



Oregon

Theodore R. Kulongoski, Governor

Department of Transportation

Office of the Director

355 Capitol St. NE, Room 135

Salem, OR 97301

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TO: House Committee on Transportation

FROM: James Whitty, Oregon Department of Transportation
Oregon Innovative Partnerships Program Manager

Doug Tindall, Oregon Department of Transportation
Deputy Director

SUBJECT: Tolling Roads and Bridges in Oregon

Introduction

I am here today to give an informational briefing on tolling highways and bridges.

I will discuss –

- Oregon's historical use of tolling and the existing statutory basis for tolling.
- Modern tolling systems compared with traditional tolling.
- How modern tolling is used nationally and world-wide.
- How ODOT is viewing tolling today, including the potential tolling projects the agency is currently investigating.

Historical Use of Tolling in Oregon

Actually, Oregon has a long history of tolling roads and bridges. Many of the first roads and bridges in the early history of the state were privately owned and operated toll roads. Others were owned and operated by counties.

The early toll road system in Oregon faded after The Federal Highway Act of 1916 barred the use of tolls on any roads receiving federal funds. Many of the old toll roads were bought out by states or local agencies.

During the first two decades of the 20th century, the state began to pursue development of a statewide public road system and the state funded acquisition and construction of that system through legislatively authorized taxes and fees, including the nation's first fuel tax on gasoline. Around 1925, the legislature authorized the state to purchase private toll roads to become part of the state system.

Various governmental entities built and operated toll bridges as part of Oregon's public road system. The original Columbia River Bridge was built in 1917 and was operated as a toll bridge until 1929 when it was taken over by the DOTs of Oregon and Washington and operated as a free bridge.

Tolls were charged for approximately six years to pay for construction of the 2nd span of the Interstate Bridge and were taken off on November 1, 1966. Many Oregonians remember paying the tolls for that bridge. Other recent examples include the Astoria Bridge which opened as a toll bridge in 1966 and stopped charging tolls in 1993. Oregon has two toll bridges currently operated by private entities, one at Cascade Locks and the other at Hood River.

Oregon's Tolling Statutes

The Oregon Revised Statutes on tolling are a conglomeration of tolling polices adopted through the years. They have become difficult to interpret. ORS chapter 381 governs the tolling of interstate bridges while chapter 382 governs tolling for intrastate bridges. Both of these statutes were passed into law in 1925.

The first legislation for toll roads passed in 1995 (ORS 383.003 et. seq.) and allowed tolling on the Newberg Dundee By-pass and the Tualatin Sherwood Connector. The toll road statute was then amended in 1997, to add an unspecified project for the Portland area. The toll road statute was amended a third time in 2001 to open up tolling possibilities for road projects statewide. While toll bridges have been built under the older bridge-only statutes, a toll road has yet to be built under the 1995 law. As a result, the legislation passed in 2003 the Oregon Innovative Partnerships Program to allow, among other things, private firms to build and operate toll roads with the state owning the underlying asset.

The Legislature passed a separate requirement in 1999, requiring for any new road capacity that ODOT examine the feasibility of tolling as part of the project funding process for highway modernization projects (e.g. project that increase capacity, ORS 366.292). ODOT evaluates highway modernization projects under consideration for inclusion in the Statewide Improvement Program and has followed this directive in its current analysis of tolling feasibility for the Newberg Dundee Bypass, the Sunrise Corridor in Clackamas County and the widening of Interstate 205.

Modern Toll Systems

With regard to the collection of tolls, it can be now declared that the days of waiting in long lines to throw coins in a basket at a toll booth are fading quickly away. The nation and world is rapidly proceeding towards application of electronic toll collection systems. The newer toll roads, and some older toll roads, have adopted electronic toll collection. There are more and more new toll roads that operate entirely electronic toll collection systems with no cash collection whatsoever.

Electronic toll collection comes in many forms. Perhaps some of you have used the EZ Pass or *FAST* Pass on the east coast or in California. Oftentimes these older electronic systems require the driver to pause a moment to get the pass read electronically but no money changes hands.

The most modern toll systems employed today involve non-stop reading of electronic toll tags or transponders. Motorists possessing these transponders drive past an electronic reader at the first

overhead gantry that reads the transponders at highway speeds. The second overhead gantry is equipped with cameras to record the license plates for identification of toll violators. The central administrative office computing system obtains the transponder information and charges the proper accounts. The accounts charged are directly connected with the toll pass. The toll pass either is loaded with cash, much like a pre-paid phone card, or the toll is deducted from a bank account or charged on a credit card.

The central administrative office, or customer service center, is where the business of the tollway is conducted. Accounts are established and managed at the Customer Service Center as are toll violations. The Customer Service Center also manages all public relations, including customer inquiries and complaints.

Modern transponders are about the size of a credit card, with a chip embedded inside, and can be easily obtained through kiosks, the internet, mail, phone, walk-in or through local retail businesses. Accounts can be established that are anonymous for those who desire privacy.

Many toll roads contain a mixture of both electronic and cash collections. The Tacoma Narrows Bridge, for example, will combine non-stop electronic toll collection with a more traditional cash alternative for visitors and other travelers. In a combined collection system, toll payers separate into specific designated lanes for each purpose. Toll payers are generally encouraged to purchase transponders through a lower toll rate than for cash collection. This practice is easily justifiable because the cost of electronic toll collection is much less than for cash collection.

Tolls can be charged in various ways, depending upon the financial structure desired. A distance toll can be charged per-mile of use of the tollway. A point toll is charged at the point of entry to the tollway. Both distance and point tolls can vary by time of day usage or amount of traffic.

If the vehicle does not contain a transponder, cameras contained in an overhead gantry photograph the license plate. Once the vehicle owner is identified, the central administrative office sends the owner a billing. This non-paying user of the toll road is generally treated as a violator but some tollways allow post-use payment for a period of time. It is all a matter of how the system is designed.

There are numerous options for facilitating toll enforcement. For electronic toll collection to become a reality in Oregon, new legislation must be enacted to provide a consequence for nonpayment of tolls or other toll evasions. This may involve issuance of a civil violation with an according suspension of vehicle registration.

The 407 Electronic Toll Route in Toronto employs an entirely electronic toll collection system. No one pays cash for access and no one is denied access. Those paying by transponder pay the standard toll rate. Those without are charged a toll by capturing the license plate identifying code via photo imaging and sending a higher toll rate bill through the mail to the owner of the vehicle.

Other examples of all new all-electronic toll collection systems include State Route 91 Express Lanes in Orange County, California, the Westpark Tollway in Houston, Texas, the Cross Israel Highway in Tel Aviv, the Melbourne CityLink in Australia and Autopista Central in Santiago, Chile.

Tolling 2007

ODOT is analyzing the feasibility of tolling for adding new, large capacity to our state highway system. The reason ODOT is examining tolls to pay for our roads is that ODOT lacks sufficient traditional road revenue dollars to construct and maintain large new highway projects. If large, needed highway projects are ever going to be constructed in Oregon, they will require a significant influx of new revenues. Tolls may, in some cases, provide the necessary revenue.

ODOT is in the process of examining the tolling capability of three highway projects – the Newberg Dundee Bypass, widening South I-205 and the Columbia River Crossing. The Columbia River Crossing is jointly pursued with the state of Washington. ODOT is analyzing the Newberg Dundee Bypass and the I-205 project jointly with a private partner – the Oregon Transportation Improvement Group (OTIG) led by Macquarie Infrastructure Group. We have learned through our work with OTIG that a previously mentioned project – the Sunrise Corridor – is not viable as a stand-alone tollway under a public-private arrangement.

The Newberg Dundee Bypass is feasible as a tollway under a public private arrangement, yet there appears to be a significant funding gap even under aggressive tolling scenarios. The project to widen I-205 also appears viable, perhaps even as a stand-alone project, but some traditional project development work is necessary to work with the local communities to define the nature of the project and commence the environmental processes.

Both the Bypass and I-205 are nearly ready to proceed into the next milestone under the pre-development agreements with OTIG.

Summary

We do not yet know whether tolling for new road system improvements will prove acceptable to Oregonians. We do know that the new all electronic toll collection systems that can be employed today will prove more acceptable than the old toll plazas of yesteryear.

Whether tolling for adding road capacity will prove acceptable to Oregonians or not will likely involve an increased understanding of the funding crisis our road system currently faces. The state faces essentially three choices. One, significantly increase the gas tax and other road revenue sources in order to pay for desired highway capacity improvements. Two, use tolls where appropriate to pay for some of the desired large capacity improvements. Three, do nothing and let the road system continue its stressed condition.