



Oregon Department of Transportation



# Is Tolling in Oregon's Transportation Future?

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## Brief History of Tolling in Oregon

- Many of the first roads in Oregon were tolled
- Early settlers were charged by the head for livestock, by the wagon and by the barrel for beans and salt pork
- Our public outreach has shown us that there are ***still*** Oregonians upset about ***that!***



**Oregon Toll Gate (sometime between 1859 and 1887)**



## Brief History of Tolling in Oregon

- Long history of tolling bridges
- Last public tolls collected in Astoria at the mouth of the Columbia River (1975)
- Still several smaller toll bridges and ferries operating within the state

**Bridge of the Gods between Oregon and Washington**



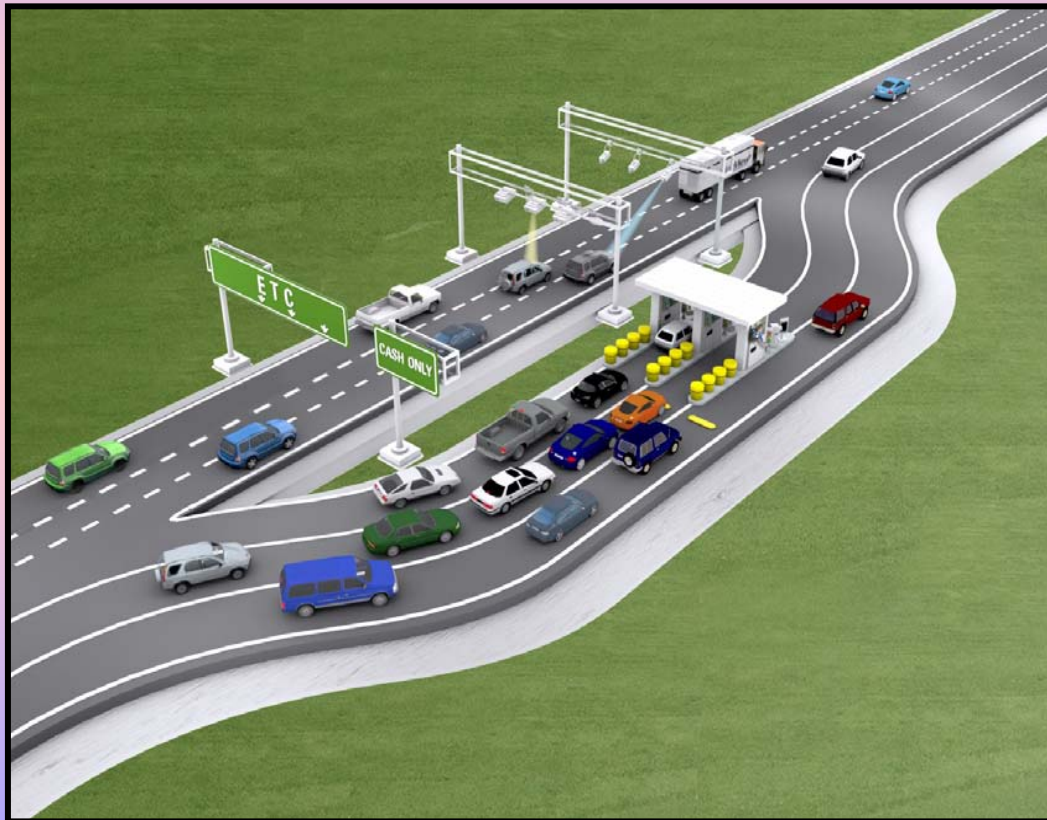


## Recent Tolling Legislation

- The 2007 legislature enacted solid legal authority for modern electronic toll collection in Oregon
- The Transportation Commission adopted statewide tolling policies in 2006 including:
  - Rate setting authority on State Highways;
  - Interoperability with Washington's "*Good-to-Go*" program; and
  - Centralized customer service operations



# Borrowing From Washington's Experience With Electronic Toll Collection



## Tacoma Narrows Bridge

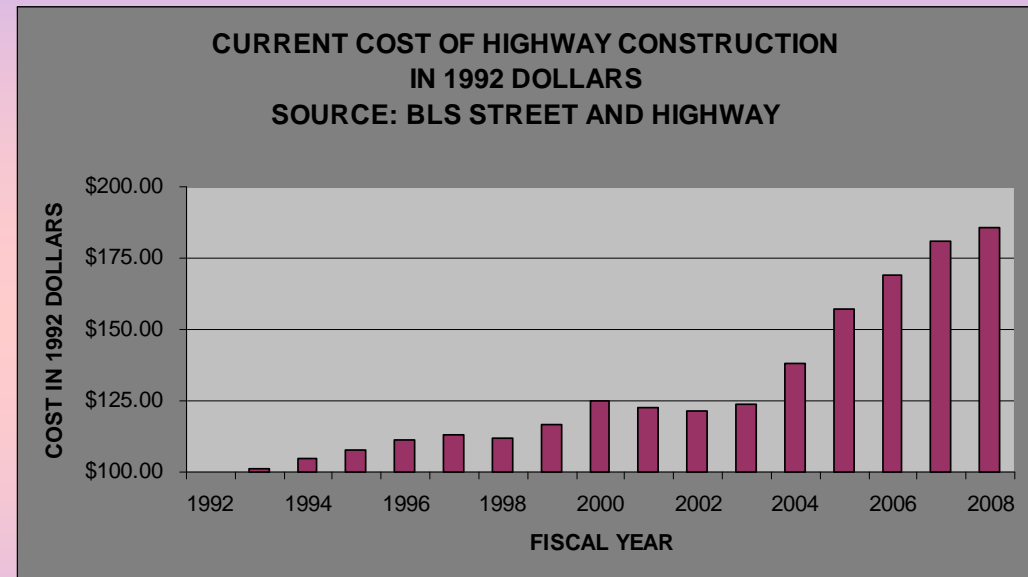
Washington State's *Good To Go!* electronic toll collection system for the Tacoma Narrows Bridge combines non-stop electronic toll collection with traditional cash alternative for visitors and other travelers.





## Why Oregon is Exploring Tolling

- Transportation needs outstrip revenues
- Population continues to increase ...as do Freight Volumes and Traffic Congestion



- Cost of constructing new capacity has gone up dramatically
- Oregon simply *does not have the resources to fund critical, large projects*



## Oregon Innovative Partnerships Program

- 2003 legislation directed ODOT to investigate new ways to engage the private sector through negotiated partnership agreements
- Allows innovative procurements outside the normal public procurement law
  - Best Value instead of Lowest Cost
  - Augment state funding
  - Encourage innovation and entrepreneurial approaches



## Investigated Three Potential Toll Projects

Contracted with Macquarie Infrastructure Group:

- **Sunrise Project** – route was deemed too short, not enough traffic and too much leakage for a viable toll road
- **Newberg-Dundee Bypass** – not enough revenue from tolling to cover the cost of the project without tolling existing free alternative
- **Interstate-205 Improvements** – project put on indefinite hold pending development of tolling policy



## What We've Learned About Acceptability of Tolls

- Oregonians seem to prefer tolls over “general” tax increases because they don’t know where the money goes
- Public willing to consider tolls if they get value along with reliable and predictable trip times
- Government must have a credible argument that funding is not available from other sources
- Use of automated toll collection systems seems to be one key to gaining support



## Oregon's "Lessons Learned"

- Develop a "Public-Sector Comparator" first
  - show how the public project pencils out
- In Partnership, ROI can mean higher cost of capital
- May be appropriate ***IF*** there is sufficient shift of risk to private partner

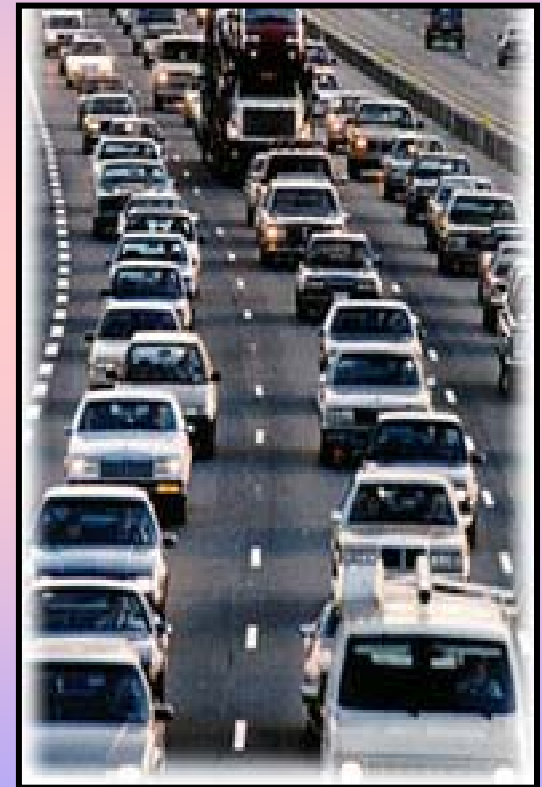


- Incumbent on private partner to demonstrate "Value for Money"
- Projects must be ready-to-go



## Oregon's Per Mile Fee Project

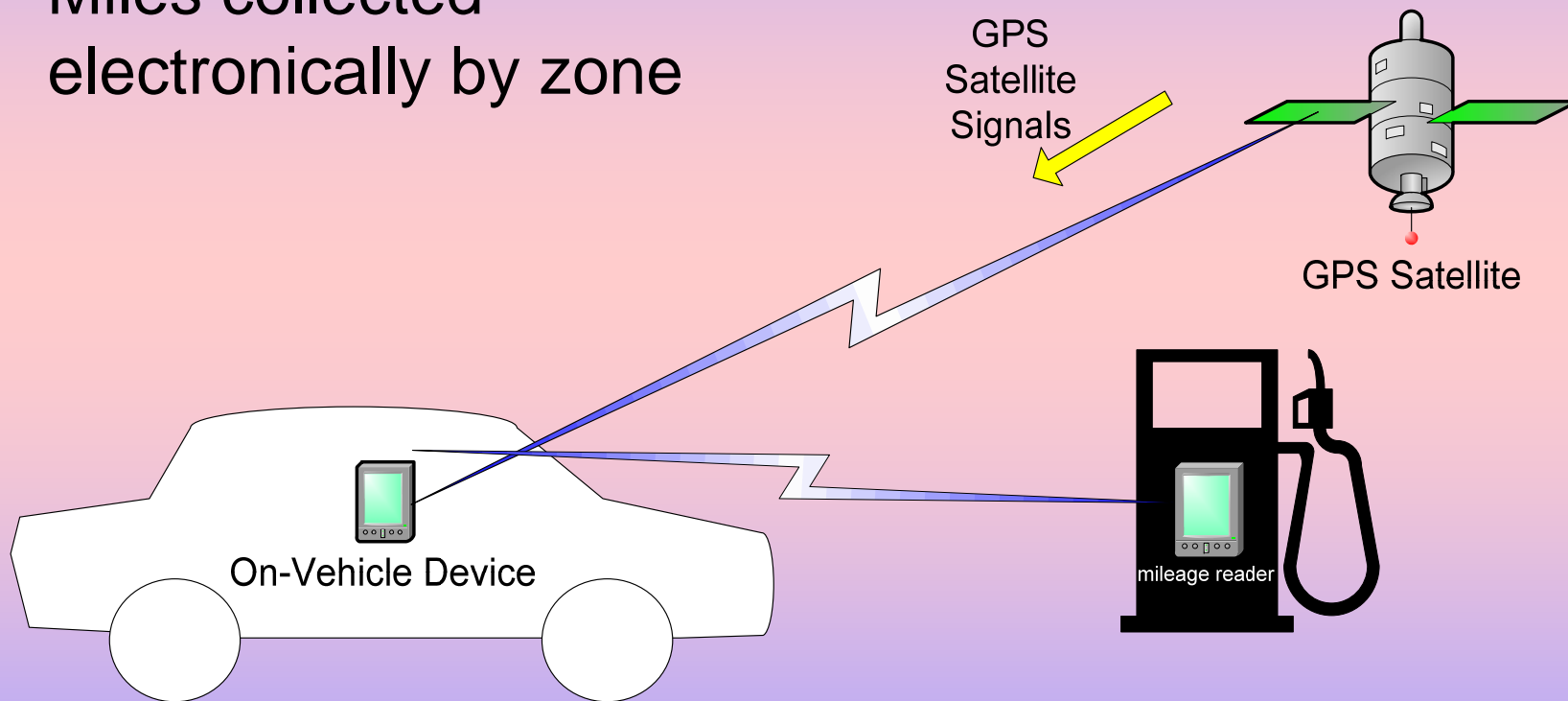
- Nearly 300 Oregon drivers tested Oregon's Mileage Fee Concept
- Final report, November 2007, concluded that the Mileage Fee:
  - ☑ Is easy to collect and administer
  - ☑ Can be priced to relieve congestion
  - ☑ Is directly connected to highway use
  - ☑ Protects privacy
  - ☑ Provides no revenue erosion for fuel efficiency





# Characteristics of Collection

Miles collected electronically by zone





## Privacy Protection

- No data transferred except mileage totals within zones
- Data transferred only at time of fueling via short range radio frequency
- No vehicle location data stored in vehicle





## Current Tolling Policy Development

- Seven tolling policy papers will be completed by year end, including:
  - Effects on greenhouse gas reduction
  - Incorporating tolling with planning processes
  - Accuracy of traffic & revenue modeling
  - Value of time savings
  - Economic effects of congestion pricing
  - Comparing tolled and non-tolled alternatives
  - Utility of truck-only toll lanes



## Cooperative Efforts With WSDOT

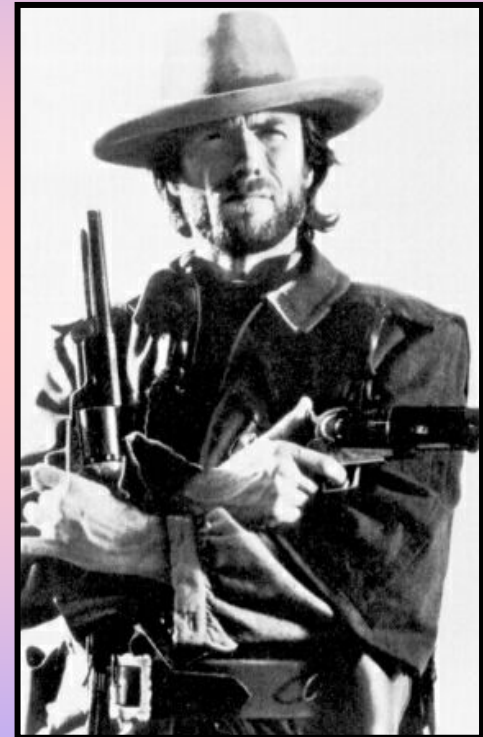
- ODOT, WSDOT and Regional Partners are jointly developing the Columbia River Crossing
- Over \$4 billion dollar replacement of Interstate 5 Bridge over the Columbia River
- DEIS released May 2, 2008 – ROD 2009
- Only part of the revenue necessary for construction and operation will be available through tolling





## Oregonians Are An *Independent Lot*

- No sales tax
- No self-service gasoline
- First state in the nation to adopt land-use planning laws
- First state to put a deposit on bottles and cans





## When Will We See Tolling in Oregon?

- The jury is still out
- CRC likely in 2013 at the earliest
- Soaring gas prices may actually **reduce** VMT (DOE predicting \$5/gallon by Labor Day)
- The question becomes: *“How bad does **congestion** have to get before the **public** will accept **tolling** as a funding solution to expand the capacity of our **highway system**?”*





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*Website for  
Oregon Innovative  
Partnerships Program*

More information available at:

**[www.oregon.gov/ODOT/HWY/OIPP/innovative.shtml](http://www.oregon.gov/ODOT/HWY/OIPP/innovative.shtml)**

