



February 17, 2009

Ms. Gail Achterman, Chair
Oregon Transportation Commission
Transportation Bldg. Room 135
355 Capitol Street N.E.
Salem, OR 97301-3871

Dear Gail:

I am writing on behalf of the Portland metropolitan region's Joint Policy Advisory Committee on Transportation (JPACT) to share concerns and suggestions regarding the use and allocation of federal economic stimulus funds for transportation. The federal economic stimulus legislation passed by Congress last week provides our state an unprecedented opportunity to address unmet transportation needs.

Our region is concerned that the approach the state is taking in developing a stimulus project list has focused primarily on getting projects completed quickly, rather than on making the best investments possible and ensuring an equitable distribution of funds. Given the ambitious obligation timeframes Congress is considering, your Commission and our metropolitan region face many of the same challenges in managing the allocation and obligation of these funds in a timely matter. However, the entire list that the Oregon Department of Transportation (ODOT) has developed appears to be unnecessarily focused on delivering projects within the shortest timeframes which will likely only apply to half of federal stimulus funds for transportation. This necessarily limits the types of projects as well as deliberation as to what would be the most effective set of investments.

We submit to you the following principles and suggestions as you consider adopting a list of stimulus projects:

1. **Coordinate with local governments to maximize the impact of state and local funds.** Spending additional time consulting with local government leaders could lead to a set of jointly funded and contracted projects that address key transportation needs, synchronize highway and transit investments, and create more significant economic benefits.
2. **Be flexible in developing and adopting the state's project list given possibility of longer obligation timeframes.** State and local project lists should be re-examined, now that we know Congress has adopted longer obligation timeframes for a significant portion of transportation stimulus funds. As we understand the project list ODOT is recommending, all of the projects can be obligated this spring. Assuming at least half of federal funds may not need to be obligated until July 2010, we recommend that you not adopt a list that reflects 100 percent of federal funding at this time. Instead, we suggest that you adopt a project list that represents over 50 percent of the state's stimulus funds, ensuring that the state can meet the immediate obligation deadline, but allow for flexibility in considering a broader range of projects that could be obligated within the longer timeframe.

3. **Consider focusing investments in metropolitan areas where the economic impacts will be greatest.** Metropolitan areas, and the Portland region in particular, are the population and economic centers of our state. The current focus within ODOT's project list on pavement preservation would result in only about 10 percent of the state's stimulus funds flowing to the Portland Metropolitan Region. A more equitable distribution of stimulus funds than is currently being considered by ODOT would yield significant economic rewards. Historically, about 38 percent of state modernization funds have been invested in our region. Spending stimulus funds to upgrade one of the many neglected state-owned district highways would have an enormous short and long-term economic impact that cannot be achieved with many of the pavement preservation projects being considered.
4. **Ensure that investments the state makes with stimulus funds have significant short and long term economic impacts.** The intent of Congress in enacting this historic economic stimulus measure is the creation of jobs and the recovery of our depressed economy. We urge you to use both short and long-term economic impacts as a filter in choosing projects. In four or five years, we should be able to look back on the investments we choose to make now and argue that they were the right kind of investments, that they did more than produce jobs, but helped create economic growth and supported our communities, including improvements to enhance access to freight terminals and industrial areas.
5. **Maximize the use of stimulus funds to leverage other federal, state, and local funding.** We are working with our local partners to identify areas where stimulus funds can leverage existing funding, stretching these dollars as far as possible. In addition, we are exploring use of transportation funds in conjunction with other stimulus funds (e.g. water, transit, energy efficiency funding) to create projects that are more meaningful than projects funded solely within their own funding silos.

I understand that the opportunity presented by the enactment of federal stimulus legislation carries with it significant challenges in meeting strict deadlines under sometimes onerous federal rules. However, I urge you to do what you can to ensure that we use this opportunity to its full potential and do not lose the opportunity to be thoughtful and innovative in order to be quick. The jurisdictions of the Portland Metropolitan Region are eager to work with your Commission to develop a state stimulus project list that can meet these principles.

Sincerely,

A handwritten signature in black ink, appearing to read 'RBML' followed by a long horizontal flourish.

Rex Bukholder
JPACT Chair

CC: JPACT
OTC
Director Matt Garrett