Statement outlines several scenarios for the use of toll revenue, including a range of possible toll rates structures. The project will use variable toll rates, whereby tolls are lower during off-peak travel times. The final EIS identified a range of one-way peak toll rates from \$2.00 to \$3.00, with \$1.00 being the lowest off-peak rate. Toll rates for commercial trucks and other large vehicles would be higher. Actual toll rates will depend on several factors, including the amount of funding secured from other sources, the cost of construction and interest rates. Decisions on the timing to start tolling also will depend on several factors related to project financing and construction schedules.

An investment-grade tolling analysis will be completed prior to issuing toll-revenue-backed bonds. This analysis will incorporate the most up-to-date information to help calibrate CRC tolling assumptions prior to bonding. CRC's current finance plan incorporates conservative assumptions related to tolling, utilizing low traffic estimates and higher than average interest rates.

## **7. WSDOT is tolling SR 520 in Seattle. What can we learn from this experience for CRC?**

Pre-completion tolling of the SR 520 floating bridge began on December 29, 2011. It is too early to draw conclusions about how tolling will change driving patterns in the Seattle area. The SR 520 facility and CRC share some attributes. For example, both SR 520 and CRC will use variable-price electronic tolling. SR 520 is a key commuter route between Seattle and Bellevue, with I-90 serving as a non-tolled alternative route; I-5 connects Vancouver and Portland, with I-205 serving as a nearby non-tolled alternative. However, several differences between these regional transportation systems do not allow for direct comparisons without further analysis.

Early traffic data show that a tolled 520 bridge is experiencing several of the anticipated changes in travel behavior. Vehicle crossings on SR 520 are lower than average during the peak period. Some drivers are choosing to travel outside of the peak period to avoid the highest toll. Other drivers are choosing an alternative where they face a longer commute time: the non-tolled route across Lake Washington on I-90, SR 522 to the north, or I-405 and I-5 either to the north or south. Many are choosing to pay the peak period toll and benefitting from faster average travel times on SR 520. Additional analysis of data over a longer period will yield new information about the effect of tolls on regional traffic patterns and how these might apply to CRC tolling.

## **8. Has the project considered alternative, upstream bridge designs?**

CRC has thoroughly considered several alternative bridge alignments, including those upstream of the existing Interstate Bridge. Upstream alignments have been dismissed from further consideration based on projected impacts to historic properties, interference with federal aviation safety standards and project constructability.

Upstream alignments would set a bridge and interchange ramps closer to the Vancouver National Historic Reserve and have greater impacts to this resource. Federal law requires identifying alternatives to impacting the historic reserve, which a downstream bridge accomplishes. In 2007, the CRC's federal oversight agencies concurred with removing upstream bridge alignments from further consideration.

Pearson Air Field is located near the north bridge landing. An upstream alignment sets the bridge and SR 14 interchange ramps closer to the end of Pearson's runway, where safety clearances are lower and impacts to safety clearance are likely. The downstream CRC bridge design is expected to avoid intrusion into the safety clearance slope for landings.

Physical constraints of an upstream straight alignment result in constructability concerns. The upstream alignment needs to be located in close proximity to the existing bridges to avoid additional property impacts while keeping I-5 open during construction. Construction staging challenges would result from coordinating construction adjacent to an open and aged facility, requiring additional construction time. The CRC's downstream bridge alignment minimizes these constructability challenges.

## **9. How do we provide oversight and accountability for a project of this size and complexity?**

Project oversight occurs at several levels. The states and federal agencies provide funding for, and oversight of, project delivery. The Federal Highway Administration and Federal Transit Administration provide oversight on the National Environmental Policy Act process, project management, project implementation, financial planning, risk management, schedule and budget management.

The Washington State Department of Transportation and Oregon Department of Transportation report to legislative committees and transportation commissions on project progress and consistency with state policies. WSDOT and ODOT use the systems and policies to deliver the CRC project that are used elsewhere in the two states. The agencies provide financial accounting services and oversight for the CRC project in compliance with applicable state and federal laws, regulations and policies. WSDOT and ODOT also provide procurement services and oversight in compliance with applicable state and federal laws, regulations and policies. Expenditures on the CRC project by WSDOT and/or ODOT are tracked within department accounting systems using unique identifiers which allow for project-specific reporting. Expenditures also are closely tracked at the project office level to ensure payments do not exceed available funding. Internal audits by each agency are ongoing to further ensure that policies and procedures are being appropriately followed.

Governors Kitzhaber and Gregoire, and Oregon and Washington legislators have made it clear that they will review every element of this project and provide oversight and accountability.

## **10. How much have we spent on the project, what do we get from it, and where did the money come from?**

Since 2005, the project has spent a total of \$145.7 million (as of Feb. 29, 2012). It has been funded about equally by Washington and Oregon, with additional contributions from the federal government. The funds have been spent on engineering, transit planning, public involvement and communications (required by the federal NEPA process), and environmental studies, including preparation of a Draft and Final Environmental Impact Statement (EIS).

The majority of the money spent to date in all project areas supports the current project design.