



February 11, 2010

Gail Achterman, Chair
Oregon Transportation Commission
Transportation Building, Room 135
355 Capitol Street NE
Salem, OR 97301-3871

Re: HB 2001 and Transportation Project Funding

Dear Chair Achterman:

On behalf of the Central Lane Metropolitan Planning Organization, I would like to ask for your assistance in addressing some issues that are critical to the transportation program in our area.

As you know, HB 2001 provided \$80 million in dedicated funding for Interstate 5 at Beltline Highway, Units 3,4,5,6 and 7. The HB 2001 funds represent a huge step toward project completion and we are very grateful for the inclusion of those funds by the Legislature. However, HB 2001 has also raised issues of concern about the ultimate financing of this project, as well as others in our region. We are requesting that these issues be further considered by the OTC and Legislature during its Special Session. In the spirit of working with other regional bodies on issues affecting transportation, as well as addressing the local concerns of the Central Lane MPO, we request your attention to the following:

1. ***Clarification is needed on the project delivery expectations established in HB 2001.*** HB 2001 establishes expectations for delivery of projects within Region 2 in the FY10-13 STIP. What is not clear is what the ramifications will be if these projects are not completed within this timeframe.
2. ***An alternative funding structure is needed if federal earmarks do not materialize.*** Funding levels established in HB 2001 for major projects in Region 2 rely on the assumption that ODOT will receive sizable federal earmarks. What is not clear is what will happen should an earmark not materialize, or be insufficient to complete the project(s). We are concerned about the potential impacts to local jurisdictions' budgets if a shortfall should occur and local jurisdictions are held responsible. We are also concerned about how these funding uncertainties may impact the delivery assumptions described above. We request that additional consideration be given to ensure that local jurisdictions are not held responsible for earmark assumptions contained in HB 2001, should these assumptions not materialize.

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3. ***An alternative funding structure is needed if there is a shortfall in gas tax receipts.*** HB 2001 provides an increase in the gasoline and diesel taxes, and ties this increase to economic recovery indicators or to January 1, 2011, whichever comes first. As a result, it is unclear when the increases will become effective. We are seeking clarification on how a potential delay in additional gas tax monies would impact STIP funding. Particularly, we need to understand the impact on local jurisdictions should they be called upon to address such a shortfall in order to meet the delivery expectations of HB 2001.
4. ***Additional flexibility is needed to respond to future changes to project funding amounts and delivery schedule.*** HB 2001 establishes a list of specific projects and funding levels as part of the 2009 Transportation Projects Program. This approach does not provide ACTs or ODOT the needed flexibility to be responsive to changing project and cost components, and impacts local control and priorities for transportation projects.
5. ***Cooperation is needed to assuage local jurisdictions' concerns and allow us to work together to meet the region's transportation needs.*** A coalition of the State's ACTs in Region 2 have agreed to support the placement of STIP monies in reserve, pending additional information and time for more complete review of the implications of HB 2001 by the Legislature in Special Session. We seek assurances that this fiscally prudent approach will not be penalized, with monies directed elsewhere by the Legislature or OTC.

Most importantly, we want to express our willingness and desire to work with the OTC and members of the Legislature to address the issues enumerated above. We recognize that HB 2001 presents a number of challenges for ODOT and for other Oregon MPO's and ACTs. It is our strong belief that in addressing these concerns, we will craft a meaningful approach to achieving greater program efficiency in the delivery of transportation services and programs.

Thank you for this opportunity to provide input. For additional information and coordination assistance moving forward, please contact our MPO Manager Andrea Riner at 541-682-6512 or by email at ariner@lcog.org.

Sincerely,

Alan Zelenka, Chair
Metropolitan Policy Committee

Cc: Mid-Willamette Valley ACT (MWACT) Chair: Ken Woods
Cascades West ACT (CWACT) Chair: Don Lindly
Northwest ACT (NWACT) Chair: Shirley Kalkhoven