

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ENDORSING THE)	RESOLUTION NO. 96-2436A
STATEWIDE ADVISORY COMMITTEE)	
RECOMMENDATIONS ON THE OREGON)	Introduced by
TRANSPORTATION INITIATIVE)	Transportation Planning
	Committee

WHEREAS, Governor John Kitzhaber launched his Oregon Transportation Initiative (OTI) in January 1996 to assess the transportation needs of the State of Oregon and to provide for the involvement of communities across Oregon in this effort; and

WHEREAS, The recommendations of the five regional citizen advisory committees (RAC) and the statewide citizen advisory committee (SAC) of the OTI were integrated by the SAC into a report on its recommendations to Governor Kitzhaber; and

WHEREAS, Metro is responsible for preparing and adopting the Regional Transportation Plan, the long-range transportation plan for the Portland metropolitan area; and

WHEREAS, The Regional Transportation Plan (RTP) identifies a 20-year shortfall in funding for identified transportation improvements; and

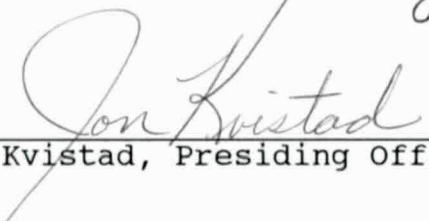
WHEREAS, The SAC recommendations on the Oregon Transportation Initiative recognize the funding shortfall identified in the RTP and provides a funding package that begins to address this shortfall consisting of both state and regional/local efforts; now, therefore,

BE IT RESOLVED,

That the Metro Council hereby endorses the general principles of the Statewide Advisory Committee Recommendations on the

Oregon Transportation Initiative (as described in Exhibit A) as an initial statewide step toward addressing the shortfall in funding the region's long-range transportation needs.

ADOPTED by the Metro Council this 23rd day of January, 1997.



Jon Kvistad, Presiding Officer

Approved as to Form:



Daniel B. Cooper, General Counsel

**SUMMARY OF SAC RECOMMENDATIONS
TO GOVERNOR KITZHABER
11/20/96**

Following is a summary of key elements of the Statewide Advisory Committee's November 18 report and recommendations to the Governor.

- 1. Preservation of a "Base System"**
 - Make OM&P on "base system" facilities and services top priority.
 - Focus first on roads (42,000+ miles) and special needs transit.
- 2. Improve Efficiency**
 - Reduce costs per unit OM&P output by 1 percent per year compounded.
 - Link allocation of "modernization" money to hitting this target.
 - Further reduce "needs" by 10 percent (adjust standards, etc.).
- 3. Decentralize Decision-Making**
 - Establish regional bodies to review use of existing resources and assets, and guide spending on system modernization and expansion.
 - Link new investment to livability, economic opportunity and efficiency.
- 4. Separate Funding for Preservation and Modernization**
 - Halt deterioration in existing road and bridge infrastructure.
 - Create a slowly growing stream of revenue for OM&P.
 - Make spending on modernization more flexible and efficient; link to community and region plans.
- 5. Funding for OM&P**
 - Rely on user and "damage" fees.
 - Index the OM&P revenue base.
 - Maintain effort at the local level.
- 6. Funding for Modernization ("LEO Fund")**
 - Shift emphasis to "drivers of demand".
 - Add flexibility in use of new vehicle registration fees.
 - Encourage local/regional "effort".
- 7. Change Long-Term Funding Approach**
 - Reduce reliance on current user fees.
 - Focus on funding mechanisms that provide incentives change behavior.

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 96-2436A FOR THE PURPOSE OF ENDORING THE STATEWIDE ADVISORY COMMITTEE RECOMMENDATIONS ON THE OREGON TRANSPORTATION INITIATIVE

Date: December 10, 1996

Presented by: Andrew Cotugno

PROPOSED ACTION

This action recognizes Metro area support of the Statewide Advisory Committee (SAC) recommendations on the Oregon Transportation Initiative (OTI) as they are forwarded to Governor Kitzhaber. The SAC recommendations are consistent with policies adopted by the Metro Council as part of Metro's regional transportation and growth management planning.

FACTUAL BACKGROUND AND ANALYSIS

The Oregon Transportation Initiative

Governor John Kitzhaber launched the Oregon Transportation Initiative (previously the Governor's Transportation Initiative) in January 1996 to assess the transportation-related needs of communities throughout Oregon, identify those most crucial to livability and economic vitality, and develop ways to meet priority needs as economically as possible. The Governor said that the OTI would build on the Oregon Transportation Plan, which provides a broad policy framework for addressing needs and improving transportation system efficiency through better coordination of land use, economic and transportation decisions.

Business and community leaders across Oregon participated in five regional citizen advisory committees (RAC), including one in the Portland metropolitan area and in a statewide advisory committee (SAC) chaired by former Governor Neil Goldschmidt. The SAC integrated the findings of the state and regional committees and forwarded its recommendations to Governor Kitzhaber for his consideration.

Relationship of the OTI to Metro's Regional Transportation Plan

Metro's Regional Transportation Plan (RTP) is a multi-modal transportation planning document which provides a 20-year blue print for transportation decision-making, while working toward implementation of the region's 2040 Growth Concept. This plan identifies a set of improvements to the regional transportation system, including operations, maintenance, preservation and capital expansion, that best meet the region's needs over the 20-year period. The RTP identifies a \$4 billion shortfall in funding this set of improvements.

The OTI provides a comprehensive funding package that begins to address this shortfall. The OTI recognizes the importance of adequately funding maintenance and preservations needs in addition to expansion of the transportation system to accommodate growth. The OTI also recognizes that both state and local efforts will be needed to fully address these needs.



OREGON TRANSPORTATION INITIATIVE

STATEWIDE ADVISORY COMMITTEE RECOMMENDATIONS ON OREGON TRANSPORTATION POLICY

November 18, 1996

I. EXECUTIVE SUMMARY

The Statewide Advisory Committee (SAC) of the Oregon Transportation Initiative has received and reviewed reports and recommendations from four working groups established in August by Governor John Kitzhaber to provide advice on issues critical to the evolution of Oregon's transportation system.

Taken together, the recommendations of these groups would produce dramatic and fundamental changes in the way transportation facilities and services throughout Oregon are developed, managed and financed.

- They would build on past successes to improve efficiency and lower the long-term cost transportation for Oregonians.
- They would reorganize our system of transportation funding by:
 - a. making operation, maintenance and preservation of existing transportation assets the top priority for use of transportation funds collected statewide;
 - b. linking new public investment in transportation system expansion to the ability of projects to contribute to livability and economic opportunity objectives at the community level, and
 - c. separating resources into at least two funds -- one of which would be flexible enough to fund the most beneficial projects, regardless of mode.
- They would shift more responsibility for decision-making on projects of local and regional significance to citizens in affected areas.

The SAC believes such change is necessary, and concurs with most of the recommendations of the working groups. Our major policy-related recommendations to the Governor follow.

1. Improving Efficiency

- We recommend implementation of a system that will ensure base transportation system operations, maintenance and preservation efficiency improves by at least 1 percent per year, compounded for the foreseeable future. We believe efficiency will be encouraged by allowing areas that achieve exceptional results to retain a share of the savings for transportation purposes.
- We recommend the OTC link allocation of state resources for transportation system modernization and expansion to successful achievement of efficiency improvement objectives and biennial productivity plans.
- Long-term, we believe we must find a way to measure the effectiveness of the transportation system as whole. Developing a system to track the average total (public and private) cost of moving people and goods in the state is a good first step.

2. Establishing a "Base System"

- We recommend focusing operation, maintenance and preservation resources on a "base system" of roads that includes about half the total roads in the state -- specifically, those which are most used to move people and freight throughout the state on a daily basis.
- We recommend the OTC, in cooperation with AOC and LOC, develop and implement systems to ensure that revenue collected at the state level for operations, maintenance and

preservation (OM&P) is used principally for that purpose, and to measure the condition of roads as a way of verifying our commitment to base system OM&P.

- We recommend, for the time being, that public transportation for the elderly and disabled be considered part of the "base system" for which the state takes primary funding responsibility. Additional work is needed to define a base system that considers the balance of the transit system, along with other modes.

3. Reorganizing Decision-Making

- We need transportation priorities that are consistent with community and region plans to improve livability and enhance economic opportunity. We believe regional bodies, comprised of public and private sector leaders, can help bridge the gap that often exists between state, regional and local concerns. We recommend creation of such bodies.
- We believe these groups should set criteria to guide regional transportation investment, and should be empowered to review proposed changes to the "base system" in their areas, assess the progress agencies are making toward achievement of efficiency objectives, facilitate multi-agency efforts to improve efficiency, and assess and make recommendations on inter-regional transportation needs.
- We recommend the regional bodies review access management plans for the major highways and roads in this area, to help ensure those facilities serve their intended purposes. Priority should be given to through movement in rural areas. Through movement should be balanced with access functions in community centers.

4. Linking Investment to Core Values

- We believe the state, cities, counties and regional bodies should have a clear idea of how spending on modernization and expansion of transportation systems and services will support community and regional livability and economic opportunity before committing resources to specific projects.
- We recommend regional bodies be given responsibility to establish livability and economic opportunity criteria for their areas, consistent with broad, statewide guidelines, and that the OTC ensure state spending on transportation system modernization focuses on projects that are most consistent with these guidelines and criteria.

5. Creating Separate Funds for Preservation and Expansion

- We recommend creating two funds at the state level for transportation purposes: one dedicated to operation, maintenance and preservation of "base system" facilities and services; a second for modernization and expansion of facilities and services -- particularly those that improve livability and enhance economic opportunity.
- We recommend raising sufficient revenue to meet the limited, OM&P needs described in the following section, to provide funding for elderly and disabled transit service statewide, and to allow for a limited modernization and expansion of transportation facilities and services. In total, the increase proposed is equivalent to a five cent increase in gas taxes and comparable truck taxes in each of the next two years, plus an increase of at least \$20 per year (\$40 per biennium) in vehicle registration fees.
- We do not recommend exclusive reliance on these sources. In fact, we believe we should plan to begin reducing our reliance on these sources over time (see section 8).

6. Funding Operations, Maintenance and Preservation (OM&P)

- We recommend funding for base system OM&P be predicated on the assumption that efficiency initiatives are implemented successfully, and that 90 percent of the cost of operating, maintaining and preserving existing road surface conditions is the "need" that must be met. Improving existing surface conditions would require additional resources.
- We recommend funding for OM&P of base system roads and bridges continue to be drawn primarily from user fees -- supplemented at the local level by timber receipts and a variety of other resources.
- We believe user fees (gas taxes and weight-mile charges) should continue as the principal sources of funding for OM&P. We recommend they be indexed to ensure that funding is sufficient to help offset the effects of inflation, improved fuel efficiency, and system growth. We believe additional alternatives, such as congestion pricing, should be considered as more information becomes available.
- We note studded tires and utility cuts cause extraordinary damage to pavement. We recommend the costs of this damage be recovered from those who cause it, and that revenue resulting from such collections be used to offset a part of the need for increases in other user fees.

7. Funding to Support Livability and Economic Opportunity

- We recommend creating a second fund at the state level for transportation system modernization and expansion.
- We recommend some new funding for transportation system modernization and expansion be "flexible" -- that is, available for use on projects, facilities and services that will contribute the most to community and region livability and economic opportunity at the lowest cost, regardless of mode. We propose a change in the Oregon Constitution to allow revenue from any increase in vehicle registration fees to be used flexibly. We believe road user fees (gas taxes and weight-mile charges) should remain committed to roads and bridges.
- We recommend use of vehicle registration fees, transportation utility (or system access) fees and other resources to help raise money for needed modernization, expansion and transit, and to help offset a portion of the need for increased gas and weight-mile taxes.
- We recommend establishing a utility franchise or public right-of-way use fee for use by ODOT and counties to help fund needed modernization and expansion.
- We believe a transportation utility fee would be an appropriate source of funding for elderly and disabled transit, since it is a "general" revenue source.

8. Changing our Approach to Transportation Finance

- We recommend the state and its local government partners begin moving now to further reduce their reliance on gas taxes and truck weight-mile fees -- particularly as sources of funding for system modernization and expansion. Adoption of a mileage-based vehicle registration fee would be an important step in this direction. Other mechanisms that merit immediate attention include congestion pricing and tax credits that reward behavior which makes use of existing assets more efficient (e.g., payroll tax credits to fund transit alternatives).

II. EFFICIENCY RECOMMENDATIONS

Working Group Report Summary

The Efficiency Working Group report addresses transportation efficiency improvement from two perspectives. First, it focuses on reducing the cost of operating, maintaining and preserving of Oregon's roads and bridges; second, on tracking the cost of moving people and goods as a way of measuring long-term transportation system performance.

The Group recommends three measures to track performance on operation, maintenance and preservation efficiency:

- total operations and maintenance (O&M) cost per lane mile;
- miles of roads and bridges with deferred preservation or reconstruction needs;
- total O&M cost per daily vehicle mile of travel (with truck travel equated to an equivalent amount of auto travel).

To ensure both a focus on efficiency improvement, and a sharing of good ideas and information among jurisdictions and regions, the Group recommends (1) an annual report on efficiency improvements made across the state and in each region; (2) a biennial productivity project plan developed by ODOT, counties and cities in each region; and (3) a summary report on previous efficiency improvements that are as yet little publicized.

The Group also recommends regular tracking and reporting on the average total (public and private) cost of transporting people and goods in Oregon as a way of monitoring the effectiveness of Oregon's transportation system, and decisions affecting its upkeep and development.

The Group's report also contains recommendations on recognizing and rewarding superior performance, measuring progress toward goals, and implementing recommendations.

SAC Recommendations

The SAC believes the recommendations of the Efficiency Working Group should be implemented as quickly as possible. It supports the working group's suggestion that a partial or preliminary report on trends in agency O&M expenditures and trends in pavement and bridge condition be prepared for use in the 1997 legislative session (even though data will be incomplete), and that the first complete Annual Productivity Report be submitted by July 1998.

The SAC recommends adoption of two policies that will encourage transportation providers to pursue efficiencies aggressively.

- (1) Like the working group, we recommend the Oregon Transportation Commission (OTC) and ODOT establish a "savings retention policy" that allows ODOT districts or regions to keep and reprogram a portion of any savings they achieve beyond the 1 percent per year improvement targeted for all jurisdictions as part of this process.
- (2) We also recommend the OTC link allocation of state resources for transportation system modernization and expansion to successful achievement of efficiency improvement objectives and the biennial productivity plan.

The SAC recognizes there is uncertainty about whether the measures of efficiency identified by the Working Group are the best available. Like the Working Group, the SAC recommends periodic review of measures and modification if superior alternatives emerge.

III. BASE SYSTEM RECOMMENDATIONS

Working Group Report Summary

The Base System Working Group report defines a "base system" of roads, bridges and -- on a preliminary basis -- public transit services for Oregon that includes most facilities state, regional and local transportation agencies are investing in today.

The base system of roads defined by the group includes 42,113 miles of freeways, arterials, collectors and local roads -- including approximately 12,000 miles of unpaved roads, and approximately 16,000 miles of roads that serve residential properties. The base system excludes more than 43,000 miles of forest, government agency, tribal, private and local roads that are not maintained, for the most part, by ODOT, city and county agencies.

The Working Group notes statewide interest in different parts of this base system varies. Ninety-five percent of vehicle miles traveled in the state occur on freeways, arterials and collectors -- roads that make up 53 percent of the lane miles included in the base. Five percent of travel occurs on the remaining 47 percent of lane miles. The Group's report indicates public investment in road types differs dramatically, and should continue to differ.

The base system of public transit services is defined to include the entire existing "public transportation" (transit) system, since effective transit service is essential to meeting state and local goals related to livability, growth management, and transportation system efficiency improvement. State and local estimates of long-term road needs and costs assume transit will be able to accommodate a growing share of trips, thereby lowering road needs.

The Group notes there is statewide interest and investment already in public transportation for the elderly, disabled and, to some extent, the transit dependent. There is also a statewide interest in basic, intercity public transportation. The report says additional work must be done to better define the state's interest in other public transit services.

The report proposes some criteria for use in deciding on additions to the base system of roads.

SAC Recommendations

The SAC continues to believe Oregon's top transportation priority should be the maintenance, preservation and operation of a "base system" of transportation facilities and services that ensures every Oregonian a basic level of mobility within and between communities. It continues to believe funding for maintenance, preservation and operation of this system should be a state responsibility -- a shared commitment of Oregonians to one another.

We recommend responsibility for funding OM&P on local roads continue to be shared between state and local governments -- at least in the short term -- with the state providing a safety net that ensures minimal funding for OM&P to local agencies faced with extraordinary declines in receipts.

We recommend the OTC, in conjunction with the Association of Counties (AOC) and League of Cities (LOC) develop and implement systems to ensure that revenue collected at the state level for OM&P is used principally for that purpose, and to measure the condition of roads as a way of ensuring our commitment to base system OM&P is being met.

We recommend ODOT, AOC, LOC and other affected agencies (e.g., transit providers, ports) set mutually acceptable criteria to guide the process of adding facilities and services to Oregon's base system of transportation facilities and services.

We concur with the Working Group's recommendation on transit. For the time being, the state should focus on services for the elderly and disabled which is important to communities throughout the state.

IV. RECOMMENDATIONS RELATED TO LIVABILITY, ECONOMIC OPPORTUNITY AND REGIONALIZATION

Working Group Report Summary

The Working Group on Livability, Economic Opportunity and Regionalization recommends two major changes in transportation decision-making.

First, it proposes a tight link between transportation decisions and investments, and local land use plans, regional economic strategies and statewide plans and goals related to livability and economic opportunity.

Second, it recommends creating regional bodies and processes to set regional transportation priorities consistent with criteria related to community livability and economic opportunity, to advise the Oregon Transportation Commission on regional transportation investments, to facilitate coordination among transportation providers, and, in so doing, help improve transportation system efficiency.

The Working Group proposes broad objectives and guidelines to guide all phases of transportation planning and decision-making including: (1) plan development, (2) solution development, (3) project selection and (4) project development and construction.

These objectives and guidelines would be used by transportation providers and newly-created regional bodies in evaluating potential solutions to transportation problems and proposing project priorities. Transportation investments would be guided by the results of this process.

The Working Group recommends regional bodies be encouraged to form on the basis of shared interests, rather than predetermined regional boundaries. It recommends the bodies have members from the public and private sectors within the region. ODOT would be a voting member of each body. Representatives of other state agencies would participate as well.

The duties of the regional bodies would include assessing and making recommendations on inter-regional transportation needs and reviewing facilities and services proposed for addition to the region's "base system."

SAC Recommendations

The SAC generally supports the Working Group recommendations.

We believe state, city, county and regional bodies should have a clear idea of how its spending on modernization and expansion of transportation systems and services will support community and regional livability and economic opportunity before it commits resources to specific projects.

We believe it is important to involve business and private sector leaders in the bodies proposed by the Working Group. The primary value of the process is the broader perspective it brings to transportation decision-making.

We recommend regional bodies be given a role in reviewing plans for efficiency improvement in operation, maintenance and preservation of base system roads and bridges, and in assessing progress toward plans. If regional efficiency initiatives produce savings above targeted levels, the regional bodies should work with ODOT to decide how best to use any "shared savings" retained by ODOT district or region.

We concur in the Working Group's recommendation that the regional bodies should be responsible for reviewing proposed additions to the base system, and assessing and making recommendations on inter-regional transportation needs.

V. FUNDING RECOMMENDATIONS

Working Group Report Summary

The Finance Working Group recommends creation of two transportation funds at the state government level.

- One would pay for OM&P of "base system" roads and bridges, and would be funded primarily by user fees collected at the federal and state levels of government -- with supplemental funding, in some cases, from local government.
- A second fund would help pay for modernization and expansion of the transportation system consistent with state and local plans for improving community livability and economic opportunity (LEO) regardless of mode. Resources for the LEO fund would come from a variety of sources. Most should be linked to a "driver of demand" for new capacity on the transportation system.

OM&P of "base system" public transit (services for the elderly and disabled) would be funded with resources from either the LEO fund or a separate, specially dedicated fund.

The Working Group proposes an increase in fuel taxes and truck weight-mile fees, and "indexing" a portion of both those sources to fund OM&P work on roads and bridges in the next several years. The group indicates a five cent increase in the gas tax in each of the next two years, combined with equivalent increases in truck weight mile taxes and a \$20 per year (\$40 per biennium) increase in the vehicle registration fee would produce enough revenue to (a) meet 90 percent of base system OM&P needs assuming efficiency initiatives are successfully implemented (see item 6, page 3), (b) close the funding gap for elderly and disabled transit services, and (c) provide some additional resources for modernization and expansion of transportation infrastructure.

The group notes that use of other resources could lower the need for increases in gas taxes and a truck weight-mile fees. Alternatives discussed by the group include: studded tire fees, utility pavement "cut" fees, utility right-of-way use fees (in areas where they are not already in place), transportation system access (or transportation "utility") fees, mileage-based vehicle registration fees, special titling fees for vehicles that add to the total number in the state, tolling and such things as additional cigarette taxes to help fund public transit.

The group recommends amending the Oregon Constitution to allow a flexible use of revenue raised from any increase in the vehicle registration fee. It does not recommend changing constitutional limitations on use of revenue from gas taxes and truck weight-mile charges.

The Working Group noted some recommendations may have to be phased in over several biennia.

SAC Recommendations

The SAC believes the two-fund concept is a good one. It serves several important purposes.

- First, it helps ensure that preservation of existing public assets is a top priority and that those assets are maintained in a way that lowers long-term costs.
- Second, it helps ensure new resources are spent in ways that improve community livability and economic opportunity.
- Third, it provides increased flexibility in use of funds -- a change that enables communities and transportation agencies to invest in ways that lower long-term costs of providing transportation services.

The SAC recommends funding for base system OM&P be predicated on the assumption that efficiency initiatives are implemented successfully, and that 90 percent of the cost of operating, maintaining and preserving existing road surface conditions is the "need" that must be met. Improving existing surface conditions would require additional resources. This will require some redefinition of road standards by affected agencies and encourage additional, extraordinary efforts to improve performance and lower costs.

It agrees with the Working Group's assessment of need and recommends seeking the equivalent of a five cent increase in the gas tax in each of the next two years, combined with equivalent truck tax increases and a \$20 per year increase in the vehicle registration fee in each of the two years.

The SAC believes user fees (gas taxes and weight-mile charges) should continue as the principal source of funding for OM&P. It recommends they be indexed to ensure that funding is sufficient to help offset for inflation, improved fuel efficiency, and system growth. The SAC notes studded tires and utility cuts cause extraordinary damage to pavement. It recommends the costs of this damage be recovered from those who cause it, and that revenue resulting from such collections be used to offset a part of the need for increases in other user fees.

The SAC notes locally-provided resources make an important contribution to OM&P on base system roads and bridges. It assumes that contributions will continue for the foreseeable future.

The SAC recommends some new funding for transportation system modernization and expansion be "flexible" – that is, available for use on projects, facilities and services that will contribute the most to community and region livability and economic opportunity at the lowest cost, regardless of mode. It believes road user fees (gas taxes and weight-mile charges) should remain committed to roads and bridges.

The SAC endorses the Working Group's proposal that "drivers of demand" for new transportation system capacity – including such things as numbers of vehicles on the road, the amount they are driven and numbers of people using the system – should be the principal sources of funding for modernization and expansion of system capacity.

It recommends use of vehicle registration fees and transportation utility (or system access) fees to help raise money for needed modernization and expansion, and offset a portion of the need for increased gas and weight-mile taxes. Transportation utility fee revenue would be an appropriate source of funding for elderly and disabled transit, since it is a "general" revenue source.

The SAC recommends the state and its local government partners begin moving now to further reduce their reliance on gas taxes and truck weight-mile fees – particularly as sources of funding for system modernization and expansion. It believes new funding sources should do a better job of encouraging change in the way the transportation system is developed and used so that long term needs and costs are reduced. Adoption of a mileage-based vehicle registration fee would be an important step in this direction. Other mechanisms that merit immediate attention include tolling, congestion pricing and tax credit mechanisms that reward behavior that makes use of existing assets more efficiently.

The SAC notes the state and local and regional governments are partners in accommodating and managing growth. Local and regional governments need additional funding tools to hold up their end of this partnership. The SAC recommends extending authority to impose utility right-of-way fees to county governments, and allowing more flexibility in local imposition and use of vehicle registration fees as ways to assist local agencies meet growing obligations.

Finally, the SAC notes there are important local government concerns about revenue allocation, declining local receipts and the need for a "safety net", rapid growth in unincorporated areas, and the need for some flexibility in use of OM&P revenue on safety projects and small, short-term capital improvements that will produce longer-term OM&P savings. The SAC recommends ODOT be directed to work with its local government partners to devise solutions to these problems that are acceptable to all parties prior to submitting proposals relevant to these issues to the Legislature.

**Oregon Transportation Initiative
Statewide Advisory Committee Report**

**Summary of Funding Recommendations:
Average Annual Needs and Revenues
1998-2001**

	Operations, Maintenance & Preservation (OM&P)	Availability and Commitment Opportunity (LEO) Fund	Special Need Transit (SNT)
	(Millions)		
The Need ²	\$ 905-	\$ 556	\$ 53
Existing Resources	652	199 ^a	18
The Gap	253	357	35
Shifts, Adjustments and Efficiency ³	118	68	1
Reduced Gap	135	289	34
Revenue Measures (For alternatives see next table)			
Indexing ⁴	57		
5+5-Cent ⁵	78	114	
\$20 Annual VRF ⁶		24	34
Remaining Gap	0	151	0

¹ Includes City, County and State base system roads and bridges

² From "Steady State" scenario that preserves existing conditions but makes no net improvement in road conditions or level of transit service.

³ Funding available for capacity expansion, but not available for OM&P by statute or policy.

⁴ A 1% per year cumulative efficiency gain in all areas and a 10% reduction in OM&P and road capacity expansion needs.

⁵ Adjusts motor fuel and weight-distance taxes going to OM&P by rate of inflation plus adjustment for improved fuel efficiency.

⁶ Including equivalent weight-distance.

⁷ Assumes accompanying constitutional amendment to permit use for transit. First priority for use would be SNT with additional funding going to LEO for roads, transit or other transportation uses.

Alternative Revenue Sources		
Source	Basis of Calculation	Average Annual 1998 - 2001 ⁷ (millions)
1-cent fuel	Implemented January 1998	\$ 14.3
1-cent equivalent weight-mile	Assumes 38.7% truck responsibility	8.0
Studded Tire	\$8.50 per tire sold	8.1
Transportation Utility Fee	\$1.00 per month per resident and per employee	50.1
Cigarette Tax (for Special Transportation)	2-cents per pack	9.4
Mileage-based registration fees (1/2-cent per mile)	Light vehicles only at 29 billion miles per year	145.0
System Access Fee (first time title charge)	\$200 per vehicle, first time registered in Oregon	78.0
Utility Pavement Cut Fees	Would be implemented primarily by local governments for cost recovery.	n/a
Utility right-of-way	Fees for use of rights of way would probably be negotiated.	n/a
Tolling	A \$1.00 fee, one direction on the I- 5 and I-205 Interstate Bridges	43.0
Congestion Pricing	A congestion fee netting \$1.00 per vehicle using the Vista Ridge Tunnels in Portland during weekdays.	30.0

⁷ Exact estimates depend on details of timing, collection cost and level of application, whether state or local. These figures are intended to provide a general estimate of trade-offs with revenue sources shown in the previous table.