Oregon
John A. Kitzhaber, M.D., Governor

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TO: House Committee on Transportation and Economic Development

FROM: Matthew L. Garrett
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SUBJECT: ODOT Agency Overview

BACKGROUND

The Oregon Department of Transportation (ODOT), established in 1969, develops and implements programs related to Oregon's system of highways, roads, and bridges; bicycle and pedestrian facilities; passenger and freight railways; public transportation services; transportation safety programs; driver and vehicle licensing; and motor carrier regulation. The department is organized into seven divisions: Highway, Transportation Development, Rail and Public Transit, Transportation Safety, Driver and Motor Vehicle Services, Motor Carrier Transportation and Central Services.

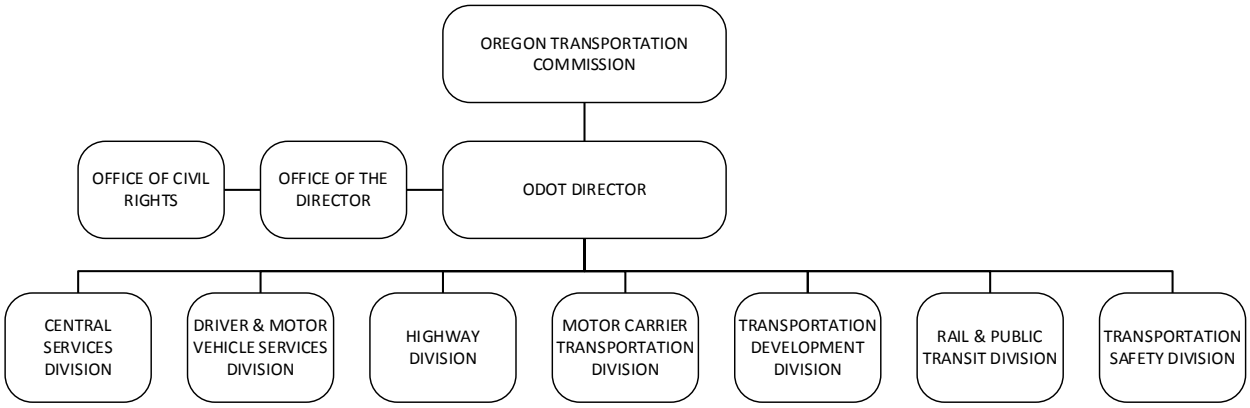

Figure 1: Organizational Chart

ODOT's mission is to provide a safe, efficient transportation system that supports economic opportunity and livable communities for Oregonians. ODOT's goals are to improve safety, move people and goods efficiently, preserve and maintain our existing transportation infrastructure, and improve Oregon's livability and economic prosperity.

ODOT is governed by the Oregon Transportation Commission (OTC), a five-member, governor-appointed, volunteer citizen board that establishes state transportation policy. The commission charters and is advised by eleven Area Commissions on Transportation (ACTs) who represent geographic regions of the state and consider regional and local transportation-related issues. Clackamas County, Hood River County, Multnomah County and the majority of Washington County currently fall outside existing ACT boundaries. In December 2014, ODOT, in partnership with stakeholders, proposed an additional ACT encompassing those counties for OTC consideration.

The OTC adopted the current Oregon Transportation Plan (OTP) in 2006. The OTP is the state's long-range multimodal transportation plan and the overarching policy document among a series of plans that together form the state transportation system plan. The OTP considers all modes of Oregon's transportation system as a single system and addresses the future needs of Oregon's airports, bicycle and pedestrian facilities, highway and roadways, pipelines, ports and waterway facilities, public transportation and railroads through 2030.

The State of the System report provides information on the transportation system and ODOT's progress toward implementing the Oregon Transportation Plan. ODOT publishes the biennial report online at:
http://www.oregon.gov/ODOT/TD/docs/stateofthesystem/2014_State_of_System_WEB.pdf.

The OTC also adopts the Statewide Transportation Improvement Program (STIP) every two years, which is the funding and scheduling document for road, transit and bicycle/pedestrian projects in Oregon. It lists all state and federally funded projects that will be undertaken for the next four years. The STIP is developed through the coordinated efforts of ODOT, federal agencies, local governments, tribal governments, metropolitan planning organizations (MPO), advisory groups, port districts, transit districts, and the public. The STIP only includes projects for which committed funding is available.

ACTs play a key role in selecting projects. ACTs meet regularly to prioritize transportation problems and solutions and recommend projects in their areas to be included in the STIP. In addition, advisory committees and task forces made up of local government officials, members of the public, and business people help ODOT and the OTC make policy and select projects for all modes of transportation.

ACHIEVEMENTS

Oregon's transportation system contributes to virtually everything of value in our economy, and lives, from connecting business to markets, to bringing jobs, education, healthcare, recreation and government services within the reach of Oregonians.

Delivering programs

In recent years, ODOT has delivered on major investments provided by the Oregon Legislature and the federal government. In the process, ODOT has improved the safety of Oregon's transportation system, developed innovative new ways to streamline project delivery and become a more sustainable and multimodal transportation agency.

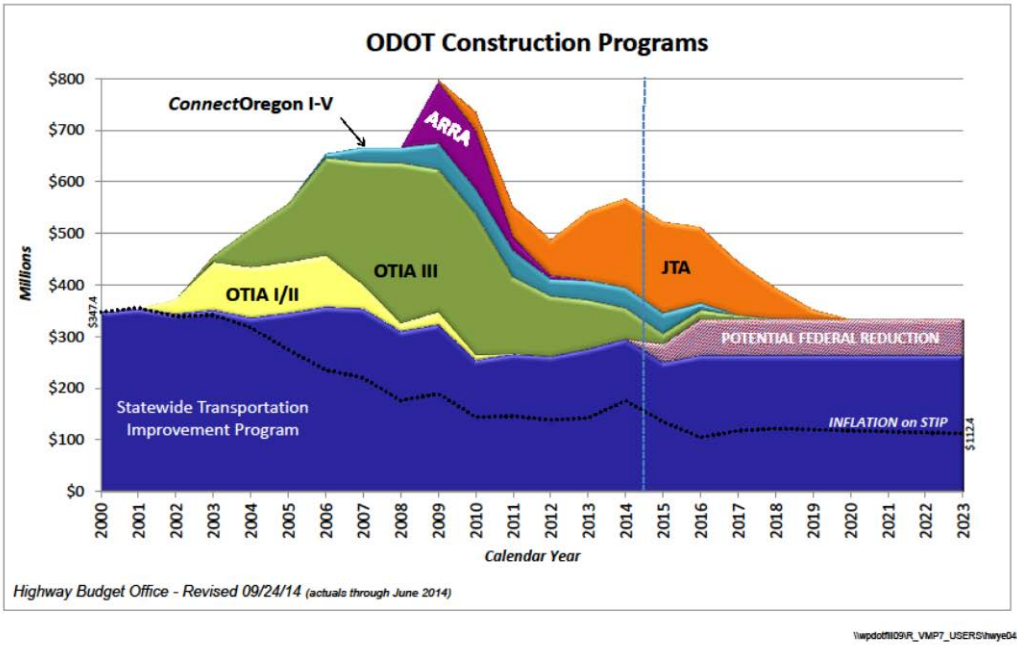

Figure 2: ODOT Construction Programs

Oregon Transportation Investment Act

Between 2001 and 2003, the Oregon Legislature passed a series of funding packages that provided $2.96 billion for state and local highway and bridge construction work through 2014. ODOT has delivered the three Oregon Transportation Investment Acts (OTIA) and all projects are essentially complete.

After more than a decade of construction, the OTIA III State Bridge Delivery Program leaves a legacy of 149 bridges replaced and 122 repaired on time and under budget. Through the bridge program, businesses and individuals have earned more than $1 billion after taxes since work started in 2003. Based on current estimates, about 86% of the program's contracts were awarded to Oregon-based firms. Throughout the bridge program, ODOT was committed to increasing the participation of disadvantaged, minority, women and emerging small businesses and paid $184 million to disadvantaged, minority-owned, woman-owned and emerging small business construction and design firms.

2009 Jobs and Transportation Act

The Oregon Legislature through the 2009 Jobs and Transportation Act (JTA) made a significant investment in Oregon's transportation system.

The legislature directed ODOT to spend $960 million, the majority of its additional JTA funding, on 37 specific highway projects across the state and for 14 projects identified by twelve local governments in eastern Oregon. Twenty-nine projects are complete. The remaining projects are underway and will be completed over the next four years.

ODOT has proposed legislation in 2015 (Senate Bill 270) to clean up statutory language to change the amounts for four JTA projects to reflect the reallocations authorized by the legislature and made by the Oregon Transportation Commission. The bill also repeals the statutory language that gave the authority to the Oregon Transportation Commission to make the changes in the allocations as that authority would now be obsolete.

In addition to funding, the JTA included a number of important policy directives around least cost planning, practical design and management of rest areas, all of which have been completed and appropriately integrated into ODOT's business practices.

***Connect*Oregon**

In 2005, the Oregon Legislature created the Multimodal Transportation Fund to invest in air, marine, rail, and public transit infrastructure improvements. The fund is part of what is known as the *Connect*Oregon program, providing grants and loans to non-highway transportation projects that promote economic development in Oregon. The program is critical to attracting and sustaining businesses and jobs in Oregon and ensuring the state builds strong connections to world markets.

The OTC approves *Connect*Oregon projects for funding with input from 11 review committees made up of ACT members, local government officials, members of the public, and business people. These committees consist of five regional committees, five modal committees (aviation, marine, rail, transit, and freight) and one Final Review Committee. The regional and modal committees each review projects within their areas of expertise or regional knowledge. The Final Review Committee, comprised of representatives of the regional and modal committees, reviews and prioritizes all projects based on a consensus process.

The *Connect*Oregon program guarantees a minimum of 10 percent of the total fund be invested in each of five legislatively designated *Connect*Oregon regions, ensuring investments are made across the state.

Between 2005 and 2013, the Oregon Legislature funded five cycles of *Connect*Oregon projects with lottery-backed bond revenues. *Connect*Oregon I, II and III each received funding of $100 million, *Connect*Oregon IV received funding for $40 million and *Connect*Oregon V received funding for $42 million, for a total of $382 million invested non-highway transportation projects statewide.

The overall investment in *Connect*Oregon leveraged over half a billion dollars in other funds and supports multimodal connections and better integrated transportation system components; this in turn improves the flow of commerce and promotes economic development. Put simply, investing in Oregon's transportation system produces enormous economic returns for people and businesses in Oregon.

*Connect*Oregon *VI*
The Governor's Budget for the 2015-2017 biennium recommends $58.6 million in lottery bonds for the *Connect*Oregon VI program. ODOT has proposed legislation (House Bill 2464) authorizing *Connect*Oregon VI and has a proposed policy option package authorizing $58.6 million in lottery bonds.

Investing in technology and innovation
Oregon has a tradition of thinking ahead to meet transportation challenges. ODOT has made fundamental changes to our business through technology and innovation to save time and money while continuing to deliver on our mission.

Oregon Transportation Investment Act (OTIA) III Bridge Program
ODOT's philosophy for the bridge program was based in stewardship: Take care of what you have so current and future generations can prosper. The enormous scope and compressed timetable of the bridge program required participants to work cooperatively and think creatively. Such conditions spurred numerous innovations in the delivery of the program.

Bundling projects
One of the primary tools for achieving economies of scale was a programmatic approach to project delivery. Because so many of the bridges that needed work were near one another, we could coordinate construction. For example, 172 of the identified bridges were along Interstate 5, and nearly 120 of these were clustered in a 150-mile section. By bundling, or grouping, projects, we streamlined many aspects of delivery, including public involvement, design, environmental permitting and mitigation, right-of-way acquisition and, of course, construction itself.

Programmatic environmental permitting
While individual projects can sometimes afford to wait the six to nine months usually required to apply for and receive permits from multiple regulatory agencies in succession, the scale of the bridge program necessitated a more innovative approach to ODOT's stewardship of the natural world.

Within the OTIA III bridge program, ODOT collaborated with our counterparts at regulatory agencies to combine certain separate environmental statutes and permits into single sets of standards that met all of the agencies' goals. The resulting programmatic permitting process made it easier for ODOT and contractors to comply with environmental performance standards, increased each entity's ability to create the most sustainable result, and saved time and money. ODOT collaborated with 11 partners in creating and implementing environmental programmatic permitting for the bridge program. Approximately 95 percent of the 208 bridges that used environmental permitting sailed through agency review in fewer than 30 days due to the programmatic permitting process in place for the program. ODOT saved $73 million in avoided costs through environmental programmatic permitting on the bridge program.

Innovative Construction Techniques
In addition to the proven standbys of heavy highway construction – backhoes and graders, excavators and pavers – the bridge program also found occasions to try new machines to cost effectively and efficiently meet communities' needs. The program's two proudest moments in new techniques for delivering projects were rapid bridge replacement and a gantry crane.

Just east of the Elk Creek Tunnel on Oregon 38 in the Coast Range, the bridge program had to replace a bridge where there was no room for a detour structure to carry traffic during construction. To avoid long detours or prolonged delays and lane closures, ODOT opted for rapid replacement. With this technique, crews build a new bridge beside the old one and then, during a short closure, slide the old bridge out of the way and the new one into place. ODOT promised to limit the road closure to a single weekend. The process went so smoothly that the bridge reopened nine hours earlier than expected, in plenty of time for Monday morning commuters.

The wide and shallow basin surrounding the Sandy River bridges is vulnerable to flooding. Residents and businesses nearby face the threat of floods every winter, and ODOT did not want to increase the risk by leaving debris-catching work bridge pilings in place to add to the mix of hazards. The project team devised a unique solution for a unique situation: setting the beams from a crane that operated within the linear footprint of the bridge being built. Specialized twin gantry cranes, constructed on-site for the project, hooked, lifted and placed steel beams. The gantry cranes were supported by only 12 temporary pilings, so they allowed us to keep debris-attracting obstacles out of the river.

Engaging Communities
Even when bridge projects were located in out-of-the-way places, they still had the potential to affect nearby community members on their daily commutes, freight haulers on their regular routes, and tourists. ODOT's public involvement program spanned school outreach to online media. We also shared what we learned about bridge repair and replacement with colleagues nationwide, in forums such as trade journals and professional conferences.

The bridge program reached out to elementary and high school students in communities throughout Oregon where bridge work was underway, and found they were eager to learn about and contribute to bridge projects nearby. Their hands-on education included operating surveying equipment, designing decorative structural elements, and building boxes for bats and birds.

Beyond the traditional open houses citizens could attend in person, the bridge program expanded the ways they could learn about the I-5 Willamette River Bridge in Eugene-Springfield with several online media. Twitter gave the communications staff a quick way to remind people about upcoming events, and the project blog and a YouTube video series gave them more in-depth, behind-the-scenes information.

These experiences pivoted ODOT in a new direction. Innovations birthed with the bridge program are now simply the way we do business today. ODOT published a comprehensive

overview of work performed on the bridge program online at http://www.otiabridge.org/, including Leaving a Legacy, a report looking back on the life of the program.

3D Design
Intelligent construction systems and technologies (ICST) for highway construction are no longer the stuff of science fiction. In July 2014, ODOT in partnership with FHWA hosted a two-day training event to demonstrate just what these new technologies can do. Two hundred and fifty professionals showed up, from survey, design and construction staff from 20 state DOTs to local agency staff and engineering consultants. Dubbed the Design to Paver conference, through a combination of classroom presentations and field demonstrations the event highlighted the use of 3D data, digital design, construction automation, and automated machine guidance. Attendees were able to learn about the technology applications and view field demonstrations of ICST-equipped dozers, motorgraders, excavators, roller/compactors, paving machines, unmanned aircraft systems (better known as drones) and robotics. After piloting the use of digital (3D) data on certain projects in 2014, ODOT will offer digital (3D) data to contractors as part of bidding documents in 2015. We anticipate that this will save four to six percent on total project costs.

e-Construction
In partnership with the Federal Highway Administration, ODOT's e-Construction initiative aims to employ established technologies, which are readily available to the transportation community, such as digital electronic signatures, electronic communication, secure file sharing, version control, mobile devices, and web-hosted data archival and retrieval systems to improve construction documentation management.

The administration of highway projects requires a significant amount of documentation. This has traditionally been accomplished through extensive paper-based documentation systems involving conventional postal delivery, project journals, note taking, stamped plan sets, design and construction submittals, and physical signatures on multiple copies of many documents. A paper-based system requires significant time and money to create, process and store documentation.

e-Construction is a paperless construction administration delivery process including electronic submission of all construction documentation by all stakeholders, electronic document routing/approvals (e-signature), and digital management of all construction documentation in a secure environment allowing distribution to all project stakeholders through mobile devices. We expect this initiative will eliminate the cumbersome paper-based approach, saving money and time.

Green Light Preclearance
The Green Light truck preclearance system uses a combination of high speed weigh-in-motion, an automated vehicle identification device (transponder) and a computer system to weigh trucks at highway speeds. A computer takes in the information, verifies the truck size and weight, checks the carrier's registration and safety records and sends a green light back to the vehicle if the truck is good to go past the weigh station. Green Light precleared its 19 millionth truck since its beginning 16 years ago. We estimate that the program has saved truckers 1.6 million hours of

travel time and $186 million in operating costs as they cleared Oregon weigh stations without having to slow or stop. The program is currently serving 4,614 trucking companies with 33,730 trucks equipped with transponders.

Sustainability
ODOT is a leader in sustainability in its day-to-day operations. ODOT uses a wide range of sustainable practices related to materials and management of the transportation system. ODOT is working hard to reduce the need for raw materials, increase recycling, minimize greenhouse gas emissions and promote the use of cleaner technologies.

Alternative fuel transition and use of biodiesel
ODOT is committed to increasing the use of alternative fuel in ODOT's fleet. Our Fleet Section and agency crews exceed the agency's biodiesel goals. ODOT is currently using 45 percent B-20 biodiesel equivalent through its overall fuel usage, surpassing the agency goal of 25 percent. In addition to using alternative fuels, ODOT also owns hybrid and electric vehicles and equipment that reduce overall fuel use.

Maintenance Environmental Management System
ODOT is committed to managing materials such as fuel, oil, aerosol cans and winter maintenance chemicals used in the day-to-day maintenance and operation of the highway. ODOT's maintenance yard environmental management system (EMS) provides straightforward methods for managing these materials. The EMS addresses twenty-one material specific policies and procedures. Each procedure includes best management practices for the storage, handling and disposal of specific materials. ODOT also implements best management practices related to drainage and water quality. Our overall compliance with required procedures was 98 percent statewide in 2014.

Energy Use
ODOT is committed to reducing energy consumed in day-to-day operations of ODOT's facilities and tracks its energy usage. In 2013, ODOT achieved a nine percent reduction in electricity use as compared to a baseline in 2010. ODOT achieved this reduction at ten of the agency's twelve major facilities through energy efficiency upgrades and conservation efforts by ODOT employees.

Focusing on all users of the transportation system
The Oregon Transportation Plan (OTP) considers all modes of Oregon's transportation system as a single system. The plan's vision defines the kind of transportation future Oregon wants to build and the outcomes Oregon wants to achieve, which includes integrating the transportation system across modes.

Intermodal Oregon
Intermodal Oregon is a work effort that began in 2012 to support a department wide focus on all users of the transportation system. Two of the team's projects highlight the type of work completed in 2014.

ODOT maintenance activities impacts with bicycle users
A team examined how ODOT maintenance activities impact bicycle users, such as identifying debris build up in areas used by cyclists which can lead to pushing cyclists into travel lanes to avoid the debris. The project, completed in 2014, identified a need for bicycle safety guidance in our maintenance and operations practices. This guidance needed to weigh options, set expectations and balance scarce resources while addressing the needs of all users of our facilities, specifically balancing motorized vehicles and bicycle users. The project updated ODOT's pavement maintenance and sweeping maintenance guidance documents and worked closely with the Oregon Bicycle and Pedestrian Advisory Committee to do so.

Pop-up park and ride strategy
Commuters currently use ODOT right-of-way to leave vehicles and carpool, creating informal park and ride locations. Support and guidance regarding these facilities varied across the state, which often set inconsistent expectations for communities and citizens. Supporting informal park and ride facilities provides citizens with transportation choices and aligns with ODOT's mission. The team created a pop-up park and ride strategy for the department and maintenance guidance for these informal facilities.

Transportation Options Plan
It is important to provide Oregonians access to a safe, affordable, and efficient transportation system. Whether in downtown Portland or in small communities, Oregonians expect transportation choices to ensure access to jobs, goods and services, and recreation. With a growing and changing population and economy, demands on the transportation system in Oregon will increase. Money to fund the transportation system is declining. Transportation preferences may also be changing. Increasingly, many people want to travel by means other than driving alone. Additionally, people who cannot drive must have access to alternative modes. Others may not know the transportation options available to them, leading to potentially inefficient travel and inefficiencies in the transportation system overall.

ODOT is developing Oregon's first Transportation Options Plan. The plan is one of several statewide transportation mode and topic plans that further refine and implement the Oregon Transportation Plan's goals, policies, strategies, and key initiatives. The purpose of the Transportation Options Plan is to establish a vision and policy guidance that integrates transportation options in local, regional, and state transportation planning, programming, and investment. The cumulative impact of a comprehensive set of transportation options strategies and programs can promote travel choices, reduce reliance on driving alone, and make more efficient use of the existing transportation system.

Bicycle and Pedestrian Mode Plan
In Oregon, we envision that people of all ages, incomes, and abilities can get where they want to go on safe, well-connected biking and walking routes. People can access destinations in urban and rural areas and enjoy Oregon's scenic beauty by walking and biking on a transportation system that respects the needs of its users and their sense of safety. Bicycle and pedestrian

networks are recognized as integral elements of the transportation system that contribute to our diverse and vibrant communities and the health and quality of life enjoyed by Oregonians.

ODOT is in the process of updating the Oregon Bicycle and Pedestrian Plan. This plan, like other ODOT topic and mode plans, provides a vision and a policy framework for decision making and investment strategies within the context of the transportation system as a whole and further refines and implements the Oregon Transportation Plan. Investment in bicycle and pedestrian infrastructure correlates with community and economic vitality; bicycle and pedestrian friendly environments attract skilled labor, businesses and visitors.

State Rail Plan
The Oregon Transportation Commission adopted the 2014 Oregon State Rail Plan in September 2014. This plan, like other ODOT topic and mode plans, provides a vision and a policy framework for decision making and investment strategies within the context of the transportation system as a whole and further refines and implements the Oregon Transportation Plan.

Oregon recognizes the unique opportunities public- and private-sector collaboration presents and has a vested interest in proactively planning for the rail system's future so that Oregon's residents and businesses can capitalize on the many benefits freight and passenger rail services provide.

TODAY'S OPPORTUNITIES AND CHALLENGES

Driver and Motor Vehicle Services (DMV)
Oregon's DMV is facing many challenges. DMV, the face of government for most Oregonians, is far behind what customers expect from modern organizations, and falls further behind each year. The DMV is unable to serve customers in modern, efficient ways due to paper-intensive business processes tied to old technology that is inflexible, not integrated, costly to maintain and time-consuming to change.

DMV's systems lack the ability to exchange real-time information with our partners as they interact with Oregonians in their business lines. This includes law enforcement at roadside stops, courts adjudicating cases, financial institutions protecting their security interests on vehicles, insurance companies providing proof of coverage, the Department of Environmental Quality (DEQ) certifying emissions compliance, and many more. In addition, collection of fees for the State Highway Fund, one of DMV's core duties, is becoming increasingly inefficient and expensive, reducing the funds to support Oregon's transportation system.

Customer Service Task Force
The Oregon Legislature in 2014 established the Task Force on Transportation and Customer Service Efficiency to study the efficiency of customer services provided by DMV field offices and to make recommendations on changes and improvements to existing customer service delivery methods. The task force consisted of 11 members, including three legislative members,

two customers, two business representatives, one local government representative, two DMV employees and one Department of Administrative Services (DAS) employee.

The task force members were surprised by the age of systems in operation at the DMV and the rudimentary nature of technology that hinders the delivery of services. They found DMV employees managed to provide positive customer service despite the obstacles of computer software from the 1970s and a paper-intensive process. In October 2014, the task force submitted its report to the legislature. The primary recommendation was to replace existing computer systems. The task force found that to make transformational improvements to service delivery, reduce wait times, increase online services and meet customer expectations, replacement of computer systems is essential and must be prioritized.

Service Transformation Program
The DMV computer systems were designed and built more than thirty years ago and modernized systems are necessary to mitigate growing risks to continued operations and enhance the ability to improve performance and meet customer service expectations. ODOT is requesting a policy option package in 2015 to start a ten-year program of manageable projects to fundamentally change the way DMV serves its customers.

DMV debit and credit acceptance
A first step of modernizing DMV systems and business processes is underway as DMV is preparing to accept debit and credit cards for payment in field offices by the end of the 2013-2015 biennium. ODOT is proposing a policy option package to pay for vendor fees for the acceptance of debit and credit cards in DMV field offices throughout the state during the 2015-2017 biennium.

Efficient issuing of driver licenses
A number of practices related to issuing driver licenses are identified in statute, but for a variety of reasons, provide minimal value in comparison to the time and effort required of DMV customers and staff. ODOT has proposed legislation in 2015 (House Bill 2465) to eliminate the requirement that a change of address be noted on a driver license or ID card; eliminate the requirement that drivers under 18 show proof of school enrollment; eliminate the issuance of a moped-restricted driver license; eliminate the motorcycle knowledge test requirement for an out-of-state applicant with a motorcycle endorsement; and allow DMV to establish in rule the proof of address requirements for driver license or ID card renewals. These changes would improve customer service by reducing the need for repeat visits by affected customers, and shorter wait times at field offices and on phone calls for all customers. DMV anticipates moderate cost and time savings over time by implementing all of these changes.

Road Usage Charge Program
For almost a century, Oregonians have blazed the user-pays trail to preserve and improve Oregon roads. In recent years, diminishing fuel tax returns led Oregon decision-makers back to the drawing board to create a more reliable source of revenue. To develop a better way to fund Oregon's roads and highways, the Oregon Legislature convened an independent body of state

legislators, transportation commissioners, local government officials and citizens called the Road User Fee Task Force. This Task Force examined the challenges and benefits of a mileage-based road user charge system.

The resulting Road Usage Charge (RUC) Program, created legislatively in 2013, authorizes the Oregon Department of Transportation to assess a per-mile charge for volunteer drivers of cars and light-duty commercial vehicles of:

- Up to 1,500 vehicles rated at less than 17 mpg.
- Up to 1,500 rated from 17 to less than 22 mpg.
- No more than 5,000 vehicles total.

The volunteer program begins operation July 1, 2015. The road usage charge is set at 1.5 cents per mile. Volunteers will get a credit on their bill to offset the fuel tax they pay at the pump. Volunteers will have their choice of three secure mileage-reporting options offered by ODOT's private-sector partners and volunteers' personal information will be kept secure and private.

Oregon is the first state in the U.S. to adopt a road usage charge program. In addition to Oregon, several other states are developing pay-per-mile programs. California recently passed a bill authorizing its own road usage charge demonstration program. Washington state is studying and testing concepts similar to Oregon's program. Oregon is a member of the Western Road Usage Charge Consortium, an 11-state research collective examining a per-mile or road usage charge as a regional policy in the West. Elsewhere in the nation, Indiana, Wisconsin, Michigan, Illinois, Maine, Delaware and Florida are studying or investigating per-mile charging for roads.

Intercity passenger rail in Oregon

Oregon has sponsored intercity passenger service between Eugene and Portland as part of the service in the Pacific Northwest Rail Corridor between Eugene and Vancouver, BC, since 1994. Intercity passenger rail services provide transportation options and reduce highway costs.

In 2007, the legislature dedicated a revenue source for passenger rail from custom license plates fees, reducing its reliance on the General Fund for the first time since the service began. However, ODOT still faces challenges in funding to continue investments in rail infrastructure and ensure Oregon's passenger rail service continues. Passenger rail, like other forms of public transport, lacks adequate, dedicated and sustainable funding for capital and operating needs and frequently lacks the state funds needed to leverage federal funds.

Currently, the forecast revenues are below the estimated program cost. ODOT is requesting approximately $10 million in General Fund to continue intercity passenger service in Oregon.

Rail Safety Oversight

ODOT is proposing rail safety oversight legislation (Senate Bill 271) that makes two changes to improve rail safety. First, the legislation would increase the maximum assessment that ODOT may levy on railroads operating in Oregon from 0.35 percent to 0.50 percent of gross Oregon railroad revenue. The department uses the Rail Assessment to cover the cost of its rail safety

program. The increase in the maximum level of the assessment would enable the Rail and Public Transit Division to pay the cost of additional staffing devoted to inspecting rail freight equipment and facilities even during an economic downturn.

The legislation's second proposal would bring Oregon into compliance with federal requirements for a state Rail Fixed Guideway Safety Oversight Program (49 U.S.C. 5329). Compliance with federal requirements will qualify ODOT to continue to receive federal funds to defray the cost of ODOT's oversight program as it applies to TriMet and the City of Portland. In addition, it will ensure that Oregon transit systems will continue to receive federal grants; failure to comply could result in the loss of all federal transit funding coming into Oregon.

Expansion of public transportation service and ridership
Oregon's public transportation system providers, both large and small, deliver over 141 million annual trips across the state. A fleet of more than 2,000 publically owned transit vehicles serve Oregon, about 800 in the Portland Metro area, 400 in other urban systems and 800 around the state in rural communities.

Resources authorized by the legislature helped purchase about half of the vehicles. A lack of stable funding means that existing transit service cannot grow to address demand in terms of hours of service, frequency of service or additional routes. Transit systems in Oregon increased their ridership each year until 2012 when large systems had to constrict services due to reductions in local tax revenue and exhaustion of capital reserves caused by the recession. 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 federal and state resources, including the *Connect*Oregon multimodal investment program.

Senior and Disabled Transit Services
The Governor included in his budget $9.3 million per biennium in ongoing funding for senior and disabled transit services. Funds are distributed to local transit providers to provide these services. This stable, ongoing funding will allow local transit districts to make plans and have resources to match federal funds.

Safety
While Oregon has made incredible strides in reducing the number and severity of motor vehicle crashes, these crashes continue to inflict a terrible toll. After decades of steady decline, preliminary figures for fatalities on Oregon roads in 2014 show a 12.5 percent increase over 2013. These numbers will be refined as analysts continue processing reports; the final number may be higher or lower.

We know people were driving more in 2014. The first 11 months of data for vehicle miles traveled (VMT) in 2014 are up by 1.7 percent compared to the same time in 2013. The rebounding economy as well as lower gas prices helped put more vehicles on the road. Studies show a direct correlation between increased VMT and increased highway fatalities

The state's goal is zero fatalities on Oregon's roads. Though our fatality rate (the number of people who are killed compared to the number of vehicle miles traveled) is below the national average, continued vigilance is necessary.

Uncertain Federal funding
Because Congress increased spending from the federal Highway Trust Fund without increasing its revenues, the Trust Fund is taking in less than it is paying out, thus running a significant deficit. Unless Congress takes action to find additional long-term revenue, federal highway revenue is at risk of being cut by upwards of 30 percent and federal transit revenue being cut more than 60 percent once the surface transportation authorizing bill, MAP-21, expires in spring 2015. The uncertainty of funding levels beyond the expiration date of MAP-21 impacts state and local plans and programs for future transportation investments.

LOOKING TO THE FUTURE

The two largest challenges ODOT faces as we move into the future are the twin issues of long-term sustainable funding and preserving the condition of the transportation system.

Long-term funding
The Oregon Legislature and Congress have made significant investments in the state's transportation system in recent years through the three Oregon Transportation Investment Acts (OTIA), *Connect*Oregon, the American Recovery and Reinvestment Act (ARRA), and the Jobs and Transportation Act (JTA). Under these programs, ODOT and local governments have completed hundreds of important projects that have improved safety, created a more efficient freight transportation system, preserved critical transportation assets and improved the livability of Oregon's communities. However, most of these investment packages were one-time infusions rather than long term sustainable funding. ODOT faces long term funding challenges.

The State Highway Fund is essentially fully committed to debt service, highway maintenance work and agency operations. That means federal money is the main, and uncertain, source of funding for highway construction projects. In addition, over the last decade, construction costs have surged; in 2014, costs were nearly 90 percent higher than they were in 2004. Each dollar ODOT spends buys less construction activity than it did a decade ago.

All of these forces combine to reduce the resources ODOT will have to preserve and improve the transportation system in coming years. Over the next several years, as the JTA projects reach completion, the agency's construction program will drop off significantly. Cities and counties are also seriously impacted by these trends as they receive funds from the same resources as ODOT as well as local revenues and other federal funds. Transportation funding for cities and counties is not keeping pace with maintenance and preservation needs. In the long term, the condition and performance of the transportation system will be diminished without a source of significant, sustainable revenue.

System preservation and maintenance
Life cycle management, through maintenance, preservation and replacement of assets, is an essential focus for Oregon's transportation system. Timely maintenance and preservation activities extend a facility's useful life and help avoid more expensive repairs or reconstruction. Significant aspects of Oregon's highway infrastructure assets are near or beyond their expected useful life. These assets include bridges, pavement, tunnels and culverts.

Pavement
The cost for a typical lane mile of highway pavement receiving preservation, rehabilitation or reconstruction treatment ranges from $200,000 to $1.5 million. Timely treatments reduce costs over the life cycle, but when funds do not meet needs, treatment must be deferred. This results in higher costs for repairs when pavement conditions decline. The gap between pavement needs and what can presently be funded means that increasing miles of pavement will slip from good condition to fair or poor condition, resulting in higher costs per lane mile to rehabilitate or reconstruct the pavement. Oregon needs to invest a significant portion of resources in maintenance and preservation to avoid more costly reconstruction in the future.

Bridges
Due to the age of Oregon's bridge inventory, a disproportionately large group of bridges will require major rehabilitation or replacement within a relatively short period in the coming decades. With limited funding for repair and replacement, some bridges will face weight restrictions or temporary lane closures. These conditions can negatively affect Oregon's economy and inconvenience highway users. The Oregon Transportation Investment Acts (OTIA) enabled Oregon to reduce backlogs in bridge and pavement needs, but the needs continue to multiply. The waves of significant additional infrastructure construction that occurred 50-80 years ago mean a disproportionately large number of bridges will require replacement or major rehabilitation work to keep them fully functional.

Oregon transportation seismic vulnerability
In the event of an earthquake and tsunami, a resilient transportation network is necessary for re-establishing critical connections for emergency response, medical and shelter facilities, population centers, energy and communications facilities and freight needs for response and economic recovery. The Oregon Resilience Plan assessed the seismic integrity of Oregon's multimodal transportation system and characterized the work considered necessary to restore and maintain transportation lifeline routes after a Cascadia earthquake and tsunami. The Oregon Resilience Plan emphasizes the physical infrastructure needed to support business and community continuity. The policy recommendations, if implemented over the next 50 years, will enhance infrastructure reliability, help preserve communities and protect the state economy.

As part of this work, ODOT assessed the vulnerabilities of the highway system, considered links to critical facilities and prioritized routes for investments in improved resilience. The focus of the effort was on preparation for response and recovery from a major Cascadia Subduction Zone earthquake and related events. The result was a recommended "Backbone" system of lifeline routes. The findings were incorporated into an Oregon Highways Seismic PLUS Report that

describes the types of retrofits required to address bridge, landslide and other hazards that can be mitigated. Implementation of the Seismic PLUS program would make the state highway system resilient in the face of an earthquake, allowing more effective response and reducing economic impact. The Oregon Highways Seismic PLUS Report is published online at: http://www.oregon.gov/ODOT/HWY/BRIDGE/docs/2014_Seismic_Plus_Report.pdf.

Funding for non-highway modes

Funding for rail, public transportation, ports and non-roadway bicycle paths and walkway projects has been intermittent. There is no adequate, sustainable, long term dedicated funding for non-highway projects. The five legislative packages, which make up the *Connect*Oregon program, have provided significant investments in non-highway modes. Competition for these Oregon Lottery backed bond funds has been robust. As a result, investments in non-highway modes have been made on a one time, episodic basis, making it difficult to plan for the future or leverage federal investments.

SUMMARY

ODOT is proud of its work delivering safe and efficient transportation infrastructure, ensuring livable communities and supporting economic development for Oregonians. ODOT will strive to meet the challenges facing Oregon's transportation system in the coming years through continued innovation and progressive policies.