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House Committee on Transportation and Economic Development
State Capitol
900 Court Street NE
Salem, OR 97301

April 8, 2013

RE: Opposition to HB 2696

Chair Read and members of the committee:

Thank you for this opportunity to present testimony opposing HB 2696, legislation to hand transportation planning and development over to private entities. 1000 Friends of Oregon is a nonprofit, membership organization that works with Oregonians to support livable urban and rural communities, protect family farms and forests, and provide transportation and housing choice.

Agriculture is Oregon's second largest industry: 1 out of 8 jobs in this state is agriculture-related, and the industry is directly and indirectly linked to about \$22 billion in sales of goods and services, accounting for 15% of the statewide total of sales involving all industry sectors. Agriculture is traded-sector – 80% is sold out of state with 40% exported out of the country, bringing new dollars into Oregon. And those figures have been increasing almost steadily for two decades, which is not a story any other industry can tell. 1000 Friends of Oregon believes that agricultural land should stay in agricultural use to support our second largest industry.

Oregon's number one producing agricultural county is Marion County at \$616.9 million in farm sales. Agriculture is the economic driver for Marion County. Paving over prime farmlands – as all of the 5 proposed alignments do – would take this valuable land out of industrial production to the detriment of agriculture in the Valley. This is a bad idea for the Valley economy.

In addition, this bill is a solution in search of a problem. The first phase of the Newberg-Dundee bypass has been funded and is currently under development. Its aim is to serve exactly the same traffic as the proposed Coastal Tollway. The Coastal Tollway is simply no longer necessary.

Even if the Coastal Tollway were still necessary, ORS 383.001–383.075 allow ODOT to approve tollways in the state. So what does this bill do that is different? HB 2696 does two major things. It gives private entities access to eminent domain and it treats private for-profit projects as public projects under Oregon's laws. Giving governmental powers to private developers removes any entities that are accountable to the people from the decision-making process. This is anathema to public process and citizen input and results in projects that only serve the developer.

Another issue with this concept is induced demand. When additional road capacity is built (whether it is needed or not) it is historically congested with traffic within a very short timeframe. This is because as more road capacity becomes available development follows the new roads. The Coastal Tollway would encourage development in the agricultural heart of the Willamette Valley by opening up areas away from I-5 for development. This will lead to increased urbanization of farm lands, hurting the farming economy in the Valley.

HB 2696 would also increase demand on I-5 as traffic would be diverted from the Newberg-Dundee bypass to the Tollway. Accommodating this extra traffic will not be free and the state will incur a real cost for it. This bill also *requires* ODOT to take over maintenance of the toll road after the private entity has wrung the profits from it – putting Oregon taxpayers on the hook to pay the ballooning costs to fix it. There is no requirement in the bill that long term maintenance be considered in the design and construction of the toll road. It will be up to ODOT to pay to maintain or decommission the toll road and make improvements to other roads that serve the Tollway.

While this bill is couched in the preamble as being for a particular project HB 2696 is a blanket authorization. It can be used anywhere in the state to speculatively build roads regardless of need or public benefit.

Fundamentally, this bill takes planning of major infrastructure out of public hands and gives it to developers who seek short-term profit rather than the long-term public good. This same sort of thinking resulted in the Enron debacle. Whether it is for the safety of the road, long-term maintenance, or impact on other transportation infrastructure, putting responsibility for the good of the public in private hands will not lead to a good outcome.

For the reasons above, 1000 Friends of Oregon opposes HB 2696.

Respectfully submitted,



Steven D. McCoy
Farm and Forest Staff Attorney