Oregon
Kate Brown, Governor

Department of Transportation
Office of the Director
355 Capitol St NE
Salem, OR 97301

January 14, 2022

Senator Elizabeth Steiner Hayward, Co-Chair
Representative Dan Rayfield, Co-Chair
Joint Committee on Ways & Means
900 Court Street NE, H-178 State Capitol
Salem, OR 97301-4048

Dear Co-Chairpersons:

NATURE OF THE REQUEST
The Oregon Department of Transportation (ODOT) Delivery and Operations Division, submitted a letter to the November Interim Joint Committee on Ways and Means that requested retroactive approval to apply for an Advanced Transportation and Congestion Management Technologies Deployment (ATCMTD) grant for $4.0 million ($2.0 million in ATCMTD grant funds and $2.0 million in matching state funds) from the Federal Highway Administration (FHWA). During this process, questions were raised by Committee members regarding the scope and impacts of this grant, so the request failed at that time. Since this time, ODOT has worked to clarify Committee member questions and concerns, so ODOT is resubmitting our request for retroactive approval to apply for the ATCMTD grant.

BACKGROUND
The ATCMTD is a competitive grant program for the development and deployment of advanced transportation technologies at large scale to serve as national models and improve the safety, efficiency, system performance, and infrastructure return on investment. The program requires at least 50 percent in matching funds, and grant funds must be obligated by Sept. 30, 2024. The Notice of Funding Opportunity for this ATCMTD grant was published on June 22, 2021, and applications were due no later than August 23, 2021. The award date has not been announced, but it is anticipated to be in early 2022.

ODOT has identified a project that meets program criteria. Oregon is currently developing a Connected Vehicle Ecosystem (CVE) to enable information sharing between vehicles and the highway system using in-vehicle systems and roadside technology.

The project to be funded by this grant application is designed to reduce crashes and improve mobility. Combining data from moving connected vehicles, infrastructure, and other data sources will create a powerful ecosystem enabling a connected highway future. Public agencies will be able to gather anonymized data and insights on the transportation system and improve planning, management and operations, and significantly reduce crashes, improve travel times, and lower transportation-related greenhouse gas emissions. People will enjoy a more reliable and safe transportation experience, and freight providers will experience more predictability and cost savings.

ODOT recently received a $5 million grant from the FHWA Surface Transportation System Funding Alternatives Program towards a $10 million project to conduct the initial planning, design, and implementation of the CVE with a focus on road usage charging (RUC). The work being completed for the RUC applications can be leveraged for the safety and mobility applications by using the same platform, thereby reducing costs associated with deploying these multiple applications separately.

The funds from this grant, if awarded, would expand the platform to include:

- Two-way gathering and sharing of data from internet-connected vehicles that utilize the cellular network;
- Vehicles equipped with 5.9 GHz radios;
- ODOT central software systems (e.g., central signal system, active traffic management system, RealTime™).

Total Project Cost:	$4,000,000
Grant Request:	$2,000,000
Matching Funds:	$2,000,000

The $2.0 million in matching funds are already programmed in the Statewide Transportation Improvement Program (STIP) for projects to implement Connected Vehicle applications. If approval is not provided, ODOT anticipates investing the funds that are already programmed, however, the scope of work and timeline will be impacted.

At Joint Interim Ways and Means Committee hearings in November, legislators expressed concerns about privacy of the CVE platform and the project's potential use for tolling.

ODOT has no plans to use this CVE platform for tolling. There is no direct connection between the work proposed in the project and implementation of tolling. When ODOT implements tolling as directed by HB 2017 (2017), we intend to use more typical technologies for collecting tolls, including license plate readers and on-road gantries that read RFID tags toll account holders voluntarily place in their vehicles.

ODOT is committed to strong privacy protection in developing and implementing the CVE data-sharing platform. ODOT does not need or want personal information for safety and mobility applications. The agency will use the data for situational awareness of transportation system status, which only requires aggregated, anonymized data. Data coming into the platform would be anonymized, so it couldn't be used to track vehicles. As the grant application specifically notes, "The Oregon CVE integrates data from both public and private sources, secures and anonymizes sensitive data, and makes anonymized data available to third-party users . . ." The public sources of data include in-pavement sensors, weather reports, and other sources that are commonly used for ODOT's Tripcheck system.

The 5.9 GHz radio based connected vehicle applications rely on a data feed called the "basic safety message." The CVE platform would only receive anonymized data that could not be used to track vehicle location. The data that ODOT would receive based on cellular connectivity would be gathered by the automobile manufacturer through their connection to the vehicle, not by ODOT.

The automobile manufacturer would share the data with the data platform subject to their own privacy and opt-in policies. The platform would be operated by a private sector partner, and both the platform and ODOT would not be directly getting information that would allow the agency to track any vehicle.

AGENCY ACTION
ODOT applied for $4.0 million in Advanced Transportation and Congestion Management Technologies Deployment grant funds and state matching funds.

ACTION REQUESTED
ODOT requests retroactive approval to submit a grant application to FHWA for $4.0 million in Advanced Transportation and Congestion Management Technologies Deployment grant funds and state matching funds.

LEGISLATION AFFECTED
None.

Sincerely,

Kristopher W. Strickler
Director

ANALYSIS

Department of Transportation
Congestion Management Technical Innovation

Analyst: Michelle Deister

Request: Approve, retroactively, the submission of a federal grant application to the Federal Highway Administration in the amount of $2,000,000 for development and deployment of advanced transportation technologies.

Analysis: The Oregon Department of Transportation (ODOT) provided notice of intent to apply on August 9, 2021, and the grant application was due on August 23, 2021. Matching funds in the amount of $2 million will be provided by State Highway Funds already included in the Statewide Transportation Improvement Program for implementing connected vehicle applications. If awarded, the grant represents an opportunity to save state highway funds already planned for a project to implement connected vehicle applications. The project enables information sharing between vehicles and roadside technology, to improve safety and traffic flow. No additional position authority or expenditure limitation will be needed in the event the grant is awarded.

At its November 2021 meeting, the Joint Interim Committee on Ways and Means did not approve the Department's request to apply for the grant, citing concerns including driver privacy and the potential for the technology to be used for tolling. ODOT is again seeking approval of its request to apply for the funds, and has provided additional information to help address concerns, as follows:

- The purpose of the project is to reduce crashes and improve mobility. The technology being purchased and deployed will enable the gathering of anonymous data about congestion and traffic flow that can be used to design transportation improvements that decrease travel times, emissions, and address safety issues. In turn, these improvements may help to improve reliability and predictability, and may result in cost savings for system users.
- ODOT has no plans to use the technology platform associated with this project for tolling. ODOT's use of data from this platform will consist of aggregated, anonymous information which cannot be used to track vehicles.
- Radio-based applications will be based on cellular connectivity and not be gathered by ODOT

but transferred in aggregate by automobile manufacturers subject to their own privacy and opt in policies. ODOT would not be receiving information that would allow the agency to track any individual vehicle.

Awards are anticipated to be announced in February 2022.

Recommendation: The Legislative Fiscal Office recommends approval of the request.