# OREGON TRANSPORTATION COMMISSION

## Minutes of the Regular Monthly Meeting
## January 25, 2012
## Keizer, Oregon

On Wednesday, January 25, 2012, at 8:00 a.m., the Oregon Transportation Commission (OTC) and Oregon Department of Transportation (ODOT) staff held a pre-meeting briefing session and reviewed the agenda in the Claggett Room A of the Keizer Community Center, Keizer City Hall, 930 Chemawa Road, Keizer, Oregon. Highlights of the pre-meeting were:

A review of the agenda.

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Oregon Highway Plan Appeal - Interim Deputy Director of Operations Jerri Bohard told the commission that the department had received a notice to appeal recent amendments to the Oregon Highway Plan, with regard to mobility standards, to the Land Use Board of Appeals.

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Energy Plan/Greenhouse Gas Issues - Jerri Bohard discussed the status of the work done on the plan to reduce greenhouse gases. The item was originally on the agenda, but is delayed until staff can review it in light of the state's 10-Year Energy Plan.

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County Payments – Senior Federal Affairs Advisor Travis Brouwer updated the status of efforts to address the loss of federal county timber payments.

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Columbia River Crossing – Director Matt Garrett updated the commission on testimony provided to the Oregon Legislature's Joint Oversight Committee on the Columbia River Crossing.

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Commercial Electric Truck Incentive Program – Innovative Partnership Program Project Manager Art James presented an opportunity to invest CMAQ dollars in a grant program for purchase of electric trucks in urban, nonattainment air quality areas. The commission agreed for staff to look into the proposal, compare costs of this program with other technologies, and bring it back to the commission.

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The regular monthly meeting began at 9:56 a.m. in the Iris Room B.

Notice of these meetings was made by press release of local and statewide media circulation throughout the state. Those attending part or all of the meetings included:

Commission Chair Pat Egan
Commissioner Dave Lohman
Commissioner Mark Frohnmayer
Commissioner Tammy Baney
Commissioner Mary Olson
Director Matthew Garrett
Chief of Staff Joan Plank
Central Services Deputy Director Clyde Saiki
Interim Deputy Director of Operations Jerri Bohard
Communication Div. Administrator Patrick Cooney
Highway Division Administrator Paul Maher
DMV Division Administrator Tom McClellan
Region 1 Manager Jason Tell
Region 2 Manager Sonny Chickering
Region 3 Manager Frank Reading
Region 4 Manager Bob Bryant
Interim Commission Assistant Jacque Carlisle

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Chair Egan called the meeting to order at 9:56 a.m.

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Director's report highlights were:

The good work on the *GreenSTEP* model, done by Transportation Development Division modelers Brian Gregor and Brian Dunn, has gone nationwide. Mr. Gregor developed the *GreenSTEP* model to assist with the analysis for greenhouse gas reductions, and for use in transportation planning and its processes. *GreenSTEP* measures the reduction potential for various transportation strategies and is used to meet greenhouse gas emission goals and targets.

Using the *GreenSTEP* model as its foundation, the Federal Highway Administration has just advanced its new model, *The Energy and Emission Reduction Policy Analysis Tool.* With this tool, agencies across the nation will have a modeling tool to assess quickly the policy interactions of hundreds of transportation scenarios. The State of Oregon, and the people at ODOT, are again leading the way for the nation.

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The *Ford Driving Skills for Life (Ford DSFL)* program is continuing its national outreach by kicking off the second year of the *Ford Driving Skills for Life National Tour.* The 2012 tour will include stops throughout the Northwest United States, beginning in Oregon and traveling to Washington, Idaho, Montana and Alaska. The program kicks off in Hillsboro, Oregon, on January 31.

After visiting Hillsboro, the tour will continue in the Portland area, then to Medford and Bend. The Oregon leg of the tour is scheduled to end March 1 in Eugene.

The tour brings a transporter with specially equipped hands-on training vehicles and professional instructors directly to high schools to build young drivers' skills in four key

areas: driver distraction, speed/space management, vehicle handling, and hazard recognition. These four areas are contributors to more than 60 percent of teen crashes.

The *Ford Driving Skills for Life National Tour* was developed in response to growing awareness of teen driving-related fatalities and increased driver distraction. The Ford Motor Company Fund, along with the Governor's Highway Safety Association (GHSA), developed the program.

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Direct Garrett presented a PowerPoint summary of ODOT's response to winter storms at the end of January.

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Public comment was received from:

Evan Manvel, from the Coalition for a Livable Future, spoke in opposition to the Columbia River Crossing project. The coalition is opposed to the project as it is currently designed, and asked the commission to abandon the current design and move to a plan B.

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Floyd Smith, Association of Oregon Rail Transit Advocates member, also spoke in opposition to the Columbia River Crossing project and in support of a move to a plan B.

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Chair Egan noted that agenda item #3 (approval of a request to amend temporary Oregon Administrative Rule (OAR) 734-051 to incorporate the Access Management Stakeholder Committee recommendations) was pulled and moved to a permanent rule making process.

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The commission considered approval of a request for a finding that enrollment of the Road Use Charge Pilot Program in the Oregon Innovative Partnerships Program (OIPP) has the potential to accelerate cost effective delivery and to promote innovative approaches to carry out the project. (Per authority of OAR 731-070-0240.) The commission also considered approval of direct negotiations, under the OIPP, with the Massachusetts Institute of Technology (MIT) to provide research and development activities. (Per authority of OAR 731-070-0240.) The commission considered delegation of authority to the manager of the Office of Innovative Partnerships and Alternative Funding to execute agreements with MIT. (Per authority of ORS 367.806(6) and ORS 184.635(2).) ***(Background materials in Director/Commission/History Center File, Salem.)***

***Background:*** The Road User Fee Task Force (RUFTF) is an independent body created by statute, and appointed by the Oregon Governor, Senate President, House Speaker

and Chair of the Oregon Transportation Commission. RUFTF adopted policies in 2010 and 2011 recommending passage of legislation in Oregon for an open system approach to mileage tax collection.

RUFTF intends for the Road Usage Charge Pilot Program to prove that private sector providers of electronic mileage data collection and reporting services, and tax collection services under an open technology platform, will enable motorists to select their method of mileage reporting from approved options. RUFTF and ODOT will present the results of this pilot program to the Oregon Legislative Assembly. RUFTF believes the legislature will find this information valuable as the body considers enacting road usage charge legislation during the 2013 legislative session.

The timeline to obtain proposals and select private sector entities for provision of the pilot program services is a challenge for speedy delivery of the project services. Moreover, because ODOT intends to select multiple firms to provide similar services to prove the open system concept, selection will require innovative procurement mechanisms. The Oregon Innovative Partnerships Program provides the necessary flexibility to meet both of these objectives.

Further, ORS 367.806 requires that the Oregon Transportation Commission review and approve ODOT agreements under the Oregon Innovative Partnerships Program. In order to meet the short timelines and foster an innovative procurement, ODOT must move forward quickly when ODOT reaches agreement with private sector partners. To that end, delegated authority to the manager of the Office of Innovative Partnerships and Alternative Funding will enable ODOT to start the Road Usage Charge Pilot Program in September 2012.

Office of Innovative Partnerships (OIPP) Manager Jim Whitty gave a presentation on *Enrollment of the Road User Charge Pilot Program into the Oregon Innovative Partnership Program*. Highlights of the presentation were:

- OIPP is an alternative procurement program that allows innovative and swift contracting for transportation projects.
- Enrollment of the Road User Charge Pilot Program into OIPP will enable commencement within necessary timelines, and with appropriate innovation.
- The objective of the pilot program is to demonstrate the viability of an open system for road usage charges in Oregon.
- Private sector providers of mileage metering technology, and tax collection services, will have the opportunity to participate in a series of technical demonstrations during a 'proof of concept' pilot starting September 2012.
- An innovative procurement process will:
    - select private sector participants via technology performance demonstrations;
    - integrate processes of private sector entities; and
    - install equipment and educate volunteer motorists.
- An overview of the pilot program under an 'open' system.

- An overview of mileage reporting from four potential options:
  - electronic reporting from odometer;
  - electronic reporting from advanced OBU (on board unit);
  - self reporting;
  - flat annual tax.

Commissioner Frohnmayer said his concern with the Vehicle Miles Traveled (VMT) program is that it has essentially introduced an imbalance in cost accounting because the fee-per-mile base doesn't take into account the extra weight factor for heavier vehicles. He asked what progress has been made to address this issue. Jim Whitty explained that the stakeholder group met with DMV staff to begin the conversation about understanding DMV's limitations versus the ability to do this. This is still being worked, and staff will bring it back to the commission as the abilities of the computer system at DMV become clearer. Early indications are that there may be opportunities.

Jim Whitty requested that the commission:

1. Determine a finding that enrollment of the Road Usage Charge Pilot Program and Road Usage Charge Research and Development Program in OIPP will have the potential to accelerate cost-effective delivery, and promote innovative approaches to carrying out the project.
2. Approve direct negotiations under the OIPP with the Massachusetts Institute of Technology (MIT) to provide research and development activities for the Road Usage and Development Program.
3. Delegate authority to the OIPP manager to execute agreements with MIT and private sector firms selected for the program.

Commissioner Lohman moved to approve the requests. Commission members unanimously approved the motion.

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The commission received an informational overview of the major findings of the 2011 Efficient Fee Study, and participated in a panel discussion on the study, which was completed in concert with the Oregon Cost Allocation Study. ***(Background materials in Director/Commission/History Center File, Salem.***

***Background:*** Oregon has a long history of conducting highway cost allocation (or responsibility) studies to determine the "fair share" that each class of road users should pay for the maintenance, operation, and improvement of the state's highway system. Oregon has now completed 18 such studies, the first in 1937, and the most recent in 2011. Legislation enacted by the 2009 Legislature required the two studies be conducted during the 2009-11 biennium, and the results of both be presented to the legislature. The first, termed the Traditional Highway Cost Allocation Study, allocated planned highway expenditures for the 2011-13 biennium based on a determination of which vehicle classes occasion the need for each individual category of work. The second, the Efficient Fee Study, estimated and allocated the actual costs users impose

on the highway system, including those resulting from, or associated with, traffic congestion, wear and tear to pavements and bridges, and vehicle emissions. This study was a first-time, prototype effort for Oregon (or any state), and generated significant interest when presented to committees of the 2011 Legislature. The final reports for both studies are available at http://oregon.gov/DAS/OEA/highway.shtml.

Interim Deputy Director of Operations Jerri Bohard introduced Active Transportation Section Senior Economist John Merriss, who gave a presentation on *Oregon Highway Cost Allocation Studies.* Highlights of the presentation were:

- a brief history of highway cost allocation studies in Oregon;
- constitutionally versus statutorily-mandated studies;
- the basic approach of studies;
- 2009-11 biennium studies mandated by House Bill 2001: HCAS (traditional Highway Cost Allocation Study) and an Efficient Fee Study;
- approach and results of the Efficient Fee Study;
- overall results of 2011 studies;
- recommended next steps.

Recognizing the constitutional mandate to do the study, and the necessity of the frequency and depth of the study, Chair Egan asked if there was a way to do a full-blown study on a less periodic basis, while still complying with the two-year requirement at the same time, so that we can get better data.

Chair Egan welcomed members of the Study Review Team participating in a panel discussion:

- Bob Russell, Oregon Trucking Association
- Jon Oshel, Association of Oregon Counties
- Craig Campbell, AAA

Bob Russell started by thanking the department, and the men and women in the maintenance, operations, and communications portion of the department, for the outstanding job done during the recent storms. He has heard nothing but kudos from members of Oregon Trucking Association.

He said cost allocation is arcane, but also extremely important. The constitutionally mandated study every two years assures that each member is paying its fair share, resulting in greater agreement among stakeholders and agreement to provide more money for transportation funding.

There are a number of reasons to change. One being to provide more money; money that would be spent in a different way. Today we tend to spend everything we have based on the STIP and maintenance needs, and nothing is being put away for future needs. Part of the efficient fee calculation is putting money aside so when the road wears out, you've already got the money to replace it. This is a very important feature of the efficient fee approach.

Another reason to change is to bring in externalities. These are policy choices. The existing method of cost allocation doesn't have the flexibility to bring those policy choices into the study. The efficient fee method has the ability to do that, and do it in a way satisfactory to the Oregon Trucking Association and its members. In addition, the efficient fee method of cost allocation and least cost planning work together to give the biggest bang for the buck, and put money aside so that the system continues to fund itself going forward.

Additional efficient fee studies would continue to suffer from the same flaws as past studies, so the Study Review Team would like to do a study that provides a roadmap of how to get from where we are today, to where we need to be to implement the efficient fee method of cost allocation.

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Craig Campbell said a lot of AAA members were out in the recent bad weather. ODOT's efforts statewide made a lot of people safer, and he thanked ODOT for the work it did during the recent storm.

He spoke about the fairness generated as a result of the cost allocation study. It's the thing that allows him to go to his members and say the reason taxes are increasing is because the money is needed for these projects, but also because it's your fair share to pay, and you're not subsidizing anyone else in that process. That gives a tremendous amount of confidence when making claims to members.

One of the challenges we face now when looking at the idea of moving to the efficient fee study is the data question. One of the benefits of having the discussions about a VMT tax is that it will provide access to data that will answer a lot of questions about where people travel, when they travel, and why they travel. We need to be smart about how we capture that data, and what we use it for. The efficiency study is going to need that data to take the next step, because as we look at how dollars are generated, there has to be solid confidence that that number is correct.

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Jon Oshel also gave ODOT kudos for its work during the storms keeping roads available, and for the excellent communications efforts.

He said one of the overriding issues about this new, complex system is what the public will understand and accept. His experience is that, while fair is important, understanding is more important. It needs to be kept simple. The place where it gets tricky is in the implementation. When it comes to wear and tear, our policy and direction is set by what money we're spending, rather than what money we should spend. That's the difference. Right now, we have the benefit of clarity when talking about what money is being spent. When shifting to the mode of what money should be spent, we have to prove, and prove it clearly. Things like congestion are easy to prove to people. But when it comes to things like air quality, it's hard to establish a clear value on that. The issue is how to establish a true value, and what is the nexus with the money collected

for that damage, versus what is being spent? Without a clear program to show that money being collected is spent to fix the problem, there will be a real problem.

Chair Egan concluded the discussion by saying "knowledge is power," and this gives us the opportunity to make the arguments that need making, both to manage the system, but also to make improvements on the revenue side or where needed. ODOT has a finite amount of resources, and being able to comply, do the work necessary, and make sure the assurance is out there is critical.

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The commission received an update on the status of projects in the Jobs and Transportation Act from Highway Division Administrator Paul Mather. ***(Background materials in Director/Commission/History Center File, Salem.)***

***Background:*** The Jobs and Transportation Act (JTA), is the first bill to identify in statute specific projects to be funded by the legislation. Because of that, changes to limits of a project or dollar increases have to go back to the legislature for approval of the change. During the February session, two legislative concepts will move forward that will change Section 64 of the bill that relates to the activities of the commission. Both concepts require the OTC to report to the legislature on an annual basis. The report will identify funds that haven't been used on projects, and provide a priority list of which projects would receive additional funds.

Through the JTA, the legislature identified 37 specific projects and allocated funding to 12 local governments in eastern Oregon, resulting in an additional 14 projects. Some of the allocations have been split into smaller projects so that construction can begin earlier on developed phases to allow for better construction management of the project. In total, six projects are complete, 13 are under construction, and the remaining are being designed or are in an environmental process. In the coming years, more projects will move from the design to construction stages.

Paul Mather gave an overview of projects in the JTA and introduced five region managers to talk about projects in their area.

Region 1 Manager Jason Tell talked about the State Highway 212 at Sunrise Corridor, Interstate 84 at the Troutdale Interchange, and U.S. Highway 26 at the Shute Road Interchange projects.

Region 2 Manager Sonny Chickering talked about the Interstate 5 at the Woodburn Interchange, Newbery Dundee Bypass Phase 1, Interstate 5 at Beltline Unit 3 and 4 projects, and Tillamook U.S. Highway 101 at State Highway 6 projects.

Region 3 Manager Frank Reading talked about the Highway 62 Corridor Expressway and Interstate 5 at Fern Valley Interchange projects.

Region 4 Manager Bob Bryant talked about the U.S. Highway 97 at Murphy Road and Oregon Highway 140 at Klamath Falls to the Nevada state line projects.

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The commission considered approval of the Consent Calendar. ***(Background materials in Director/Commission/History Center File, Salem.)***

1. Approve minutes from the December 21, 2011, meeting in Salem.
2. Confirm the next two Commission meeting dates:
   - Wednesday, February 15, 2011, in Salem
   - Wednesday, March 21, 2012, in Salem
3. Adopt a resolution for authority to acquire real property by purchase, condemnation, agreement or donation.
4. Approve the following Oregon Administrative Rules:
   a. Adoption of 734-020-0018 and 734-020-0019 relating to variable speed zones.
   b. Amendment of 734-070-0010 and 734-082-0025 relating to authority for motor carrier travel restrictions.
   c. Amendment of 734-075-0005, 0008, 0010, 0011, 0015, 0020, 0022, 0025, 0035, 0036, 0037, 0040, 0041, 0045, 0055, 0085; 734-076-0065, 0075, 0105, 0115, 0135, 0145, 0155, 0165, 0175 relating to miscellaneous Motor Carrier rule revisions.
   d. Amendment of 735-001-0050, 735-010-0030, 735-062-0002, 0007, 0080, 0085, 0090, 0110, 0200; 735-063-0000, 0050, 0060, 0065 and adoption of 735-063-0067 relating to proof of medical qualification for a CDL.
   e. Adoption of 741-040-0010, 0020, 0030, 0040, 0050, 0060 and 0070 relating to rail infrastructure notification.
5. Approve a request to amend the 2010-2013 Statewide Transportation Improvement Program (STIP) to add seven bridge seismic retrofit projects on Interstate 5 in Region 1. These projects will be funded with $14,348,853 of earmark funding and $177,147 of 2013 State Bridge program. The estimated project cost is $14,526,000.
6. Approve a request to amend the 2010-2013 Statewide Transportation Improvement Program (STIP) to add the construction phase for the Oregon 99E 10th Street to MP 14 (Oregon City) project. The project will be funded from Region 1 preservation project savings. The estimated project cost is $1,552,173.
7. Approve a request to amend the 2010-2013 Statewide Transportation Improvement Program (STIP) to add the construction phase for the U.S. 101: McCullough Bridge project. The project will be funded with a portion of the 2013 State Bridge Program. The estimated project cost is $40,725,000.
8. Approve a request to increase construction authorization by $2,236,573.98, or 18.55 percent, for additional work on U.S. 26: NW 185th Avenue – Cornell Road project, a Jobs and Transportation Act (JTA) funded project. The increase will change the construction authorization from $12,057,738.65 to $14,294,312.63. This project is 70 percent complete.

9. Approve a request for payment of $1,405,232 from the Multimodal Transportation Fund established under Oregon Revised Statute (ORS) 367.080 to the Port of Brookings Harbor for tsunami damage.

Commissioner Baney moved to approve the Consent Calendar. Commission members unanimously approved the motion.

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The commission received an update on the Oregon Department of Transportation's Key Performance Measures. ***(Background materials in Director/Commission/History Center File, Salem.)***

***Background:*** The department has 23 Key Performance Measures that communicate in quantitative terms how well the agency is achieving its mission and goals. The department updates the commission on the department's Key Performance Measures twice a year.

Deputy Director for Central Services Clyde Saiki and Performance Measurement Manager Scott Bassett gave a presentation on *ODOT Key Performance Measures and Public Dashboard Report.* Highlights of the report were:

- ODOT performance measures align ODOT's goals to its mission.
  - Safety – Engineering, educating, and enforcing a safe transportation system
  - Stewardship – Maximizing value from transportation investments
  - Preservation – Preserving and maintaining transportation investments
  - Mobility/Economic Vitality – Keeping people and the economy moving
  - Sustainability/Environment – Sustaining the environment and communities

- ODOT reports on 23 key performance measures and four additional measures as part of the agency budget document. The information is available to the public in a dashboard.

- A recap of performance measures highlights, including traffic injuries, rail crossing incidents, and construction completion timeliness.
  - 20 of the 27 publicly reported measures are at or within five percent of the target, and either holding steady or making progress.
  - Nine measures have performance improvements.
  - Nine measures have future targets that are more ambitious for the coming year.
  - Two measures are within 15 percent of target (bike lanes and sidewalks, and construction jobs).
  - Three measures are more than 15 percent from the target (traffic injuries, rail crossing incidents, and construction completion timeliness).

Commissioner Lohman said this is a good tool, but when making a presentation to the legislature or public, there are a few overall system issues that the dashboard measures don't really capture, that we want everyone to understand.

Commissioner Frohnmayer said the only component missing is the mapping of efficiency and sustainability. In the stewardship map, there is a lot about the internal efficiency of the department, but nothing about the efficiency of the system as a whole. Based on the efficient fee study, the first key measure he suggests adding is greenhouse gas emissions. There is now a rough-cut measure of statewide emissions, and we can map that based on fuel consumption or the measure in the study.

Commissioner Frohnmayer also flagged bus and train service, and the need for more measures around alternative modes.

Chair Egan said goals and measures are the improvement mechanism. The question is how much is out there in the public relative to the legislative discussion, and what to put on a Web site, as opposed to internal types of things. Personnel safety for ODOT staff is a measure he would suggest because it is one of the best metrics of quality organizations.

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The commission received an annual report from Driver and Motor Vehicle Division Administrator Tom McClellan on the effects of implementing driver license and identification card issuance standards as required by the Oregon Legislature in 2008. ***(Background materials in Director/Commission/History Center File, Salem.)***

***Background:*** In 2007, representatives from the Federal Bureau of Investigation, Homeland Security, and the Social Security Administration approached the governor with concerns about out-of-state people and a criminal element coming to Oregon because of a perceived lax eligibility standard for driver licenses and ID cards.

In November 2007, the governor signed an executive order requiring verification of social security numbers from all applicants prior to issuance of a license or ID card. During the 2008 Special Legislative Session, the legislature tightened documentation and identity verification requirements with Senate Bill (SB) 1080 that contained the governor's executive order, expanded the requirements to all applicants, and added several new provisions including proof of legal presence in the United States.

There were three phases to the legal presence standard: documented proof of being in the country legally; verification with the Department of Homeland Security of any electronically received immigration documents; and the issuance of a card that expires when a person's immigration status in this country expires.

A companion bill, House Bill (HB) 3624, required the department to submit annual reports to the Legislative Assembly on the specific impacts of SB 1080 beginning January 2010, and ending January 2014. The hypothesis at that time was that there would be an increase in unlicensed drivers in Oregon, and unlicensed drivers without insurance. The third annual report, which ODOT will present to the legislature next week, actually showed that there has not been an increase in unlicensed or uninsured

drivers involved in crashes, and that the category for licensed, and uninsured, has actually gone up.

Due to Oregon's eight-year renewal cycle, it is likely that an increasing number of drivers will be unable to renew their driver license over the next five years because they no longer qualify under the requirements of SB 1080. As a result, it's expected that any change in the rate of uninsured or unlicensed drivers, and in the number of accidents, will be gradual over the eight-year period. Over the next five years, as more drivers are unable to renew their driver license due to the additional identification requirements of SB 1080, the effects of the law on unlicensed and uninsured driving will become clearer.

Portland State University (PSU) completed a study to assess the social and economic impacts of SB 1080 on immigrant groups. The study, funded by ODOT, included four components:

1. Literature review – Research found no relevant literature from other states. PSU widened the study to create a review of what is known about the characteristics of the undocumented resident population in Oregon, the impact of legal status on labor market outcomes for Mexican immigrants in the U.S., and the history and uses of the Mexican Consulate card.
2. Statistical portrait – A statistical portrait of Oregon's undocumented population.
3. Interviews – An interview study with Latino migrants. PSU worked with a Mexican research team to interview nearly 400 people. Interviews were conducted in Spanish, in venues including the Mexican Consulate in Portland and a "Mobile Consulate" in Albany; a farm labor camp in Hillsboro; Latino flea markets in Gresham; migrant housing programs in Portland, Hillsboro, Woodburn and Molalla; and other locations.
4. Economic analysis – The economic impacts of SB 1080 were estimated based upon available statistical evidence and an original economic model developed for this analysis.

The report was published in June 2011. A copy of the report is available at: http://www.oregon.gov/ODOT/TD/TP_RES/docs/Reports/2011/SB1080.pdf

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Chair Egan adjourned the meeting at 1:08 p.m.

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Pat Egan, Chair

Tammy Baney, Member

David Lohman, Member

Mark Frohnmayer, Member

Mary Olson, Member

Roxanne Van Hess, Commission Support