



AMERICAN COUNCIL OF ENGINEERING COMPANIES OF OREGON

*"The Engineers"*

*Since 1956*

**Comments on HB 2020-A**  
**Support for a Robust Highway Trust Fund**  
June 5, 2019

Good evening Co-Chair Senator Taylor and Representative Reardon and members of the Joint Committee of Ways and Means Subcommittee on Natural Resources, I am Marshall Coba representing the American Council of Engineering Companies here today to express concerns about the potential impacts to the highway fund from HB 2020-A.

ACEC and our 120 member firms representing 3,700 employees have monitored this issue and legislation for the past several years. While some of our members may see the value of carbon sequestration, at the same time, we have a number of members who share a great concern for the consequences of the carbon program.

Our primary focus concerns the Highway Trust Fund which has served a simple yet often taken for granted role in the transportation system. The Legislative Revenue Office memo dated May 22, 2019, and the Treasurer's Office letter dated May 23, 2019, raised a number of key issues that have been on the forefront for ACEC members and the financial impact summary of the document sent shudders through the association. While we have all acknowledged a declining Highway Trust Fund for the past decade and beyond, the correspondence was a shot across the bow of the constitutionally dedicated Highway Trust Fund. Declining revenues will be exacerbated and accelerated through the passage of HB 2020-A without a replacement revenue source in the bill or a mandated replacement within a certain time frame. Instead, HB 2020-A creates the impact to our transportation system without offering any alternative. This is a great concern to our membership who worked with many of you on the passage of the much-ballyhooed transportation package, HB 2017, from the 2017 session. ODOT is currently developing the STIP process to identify the next round of projects. These STIP programs need a bread and butter Highway Trust Fund to be completed and for all levels of government to be able to contemplate next steps and additional projects in the near future.

Since its creation many decades ago, ODOT and our cities and counties rely on the highway fund to be a stalwart of funding consistency, even if at times too low, as it funds local, state, and federally funded projects. This is invaluable for all governments and for the financial sector that relies on consistent tax revenue to repay bonds as necessary. Uncertainty in revenue sources is not a good thing to take into the bond market as it makes borrowing difficult and more expensive. Again, we are concerned that HB 2020-A creates a significant impact without softening that impact in any way.

Oregon has been a leader with vehicle transportation taxes and heavy truck tax through the weight mile tax. We can again be a national leader as we work with urgency to find resolution to many of the issues illustrated in the LRO memo. Through the work of the Road User Fee Task Force and the Highway Cost Allocation Study we can find the sweet spot for taxation of the significant number of electric vehicles that HB 2020-A wishes to incentivize onto our state and local highways. Note that

even if all consumers and commuters switched over to electric vehicles, Oregon still needs the highway system for them as well as the heavy trucks. The HTF as a funding source to maintain our roads, bridges, and facilities isn't so obsolete that it can just disappear without an alternative.

ACEC pledges to be a leader in the development of the next iteration of the Highway Trust Fund. Because our members design and repair transportation infrastructure, we are acutely aware of the need for continual investment in the modernization and maintenance of our valuable roadway system. It is imperative that we all work together to find the proper methodology to continue the value and efficiency of our current Highway Trust Fund. ACEC, ODOT, legislators, the Governor and a number of other key organizations will need to work with vigor and intellect to find the answers.

We are in strong support of a Highway Trust Fund that can do all we've come to expect for the past 80 years and maybe even more. If HB 2020-A passes into law, count on ACEC to be a leader in identifying the key strategic choices that need to be made for a fair, equitable and plentiful highway funding for the next 100 years.

Thank you.

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