

Thank you for the opportunity to comment on tolling affecting Wilsonville, Charbonneau, Lake Oswego, and Tualatin Area Tolling Project.

Since the passage of Senate Bill 100 in 1973 the state of Oregon and its cities and counties have been bound to protect prime farmland by establishing urban growth boundaries. The goal was to prevent suburban sprawl on farmland outside of cities and to apply more stringent zoning laws related to non-farm development on farm land outside the UGB's.

This approach to controlling population and employment growth has failed in the Portland metropolitan area. Zoning changes allowed greater population densities for residential development, and employment concentrations that vastly exceed what roads, streets and highways could satisfactorily serve and public transit could accommodate.

What we have now is traffic congestion throughout the Portland region, Tri-Met with staggering costs and declining ridership, and the Oregon Department of Transportation facing declining revenue as gas tax revenues are being forecast to peak in 2027.

The legislature in passing HB 2017 in 2017 and subsequently HB 3055 in 2021 mandated ODOT to establish an electronic tolling system and to pursue tolling I-205 and I-5 in the Portland area and other highways throughout the state. This legislation institutionalized tolling as a means to reduce traffic congestion and at the same time supplement existing sources of transportation revenue, namely gas taxes.

It is a fact that tolling, in the absence of increased freeway capacity, will not meaningfully reduce freeway traffic congestion, nor will it induce persons to choose public transit over car trips to avoid tolls. Nor will toll revenue solve ODOT's revenue shortfalls. The legislature should act as soon as possible to correct what will be a political blunder should I-205 be tolled as now planned at the Abernethy Bridge in Oregon City.

My comments below relate specifically to tolling I-205 at the Abernethy Bridge.

ODOT plans to charge tolls 24/7 at the Abernethy Bridge beginning in 2026. Tolling this bridge requires approval from the Federal Highway Administration. A decision to approve or deny Abernethy Bridge tolls is pending ODOT's completion of a Supplemental Environment Assessment (EA) and Finding of No Significant Impact. FHWA approval or denial may not occur until 2025, yet ODOT continues to spend scarce state highway funds in advancing work on setting up tolling infrastructure before receiving federal approval to toll.

Proposed tolls could range from \$0.60 (11 PM to 6 AM) to \$2.20 (6 AM to 9 AM and 3 PM to 7 PM). A \$1.10 toll will be charged 7 PM to 11 PM. According to the I-205 Toll Project Environmental Assessment that was released in February, 2023. Tolls during peak traffic could be higher than the base \$2.20 toll. These tolls would have been in effect as early as 2024 if the Federal Highway Administration had issued a Finding of No Significant Impact (known as a FONSI) on the

project this year (2023). Instead, FHWA informed ODOT that the impacts of tolling I-205 at only the Abernethy Bridge needed to be addressed in a Supplemental EA. This tolling option was not addressed in the February 2023 EA.

In June 2023 Governor Kotek “paused” tolling until the effects of tolling on various income groups is addressed. This action delays tolling until no sooner than January, 2026. ODOT has subsequently dropped the I-205 Toll Project studied in the Environmental Assessment because its cost has doubled. This means new freeway lanes and tolling at the Tualatin River Bridge is no longer being planned. Only tolls at the Abernethy Bridge are now planned, which means freeway traffic congestion relief enabled by adding one new lane in each direction between Oregon City and Tualatin will not happen.

ODOT has stated publicly toll revenue is needed to pay for bonds to reimburse some \$365 million already spent on the Abernethy Bridge reconstruction, and to reduce traffic congestion as toll charges will discourage use of the freeway, perhaps by as much as 30% according to ODOT.

Since the original I-205 Toll Project would have added one new lane in each direction and reconstructed all bridges in the original seven mile project section, dropping the new freeway lanes means there will be significantly more traffic diversion to nearby routes not designed to handle this traffic. Traffic diversion to routes off the interstate is a significantly adverse impact on neighborhoods, school zones and business districts, and ODOT has no solution to mitigate this troubling tolling outcome.

Tolls could cost the average commuter making a round trip about \$1000 /year, and many businesses and households in the project area over \$2000/year as they will cross the tolled bridges more frequently than occasional users. Residents in the project area could face even higher costs as they make multiple daily crossings of the Abernethy Bridge.

By comparison, the annual gas tax total paid by vehicle owners driving 15,000 miles and getting 20 miles per gallon is about \$300, or 2 cents per mile. \$1000 in toll costs amounts to 29 cents per mile for a round trip on the 7 mile stretch of I-205 between Oregon City and Tualatin, the original project section. Fair and equitable? Governor Kotek’s tolling pause should look at this inequity that will be imposed on users of I-205 should tolling be approved.

Tolls will also create financial hardships on not just low income persons, but most users of the freeway. Reduced disposable incomes will affect the local economy as households will have less income to spend. This will result in local business job losses, and will weaken the local economy in general. Instead, household income spent on tolls will pay for employees added to ODOT’s payroll needed to staff an urban mobility program, and contractors who will be hired to build and operate the envisioned electronic tolling system, and “backroom” operations needed to issue toll passes and collect toll revenue. The financial and economic impact of tolling I-205 needs more attention than it has received to date.

Oregon has a long history of using gas taxes, weight-mile taxes on heavy trucks, vehicle registration fees and federal highway funds to pay for freeway improvements like the I-205 project. In fact, I-205 was constructed in the 1970's using these funding sources. These sources remain available today.

Using traditional sources of revenue spreads the cost of projects over a statewide and out of state base of highway, road and street users. The advantage of this approach, if it had been proposed to pay for the I-205 project instead of tolls, is most users of I-205, on average, would pay only an additional \$30 per year in gas taxes, not the thousands of dollars per year to use I-205 if tolls are imposed.

Another advantage of using non-toll revenue sources is this revenue is shared cities and counties on a 50% ODOT, 30% counties and 20% cities basis. Using traditional revenue sources benefits the entire state. On the other hand, toll revenue will not be shared with cities and counties.

The presumed transition from gas taxes to tolls and vehicle miles traveled fees will be expensive as tolling and VMT tax collection costs are extremely expensive compared to gas tax collections. This means these new revenue sources will net less revenue than the gas tax because of collection costs and tax evasion. This needs further study.

Tolls are not needed to reduce traffic congestion on I-205. Additional freeway lanes can do this, being paid for with traditional revenue sources. Tolls may have their place to reduce traffic congestion if implemented like other states have done, but not as initially proposed for I-205, and now at the Abernethy Bridge only. In fact, ODOT, without legislative approval, can now toll at the Abernethy Bridge once its reconstruction is completed in 2025, pending FHWA approval. Furthermore, the non-elected Oregon Transportation Commission has the authority statutory authority under HB 3055 to set toll rates.

As Senator Susan McClain remarked, the Oregon legislature leadership is not interested in taking up the now controversial issue of tolling I-205. The 2023 legislature adjourned on June 25 without continuing badly needed increases in traditional revenue sources begun in 2018. ODOT is now in financial trouble. Fewer projects will be constructed and the condition of highways and bridges will deteriorate.

Tolls may have their place, but not on I-205. Tolls are not the answer to freeway congestion, or adding revenue to ODOT's budget. Tolls, properly implemented, like other states have done, and finally implementing an expensive but workable vehicle miles traveled tax, would be a step in the right direction. In the meanwhile, upward adjustments to gas taxes, weight-mile taxes, and vehicle registration fees can provide ODOT (and counties and cities) with badly needed revenue needed to "Keep Oregon Moving" as envisioned in the landmark HB 2017 legislation.

Cam Gilmour

