



STATE OF THE SYSTEM

2010 REPORT ON OREGON'S
TRANSPORTATION SYSTEM

OREGON DEPARTMENT OF TRANSPORTATION



PHOTO CREDITS

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STATE OF OREGON TRANSPORTATION SYSTEM INFRASTRUCTURE



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This product is for informational purposes only and may not have been prepared for or be suitable for legal, engineering or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.

THE NUMBERS

- 74,493** total miles of highways, streets and roads
- 8,049** miles of state highways
- 33,124** miles of county roads
- 10,799** miles of city streets
- 22,520** miles of "other roads" under other state and federal jurisdictions
- 7,212** total bridges statewide
- 2,389** miles of mainline rail track
- 7** commercial airports
- 97** public use airports
- 23** marine ports

Legend

- Commercial Airports
- Commercial Commuter Service to PDX
- Ports
- State Highways
- Railroads

Due to space and scale limitations, only some transportation system infrastructure is shown. Many other important transportation facilities play critical roles at local and regional levels.

Sources: ODOT Transportation Data Section, 2009 Oregon Mileage Report; FHWA; ODOT Rail Division

INTRODUCTION

AN OVERVIEW OF OREGON'S TRANSPORTATION SYSTEM AND WHY IT'S IMPORTANT FOR OREGON

Oregon's transportation system is a multibillion dollar collection of public and private assets that facilitates the safe and efficient movement of people and goods into, out of and around the state. The system includes airports, freight and passenger rail, public transportation, marine ports, state highways, local streets, bridges, pedestrian walkways, bicycle paths and other facilities. The transportation system serves important functions for all Oregonians and visitors – employees commuting to work, children going to and from school, farmers shipping crops to market, people traveling throughout the state, businesses receiving materials for use in manufacturing, high-tech manufacturers sending their products across the globe, consumers buying groceries at the local market – it touches all of our lives. The better the transportation system works, the better it supports Oregon's economy and livability.

PURPOSE OF THE STATE OF THE SYSTEM REPORT

Every two years the State of the System Report provides key information about how Oregon's transportation system is performing in relation to the seven goals of the Oregon Transportation Plan (OTP). The report aims to increase

awareness of the state's transportation assets and the significant trends and challenges facing the system. The report provides a statewide level look and emphasizes the portion of the system managed by the Oregon Department of Transportation (ODOT).

While this edition does not provide a complete picture of the roles fulfilled by local, tribal and federal jurisdictions or facilities such as the rail system, marine ports, pipelines and airports, it integrates additional information on these system components where available. Future reports will strive to provide a more comprehensive look at all aspects of Oregon's transportation system.

THE OREGON DEPARTMENT OF TRANSPORTATION AND ITS ROLE IN THE SYSTEM

ODOT, known until 1969 as the State Highway Department, began in 1913. In 1919, Oregon became the first state to enact a tax on fuel to fund road building, so the agency could "get Oregon out of the mud." Today the agency is organized to better address a multimodal transportation system. ODOT's mission, "to provide a safe, efficient

transportation system that supports economic opportunity and livable communities for Oregonians,” guides the agency’s work. That mission encompasses transportation planning, developing and managing the state highway system, rail safety programs, assistance to public transportation providers, licensing and regulation of drivers, motor vehicles and motor carriers, transportation safety and more.

Local governments and other transportation providers have an equally important role in Oregon’s transportation system through the development and management of county roads and city streets, forest service roads, public transportation services, bicycle and pedestrian facilities, airport, rail and port infrastructure, and other services.

TRENDS AFFECTING OREGON AND ITS TRANSPORTATION SYSTEM

A number of major trends and issues are impacting state agencies, counties, cities and other transportation providers across Oregon. Some of these are long-term trends introduced in the 2008 State of the System report, while others are new conditions that are significantly impacting transportation in Oregon.

→ Economic challenges

Recent global economic challenges and high unemployment have brought transportation’s role and impacts on the economy into greater focus. Oregon’s economy relies on technology-based businesses, service-related industries, forest products, agriculture, manufacturing and other sectors, all of which require a range of transportation services for both workers and products. In 2008, goods-dependent industries like manufacturing, agriculture, construction and retail provided 700,000 jobs and generated

\$29 billion of personal income. In addition to providing a framework to support economic activity, transportation investments help spur job creation and retention through construction and infrastructure projects.

→ Dwindling federal transportation trust funds

The federal fuels taxes, which supply the vast majority of the revenues flowing into the Highway Trust Fund for surface transportation programs, have not been increased since 1993. As a result, revenues have not kept up with funding commitments, and the balances in the Highway Trust Fund have been exhausted. Congress has had to step in and provide multiple infusions into the Highway Trust Fund totaling tens of billions of dollars. Reauthorization of the latest Federal Surface Transportation Act is behind schedule as the nation struggles with how to fund transportation programs at adequate levels in the future. This uncertainty and delay are impacting state and local plans and programs for future transportation investments.

→ Increasing population

Oregon’s population is expected to increase over 25 percent between 2010 and 2030, creating increased demand and new and continuing challenges for the transportation system.

→ Changing demographics

Over the last six decades, the population in urban areas has increased about 200 percent compared with an increase in rural areas of 33 percent. The fastest growing segment of the population is that of those over age 65. Issues associated with increasing population overall are compounded by an increase in those who will likely need different transportation options as they age.

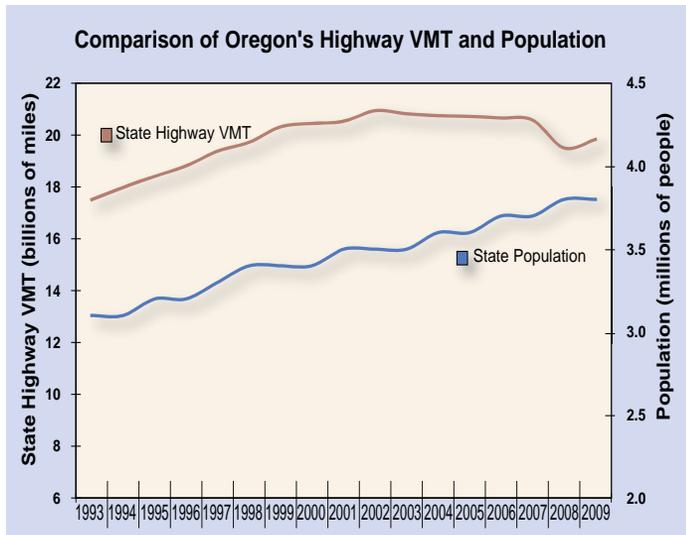
→ Changes in vehicle miles traveled

The total number of vehicle miles traveled (VMT) is one measure of demand on the highway system. Oregon

What has changed since the 2008 report?

The recent global economic downturn has reversed some of the impacts of rising costs for goods, raw materials and services. When and how much prices increase in the future will have significant impacts on operations and investments in the transportation system.

highways see VMT numbers in the billions each year. For decades, VMT numbers in total were on an upward trend due to increasing population and increasing participation of women in the labor force. Beginning in 2003 state highway VMT and related per capita VMT began to decline slightly. The recent recession made this trend more pronounced. While the recession officially ended in 2009, recovery is slow. Total state highway VMT and per capita VMT are also slowly increasing again.



Ten vehicles, each traveling five miles on the highway, equal 50 VMT.

→ Aging infrastructure

Oregon's transportation infrastructure is getting older and more expensive to maintain, preserve and expand. Many important structures such as bridges, interchanges, locks and jetties are between 50 and 80 years old. Increased maintenance investments are necessary to keep older facilities safe and operational. Because there are so many of

these structures, Oregon needs to invest a significant amount of resources in maintenance and preservation of facilities to avoid more costly reconstruction later on.

→ Maintaining new investments

New investments in transportation infrastructure require additional resources for maintenance and preservation throughout the life of the facility. While completely new facilities are uncommon, many investments are being made to ensure the existing system operates more efficiently. Some of these investments are in operational equipment and technologies that often require an expanded and relatively new type of maintenance commitment from transportation providers, challenging existing maintenance and operational budgets.

→ Concern about climate change and the environment

Because of concerns regarding climate change, the 2007 Oregon Legislature set specific greenhouse gas emissions reduction goals for Oregon. By 2020 the state is to achieve greenhouse gas levels that are 10 percent below 1990 levels. Because the transportation sector accounts for an estimated 37.5 percent of the state's greenhouse gas emissions, the 2010 legislature directed ODOT and the Oregon Department of Land Conservation and Development (DLCD) to provide an overall framework for transportation and climate change and to develop a statewide strategy to reduce those emissions. The strategy means rethinking the way we access goods and services and go from place to place. Interest has already increased in bicycling, walking and using carpools, buses and trains as well as using fuel-efficient vehicles and alternative forms of energy.

Oregonians are also concerned about other impacts on the environment. This includes protecting wetlands, waterways and air quality, and inhibiting invasive species. Transportation

projects have to address all of these considerations on an ongoing basis.

→ **Expanding safety and security objectives**

Because the transportation system is critical to the movement of people, goods and emergency services, adequate protections need to be in place to ensure that the system will function given potential natural or manmade hazards. Ideally, Oregon needs to be able to respond to emerging safety and security issues and be prepared for sudden events so that safety and mobility are managed effectively. Oregon continues to make strides in traffic safety as measured in reduced injuries and fatalities.

THE OREGON TRANSPORTATION PLAN AND ITS IMPLEMENTATION

In 2006, the Oregon Transportation Commission (OTC) adopted a new OTP, the state's long-range multimodal transportation plan. ODOT and others have been implementing the OTP since that time. The State of the System Report is based on the OTP because the Plan provides a vision for the future of Oregon's transportation system.

The OTP considers all modes and jurisdictions of Oregon's transportation system as one integrated system and addresses the future needs of transportation in Oregon through 2030. The seven goals (with associated policies and strategies) are aimed at guiding the actions, investments and other key decisions of state and local agencies, regional and local governments, and transportation providers.

THE SEVEN OTP GOALS

Goal 1 – Mobility and Accessibility: Providing an integrated multimodal transportation system that ensures the ability to move into, out of and throughout the state with connections between modes of transportation.

Goal 2 – Management of the System: Managing transportation infrastructure and its operation efficiently.

Goal 3 – Economic Vitality: Promoting Oregon's economy through an efficient and effective transportation system.

Goal 4 – Sustainability: Providing a transportation system that balances environmental, economic and community objectives now and in the future.

Goal 5 – Safety and Security: Protecting Oregonians and the system from natural and manmade hazards.

Goal 6 – Funding the Transportation System: Striving toward a flexible funding structure that meets needs.

Goal 7 – Coordination, Communication and Cooperation: Working effectively with all parties.

In this report, the core section headings match the seven OTP goals. Each section begins with the summarized OTP goal. To find the complete goal language as well as the supporting policies and strategies, please refer to the OTP on the Web at www.oregon.gov/ODOT/TP/ortransplanupdate.shtml.



THE STATE OF THE SYSTEM

GOAL 1

MOBILITY AND ACCESSIBILITY

Provide a balanced, efficient and integrated transportation system that ensures interconnected access to all areas of the state, the nation and the world. Promote transportation choices that are reliable, accessible and cost-effective.

An effective transportation system provides for the safe and reliable movement of people and goods. This is as true in Oregon as it is anywhere else in the world. This section primarily addresses the movement of people; freight mobility is discussed in greater detail in Section 3, “Economic Vitality.” The emphasis in this section is on enhancements to mobility and accessibility for people that an integrated multimodal transportation system can bring.

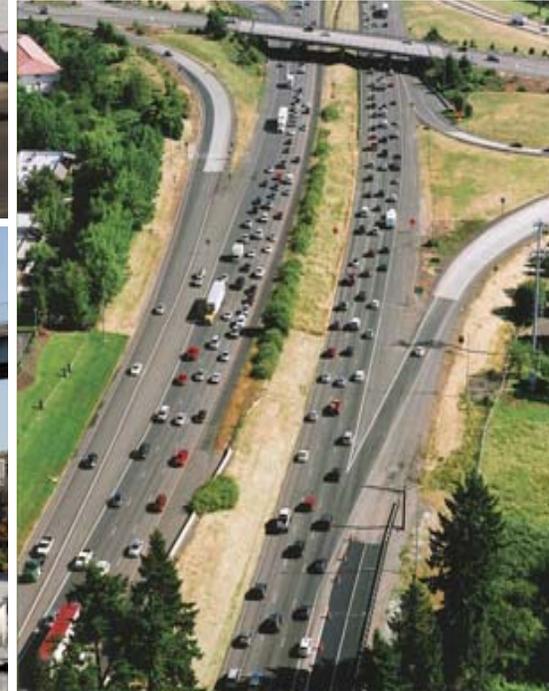
Mobility is the ability of people to get from one place to another safely and efficiently. Accessibility means ensuring that Oregonians can reach their destinations and that they have choices for their means of transportation whenever possible. Accessibility is more than being able to drive a vehicle. It includes availability of public transportation by bus or rail within cities, alternatives for travel between cities, and special transportation services for senior citizens and people with disabilities. It also includes access to facilities supporting travel by bicycle, wheelchair, scooter, foot or other means.

An integrated transportation system with diverse options and seamless transfers between modes is important for Oregon’s future – both to facilitate travel choices and economic activity in the good times and to help fuel recovery in the bad times. Oregon’s current transportation infrastructure has inadequate capacity, and the system often lacks the transportation options that Oregonians need today. With Oregon’s population expected to increase over 25 percent from 2010 to 2030, the demands on this system will only increase.

CHALLENGES TO MOBILITY AND ACCESSIBILITY

- Highway congestion continues to increase and last for longer time periods of the day.
- Bicyclists do not yet enjoy a complete network of route options within cities and urban areas, even though much progress has been made since the 1971 legislation requiring a minimum level of expenditure on bicycle infrastructure. Riders must also share the road with increasing numbers of vehicles.
- Pedestrians in Oregon cities lack a sidewalk system that is complete and in good repair.
- The economic recession caused a 25 percent decrease in freight traffic on Oregon's main north-south rail line, which was running near capacity in 2008. This has allowed for improved passenger rail on-time performance; however, as the economy recovers, the line is expected to quickly refill available capacity. This may again pose challenges for the single line to effectively balance freight and passenger rail service.
- The recession also caused deep cuts in public transportation services, reducing accessibility to jobs, medical facilities, businesses and other destinations.
- Travelers between cities often lack the freedom to choose among modes other than private automobile because of the large investments required to establish public transportation routes and cover the ongoing operation costs.

Responses to these issues, trends and conditions must be managed on several fronts and will require innovative decisions. These decisions must prepare Oregon for the future while considering the ramifications of the cost of transportation across all modes, as well as balancing the solutions for urban, rural and freight mobility needs.



Highway Congestion

Improvements to Oregon’s highway infrastructure are expensive. And given limited resources it is necessary to be strategic in all investment decisions. There are alternatives to consider to help address highway congestion, especially in urban areas. These include improvements to public transportation services, bicycle and pedestrian facilities, as well as increased rates of carpooling, vanpooling and telecommuting. Dollar-for-dollar, measures that reduce single-occupancy auto trips are often more effective at reducing congestion than roadway expansions, but also have their limitations.

Walking and Bicycling

Bicycle and pedestrian facilities require continued investment. Recently updated statewide inventories of these systems reveal no complete systems within cities but show continued progress toward complete networks for bicyclists and pedestrians. Strategies to complete these systems are in the draft Oregon Bicycle and Pedestrian Plan.

Public Transportation

Even though the recession has caused cuts in public transportation services, important new urban and rural investments are being made in public transportation infrastructure through programs like the American Recovery

and Reinvestment Act (ARRA) and *ConnectOregon*. In Oregon, urban transit districts received \$61.2 million in formula grant funding, and small town and rural transit districts received \$14.6 million in formula funds from ARRA. Oregon transit projects have also received more than \$50 million in discretionary grants, including \$32 million to complete the federal government’s contribution to the I-205 Green Line MAX project. Several communities throughout the state have benefited from *ConnectOregon* investments in multimodal projects featuring the integration of public transit facilities.

There were notable expansions to public transportation in 2009 and 2010. The opening of the WES (Westside Express Service) in 2009 was a large expansion of commuter rail in Oregon. And the expansion of TriMet’s MAX Green Line, with service from Clackamas Town Center to PSU, was a notable expansion of light rail.

Passenger Rail

Passenger rail service in Oregon lacks adequate investment and must use the same rail lines owned and operated by freight carriers. However, there are efforts underway to improve the situation. In 2010 the federal government began making significant investment in passenger rail planning and infrastructure, including \$19.3 million for Oregon. Those

At Portland State University over 70 percent of faculty, staff and students use alternative transportation to get to campus.

Source: "Portland State Magazine Spring 2010"

STATUS OF SIDEWALKS AND BIKE FACILITIES ALONG STATE HIGHWAYS IN OREGON

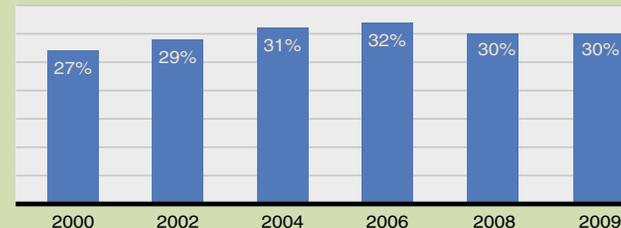
	Sidewalk Need	Existing Sidewalks	Sidewalks Complete	Bike Facility Need	Existing Bike Facilities	Bike Facilities Complete
2010	1,030 miles	572 miles	56%	1,637 miles	985 miles	60%

Sidewalks are considered necessary along highways with roadside development and not necessary on rural highways.

Bike facilities include bike lanes, multi-use paths and, under certain conditions, shoulders and shared travel lanes.

Source: ODOT’s Bike/Ped Program

Percent of commuters in Oregon urban areas who travel to work by means other than alone in a vehicle



Source: ODOT’s Annual Performance Progress Report (2010).

Left: These figures represent people who carpool, vanpool, take the bus or train, bicycle, walk, or telecommute. Higher percentages are good news in terms of reducing congestion and increasing the reliability of travel times.

GOAL 2

MANAGEMENT OF THE SYSTEM

→ Improve the efficiency of the transportation system by optimizing operations and management. Manage transportation assets to extend their life and reduce maintenance costs. ←

Stewards of Oregon's transportation system continually look for ways to improve effective management of the system on a day-to-day basis as well as for the long-term. Efforts to improve operations serve to get the most out of existing transportation infrastructure in Oregon. These include operational efficiencies that help traffic to move more quickly, licensing and regulation to facilitate driving safety, and asset management to stretch the life of the infrastructure. Preservation of existing infrastructure is typically the highest funding priority in order to protect the significant original investments that built the transportation network.

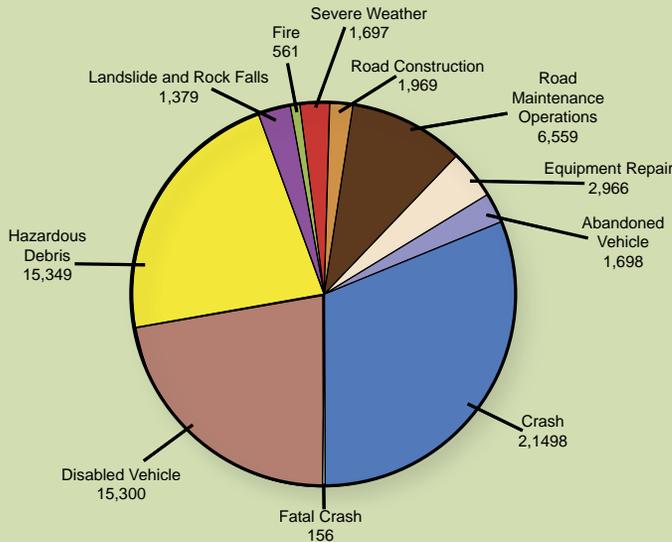
SYSTEM OPERATIONAL EFFICIENCIES

Highway system operations encompass many different management and operational activities that inform the traveler, improve traffic flow and provide information regarding travel alternatives.

Tools on Oregon highways such as ramp metering, traffic signal coordination, the Green Light preclearance program for weighing trucks in motion, incident management programs and traveler information services, among many others, make the existing system more safe and efficient. These tools assist in reducing congestion, improving travel times, reducing emissions and fuel use, and providing other system and traveler benefits.

One strategy for congestion relief is real-time traveler information. This is "decision-quality" information that travelers can access, understand and act on to choose the most efficient modes and routes. Timely and detailed information about traffic incidents, weather, construction activities, transit and special events all aid in improving travel time predictability, enable better travel choices and reduce congestion.

ODOT Transportation Incident Counts for 2010



With the exception of "Road Construction" all events shown are responded to by ODOT Maintenance personnel, including but not limited to, Incident Response staff.

The counts shown for "Road Construction" and "Road Maintenance Operations" indicate there were work activities that impacted traffic. Those occurrences were reported to the public via ODOT traveler information systems such as 511 and TripCheck.

Tracking events and responses is an important aspect of managing system operations when you consider that such non-recurring events cause about 50 percent of total traffic delay.

140 million Web site visits



TripCheck has been serving Oregonians for ten years and has had over 140 million visits and captured three national awards. Along the way the service has grown and changed to better serve the traveling public in Oregon. The newest features include a faster interface for touch-screen mobile devices at <http://lm.tripcheck.com>; text messages regarding road condition information sent via Twitter feeds to mobile devices, desktops or websites; and an iPhone version of the mobile website.

\$127 million in costs saved



Green Light precleared its 13-millionth truck in August 2010. It's estimated that truckers have saved 1.1 million hours of travel time and \$127 million in operating costs in the past 11 years as they cleared Oregon weigh stations 13 million times without having to slow or stop. Moreover, according to emission tests, the 13 million weigh station preclearance events resulted in trucks emitting 8,671 pounds less particulate matter, 17,329 pounds less hydrocarbons, 41,600 pounds less carbon monoxide, 138,671 pounds less nitrogen oxides, and 24,843,000 pounds less carbon dioxide. The program is currently serving 4,751 trucking companies with 38,337 trucks equipped with transponders.

Another strategy for congestion relief is to provide travel choices or shift travel to less congested times of the day. ODOT encourages the use of carpools, park-and-ride facilities, telecommuting, flexible work schedules, public transportation, bicycling and walking to carry out this strategy.

REGULATORY MANAGEMENT

Regulation of the users of the highway system serves to increase safety and generate revenue to operate and preserve the system for continued use. Driver regulation is primarily safety-focused – whether it's via provisional licensing for teen drivers, medical referrals for those whose driving may be impaired due to a medical condition, or the laws and rules that govern commercial drivers.

Regulation of vehicles that are driven on Oregon's highway system, while related to safety, also serves to manage the impacts of size and weight of loads traversing its routes. The table below shows the number of oversize permits issued in 2009. Careful evaluations go into routing for these over-dimension vehicles, because a highway can be shut down for hours when a high load gets stuck under a bridge or a long load cannot make the turns on a twisting route.

2009 Larger Load Permits Issued in Oregon

Single Trip Permits – issued by the state	96,035
Annual Continuous Trip Permits – issued by the state	9,486
Annual COVP (County Operation Variance Permit) – may be issued jointly with another jurisdiction or by the state or county alone	164,858
Total Permits	270, 379

ASSET MANAGEMENT, SYSTEM PRESERVATION AND MAINTENANCE

Life-cycle management, through maintenance, preservation and replacement of assets, is an essential focus for organizations serving as stewards of Oregon's transportation system. Timely maintenance and preservation activities extend a facility's useful life and help avoid more expensive repairs or reconstruction. An asset management program guides proactive and strategic decision-making, looking at specific assets in the context of the system as a whole.

Three Oregon Transportation Investment Acts (OTIA) and the 2009 Jobs and Transportation Act (JTA) have funded critical repairs and improvements; however, the aging of the transportation infrastructure remains a key factor for management of the system. Significant aspects of Oregon's highway infrastructure assets are near or beyond their expected useful life. These assets include bridges, pavement, tunnels and culverts. Oregon's local jurisdictions and ODOT must navigate the increasing needs of the aging infrastructure while serving an increasing population and higher numbers of vehicles.

The cost for a typical lane mile of pavement receiving preservation, rehabilitation or reconstruction treatment

ranges from \$200,000 to \$1.5 million dollars. Timely treatments reduce lifecycle costs, but when funds do not meet needs, treatment must be deferred. This results in higher costs for repairs when pavement condition declines.

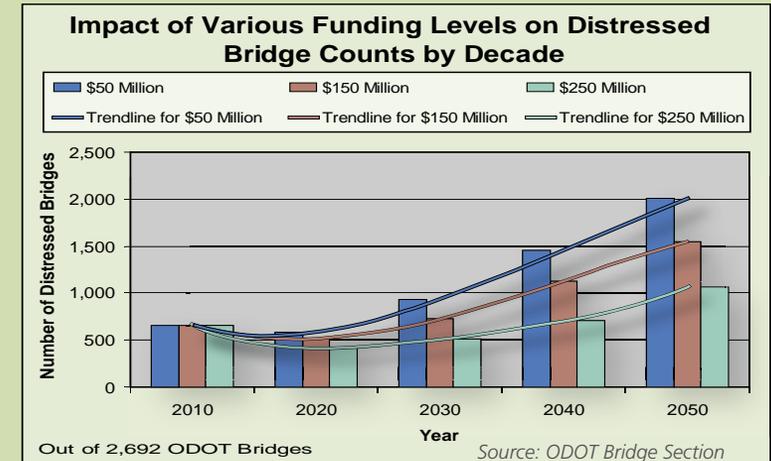
The gap between pavement needs and what can presently be funded means that increasing miles of pavement will slip from good



Culvert installation in Columbia County. Photo courtesy of Association of Oregon Counties.

condition to fair or poor condition, resulting in higher costs per lane mile to rehabilitate or reconstruct the pavement. Since this pattern is expected to continue for the foreseeable future, managers are making strategic choices about where to invest in pavement and other infrastructure with data from asset management systems. The transit fleets and private rail track that support alternatives to highway travel suffer from similar strains.

Challenges also exist for bridges. Due to the age of Oregon's bridge inventory, a disproportionately large group of bridges will all require major rehabilitation and replacement within a relatively short period in the coming decades. OTIA enabled Oregon to address the needs associated with the first wave of deteriorated Interstate-era bridges. By focusing on a priority corridor basis, the most urgent needs were addressed. Although OTIA is winding down, average conditions to the inventory as a whole will continue to improve at existing, relatively low, funding levels through the current decade and into the next because of this significant investment.



The chart at the left shows the projected trend for the ODOT bridge performance measure – number of distressed bridges. A distressed bridge is a bridge that has deteriorated or has reduced functionality that compromises mobility or safety. Note the large increases in the projected number of distressed bridges during the decades from 2030 to 2050. This reflects, in large measure, just how significant a part of the inventory the Interstate-era bridges comprise. Funding would have to be sustained at high levels over many decades to “even-out” the age structure of the inventory and create a sustainable balance between bridge needs and funding. The current situation is that bonds sold to finance the OTIA program and reduce the backlog of bridge repair and replacement needs now require payback. That has reduced the average annual Bridge Program budget to less than \$50 million as compared to \$80 or \$90 million.

Maintenance includes a variety of important activities that enable safe travel and extend the useful life of highway-related assets. Examples of typical maintenance activities and programs are installing or repairing guardrails, maintaining bridges and pavements, improving drainage, managing roadside vegetation, maintaining traffic signals, providing snow removal and sanding roads.

Competing with the significant needs described above are the risks of the unknown. For example, culverts provide drainage under and along highways and can range in size

from small pipes to large concrete structures. These features had been locally tracked, but time and strained resources have caused the inventory to remain incomplete and become out of date. So the scope of needed repairs is not completely known. Same or similar challenges exist for other elements of highway infrastructure.

A recent success is the traffic safety barriers inventory. Examples of these are cable or concrete barriers in medians. The statewide inventory of such barriers was updated in recent years, which demonstrated the need to separately address these important roadside safety features. Based on asset management data and safety priorities, \$6 million has been allocated to begin addressing a \$76 million backlog. Creative solutions to the challenges of proactively managing these and all other elements of the highway system are continually being sought and implemented.

The Federal Railroad Administration established nine levels of track maintenance standards that prescribe the maximum speed for freight and passenger trains across the U.S.. Oregon Class I carriers, BNSF Railway (formerly Burlington Northern and Santa Fe Railway) and Union Pacific Railroad (UPRR) are known to have capacity issues on their rail lines, but the lines are well-maintained. The network of shortline railroads faces challenges brought on by aging infrastructure, particularly bridges, and constrained resources. Shortline railroads run on about 1,274 miles of the 2,389 miles of track in Oregon.



Investment Needs for Bridge Segments on Shortline Railroads

	Condition of Bridge Segments			Costs to Upgrade or Repair		Costs to Replace
	Good	Fair	Poor	At 10 mph	At 25 mph	
Shortline Railroad Bridges						
Total	111	266	157	\$124,300,000	\$142,600,000	\$1,436,000,000

Source: ODOT Rail Division

GOAL 3

ECONOMIC VITALITY

Expand and diversify Oregon's economy by transporting people, goods, services and information in safe, energy-efficient and environmentally sound ways. Provide Oregon with a competitive advantage by promoting an integrated freight system.

Oregon's economy is diverse, relying on forest products, agriculture, manufacturing and technology-based businesses, and a variety of service-related industries. Despite this, Oregon along with much of the nation has been profoundly affected by the recent recession. Exports have been a bright spot for Oregon in the otherwise slow national recovery, increasing 25 percent in the first nine months of 2010 and regaining most of the losses from late 2008 and early 2009. The Oregon Office of Economic Analysis estimates that Oregon is the ninth most trade-dependent state in the nation. The ranking illustrates the importance of export-oriented sectors, such as computer and electronics manufacturing, logistics and distribution, and processed foods, to the Oregon economy. This also underscores the importance of maintaining and improving transportation facilities and services to help Oregon businesses reach markets and conduct business nationally and internationally in a competitive manner. Transportation investments can also help spur economic opportunity, job creation and job retention through construction and infrastructure projects.





AN INTEGRATED AND EFFICIENT FREIGHT SYSTEM

The movement of freight is vitally important to the economic health of Oregon and the rest of the nation. In 2008, roughly 389 million tons of freight worth about \$242 billion moved on Oregon's transportation system. This is projected to grow to 651 million tons of freight worth \$554 billion by 2035. Freight movement relies on an integrated system that takes best advantage of the relative efficiencies of different modes. The choice of mode depends on availability, reliability, cost, the value and weight of the product and many other factors. Oregon's high-value industries tend to have long-distance supply chains that require materials from all over the world, and they tend to sell the products globally. They are dependent on smooth functioning marine, air, and highway transportation and, to a lesser extent, on rail. Resource-dependent industries, including agriculture, wood and paper manufacturers and mining, rely heavily on trucks, rail, and marine transportation and, for perishable goods, on air.

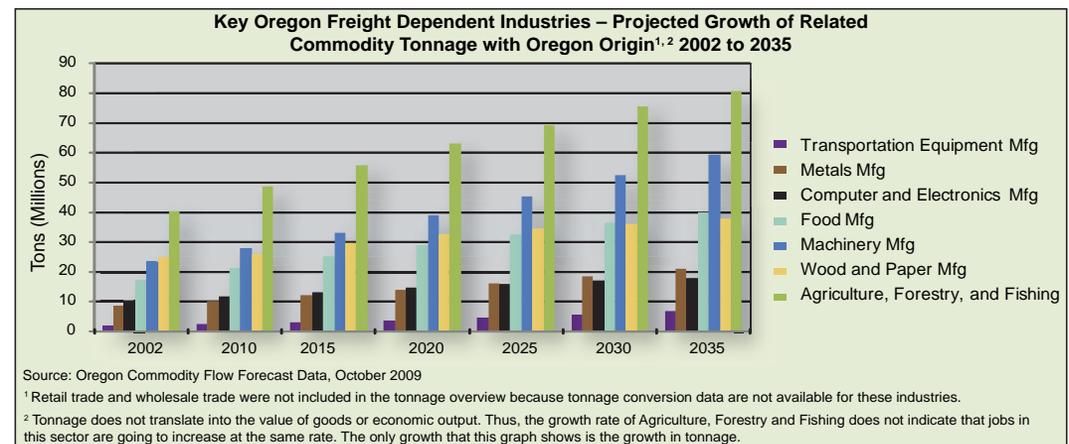
Trucking currently handles the majority of the freight moved to, from and within Oregon, and the volume of freight transported by truck will continue to grow. Because "just-in-time" delivery requires that few goods be stored on-site, shippers need reliability and predictability in travel time. They also need to be able to transfer freight seamlessly between distant areas and different modes of transportation. Constraints for one mode or facility mean additional pressures on all the others. Lack of coordination

among states means that freight routes between states may have different length and weight restrictions, causing delay and load adjustments. Freight shippers and transportation providers identified these challenges and others as issues that the new Oregon Freight Plan needed to address.

Oregon Freight Plan

The draft Oregon Freight Plan, a new statewide multimodal plan, brings together issues affecting all freight-related modes of transportation and proposes strategies to maximize the effectiveness of the system. A Steering Committee of executive-level industry and public sector stakeholders has guided the development of the draft plan, based on analyses of Oregon's economy, commodity flows and freight transportation issues. The plan expresses a 25-year vision of a freight system that supports diverse industrial sectors, including traditional resource-based industries as well as the newer high-tech sectors.

The plan proposes strategies that address capacity constraints, modal alternatives, reliability of travel times, partnerships with neighboring states, accommodation of oversize/overweight loads, protection of industrial land supply, freight emissions, environmental permitting processes, system redundancy and



other issues. The plan also proposes protection of a strategic freight system based on the freight corridors that play the most critical role in supporting Oregon's economy.

COMMUTERS AND LOCAL BUSINESSES

Commuters and the local business community also value travel time reliability and predictability. Slow commute times and congestion in general impact economic vitality. It is critical to businesses and consumers that the costs associated with moving commodities and delivering services are kept as affordable as possible. Increased population and economic growth will increase infrastructure needs and congestion. If congestion makes movement of goods slow and unreliable, it can impair businesses and discourage existing businesses from expanding and new businesses from locating and providing jobs in Oregon.

TRANSPORTATION AND TOURISM

Transportation and tourism are natural partners in the state's economic vitality. The economic recession affected the travel industry. Total direct travel spending in Oregon was \$7.7 billion in 2009. This represents a 7.5 percent decrease over the preceding year. However, a substantial portion of the decrease was due to price deflation, including motor fuel prices. When adjusted for fuel price changes, travel spending decreased by 1.7 percent in Oregon between 2008 and 2009. However, in 2009 the travel industry still supported 88,000 jobs with earnings of \$2.0 billion.

Passenger air travel represents an important mode for visiting Oregon. U.S. domestic air arrivals to Oregon included 2.7 million visitors in addition to 3.7 million

residents in 2008. Once in Oregon, many visitors travel throughout the state to enjoy its natural beauty. Oregon has more National Scenic Byways, All-American Roads, and State Tour Routes than any other state in the nation. All regions of Oregon host a least one Scenic Byway or Tour Route. Travel Oregon estimates that travelers spend an average of \$104 per day along Scenic Byways, directly benefiting businesses and the communities along the route, often in rural areas.

ECONOMIC STIMULUS

2010 - Another Busy Construction Season

With more than 160 active work zones spread out all over the state, 2010 was a busy construction season for ODOT. In the course of the construction season, ODOT and its contractors:

- Created or sustained more than 1,100 direct jobs in construction, design and program management in the OTIA III bridge program, and created or sustained more than 1,080 projected indirect or induced jobs.
- Started construction on 15 bridge bundles in the OTIA III bridge program, with a construction value of \$123.3 million. A "bundle" is a group of bridges that have been bundled into one project for the purpose of efficiency.
- Increased the amount of contract payments to certified disadvantaged, minority-owned, women-owned and emerging small businesses across all divisions (third quarter, 2009 compared to third quarter, 2010) from \$21.6 million to \$33.8 million

The busy construction season was attributable to the confluence of the Jobs and Transportation Act, OTIA III and American Recovery and Reinvestment Act programs. By the end of September, ODOT and local governments had spent 73 percent of their Recovery Act highway program funds—compared to a national average of less than 50 percent.



The OTIA III State Bridge Program, with dozens of projects under construction across the state, had repaired or replaced 215 bridges by the end of September. While the majority of the OTIA III bridge repairs and replacement are complete, significant work remains, with 53 bridges under construction and three projects yet to start construction.

ARRA - Promoting Economic Recovery

In Oregon, the American Recovery and Reinvestment Act (ARRA) has been effective. ARRA’s transportation funding has both promoted economic recovery and made resources available for improving the state’s transportation system in ways that strengthen communities and improve long-term economic opportunities. Some 198 transportation-related projects are either in design, in construction or complete. From building sidewalks to updating traffic lights, from expanding a multi-use path in Douglas County to upgrading rest areas in eastern Oregon, ARRA funds are helping Oregon businesses and workers shore up the public’s investment in transportation infrastructure. Nearly half a billion of ARRA dollars have flowed to transportation projects across all modes, employing thousands of Oregonians and helping Oregon’s construction industry during a time when commercial and residential construction nearly collapsed.

Among the most important accomplishments under ARRA:

- Jobs were created quickly, putting Oregon contractors and workers back on the job within months.
- Multimodal investments improved Oregon’s transportation system, reducing congestion, providing better transit options, and helping Oregon companies move their goods to market.
- Local communities were able to fund priority projects.

- Jobs were distributed throughout the state, particularly in Economically Distressed Areas (EDAs). EDAs are those areas designated under Oregon law based on a seasonally adjusted unemployment threshold at the county level.
- ODOT developed new ways to move projects through the federal environmental process quickly and at reduced cost.

ConnectOregon - Making Multimodal Improvements

The Oregon Legislature created the third round of the *ConnectOregon* program in 2009 as part of the Jobs and Transportation Act (JTA). *ConnectOregon* is aimed at improving transportation connections around the state by investing in non-highway projects such as rail, marine/ports, aviation and public transit. *ConnectOregon* I and II (2005 and 2007, respectively) each authorized \$100 million in lottery-backed bonds for multimodal projects; in *ConnectOregon* III the legislature set aside \$5 million of the \$100 million for rural aviation projects.

OTIA – Rehabilitating Bridges

When OTIA III legislation was passed in 2003, the potential economic impacts of impending weight restrictions on Oregon’s bridges was estimated at \$123 billion in lost production and 88,000 lost jobs during a 25-year period. Hundreds of bridges were included in this rehabilitation/reconstruction program, making it the largest bridge construction effort in Oregon since the Interstate-era. The conclusion of OTIA III construction before 2013 will mean 150 bridges will have been replaced and many more repaired.

Some <i>ConnectOregon</i> Project Counts:
ConnectOregon I projects
31 complete, 4 under construction
ConnectOregon II projects
14 complete, 13 under construction, 2 in design phase
ConnectOregon III projects
8 under construction, 20 in design phase
Rural Airport Projects - 29 under construction

ARRA by the numbers

- 600 lane miles of state highways paved.
- \$471.6 million invested in Oregon’s surface transportation system.
- \$126 million provided for public transportation through formula and discretionary grants.
- 94 buses and vans purchased by Oregon’s small town and rural transit districts.
- Two 286-seat passenger trains purchased for \$36.6 million.
- 65 percent of ODOT’s funding flowed to Economically Distressed Areas.
- 54 days to obligate 50 percent of ODOT’s funding – more than twice as fast as required by law.

GOAL 4

SUSTAINABILITY



Meet present needs without compromising the ability of future generations to meet their needs from the joint perspective of the environment, economy and communities. Encourage conservation and communities that integrate land use and transportation choices.



Transportation is prominent in many issues that sustainable practices aim to address, such as climate change, environmental stewardship and the peaking of the world oil supply. A sustainable transportation system considers the joint perspective of environmental, economic and community objectives in its development, operation and management. Transportation of all kinds is responsible for about 37.5 percent of greenhouse gas emissions.

SUSTAINABILITY AND CLIMATE CHANGE LEGISLATION

Oregon's Legislature and Governor have taken significant actions in response to climate change concerns. The Oregon Sustainability Act (ORS 184.423) passed by the 2001 state legislature established the state's overall sustainability policy. The legislature passed additional energy and climate change-related bills in 2009 and 2010:

- The Oregon Jobs and Transportation Act (JTA) is the transportation funding plan adopted by the 2009 legislature. A number of themes emerged from the legislation, including environmental stewardship. It requires:
 - ODOT to participate in and finance the development of transportation plans needed to reduce greenhouse gas emissions by light vehicles. ODOT will work with the Department of Land Conservation and Development (DLCDD), the Department of Energy (ODOE), the Department of Environmental Quality (DEQ), Metro, local governments in the Portland area, the Central Lane Metropolitan Planning Organization (MPO) and local governments in the Eugene-Springfield area within Central Lane MPO.

- Creation of a new vehicle class -- medium-speed electric vehicles -- to deal with vehicles described as "neighborhood electric vehicles."
- Chapter 85, Oregon Laws 2010 Special Session, directs ODOT and DLCD to work with local governments in metropolitan areas on ways to reduce greenhouse gas (GHG) emissions through land use and transportation planning. In addition, ODOT and DLCD are directed to:
 - Educate Oregonians about the need to reduce GHG emissions and the benefits of doing so;
 - Develop scenario planning guidelines aimed at helping local governments and metropolitan planning agencies to reduce such emissions; and
 - Prepare a tool kit to help local governments carry out programs aimed at reducing transportation-related GHG emissions.
- Chapter 28, in conjunction with the JTA, also directs DLCD to set targets for reductions in GHG emissions caused by cars and light trucks in the six MPOs in Oregon. Finally, the legislation directs the Oregon Transportation Commission to adopt a statewide transportation strategy aimed at meeting the state's GHG reduction goals.

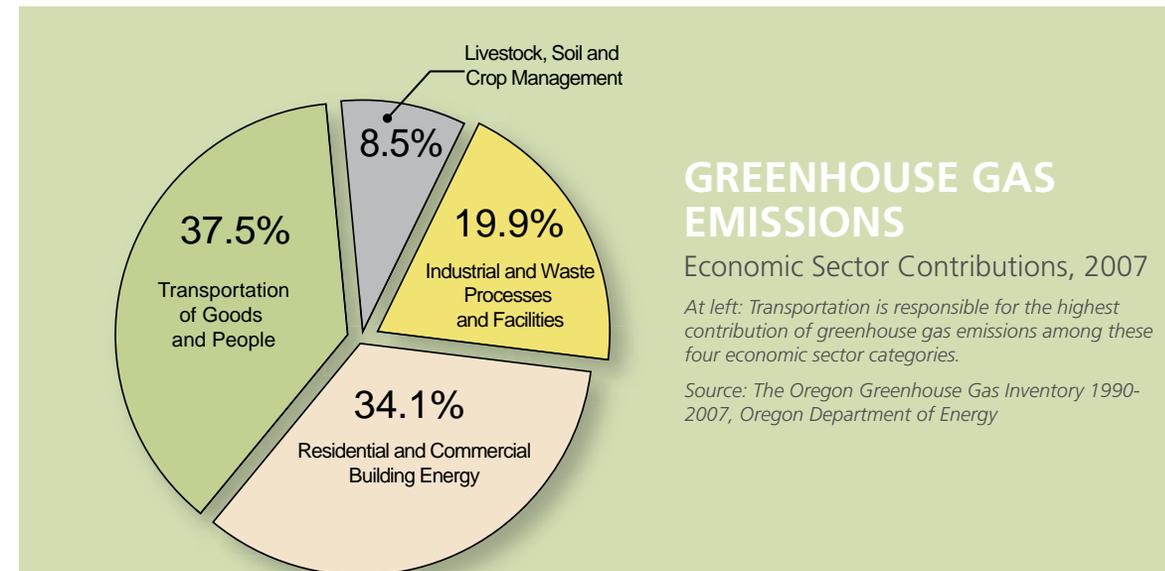
PLANNING

Internally, ODOT's Climate Change Executive Group of senior executive staff provides overall direction on the interrelationship of greenhouse gas production, global climate change, and the planning and operation of Oregon's transportation systems. The GreenSTEP model, a new planning tool, is used to estimate GHG emissions from surface transportation and to assist in determining how

the transportation sector can meet the statewide emissions targets in the future.

The agency has approved volume 2 of its three-volume Sustainability Plan. Volume 2 addresses internal operations with goals and strategies for meeting the legislature's target for reduction of GHGs including reducing electricity in facilities, using alternative fuels in the state fleet, and reducing emissions related to office materials. The plan also promotes more sustainable purchasing practices, building standards, employee commuting and employee health and safety.

The draft Oregon Freight Plan looks at ways freight transportation can reduce its GHG emissions. Potential reductions might come from improved fuel efficiency, regulation of emissions, improved operations, driver education and mode shifts. A legislatively-mandated task force staffed by the Department of Environmental Quality is recommending truck idling standards to the 2011 state legislature.



CONSTRUCTION AND MAINTENANCE

Several standards in ODOT's innovative Context Sensitive and Sustainable Solutions approach to the OTIA III Bridge Program support GHG reductions. One standard limits truck idling to five minutes, except in extreme cold weather or when needed for other reasons. A materials standard requires contractors to use ultra-low sulfur fuel, bio-diesel, or EPA-verified fuel additives in vehicles and equipment where possible and available. A third standard requires extensive tracking of the reuse and recycling of bridge materials. In 2009, 44,800 tons of asphalt pavement, 21,500 tons of clean fill, 40,200 tons of concrete, 2,700 tons of metal, and 400 tons of wood were captured, reused and recycled.

ODOT's maintenance section implemented the Environmental Management Program to bring all of the maintenance yards into compliance with Clean Water Act and Safe Drinking Water Act requirements for managing oil and fuel, preventing and containing spills that might affect water supplies, and preventing, containing and cleaning up pollution that

affects groundwater. They implemented the laws' requirements at more than 50 maintenance yards in 18 months.

ODOT is in the process of evaluating three pilot projects based on the Greenroads sustainability performance metric. This performance metric awards points for more sustainable practices during the design and construction phases of the roadway projects and would tangibly demonstrate



Oregon's progress towards and commitment to building and maintaining our roadways in a sustainable manner.

The Oregon Solar Highway, powered up in December 2008, is the nation's first solar power plant operating on highway right of way and is exceeding expectations. This project is a public-private partnership between ODOT and Portland General Electric which allowed them to benefit from the state's 50 percent business energy tax credit and the federal 30 percent investment tax credit. More solar highway projects are under development.

VEHICLE TECHNOLOGY

A major way to reduce GHG is improved technology. Many gas-powered vehicles are more fuel efficient than ever before. Some of that shift is due to federal and state mandates but also can be attributed to consumer demand.

Vehicle options available to consumers and businesses are expanding rapidly. Within a decade, plug-in cars could account for as much as 20 percent of new vehicles sold in Oregon. And the selection won't be limited to passenger vehicles. It will include electric trucks to supplement the delivery fleets of businesses.

With the Nissan Leaf, Chevy Volt and other electric vehicles (EVs) due to hit the street in the near future, Oregon is leading the way toward facilitating the deployment of this new generation of electric vehicles. Oregon's EV efforts, involving Business Oregon, utilities, ODOT and other private and public sector partners, are designed to recruit new green industry firms to the state. They are also key aspects of the state's efforts to achieve energy independence and reduce greenhouse gas emissions.

Oregon has received a significant infusion of federal funding that will ensure that those who purchase EVs will be able to

charge their vehicles both at home and on the road using two types of charging stations: Level 2 charging stations that can charge vehicles in several hours, and fast charge stations that can charge a depleted battery in about half an hour.

- The EV Project, funded by the Recovery Act and managed by charging station manufacturer ECOtality, will deploy approximately 1,100 public Level 2 charging stations and 23 fast charge stations within urban areas and along I-5 between communities to ensure corridor connectivity between urban areas.
- In October 2010 the U.S. Department of Transportation announced that ODOT will receive \$2 million in TIGER II (federal Transportation Investment Generating Economic Recovery) funding for an Electric Vehicle Corridor Connectivity Charging Network. This network will deploy about two dozen fast charge stations in smaller communities along major travel corridors throughout northwest Oregon. A strong charging network with stations at regular intervals will help reduce “range anxiety” for longer trips.
- ODOT has been awarded \$700,000 in Recovery Act funds from the U.S. Department of Energy to install up to eight EV fast charge stations along I-5 from Eugene south to Ashland. The funds, awarded through the Oregon Department of Energy, will connect the cities included in the EV Project.

As a result of the state’s widespread efforts to facilitate the adoption of EVs, Oregon has been awarded the Electric Drive Transportation Association’s (EDTA) highest honor, the E-Visionary Award—the first time a state has won this award.

OTHER ENVIRONMENTALLY FRIENDLY TRANSPORTATION PROGRAMS

An important part of a sustainable transportation system is having choice and good community access. The Transportation and Growth Management (TGM) Program continues to support community efforts to expand transportation choices for people. By linking land use and transportation planning, TGM works in partnership with local governments to create vibrant, livable communities in which people can walk, bike, take transit, or drive where they want to go.

For fiscal year 2009, as compared to 2008, transit ridership increased approximately 13 percent, and van and volunteer rides provided to older adults and persons with disabilities increased by 20 percent. The public transportation fleet has not only doubled in size, but the condition of the fleet has improved from just 66 percent being in good or excellent condition to more than 85 percent considered to be in good or excellent condition.

Transportation Demand Management (TDM) is the application of strategies, policies or programs to reduce auto trips while still meeting people’s transportation needs. Examples of TDM efforts include carpooling, vanpooling, public transportation, telecommuting, congestion pricing, bicycle-friendly facilities, parking pricing, and flexible work schedules. Reducing trips reduces GHG emissions and congestion, and driving less typically saves both traveler and taxpayer dollars.

The Driver and Motor Vehicle Services Division (DMV) assists the DEQ in enforcing vehicle emissions standards in the Portland and Medford areas. ODOT also evaluates and works to reduce the effects of proposed transportation solutions on air quality as part of the planning and project development processes.

In a 2009 poll, 83 percent of Willamette Valley residents said that they want Oregon to help lead the nation in pioneering electric vehicles.

Source: The Oregonian, May 9, 2010

GOAL 5

SAFETY AND SECURITY

Build, operate and maintain the transportation system so that it is safe and secure. Take into account the needs of all users: operators, passengers, pedestrians and property owners.

Although the definitions of safety and security are closely related, safety within the context of transportation means reducing the risk of transportation-related crashes or incidents. Security means reducing exposure to dangers including criminal and terrorist activity and natural disasters such as earthquakes and floods. Both safety and security measures include planning, education, engineering, enforcement and emergency responses.

SAFETY

Since 1999, for the first time since the early 1950's, Oregon rates for fatal crashes continue to be lower than the national average. Based on the most recent published data (2009) the number of fatal crashes has continued to decline. This is significant given the fact that during recent decades the number of licensed drivers and number of vehicle miles traveled have increased across the state.

Reducing crashes saves lives and prevents injuries, but it also spares families and society economic burdens. It is estimated that each traffic fatality costs an average of \$1 million in lost wages, lost productivity and expenses associated with the crash and death. Each traffic crash injury costs an average of \$50,000 in lost productivity, medical bills, rehabilitation and other expenses.

Transportation safety is also a major catalyst for many infrastructure improvements, including ramp meters, variable message signs, other hazard warning systems, rumble strips, crash barriers, new guardrails, traffic signals and left turn lanes, and traffic-calming devices like traffic circles and speed bumps.

As part of its Intelligent Transportation System (ITS) operations, ODOT maintains electronic systems to monitor

a variety of road conditions including vehicle speed, high winds, flooding, and ice and snow.

Road Weather Information Systems (RWIS) are weather stations that use sensors to provide data such as air and pavement temperatures, wind speed and direction, visibility, humidity, and precipitation. RWIS data are used for making winter road maintenance decisions and are shared with the public through the TripCheck web site.

Railroad safety is a cooperative endeavor between the states, the federal government and private rail operators. The Rail Safety Program uses a combination of inspections, enforcement and industry education. It aims to reduce the potential for train derailments and the release of hazardous materials. It also funds and constructs rail-crossing safety projects.

Pedestrian Fatalities in Oregon

The increase in pedestrian fatalities between 2009 and 2010 has been a subject of great concern. Two factors create the 51 percent increase – a record low number of deaths in 2009 and a record high for the decade in 2010.

Year	Number of Pedestrian Fatalities in Oregon
2000 – 2004	Annual average of 51
2005	49
2006	48
2007	50
2008	53
2009	37 (lowest since early 1940's)
2010	56 (through 11/17/10)

Many of the pedestrian fatalities are related to the pedestrians not being visible and taking action that drivers are not expecting, such as crossing mid block or walking in the roadway. Some pedestrians have been hit by impaired drivers.

New Safety Laws and Programs

Two new laws that went into effect on January 1, 2010 are aimed at making roads safer for travelers of all kinds. Oregon law now prohibits the use of cell phones and text messaging by teen drivers (20 percent of all crashes involve a driver age 15 to 20) and bans using cell phones or other mobile communication devices while driving unless using a hands-free device. The law is intended to improve safety on Oregon roads by discouraging distracted driving.

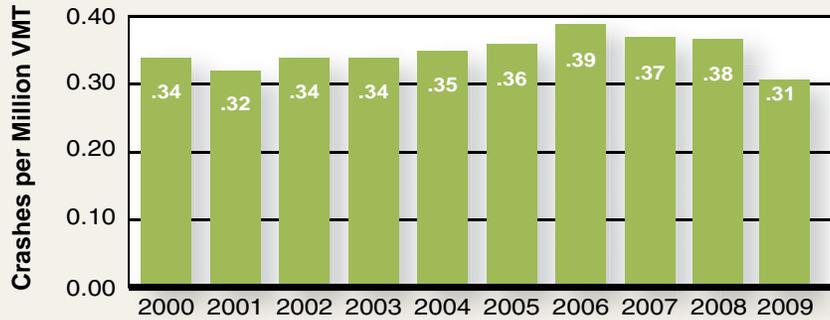
The Move Over law is intended to increase the safety of operators of emergency vehicles, tow truck and roadside assistance vehicles that are stopped and displaying emergency warning lights. If a driver cannot safely move over into another available lane, he or she must slow down to a speed that is at least 5 miles an hour below the posted speed of the roadway.

The Safe Routes to School program is intended to increase the ability and opportunity for children to walk and bicycle to school safely. In 2010, ODOT awarded more than \$380,000 to 48 schools as part of this program. Classes on bicycle safety, new crossing guard supplies and teacher training are some of the ways Oregon schools will encourage walking and biking safely to school.

Did you know?

- Drivers not paying attention is the biggest cause of work zone crashes.
- Speeding is the second biggest cause.
- Over 40 percent of work zone crashes happen in the transition zone before the work area.
- The largest number of worker fatalities in the U.S. occur on highways.
- More drivers and their passengers than workers die each year in Oregon work zones.
- Work zone crashes tend to be more severe than other types of crashes.
- In 2009, there were 18 work zone fatalities in Oregon, up considerably from previous years.

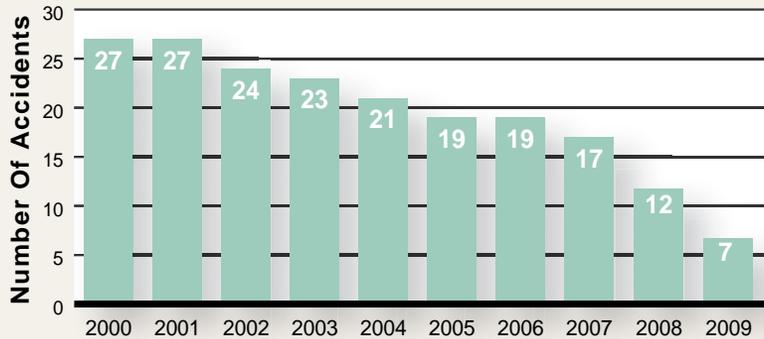
Large Truck At-fault Highway Crashes



In 2009 crashes involving trucks were down 28 percent and truck-at-fault crashes were down 26 percent. There were a total of 905 truck crashes, 354 fewer than in 2008. It was determined that the truck was at-fault in 497 of the crashes, 172 fewer than in 2008. A check of crash records as far back as 1980 shows this is the first time that truck crashes have fallen below 1,000 total and truck-at-fault crashes have fallen below 500 total. There was also a decline in injuries and fatalities. Truck crashes resulted in 32 percent fewer injuries and 15 percent fewer deaths in 2009. A total of 343 people were injured, 159 fewer than in 2008. A total of 29 people were killed, 5 fewer than in 2008.

The crash reduction goal of the Motor Carrier Transportation Division, and participating law enforcement partners is to meet or exceed the Federal Motor Carrier Safety Administration (FMCSA) goal of reducing truck-related fatalities from a 2005 baseline rate of 0.184 per 100 million vehicle miles traveled (VMT), to 0.16 per 100 million VMT by 2011. Oregon's truck-related fatality rate was 0.10 in 2008 and 0.09 per 100 million VMT in 2009, well below the federal goal.

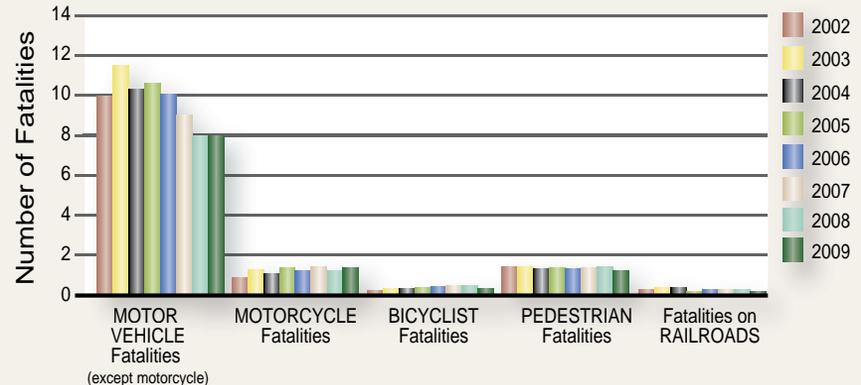
Vehicle and Train Accidents At Oregon Highway/Railroad Crossings



Source: ODOT's Annual Performance Progress Report (2010)

Transportation-related Fatalities

By Mode, Per 100,000 Population



Source: Performance Measurement Group ODOT

SECURITY

Local, state and federal agencies work together to prepare emergency response plans to effectively respond to a wide variety of emergency scenarios. Security is also a design consideration in transportation facilities.

In late 2009, ODOT completed a report on the seismic vulnerability of Oregon state highway bridges. The report indicates that in a large Cascadia Subduction Zone earthquake ODOT bridges will likely impair transportation mobility along Highway 101, on all routes between the coast and valley, and sections of Interstate 5, and may experience over \$1 billion in damage. At ODOT's current pace of seismic bridge improvements, it would take over 200 years to strengthen some 900 seismically vulnerable bridges.

In response to this report, the Oregon Seismic Safety Policy Advisory Commission recommended the creation of a new Seismic Transportation Reliability Plan and a new Seismic Transportation Reliability Program. An important part of the plan is to identify emergency seismic transportation routes in partnership with local transportation agencies. The plan would focus on Cascadia earthquakes' multiple hazards including ground failures, landslides, tsunamis, and damage to bridges, roads, tunnels, embankments, culverts and retaining walls.

Security is also a consideration in data and identification management. Driver licenses are the most common form of identification used by businesses and public agencies to ensure that they are doing business or providing services securely. The DMV helps Oregonians prevent fraud and ID theft. In 2008, a governor's executive order added electronic verification of Social Security numbers to the ID requirements for instruction permits, driver licenses and ID cards. Legislation also required the electronic verification

of immigration documents by January 2009. Additional provisions to issue limited term driver licenses, instruction permits and identification cards to applicants who are lawfully in the United States for any type of temporary stay became operative on January 1, 2010.



GOAL

FUNDING THE TRANSPORTATION SYSTEM

Create sources of revenue that will support a viable transportation system today and in the future. Expand ways to fund the system that are fair and fiscally responsible.

The many and diverse elements of Oregon's transportation system are funded through local, state and federal programs, private investments and sometimes a combination of all these sources. Oregon relies heavily on highway user fees to fund highway, road and street improvements across the state. These fees include fuel taxes, vehicle registration and title fees, and weight-mile taxes.

In the 2008 State of the System it was noted that neither the federal nor the state gas tax had increased since 1993. Although the federal gas tax remains the same, the Oregon state legislature in 2009 passed several fee increases including an increase to the state's gas tax.

TRANSPORTATION FUNDING ISSUES

The use of more energy-efficient vehicles as well as actions and inactions at the federal level are causing funding problems for transportation in Oregon.

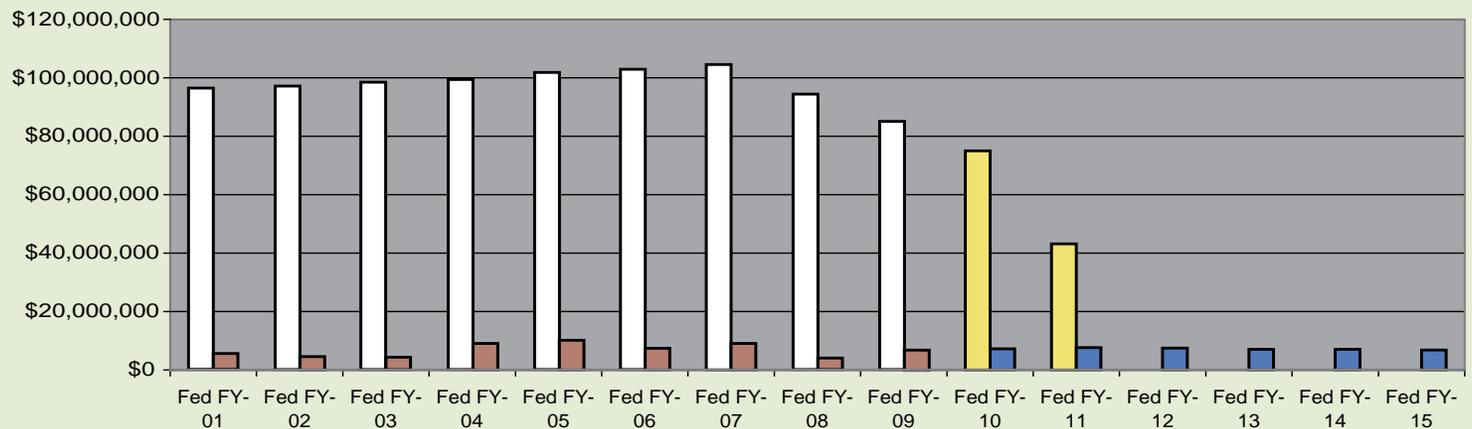
- **Reliance on fuel tax revenue:** The single largest contributor to Oregon Highway Fund revenue is motor fuels taxes. Increasing fuel efficiency of vehicles and the movement to alternative fuel vehicles-- particularly electric vehicles-- will result in lower fuel tax collection relative to use of highway facilities. Additionally, inflation itself erodes the buying power of fuel tax revenue.
- **Federal funding:** The federal fuels taxes, which supply the vast majority of the revenues flowing into the Highway Trust Fund for surface transportation programs, have not been increased since 1993. As a result, revenues have not kept up with expenses, and the balances in the Highway Trust Fund have been exhausted. Congress has had to step in and provide multiple infusions into the Highway Trust Fund totaling tens of billions of dollars. Without these

infusions, funding for the highway program would have been cut significantly. Without an increase in user fees or other revenue dedicated to transportation, federal funding for the surface transportation system will be seriously constrained in future years, and federal funding is unlikely to keep up with the needs of the system. Because the federal government provides Oregon more than half a billion dollars a year in federal highway and transit funding, a significant portion of the resources used for ODOT's capital program, any shortfalls at the federal level could have major impacts on Oregon's ability to preserve and improve its road, transit and bicycle/pedestrian infrastructure.

County timber receipts funding issues

As shown in the graphic below, for most of the last century payments from the U.S. Forest Service (USFS) were based on timber receipts; 25 percent of these were distributed to counties. Each county then distributed 75 percent of its timber revenues to county road funds and 25 percent to county school funds. Due to the rapid decline in timber harvest, the timber receipts to counties dropped to less than 10 percent of previous levels. To compensate the counties, Congress passed PL106-393, the "Secure Rural Schools and Community Self-Determination Act of 2000," authorizing payments to counties at close to previous timber receipt levels through Federal FY 2007. In 2008 Congress authorized a four-year extension of PL106-393 payments, but at a rapidly declining rate. Unless further legislation is passed, after Federal FY 2011 payments to counties will return to the 25 percent of timber receipts, a loss of over 90 percent, a major impact on the counties' ability to fund road maintenance and improvements.

**Total USFS Revenue to Oregon Counties' Road Funds
Showing Impacts from Loss of PL 106-393***



PL106-393 Funds Received Remaining PL106-393 Funds with Reauthorization

Funds Based on Timber Receipts Estimated Timber Receipts Based on Average of Last 7 Years of Receipts

* PL 106-393: Secure Rural Schools And Community Self-Determination Act

Source: Association of Oregon Counties

SPECIAL FUNDING PROGRAMS

Special funding programs have been necessary because current ongoing funding sources are not adequate to meet Oregon's nor the nation's transportation needs. While most of these programs have a limited duration, several state programs are ongoing.

- **ARRA:** The American Recovery and Reinvestment Act of 2009 provided federal funds to states for infrastructure projects and set aside 30 percent of those funds for local government projects. Oregon received nearly \$500 million for the surface transportation system, of which cities and counties received over \$110 million for road projects, and \$150 million was invested in state highway projects. Public transit also received \$140 million. Most ARRA work has been completed.
- **OTIA (Oregon Transportation Investment Act):** Between 2001 and 2003 the Oregon Legislature passed a series of funding packages that have raised \$2.96 billion for highway and bridge construction work through 2013.
- **ConnectOregon:** In addition to the transportation system improvements funded by the Recovery Act, the *ConnectOregon* program has been improving the integration and capacity of the state's multimodal system since it was first initiated by the 2005 state legislature. The program was reauthorized in 2007 and 2009. Building

on the success of the first two authorizations, *ConnectOregon III* will provide \$100 million in lottery-backed bonds for grants and loans for air, marine/port, public transportation, and rail projects. *ConnectOregon III* requires at least 10 percent of the program's funding to be allocated to each region of the state, provided there are eligible projects in

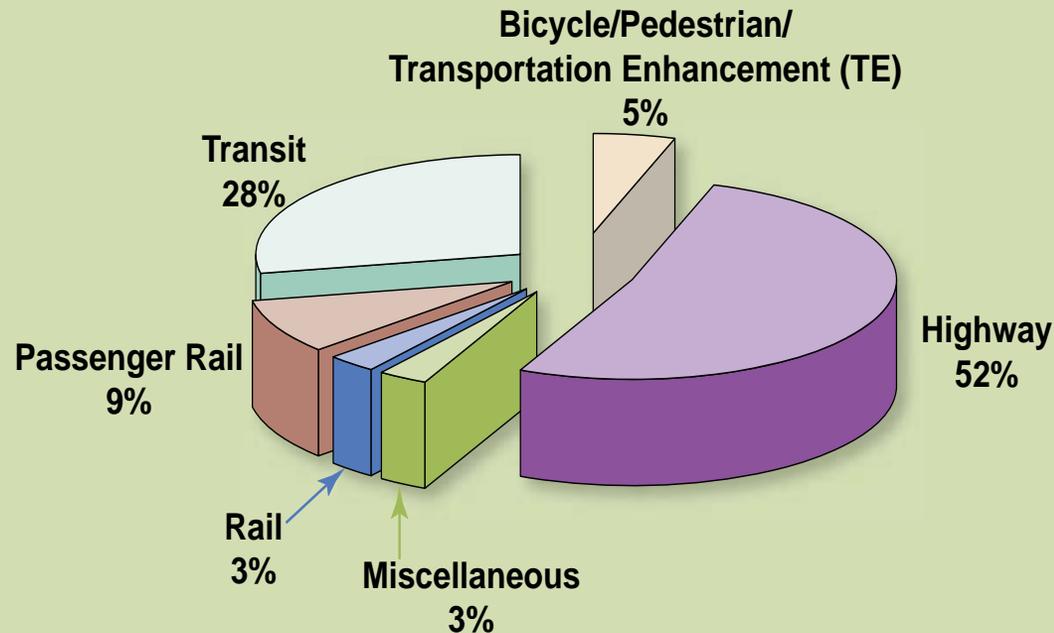
the region. In addition, at least 5 percent of the *ConnectOregon III* money must be allocated to rural airport projects.

- **Jobs and Transportation Act:** The 2009 JTA increases the custom license plate fee by \$25 per year. The additional revenue will support the funding of the second Cascades passenger train in the Willamette Valley and decrease the reliance on General Funds. JTA increased the ID card fee by \$10. This will sustain revenues for transportation services for senior citizens and people with disabilities.

- **Flexible Funds:** In a related action, the Oregon Transportation Commission

set aside \$21 million for the 2009-2011 budget cycle, in flexible federal money that had been used in the state highway program. This money will fund eligible non-road projects such as public transportation capital purchases and construction, transportation demand management (for example, rideshare and carpool programs), transportation and growth management, as well as bike/pedestrian projects.

Distribution of ARRA Funds in Oregon



THE 2009 JOBS AND TRANSPORTATION ACT

In 2009 the Oregon Legislature passed the Jobs and Transportation Act. This is a significant piece of legislation that provides funds to preserve and improve all modes of Oregon's transportation system.

When fully implemented on January 1, 2011, the JTA will raise \$300 million per year. The money will be distributed as follows:

- \$3 million per year to the Travel Information Council until 2020.
- \$24 million per year to a program for highway projects and related planning activities.
- About \$273 million per year, or:
 - 20 percent (about \$54.6 million per year) to city street programs based on population.
 - 30 percent (about \$81.9 million per year) to county road programs based on vehicle registration.
 - 50 percent (about \$136.5 million per year) to the state highway program. That state highway program money is allocated as follows:
 - 33 percent or about \$45 million to maintenance, preservation and safety.
 - 15.75 percent or about \$21.5 million to highway modernization program.
 - 51.25 percent or about \$70 million to bond repayment and to the 2009 Transportation Projects program for \$960.3 million in projects specified in the legislation.

JTA's revenue for highways, roads and streets increased in steps beginning in September 28, 2009, when the bill went into effect. This includes the revenue raised by:

- Light vehicle registration fees
- Light vehicle title fees
- License plate manufacturing fees

- Miscellaneous vehicle trip permit fees
- Heavy vehicle registration fees (January 1, 2010)
- Weight-mile tax and related heavy vehicle fees (October 1, 2010)
- Gasoline and diesel tax increase (beginning January 1, 2011)

RESEARCHING NEW FUNDING OPTIONS

It is nationally recognized that fuel taxes on light vehicles are not viable long-term means to fund the transportation system because of increases in fuel efficiency and the advent of non-gasoline vehicles. A wide array of research and pilot projects are underway to assess the viability of new funding systems and sources.

The JTA requires the following studies and testing:

- Undertaking a number of studies and initiatives including one or more congestion pricing pilots in the Portland metro area. This is being done cooperatively by Clackamas, Multnomah and Washington Counties, City of Portland, ODOT and Metro. A congestion pricing pilot must be implemented by October 2012.
- The Department of Administrative Services, Office of Economic Analysis to conduct an Efficient Fee Study in addition to the biennial Highway Cost Allocation Study. The Efficient Fee Study is an alternative approach that will include highway replacement cost, traffic congestion cost and cost associated with greenhouse gas emissions.
- The Road User Fee Task Force (RUFTF) to be a permanent entity and continue to develop and refine alternatives to the fuels tax as a method of raising revenue for highways, roads and streets.

The OTP recognizes that whether or not funds are increased, it is essential to maximize existing resources, invest strategically, consider return on investment, and provide equity between rural and urban areas, equity among income groups, and access to transportation options throughout Oregon.

GOAL 7

COORDINATION, COMMUNICATION AND COOPERATION

Foster coordination, communication and cooperation between transportation users and providers so various means of transportation function as an integrated system. Work to help all parties align interests, remove barriers and offer innovative, equitable solutions.

Effective coordination, communication and cooperation are critical to the delivery of an efficient transportation system. This includes effective planning and institutional relationships among public and private transportation services and those most affected by transportation activities, collectively referred to as stakeholders.

Oregon transportation jurisdictions include:

- 6 metropolitan planning organizations
- 9 federally recognized tribal governments
- 36 counties
- 242 incorporated cities

More than 160 stakeholder groups include:

- Area Commissions on Transportation (ACTs)
- Business, industry and interest groups
- Community groups and the general public
- Federal regulators and authorities
- Organizations representing local jurisdictions
- State agencies
- Special advisory committees to address specific issues and initiatives.

Many stakeholder groups and advisory committees include representatives from businesses, special interest groups, local jurisdictions, and other parties. Task specific advisory committees include those working on transportation GHG emission reduction planning to implement Chapter 28 and the freight shippers, public and private transportation providers, and other interests steering the development of the first Oregon Freight Plan.

REGIONAL TRANSPORTATION SYSTEM STAKEHOLDERS



Effectively managing and improving the transportation system requires working with a diverse set of jurisdictions, transportation providers and operators, and stakeholders:

6 Metropolitan Planning Organizations (MPOs)

9 Federally Recognized Tribes

11 Area Commissions on Transportation (ACTs)

36 Counties

242 Incorporated cities



Friends of Trees project in ODOT Right-of-Way on NE Holman

WHAT COORDINATION, COMMUNICATION AND COOPERATION CAN LOOK LIKE AND ACHIEVE

- Responding to traffic incidents is a joint effort by ODOT, local public works departments, Oregon State Police, local police, fire and rescue responders, and towing companies.
- ODOT is exploring and implementing a number of public-private partnerships to advance use of alternative energy, including establishing electric vehicle plug-in stations, using solar power for highway lighting and creating conveniently-located alternative fuel facilities.
- ODOT contracted program management of the OTIA III State Bridge Delivery Program to Oregon Bridge Delivery Partners, a private joint venture, to expedite the repair and replacement of ODOT bridges statewide, infusing money into the economy and sustaining jobs for Oregonians.
- ODOT continues its strong relationship with the American Council of Engineering Companies of Oregon (ACEC), holding the fifth annual partnering conference in 2010 to build relationships and improve processes between ODOT and private sector firms.
- January 2010 marked the beginning of a three-year project to green the I-205 multi-use path. The project involves Friends of Trees planting thousands of trees along the 15-mile path from NE Marine Drive in Portland to SE 82nd Drive in Gladstone. Financial support of the project comes from Metro's "Nature in the Neighborhoods" grant, an East Multnomah Soil and Water Conservation District grant, and donations from area businesses. The plantings will reduce air pollution, minimize storm-water runoff into streams and rivers, and provide habitat for wildlife and songbirds. In addition to enhancing the landscape

along the highly-visible transportation corridor, the project has created green jobs for underserved and minority communities through partnerships with Verde, Portland Opportunities Industrialization Center, the Portland Development Commission, and Worksystems Inc.

- The Scenic Byways Program is a partnership between ODOT, the Tourism Commission, visitor associations, chambers of commerce, the U.S. Forest Service, Bureau of Land Management and local governments. This program brings tourism to rural areas of the state and has brought more than \$13 million in federal grants to Oregon, between 1998 and 2009.
- The Oregon Department of Agriculture and ODOT coordinate efforts to control and deter invasive species through vegetation management.
- The Statewide Transportation Improvement Program (STIP) Stakeholder Committee, representing diverse transportation interests, advises the Oregon Transportation Commission on project selection criteria and other STIP applications, and is currently assisting ODOT in developing a methodology for Least Cost Planning.
- *ConnectOregon* II funds were used for the Grant County Airport Terminal project. The previous buildings were not adequate for USFS and Grant County requirements, and this project supported the retention of existing USFS positions and allowed for the addition of five permanent positions. The new facility offers a multi-use conference room for Grant County use, and USFS leases a portion of the building for their fire protection training and operations.
- The Oregon Transportation Commission's public involvement policy provides a framework for statewide transportation planning to meaningfully involve the

public by providing for early, open, continuous and effective participation in key planning and project decision-making processes.

- The Jobs and Transportation Act authorized counties with a population of 350,000 or more to enact a county registration fee. Multnomah County took such an action and DMV began collecting fees September 1, 2010. Taking all of the steps necessary to do this successfully required the coordination and collaboration of Multnomah County, DMV and DEQ.

The Pacific Coast Collaborative (PCC) was established by British Columbia's premier and the Pacific Coast governors in June 2008. The PCC's founding agreement pledges the participating governments to forge a partnership for leadership, cooperative action and a common voice on issues affecting the Pacific Coast region. Topics at a November 2010 meeting included:

- Renewable and low-carbon energy and energy conservation,
- Developing Interstate 5/Highway 99 as a green transportation corridor,
- Promoting the development of high-speed rail along the Pacific Coast, and
- Building an efficient electric vehicle infrastructure with charging stations.

MOVING FORWARD

The challenges facing jurisdictions and transportation providers in the state are significant and the transportation system is growing more complex. It is critical that we effectively monitor the system so we can best manage, maintain and improve the transportation system to meet these challenges. The Oregon Transportation Plan provides a framework for making decisions to efficiently and effectively provide a transportation system that meets Oregon's diverse needs.

Publishing the State of the System provides an opportunity to report on how Oregon is doing in key areas. Future editions of the State of the System Report will continue to discuss trends in many of these areas and introduce new information as additional data becomes available.

Where to Find Additional Information

You can find this State of the System report, additional information and links on the ODOT Web site at: www.oregon.gov/ODOT/TD/stateofthesystem.shtml. Information includes links to videos, reports, publications and organizations.

Thank you for your interest. Your ideas, questions and comments are welcome in making the State of the System Report more informative and valuable.

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