

# Puget Sound BUSINESS JOURNAL

Seattle, Wash. | May 31, 2013



## The problems with tolling the I-90 bridge

by Dann Mead Smith, President, Washington Policy Center

There will be bumps in the road for those wishing to toll Interstate 90 to pay for the State Route 520 bridge replacement. Dinging drivers from Issaquah, North Bend, Bellevue and Eastern Washington for using a paid-for bridge, in order to pay for a totally separate highway project, will be seen as fundamentally flawed.

If tolling rates on the I-90 bridge are similar to those on SR 520, drivers will face what is essentially a new tax of \$16 to \$32 per week, based on five weekly round trips. The debate about I-90 tolls rages because former Gov. Chris Gregoire began the SR 520 bridge replacement project before full funding was in place. The Washington State Department of Transportation (WSDOT) reports the project is now \$1.4 billion short. Recently discovered design mistakes, which led to cracked pontoons, will push the project deeper into the red. Repairs are expected to cost more than \$100 million.

But the problem of costs for the SR 520 bridge replacement goes beyond design flaws and poor planning. Washington Policy Center's research shows state government imposes policies that artificially increase costs for highway projects. Adjusted for inflation, the new SR 520 bridge project, for example, will cost 20 times more than when it was

first built in the 1960s. But the good news is the state could save millions by not charging itself sales taxes, by paying market rates for labor, and by streamlining the permitting and environmental review process.

WSDOT officials are presently required to pay state sales taxes on state transportation projects, funneling transportation money into the general fund. WSDOT estimates that project costs could be reduced by more than 6 percent if their projects were exempt from such taxes. Applied to the SR 520 bridge project, this exemption could save up to \$351 million.

State officials also charge themselves an inflated "prevailing wage" formula rather than the normal market rate for construction work. Contractors would, if the law allowed, be more competitive on labor costs. Studies show that imposing prevailing wage rules on transportation projects increases labor costs by 22 percent and boosts total project costs by about 10 percent. Saving 10 percent on a \$4.13 billion project such as the SR 520 bridge could save up to \$413 million.

Washington state officials have already spent more money on planning and design for the new SR 520 bridge than the total cost of building the first bridge, adjusted for inflation. The Federal Highway Administration (FHWA)

estimates that a typical environmental impact statement took an average of 2.5 years to complete in the 1970s. Today it takes 6.5 years. According to the FHWA, highway projects now take an average of 13 years to build. Only a fraction of that time is spent on actual road construction. As the old cliché goes, time is money. Streamlining permitting and environmental reviews would speed construction of vital projects, saving time and money.

In addition to these cost-saving measures, we recommend some basic principles regarding tolls. First, tolls should only be used to fund new capacity or to replace an existing facility. Second, money from tolls should be spent on the same road where the tolls are collected. Third, toll revenue must be protected for highway purposes.

We believe that when the state demonstrates a commitment to getting more for taxpayers' transportation dollars, and when it follows common-sense principles about how to set up tolls, the public will rally to the support of those seeking to improve our roadways — even when that might require tolls.

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