



*From the Desk of  
Rep. Lew Frederick*

## **Please Vote NO on HB 2800**

### **Say No to the Columbia River Crossing Proposal**

A real solution for I-5 would focus on a reasonable, fiscally responsible plan to help freight and address congestion on the I-5 Corridor. The CRC project, as proposed, is exactly the opposite: a financial boondoggle that fails to solve the real issues.

#### **CRC Will Lead To Loss of Funds for Projects around the State**

- HB 2800 authorizes borrowing for one of the most expensive public works projects in Oregon history without new funding to pay for it. CRC will take \$54 million per biennium out of the state's already strapped transportation budget for 30 years. Funding for other priorities could evaporate for decades if the current CRC proposal moves forward.
- Estimates of toll revenue are inflated, leading to a funding gap of hundreds of millions of dollars. Oregon will be liable for funding shortfalls and cost overruns.
- Oregon has 25 Structurally Deficient bridges on the Interstate system, and ODOT's analysis has shown that CRC is not among them. Paying for CRC will limit the state's ability to pay for upgrades on bridges that are dangerous. A seismic upgrade for the CRC would cost 6% of what the current plan is estimated to cost.

#### **CRC Is Not a Real Solution**

- CRC will worsen traffic gridlock in other parts of Portland. Tolling I-5 but not I-205 will produce major traffic diversion to I-205 and make truck traffic move more slowly on this critical route to the airport.
- Independent studies concluded that at best, morning commute times will be improved by one-minute.
- The current proposal calls for a bridge that the Coast Guard has determined to be too low for projected river traffic needs, leading to the loss of hundreds of jobs.
- The project will lead to a 40% increase in driving, increased climate pollution, and negative health impacts.

#### **CRC Is Based on Outdated, Incorrect Information**

- Traffic models assumed a continued increase in driving, yet traffic volumes started flattening nearly a decade ago, undermining the rationale for the design and the funding projections.

#### **The Path Forward**

- 95% of the project cost has yet to be paid for. Oregon should be fiscally responsible and find a more positive direction rather than authorizing construction of the CRC.

**Analysis of HB 2800A**  
**Prepared by Joe Cortright**  
**February 24, 2013**

HB 2800A gives ODOT wide latitude to issue bonds without a long-term financial plan in place.

ODOT can issue \$450 million in bonds backed directly by the highway fund, plus an essentially unlimited amount of bonds backed by toll revenues and federal grants (and backed further by pledges of state highway funds and future federal grants) to get the CRC project started. The treasurer is only given authority to require that ODOT has a financial plan for "the initial phase" of the project. This is still the classic Robert Moses strategy of doing anything to get the project started.

Under this version of the bill, ODOT can issue an enormous amount of debt, start a portion of the project, and leave it to some later time to figure out how to pay for finishing the project. There is no requirement that the federal government provide the full \$850 million the CRC is counting on, or that Washington appropriate or allocate \$450 million, and there is no mention of the \$400 million in FHWA funding that the CRC has counted on. There is no requirement that the Investment Grade Analysis (due in December 2013) show that tolls will produce any specific dollar amount of funds, much less than \$1.3 billion the project's financial plan assumes. These are toothless triggers.

HB 2800A:

- Allows ODOT to pledge future highway funds and federal grants as security on toll bonds, so that if tolls are under-realized, these funds will be tapped.
- Allows Washington to "commit" only the amount required to get FTA approval for the transit portion of the project; this could be much less than \$450 million allows ODOT to issue bonds based only on FTA submitting an application to Congress--not the commitment of any specific dollar amount of funds.
- Does not eliminate the sections authorizing ODOT to buy land and build highways in Washington State, the effect of which would be to enable ODOT to evade constitutional restrictions on spending gas tax funds on transit.
- HB 2800A's \$3.4 billion cost limitation is meaningless: As the Oregonian's "Truth o Meter" observed on February 20, 2013, it is legally unenforceable and ODOT will not walk away from a partly-completed project.