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Thank you for taking the time to submit your comments on the I-5 CRC DEIS.

P-0519-001 PLEASE FIND ATTACHED MY COMMENTS ON THE CRC DEIS.

DATED JUNE 30, 2008

PORTLAND OREGON

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Jim Edelson 415 NE Mirimar Portland OR 97232 503.231.4665

Columbia River Crossing c/o Heather Gundersen 700 Washington Street, Suite 300 Vancouver, WA 98660

June 30, 2008

Comments on Draft Columbia River Crossing EIS

Dear Ms. Gunderson:

P-0519-002

Attached are my comments on the Draft Environmental Impact Statement prepared for the Columbia River Crossing. Thank you for the opportunity to comment.

A. Introduction.

P-0519-003

The DEIS base travel demand projections DO NOT and CAN NOT provide a basis for estimating the need for CRC facilities.

B. The base travel projections are based on outdated, unreasonable, and discredited cost projections for energy, particularly for oil.

Section 4.2.1 of the Energy Technical Report to the DEIS states that "The following discussions on national and local energy supply and demand are based on the Reference Price world oil prices" of the USDOE Annual Energy Outlook world oil prices in 2030 of "\$59 per barrel (in 2005 dollars)".

As the Reference Price forms the basis for the travel demand forecasts in the CRC travel area, revised analysis is required to account for current prices in excess of \$140 per barrel. In fact, relying on the existing forecasts substantially overestimates current travel demand. Recent ODOT data indicates that Oregon VMT has peaked in 2005-2006, and is likely in a substantial downward pattern in 2008. Likewise, Oregon VMT per capita (as per ODOT data) has steadily decreased since 2005. Contentions that increases in fuel prices lead to comparable substitutions in vehicle fleet composition are not valid. Research and experience demonstrates that substitutibility in the transportation vehicle fleet thas significant barriers and is slow. And the most likely routes for substitution, public transit or car sharing, actually hav equal or greater reductions in VMT, and demand for CRC crossings.

The Reference Price of oil used in this DEIS is so untenable that even Administrator Caruso of the Energy Information Administration, the person responsible for the accuracy of the forecast itself, testified before a Congressional Committee, under oath, that he would not use the Reference Price that currently underlies the DEIS.

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Thank you for taking the time to submit your comments on the I-5 CRC DEIS.

P-0519-003

The price of crude oil was nearly \$140/barrel around the time that the DEIS was published. The travel demand modeling in the DEIS, however, used a vehicle operating cost assumption based on a much lower price of crude oil. A number of commentors were concerned that this could exaggerate future travel demand and result in the construction of a larger facility than would be necessary, if fuel prices rise significantly. One of the key reasons that we do not use the current price of crude oil as an assumption in models that forecast long term travel demand is that the daily price of crude oil can vary significantly, while the longer term average is much less volatile. While crude oil prices peaked briefly at about \$140/barrel in mid-2008, shortly after that they dropped to less than \$30/barrel. The other reason that potentially significant increases in the price of crude oil are not assumed in travel demand modeling is that long term travel demand is not very sensitive to changes in fuel prices. Significant increases in oil prices can have both short term and long term effects on travel behavior. In the short term, the options for responding to rising gas prices are limited - some travelers can drive less and/or change from driving to walking, biking or transit for at least some trips; other travelers can not make such changes. During the 2008 increase in gasoline prices, transit use increased and off-peak highway travel decreased, but peak period highway travel changed little.

Over the long term, travellers have more options for adjusting to changes in gasoline prices, besides changing driving behavior. Technological advances and legislative mandates can increase fuel efficiency standards in the long term. As older vehicles wear out, more consumers can replace them with more fuel efficient vehicles. Automobile manufacturers are developing and will continue to develop new vehicle 03197

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Chairman Markey: "Would you recommend, Mr. Caruso, that the Department of Transportation use the high case scenario in planning for what the efficiency of the vehicles that Americans drive in 2020 and 2032 should be, or do you think that they should use \$2.26 a gallon in 2016 and \$2.51 a gallon in 2030 as the basis for their planning as to what the efficiency of the vehicles that we drive should be?"

EIA Administrator Caruso: "Well of course that's obviously the prerogative of NHTSA (The National Highway Traffic Safety Administration), but we're on the higher price path right now. If you were to ask me today what I would use, I would use the higher price."

Chairman Markey: "You would use the higher prices, but NHTSA doesn't, NHTSA has to use your lower price. I would recommend to the Bush Administration that they change this formula and that they not use this low cost per gallon of gasoline for the basis for the fuel economy standards for the vehicles we drive."

.(U.S. House Select Committee on Global Warming, June 15, 2008)

C. The DEIS cost projections for oil, and for the costs of complying with greenhouse gas regulations, have been rejected for use in forecasts prepared for two other large capital plans in the State of Oregon.

Two of the other largest capital projects, overseen by state regulatory bodies, for Oregon citizens are power plants and airports. Respectively, both the Oregon Public Utility Commission (OPUC) and the Port of Portland (PDX Futures), have undertaken evaluations that encompass projections of oil prices and regulatory greenhouse gas (GHG) costs.

1) The OPUC, in docket UM 1208's request for billions of dollars of new coal plants by Pacific Power, placed important emphasis on future GHG costs. The results of the proceedings were to ascribe uncertain but real, and potentially significant, ratepayer liabilities to GHG emissions. Permission was NOT granted to the company to issue RFPs for the coal plants, and a separate proceeding, UM-1302, was commenced to more precisely determine future cost projections for GHG emissions, ranging up to \$100 per tonne.

In contradistinction, it is noted that the CRC DEIS has assigned a \$0 value to GHG regulatory costs in its travel projections, and has no process to revise it.

2)PDX Futures commenced their planning process (30 years of airport, terminal and runway expansion) with exactly the same Reference Price for oil used in the CRC DEIS. The Port's public process led to a reexamination of this assumption. Further informed analysis elevated the ureasonableness of the assumption, and a substantial upward (in excess of 25%) revision of the oil price projections was inserted into the forecast. Likewise, an original \$0 cost for GHG emissions, the same cost that is presently used in the CRC DEIS, was rejected in favor of a more sophisticated analysis with a range of carbon values up to and beyond \$50 per tonne. Furthermore, the Port agreed to update both its oil cost assumptions and another factor, propensity to travel by the majority of Portland area residents with a documented sensitivity to environmental effects , within a six month period.

and engine technologies that require much less, or even no, petroleumbased fuels. This trend is already happening as evidenced by the growing popularity of gasoline-electric hybrid and small electric vehicles. 03197

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The Forecast will include the impacts of a carbon tax on passenger and cargo demand. Staff will monitor international, national, regional, and state policy on climate change and report back to the Panning Advisory Group.

(PDX Futures, Final Planning Advisory Group Project Assumptions, page 6, 4/21/08)

Thousands of Monte Carlo simulations were run subsequently with the revised oil and GHG assumptions and, in fact, traffic and cargo demand growth did slow significantly. It is noted, on the other hand, that the CRC has not revised its assumptions, and has no planned process to do so..

D. CONCLUSION

The CRC DEIS has failed to account for major shifts in markets and behaviors impacting travel demand, and therefore the DEIS does not contain a sufficient basis for projecting the need for any particular level of infrastructure capacity. Two other Oregon state agencies, the OPUC and the Port of Portland, have recently undertaken comparable planning exercises for major capital investments with fiduciary responsibility to Oregon citizens. Both of those agencies decided to adjust the assumptions in their forecasts, after REJECTING the oil price and carbon cost assumptions that STILL FORM THE BASIS FOR THE TRAFFIC DEMAND PROJECTIONS IN THE CRC DEIS.

New analysis of the CRC with revised assumptions is required to adequately evaluate environmental impacts of options, and to choose between alternatives.