

DATE: December 2, 2023

TO: Joint Committee on Transportation, Special Subcommittee on Transportation Planning

FROM: Douglas R. Allen

SUBJECT: Errors implementing HB2017 tolling; recommended fixes.

Co-Chairs Nathanson and Frederick, members of the Committee:

My name is Doug Allen, southeast Portland, Rep. Nosse's district.

ODOT has done a terrible job of implementing the congestion pricing mandate in HB2017, but they did do one thing right. Back in late 2017, they hired some very smart people who worked for consultant WSP, to advise the Value Pricing Policy Advisory Committee, which was appointed to make recommendations to the Oregon Transportation Commission about how to proceed.

In late 2017 or early 2018, I remember talking with one of the consultants at an ODOT tolling open house at the Lloyd Center. This individual told me that WSP was excited about the opportunity in Portland to help build a system of variable tolls for the main purpose of reducing congestion, rather than to construct additional lanes or roadways, which would be unique in the US.

HB2017 resulted from a lot of negotiations and compromises, but one bright spot for the environment was a mandate to implement congestion pricing on I-5 and I-205, with an option to toll the entire Portland area freeway network.

The WSP consultants told the Committee that the more widespread the implementation of congestion pricing, the lower the tolls needed to achieve congestion relief, and the more equitable the system would be. Perhaps the biggest surprise for many Committee members was that congestion pricing can actually increase the volume of traffic that a freeway can handle by preventing hyper-congestion, when traffic slows to a crawl, and capacity falls drastically. This works best in combination with intelligent ramp meters to prevent transient overloading of the freeway, which cascades into stop-and-go traffic.

In addition to increasing capacity, congestion pricing, when properly tuned, produces faster and more reliable trips, without a lot of diversion.

One finding that consultants presented to the Committee was that their model showed that with congestion pricing on I-5, there would be no need for the expensive additional lanes planned for the Rose Quarter project, because the two existing lanes would have greater capacity when they were flowing at an optimal speed.

Unfortunately, partway through the Committee process, ODOT pushed for a hybrid approach, that would put tolls on I-5 for managing congestion, but impose tolls on I-205 to pay for roadway expansion. Despite a general desire among Committee members for a broader implementation of congestion pricing, the Committee was manipulated into approving the ODOT approach.

Even so, the Committee issued an additional recommendation to the Transportation Commission to look at a much broader implementation. Kris Strickler, representing Washington DOT at the time, said that Washington residents would be less resistant to tolls on I-5 and I-205 if they saw a broader implementation that didn't seem targeted at them.

Rather than look at a broader implementation, however, ODOT seems to have done everything possible to provoke public rejection of congestion pricing. They ignored advice from their peers in California and Washington who told ODOT and the OTC to make a conscious choice whether to toll for construction, or toll for congestion reduction.

With pure congestion pricing, tolls are broadly implemented and kept to the minimum levels needed. Excess revenues are not bonded against. This could have been sold to the public in this region because of the added value it provides to people who must commute during peak periods. Instead, we seem to have a public rebellion against high tolls and diversion.

One voice has been reliably at the table, Clackamas County Commissioner Paul Savas, who served on the Value Pricing Policy Advisory Committee. He continues to remind folks that there is no adequate transit alternative along I-205 south and west of Clackamas Town Center.

Surely toll revenue could be used to subsidize an express bus on the freeway, but ODOT regularly makes the claim that this is not allowed by Oregon's Constitution. However, lawyers who have independently looked at this point out that the courts have never actually said this, and the cases that ODOT does quote, which don't deal with funding transit operations on freeways, were decided using criteria that more recent Oregon Supreme Court cases have declared to be wrong.

ODOT is not entirely to blame. Local leaders who have insisted on freeway expansion projects have fed into this, and the Oregon Legislature is responsible for passing HB3055 of the 2021 session. That law was drafted in large part by ODOT, and significantly dismantled the original HB2017 mandate for congestion pricing.

It also gave ODOT permission to increase short-term borrowing, so they could claim to the Federal government that tolling was not needed for reconstruction of the I-205 Abernethy bridge. This allowed ODOT to take a "categorical exclusion" from the NEPA environmental assessment underway for tolling.

HB3055 also took away the funding that HB2017 had dedicated to the Rose Quarter project, but the first phase of I-205 construction, the Abernethy bridge, has gone way over budget, and has still required borrowing. Now ODOT plans to charge tolls to pay back the borrowing.

Without funding, the Rose Quarter project should go to the end of the funding line, and congestion pricing with better transit alternatives need to be put in place there.

The Oregon Legislature needs to roll back the HB3055 changes to the congestion pricing mandate in HB2017, but this time making it explicit that the entire regional freeway network should be considered. The Regional Mobility project should focus on congestion pricing, with any toll money left after collection costs spent on funding effective transit alternatives to driving. It should only be spent when available, not bonded against. Diversion of cars to local roadways should be addressed by minimizing tolls and funding transit alternatives.

There also need to be deadlines for a phased implementation of congestion pricing. ODOT could easily begin with a pilot program that imposes variable peak-only tolls at a few freeway entrance ramps where the existing ramp meters are overwhelmed and must either allow too many cars on to jam the freeway, or

cause cars to back up onto surface streets. HB3085, which was introduced in the 2021 session, would have done this, but ODOT went their own way with HB3055, and now we see the results. We need to do this right, and the sooner we do this, the sooner we get the congestion relief demanded by the trucking industry and other peak-period motorists. We can also stop spending so many scarce resources on capacity expansion.

Thank you for your consideration.