



Pricing and Technology Strategies to Address Congestion on and Financing of America's Roads

Oregon's Approach

Testimony before the Subcommittee on Highways and Transit

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Chairman DeFazio, Ranking Member Graves, Chair Norton, Ranking Member Davis, and other distinguished members of the Subcommittee on Highways and Transit, thank you very much for the opportunity to appear before you today.

My name is Travis Brouwer and I am the Assistant Director for Public Affairs at the Oregon Department of Transportation (ODOT). I am here today to discuss tolling and congestion pricing on state highways in Oregon.

Growing Congestion in Portland Pushes Oregon to Toll

Today, Oregon is not a toll state. No state-owned highway, bridge or tunnel is tolled, and this has been the case for decades. However, growing congestion in Portland led the Oregon Legislature in 2017 to direct ODOT to implement tolling on Interstate 5 and Interstate 205 in the Portland metro area.

In the lead up to consideration of a major transportation funding bill, both a blue-ribbon commission created by Oregon Governor Kate Brown and members of the state legislature embarked on statewide transportation listening tours. These efforts revealed that freeway congestion in the Portland metropolitan area is a statewide concern. Communities and businesses across the state, in many cases located hundreds of miles away from Portland, consistently reported struggles with getting products and people to and through the Portland area. Thanks to these listening tours, policymakers recognized that Portland congestion is an urban problem *and* a rural problem that must be addressed at a statewide level in Oregon.

Indeed, Portland area congestion is bad and getting worse. From 2015 to 2017, hours of congestion increased by 13 percent across the region. In that same period, daily vehicle hours of delay increased by 20 percent. Increasingly, Portland area highways are congested not just in the traditional evening “rush hour,” but throughout the entire afternoon and evening.

Traffic congestion in Portland affects the statewide economy through delayed movement of goods and services, and it compromises reliability for employers and employees. Quality of life is reduced for residents as they sit in cars or buses trying to meet work or family commitments on time. Commuters, business travelers, freight haulers, and others struggle to plan consistent departure and arrival times. The rapid population growth of the Portland area has only compounded these problems.

Keep Oregon Moving Legislative Direction to Toll

In 2017, the Oregon Legislative Assembly passed a \$5.3 billion state-level funding package for transportation dubbed *Keep Oregon Moving*, the largest investment in Oregon’s transportation system in history. To address the growing challenge of Portland-area congestion, the state legislature included in *Keep Oregon Moving* a comprehensive congestion relief program. This program is an “all of the above” approach to congestion relief that includes funding for bottleneck relief projects on the Portland-area freeway system, investments in intelligent transportation system technology to increase the efficiency of existing highway capacity, more

resources for transportation options such as public transportation, and more state level investments in freight rail improvements.

However, the legislature realized that even these significant investments would not be enough to achieve the congestion relief the public demands—and they also realized additional resources are needed to complete congestion relief projects in the region, as a number of high-priority congestion relief projects could not be funded even with Keep Oregon Moving’s historic levels of investment.

In response, *Keep Oregon Moving* directs the Oregon Transportation Commission (ODOT’s Governor-appointed policy and oversight body) to implement tolling on both Interstate 5 and Interstate 205 in the Portland metropolitan area. The legislation required the Oregon Transportation Commission to seek approval from the Federal Highway Administration (FHWA) by December 2018 to implement tolls.¹

Interstate 5 and Interstate 205 are the two key north-south freight routes through the Portland metro region, Oregon’s largest urban area. Interstate 5 travels through the urban core and provides connections to the Port of Portland’s marine terminals – it is also the most congested corridor in the Portland metro region. Interstate 205 provides direct connections to Portland International Airport and experiences severe congestion. Addressing congestion on both of these corridors will be complex and incredibly costly. Even after passage of *Keep Oregon Moving*, we simply do not have the funding we need to make the necessary improvements on these corridors.

Oregon’s Process for Implementing the Toll Mandate

With only 18 months to respond to this new mandate, the Oregon Transportation Commission and ODOT assembled an extensive engagement process to consider questions about how tolling could work in the Portland area. The Commission created a multi-stakeholder Policy Advisory Committee to publicly explore questions about what types of tolling should be applied

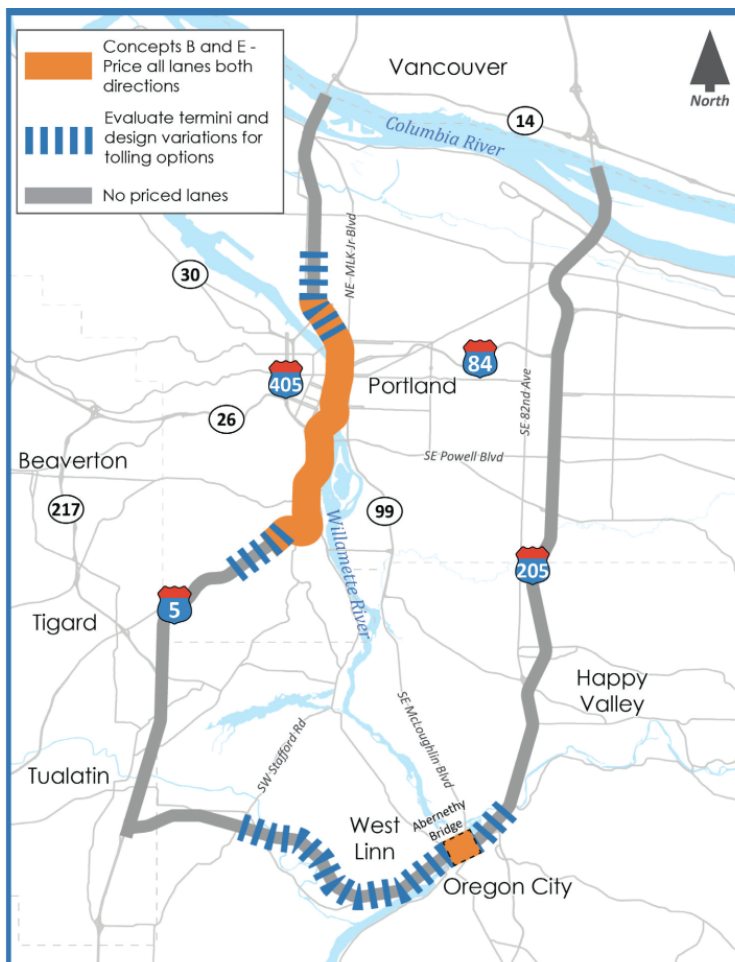
¹ [Oregon State Legislature, 2017 Regular Session, HB 2017 Enrolled:](#)

- SECTION 120. (1) The Oregon Transportation Commission shall establish a traffic congestion relief program.
- (2) No later than December 31, 2018, the commission shall seek approval from the Federal Highway Administration, if required by federal law, to implement value pricing as described in this section.
- (3) After seeking and receiving approval from the Federal Highway Administration, the commission shall implement value pricing to reduce traffic congestion. Value pricing may include, but is not limited to, variable time-of-day pricing. The commission shall implement value pricing in the following locations:
- (a) On Interstate 205, beginning at the Washington state line and ending where it intersects with Interstate 5 in this state.
 - (b) On Interstate 5, beginning at the Washington state line and ending where it intersects with Interstate 205.
- (4) In addition to areas listed in subsection (3) of this section, the commission may implement value pricing in other areas of this state.

in the Portland area and what mitigation strategies should be pursued to reduce negative impacts on individuals and communities. This 24 member Committee included members of the Oregon Transportation Commission, local governments from both Oregon and Washington, public transit, private business, trucking and automotive highway user associations, environmental justice advocates, ports, and more. The Oregon Transportation Commission charged this committee with developing tolling recommendations in the Portland area that will reduce congestion by helping fund bottleneck relief construction projects or by managing demand.

Our analysis of tolling options included extensive public engagement because we recognized the need to listen to the public in order to develop a plan that will provide significant benefit to users of the transportation system and address their concerns. In addition to the six public meetings held by the Policy Advisory Committee where rigorous discussions of tolling analysis and stakeholder concerns took place, we made 49 presentations to community groups, held eight in-person open houses in both Oregon and Washington, hosted six equity-focused discussion groups, and held two online open houses and a public hearing. All told, we reached stakeholders more than 46,000 times through our public engagement.

The Policy Advisory Committee considered a number of tolling options on Interstate 5 and Interstate 205. These options



ranged from the expansive—tolling all miles of all lanes on both corridors—to managed lanes to more traditional and straightforward bridge tolling. After analysis, high occupancy toll (HOT) lanes, express toll lanes, and other managed lanes were ruled out because they simply did not provide congestion relief. Our analysis showed the cost of building a new HOT lane would exceed the revenue the facility would generate, leaving ODOT unable to fund construction of a new lane.

At the conclusion of the public engagement process, the Policy Advisory Committee recommended that the Oregon Transportation Commission pursue two separate tolling

projects to address two of our major congestion chokepoints:

1. Toll all lanes of Interstate 5 through the core of metro Portland using variable rate congestion pricing. This is one of the most congested sections of freeway in the region and was recently ranked as the 28th worst truck bottleneck in the nation by the American Trucking Research Institute. Tolling would be implemented in conjunction with a freeway improvement project that will add lanes at the interchange between Interstate 5, Interstate 84, and Interstate 405. Tolling could help pay for these and other freeway improvements.
2. Toll on or near the Interstate 205 Abernethy Bridge over the Willamette River. This section of the Interstate is just two lanes in each direction, and we are developing a project to address this bottleneck. However, neither the legislature nor ODOT has been able to identify the funding to construct this more than \$500 million project. Tolling offers a potential way to fund some or all of this project, including widening the Abernethy Bridge and adjacent sections of freeway.

The Policy Advisory Committee also recommended three key mitigation strategies: Improved transit along the newly tolled corridors, provisions to mitigate the costs of tolling for low-income communities, and strategies to minimize and mitigate impacts of diversion.

Based on the recommendation from the Policy Advisory Committee, the Oregon Transportation Commission made a formal request of FHWA in December of 2018 to move forward with both tolling concepts. FHWA has indicated that both proposals would likely be eligible to proceed – the Interstate 5 proposal under the Value Pricing Pilot Program and the Interstate 205 Abernethy Bridge toll proposal under either Title 23 US Code, Section 129 (mainstream tolling program) or the Value Pricing Pilot Program, depending on the configuration.

For ODOT, the next steps in the implementation process include in-depth planning and environmental analysis, policy development, and toll system development—all backed by extensive public engagement.

Keys to Success

While we are still in the early stages of this process, there are several key elements we know we must employ if we are to be successful in advancing tolling as a tool for transportation challenges in the region.

- Recognizing that the public will experience a monumental shift in how the highway system works and how people get around, high quality and extensive public engagement and involvement will continue to be a key element of the implementation strategy at each step moving forward. ODOT will remain closely coordinated with FHWA, other state and federal agencies, regional transportation partners, community and stakeholder organizations, and the general public. Included in this coordination will be extensive community engagement with a strong focus on underrepresented

populations to ensure tolling policies reflect the values and priorities of the broader region.

- Before moving forward we must ensure that tolling will offer the public a significant benefit. If the public is to pay tolls, they must be able to see how tolling will enhance their mobility.
- We must find ways to mitigate potential issues, including impacts to low-income families and traffic diversions that affects local communities.
- Tolling must be just one of the tools we use to address congestion and enhance mobility. We must have a comprehensive strategy to address gridlock that includes all modes of the transportation system, and we must recognize that tolling by itself will not solve all our problems.

Tolling Policy Going Forward

The realities of endlessly growing congestion and rapidly increasing population have conspired to move Oregon from its longtime status as a no toll state, just as many other jurisdictions are turning toward tolls to address their funding and congestion challenges.

Current federal authority for states to toll and use pricing to generate revenue as well as manage congestion and environmental impacts has evolved over time. Since the creation of the Interstate Highway System, federal law has limited where tolls can be used. Currently, tolling is generally limited to new roads and new lanes on existing highways, as well as reconstruction or replacement of bridges. In recent decades Congress has taken steps to evolve the federal stance on tolling by permitting public agencies to toll a limited number of existing Interstate highway corridors on a pilot basis, build High Occupancy Toll lanes to reduce congestion, allow variable congestion-based pricing on existing Interstate highways to manage roadway congestion and regional air quality, and allow new or reconstructed Interstate highway bridges to be tolled.

As a state department of transportation, ODOT is a member of the American Association of State Highway and Transportation Officials (AASHTO). AASHTO represents states with a range of viewpoints on tolling and pricing, and as a result, the association supports increased tolling flexibility to states to allow those states that so choose to maximize revenue-raising opportunities in light of federal funding challenges. Greater flexibility would allow states to work with their communities to use tolling to help improve their transportation systems. ODOT also supports this increased flexibility.

Chairman DeFazio, Ranking Member Graves, Chair Norton, Ranking Member Davis, and members of the subcommittee thank you again for the opportunity to testify before you today. I look forward to your questions.