

April 8, 2013

Tolling of Interstate 90 to Pay for SR 520 Issues Paper

Background. I-90 is a federal freeway, built by all the taxpayers of the United States. Any tolling must be approved by the Federal Highway Administration and authorized by the Washington Legislature. Washington state is proposing to impose tolls on I-90 to cover a \$1.4 billion (and growing) budget shortfall on the SR 520 bridge project. The Washington Department of Transportation is proceeding with an environmental study to identify the impacts of tolling. The state plans to conduct only a limited Environmental Assessment rather than a thorough Environmental Impact Statement as part of this process.

We need a system-wide evaluation of tolling and other funding alternatives.

Despite plans to toll most of the regional roadways, the state has inexplicably never conducted a comprehensive study of the impacts of tolling. Instead, the state is tolling one road at a time – a piecemeal and haphazard approach that will increase congestion, divert traffic to other roadways and adversely impact local communities. Tolling projects to date have created unanticipated consequences that will only worsen if the state does not take a more systematic approach. Tolling the 520 bridge jammed up SR-522, I-5 and other roadways, producing new or increased congestion for many communities. Tolling I-90 will cause traffic to jam up I-405 and on roadways around each end of Lake Washington. Tolling the tunnel that will replace the Alaskan Way Viaduct will result in significant diversion of traffic onto other roadways and create new congestion on I-5, I-90 and many Seattle streets. The cumulative impact of all of these tolling projects on our regional system has not received any study by the state. The time is now to develop a comprehensive environmental impact statement to study tolling on a regional level and to evaluate alternative funding approaches before we go any further.

An Environmental Impact Statement is legally required before I-90 is tolled. The state has thus far planned to complete only a less detailed Environmental Assessment of the impacts of tolling. However, given the public controversy, social justice consequences, and significant adverse impacts (including but not limited to traffic diversion and economic impacts) of tolling, a complete Environmental Impact Statement is required. The Governor and the Federal Highway Administration should demand that WSDOT comply with legal requirements and complete an EIS now.

Tolling Interstate 90 to pay for another state highway may violate federal law and would set a very troubling national precedent. While federal law allows tolling of interstates under very limited circumstances -- when the tolls will be used to repair the highway or address congestion -- tolling an interstate to pay for a budget shortfall on an

April 8, 2013

unrelated state project appears to be unlawful. If allowed, it would set a troubling state and national precedent that would open the door for cash-strapped states to toll interstates to raise money for any number of unrelated projects. The Federal Highway Administration should deny this proposal and promptly communicate this to the state to avoid the public turmoil and significant expense of proceeding with an environmental study.

Tolling I-90 to pay for SR 520 is fundamentally unfair to the many Washingtonians who live and work along I-90 and don't use 520 and tolling raises social justice issues yet to be analyzed. The state argues that the two highways are a single corridor. This is ridiculous. The bridges are miles apart, and nearly everyone who crosses the lake can only practically use one or the other. Requiring the users of one bridge to pay for a bridge they do not use is unfair. The regressive nature of tolls will have particularly severe impacts on lower income families and individuals and small businesses.

Tolling I-90 would be the equivalent of more than quadrupling the current 37.5 percent gas tax on the people who must cross the bridge to work or access vital services. That's just not reasonable. For context, the state is currently considering increasing the gas tax by 10 cents per gallon, spread over five years.

Tolling I-90 would damage our economy, commerce and jobs. Paying thousands of dollars of tolls a year would reduce the amount of money people along the I-90 corridor have to spend on goods and services. In turn, that will force businesses to cut back or close entirely, throwing people out of work. Increasing commuting costs would make recruiting skilled workers more difficult for our employers, hurting their ability to compete in the global marketplace. Some workers, especially in the service industries simply could not afford to get back and forth to work. Tolling truck traffic on I-90 would drive up freight prices in fiercely competitive import and export markets. That might well drive freight that now flows through the Port of Seattle to the Port of Tacoma or ports in Oregon or even British Columbia.

Mercer Islanders will be burdened with paying 20 percent of the SR 520 budget shortfall. I-90 is the only way on and off Mercer Island. Island traffic makes up 20 percent or more of the I-90 bridge traffic which means 3 percent of the population would end up paying 20 percent of the unfunded \$1.4 billion cost of replacing the 520 bridge – a bridge Mercer Island residents and many other I-90 travelers don't ever use.

I-90 tolls would significantly hit Mercer Island residents and also our teachers, firefighters and law enforcement officers, nearly all of whom live off-island. Because of the limited services on Mercer Island, our families rely on taking multiple trips on I-90 on a daily basis. Families have calculated that the cost of I-90 tolls could

April 8, 2013

be \$5000 or more per year, which amounts to a heavily regressive tax on many residents. Despite its reputation for affluence, Mercer Island is like many communities in the Seattle area with a mix of incomes. Mercer Island is home to many senior citizens on fixed incomes. Over 200 Mercer Island households utilized the local food bank or other emergency financial support services in the past year, and more than 27 percent of the housing units on the island are occupied by renters. Also, the vast majority of our teachers, firefighters, police officers and other public servants do not live on Mercer Island. Imposing thousands of dollars of tolls every year would make recruiting and retaining vital public servants much more difficult.

Businesses and religious institutions will be hard hit by tolling. Many Mercer Island businesses rely on customers coming from off the Island. With tolls in place, it is likely these businesses will suffer greatly. Many churches and synagogues report that more than 50% of their members are from off the Island. Dramatic reductions in congregations are a likely consequence if tolling is imposed.

We recognize the state's transportation system is sorely short of money, and we're willing to do our part. Mercer Island's voters have supported every transportation funding proposal in recent years, even the propositions that were defeated by voters elsewhere in the state. We supported the regional roads-and-transit package that failed in the 2007 election. We even voted against Initiative 695 back in 1999 because we knew eliminating the motor vehicle excise tax would gut transportation funding. This year, the City Council has voted to support an increase in the state gas tax and other measures to improve transportation.