

DATE: June 25, 2003

TO: Senate Transportation and Economic Development Committee
Senate Revenue Committee

FROM: Steven H. Corey, Chair
Oregon Transportation Commission

SUBJECT: Transportation Funding Proposal
House Bill 2041

Introduction

Thank you very much for the opportunity to testify before you today. The Governor's office has expressed its strong support for this transportation and jobs package. The transportation leaders have explained the two bills in considerable detail. Now, the Oregon Department of Transportation's (ODOT) Director Bruce Warner and I will discuss the actual implementation of the package—how we will translate the revenue flow into a comprehensive project delivery strategy that puts the dollars onto the road, creates and sustains jobs, and helps reinvigorate the economy.

Major Elements

- As with the Oregon Transportation Investment Act (OTIA), ODOT is doing business differently than before. With the addition of only a few positions, ODOT can undertake what we call program management, which will leave all the construction work to the private sector. The work under OTIA was roughly one-third consultant, one-third ODOT, and one-third local. Under this package, the funds that flow to ODOT will be used primarily to fund work by the private sector.
- We are committed to making sure that Oregon firms receive substantial work under the package. The law requires us to follow a competitive process, so I cannot promise you that an Oregon firm will become the overall program construction management company. It's also becoming more difficult to tell who's an Oregon company these days. For example, one of Oregon's leading engineering consulting firms, CH2MHill, is now headquartered out of Denver, and long-time Oregon company Morse Brothers is now owned by a North Dakota utility.
- But the important factor is the management firm's project delivery decisions will have had the benefit of counsel from Oregon - the Associated General Contractors, organized labor, engineering consultants, local government, and more. Furthermore, the construction management firm will be working for ODOT, and as the chair of the body that supervises the department, I can guarantee you that ODOT will take steps to ensure that Oregon firms have the opportunity to get work out of this package and be instrumental in delivering these critical transportation projects.

- Because we know that we'll have to deal with the cracked bridge problem at some point, we're getting a running start on the preliminary work. We've already begun the environmental and engineering assessment for the bridges using existing funds because of Oregon's cracked bridge crisis. Nine engineering firms have been hired to begin the assessment of the over 400 bridges that need replacement or repair.
- We have positioned the agency to move quickly once the package is approved. By the end of 2004, ODOT estimates that we will have started construction on bridge projects totaling \$205.2 million.

Summary

Mr. Chairman, Members of the Committee, the Oregon Transportation Commission is committed to the goals at the heart of this package—fix the cracked bridge crisis, create and sustain Oregon jobs, ensure work for Oregon firms, hire the absolute minimum number of additional staff necessary for program/construction management, and moving as quickly as possible to get the dollars on the road and into the Oregon economy.

At this point, I'd like to have ODOT Director Bruce Warner discuss in detail how ODOT will implement these goals, and then we would be ready to answer your questions.