

ODOT Transportation Needs Funding Analysis

Commerce and Compliance Division

Total Annual Funding Gap: \$25 million

The Commerce and Compliance Division's (CCD) mission is to administer motor carrier and rail regulations to promote a safe, efficient, and responsible commercial transportation industry and ensure the longevity of the state's infrastructure. The number of trucks and motor carrier accounts has grown significantly in recent years while staffing has been reduced. Prior to 2019, CCD maintained about 25,000 accounts with about 250,000 vehicles in our tax enrollment program. Today, the number of accounts is more than 104,000 and the number of vehicles enrolled in the tax program is over 640,000.

CCD consists of Commercial Vehicle Licensing Services, Commercial Vehicle Tax Programs, Roadside Safety and Enforcement, Rail Regulatory Programs, and Business Operations. CCD is responsible for the registration and taxation of commercial motor vehicles. The division charges fees for the services it provides, such as variance permits for over-dimension loads, which have been unchanged for decades. The division also collects taxes through the administration of Oregon's weight-mile tax program. The service fees do not cover the costs of doing business and the division's operations are funded through a combination of the service fees, registration fees, and weight-mile taxes it collects.

To effectively manage this growing responsibility, CCD needs new systems that both expand customer self-service options and can accommodate the growth in managed accounts. The increase in customers and vehicles will also require additional roadside investment to manage increased traffic flows. The taxes and fees collected by CCD cover its operating costs, additional revenue is needed for meet growing customer service demands and increased infrastructure investment.

In total, CCD needs approximately \$60 million per year to maintain customer service offerings and roadside infrastructure, with an annual gap of about \$25 million. Increased funding would allow for programmatic needs to be met over the next 20 years, including: modernizing the IT systems for tax, registration, and roadside enforcement; modernizing truck weigh stations and safety inspection facilities along major highways; and increasing staffing levels to provide sustainable customer service to the growing industry.

CCD Additional Need per year:	\$25,000,000*
Adjust for inflation	\$8,000,000
Information Technology	\$2,000,000
Size & Weight Roadside Infrastructure	\$15,000,000

Technology and Data Accessibility (\$2 million annually)

CCD is requesting \$2 million per year for information technology needs. This needs estimate includes the replacement of the technology systems that CCD utilizes to administer the programs. The project costs include the acquisition of a commercial off-the-shelf system, quality assurance contractors, change management contracts and any temporary staff augmentation to ensure day-to-day services are maintained while subject matter experts participate in the project development process. The cost estimates are based on the recent size and weight permitting system replacement project and scaled based on the complexity of the programs impacted and the volume of data and unique transaction types that could require customization.

Currently, the majority of motor carrier transactions are processed through aged COBOL Mainframe systems, which are fragile and inflexible. These systems are difficult to modify, and they cannot adapt quickly to changes. Additionally, paying for and finding knowledgeable developers for this obsolete programming language is a growing challenge, with multiple automated features requiring burdensome and costly manual workarounds to maintain daily workflow. In 2022, due to system inadequacies the division did not receive the necessary modifications to timely administer annual commercial vehicle renewal, forcing the issuance of an emergency declaration to extend the window for motor carriers to renew their vehicles. Replacing these aged systems will minimize the burden on industry by utilizing authoritative data sources, reducing manual entry, and creating a data repository for Oregon-based commercial vehicles that can be easily utilized by other government partners.

Size and Weight Roadside Infrastructure (\$15 million annually)

CCD is requesting \$15 million per year for roadside infrastructure needs. CCD's Intelligent Transportation Systems (ITS) and roadside infrastructure are at the end of their lifecycle at a time when electronic screening, automated inspections, and digital enforcement are in high demand to address traffic congestion and compliance with the law.

Nearly 80% of CCD's 83 static scale decks across the state are more than 30 years old. As the decks are worn, their accuracy becomes a concern and maintenance costs increase exponentially to maintain certification. CCD relies on scale accuracy for proof of compliance and issuance of presumptive fine violations used for trusted court documentation. CCD would utilize the additional funds to implement a 20-year replacement plan for scale decks, portable scales and associated equipment, and technology and communications components needed to effectively pre-screen, weigh, and enforce all regulatory requirements administered by the division. The division would partner with pavement preservation projects that are near CCD facilities to address aging asphalt, improve ramp storage, and install upgraded weigh-in-motion technologies on the highway.

The division's 21 preclearance sites need ITS improvements and additional ramp storage, which are critical to mitigating traffic congestion. Truck volumes have tripled since these systems were installed over 35 years ago. The additional funding would allow CCD to continue to screen 65% of the truck traffic on the mainline and/or ramp at less than 50% of the 88 locations around the state. This is a conservative ask, acknowledging that not all locations are worked daily, and CCD would focus funds on the highest priority locations. The installation and modernization of these sites

typically cost \$1,000,000 and can vary by location and the availability of power and communication lines. Modernizing roadside infrastructure will help CCD achieve the goal of 85% electronic screenings to reduce wait time for industry and congestion for the general public.

The request also includes investment to address illegal bypass issues. Research shows that over 50% of vehicles that illegally bypass weigh stations are non-compliant and present a safety risk to the travelling public. This increase would fund the installation of an additional license plate reader and USDOT number reader, which typically cost \$525,000, along with one repurposed FTE in each Region to review data and coordinate with compliance specialists to address bypass issues. The increase of traffic at roadside facilities would require an ITS approach for traffic mitigation. Data collection through ITS solutions in metro areas would be needed, in addition to IT system replacement and additional staff to ensure safety, registration, and tax compliance. The division would repurpose two positions to Compliance Specialist 2 for processing civil compliance actions from these activities. The data captured is utilized in CCD's holistic approach to compliance, as research shows screened vehicles are more likely to pay their taxes and be safety compliant.

Finally, changes in federal regulation and policy will require significant improvement to roadside ITS solutions to meet the data capture requirements for electronic credentialing verification and inspections. For example, federal credential verification requirements through PRISM require updates to the division's registration systems and ability to verify roadside data to ensure carriers are operating free of federal out-of-service limitations. States are required to send all interstate vehicle records to the International Data Repository (IDR), which then pushes the records to Federal Motor Carrier Safety Administration's (FMCSA) Safety and Fitness Electronic Records System (SAFER). FMCSA will then make these records available for other states to download for roadside screening and enforcement. Throughout these data transmissions, there are data validation rules and data accuracy standards that ensure the records are accurate. As is the case in all other states, CCD's current systems are designed around each carrier's unique Oregon tax account number rather than their USDOT number. As CCD's system pushes information up to IDR and SAFER, the division must "translate" records from tax identification to USDOT identification, and vice versa when records come back down to us.

With its aged systems, CCD encounters significant errors in these data exchanges. Since June 2022, over 45,000 IDR records have been rejected or excluded, along with more than 1,500 SAFER records. The cost of these errors, due to inconsistent data quality, is significant. Manually correcting each error takes approximately 25 days of programmer time, leading to significant delay in uploading correct records to IDR and SAFER. These delays impact motor carriers as these records are required for roadside enforcement and safety inspections. If a vehicle's record is missing or incorrect in SAFER, the vehicle may be flagged for not having valid operating credentials, leading to potential enforcement action. This increases calls to CCD requiring staff to research and respond to questions, along with diminished confidence in CCD data reliability from our partners in law enforcement and the industry.