



## Questions to consider regarding how to finance the Interstate Bridge Replacement (IBR)

To Members of the Joint Committee on Transportation,

The [Just Crossing Alliance](#) (JCA) is a coalition of 33 advocacy organizations committed to a **prosperous, resilient, and inclusive Pacific Northwest**. We believe a seismically safe bridge replacement that meets the economic and environmental needs of Oregonians is crucial and possible.

During your meeting on April 20th, a number of topics regarding IBR finance were discussed and questions raised. We would like to suggest several critical questions that you should be asking yourselves, the Legislative Finance Office and the project before developing an appropriation schedule for the IBR.

### **Is the “Purpose and Need Statement” something we can afford?**

You should carefully consider how much of this “shopping cart” of project components you can actually afford to fund at this moment versus the many other competing needs for both Highway Trust Fund and General Fund dollars. JCA has previously recommended a maximum project budget of \$5 billion.

The NEPA (National Environmental Policy Act) Purpose and Need Statement and the Locally Preferred Alternative (LPA) selected to meet the need govern the environmental review process for the project. They DO NOT govern your budgetary decisions on what portion(s) of the project to actually build. The Purpose and Need Statement is substantially unchanged from the prior CRC project and is now close to fifteen years old. It does not necessarily reflect today’s needs or budget realities. The LPA was selected by agencies that have no responsibility to pay for this project. These agencies included the following into the project:

- Seismic replacement of two bridges
- A high-capacity transit project
- An active transportation connection
- Five miles of freeway widening
- Rebuilding or enhancement of seven freeway interchanges

While some of these components are tightly integrated (for example the transit and active transportation components share a structure with seismic replacement of the Interstate Bridge) other components, particularly the northernmost and southernmost freeway interchanges, are relatively independent projects and do not share the seismic replacement urgency of the main crossing.

### **What is required to leverage Federal dollars?**

The project intends to apply for Federal grants from the IIJA “Mega” and “Bridge” categories as well as a Federal Transit Administration (FTA) “New Starts” Capital Improvement Grant. However, the project has not publicly documented the size or timing of the local match requirements for these grants. We



believe you should have those answers before committing to the schedule of appropriations. For example, it has been hinted that the project will not apply for the FTA grant until 2025. If that is correct, and because the FTA grant is the only grant of the three that requires the match come from general funds, why should you appropriate precious General Fund dollars in this biennium?

**Should we abandon the “user pays” philosophy that has governed the finance of our highway system?**

Since Oregon adopted the first-in-the-nation per gallon gas tax in 1919 we have had a “user pays” financing system for the state highway system. Raiding the General Fund for a highway project would break a century-long precedent and would pit highway projects against schools, housing, health care, and other critical state priorities. JCA believes we should maintain the “user pays” approach and fund the highway components of IBR from the Highway Trust Fund. If Trust Fund revenue is not adequate to support this project, hard choices need to be made about the priority of other project elements that are not necessary to replace the bridge itself, including most of the highway miles and interchanges, versus resolving regional transit connectivity and seismic vulnerability of this key bridge connection.

**What mechanisms exist if the project goes over budget?**

Director Strickler suggested there are two primary courses of action if the project is over budget. First, he suggested that ODOT would keep to the budget. While we hope this is the case, history suggests this is not a reasonable expectation. Every large highway project of the past 20 years has gone over budget, sometimes by as much as two to three times the cost estimates. Second, he said there was “a budgetary” response. To be clear, this means returning to the Legislature asking for more money. Because the Highway Trust Fund is already over-programmed, further raiding the General Fund and taking from education, housing, health care, and other critical state priorities would be inevitable.

There are other options! First, scaling back the project size reduces risk. Second, phasing the project in a way that additional components can be canceled when cost overruns occur, gives the project an exit ramp to fiscal accountability and responsibility.

Sincerely,  
The Just Crossing Alliance  
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