

Testimony of Lynn Peterson, Metro Council President

On House Bill 3065, -5

Joint Committee on Transportation

March 16, 2021



The Metro Council appreciates the continued work of the Oregon Legislature, Oregon Transportation Commission (OTC) and Oregon Department of Transportation (ODOT) to advance congestion management in the Portland metropolitan area. We are particularly grateful for the Legislature's leadership in 2017 in identifying transportation solutions that manage congestion in the Portland area as part of HB 2017, including by directing the OTC to implement value pricing on I-5 and I-205.

Metro remains committed to seeing these projects and the congestion pricing program through to completion and appreciates the Speaker's leadership in identifying next steps to make the transportation system envisioned by HB 2017 become reality. We share the view that only by taking a regional and system-wide approach will we be able to meet our climate, safety and congestion relief goals. Metro has been actively working with the ODOT Office of Urban Mobility to develop the value pricing program called for in HB 2017. We also financially contributed the "first dollar in" to the three major bottleneck projects identified in HB 2017 – I-5 Rose Quarter, OR-217 and I-205 – and we will continue to work closely with ODOT to see these projects through to completion in a way that meets community needs, reduces greenhouse gas emissions and reduces congestion.

To that end, we are at a crucial moment in transforming the way our transportation system functions and is funded. Implementing system-wide congestion pricing will put our region at the forefront of national transportation systems and solutions. While cities in other countries have successfully administered congestion pricing, no one in the United States has implemented the comprehensive traffic demand management system envisioned by HB 2017 and subsequent work by ODOT, local governments and community groups. It is historic, and it offers a crucial opportunity to advance our shared goals around congestion, climate, equity and safety.

While we support the high level goals that the -5 amendment aims to achieve, we do have some concerns about the strategies outlined in the amendment. In particular, we want to highlight the following:

Congestion pricing and funding must prioritize traffic demand management, alleviate diversion impacts, and invest in multimodal improvements

First, we want to acknowledge the steps that have been taken to reflect the original intent of a tolling program in HB 2017: traffic demand management. The primary objective of any pricing program must be to manage demand rather than to generate revenues. Congestion pricing is an important strategy for improving the operational performance of a transportation system. By moving from a system based on fixed or flat user charges (e.g., fuel taxes) to a more refined system of charges that can vary by the time and location of travel, price signals can be used to more efficiently and effectively allocate scarce capacity on the existing roadways. See US DOT, Federal Highway, [*Economics: Pricing, Demand, and Economic Efficiency*](#).

The Portland region has significant congestion on our transportation system, and if we do not manage this increasing traffic effectively and equitably, this problem will continue to spiral. When implemented

to manage congestion, tolling has proven effective in other places in the United States and around the world at maximizing efficiency on existing roads and providing the greatest congestion relief, travel time savings, and reliability. Prior to this hearing, local government partners were collaborating with ODOT on additional language to further strengthen the statutory commitment to congestion pricing and it is critical that we continue those conversations and see those changes incorporated.

In addition, we are concerned that ODOT's strategy for spending the revenue raised from congestion pricing prioritizes freeway projects and leaves little funding to address diversion and needed multimodal improvements. Pricing I-5 and I-205 has the potential to significantly change the traffic patterns throughout these broad multimodal corridors, and ODOT and its partners must implement a holistic approach to managing traffic on the impacted local roads as well as on the main highway. ODOT's own Value Pricing report, adopted by a Value Pricing Committee of elected officials, found that investment in transit improvements and other multimodal improvements must be paired with pricing in the tolling corridor in order to serve low-income people and people of color. Without these investments and holistic approach, the congestion will simply move from the freeway system onto local roads ill-equipped to manage it, and potentially undermine traffic safety on the urban arterial system. We urge the Legislature to adopt statutory commitments to address these necessary components of a functioning congestion pricing and transportation system.

Jurisdictional transfer should only occur after ODOT addresses significant deferred maintenance

We appreciate the Legislature's recognition of the need to address the decades of underinvestment by ODOT on state-owned urban arterials. These local roads play a critical role in our region and our state's transportation system and serve as main streets for cities that have grown up around them.

Underinvestment by ODOT has resulted in substantial deterioration, lack adequate facilities for bicycles, pedestrians and transit, and the greatest number of crashes, fatalities and serious injuries on these facilities. Significant investment is needed to address the enormous and critical needs of these facilities.

While we appreciate the acknowledgement that something needs to be done, we oppose the 25%/75% cost share model. Local governments should not bear the burden of ODOT's failure to bring these roads up to standards. The significant deferred maintenance is ODOT's responsibility and they need to appropriately invest in these facilities.

Regional funding solutions from gas taxes

We appreciate and support the need for a financial plan for the multiple major projects outlined in HB 2017 and understand the strategy behind reallocating the funding earmarked for Rose Quarter to all major projects. However, we are concerned about the de-prioritization of the Rose Quarter project and ask for assurances that this project will continue to adhere to its timeline and deliverables.

Implementing the state's first comprehensive congestion management system and seeing through the major projects outlined in HB 2017 is a monumental challenge. We appreciate the Legislature's, the OTC's and ODOT's continued careful consideration and execution of the necessary next steps to implement these programs and projects. We look forward to working with you to provide our region with better tools to help people get around safely, affordably, and efficiently.