

May 12, 2008

Portland Planning Commission
1900 SW 4th Ave., Ste. 7100
Portland, OR 97201-5380

RE: Columbia River Crossing—Unreasonable, Poorly Documented Forecasts

Dear Planning Commission members:

I appeared at your April 8, 2008 meeting to discuss the Columbia River Crossing. In my presentation, I pointed out that the staff of the Columbia River Crossing had not responded to my public records request for detailed data on the traffic forecasts, financial models, and tolling analysis that had been prepared to support the claims made about the impacts of the project and its alternatives.

At that meeting, CRC staff Jeff Heilman told you that they were prohibited from releasing that information by the federal agencies and that this information would be released with the Draft Environmental Impact Statement (DEIS).

The DEIS was released May 1. I have reviewed it thoroughly. While the document contains the same summary statistics that CRC presented at your meeting, it does not contain any details that describe the assumptions or data that underlie the results that were produced. The document does not reveal any of the most basic assumptions that were used in the construction of their model, i.e.:

1. What is the price of gasoline assumed for the forecast period?
2. What is the price elasticity of vehicle miles traveled for the forecast period—how much will travel decrease in response to higher prices for gasoline?
3. What is the carbon policy (tax or cap and trade) assumed for the forecast period?
4. What is the elasticity of demand of traffic with respect to travel times in the corridor?
5. What levels and patterns of land use were assumed for Clark County under each of the different alternatives? If travel times in the I-5 corridor are as high as forecast, how likely is it that Clark County will achieve the forecast level of population growth, particularly in the I-5 corridor?
6. What is the responsiveness of travel demand to variations in toll levels over the I-5 and I-205 bridges? What is the basis of these estimates? What is the confidence interval associated with the parameters of these estimates?

These are neither trivial nor merely technical questions. They go directly to the heart of the case for this project. The CRC staff argue that traffic volumes and travel times will rise dramatically in the I-5 corridor over the next two decades. But these forecasts do not account for rising gas prices, future limits on carbon emissions, the effects of congestion on travel behavior, or changes in consumer preferences. In fact, over the last three years,

travel over the Interstate Bridge has been going down, not up. Travel volumes over the I-5 bridge decreased by 0.5 percent in 2006, and decreased a further 1.2% in 2007 [Southwest Washington Regional Transportation Council]. Over the last 12 months (March 2007 to March 2008) travel over the I-5 bridge has decreased by 3.1% [Sherwood, C. (2008). “More cross-river commuters leave cars home.” *The Columbian*. Vancouver, WA. (May 7)]. Declining traffic volumes on the I-5 bridge demonstrate two key facts: first, that the premise of this project—ever increasing traffic flows—is simply wrong, and second, that the models that the CRC has used to make its predictions for the next two decades do not reflect actual behavior.

The travel demand models used by the CRC present the illusion of precision. They claim to know, within a few hundred cars, how many people will cross the I-5 bridge more than 20 years from now. In truth, they do not know; they make educated guesses, based on assumptions. As I have mentioned, they have not revealed many of their most important assumptions. In addition, the tools they use for making their educated guesses are, according to independent and credible evaluations, seriously flawed. Consider two analyses of travel forecasting models undertaken in the last few years by the General Accountability Office of Congress and the Transportation Research Board of the National Academies.

A review undertaken by the Governmental Accountability Office (GAO) showed that current travel models tend to consistently over-forecast future traffic growth and congestion. They note that “. . . current travel demand models tend to predict unreasonably bad conditions in the absence of a proposed highway or transit investment. Travel forecasting, as previously discussed, does not contend well with land-use changes or effects on nearby roads or other transportation alternatives that result from transportation improvements or growing congestion. Before conditions get as bad as they are forecasted, people make other changes, such as residence or employment changes to avoid the excessive travel costs.” [Government Accountability Office (2005). *Highway and Transit Investments: Options for Improving Information on Projects' Benefits and Costs and Increasing Accountability for Results*. Washington, DC GAO-05-172.]

A review of traffic forecasts for tolled transportation facilities undertaken for the Transportation Research Board showed a problem of widespread “optimism bias”—traffic levels and revenues were commonly over-estimated, and that transportation demand models had been frequently mis-applied, failing to account for critical factors. Specifically, the authors conclude: “. . . the state of the practice in travel demand modeling has not kept pace with the issues that the models now must address . . . it is incumbent on developers of models to provide understanding of models and data.” They specifically recommend that “The explicit incorporation of risk and uncertainty in all aspects of the modeling process also is needed, as is consideration of inputs and outputs in terms of ranges rather than as absolutes.” They also tell users that it is not sufficient to say that “professional practices and procedures were used.” [Kriger, D., S. Shiu, et al.

(2006). Estimating Toll Road Demand and Revenue. Washington, DC, Transportation Research Board of the National Academies 364, page 40].

As I noted, and CRC staff acknowledged, the CRC has not prepared an “investment grade” forecast of tolling revenues. The track record of preliminary forecasts of travel volumes and toll revenues for tolled transportation projects has been consistently over-optimistic. Such an analysis would test traffic and revenue levels under a range of different assumptions about future development patterns, traffic growth, economic conditions, and user’s responsiveness to tolls. Until such an analysis is undertaken, the proponents of the CRC project have no reasonable basis for suggesting that they can achieve any particular level of funding from bonds issued against future toll receipts. This is critical because in the event that tolling does not produce the anticipated level of revenue, then additional local match will be required—reducing funding for other transportation projects in the region.

Simply put, the information provided by advocates of the CRC does not provide any kind of reasonable basis for the City of Portland, or any other public body, to approve the undertaking of an investment as large as \$4.2 billion. The projects sponsors continue to hide the most basic assumptions about their predictions for the future. The Planning Commission should insist that this information be available and transparent to the public and to decision-makers before it takes any action on this proposal. Specifically, I would recommend that you insist that CRC staff provide the information needed to answer the six questions presented on the previous page of this report, and that further, you require the submission of an “investment grade” tolling forecast, prior to taking any action on this proposal.

Best regards,

Joe Cortright

1424 NE Knott Street
Portland, OR 97212