



Oregon
Environmental
Council
It's Your Oregon

222 NW Davis Street
Suite 309
Portland, OR 97209-3900
503.222.1963
www.oeconline.org

**Testimony to the Joint Transportation Committee
on Preservation & Modernization**

on House Bill 2017

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**Chris Hagerbaumer, Deputy Director
Oregon Environmental Council**

Founded in 1968, the Oregon Environmental Council (OEC) is a nonprofit, nonpartisan, membership-based organization. We advance innovative, collaborative and equitable solutions to Oregon's environmental challenges for today and future generations.

Dear co-chairs McKeown and Beyer and members of the committee,

Oregon Environmental Council (OEC) very much appreciates the opportunity to testify. We applaud you for the incredible amount of effort you have put in to developing a transportation package in a thoughtful and transparent way, including the many hours you spent on the road gathering input from Oregonians all over our beautiful state.

OEC is a board member of the Oregon Transportation Forum and a steering committee member of the Transportation for Oregon's Future coalition. My written testimony is long, so I'll focus on what's not covered by my fellow coalition members.

Go Big

Yes, this transportation package has a big price tag. But the right transportation investments will reduce costs for businesses, individuals and state and local governments. We know that when potholes and congestion rule the roads, vehicles cost more to operate, people lose precious time sitting in traffic, and goods aren't delivered on time. We know that providing transportation options reduces household transportation costs. We know that investing in cleaner transportation options reduces health care costs and the economic impacts of climate change. So we applaud you for "going big."

Solutions for the Future

We also know that our transportation problems must be solved in a fundamentally new way. While driving a car you need to look in the rear view mirror; but when you're

planning transportation you need to look to the future. This means taking into account important trends:

- As Baby Boomers age, fewer and fewer will be able to drive. Our seniors need options in order to age in place, not more freeway capacity. Baby Boomers represent 25% of Oregon's population, and Oregon is in top 1/3 of projected senior growth rates in country.
- Millennials drive less than their parents and show a clear preference for bicycling, walking and taking transit. This has held true post recession. Millennials comprise 27% of Oregon's population.
- Businesses are choosing to locate where they can attract Millennials. Realtors also understand what demographic trends and changing preferences mean for their industry. National Association of Realtors polling finds that a majority of Americans would prefer not to live in neighborhoods that require more driving between home, work and recreation, preferring instead to live in neighborhoods with a mix of houses, stores, and other businesses that are within walking distance.
- Per capita miles traveled are decreasing, not increasing.
- Because transportation represents nearly 40% of Oregon's greenhouse gas emissions, it's imperative that we accelerate a transition to clean vehicles and provide people more options to driving solo.
- Technology is changing the way we get around. PricewaterhouseCoopers predicts the number of vehicles on the road will fall from 245 million to 2.4 million vehicles by 2025. Milder predictions say traffic will drop by a factor of ten. Advances in electronic and wireless technologies make shared-use mobility (e.g., public transit, bikesharing and carsharing, taxis and transportation network companies, ridesharing, and flexible goods movement) easier and more desirable.

These trends point to new solutions, and we thank you for incorporating many of them into the package.

Public Transit

The proposed investment in transit is the first time the state has made a substantial, long-term commitment to an essential component of a successful transportation system. Public transportation underpins Oregon's efforts to promote economic development and preserve Oregon's quality of life. High-quality transit attracts riders and eases highway congestion. Transit-intensive areas have experienced job growth, economic development and increased property values. Transit serves people who choose not to drive, Oregonians who can't afford to drive, and Oregonians who because of age or disability are unable to drive.

We echo the concerns expressed about an employee payroll tax being a regressive form of taxation. However if transit agencies demonstrate, in advance, how they will use the new funding to mitigate impacts on low-wage earners and carry out their plans, it's an acceptable mechanism. In addition, we hope the legislature will fund HB 2693, which focuses on youth transit specifically, or roll that grant program into the package.

Safe Routes to School and Other Bicycle/Pedestrian Investments

The package will begin to help children safely walk and bike to their neighborhood school, but the package should do more. We echo the specific concerns raised by The Street Trust and advocate that the bill be at least as strong as the components outlined in House Bill 3230. These fixes include: removing the ten-year sunset on the program; expanding street safety funding to \$15M per year; funding in-school education with \$6M per year; including Title 1 prioritization for street safety projects; creating flexibility in local match requirement for Title 1 schools; and expanding the radius for eligible projects around schools to 1 mile.

The package makes a small nod to other bicycle/pedestrian needs, including some inter-jurisdictional road transfers that will enable localized solutions to serious safety problems, but the investments are small in comparison to the need, and the allotment of 7% of *ConnectOregon* dollars and transfer of \$4 million from the State Parks & Recreation Department for bike trails is not new money. The new source of funds is an excise tax on bicycles, which is frustrating given that bicyclists do pay for local infrastructure through the taxes they pay as drivers and the taxes they pay as residents (e.g., many cities use property taxes to fix local roads). In addition, bicyclists provide benefit to the broader community via cleaner air, lower societal health burden, less congestion, and more.

Roads & Freight

The package will go a long way to fixing state, county and city roads, as well as funding important freight infrastructure through *ConnectOregon*. We appreciate that stakeholders all over the state called for removing bottlenecks in the Portland region. While some fixes are warranted, real world experience clearly shows that widening roads only leads to more traffic and eventually back to gridlock.

That means that we need to get smart about how we reduce congestion, utilizing a variety of tools. Firstly, by providing people with options to driving (thus the importance of investing in transit and safe walkways and bikeways). Secondly, by applying smart technologies like synchronizing traffic lights, prioritizing bus movement through intersections, detecting and responding to crashes rapidly, and more. But the most effective tool is peak period pricing (aka congestion pricing or value pricing). Adding capacity without pricing it will just result in induced demand, where drivers who were taking transit or driving at a different time of day flock back to the freeway at rush hour, making it just as congested as before. Oregon's business community is rallying around the concept of peak period pricing, and we're pleased to see it included in the package, though some fixes are needed to the bill language.

We were surprised to see a number of other road capacity projects named in the package. It's important to analyze these to make sure they are the top priorities in adopted Regional Transportation Plans and local Transportation System Plans. The trends we outlined earlier and the reality of induced demand point to the fact that it simply does not make financial sense to focus on road expansion. And the state's primary obligation is to maintain the roads we have.

We support the new privilege tax on the retail sale of motor vehicles—it has a perfect nexus to transportation. However, by restricting it to being spent on roads and freight alone, the state misses an opportunity to reduce congestion through multimodal investments and to invest in clean vehicles.

Electric Vehicles

We appreciate that the legislature hasn't typically thought about what type of vehicles ply the roads when it comes to transportation packages, but in order to meet the state's greenhouse gas reduction goals, we must do everything we can to accelerate the purchase of electric vehicles (EVs). We appreciate the fact that the package makes a nod to EVs by suggesting some funding for charging infrastructure, but the most effective way to advance electric vehicles is "cash on the hood" as outlined in HB 2704. We are also concerned that using the existing Public Purpose Charge for charging infrastructure has complications and means we'd merely be taking money for one good purpose and using it for another.

We are also very disappointed that the package creates a tiered registration fee that charges more for efficient vehicles and increases that charge over time. Given that only 2% of cars in Oregon currently get better than 40mpg, it's premature. In fact, the way it's structured, an EV could end up paying *more* for the roads than other less efficient cars. That's because registration and title fees are fixed fees that don't reflect actual road use.

We ask that you not create a tiered registration fee and that you either include the goals of HB 2704 in the package or fund them separately.

Pollution-Busting Measures

From a climate change and air pollution perspective, it's key that the package invest in transit, bikeways and walkways; make smart use of existing infrastructure; and accelerate the move to cleaner vehicles, particularly EVs.

In the pre-bill hearings, a requirement that the state's largest transit agencies move to cleaner vehicles was discussed. We hope you will include that requirement as it will not only reduce pollution, but also result in cost-savings for the district, savings that can be plowed back into transit service.

We were pleased to see Section 6(j): Adopt a statewide transportation strategy on greenhouse gas emissions to aid in achieving the greenhouse gas emissions reduction goals set forth in ORS 468A.205. In fact, a strategy has already been developed pursuant to the Jobs & Transportation Act of 2009 (OEC sat on the body that developed it). So no need for a new process, but there is a need to adopt that strategy.

Accountability

We applaud you for including a number of provisions that will increase accountability and provide Oregonians more transparent information about their tax dollars are being spent to improve the way people and goods get around. A few suggested additions include:

- Require Cost Benefit Analyses (CBAs) to include discussion and findings from prior transportation corridor analysis conducted using the ODOT's Practical Design and Least Cost Planning tools.
- Require the website to include CBA scores for all projects being considered for funding.
- Add language from HB 2532 requiring the Oregon Transportation Commission to conduct Least Cost Plans on strategic corridors.
- Require a criteria-driven process to prioritize future congestion-relief projects based on their return on investment in advancing Oregon's goals. This evaluation could use the CBA to evaluate STIP projects and Least Cost corridor planning findings.
- Use practical design on all projects.

Conclusion

Again, we thank you for acting in the spirit of wise stewardship for which Oregon is known. A diversified transportation system that allows people to get around without a car will free up road space for freight movement. A multimodal transportation system will reduce transportation costs and provide access to important destinations like jobs, schools and grocery stores for people who can't drive or can't afford to drive. And finally, a transportation system with transportation options and clean cars, buses and trucks is critical for reducing air pollution and climate pollution.

Thank you again for the opportunity to testify, and good luck in the next couple of weeks!