



AMERICAN COUNCIL OF ENGINEERING COMPANIES OF OREGON

Testimony on HB 4165
to the
Joint Committee on Transportation

February 20, 2024

Good evening co-chairs Senator Gorsek and Representative McClain, I am Marshall Coba representing the American Council of Engineering Companies-Oregon. ACEC is a professional organization that represents 120 engineering companies of all types and sizes with 5,500 employees across the region. I am pleased to have this opportunity to comment on HB 4165. ACEC is neutral on the bill.

Oregon has always been an innovator on highway funding. The first gas tax, the first weight mile tax, the first constitutionally dedicated commitment to tax policy fairness through the cost responsibility allocation process. This is impressive. But now, we face an unprecedented imbalance in a complicated system that has been noted to include art in with the science. This needs to be fixed and I think we all would agree a political fix is better than a courtroom fix.

This cloud of uncertainty is not a good way to enter the impressive work plan this committee will embark upon leading up to a significant transportation funding package in 2025. As I reviewed the work plan document, I see enough opportunities and challenges just within that work plan to keep us all busy. The continuation of this uncertainty in cost allocation won't help us be successful.

Engineers like certainty, our local and state transportation agencies like certainty, bonding agencies like certainty, and Oregonians like certainty. As we sit here today, none of those constituencies are certain nor comfortable.

In my career I've had the pleasure of representing both the Oregon Trucking Associations and AAA. I can tell many stories prior to cost allocation being added to the constitution and prior to the trucking industry being deregulated intrastate and how the PUC played a major role in cost allocation. But I won't. While it may have been best for cost allocation to remain as a nuanced and arcane role of a government agency, it is now front and center. The fairness or unfairness of highway maintenance and construction funding is now a major talking point of all interested groups. If unresolved, this will be a major barrier to a successful funding package in 2025.

ACEC was very involved in the 2017 package and our members have been working closely with ODOT and others to design those projects that have moved forward. However, the Rose Quarter, 205 expansion, Boone Bridge in Wilsonville, tolling, the interstate bridge, and just the daily operation of the agency are all being impacted by this issue. We look forward to a prompt and appropriate resolution to allow this committee to prepare for the 2025 package without this significant uncertainty.

Thank you.