



March 10, 2025

Senator Aaron Woods, Co-Chair
Representative David Gomberg, Co-Chair
Joint Committee on Ways and Means
Subcommittee on Transportation and Economic Development
900 Court Street NE
H-178 State Capitol
Salem, OR 97301

Dear Co-Chairs Woods and Gomberg, and members of the committee,

During the Joint Committee on Ways and Means Subcommittee on Transportation and Economic Development hearing on March 6, 2025, members raised several questions during ODOT's presentation on SB 5541 – Oregon Department of Transportation Budget. Please see the department's responses below:

1. There is discussion about simplifying the WMT from 85 rates to 10 rates. What would be the estimated cost savings from this simplification?

In 2024, administering WMT in Oregon cost approximately \$11 million, with about 80 FTE — roughly 2.4% of total WMT revenue. Simplifying WMT from 85 rates to 10, as discussed by ODOT and the trucking industry, would reduce annual costs by approximately \$1 million. This includes eliminating around 10 FTE and associated expenses.

However, the simplification would also remove the \$5 per vehicle suspension fee, reducing annual revenue by \$150,000. The net annual savings would be approximately \$850,000, or 7-8% of WMT administrative costs.

If trucks were instead subject to a diesel tax, CCD would need to hire staff to administer IFTA and enforce fuel tax requirements, though ODOT's Fuels Tax Group would see cost reductions.

2. What are the implications of weigh-in-motion system misclassifications, particularly in distinguishing trucks pulling boats from heavy trucks, for trucking data accuracy and the Highway Cost Allocation Study (HCAS)?

Weigh-in-motion (WIM) data is considered accurate by FHWA and Departments of Transportation. The data is per vehicle, including axle spacing and weight data for each vehicle that passes over the sensor. Use of the axle spacing and weights means it is difficult to misclassify vehicles. In re-reviewing the data, ODOT does not see any significant errors that resulted in heavy vehicles being mis-identified as light. Furthermore, a recent research study by

Portland State University and Oregon State University found “Overall Oregon WIM data quality is very good, but data quality checks are always necessary to detect faulty sensors or missing data. Being that the quality control analysis showed that all WIM stations are well within the compliance threshold for 95% tolerance, ODOT WIM data can be used as-is. Quality control analyses ensure that 95% tolerance is being met, allowing ODOT WIM to be continued to use as-is” (August 2020). Given verification that the data is accurate, there are no resulting negative impacts on the Highway Cost Allocation Study (HCAS).

3. Is ODOT losing revenue due to an increase in license plate requests for medium-duty plates from Washington trucks entering Oregon?

The Western Uniform Compact (WUC), established in the 1970s, aimed to simplify registration for commercial motor vehicles (CMVs) across Oregon, Washington, and Idaho. Under WUC, Oregon and Idaho required CMVs to register at 26,001 lbs. and above, while Washington enforced a lower threshold at 12,001 lbs. and above. While Washington had the legal framework (RCW 46.85.060) for registration requirements in the 12,001-26,000 lbs. range, it did not actively enforce this until late 2021.

The International Registration Plan (IRP), created in 1973, provided a proportional registration system where fees are distributed based on the percentage of miles a vehicle travels in each jurisdiction and the plates are renewed on an annual basis. Washington transitioned to IRP in 1995, and Oregon followed in 1996. Under IRP, Washington required registration for vehicles starting at 12,001 lbs., while Oregon and Idaho maintained the threshold at 26,001 lbs., creating a disparity in the regulatory environments across the states.

In 2021, Washington began enforcing IRP registration for CMVs weighing 12,001 lbs. and above, impacting carriers from Oregon and Idaho, which still only required IRP registration for vehicles 26,001 lbs. and above. This enforcement change created a financial burden on Oregon and Idaho-based carriers, as they were now required to pay Washington apportioned registration fees, even though their home states did not mandate it.

Additionally, Washington became an FMCSA Expanded PRISM state, requiring IRP registrations to be tied to a valid USDOT number and safety compliance. This change introduced stricter enforcement, and out-of-state carriers faced additional scrutiny, even if their home states did not enforce these measures as aggressively.

Oregon T-plated vehicles, which are designated as transport vehicles rather than fully registered CMVs, were previously exempt from Washington’s registration requirements. When Washington’s enforcement approach changed, T-plated registered vehicles no longer met Washington’s registration thresholds. Unfortunately, this change was not communicated effectively, resulting in confusion and compliance challenges for Oregon carriers.

This change in approach by Washington had the following impacts to Oregon revenue:

- *Revenue Shift to Washington:* Prior to 2021, many Oregon carriers did not pay Washington registration fees under IRP because they were obtaining T-plated vehicles.

The enforcement changes shifted revenue to Washington from Oregon, as carriers now had to register and pay fees to Washington based on their miles traveled there.

- *Revenue Impact on Oregon:* Previously, Oregon collected all registration fees for their intrastate carriers. With the enforcement change, IRP-registered carriers now pay Washington based on their miles in the state, reducing Oregon's full registration fee collections.

We recognize that Oregon's current registration structure, including T-plates, may create inconsistencies and impact to ODOT revenue. As a result, Oregon will evaluate potential policy changes to ensure that appropriate fees are collected and that carriers are fully aware of their registration obligations.

4. Would a more consistent understanding of plate types and requirements improve compliance?

A more consistent understanding of plate types and registration requirements would improve compliance, reduce confusion, and ensure proper registration fee collection. The differences in IRP enforcement thresholds between states – such as Washington's stricter enforcement at 12,001 lbs. vs. Oregon's requirement at 26,001 lbs. – can create confusion for carriers operating across state lines. This could ultimately lead to unintentional non-compliance or strategic registration decisions based on cost rather than clarity of requirements.

Adding to the complexity, ODOT's registration processing involves both the Commerce and Compliance Division (CCD) and the Driver and Motor Vehicle Services (DMV) with overlapping responsibilities. CCD primarily handles registration for heavy-duty CMVs over 26,000 lbs., while DMV processes registration for CMVs 26,000 lbs. and lighter. This can sometimes make it confusing for carriers to determine the correct registration path.

To improve compliance and reduce confusion, ODOT would benefit from coordinating communications with neighboring states. Ensuring that motor carriers receive consistent messaging across state lines about registration requirements, enforcement policies, and fee structures would help streamline compliance and prevent unintended registration shifts driven by lack of information or misinformation.

The department determines the appropriate registration type for a vehicle based on several factors, including:

- **Vehicle Type and Use** – Whether the vehicle is a passenger car, commercial truck, or specialized vehicle impacts registration.
- **Weight and Operation Scope** – Vehicles over a certain weight threshold or operating in multiple states may require apportioned or commercial registration.
- **Tax and Fee Structure** – CCD manages registration for vehicles subject to the Weight-Mile Tax (WMT), while DMV handles standard registration fees for passenger and light commercial vehicles.

- **Carrier Intent and Business Operations** – The department works with carriers to ensure they select the correct registration type based on their intended operations, preventing misregistration issues.

To provide further clarity on ODOT’s plate types, below is a table of different plate types and their corresponding statutes.

KEY TYPES OF REGISTRATION:

Type of Operation	Registration Type	ORS	Division
Vehicles operating exclusively in Oregon	Base Registration	803.300	DMV
Vehicles subject to Weight-Mile Tax	Commercial Registration	826.031	CCD
Vehicles operating across multiple states	Apportioned Registration	826.009	CCD
Vehicles operating across multiple states and not subject to Weight-Mile Tax	Apportioned Registration	826.009	CCD
Farm operations not subject to Weight-Mile Tax	Farm Registration	805.300	DMV
Government and tribal entities	Vehicles exempt from Weight-Mile tax	805.040	DMV
Nonprofit and charitable	Vehicles exempt from Weight-Mile Tax	825.017	DMV
Fire suppression and well drilling rigs etc.	Vehicles exempt from registration but subject to Weight-Mile Tax	803.305(11)	CCD

5. If the legislature invests in ODOT’s IT upgrades, would that enable greater efficiency, potentially allowing the agency to operate with fewer staff while maintaining or improving program effectiveness? Is there a way to quantify potential cost savings in dollars?

Since 2020, CCD has focused efforts on streamlining processes and procedures to gain efficiencies. These efforts were a result of many factors including an immediate response to the COVID-19 pandemic, budgetary cuts and the development of divisional strategic priorities. Prioritizing the need to shift quickly from paper heavy processes to electronic workflows removed many unnecessary steps while realizing a substantial savings. In 2023-25, CCD has seen an approximate savings of \$650k biennially based on continued customer-focused online transaction efficiency gains and continued efforts to identify procedural areas where process can be improved without reliance on programming in the unstable COBOL mainframe system. In addition, CCD continues to look for efficiencies in current IT systems. Recent automation in tax branch processes resulted in eliminating one audit screening position in our POP #070 reduction package. Also, recent enhancements for self-service options on the [Oregon Trucking Online](#) customer service portal has driven down call center call wait times to below 2 minutes. If

this trend continues, CCD will consider reallocating workload to other areas with higher demand or consider a reduction in FTE.

The current IT system replacement project for the issuance of over-dimension permits, known as ORION, will launch this month. The existing OD Permitting Team has 23 FTE. Of those 23 FTE, 17 are full time permit analysts. Immediately upon implementing the new ORION system 6 of the 17 analyst positions will be eliminated (reflected in the POP #070 reductions). As system programming further improves, and with greater automation, ODOT will continue to streamline processes, consolidate duties and assess the positional need for this program on a regular cadence and respond accordingly.

Future IT system replacement projects will be assessed for efficiency of work, redistribution of work or elimination of work, dependent upon the solution. In some cases, such as the new vehicle registration system replacement project or the installation of intelligent transportation systems roadside, the investment will see a reduction in errors, allowing staff to focus on the more complex needs of the daily work. Baseline performance with all new systems is a requirement of the process when applying for grants and state oversight. As efficiencies are realized with any new system, staffing levels will be adjusted.

6. Is ODOT still covering the credit card merchant fees when processing weight-mile tax payments?

In 2016, legislation changed to allow CCD to pass credit card merchant fees onto customers for all CCD transactions including weight-mile tax and commercial vehicle registration. This change results in an estimated biennial savings of approximately \$10.2M to the agency.

7. Does ODOT need 8 FTE in Government Relations and 29 FTE in Communications?

ODOT's Government and External Relations Division supports the agency by serving as a primary point of contact for elected officials, members of the news media, and Oregonians writ large. The GER division also includes ODOT's public records and rulemaking functions, and ODOT's ombuds office, AskODOT. The work performed by staff of the GER division help connect decision-makers, news media, policy leaders, and Oregonians to the agency's work each day.

ODOT does not need 8 FTE in Government Relations and 29 FTE in Communications. The total number of FTE included within the Government Relations and Communications sections, within the broader Government and External Relations (GER) Division, are budgetarily accurate but do not reflect the current or future operational needs of the agency.

The 8 FTE reflected in the Government Relations budget include staff positions for tribal (1.33 FTE), federal (1.33 FTE), and state affairs (2.33 FTE), as well as a position that manages the entire GER division (1 FTE), and the ODOT Director's Executive Assistant (1 FTE). The Executive Assistant position is not operationally part of the Government Relations section but is reflected within the section as part of ODOT's budget structure. An additional position focused

on state government affairs (1 FTE) has been held vacant since April 2024 and is proposed for elimination (as part of Pkg 070) and restoration (as part of Pkg 380). If the legislature chooses to fund this division at the level reflected in the Governor's Budget, 6 FTE will be focused exclusively on government relations.

Of the 29 FTE reflected in the Communications budget, only 22 are proposed for the 2025-27 budget. Those include:

- Two positions (2 FTE) serving as the Communications Director and Deputy Communications Director
- Twelve positions (12 FTE) serving as dedicated Public Information Officers within each of ODOT's 5 Regions, Oregon's DMV, the projects within the Urban Mobility Office (I-5 Rose Quarter and I-205 Improvements), and efforts within the Public Transportation Division (e.g. STIF, passenger rail), the Policy, Data, and Analysis Division (e.g. Connect Oregon, Climate Office efforts like electrification, sustainability, and resilience), Commerce and Compliance Division, and Procurement/Contractor-Partner communications.
- Two positions (2 FTE) dedicated to managing ODOT's social media accounts and maintaining access, support, and development of ODOT's website
- Four positions (4 FTE) focused on creative production that builds public understanding and awareness of ODOT's work across the state
- One position (1 FTE) dedicated to internal communications
- One position (1 FTE) dedicated to agency-wide forms development

The remaining 7 positions (7 FTE) reflected in the Communications budget include:

- 3 positions (3 FTE) proposed for elimination (as part of Pkg 070) that were part of the Communications section in previous biennia and have been identified as non-essential (one of which was never filled (a position authorized for a Toll Marketing Manager in the 2023-25 budget)).
- 4 positions (4 FTE) proposed for elimination (as part of Pkg 070) that were part of the Support Services Division in previous biennia and have been identified as non-essential

8. The Governor's EO requires PLAs on almost all projects. Minority businesses have a difficult time bidding on these. Will ODOT be able to meet KPMs under this PLA requirement?

ODOT is continuing to work on the implementation of Executive Order 24-31. The department is in the process of gathering information related to the projects and PLA requirements and will follow up with further details by 2pm on Tuesday, March 11, 2025.

9. Can ODOT provide a detailed list of payments made to consultants?

In an effort to ensure the information provided is responsive and valuable to committee members, ODOT is working with members and LFO staff to scope the parameters of information requested. The agency will provide this information within 24 hours of final scope confirmation.

10. How are snowplows that cannot fit through the bay doors at maintenance stations protected?

When snowplows cannot fit through maintenance station bay doors, they are protected as best as possible. When funding allows, districts install carport-style structures to shield the equipment. However, in many cases snowplows are parked outside until a cover can be purchased.

Parking equipment outdoors presents challenges beyond exposure to the elements. Moisture or snow inside a sander can cause it to freeze, requiring crews to offload salt from the truck or tow plow before storage to comply with best management practices. Before use, staff must remove snow and ice from the vehicles, and plows must idle to warm up and defrost. These additional steps reduce the overall efficiency of maintenance operations.