

HOUSE REVENUE COMMITTEE
MARCH 14, 2003 8:30 AM STATE CAPITOL BUILDING

Members Present: Representative Lane Shetterly, Chair
Representative Joanne Verger, Vice Chair
Representative Phil Barnhart
Representative Vicki Berger
Representative Pat Farr
Representative Mark Hass
Representative Elaine Hopson
Representative Max Williams

Members Excused: Rep. Wayne Scott, Vice Chair

Witness Present: Bruce Warner, Oregon Department of Transportation
Paul Mather, Oregon Department of Transportation
Mike Marsh, Oregon Department of Transportation
Olivia Clark, Tri-Met
Roger Martin, Oregon Transit Association

Staff Present: Paul Warner, Legislative Revenue Officer
Dick Yates, Legislative Revenue Office
Kathy Tooley, Committee Assistant

TAPE 81, SIDE A

004	Chair Shetterly	Calls meeting to order at 9:03 a.m.
022	Dick Yates	Discussed nearly complete Highway Cost Allocation Study. Asked Oregon Department of Transportation to discuss highway financing and federal policy.
034	Bruce Warner	Discussed of state, city, county highway and roadside needs, excluding air, marine, mass transit. Highlighted needs, discussed 2001 Oregon Transportation Investment Act, OTIA, (Exhibit 1).
091	B. Warner	Discussion of requests, funds allocated.
100	B. Warner	Discussion of monies lost to inflation.
123	B. Warner	Discussed affect of rising fuel efficiency.
127	B. Warner	Discussed highway fuel revenues.
142	B. Warner	Discussed increase in population and registration of vehicles.
157	B. Warner	Discussed increase in vehicle miles traveled.
164	B. Warner	Discussed increased congestion.
170	B. Warner	Discussed additional challenges, aging infrastructure, endangered species act, culvert replacement for fish passage, sediment control measures.
182	B. Warner	Discussed annual maintenance/preservation unmet needs.
191	B. Warner	Discussed maintenance activities and citizen expectations.

230	Rep. Verger	What do you see as your department's relationship to cities and counties?
235	B. Warner	Interaction, dissolving differences, currently sharing equipment and joint facilities, people don't care what jurisdiction fixes the roads, just want them maintained.
275	Rep. Farr	State highway system does that include interstate?
280	Paul Mather	Answered affirmatively.
302		Discussed strategy for bridge crisis.
306	Mather	Discussed bridge conditions, freight issues.
314	Mather	Discussed background of bridges, including aging, many reaching 50 to 100 year life expectancy.
335	Mather	Discussed posting of cracked state bridges, bridges built in the 1950s and weight limits issues.
355	Mather	Discussed bridge crisis, emergency repairs from 1997 to 2003; expecting 5% to be restricted, by 2010 850 will be posted.
380	Mather	Discussed recent bridge emergencies and resulting emergencies.
391		Questions and discussion regarding trucks through Monroe.
388		Discussion regarding Coos Bay Bridge.
418	Mather	Discussion of Bridge Task force June 2002. Recommended selection process away from worst first, to a corridor approach; starting with I-5 and I-84 first.
440	Mather	Discussed OTIA funding and bridge repairs it has been able to fund.
449	Mather	Discussed freight shipments and importance to economy.

TAPE 82, SIDE A

021	Mather	Discussed over a third of trucks carry loads over 80,000 pounds gross weight; divisible loads and indivisible loads.
024	Hopson	Is there data on the safety of the triple trailer rigs?
028	Mather	Can get it.
032	Mather	Description of trucks and goods they carry.
044	Mather	Discussed points of origination for truck transit.
050	Mather	Discussed regional areas of production dependent on roads and importance on local economies.
059	Mather	Results of study described a \$5 billion problem in needed bridge work over the next 10 years to remove restrictions from bridges.
060	Chair Shetterly	State, City, and County?

062	Mather	Answered Affirmatively.
065		Discussed weight restrictions to 64,000 pounds will result in more trips; discussed effect on economies \$122 billion by 2025, loss of 88,000 jobs.
081	Mather	Discussed impact on jobs, investment and regional economic implication.
092	Hopson	Why does Rogue Valley have the highest incidence of cracked bridges?
088	Mather	Has to do with the time period in the late 1950s, early 1960s in which they were built.
091	Mather	Livability declines when bridge emergencies are in effect, safety risks, maintenance costs increase.
105	Mather	Impacts on industry if weight restricted to 80,000 lbs; costs will increase and be passed on to the consumer.
112	Mather	Discussed recommendations of task force.
115	Mather	Four key priorities: <ul style="list-style-type: none"> • Fix interstate keeping trucks off local streets. • Fix important freight routes that link to interstate system. • Fix economically critical city/county bridges that links network construction. • Secure, emergency funding source, for bridges of lower priority, that would allow minimal services for all communities.
124	Mather	Recommend staged approach with assumption projects would be done within 10 years; ODOT feels it can be done in 7 years.
128	Mather	Discussed process, needs and impacts, and database of use to understand cost/benefits.
134	Mather	Oregon Transportation Commission issued a draft report in January, that said the staged approach did not fix the interstate fast enough, and needed to reach more areas of Oregon.
147	Mather	Presented revised report to the Committee with 5 stage process and priorities.
148	Mather	Discussed Stage 1, Highway 97, discussed importance, provided within existing funds, discussed assumptions.
175	Mather	Discussed Stage 2, main priority is interstate highways, portion of I-5, I-84, I-205, rationale and costs.
183	Mather	Discussed Stage 3, balance of I-5. Questions and discussion regarding number of bridges, overpasses, repairing/replacing.
206	Mather	Discussed Stage 4, begins network of repairs beyond the interstate, focus on important economic regions.
212	Farr	Does that tally include bridges over the interstate?
214	Mather	Does not include all overpasses and interchanges, looked from a strategic

		standpoint, which were most important, compared to routes in Stage 4 and reviewed trade-offs.
227	Mather	Discussed list of bridges and costs.
220	Mather	Discussed shift in thinking in Stage 5, prior stages built to accommodate any load. Stage 5 accommodates 95% of loads for greater economic gain, including 105,000 pound loads.
270	Mather	Discussed need for emergency bridge funding for those that are not included in 5 Stages.
278	Mather	Summarized key priorities.
283	Mather	Discussed recommendation for funding all 5 Stages, \$2 billion.
297	Mather	Discussed funding options, assumes bonding package that aggressively rebuilds bridges; need \$150 million annually to fund.
306	Mather	Summarized state of bridges and affect on economy, impacts if not funded.
312	Mather	Discussed stimulus on economy, could be complete within 7-10 years; generation \$1 billion in wages.
304	Rep. Verger	These stages reflect today's industry and trucking needs, how would new business affect priorities?
333	Mather	Discussed strategy and timing of Highways 38 and 42.
342	Rep. Hass	Discussed prior legislation, is there analysis of local funding to fix local priorities? Questions and discussion regarding local option.
400	Rep. Barnhart	Bills from Congressman DeFazio would put a weight limit on divisible loads, encourage freight traffic, with heavier traffic handled by rail, do you have an economic analysis? Does limiting weight limits make a difference in the work that needs to be done and costs.
005	Mather	The system is in crisis; have bridges that are going to fail and not accommodate any load.
028	Rep. Berger	What's the life span of the new 217 bridge just completed?
034	Mather	The expect lifespan of 217is 75 to 100 years, built to current seismic and load standards.
040	Rep. Berger	When we get to Stage 3, what are they doing in Northern California and in Idaho as part of a grid?
048	Mather	Oregon has dramatically more critical problems than neighboring states, Washington, Idaho and California.
040	Rep. Verger	Regarding bidding process; described Florida company that painted North Bend Bridge, will Oregon business lose to out of state business and not put Oregonians to work?
067	B. Warner	For every \$1 million invested in transportation projects, there are 19 family wage jobs. Under current law, lowest bidder gets the project. Looking at

level of investment under discussion, have to look at other than standard low bid, look at qualifications of consultant/contractor team, cost, timeliness; need for clarity from Legislature as how to do that and keep jobs in Oregon.

- 097 Chair Shetterly Discussed complicated process, retaliation in vying for out of state bids if Oregon is given preference here.
- 106 B. Warner It should be one of the considerations when you look at a proposal to move forward with a package.
- 113 Rep. Barnhart Concern regarding job bundling, difficulty of bidding for local business, how can a small business get an opportunity? Are you looking at separating design now/building later for the purpose of speeding up and lowering costs.
- 135 B. Warner Standard design/build process won't work on projects of this magnitude. Other than low bid can get to use of local contractors.
- 142 Rep. Barnhart What you really bought was management for a set of projects?
- 147 B. Warner What we are discussing is a design/build process, giving responsibility for design and construction.
- 151 Chair Shetterly Incorporating a period of responsibility for repairs as well?
- 155 B. Warner Answered affirmatively. Instead of using a low bid, ODOT would use a preference to weight and figure out best combination to assure accomplishing projects or avoiding issues.
- 158 Mike Marsh Discussed overview on financial change (Exhibit 2).
- 166 Marsh Discussed federal financing tools; innovative finance process, Road User Fee Task Force.
- 171 Marsh Discussed federal financing tools.
- 185 Marsh Discussed benefits of advance construction, use of existing funds to begin a project and replace with Federal Funds later.
- 205 Marsh Discussed flexible match, allows private contribution, in-kind match; using what's available to get a project moving forward.
- 189 Marsh Discussed tapered match, using 100% federal funding up front, with ending balance or reserves at end of biennium.
- 228 Marsh Discussion test and evaluation funds as match for federal projects.
- 238 Marsh Discussed analysis of highway cost to ensure reserve is appropriate to pay future debt. Discussed highway cost allocation study.
- 249 Marsh Discussed Innovative Finance Advisory Committee. Major tool, using venture capital and private sector.
- 277 Marsh Discussed upcoming legislation for changes in contracting procedure.
- 275 Marsh Discussed prequalification methods; unsolicited bid system.
- 280 Marsh Discussed imminent domain process.
- 286 Marsh Discussed Federal financing, Garvee bonds.

294	Marsh	Discussed Road User Fee Task Force discussed purpose and upcoming information.
292	Marsh	Discussed hybrids and planning required.
310	Marsh	Discussed task force review of alternatives, trying to come up with a user fee approach. Mileage fee approach has been recommended and moving forward and would replace fuel tax with user system.
310	Marsh	Other options being reviewed: Congestion pricing with rate adjustments according to system needs; tolling with alternative routes; studded tire use fee, dealing with damage, providing incentives for reducing usage.
420	Olivia Clark	Discussed Tri-met mass transit, "How We Get There Matters", (Exhibit 3), history, increases in ridership, pollution abatement.
020	Clark	Discussed productivity improvement process as a model for the country for productivity improvements.
032	Clark	Discussed federal air quality attainment requirements, discussed economic consequences for not meeting requirement.
056	Clark	Discussed statutory funding by payroll tax, which provides half of operating budget; 25% fare recovery, balance funded by federal grants, enterprise activity and advertising.
071	Clark	Discussed federal funds transit discretionary dollars and 6 year re-authorization of federal Surface Transportation Act. Tri-met expects to compete at the federal level for \$400 million in discretionary dollars for 6 years to pay for light rail.
087	Clark	Discussed federal requirements: Must be a good project, have local match, and can be operated for 20 years. Cannot show with current revenues that operating dollars will be available into the future for another light rail line.
107	Roger Martin	Discussed executive summary of recent study "Oregon's Transit Network: Status and Condition the Statewide Transit Fleet" (Exhibit 4).
150	Martin	Discussed affect of freezing cigarette tax on large and small transit systems. Some small systems which do not have reserves are shutting down as of April 1. Discussed fear of losing 2 cent cigarette tax in the next biennium primarily affecting seniors and handicapped statewide.

Meeting adjourned at 10:40 a.m.

Tape Log Submitted by,

Kathy Tooley, Committee Assistant Reviewed by Kim Taylor James

Exhibit Summary:

1. B.Warner, "Transportation System Update", 59 pages

2. M.Marsh, "Overview on Financial Change", 5 pages
3. Clark, "How We Get There Matters", 11 pages
4. Martin, "Oregon's Transit Network: Status and Condition the Statewide Transit Fleet", 2 pages