

House Interim Committee on Transportation and Economic Development

Tuesday, December 9th, 2014

State Capitol, Salem, Oregon

Members Present: Rep. Tobias Read, Chair, Rep. Cliff Bentz, Vice-Chair; Rep. Denyc Boles, Rep. John Davis, Rep. Margaret Doherty, Rep. John Lively, Rep. Caddy McKeown, Rep. Nancy Nathanson, Rep. Julie Parrish

Member Excused: Rep. Chris Gorsek, Vice-Chair

Business Oregon Strategic Plan Update

Sean Robbins, Director of the Oregon Business Development Department (OBDD), gave a slide [presentation](#) detailing the update to the agency's strategic plan following his recent statewide tour. He asserted that the Department needs to be the bridge between state government and business in Oregon, which is why he has made specific effort to meet with CEOs from the state's 50 largest companies. During these meetings, he has come across four themes:

- *workforce* – need for both technical skills and ‘soft skills’ with a focus on both recruitment and retention;
- *infrastructure* – critical for industries in both urban and rural areas;
- *innovation/startup support* – important for moving ideas to market; and
- *regulatory conflicts* – need for clarity, transparency and predictability of regulations.

Committee questions and comments for this panel included: the source for citing Oregon as the second most trade-dependent state; how to utilize “Brand Oregon” for new products; and how legislators can best prepare for 2015 proposals.

Economic Impact Study of Oregon Ports

Dave Harlan, Ports Manager for the Oregon Business Development Department (OBDD), gave a slide [presentation](#) entitled “Economic Benefits of Oregon Public Ports,” which had its origins in the 2010 Statewide Ports Strategic Plan.

Todd Chase, with the FCS Group, presented an executive [summary](#) of the [report](#) and its findings. He outlined data demonstrating the impact of ports in each of four regions with regard to: total direct and indirect jobs created; total economic output; total labor income; total state/local taxes generated; total federal taxes generated; and local tax payments generated per dollar of port tax collected.

Committee questions and comments for this panel included: the method used to determine that Oregon is the second most trade-dependent state; whether massive infrastructure investments to east coast ports could take shipping traffic from west coast ports; and increases in shipbuilding capacity.

Association of Oregon Counties Transportation Needs Analysis

Mary Stern, Policy Manager for the Association of Oregon Counties (AOC), provided a [report](#), executive [summary](#) and [flyer](#) on the topic of county transportation needs, based on an analysis completed earlier this year by AOC staff. There are over 68,000 miles of county roads in Oregon, representing 39 percent of all roads in the state, as well as thousands of bridges and culverts.

Sid Leiken, Lane County Commissioner, gave a slide [presentation](#) along with an overview of the report's findings. While road funding revenues are running lower than expected at all levels, it is especially true at the county level, particularly in counties that received tax revenue from timber harvests, and later federal payments in lieu of timber harvest on federal land. He also remarked that many Oregon counties are geographically large, using Iowa's 99 counties as an example of states with geographically smaller counties, with correspondingly higher number of road miles. He concluded with the assertion that it is the state, rather than the federal government, that will need to be the primary partner with counties on the issue of transportation funding.

Chris Doty, Public Works Director for Deschutes County, provided an explanation of the three main areas of the study: capital construction, pavement preservation, and maintenance, repairs and operations. The report looked at these three categories, combined with the anticipated and needed revenues for each, in four regions: Eastern, Southwest, Willamette and North Coast, and the Metro area. He also emphasized that preventive maintenance and pavement preservation delays the need for costlier rehabilitation and reconstruction.

Committee questions and comments for this panel included: what counties are considering for revenue raising options; and what are some of the best examples of problems that highlight the need for additional funding.

Report from Task Force on Transportation and Customer Service Efficiency

Tom McClellan, Administrator for the Driver and Motor Vehicle Services Division (DMV) of the Oregon Department of Transportation (ODOT), presented the final report from the Task Force, which was created by passage of House Bill 4047 (2014). The Task Force took a broad look at services provided at DMV field offices and customer attitudes of those services.

Catherine Webber, Chair of the Task Force, explained in detail the activities of the Task Force, its methodology, and findings. Her impressions included: the wide variety of services offered at DMV offices; the value people attach to their time when interacting with state government; the fact that customers are generally satisfied with DMV services, with their two biggest complaints being wait times and the prohibition against use of credit and debit cards; and the antiquated computer and technology systems used. Her recommendations included: customers use of online services to avoid wait times at field offices; creation of self-service kiosks; replacement of the antiquated computer system; improve customer experience while waiting; accept debit cards at field offices; offer scheduling for dealer/fleet appointments; and increase staffing level at the busiest offices.

Committee questions and comments for this panel included: encouragement to DMV to change policy prohibiting customers from bringing beverages into DMV offices; and how to balance streamlining business needs with consumer needs.

Oregon Department of Transportation Major Projects Report

Paul Mather, Administrator for ODOT's Highway Division, gave two [slide presentations](#) outlining the status of several major highway construction projects. Projects reviewed included: Highway 140 at Bly Mountain; U.S. 97 at Murphy Road; U.S. 212 Sunset Corridor; OR 99W at Newberg/Dundee; Interstate 5 at Woodburn; U.S. 20 at Pioneer Mountain/Eddyville; U.S. 26 at Shute Road; and Interstate 5 at Beltline/Eugene.

Intelligent Transportation Systems Briefing

Paul Mather, ODOT Highway Division Administrator, and Galen McGill, ITS Manager for ODOT, gave a [presentation](#) on intelligent transportation systems. The world is becoming increasingly "instrumented" – there are now approximately 1 billion transistors per person in the United States – and more interconnected. As a result, there are opportunities to take advantage of the ability of different devices and vehicles to communicate with one another to improve safety and efficiency of the transportation system. He offered examples such as advanced signal software that can reduce congestion by five percent through improved signal timing, innovative traffic signal projects, traffic incident management being introduced in Deschutes County, and active traffic management through variable lane speeds as is being introduced on Interstate 5.

Cost of Congestion Report 2014

Marion Haynes, representing the Portland Business Alliance, provided background for the forthcoming report and noted that it updates studies completed in 2005 for the Portland metro area and 2007 for the state.

Steven Fitzroy, representing the EDR Group, gave a slide [presentation](#) outlining the findings of a 2014 Statewide Report on the economic impacts of traffic congestion. While Oregon's population will grow at about one percent per year, traffic will worsen at a higher rate due to increased economic activity. Congestion is particularly problematic in the Portland metropolitan area, as it is the fifth most trade-dependent city in the western United States. Businesses can adopt strategies to deal with congestion, including: moving operations to nighttime; seeking 'off-peak' delivery options; losing turns for regional delivery runs; and establishing staggered shifts. Trends that will likely be seen in the future include: applying increasingly complex logistics; seeking third party assistance with logistics; focusing more on exports and out-of-state markets; and adjusting to limited hours of service for driver deployment. Mr. Fitzroy reported that while congestion will almost certainly worsen in the next few decades, making investments in the transportation system can help reduce the economic impact of delays.

Presentation from Oregon Film on the Movie *Wild*

Tim Williams, Executive Director for Oregon Film, offered a slide [presentation](#) describing the film production for the movie *Wild*, starring Reese Witherspoon. The movie was filmed on locations throughout Oregon, with filmmakers spending approximately \$10 million on the project in the state. Tax breaks offered by Oregon Film were instrumental in securing Oregon as the location for filming the movie. In addition, there is an expectation that there will be considerable crossover effects for Oregon's tourism and outdoor economies. Mr. Williams noted that the current \$10 million cap on tax incentives will likely result in lost opportunities in the future.

Todd Davidson of Travel Oregon gave a slide [presentation](#) explaining the direct and immediate impacts and also the longer-term benefits of *Wild* and other large-scale film projects. He also outlined some of the promotional efforts to boost tourism in connection with the film's release.

Committee questions and comments for this panel included: whether either agency needed to increase staffing levels due to work on the film; how Oregon compares to other states with regard to tax incentives for movie projects; and appreciation for how the work of Oregon Film and Travel Oregon highlighted the State of Oregon in the movie.

Introduction of Committee Legislative Concepts

The committee introduced 35 legislative concept drafts as committee measures for the 2015 Legislative Session. Those drafts may be viewed [here](#).