

September 28, 2010

Governor Christine Gregoire
Office of the Governor
PO Box 40002
Olympia, WA 98504-0002

Governor Theodore Kulongoski
Office of the Governor
160 State Capitol
900 Court Street
Salem, OR 97301-4047

Response to the Columbia River Crossing Independent Review Panel's Recommendation

Dear Governors Gregoire and Kulongoski,

The Departments of Transportation have thoroughly reviewed the recommendations and findings of the Independent Review Panel convened by your offices this summer. This letter outlines our plan for execution and implementation of the panel's recommendations. The panel's recommendations, in conjunction with ongoing work with project partners and their staffs, strengthen the project and will help us move forward in a holistic and timely manner.

The CRC Independent Review Panel report, delivered on July 30, 2010, highlighted the need for the project and stated that the "no-build" is not an option. It also contained 30 recommendations which were intended to serve as a "road map" to help complete the project. We appreciate the willingness of the panel to delve into early project development documents, cost and financial information, and project implementation plans. The panel also met with many project stakeholders as they conducted their review. Much detailed work was done to prepare the report and we are pleased that it affirms and validates that the CRC project has a solid foundation of thoughtful analysis, environmental review, and preliminary engineering.

We accept all of the recommendations and are moving to implement them. Some recommendations touched on work efforts already underway or near completion, such as the need to update the critical path project schedule. Others will require more detailed work plans which we are currently developing. The recommendations that require more detailed work plans generally fall into the six project areas listed below.

1. Review project phasing
2. Re-invigorate public involvement

3. Resolve interchange design at Marine Drive and Hayden Island
4. Review the bridge type selection
5. Establish a long-term project management/ governance plan
6. Update the cost estimate

We intend to build on the recent progress that has been made using the Integrated Project Sponsors Council's Staff (IPS) and the Project Sponsors Council (PSC), to continue to work through and build consensus on each of these critical efforts. At this time we've identified the following preliminary next steps for each of these focus areas:

1. Review project phasing

Summary of Panel recommendations:

The project should consider developing one or more phased construction plans specifically to reflect the potential for a funding shortfall.

Response and Implementation Plan:

The CRC team, in consultation with the project stakeholders, will develop phasing options for the project. These options will be based on potential funding scenarios that could result from either a delay or a reduced amount of funding that is being sought from the different funding sources. How to manage cash flow and keep each separate funding source tied to the appropriate work will be a challenge on this project, but will be carefully monitored to ensure construction issues are minimized.

The project team has been evaluating impacts associated with several phasing options that could be included in the Final Environmental Impact Statement (EIS). These options will be reviewed with the IPS and PSC prior to submittal. Phasing will also be related to project segments that may be constructed independently and we will investigate projects that can be constructed to accommodate functional interim phases that meet anticipated cash flows. After discussions with the PSC, the project team will include phasing strategies at upcoming public outreach events.

2. Re-invigorate public involvement

Summary of Panel Recommendations:

Re-invigorate public involvement and re-engage with respective working groups that have been less active since the release of the Draft EIS. Provide more feedback about how advisory group recommendations have influenced the project.

Response and Implementation Plan:

While broad community outreach has continued throughout the CRC process and many recommendations from project working groups have been incorporated into project plans, we agree that we need to provide additional updates to the working groups and the general public and also gain further input from them on many of the topics these groups addressed.

During the months that the project team participated in the integrated project staff process, some advisory groups did not meet regularly or at all. We will be re-engaging stakeholder working groups this fall as we develop a plan for moving forward. At this time, we do not know if past groups will be reformed or if new groups will be developed as the project moves closer to construction. The project team will reassess all of the working groups to determine a structure that involves stakeholders and meets project needs as the project moves into a new phase of development.

The Final EIS includes information describing how public input and advisory group recommendations have been incorporated into project designs. This information will be widely shared. A robust outreach and notification program has always been planned to be conducted prior to the release of the Final EIS. Agency coordination will continue through the PSC and the IPS process. The project team will review all recommendations submitted by these groups to determine if feedback is missing and will loop back with the advisory groups. Public materials, including the website, will be updated to provide information about how advisory group input has been incorporated into the project.

3. Resolve interchange design at Marine Drive and Hayden Island

Summary of Panel Recommendations:

Resolve outstanding issues and determine the interchange design for Marine Drive and Hayden Island.

Response and Implementation Plan:

One of the recent success stories on which the project will build is the use of the Integrated Project Staff team to develop and review various options for the Hayden Island and Marine Drive interchanges. This has resulted in a unanimous recommendation from the CRC Project Sponsors Council to advance "Concept D" and the widespread acceptance by the public and both Ports of this alternative. This design facilitates freight movement, reduces the freeway footprint across Hayden Island, and meets the goals of the Hayden Island plan for better local access and continued retail access. Concept D will be included in the Final EIS as the preferred interchange for Hayden Island. Additional work is needed to determine if impacts can be reduced and to provide comparison to the previously identified interchange. A preliminary cost estimate was developed by CRC to support the IPS efforts to determine potential savings (or additional costs). By late October, the cost estimate will be updated to the same level as the original Locally Preferred Alternative (LPA) cost estimate once the design is advanced to a similar level as the LPA.

4. Review the bridge type selection

Summary of Panel recommendations:

Review the current bridge type (open web box) to better determine possible risk to the cost and schedule related to this bridge type. Convene a panel of experts to review the constructability of the selected bridge type.

Response and Implementation Plan:

The project has conducted preliminary analyses of several bridge types, which is documented in the Type Study Report published in October 2009. Since the recommendations from the Independent Review Panel have been received, direction has been provided to the project team to outline the future steps that the project plans to take to ensure that an appropriate bridge type is selected and can be designed and constructed to meet all standards and requirements for both Departments of Transportation as well as the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA). We will revisit the analysis completed to date and engage national and international experts as we reevaluate all options with two-bridge configurations. The final determination of bridge type will be developed in concert with outside experts, project sponsor staff and PSC members, and members of the CRC Urban Design Advisory Group as final design progresses. Next steps include assembling an expert panel, revising cost estimates, and conducting appropriate structural testing. Each of these steps is briefly described below.

The expert panel will consist of people with "big bridge" experience from the United States and Europe. Potential participants in this expert panel will be solicited from UDAG to incorporate architectural perspectives. Project sponsor staff and PSC members will also be asked for input about panel scope and activities as the panel is selected. The expert panel will review the bridge type selection and focus on the constructability, cost, architectural potential and risks associated with each of the bridges listed in the CRC Type Study Report for the two bridge option. FHWA and FTA have been involved throughout the process regarding bridge type consideration for the replacement bridge over the Columbia River and both will be included in the expert panel.

The cost and risk elicitation from the group will be conducted in a Cost Estimate Validation Process (CEVP) workshop environment with a focus on quantifying the concerns and risks that the panel identifies so that a new risk model can be produced for the structure.

Next steps will continue to advance and finalize design of a temporary test pile program. The CRC will also continue to develop a connection and system testing strategy that will more specifically delineate the testing program (scope, schedule, and budget). After a bridge type has been confirmed, a constructability expert review will be conducted.

5. Establish a long-term project management/governance structure

Summary of Panel Recommendations:

The states should work to establish a long-term project management/ governance structure and consider legal expertise to assist in determining best options and structure for this bi-state project.

Response and Implementation Plan:

We agree that efficient, coordinated, and streamlined government oversight is essential. It is important, however, to differentiate between the issues of project governance and project management.

Governance of the project is, as the panel points out, very complex. Both Oregon and Washington have active participation in this project from their executive and legislative branches of state government, state transportation commissions, regional planning organizations, and local transit and municipal governments. It is necessary to have these levels of government actively involved to maximize success of this project.

Today, WSDOT and ODOT jointly manage the CRC project, with oversight from the Federal Highway Administration and the Federal Transit Administration. WSDOT and ODOT have benefitted from the design oversight of the Project Sponsors Council, which the Governors appointed to serve as an advisory body to help facilitate resolution of difficult scope and design issues. We expect the PSC to continue through completion of the Final EIS and record of decision. Staff from each agency will also continue to work together, along with the project team, in a collaborative manner. We look forward to maintaining the positive working relationships between the various entities as the project progresses to completion.

In the future, a new (or modified) oversight body composed of leaders from the entities noted above , and charged with the responsibilities to support project funding efforts, coordinating tolling policy (initial and on-going) and holding accountable the various agencies responsible for project delivery could serve the project well.

National experience of successful mega-projects shows that a “strong owner” model for a project once it enters the final design and construction phases is essential for success. We concur with this model and will explore how it can be applied to the CRC project. We will seek input from local partners and develop options to implement a structure for on-going governance over the next few months for review and approval by each Governor. Regardless of the management and governance structure, WSDOT and ODOT will need to clarify roles and responsibilities between the departments and institute a number of interagency agreements on a wide variety of financial and managerial issues. We expect that the joint ownership team will have public accountabilities to the oversight body to ensure transparent reporting of all final scope, schedule and budget issues through project completion.

6. Update the cost estimate

Summary of Panel Recommendations:

The project should update the cost estimates and revise the cost estimates to reflect the correct bridge type and other revisions.

Response and Implementation Plan:

The current cost estimate is based on the May 2010 CEVP information. The May 2010 CEVP is derived from the cost estimate in the CRC Type Study Report for an open-web box girder bridge type as detailed in the Basis of Estimate Report that was updated in September 2009. The cost estimates for all bridge types that were analyzed in the type study report were quite detailed "bid estimates" developed by engineers with construction experience.

The overall cost estimate for the project will be updated in conjunction with the expert bridge type review process in November 2010. The results of this analysis will be used to update the financial plan and cost estimate.

In addition to an update of the cost estimate, the project has performed a detailed evaluation of the schedule and has concluded that while right of way purchase could begin in 2011, construction is now anticipated to start in 2013. The schedule will continue to be evaluated as the project completes the NEPA process.

In closing, we are eager to develop these six topic-specific work plans and will also continue to address other recommendations that fall outside of these areas. As more detailed implementation plans are developed with our project partners, schedule and cost updates will be completed accordingly. We look forward to continued work with the Project Sponsors Council, the Integrated Project Sponsors Staff, and your offices on the completion of this critical project.

Sincerely,



Paula Hammond, Secretary

Washington State Department of Transportation



Matt Garrett, Director

Oregon Department of Transportation