

ANALYSIS

Item 12: Department of Aviation Columbia River Air Services Corridor

Analyst: Ben Ruef

Request: Approve, retroactively, the submission of a federal grant application to the U.S. Department of Transportation in the amount of \$2,434,112 to support the Oregon Precision Air Lifeline project within the Columbia River air services corridor.

Analysis: The U.S. Department of Transportation's Rural and Tribal Assistance (RTA) Program provides funding for project development activities such as planning, design, and feasibility analysis for eligible state, local, and tribal governments. On August 7, 2025, the Build America Bureau opened applications for the current RTA cycle, which combines federal fiscal years 2024 and 2025 for a total of \$54.2 million available nationwide. Applications were accepted on a rolling basis beginning September 8, 2025, and closed October 8, 2025. Awards are anticipated in December 2025.

If awarded, the Oregon Department of Aviation (ODAV) would use the grant to support planning and design of the Oregon Precision Air Lifeline (OPAL) corridor along the Columbia River, focusing on rural and tribal communities with limited transportation access during emergency events. The OPAL project includes installing and testing ground-based sensor systems, such as radar, GPS, and weather equipment, at selected sites along the corridor to enable safe unmanned aircraft operations. The project is intended to improve transportation system resiliency in rural and tribal areas subject to natural hazards such as flooding and wildfires by supporting alternative logistics options for the movement of goods and emergency supplies.

ODAV would utilize the grant funding to support existing staff for project coordination, system design, and community engagement with partner jurisdictions. The grant would also fund contracted air traffic management, regulatory, and system integration support to develop operational procedures and data exchange frameworks.

The grant does not require a state match, and funds would be available for three years from the project start date. If awarded, ODAV anticipates completing the work within the three-year federal grant period and does not expect to require additional expenditure limitation or position authority.

The Department was notified of this opportunity on August 7, 2025, with a closing date of October 8, 2025. The legislative interim process for agency's pursuing federal grants includes

providing a letter to the Legislative Fiscal Office (LFO) and the Department of Administrative Services Chief Financial Office (CFO) at least 10 days prior to submitting any federal application and providing LFO and DAS CFO a “notice of intent” followed by a formal letter seeking official authorization at the next interim meeting. Depending on the timing of the grant, this could be a prospective request or a retroactive request to apply.

ODAV did not provide a “notice of intent” or a 10-day letter within the specified deadlines under the legislative interim federal grant process. Going forward, ODAV is expected to adhere to the interim process that has been outlined for all state agencies with timely submittal of the proper materials.

Recommendation: The Legislative Fiscal Office recommends that the Joint Interim Committee on Ways and Means approve the request.

Request: Retroactive authorization to apply for a grant of \$2,434,112 for the Rural and Tribal Assistance Program from the U.S. Department of Transportation's Build American Bureau to establish the Oregon Precision Air Lifeline project.

Recommendation: Approve the retroactive grant request.

Discussion: The Fiscal Year 2024-25 Rural Tribal Assistance Pilot Program (RTA) Notice of Funding Opportunity offers up to \$54.2 million in no-match grants on a first-come, first-serve basis. The grant funding is intended to "help more communities advance infrastructure projects that enhance the safety, efficiency, and qualities of the country's transportation system." The Oregon Department of Aviation submitted an application seeking \$2,434,112 for its Oregon Precision Air Lifeline (OPAL) project.

The OPAL project will establish a flexible, precision air services corridor, providing on-demand emergency logistics support using uncrewed aircraft systems (i.e. drones). The corridor will be possible through several key partnerships including the Port of Portland. The RTA funding will support the agency's mission of enabling a safe and efficient aviation system that connects communities by installing sensors that will enable safety beyond visual line-of-sight drone operations. If successful, the grant funding will pay for direct and indirect expenses related to the acquisition and placement of ground sensors over the two-year grant performance period within the Columbia River Gorge.

The deadline to apply was October 8, 2025. The Department provided initial notification of the intent to apply for the grant; however, missed the deadline of submitting the formal 10-day notice to apply to for the grant. The Chief Financial Office and department have discussed the need to meet the deadlines and are committed to meeting them in future. The grant does not have a state match requirement. There is not an estimated timeline for agency notification of grant award as awards will be made on a first-come, first-served basis and subject to the ongoing federal shutdown.



Oregon

Tina Kotek, Governor

Oregon Department of Aviation

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October 21, 2025

Senator Kate Lieber, Co-Chair
Representative Tawna Sanchez, Co-Chair
Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, OR 97301

Dear Senator Lieber and Representative Sanchez:

Nature of the Request

The Oregon Department of Aviation requests retroactive permission to apply for \$2,434,112 in Rural and Tribal Assistance Program (RTA) funding from the US Department of Transportation's Build America Bureau.

Agency Action

On August 7, 2025, the Build America Bureau opened applications for the RTA discretionary grant program. The program makes funding available to eligible applicants – including cities, local governments, state governments, and Tribes – for project development activities, including planning, design, feasibility analyses, and more. The Build America Bureau has combined fiscal year (FY) 2024 and FY 2025 funds into a single Notice of Funding Opportunity, with up to \$54.2 million available in this cycle. Applications were accepted on a rolling (first-come, first-served) basis beginning September 8, 2025. The application portal closed on October 8, 2025. The anticipated award selection date has been set for December 2025.

- The source of the "Rural and Tribal Assistance Pilot Program" grant is the Build American Bureau, Office of the Secretary of Transportation, U.S. Department of Transportation and the purpose of the grant is "to help more communities advance infrastructure projects that enhance the safety, efficiency, and quality of the country's transportation system."
- \$2,434,112 is being requested and the timeframe of the grant completion is three years.
- No match or MOE is required.
- The grant will assist the agency's mission of enabling a safe and efficient aviation system that connects communities by installing sensors that will enable safe beyond visual line of sight drone operations. This directly supports the agency's goal 5 "Objective 5-3: Enable BVLOS (Beyond Visual Line of Sight) operations in four operational areas by July 2028 and begin phased deployment of digital and physical infrastructure to support AAM and UAS operations.

The *Oregon Precision Air Lifeline (OPAL)* project will create a flexible, precision air services corridor integrated with multimodal surface and deepwater/inland port capabilities along the Columbia River to create a next generation precision logistics capability in Oregon focused on restoring and expending services to remote, rural communities that are highly vulnerable to the impacts of climate change and natural

Oregon Department of Aviation's mission is to provide infrastructure, financial resources, and expertise to ensure a safe and efficient air transportation system.

disasters. With rising incidence of wildfires and flooding due to climate change and an earthquake prone region, resilient and flexible transportation access to these communities for goods, services, and emergencies is now more pressing than ever.

OPAL proposes an innovative use of uncrewed aircraft systems (UAS) to enhance multimodal logistics supporting resiliency in partnership with existing road and port assets through a public ground-based sensor network integrated with airspace management. OPAL will utilize advanced technology to provide flexible precision logistics and improve resiliency by creating the ability to complement two existing ports and in interstate highway corridor with inexpensive, rapid, on-demand aerial logistics. The outcome will be a community-centered approach to keeping logistics corridors open during emergencies and providing access to life-critical goods during emergencies reducing response time, cost, and harm while also providing a dual-use capability that supports commerce and job growth in the region. OPAL is designed to address real world climate risks in the region while also improving health and job opportunities for the underserved communities within the project area. The OPAL project location is extremely vulnerable to climate shocks and suffers from endemic poverty. Cost savings combined with developing a sustainable financial model, ensures both equitable access and emergency resiliency in an underserved, flood- and fire-prone region.

Awards are made on a rolling basis until funds are expended. Recipients will have three years from project start date to complete the work under the RTA Program grant.

ACTION REQUESTED

ODAV requests retroactive permission to apply for \$2,434,112 in funding under the Rural and Tribal Assistance Program (RTA) funding. No additional expenditure limitation or positions will be required if funds are awarded.

LEGISLATION AFFECTED

None.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kenji Sugahara', with a stylized, flowing script.

Kenji Sugahara
Director
Oregon Department of Aviation