

Dear Oregon Elected Officials –

I ask that you make an informed decision about the Columbia River Crossing Project. Briefly, I ask you to consider the following facts:

1. A Supplemental Environmental Impact Statements (SEIS) could easily be started, other alternatives or adjustments to the current plan could be made, and the project could quickly be “back in line” for federal funding.
2. Did you know that the CRC is planning a Phase 1 Project, which eliminates the following NB interchange fixes?
  - a. Victory Braid
  - b. Marine Drive Flyover
  - c. SR 500 NB Connection
3. Did you know that the CRC is asking you to invest in a \$5.5 BILLION project? Their cost plan AND their funding plan indicate this project will cost \$3.5 Billion to build and \$2.0 Billion to operate and maintain over 30 years – for a total of \$5.5 Billion. They have calculated their costs to include interest on debt, toll collection costs, and bridge maintenance.
  - a. Their funding plan includes the collection of \$3.3 BILLION in tolls
    - i. This represents \$1.2 Billion towards build costs and the \$2.0 Billion for the interest, toll collections, and maintenance
  - b. Can our economy handle \$3.3 Billion in Tolls?
4. The CRC is not being truthful about the cost of each component on their maps
  - a. Interchanges are understated by nearly \$400 M
  - b. Bridge costs are overstated by nearly \$400 M

Attached is the testimony I provided to the Washington State Senate Transportation Committee last week (invited 15 minute testimony) as well as all documents supporting that testimony. It is important to note that all documents attached came directly from the Columbia River Crossing Project Office (i.e. I have not “made up” these facts or figures).

Please let me know if I can schedule time to meet with you as a group or individually.

Best regards,

Tiffany

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"Whenever you see a successful business, someone once made a courageous decision." - Peter Drucker

**TESTIMONY OF TIFFANY COUCH, CPA/CFP, CFE**

Thank you for the opportunity to provide testimony to you.

I come to you today, not as a pro or con advocate for the CRC project, but as an advocate for you – the elected official who needs data and information to make informed decisions.

I will address you today as I would any client who has hired me to perform due diligence on a project they are considering an investment in.

It is important to note that all exhibits contained herein are directly from the CRC Project Office. Or, are summaries of data from the CRC Project Office.

**1. TRUE COST OF BRIDGE**

We commonly hear the cost of the bridge will be \$3.5 Billion. The CRC has submitted FFGA documents with that price tag (**Exhibit A**). In addition, their CEVP report (**Exhibit B**) indicates that the project has a 90% probability of cost \$3.5 billion.

Just like buying a house, however, the total cost of this project is not \$3.5 Billion.

The CRC's plan calls for interest, tolling costs, and bridge maintenance to be paid for by tolls. The total cost of these items is approximately \$2.0 Billion (**Exhibit C**)

Please understand that when you are deciding whether or not to fund this project that you understand the true nature of all costs, not just the cost to build.

**2. TRUE COST OF TOLLS**

**EXHIBIT D** will show you that the CRC already has a plan in place to pay for the \$5.5 Billion in tolls. You will see a list of the known components, like State Contributions and Federal dollars, but note that their own tolling revenue schedules are planning for \$3.3 Billion in toll collection. I have included their schedules at **EXHIBIT E**

**3. WHAT ARE YOU GETTING FOR A \$5.5 BILLION INVESTMENT?**

- a. Morning commuters will save 1 minute, that is 60 seconds on their typical commute. **EXHIBIT F**
  
- b. The outlook for Northbound commuters may not be as rosy as the CRC is leading you to believe. Currently, the CRC indicates that a NB commuter will save approximately 8 to 20 minutes in their typical evening commute. **EXHIBIT F-1**
  
- c. **THE CRC IS PLANNING A PHASE 1 PROJECT – ELIMINATING KEY COMPONENTS ON NB INTERSTATE 5.**

The CRC Map (attached – **EXHIBIT G**) shows construction cost estimates by location, after risk and escalation are considered. The cost here is \$3.1 Billion...and indicates it is "per the CEVP report."

I'd like to take you back to **EXHIBIT B**. Exhibit B is the "CEVP Executive Summary". Please first look in the corner, and note that this is a "Phase 1 Summary."

Please look at the graph where it says "Cost Range" Notice that the CRC is telling us that it is only 60% likely that the cost of the project will be \$3.1 Billion while it is 90% likely that the project will cost \$3.49 Billion. As you can see, the range of costs that are "common knowledge" to us – are actually for a Phase 1 project.

What does a Phase 1 project mean?

Let me take you over to **EXHIBIT H** which is the CRC's own detailed budget or "Base Cost Estimate." Let me tell you a little about this budget....

As you can see at the top, The Phase 1 build will eliminate the following elements of the project:

- Victory Braid
- Marine Drive E- 5N Flyover at Marine Drive
- North Connections at SR 500

***If I were a legislator, I would want to understand the impact on Northbound/Afternoon commuters when critical portions of the northbound portion of I-5 are being eliminated.***

**4. UNDERSTANDING THE DETAILED BUDGET**

**a. THE CRC IS NOT BEING TRUTHFUL ABOUT THE COSTS OF COMPONENTS**

In reviewing the base cost estimate for both the Phase 1 and Full Build projects, we realized that the cost of each State's interchanges was much more than the costs that are being reported to the public and to elected officials.

As you can see there are large discrepancies between what the CRC is telling you the costs of the interchanges will be and the cost their own budgets tell us.

In short we discovered that major components of both Oregon and Washington's interchanges were being underreported; while the cost of the Interstate Bridges was being over reported.

*Exhibit I & J are the Base Cost Estimate Summaries along with the calculation to take the Base Cost Estimate to the "loaded" CEVP cost of \$3.1 / \$3.5 Billion.*

**We have provided you at EXHIBIT K a full-size map with comparisons of dollars between what the CRC is telling you and what their own budgets are say.**

Project	Oregon Interchanges	Interstate Bridge	Washington Interchanges	Light Rail	Total
Per MAP	\$595,000,000	\$1,200,000,000	\$435,000,000	\$830,000,000	\$3,060,000,000
Per Actual Budget	\$796,500,000	\$791,300,000	\$713,400,000	\$824,800,000	\$3,126,000,000
<i>Difference</i>	<i>(\$201,500,000)</i>	<i>\$408,700,000</i>	<i>(\$278,400,000)</i>	<i>\$5,200,000</i>	<i>\$66,000,000</i>

*We question why the CRC continues reporting a \$3.1 billion cost on their map, since they estimate only a 60% probability that costs will be in that range.*

**The result: Oregon's Interchange costs are partially buried in the cost of the Interstate Bridge.**

***Why Does That Matter?*** Because the costs of the Interstate Bridge are being paid for by tolls, the ramification of this fact is significant to the people of SW Washington. **When the people of SW Washington pay a toll, they will not only be paying for the cost of the bridge and a partial amount of the Washington interchanges, but they will also be paying for the cost of Oregon's Interchanges.**

**b. OTHER COSTS BURIED IN THE PROJECT**

Included at **EXHIBIT L** is a list of project "extras" we found in the CRC's detailed budget. This includes a significant amount of funds for Tri-Met **(List), including:**

- **Tri-Met Administrative Building**
- **Ruby Junction Maintenance Facility for Tri-Met in Gresham, OR**
- **"Curation Facility"**
- **Environmental Mitigation miles outside of the project area**

**5. WHAT DOES WASHINGTON GET IN THE DEAL?**

**a. Tolls**

I did conduct an analysis assuming several scenarios. See **EXHIBIT M**.

Assuming that 50% of toll revenue will be collected from SW Washington citizens, this equates to a \$55 million per year drain on the economy or \$1.6 BILLION over 30 years.

The ramifications of these tolls would have far reaching impacts. Discretionary funds used by a family to pay for daily tolls means less funds available to dine out, go to the movies or patronize other local business. This would have significant ramifications on local small business. And, in turn on jobs. And, in turn on the County's ability to collect sales tax and effectively provide services.

**b. OREGON'S PLAN**

But the news does not get any better. Just last week, Oregon published House Bill 2800 which indicates they plan not to pay for their \$450 million portion of the project with gas taxes or other funds, but rather to create revenue by tolling.

When you add \$450 million to the already \$3.3 Billion in tolls being collected you must also add interest on those tolling bonds. As a result, toll revenues will need to reach nearly \$4.0 billion.

The conclusion here is clear. Not only are SW Washington commuters paying for a portion of Oregon's interchanges as a result of bogus cost components reports (reported above), but Oregon expects that SW Washington commuters will be paying for its share of the \$450 Million as well.

What else are you getting?

- c. 7 YEARS OF CONSTRUCTION WITH NO REAL UNDERSTANDING OF WHAT THAT LOOKS LIKE**
- d. 1 MINUTE COMMUTE SAVINGS**
- e. LIGHT RAIL WITHOUT A MECHANISM FOR PAYING FOR IT**
- f. \$170M SPENT**
  - i. A BRIDGE THAT COULD NOT BE BUILT**
  - ii. A BRIDGE HEIGHT THAT IS LOWER THAN ALL OTHER EXISTING BRIDGES ON THE COLUMBIA RIVER**
- g. FUNDING PLAN THAT IS UNWORKABLE AND UP FOR DEBATE**

**Conclusion**

As the representatives of the people of Washington and as those who hold the fiduciary responsibility for the finances of our state, it is important to understand the impacts of the CRC project on your citizens who commute to Portland and beyond. As you can see, there is a wealth of information related to this project that has not been communicated to you directly. Or, it has not been communicated to you truthfully.

I recommend that you seek to consider a Supplemental Environmental Impact Statement process. This would allow alternatives to be fully researched. It would also allow for a time out to be called on this Project to ensure that it does not move forward too quickly and thus negatively impact the people of SW Washington.

