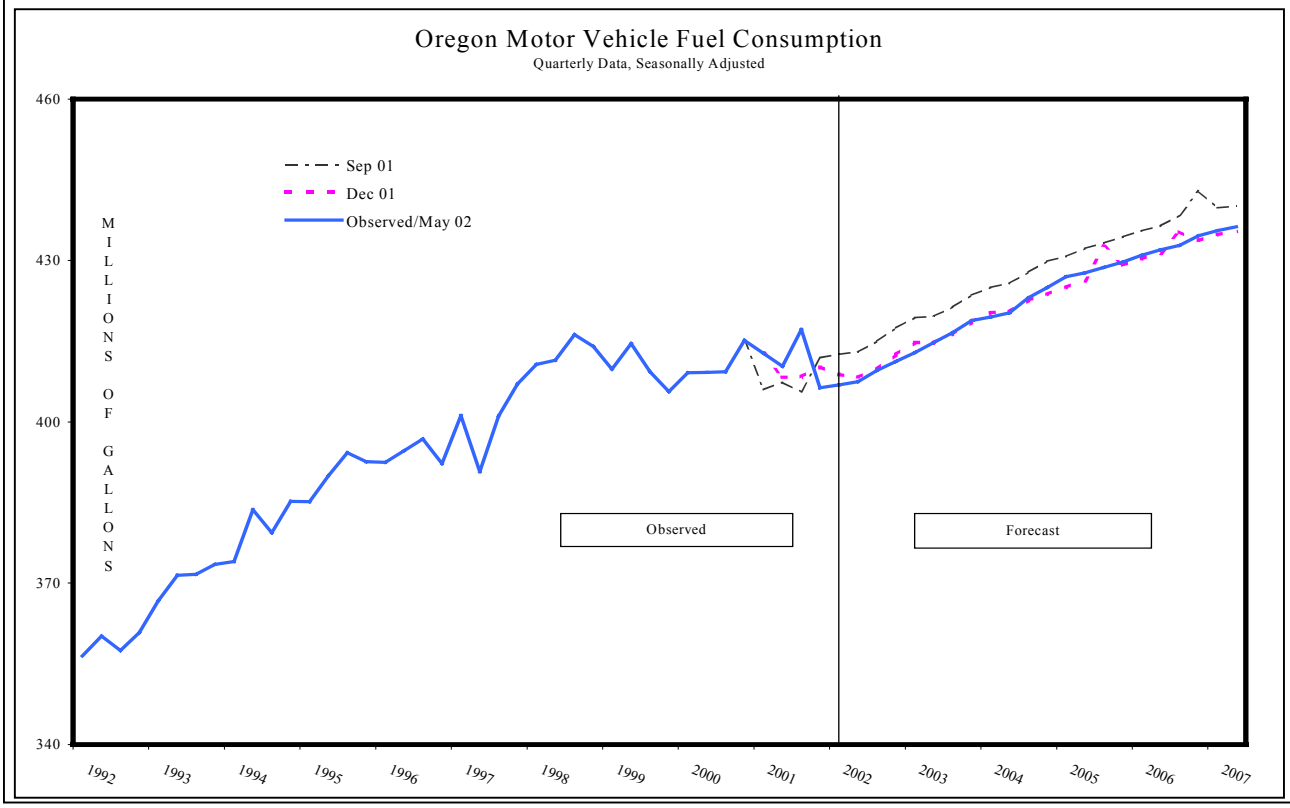
OREGON DEPARTMENT OF TRANSPORTATION

SUMMARY OF TRANSPORTATION ECONOMIC & REVENUE FORECAST

JUNE, 2002

PREPARED BY FINANCIAL SERVICES, CENTRAL SERVICES DIVISION



Foreword

This document summarizes a selection of Other Funds revenue forecasts for the Oregon Department of Transportation. It is published twice a year to assist planners and policy-makers in their decision making processes. The intent of this document is to open the revenue forecasting process to public review. This forecast is reviewed by a group of experts from the various divisions in ODOT.

This document is issued in conjunction with the current General Fund revenue forecast and is consistent with the assumptions and results contained therein. This forecast is consistent with Department of Administrative Services March and June 2002 forecasts and the associated DRI baseline forecast.

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This document can also be found on ODOT WebPages: http://www.oregon.gov/odot/CS/FS/

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June 2002 Economic and Revenue Forecast

EXECUTIVE SUMMARY

According to the Bureau of Economic Analysis's final adjustment of the numbers, Real GDP increased at a 1.7 percent annual rate in the fourth quarter. The initial estimate of Real GDP growth in the first quarter of 2002 is 5.8 percent. Final demand rose at a strong 3.8 percent rate, but much of that demand was satisfied from inventory. Personal Income, after adjusting for inflation, is expected to mirror GDP growth in the coming few years. In the year 2002, Real Personal Income growth is expected to reach 2.2 percent. Personal Income in Oregon has not kept the same profile as the national measure. Further suggesting that Oregon economy has diverged from the national trend in the last two years.

At recessionary times, inflation takes a back seat. Inflation regains momentum and importance when the recovery advances to its mature stages. The price of oil, already elevated (and fluctuating) on fears of U.S. military action against Iraq, and Middle East strife has approached $27 per barrel in recent weeks. Oil markets respond poorly to political instability and the possibility—however remote—of a supply disruption.

The Oregon economy is in recession, and this first quarter seasonally adjusted gain in employment may signal that a recovery is coming. The general outlook is for the recession to bottom out in the second quarter of this year with improved, yet slow, growth in the second half of 2002 and into 2003.

Trade sector employment will be weak in 2002 with a decline of 0.3 percent. Battered by a weakening economy, declining stock market, and the events of September 11 consumers slowed their spending in 2001. Consumer confidence has been rising and now stands above the level of just before September 11.

Motor vehicle fuel consumption has been slightly negative for both the 2000 and 2001 fiscal years. The national recession and the economic weakness in Oregon were expected to pressure fuel consumption in fiscal year 2002 downward. However, it seems that the price of fuel has not escalated enough to cause that. This forecast, aggregated over the forecast horizon, is virtually unchanged from the previous forecast.

The economic slowdown in Oregon and the nation has impacted the trucking activity and the goods moving industry in a significant way. Many of the economic factors influencing motor carrier activities were in negative growth territory. The forecast for motor carrier activity is revised downward for each of the three years starting in the current fiscal year.

New titles decreased by 14 percent in 2001. And they are expected to finish this year down by 11 percent. The recent interest rate incentives and/or rebates have helped to shore up further reductions in current sales, in part at the expense of some future sales.

Highway Fund collections (at the gross level) are lower than the previous forecast by less than 0.5 percent. The reductions in some categories are offset by increases in others. On the other hand, Net revenue to the Highway Fund is forecast to be below the January estimate by about 3.4 percent ($41.3 million) for the 2001-2003 biennium, and 2.4 percent ($29.4 million) In the 2003-2005 biennium from the January forecast.

Table 0 **Key Transportation Variables Biennial Change**

Biennial % Change	2001-2003	2003-2005	2005-2007
Motor Vehicle Fuel	0.0%	2.1%	2.8%
New Titles	-18.3%	-0.5%	-3.4%
Original CL C Licenses	-6.9%	6.6%	5.1%
Pass. Registration	2.6%	-3.7%	-3.7%
Heavy Registration	-5.9%	8.2%	9.6%
Weight Mile	-2.4%	6.5%	4.3%

NATIONAL ECONOMIC VARIABLES:

Although not evident these days, the direction of the national economy continues to significantly influence Oregon's transportation economic forecast. National economic trends such as the Gross Domestic Product (GDP) and Personal Income measures are very important in determining the general direction of the transportation forecast. Oil and gasoline prices, inflation, vehicle prices, fleet fuel efficiency, consumer confidence, and employment levels are all critical variables.

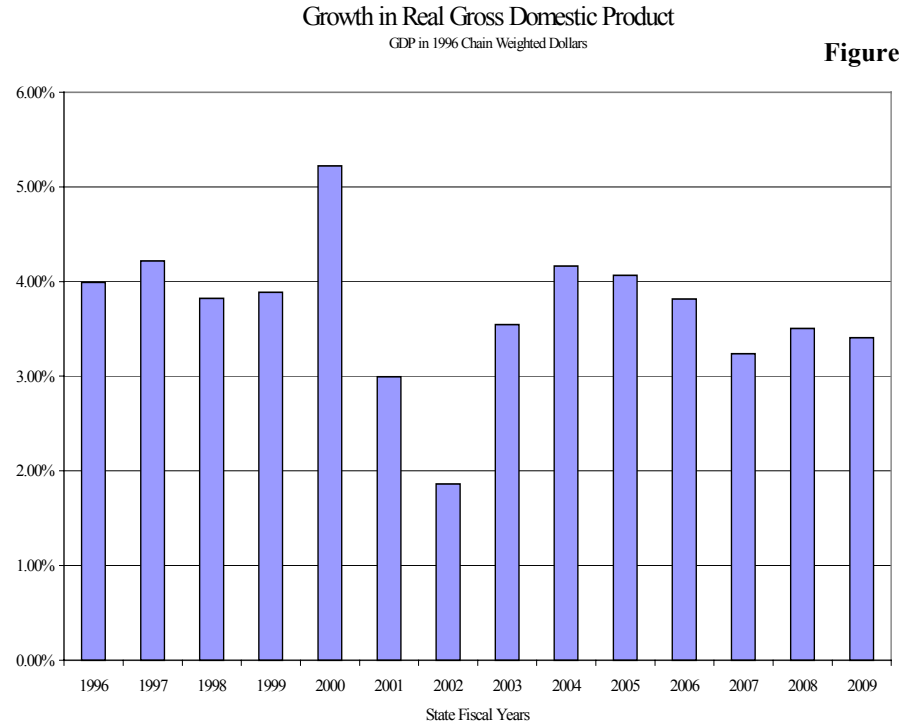


Figure 1

Real GDP increased at a 1.7 percent annual rate in the fourth quarter, according to the Bureau of Economic Analysis's final adjustment of the numbers. [Initial estimate of real GDP growth in the first quarter of 2002 is 5.8 percent.] Final demand rose at a strong 3.8 percent rate, but much of that demand was satisfied from inventory. The only other drag was the slide in business investment. This forecast builds in a positive GDP growth starting the first quarter of 2002, however the nation's economic recovery will not reach 4 percent growth until after fiscal year 2003 (Figure 1).

Personal Income, after adjusting for inflation, is expected to mirror GDP growth in the coming few years. In the year 2002, Real Personal Income growth is expected to reach 2.2 percent. However, in the years 2003 through 2007, personal income in real terms is projected to rebound to above 3 percent. Personal income growth in this recovery is not expected to over shoot by much the long-term annual average of 3.3 percent (Figure 2). Expenditures by consumers are closely related to Personal Income growth. Personal Income in Oregon has not kept the same profile as the national measure. This

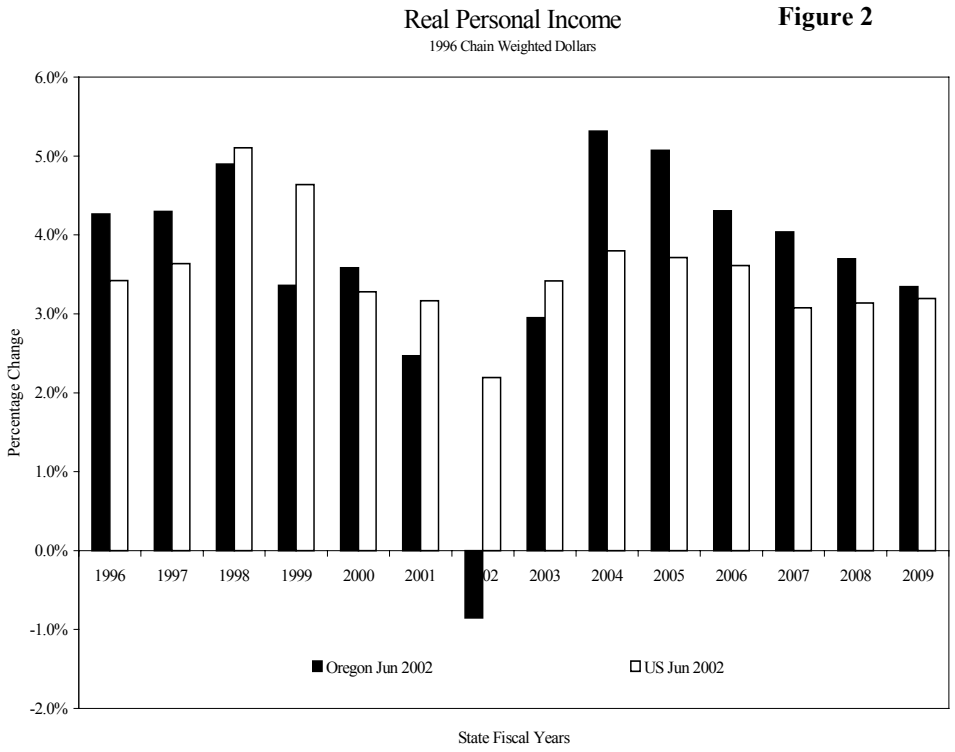


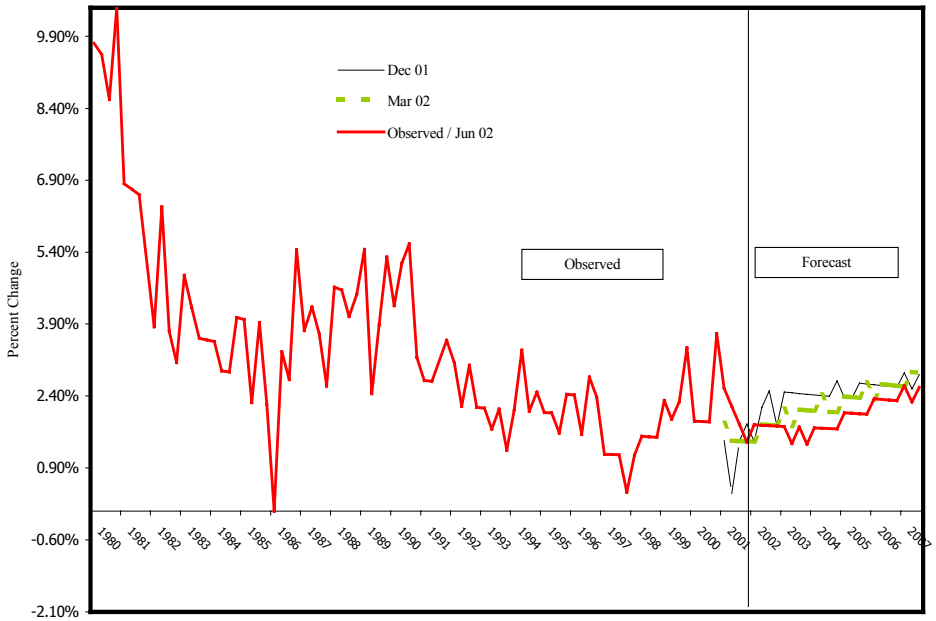
Figure 2

dichotomy shows how Oregon economy has diverged from the national trend in the last two years. Oregon's economy in general, and many transportation variables such as, fuel consumption, truck activities and weight-mile taxes, are closely related to the measures of personal income.

Inflation Measured by the Personal Consumption Deflator

Annualized Rates of Change

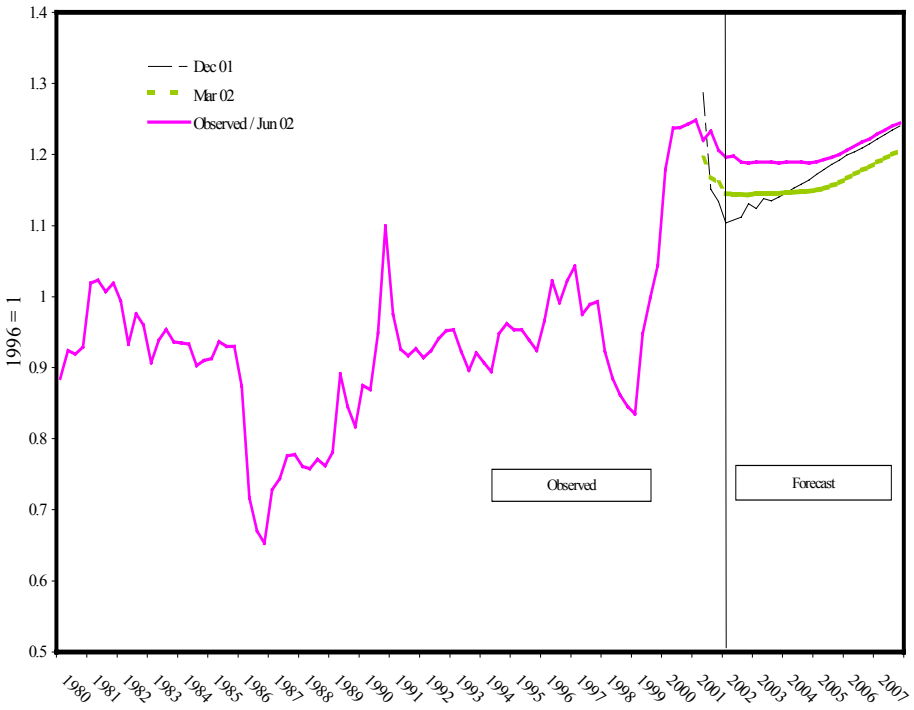
Figure 3



Except in very peculiar times, inflation takes a vacation at the time of a national recession. Inflation regains momentum and importance when the recovery is in its mature stages. However, the forecast for both the recovery and inflation are not typical of the previous experiences of both. Thus inflation is forecast to maintain a low and well behaving level (below 3 percent) throughout the forecast horizon. Energy prices remain the wild card in the inflation picture. If energy prices start escalating due to oil supply disruption then inflation infiltrates the economy in much more pungent ways. Inflation measured by the Personal Consumption Deflator is shown in Figure 3. The low and stable level of inflation through 2007 should be conducive to economic growth and higher transportation revenue.

Gasoline Price Index

Figure 4



The price of oil, already elevated on fears of U.S. military action against Iraq, and Middle East strife has approached $27 per barrel in recent weeks. Oil markets respond poorly to political instability and the possibility—however remote—of a supply disruption. But given market conditions, and the severity of the Middle East violence, there is a greater chance this time that supplies will be affected, including possible sabotage of oil installations, an oil embargo, or—most likely—some OPEC members taking a tougher position on production quotas. While violence and the threat of embargo draw the market's attention, another less dramatic outcome seems more likely. By the third quarter of this year, oil markets will be

tightening, especially if the global recovery picks up steam. It will be necessary for OPEC members to boost production levels at their July 1 meeting to keep prices from rising further. If the violence between the Israelis and Palestinians continues to escalate, or Arafat is killed or forced into exile, then the Saudis and other Middle Eastern oil producers will find it politically difficult to raise production. If quotas are maintained at their current level, stocks would begin dropping very sharply by early autumn and prices could easily spike into the $30–33/barrel range by late fall. Barring these risks oil prices have been raised in the short term. Fears that turmoil in the Middle East will compromise oil supplies have exacted a premium that pushes up prices (Figure 4).

The Federal Reserve, in recognition of the improving outlook, has shifted to a neutral stance, noting that "against the background of its long-run goals of price stability and sustainable economic growth and of the information currently available, the risks are balanced with respect to the prospects for both goals." Thus, the stage has been set for an increase in the federal funds rate target, which for now remains at 1.75 percent. DRI·WEFA anticipates the first hike will occur at the late-June FOMC meeting and that the target will be 2.75 percent by year-end. In anticipation of a stronger economy, higher short-term interest rates, and the return of federal budget deficits, the market has already pushed long-term rates up about 80 basis points from their October bottom.

The average price of a new vehicle plays an important role in determining the number of new and new-to-Oregon titles, as well as vehicle registration volumes. The average price of a new vehicle increased roughly by 3.3 percent in 2001. Larger increases of about 4.3 percent a year are expected for the following six years (Table 1). The consumer's love affair with the automobile (or perhaps more appropriately, with subsidized interest rates and rebates) continues. Auto manufacturers, in deep dread of a consumer pullback, are holding it off by extending incentives. Incentives are expected to diminish gradually and sales will follow. However, underlying demand for light vehicles is strong. Americans have money and, given the amount of time they spend in their cars, are willing to buy the new offerings.

Consumer sentiment rose in March as reports of recovery multiplied. Spending kept up with sentiment, but not with disposable income. Last year's tax cuts have permitted some consumers to spend more and others to save more. Although rising gasoline prices are likely to nibble away at consumer confidence, an improving employment outlook will help to boost it. Consumer confidence will stagnate in FY 2003 then grow by about 4.8 percent in FY 2004.

The fuel efficiency of vehicles is expected to start growing in the coming two years. Growth in the fleet fuel economy is more optimistic in this forecast because of higher fuel prices. If gasoline prices start increasing rapidly, the niche for the more fuel-efficient vehicles will gain more strength.

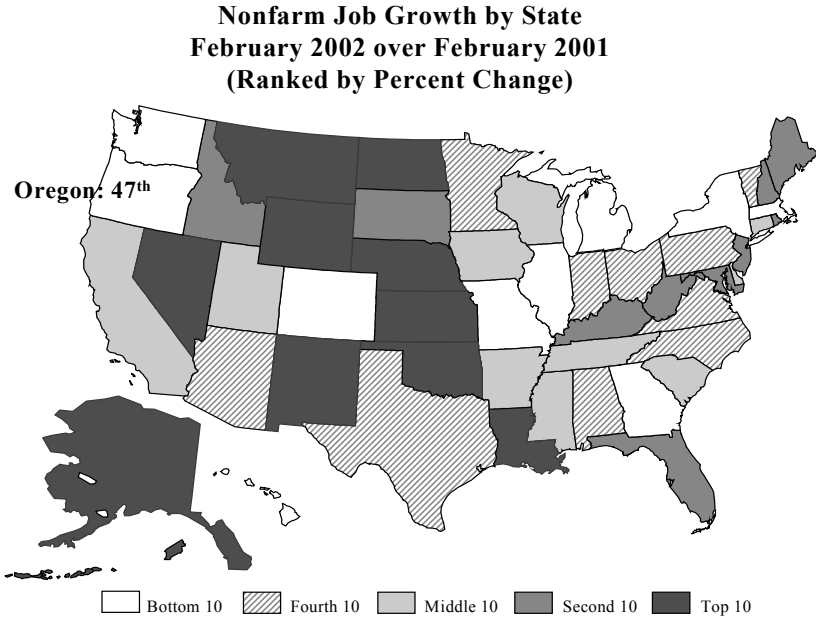
Table 1

National Economic Variables

State Fiscal Years % Change	2001	2002	2003	2004	2005	2006	2007
Gross Domestic Product (GDP)	5.5%	4.2%	5.4%	5.8%	5.8%	5.9%	5.6%
Real GDP	3.0%	1.9%	3.5%	4.2%	4.1%	3.8%	3.2%
Consumer Confidence	-8.0%	-8.1%	0.0%	4.8%	3.5%	0.4%	-2.4%
Average Price of a Light vehicle	3.3%	4.5%	4.2%	4.4%	4.4%	4.3%	4.3%
Fuel Efficiency of Light Vehicles	-0.3%	0.2%	0.4%	0.5%	0.6%	0.7%	0.8%
Personal Consumption Index (chain weighted)	2.4%	2.3%	1.8%	1.6%	1.7%	2.0%	2.3%
Price Of Gasoline Index (chain weighted)	11.0%	-2.3%	-1.6%	0.0%	0.1%	1.1%	1.8%
Employment Growth	1.3%	0.3%	0.6%	1.4%	1.7%	1.6%	1.2%
US Personal Income	5.6%	4.5%	5.2%	5.5%	5.5%	5.7%	5.5%
Real Personal Income	3.2%	2.2%	3.4%	3.8%	3.7%	3.6%	3.1%

OREGON ECONOMIC VARIABLES:

Figure 5



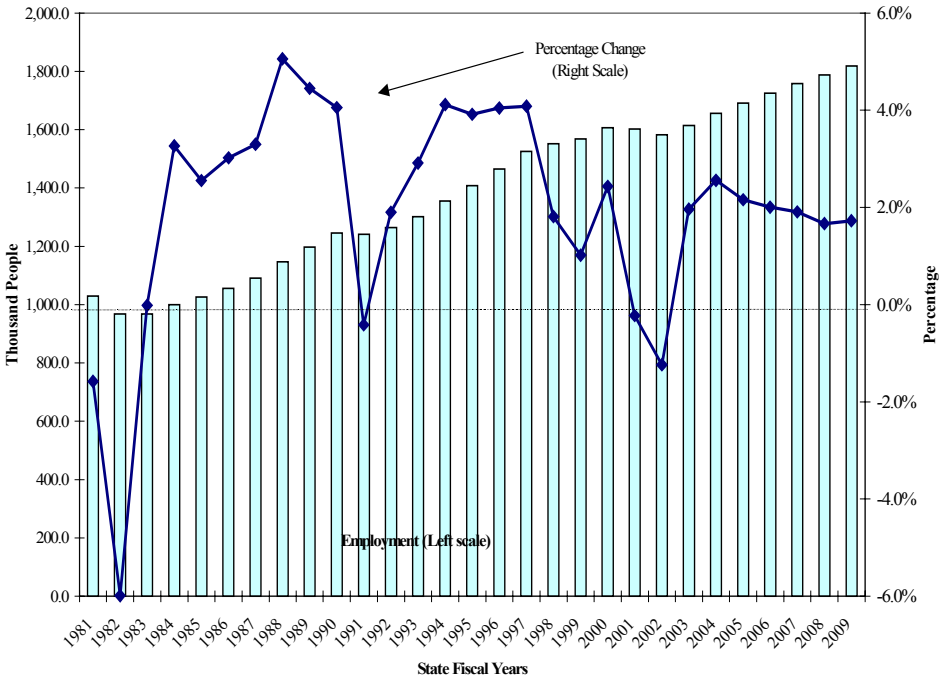
Source: Blue Chip Job Growth Update, Bank One Economic Outlook Center, Arizona State University, November 2001

Oregon seems to be in a deeper recession than the rest of the national economy. Evidence suggests that Oregon went into a recession first, and went into it deeper, and might pull out later than the rest of the nation. Oregon's job growth ranked among the bottom 3 states for a number of months. Figure 5 shows employment growth ranking as of February 2001. The first quarter initial estimate of job growth was a weak 0.4 percent at an annual rate. This is the first positive job growth since the fourth quarter of 2000, which recorded job growth of 1.2 percent. However, first quarter jobs have declined by 1.8 percent when compared to the first quarter of 2001.

The Oregon economy is in recession, and this first quarter seasonally adjusted gain in employment may signal that a recovery is coming. The general outlook is for the recession to bottom out in the second quarter of this year with improved, yet slow, growth in the second half of 2002 and into 2003. The economy is not expected to reach above 2.0 percent job growth until the end of 2002. OEA forecasts employment to fall 0.6 percent in 2002, and then turn positive with growth rates of 2.0 percent in 2003, and 2.5 percent in 2004 (Figure 6), and is expected to hover above the 2 percent mark for the forecast horizon. When people are employed, they drive to their jobs even if the price of gasoline is high. When employed, they also buy vehicles to commute, or to replace their older vehicles. Thus, it is not surprising that all transportation variables decline when employment is in decline. Conversely, higher employment significantly strengthens most transportation variables and increases revenue from all sources. This forecast expects Oregon employment growth is not much changed from the previous two forecasts. Thus, for the coming six years transportation variables are expected to exhibit a proportional no-change, relative to the previous forecasts.

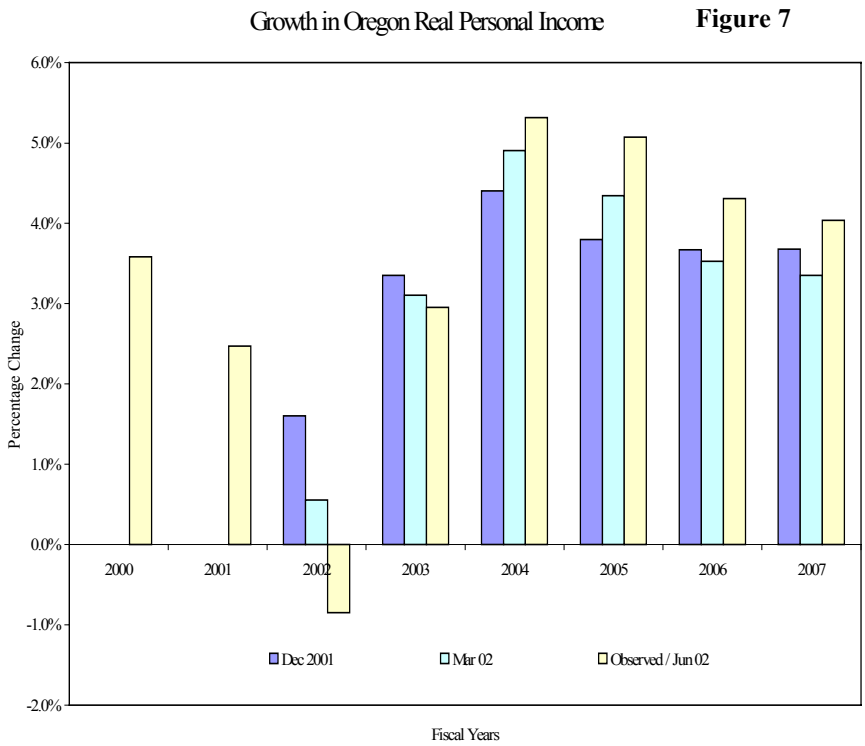
Oregon Non Farm Payroll Employment

Figure 6



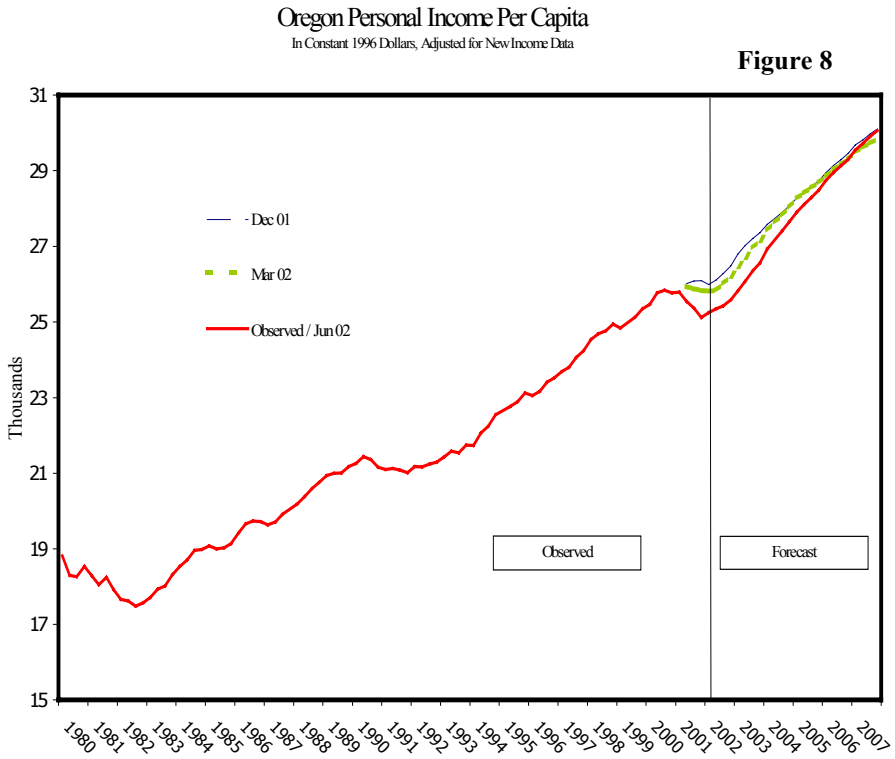
Personal income has been decreased in 2002 and the outer years. This is mainly due to a large downward revision by the Bureau of Economic Analysis. Personal income revisions reflect the national forecast for these years along with OEA's

forecast for employment sectors. The small upward revisions to employment reflect changes to the national forecast and the slightly higher first quarter performance. Table 2 provides a summary of the growth patterns. Figure 7 shows Real Personal Income growing by an average of 3.5 percent through the year 2007.

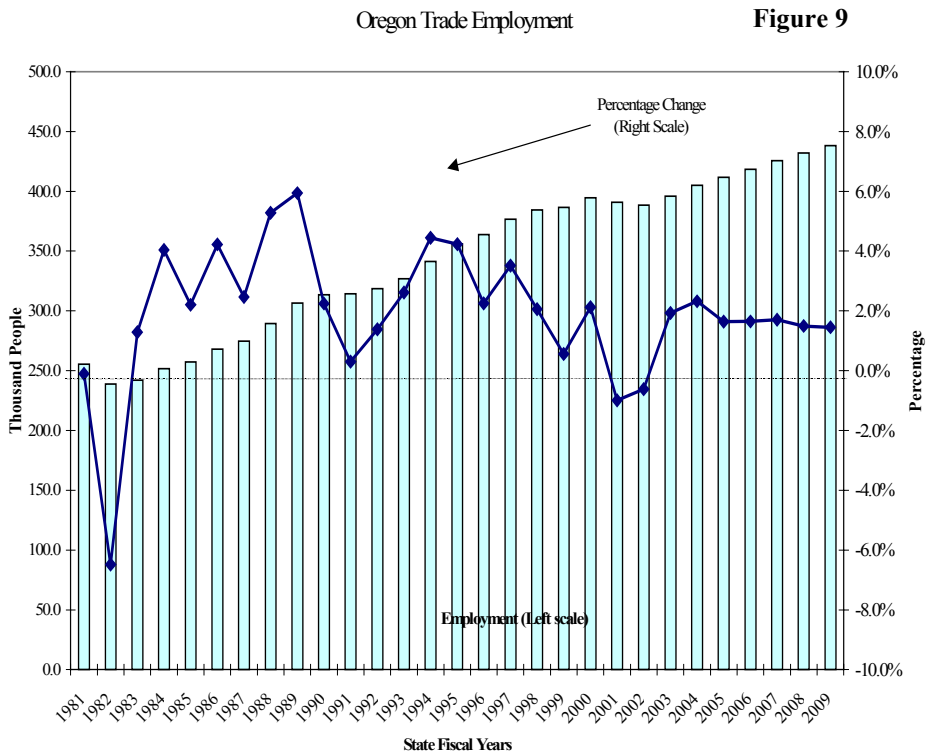


Oregon Real Per Capita Income (Figure 8), which stands at less than $26,000 a year, is expected to stay below the U.S. average in 2002. With faster growth forecasted for the Oregon economy after the 2003 fiscal year, Per Capita Income should gain more ground in approaching the U.S. average through 2009. However, it seems that the U.S. will be ahead of Oregon Per Capita real income for the forecast horizon. The devastating 1980-82 recession in Oregon stunted the growth of incomes and wages until 1986. As the Oregon economy became more diversified industrially, Per Capita Income and wages grew faster than the nation as a whole. However, the recent ten-year period of prosperity has not pushed Per Capita Income and average wages high enough to reach the national average, nor have they reached their previous peaks of 1978.

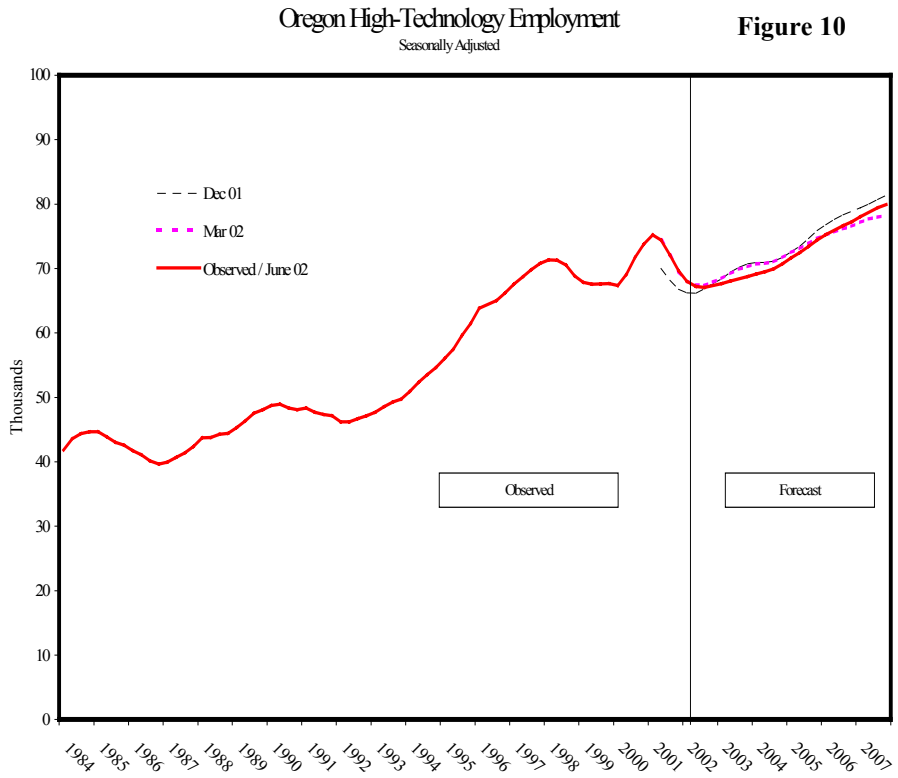
Trade sector employment will be weak in 2002 with a decline of 0.3 percent. Battered by a weakening economy, declining stock market, and the events of September 11 consumers slowed their spending in 2001. Consumer confidence has been rising and now stands above the level of just before September 11. Discounters continued to perform relatively well through this period at the expense of specialty stores and traditional merchandise outlets. This sector will improve in 2003 with growth of 2.0 percent and 2.2 percent in 2004 as the economy strengthens (Figure 9). Oregon trade employment, which has a large impact on trucking activities and on the goods moving industry, is revised downward from the previous forecast by a fiscal year average of 1.0 percent.



Oregon's timber harvest levels registered a 4.4 percent jump in fiscal year 2000, but gave away most of that growth in fiscal year 2001. Although this forecast holds the timber harvest flat for the whole forecast horizon, it is at a higher level than the previous one. The timber harvest is now expected to be around 3.7 billion board feet per year. As a result of moving logs from the field to markets, employment in the wood-products industry and the timber harvest has an affect on trucking, although this affect is diminishing.

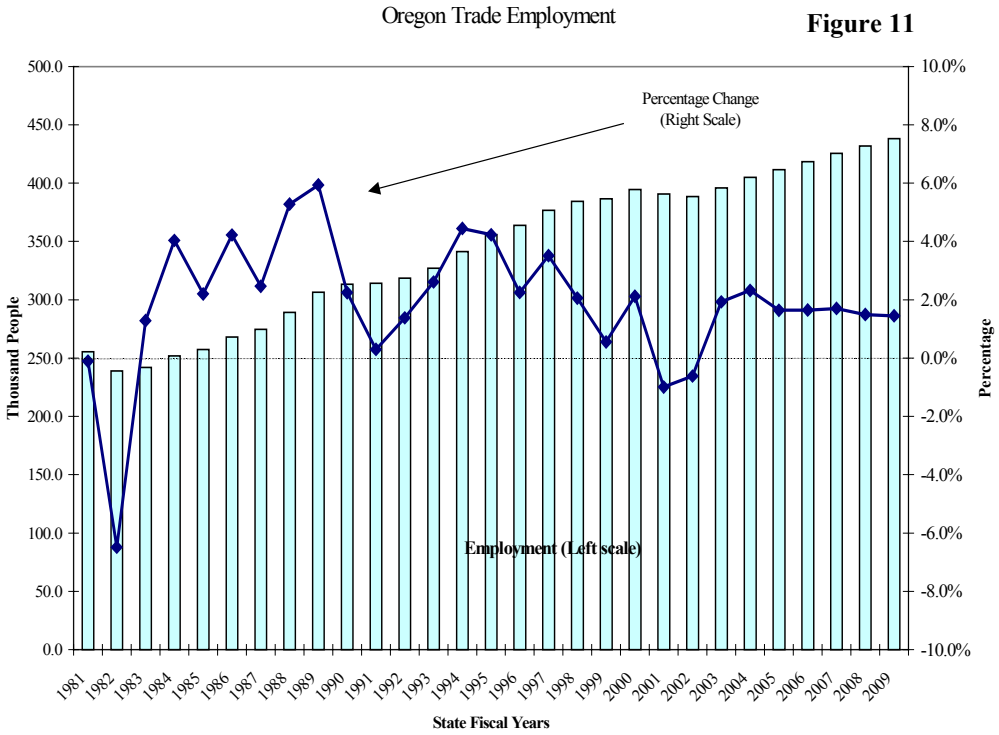


The high technology sector in Oregon (Figure 10) is still in the worst downturn in over 20 years. The personal computer market was reported as "sluggish" and communications remains weak. The semiconductor industry, however, is seeing some light at the end of the tunnel. Monthly chip sales were up 7.2 percent in March of 2002, the strongest monthly increase since April of 1986. Prices have been on the rise in the last few months. Orders for semiconductor equipment rose 14.0 percent in March for the fourth consecutive rise. The question mark in the recovery for this sector lies with capital expenditure plans by businesses for information technology. While the outlook for semiconductor industry is looking up, the rest of high technology is questionable. Communications is also expected to be weak through the remainder of the year. All in all, high technology should once again be a growth industry as we enter 2003. Coming out of 2003, high-tech employment will surge back to being at the forefront of growth in Oregon. Nonetheless, this forecast is about 1 percent lower for the horizon than the previous one. The high technology sector is wielding an increasing influence on the state's economy and on transportation variables, including trucking and the goods-moving industry in Oregon.



The estimate of population in Oregon has been virtually unchanged in this forecast. The revisions are all within the distributions of ages and births, which make significant changes on the transportation variables and DMV services. Oregon population is expected to increase by 1.1 percent in fiscal year 2003 and about 1.2 percent thereafter. For the years 2000 through 2009, net in-migration is expected to average about 20,600 annually.

Risks to the forecast:



- The main risk to the forecast comes from a probability of a prolonged recession particularly if the high technology sector does not come out of its slump in a timely manner.
- The risks associated with the war on terrorism and the disruption of oil supplies, travel, and consumer confidence. Oregon will not receive many direct funds from an increase in defense spending. The drop in business activity could be deeper and the stimulus to recovery could be stronger than forecast.
- Energy and its prices are a major risk to watch for.
- Another risk will be the impact of a shaken public confidence in light of the Enron scandal. If more companies come to the same fate and more segments the financial industry losses its credibility, it will put in jeopardy the recovery and the health of the economy. In addition a further sharp correction in the stock market will further stress this young recovery.

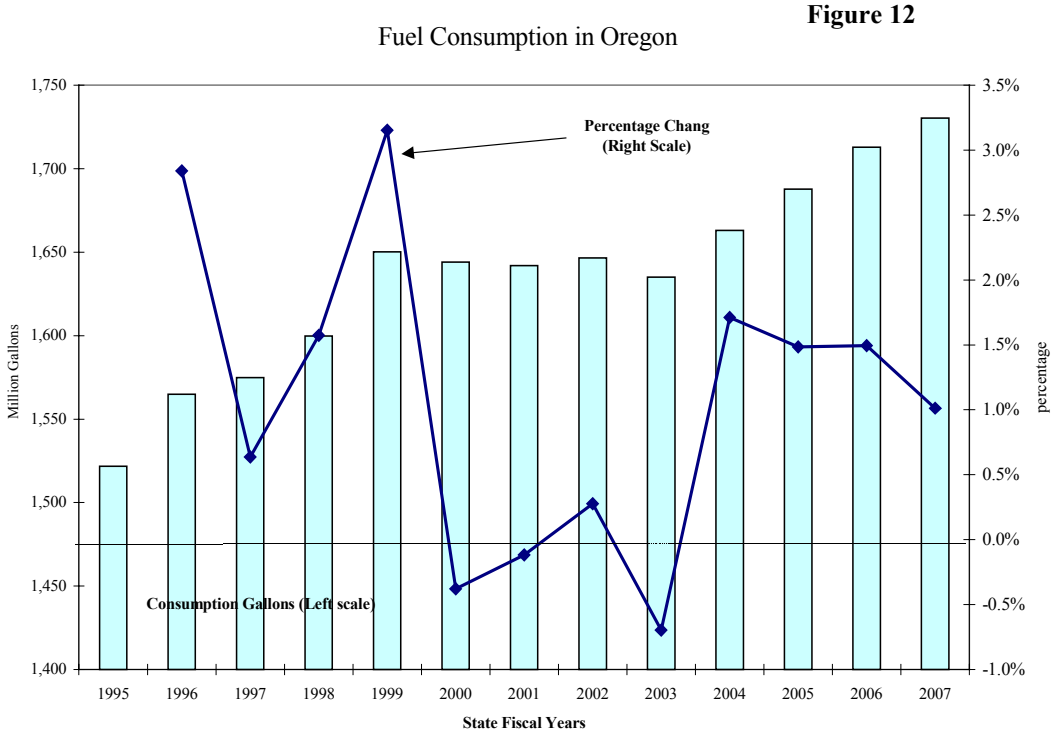
Table 2

Oregon Economic Variables

State Fiscal Years % Change	2001	2002	2003	2004	2005	2006	2007
Timber Harvest	-3.4%	-3.5%	2.8%	1.4%	0.0%	0.0%	0.0%
Non-Ag Employment	1.1%	-1.7%	1.0%	2.5%	2.3%	2.0%	1.9%
High Technology Employment	8.6%	-6.2%	-2.4%	2.1%	3.3%	5.0%	3.9%
Wood products Employment	-5.6%	-2.8%	0.6%	0.3%	0.4%	0.7%	0.4%
Transportation Employment	-1.0%	-3.3%	2.5%	3.3%	3.4%	2.6%	2.1%
Trade Employment	0.7%	-1.5%	1.1%	2.2%	2.0%	1.6%	1.6%
Population	1.3%	1.0%	1.1%	1.3%	1.2%	1.2%	1.2%
Portland-Metro Price Index	2.8%	2.5%	3.0%	3.3%	3.2%	3.2%	3.2%
Housing Starts	-0.9%	2.2%	3.3%	4.7%	1.6%	-0.2%	2.2%
OR Personal Income	4.9%	1.4%	4.8%	7.0%	6.9%	6.4%	6.4%

Transportation Variables:

Figure 12



Motor vehicle fuel consumption has been slightly negative for both the 2000 and 2001 fiscal years. The national recession and the economic weakness in Oregon were expected to pressure Fuel consumption in fiscal year 2002 downward. However, it seems that the price of fuel has not escalated enough to cause that. In addition, it seems that some people continue to choose to drive rather than fly since September 11. This pushed the new forecast slightly higher (by 0.4 percent) than the previous forecast, and resulted in a net growth, albeit small, for the fiscal year 2002. The employment and Personal Income weakness will negate the positive effects of lower prices in fiscal year 2003, and reduce growth in that year to about -0.7 percent. In the years following, fuel consumption will recover with the rest of the economy and return to growth of approximately 1.5 percent per year (Figure 12). This forecast, aggregated over the forecast horizon, is virtually unchanged from the previous forecast. The risks of higher oil prices are ever present with the intensifying strife in the Middle East and the possibility of disruptions in the supplies. If oil prices escalate significantly above $30 per barrel, gasoline consumption as well as the rest of the economy can be impacted severely.

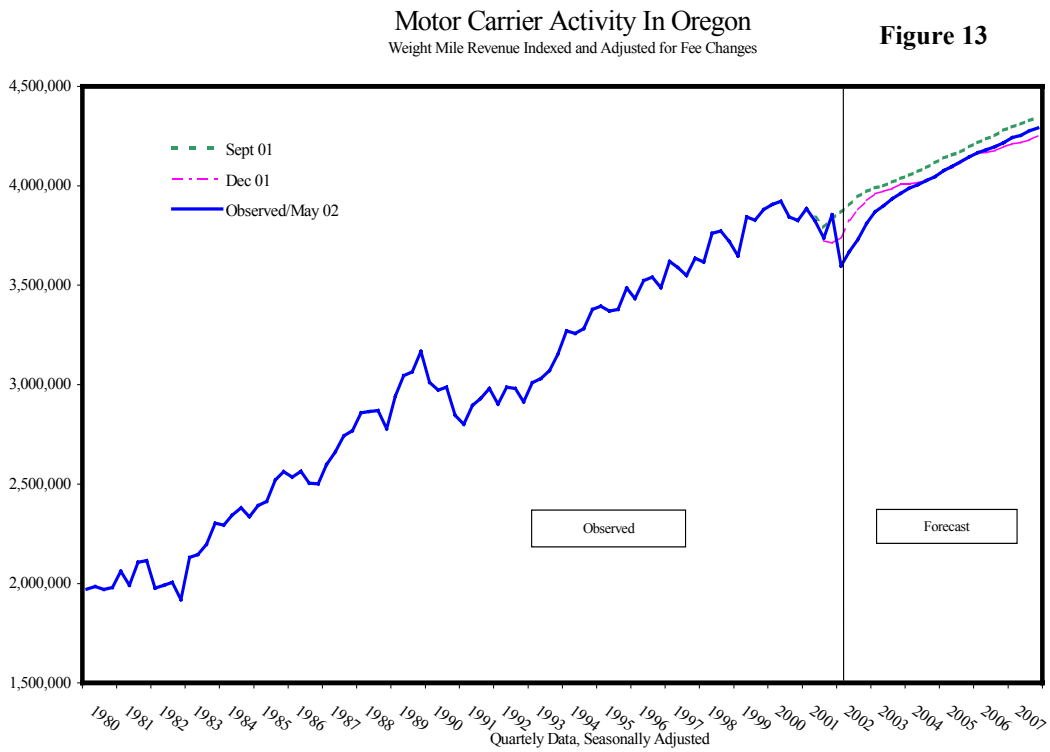
Fuel efficiency of the light-vehicle fleet, which stands slightly less than 20 miles per gallon, is expected to experience some growth. In fact, MPG for the fleet has experienced small losses in fiscal year 2001. By the fiscal year 2007, the fleet average will start approaching 21 MPG. This reflects the projected market penetration of the hybrid and new technology vehicles.

Oregon consumes about 1.64 billion gallons of gasoline and use-fuel a year. This amount does not include diesel fuel for heavy trucks. Heavy trucks pay the weight mile tax and their consumption of fuel is not tracked by Oregon's tax system.

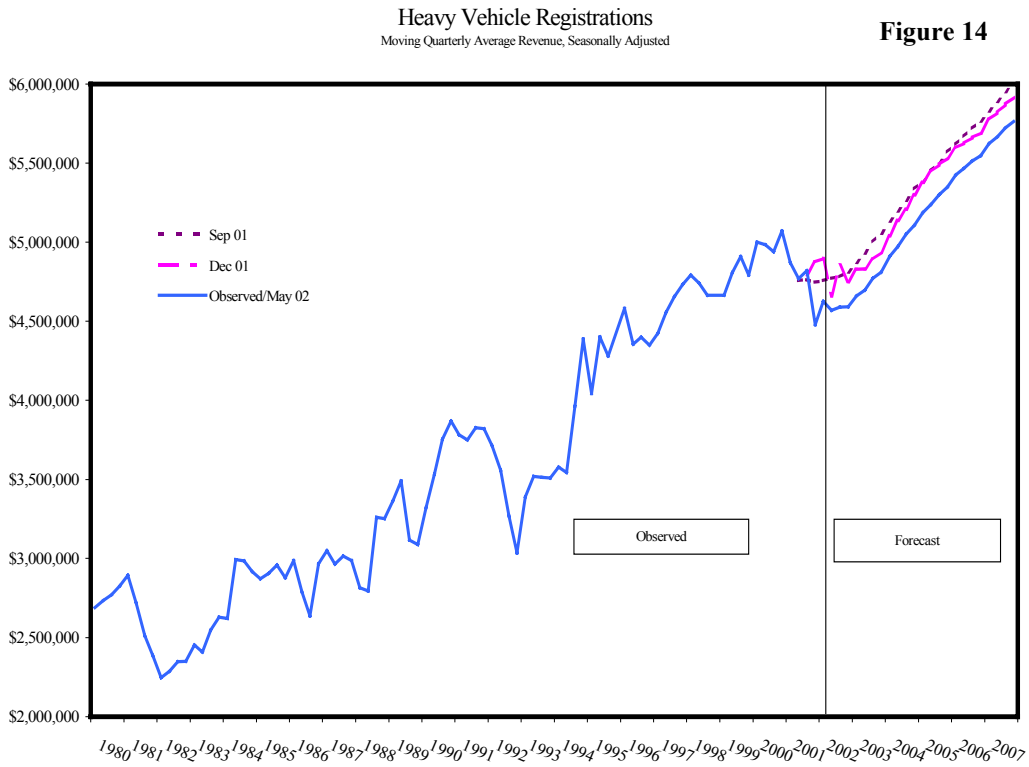
Table 3

Key Transportation Variables

Percent Change							
State Fiscal Years	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
Motor Vehicle Fuel	0.2%	0.2%	-0.7%	1.7%	1.5%	1.5%	1.0%
New Titles	-14.2%	-10.8%	-1.8%	1.4%	-1.9%	-1.4%	-2.1%
Original CL C Licenses	-0.2%	-7.9%	2.5%	3.7%	3.1%	2.3%	2.2%
Pass. Registration	-0.5%	2.9%	-0.2%	-2.5%	-2.2%	-2.1%	-1.1%
Trucking Activity/Weight Mile	-1.0%	-3.4%	3.0%	3.8%	2.2%	2.3%	1.8%
Heavy Registration	-0.2%	-5.9%	0.2%	5.0%	5.7%	4.6%	3.8%



The economic slowdown in Oregon and the nation has impacted the trucking activity and the goods moving industry in a significant way. Many of the economic factors influencing motor carrier activities were in negative growth territory. The forecast for motor carrier activity is revised downward for each of the three years starting in the current fiscal year. Annual revision in the 2003 fiscal year is about –2.7 percent. The motor carrier activities associated with the weight-mile tax recorded a 1 percent decrease in fiscal year 2001. Truck activities are estimated to plummet by 3.4 percent for the current fiscal year. After the economy recovers from its slump, motor carrier activities will jump by about 3 percent in fiscal year 2003, and 3.8 percent in fiscal year 2004.



The same factors that influence trucking activities will also impact heavy vehicle registrations. Heavy vehicle registrations have declined slightly (-0.2 percent) in fiscal year 2001, and are expected to decline by about 6 percent in fiscal year 2002. In fiscal year 2003, heavy registration will start showing faint signs of growth at 0.2 percent. Once the recovery picks up more steam in 2004, registration will surge by about 5 percent, and maintain growth for the six year forecast horizon. Heavy registration growth has been revised significantly downward from the previous forecast by an annual average of about 3.3 percent. (Figure 14).

Driver & Motor Vehicle

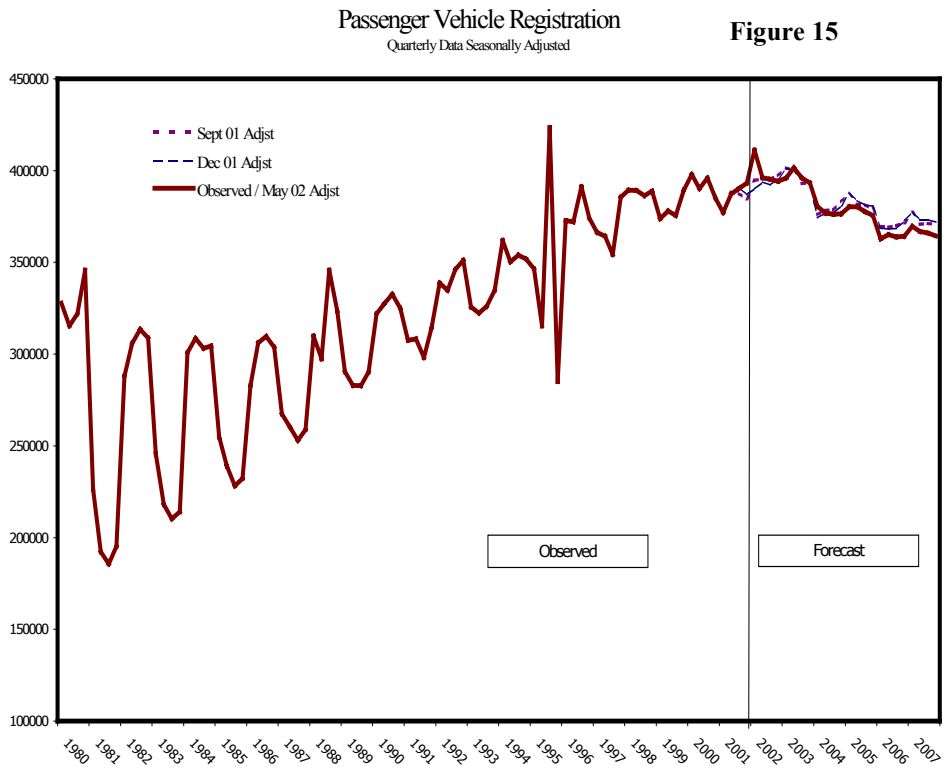


Figure 15

All driver and motor vehicle activities are impacted by legislative and administrative changes. Motor vehicle activities are normally influenced by changes in the economy. Changes in drivers are also dependent on changes in population, migration and demographics.

Growth in passenger vehicles in the May 2002 forecast is marginally different from the January 2002 and September 2001 outlook as seen in Figure 15 and Table 4A. More vehicles have been recently purchased than previously forecast, and as further seen in Figure 17 and Table 4B, this works to reduce future transactions. The law, which allows new vehicles to be registered for four years, is being implemented in two phases and will have the greatest affect on transactions in the 2003-2005 biennium and beyond. The large stock of vehicles currently being re-registered, interest rate or/and rebate incentives, and legislation changes helped mask the impact of the weak Oregon economy on vehicle registrations.

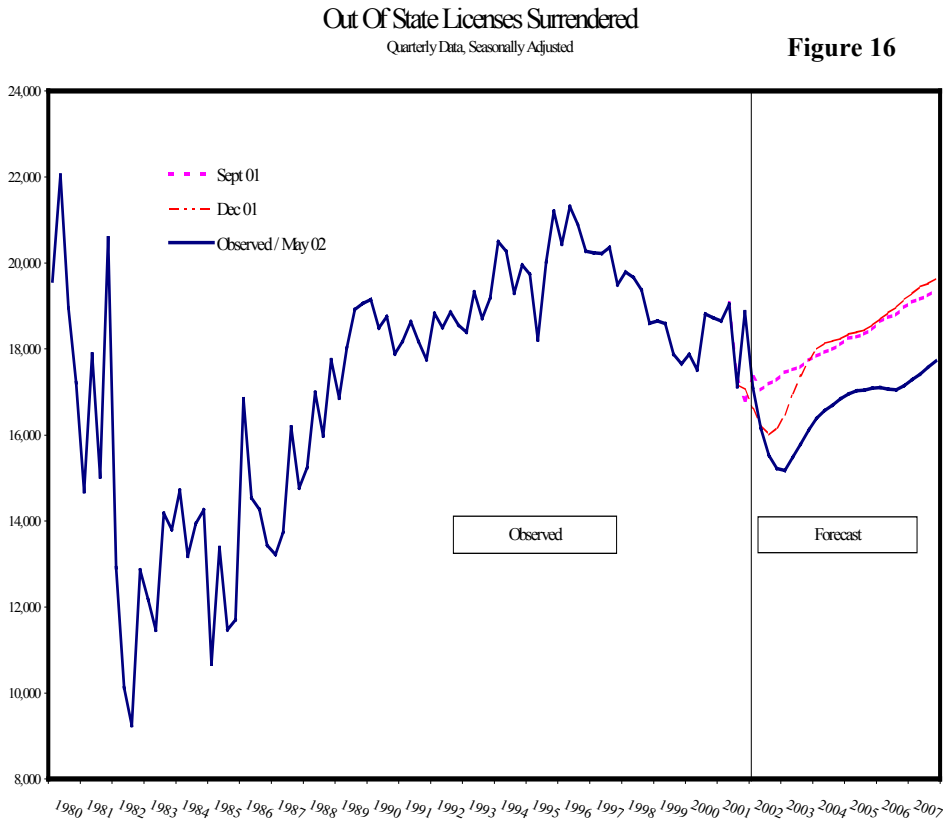


Figure 16

The change in the number of Out-of-State Drivers Licenses surrendered as shown in Figure 16 can be an indication of Oregon's relative economic performance compared to the U.S. The June 2002 forecast, like the January 2002 forecast, takes into account the effects of higher unemployment in Oregon, and the relative economic performance of the various states.
Oregon's relative economic performance is expected to begin improving and, on a seasonally adjusted basis, more drivers will be getting Oregon driver's licenses in 2003 than the current year. This further supports the view that the State's economy is bottoming out and should be turning around over the next six months or so.

Another important indicator of the health of the economy is the number of New Titles issued. The forecast for New Titles is impacted by revisions to Oregon's Personal Income, the price of cars, consumer confidence and interest rates. The net result of changes from these factors is illustrated in Figure 17. New titles decreased by 14 percent in 2001. And they are expected to finish this year down by 11 percent. The recent interest rate incentives and/or rebates have helped to shore up further reductions in current sales, in part at the expense of some future sales.

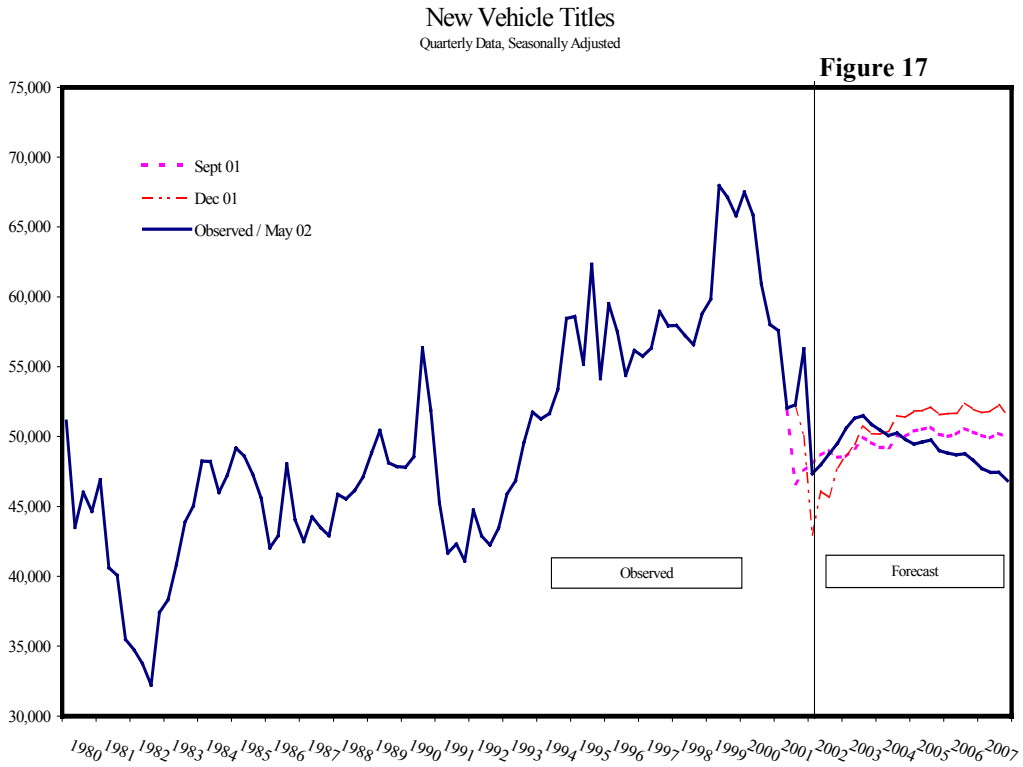


Figure 17

Instruction Permits issued to people learning to drive are impacted by demographics (primarily the 16 to 21 age group). The legislation that extended the duration of a class C permit from 18 to 24 months allowed people who apply for a second permit a bit more time. The large change in Instruction Permits, as shown in Figure 18, is largely the result of this new legislation extending permit duration.

The aggregate number of Original Driver's Licenses issued each quarter is shown in Figure 19. These are new customers arriving at the DMV who will acquire licenses valid for eight years. When the new law extending the renewal cycle of a drivers license from once every four years to once every eight years is fully implemented, future renewal transactions will be significantly reduced as a result of this change.

The conversion of all licenses to an eight-year cycle will be completed in October 2004, and until then the conversion process impacts the number of driver license renewals paying for 4 years or for 8 years.

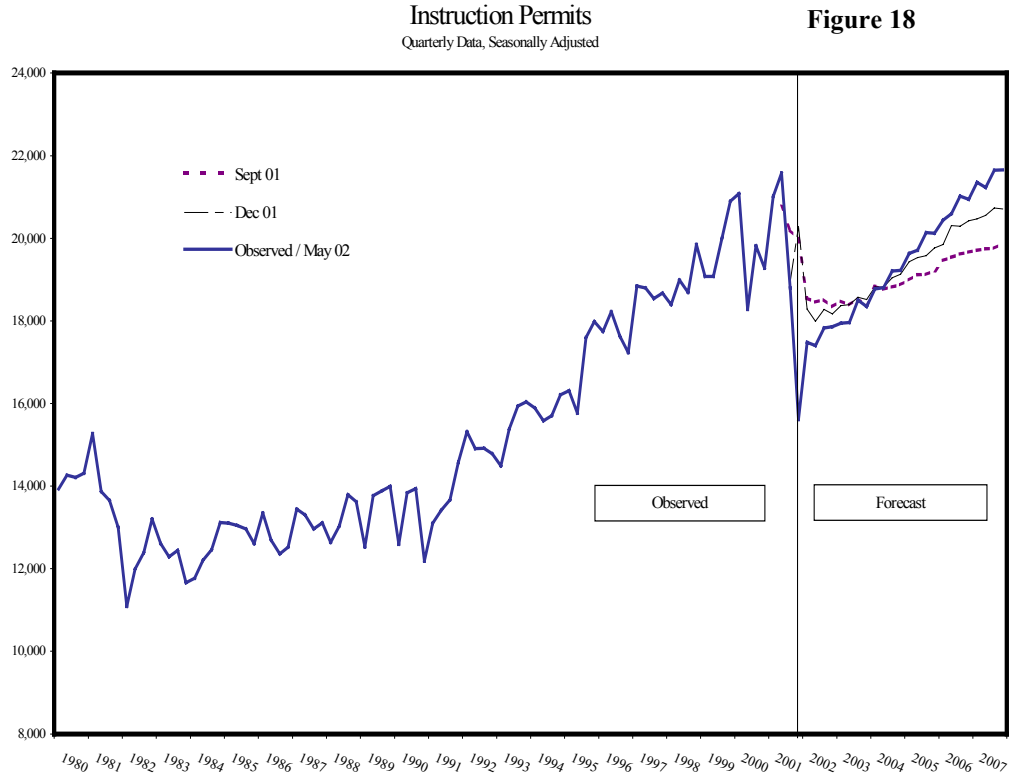


Figure 18

The number of Original Class C Driver Licenses is another potential indictor that the recession is bottoming out on a seasonally adjusted basis. The forecast shows that an improvement followed by steady growth is foreseen for this important series.

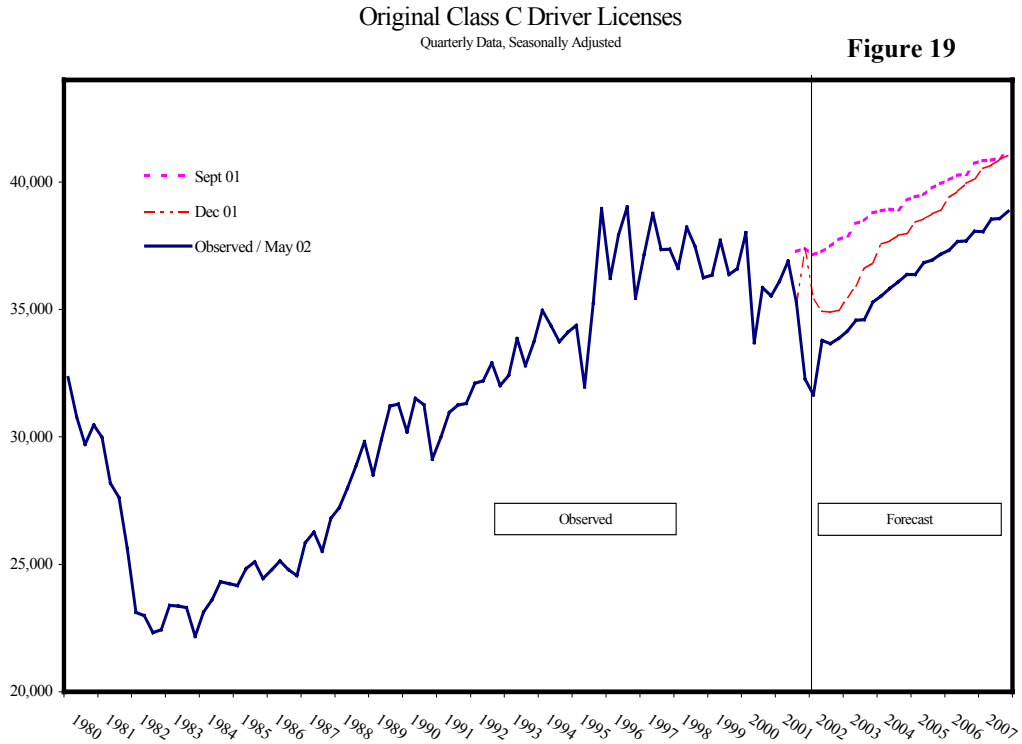


Table 4A.

2001-03 DRIVER & MOTOR VEHICLE TRANSACTION FORECAST

TRANSACTION DESCRIPTION	SEPTEMBER 2001 FORECAST	JANUARY 2002 FORECAST	JUNE 2002 FORECAST	DIFFERENCE FROM SEP 2001 FORECAST NUMBER	DIFFERENCE FROM SEP 2001 FORECAST PERCENT	DIFFERENCE FROM JAN 2002 FORECAST NUMBER	DIFFERENCE FROM JAN 2002 FORECAST PERCENT
ORIGINAL LICENSES	331,258	320,464	306,075	(25,183)	-7.6%	(14,389)	-4.5%
ORIGINAL I.D. CARDS	163,559	161,765	165,293	1,734	1.1%	3,528	2.2%
ORIGINAL PERMITS	156,717	154,459	147,285	(9,432)	-6.0%	(7,174)	-4.6%
RENEWALS AND DUPLICATES	1,457,703	1,447,906	1,446,400	(11,303)	-0.8%	(1,506)	-0.1%
LICENSE REINSTATEMENTS	166,335	164,422	157,989	(8,346)	-5.0%	(6,433)	-3.9%
VEHICLE TITLES	2,346,001	2,365,756	2,380,011	34,010	1.4%	14,255	0.6%
VIN INSPECTIONS	397,864	392,789	399,290	1,426	0.4%	6,501	1.7%
VEHICLE REGISTRATIONS (EXCL TRUCKS)	3,674,170	3,667,089	3,694,838	20,668	0.6%	27,749	0.8%

Table 4B.

2003-05 DRIVER & MOTOR VEHICLE TRANSACTION FORECAST

TRANSACTION DESCRIPTION	SEPTEMBER 2001 FORECAST	JANUARY 2002 FORECAST	JUNE 2002 FORECAST	DIFFERENCE FROM SEP 2001 FORECAST NUMBER	DIFFERENCE FROM SEP 2001 FORECAST PERCENT	DIFFERENCE FROM JAN 2002 FORECAST NUMBER	DIFFERENCE FROM JAN 2002 FORECAST PERCENT
ORIGINAL LICENSES	348,954	338,221	322,926	(26,028)	-7.5%	(15,295)	-4.5%
ORIGINAL I.D. CARDS	175,883	180,966	187,823	11,940	6.8%	6,857	3.8%
ORIGINAL PERMITS	156,006	157,543	157,801	1,795	1.2%	258	0.2%
RENEWALS AND DUPLICATES	1,323,598	1,318,216	1,299,472	(24,125)	-1.8%	(18,743)	-1.4%
LICENSE REINSTATEMENTS	174,129	171,516	165,606	(8,523)	-4.9%	(5,910)	-3.4%
VEHICLE TITLES	2,393,368	2,423,274	2,399,935	6,567	0.3%	(23,339)	-1.0%
VIN INSPECTIONS	407,806	403,412	398,135	(9,671)	-2.4%	(5,277)	-1.3%
VEHICLE REGISTRATIONS (EXCL TRUCKS)	3,590,791	3,591,573	3,579,504	(11,287)	-0.3%	(12,069)	-0.3%

Table 5A.

FISCAL YEAR DRIVER & MOTOR VEHICLE TRANSACTION ACTUALS & FORECAST

TRANSACTION DESCRIPTION	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
ORIGINAL LICENSES	163,768	163,069	151,907	154,168	159,142	163,784	167,363	170,802
ORIGINAL I.D. CARDS	93,541	86,135	82,286	83,007	91,007	96,816	100,440	104,337
ORIGINAL PERMITS	83,058	85,073	72,959	74,326	77,211	80,590	84,138	87,423
RENEWALS AND DUPLICATES	700,806	725,332	734,510	711,890	723,735	575,737	540,234	521,293
LICENSE REINSTATEMENTS	80,159	80,925	77,753	80,236	81,947	83,659	85,369	87,080
VEHICLE & STRUCTURE TITLES*	1,276,516	1,188,278	1,175,190	1,204,821	1,203,946	1,195,989	1,191,937	1,189,051
VIN INSPECTIONS	198,930	197,912	204,245	195,045	197,945	200,190	202,569	204,643
VEHICLE REGISTRATIONS	1,826,993	1,809,103	1,849,483	1,845,355	1,809,593	1,769,911	1,737,388	1,720,337

*Revised to show vehicle, ATV, snowmobile, manufactured structure and salvage titles.

Table 5B.

FISCAL YEAR DRIVER & MOTOR VEHICLE TRANSACTION GROWTH

TRANSACTION DESCRIPTION	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
ORIGINAL LICENSES	-1.5%	-0.4%	-6.8%	1.5%	3.2%	2.9%	2.2%	2.1%
ORIGINAL I.D. CARDS	2.1%	-7.9%	-4.5%	0.9%	9.6%	6.4%	3.7%	3.9%
ORIGINAL PERMITS	5.0%	2.4%	-14.2%	1.9%	3.9%	4.4%	4.4%	3.9%
RENEWALS AND DUPLICATES	1.5%	3.5%	1.3%	-3.1%	1.7%	-20.4%	-6.2%	-3.5%
LICENSE REINSTATEMENTS	9.2%	1.0%	-3.9%	3.2%	2.1%	2.1%	2.0%	2.0%
VEHICLE & STRUCTURE TITLES*	3.0%	-6.9%	-1.1%	2.5%	-0.1%	-0.7%	-0.3%	-0.2%
VIN INSPECTIONS	-2.1%	-0.5%	3.2%	-4.5%	1.5%	1.1%	1.2%	1.0%
VEHICLE REGISTRATIONS	2.1%	-1.0%	2.2%	-0.2%	-1.9%	-2.2%	-1.8%	-1.0%

*Revised to show vehicle, ATV, snowmobile, manufactured structure and salvage titles.

Table 6

Percent Change from previous forecast						
State Fiscal Years	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
Motor Vehicle Fuel	0.4%	-0.3%	-0.1%	0.0%	0.0%	0.0%
New Titles	6.6%	4.5%	0.7%	-3.6%	-5.2%	-7.5%
Original CL C Licenses	-7.0%	-3.5%	-5.0%	-4.7%	-4.9%	-5.5%
Pass. Registration	1.9%	-0.2%	0.4%	-1.1%	-1.2%	-1.8%
Trucking Activity/Weight Mile	-0.9%	-2.7%	-0.8%	0.0%	0.1%	0.6%
Heavy Registration	-3.8%	-3.8%	-2.7%	-3.5%	-3.2%	-2.6%

HIGHWAY FUND REVENUE FORECAST:

Highway Fund collections (at the gross level) are lower than the previous forecast by less than 0.5 percent. The reductions in some categories are offset by increases in others. The 2001-2003 is only $2.5 million below January estimates. While the greatest change in the forecast is the $5 million reduction in the 2003-2005 biennium. 2005-2007 is a only $2 million below the previous forecast.

Net revenue to the Highway Fund which deducts transfers, dedications and collection costs is forecast to be below the January estimate by about 3.4 percent ($41.3 million) for the 2001-2003 biennium. In the 2003-2005 biennium, net revenue is 2.4 percent ($29.3 million) below the January forecast. However, the downward revision for the 2005-2007 biennium is only 0.5 percent ($6.1 million). The larger downward adjustment in net revenue is more related to the increased dedication of revenue to the Oregon Transportation Investment Act (OTIA) bonding program rather than with the current economic downturn.

The Highway Fund revenues consist of three main sources: vehicle and driver fees, weight mile taxes, and fuel taxes. Fuel taxes at about $400 million a year constitute the largest source of revenue. They are levied on basic (passenger) vehicles, as well as small to medium trucks that are not subject to the weight mile tax. The weight mile tax is levied on heavy trucks on a per mile basis. The taxes are graduated in proportion to the weight of the truck. Weight mile taxes are the second largest source of revenue at about $200 million a year. Licensing, vehicle registrations and titles make up the third source of revenue. This category includes the title and vehicle registration fees for both heavy and light vehicles.

Three different ODOT Divisions collect revenue. The collections of the Division of Motor Vehicles (DMV) are shown in table 7. Most of the change in gross revenue is a result of amended assumptions for the percentage of light and heavy titles. This split has an impact since the fee for a heavy vehicle is three times the amount for light vehicle. The DMV transactions belonging to the Transportation Operating Fund (TOF) have been completely isolated from the Highway Fund activities.

HIGHWAY FUND REVENUE COLLECTED BY DMV **Table 7**

In Millions of Dollars	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
DMV COLLECTIONS						
VEHICLE REGISTRATIONS	$60.1	$61.4	$61.8	$61.9	$61.1	$60.8
DRIVER LICENSES	$27.1	$27.2	$27.8	$28.3	$29.0	$28.7
TITLE, PLATE & OTHER	$42.2	$50.0	$50.2	$50.3	$50.5	$50.6
TOTAL REG./LIC/OTHER	$129.4	$138.6	$139.8	$140.5	$140.7	$140.1
Change from Previous Forecast	*$0.3*	*($1.0)*	*($1.4)*	*($2.5)*	*($1.9)*	*($2.8)*
COLL./ADMIN & PROGRAM COST	($56.1)	($57.2)	($57.5)	($58.7)	($59.8)	($62.2)
TRAFFIC SAFETY TRANSFER	($0.1)	($0.1)	($0.1)	($0.1)	($0.1)	($0.1)
DEPT OF EDUCATION TRANSFER	($0.1)	$0.0	($0.1)	$0.0	($0.1)	$0.0
FROM TOF COST RECOVERY	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
ODOT CS ASSESSMENT	($15.4)	($15.7)	($15.2)	($15.5)	($15.8)	($16.4)
TRANSFER TO OTIA	($5.7)	($8.6)	($7.7)	($7.7)	($7.7)	($7.6)
NET REVENUE TO HWY FUND	**$52.0**	**$56.9**	**$59.2**	**$58.5**	**$57.2**	**$53.7**
Change from Previous Forecast Net	*$0.0*	*($1.3)*	*($0.0)*	*($0.6)*	*($0.4)*	*($1.3)*

The Oregon Transportation Investment Act (HB2142) increased title fees to $30 and $90 on light vehicles and heavy vehicles respectively. The new law also increased the fee for salvage titles to $17, and imposed a fee on the transfer, duplicate, and other changes to title transactions. This fee change will increase revenue by $25 million a year. This revenue amount represents the total generated by increasing the fee, not the difference between the new fee and the $17 necessary for DMV to recover its costs.

HB-2139, which originally was designed to recover DMV costs of doing business, will generate approximately $8 million a year. This cost recovery is exclusive of recovering title issuance costs considered in HB-2142. The other major bill (HB-2132) which requires new vehicle to be registered for four years, generates more money in the first five years (about $2.1 million a year) before it reverts back to previous levels. The impacts of those three bills are shown in table 7-B.

NEW REVENUE FROM NEW LEGISLATION **Table 7-B**

Net Revenue Impact	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
Net Revenue Impact with HB 2142	$18.2	$26.0	$25.8	$25.5	$25.4	$25.1
Net Revenue Impact with HB 2139	$6.6	$6.2	$6.5	$6.9	$7.9	$7.7
Net Revenue Impact with HB 2132	$2.2	$2.8	$2.8	$1.6	$0.3	($1.3)
Combined Net Revenue Impact	**$27.1**	**$35.0**	**$35.2**	**$34.0**	**$33.5**	**$31.6**

The Motor Carrier Transportation Division (MCTD) collects the weight mile taxes and heavy truck registrations. The collections of the MCTD are shown in Table 8. The weakness in the weight mile induced by to the economic slowdown is starting to moderate. Only fiscal year 2003 shows a major reduction ($5 million) from the previous forecast, however, the weight mile simplification (quarterly reporting) are expected to cause most of revenue losses. The deferment of payments as a result of the quarterly reporting is now estimated to reach $48 million for the forecast horizon. Most of this loss/deferment will occur in the fiscal years 2003 and 2004. Weight mile receipts are virtually unchanged from the previous forecast (-0.6 percent) in total for the six-year period.

HIGHWAY FUND REVENUE COLLECTED BY MCTD **Table 8**

In Millions of Dollars	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
MCTD Collections						
WEIGHT MILE TAX	$188.9	$171.6	$182.9	$203.1	$210.0	$213.9
IRP TRUCK REGISTRATIONS,	$8.7	$8.3	$8.7	$9.2	$9.6	$10.0
COMM. VEH. REGISTRATIONS,	$4.6	$4.3	$4.5	$4.8	$5.0	$5.2
TRIP PERMIT REVENUE (MCTD)	$0.6	$0.6	$0.6	$0.7	$0.7	$0.7
TOTAL MCTD COLLECTION	**$202.9**	**$184.8**	**$196.7**	**$217.7**	**$225.4**	**$229.9**
Change from Previous Forecast	*($0.40)*	*($4.64)*	*($1.47)*	*$0.31*	*$0.61*	*$1.6*
COLL./ADMIN & PROGRAM COST	($21.5)	($21.9)	($23.0)	($23.4)	($23.9)	($24.8)
FROM IFTA COST RECOVERY	$1.0	$1.1	$1.0	$1.1	$1.1	$1.1
ODOT CS ASSESSMENT	($5.2)	($5.3)	($5.6)	($5.8)	($5.9)	($6.1)
TRANSFER TO OTIA	($7.3)	($9.8)	($6.8)	($6.2)	($6.3)	($6.3)
NET REVENUE TO HWY FUND	**$170.0**	**$148.9**	**$162.3**	**$183.5**	**$190.5**	**$193.8**
Change from Previous Forecast Net	*($0.34)*	*($4.39)*	*($2.39)*	*($0.56)*	*($0.33)*	*$0.6*
ROAD USE ASSESSMENT FEES	**$0.85**	**$0.78**	**$0.78**	**$0.78**	**$0.78**	**$0.78**
TRANSFER TO OTIA	**($0.04)**	**($0.05)**	**($0.04)**	**($0.05)**	**($0.04)**	**($0.04)**
NET REVENUE TO HWY FUND	**$0.81**	**$0.73**	**$0.73**	**$0.73**	**$0.74**	**$0.74**

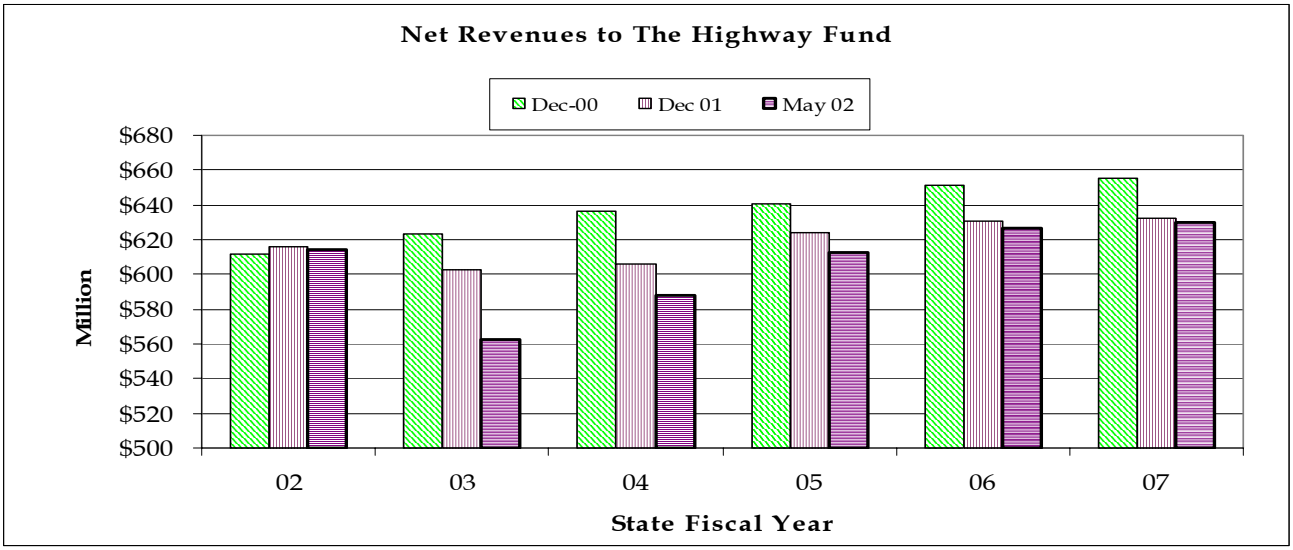
The Central Service Division collects fuel tax revenues. Fuel taxes are shown in table 9. Economic variables are increasing fuel tax receipts in fiscal year 2002. This increase is luckily offsetting decreases in other revenue categories. In the following years, fuel consumption is forecast at about the same levels as the previous forecast. At the net collection level, fuel taxes are slightly reduced due to increases in the off highway uses of gasoline.

HIGHWAY FUND REVENUE FROM FUELS TAX **Table 9**

In Millions of Dollars	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
FSB Collections						
MOTOR FUELS TAX	**$395.8**	**$391.4**	**$397.3**	**$403.0**	**$408.9**	**$412.7**
Change from Previous Forecast	*$3.6*	*($0.6)*	*($0.3)*	*$0.2*	*$0.2*	*$0.1*
COLL./ADMIN. COST	($0.9)	($0.9)	($0.9)	($0.9)	($1.0)	($1.0)
ODOT CS ASSESSMENT	($0.1)	($0.2)	($0.1)	($0.1)	($0.1)	($0.1)
SNOWMOBILE TRANSFER	($0.4)	($0.4)	($0.4)	($0.4)	($0.4)	($0.4)
CLASS I ATV TRANSFER	($0.6)	($0.6)	($0.6)	($0.7)	($0.7)	($0.7)
MARINE BOARD TRANSFER	($5.5)	($5.5)	($5.5)	($5.6)	($5.6)	($5.7)
CLASS II ATV TRANSFER	($0.8)	($0.8)	($0.8)	($0.8)	($0.8)	($0.8)
CLASS III ATV TRANSFER	($0.5)	($0.5)	($0.5)	($0.5)	($0.5)	($0.5)
TRANS OPR FUND (TOF)	($0.2)	($4.5)	($2.9)	($2.9)	($2.2)	($2.2)
AVIATION TRANSFER	($0.1)	($0.1)	($0.1)	($0.1)	($0.1)	($0.1)
TRANSFER TO OTIA	($16.1)	($23.6)	($21.2)	($21.5)	($21.6)	($21.7)
NET REVENUE TO HWY FUND	**$370.6**	**$354.4**	**$364.3**	**$369.5**	**$375.9**	**$379.4**
Change from Previous Forecast Net	*$3.7*	*($4.0)*	*($2.5)*	*($2.0)*	*($1.4)*	*($1.6)*

At an annual base of $400 million, fuel tax generates the largest amount of revenue to the Highway Fund. One penny of gas tax generates about $15.4 million per year in fuel taxes revenue through this forecast horizon. The same penny of tax with its weight mile equivalent will produce about $21.7 million per year on average. This amount, after being split between State and local governments, provides $13.0 million to the State Highway Division, $5.3 million to Counties, and $3.4 million to Cities.

Figure 20



TOTAL HIGHWAY FUND REVENUE

Table 10

CURRENT LAW.	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
WEIGHT MILE& TRUCK REG.	$202.9	$184.8	$196.7	$217.7	$225.4	$229.9
MOTOR FUELS TAX	$395.8	$391.4	$397.3	$403.0	$408.9	$412.7
REGISTRATION \ LICENSING & TITLES	$102.3	$111.4	$112.0	$112.2	$111.6	$111.4
DRIVER LICENSES	$27.1	$27.2	$27.8	$28.3	$29.0	$28.7
ROAD USE ASSESSMENT FEES	$0.9	$0.8	$0.8	$0.8	$0.8	$0.8
TOTAL GROSS HWY FUND	$728.9	$715.6	$734.6	$762.1	$775.7	$783.4
Collection, Programs & Transfers (including OTIA)	($135.5)	($154.7)	($148.1)	($149.8)	($151.4)	($155.7)
NET REVENUE TO HWY FUND	$593.4	$560.9	$586.5	$612.2	$624.3	$627.7
TRANSPORTATION INVESTMENT ACT (OTIA)	**$29.1**	**$42.1**	**$35.8**	**$35.4**	**$35.6**	**$35.6**
Debt Service & Reserve	($8.2)	($40.1)	($34.5)	($35.1)	($33.6)	($33.5)
NET OTIA REVENUE FOR DISTRIBUTION	$20.9	$1.9	$1.3	$0.3	$2.0	$2.1
TOTAL REVENUE FOR DISTRIBUTION	**$614.3**	**$562.8**	**$587.7**	**$612.5**	**$626.2**	**$629.8**

REVENUE FOR DISTRIBUTION		**$614.3**	**$562.8**	**$587.7**	**$612.5**	**$626.2**	**$629.8**
	Distribution Percentage						
COUNTY APPORTIONMENT (HWY FND)	24.38%	$144.7	$136.7	$143.0	$149.3	$152.2	$153.0
SPECIAL COUNTY		($0.5)	($0.5)	($0.5)	($0.5)	($0.5)	($0.5)
COUNTY APPORTIONMENT (OTIA)	30.00%	$6.3	$0.6	$0.4	$0.1	$0.6	$0.6
NET COUNTY APPORTIONMENT		$150.5	$136.8	$142.9	$148.9	$152.3	$153.2
CITY APPORTIONMENT (HWY FUND)	15.57%	$92.4	$87.3	$91.3	$95.3	$97.2	$97.7
SPECIAL CITY		($0.5)	($0.5)	($0.5)	($0.5)	($0.5)	($0.5)
CITY APPORTIONMENT (OTIA)	20.00%	$4.2	$0.4	$0.3	$0.1	$0.4	$0.4
NET CITY APPORTIONMENT		$96.1	$87.2	$91.1	$94.9	$97.1	$97.6
HWY DIV (including small City/County)	60.05%	$356.3	$336.8	$352.2	$367.6	$374.9	$376.9
SPECIAL COUNTY		($0.25)	($0.25)	($0.25)	($0.25)	($0.25)	($0.25)
SPECIAL CITY		($0.5)	($0.5)	($0.5)	($0.5)	($0.5)	($0.5)
HWY DIV: TOTAL (OTIA)	50.00%	$10.5	$1.0	$0.6	$0.2	$1.0	$1.1
HWY DIV: NET		$366.1	$337.0	$352.1	$367.1	$375.1	$377.2
Highway Modernization Program (Included in HWY DIV NET)		$51.1	$48.3	$50.5	$52.7	$53.8	$54.1

TOTAL STATE	$366.1	$337.0	$352.1	$367.1	$375.1	$377.2
TOTAL COUNTIES	$151.2	$137.6	$143.6	$149.6	$153.0	$153.9
TOTAL CITIES	$97.1	$88.2	$92.1	$95.9	$98.1	$98.6
TOTAL ALL FUNDS NET REVENUE	**$614.3**	**$562.8**	**$587.7**	**$612.5**	**$626.2**	**$629.8**

PREVIOUS FORECAST	**FY 02**	**FY 03**	**FY 04**	**FY 05**	**FY 06**	**FY 07**
TOTAL GROSS HWY FUND	**$725.3**	**$721.7**	**$737.7**	**$763.9**	**$776.7**	**$784.5**
NET REVENUE FOR DISTRIBUTION	**$615.7**	**$602.8**	**$605.8**	**$624.0**	**$630.3**	**$632.1**
COUNTY APPORTIONMENT	$151.6	$148.8	$148.5	$152.6	$153.9	$154.2
CITY APPORTIONMENT	$97.0	$95.3	$95.0	$97.5	$98.3	$98.5
HWY DIV: NET	$366.4	$358.0	$361.6	$373.1	$377.3	$378.6

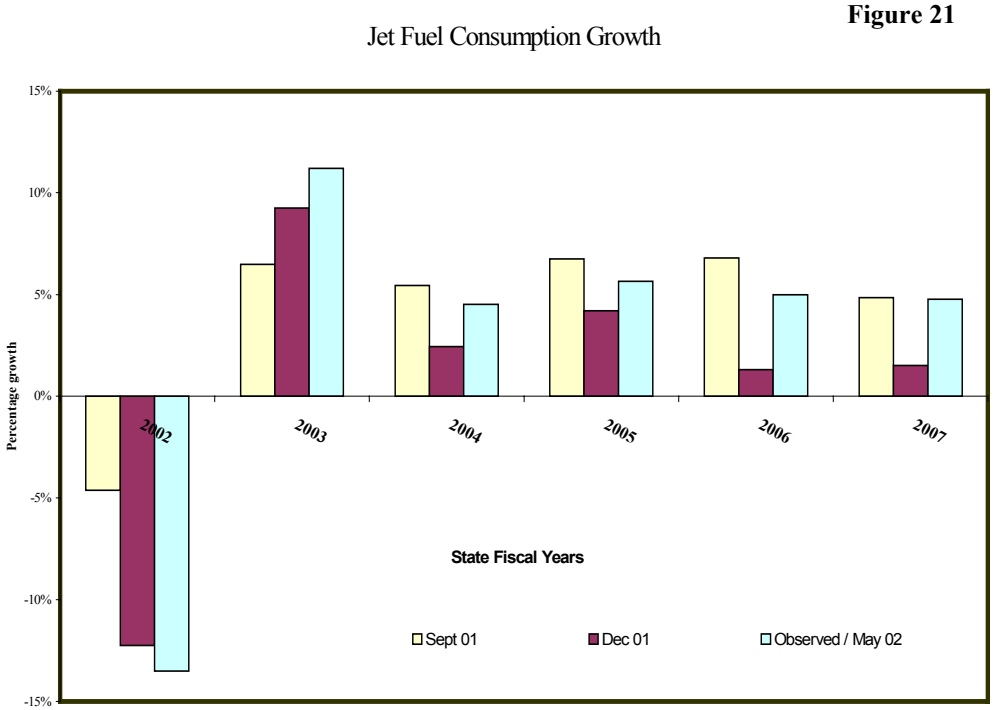
DIFFERENCE FROM PREVIOUS FORECAST

TOTAL DIFFERENCE (GROSS)	**$3.6**	**($6.2)**	**($3.1)**	**($1.9)**	**($1.0)**	**($1.1)**
TOTAL DIFFERENCE (NET)	**($1.3)**	**($40.0)**	**($18.0)**	**($11.4)**	**($4.1)**	**($2.4)**
COUNTY APPORTIONMENT	($0.6)	($11.4)	($5.1)	($3.3)	($1.1)	($0.6)
CITY APPORTIONMENT	($0.4)	($7.6)	($3.4)	($2.1)	($0.7)	($0.4)
HWY DIV: TOTAL	($1.1)	($21.7)	($10.3)	($6.8)	($3.0)	($2.2)

AVIATION FORECAST:

Aviation and the airline industry were more severely impacted by the events of September 11 than the rest of the transportation variables. Immediately following the terrorist attacks, many airports including PDX were completely shut down for days. After most of the airports reopened, air traffic was severely curtailed while security details were being worked out. Although airports and air traffic are still not back to full capacity, freight and passenger traffic are improving.

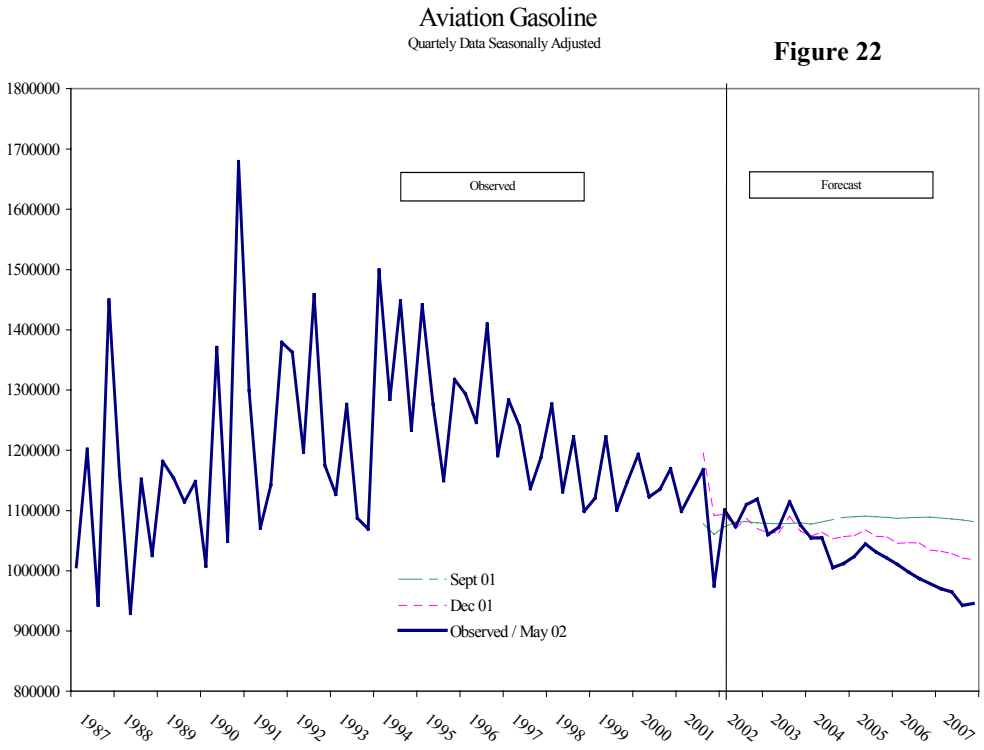
Figure 21



The first four months of this year for PDX commercial operations were 12 percent below the same period last year. Passenger traffic is also still below 2001 levels but showing sings of recovery rising from 69 percent of 2001 levels in September to 92 percent in April. Although freight is noticeably stronger, the passenger travel industry is still feeling the dual impact of the recession and security issues.

The consumption of Aviation Gasoline and Jet Fuel are influenced by the general economic climate and by this 'shock to the system'. Like other transportation forecasts, both Aviation Gasoline and Jet Fuel show weakness in fiscal year 2002. Jet fuel consumption is expected to shrink by 13.5 percent from the 2001 level. This decline is about 1.5 percent lower than the previous forecast. Jet Fuel revenue, which normally constitutes 70 percent of the total Aviation revenue, will now reach above $4.2 million in the 2003-05 biennium. Aviation Gasoline consumption is expected to pick up in fiscal year 2003 but shifts to weaker trend later in the forecast horizon as seen in Figure 22. In comparison, Jet Fuel shifts to a higher long-term trend than was anticipated in December 2001 as seen in Figure 23.

Figure 22



Total revenue is expected to be about $5.76 million for the 2001-03 biennium, which in aggregate is almost unchanged from the previous forecast, although the timing of and mixture of revenue changed marginally. The total revision for the 2003-05 biennium adds about $161,400 (2.6 percent) to the previous forecast.

Aviation Revenue Sources

TABLE 11

	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
JET FUEL TAXES	$1,795,604	$1,988,516	$2,077,089	$2,193,675	$2,303,709	$2,413,724
AVIATION GAS TAX	$395,336	$394,867	$391,375	$368,088	$367,694	$353,112
MOGAS TAX	$117,593	$111,713	$111,713	$112,719	$113,733	$114,757
AIRCRAFT REG	$262,830	$286,981	$273,452	$281,994	$297,126	$303,829
PILOTS	$40,376	$42,312	$54,920	$59,728	$64,376	$69,272
OTHER	$167,375	$156,779	$185,699	$183,895	$170,020	$186,962
Total	$2,779,114	$2,981,168	$3,094,249	$3,200,098	$3,316,658	$3,441,656
Excluding Federal Funds						

Change from the Previous Forecast

TABLE 12

Percentage Change.	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
JET FUEL TAXES	-1.4%	0.2%	2.4%	3.7%	7.6%	11.0%
AVIATION GAS TAX	-2.8%	2.0%	1.1%	-3.5%	-3.1%	-5.5%
MOGAS TAX	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AIRCRAFT REG	7.4%	6.5%	4.9%	3.0%	4.6%	6.4%
PILOTS	-20.0%	-20.3%	-3.6%	6.1%	15.4%	24.6%
OTHER	-2.2%	-2.3%	5.1%	7.0%	4.7%	7.6%
Total	-1.2%	0.5%	2.4%	2.9%	5.7%	8.3%
Excluding Federal Funds						

Jet Fuel Consumption

Quarterly Data, Seasonally Adjusted

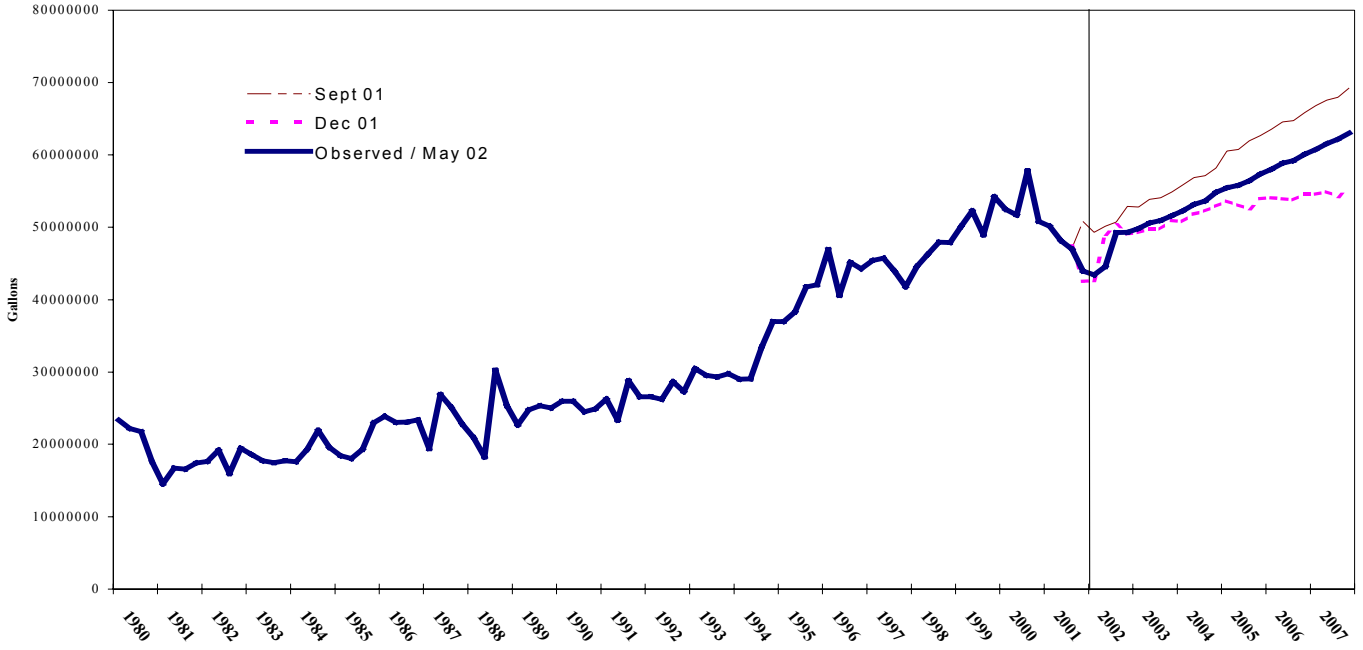



Figure 23