

W.9.b.

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY
STATE OF OREGON

ORDER NO.) In the Matter of Approving A Letter Commenting on
) the draft Oregon Transportation Plan (OTP)

WHEREAS, the Oregon Department of Transportation (ODOT) has requested comment by March 1, 2006 from the Lane County Board of Commissioners on the draft Oregon Transportation Plan (OTP) update, dated November 17, 2005; and

WHEREAS, the Lane County Board of Commissioners held a work session with ODOT staff on the draft OTP update on February 8, 2006; and

WHEREAS, the Lane County Board of Commissioners discussed the issue again at their regular meeting on February 22, 2006; and

WHEREAS, the Board wishes to send a letter of comment to ODOT; now, therefore, it is hereby

ORDERED that a letter be sent to the ODOT staff working on the OTP update, in substantial conformance with Exhibit A to the order.

Dated this _____ day of February 22, 2006.

Chair, Lane County Board of Commissioners



Lane County Board of Commissioners

Bill Dwyer
Bobby Green, Sr.
Faye Hills Stewart
Anna Morrison
Peter Sorenson

Exhibit A

February 22, 2006

Ms. Gail Curtis, OTP Manager
Ms. Carolyn Gassaway, OTP Co-Manager
Oregon Department of Transportation
Planning Section
555 13th Street NE, Suite 2
Salem, OR 97301-4178

Dear Ms. Curtis and Ms. Gassaway,

Thank you for your informative presentation on the Oregon Transportation Plan (OTP) update at our Board meeting on February 8, 2006. We appreciate the opportunity to comment on this important plan update. The goals, policies, and key initiatives listed in the draft plan are a logical set of guiding principles to work from. The challenge, of course, is to reach agreement on how to move these things forward.

Central to the transportation issue is *Goal 6 Funding the Transportation System* and the accompanying key initiative *E. Create a sustainable funding plan for Oregon transportation*. Your presentation included a graph showing the declining purchasing power of the gas tax over time due to inflation. It is easy for us to understand this graph because it reflects budget realities in Lane County in both the general fund and road fund. In the case of the road fund, of course the lack of increase in state motor vehicle fuel tax funding is felt directly by counties and cities. In addition, federal timber revenues from the Secure Rural Schools legislation have been increasing only at half the rate of inflation and are now threatened with termination. As you may be aware, the Bush administration is proposing a 50% cut in timber payments to western states for the next five years and then elimination of the program.

Given these facts, ODOT policies requiring local government participation in improving the ODOT system raises significant concerns. As reported in the draft OTP, there is a similar gap in funding for local agency road needs. The obvious question is where will the resources be found locally to maintain and improve the local systems, as well as fund local contributions to state projects? This pushes local governments to local option gas taxes or other locally generated revenues schemes. Is the direction we want to go with transportation funding in Oregon? Whether this strategy enhances or defeats efforts at economic development activity remains to be seen.

That being said, the Lane County Board supports efforts at the statewide level to reach a broad political agreement on transportation funding. It seems clear that the current deadlock on state motor vehicle fuel tax is a central problem that must be addressed in the legislature. Despite the increased penetration of flexible fuel vehicles in the fleet, motor fuel taxes still appear to be the simplest way to increase the amount of transportation funding for the foreseeable future. Increases in the state motor vehicle fuel tax are required to support the reference scenario in the OTP. This scenario provides

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new revenue to keep pace with inflation. This is a minimum condition that we think is important for the state of Oregon's transportation system.

In order to resolve these difficult issues, the OTC and ODOT staff should continue to engage the public and local agencies in the discussion. We understand the need to be "strategic" in where investments are made. As a large primarily rural county, we are concerned that rural areas not be left out of the investment strategy. Recently, federal officials commented that perhaps federal funds in support of a declining timber economy are overdone in Lane County and that this support is no longer needed. As a Board, we disagree with this perception. As budget pressures increase on the federal and state government, the problem moves down to local agencies to solve. We hope that this trend will be moderated by a realistic view of what local governments can do, especially on transportation systems that are not their direct responsibility.

Thank you again for the opportunity to comment. We will continue to work with ODOT, Lane County cities, and the public to move forward on these difficult long-term transportation issues.

Sincerely,

Bill Dwyer

Chair, Board of County Commissioners