

W. 10.a.

Memorandum Date: September 11, 2009  
Order Date: September 30, 2009

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**TO:** Board of County Commissioners

**DEPARTMENT:** Public Works

**PRESENTED BY:** Frank Simas, Right of Way Manager

**AGENDA ITEM TITLE:** IN THE MATTER OF APPROVING ORDER 9-8-4-10 APPROVING AN AGREEMENT WITH THE OREGON DEPARTMENT OF TRANSPORTATION (ODOT) REGARDING THE ISSUANCE OF CONTINUOUS OPERATION VARIANCE PERMITS (COVP) AND AUTHORIZING THE COUNTY ADMINISTRATIVE OFFICER TO SIGN THE AGREEMENT.

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**I. MOTION**

Move approval of Order 9-8-4-10.

**II. AGENDA ITEM SUMMARY**

This matter originally came before the Board on August 4, 2009, and was pulled from the Consent Agenda at the request of Commissioner Handy, who requested additional information regarding the Continuous Operation Variance Permit (COVP) Program and the impact of permit issuance on County Roads vs. the fees received from their issuance.

**III. DISCUSSION**

The Continuous Operation Variance Permit (COVP) Program was authorized by the Oregon Legislature in 1999. To implement the program, the State and counties agreed to allow the issuance of annual permits for oversize and overweight loads that meet specified limits for certain types of haulers within the state, thereby allowing travel on both state highways and county roads. The permits are issued on an annual basis by Oregon Department of Transportation (ODOT) as well as third party agents, one of which is Lane County.

Commissioner Handy's request for additional information included the following questions/concerns:

## **1. What routes and vehicles are involved?**

The Lane County roads for which issuance of COVP permits is authorized is identified as "Attachment C-20", a copy of which is included and marked as "Exhibit A". The C-20 Attachment includes a listing of Lane County's weight-restricted bridges, weight-restricted roads, roads restricted to "no through truck traffic", roads with restricted vertical clearance and the Approved Route List for trucks of various size configurations both with and without a Permit. The C-20 Attachment also sets forth the required numbers and locations of pilot cars required for loads of various lengths and widths.

Legal vehicle weights for travel over roads within the state of Oregon pursuant to ORS 818.010 are:

20,000 lbs. per single axle  
34,000 lbs. per set of tandem axles; and  
80,000 lbs. maximum gross vehicle weight

Vehicle weights over 80,000 lbs. require a permit to operate on public roads in Oregon pursuant to OAR 734-70 through 734-82, and permits may be either a Single Trip permit or a COVP. OAR 734-70 through 734-82 establishes 5 classifications based on gross weights, axle spacing and axle loading; and these are known as Weight Tables 1 through 5. Weight Table 1 sets forth legal loading without a permit (not to exceed 80,000 lbs.). Weight Table 2 allows loads of between 80,000 lbs and 105,500 lbs. (doubles, triples and tri-axle combinations) with a permit, and Weight Tables 3 through 5 allow heavier loads based on maximum axle loading and space. Loads falling within Weight Tables 2 and 3 may travel under a COVP, but vehicles falling within Weight Tables 4 and 5 are subject to the requirements imposed under a Single Trip Permit.

## **2. How are the impacts to Lane County Roads vs. fees collected measured?**

The money raised by taxes or fees on the ownership, operation or use of motor vehicles or on the fuel they use is constitutionally dedicated in Oregon to the State Highway Fund. These funds come from the following sources and must be used on roads, bridges or rest areas:

- Driver license fees and fees relating to obtaining a driver license.
- Registration and title fees.
- Fuel taxes on fuel used in vehicles less than 26,000 lbs. gross vehicle weight (GVW); currently 24 cents per gallon, but will be raised an additional \$.06 under HB2011.
- Weight-mile taxes, based on weight and distance traveled for vehicles over 26,000 lbs. gross vehicle weight; currently ranging between \$.04 and \$.1851 per mile for vehicles between 26,000 lbs. GVW and 105,500 lbs. GVW.

The funds collected by the State of Oregon are distributed as follows:

State:	60%
Counties:	24% (based on vehicle registrations)
Cities:	16% (based on population)

The Oregon Constitution requires that a study be conducted and highway user tax rates be adjusted, if necessary, to ensure fairness and proportionality between the fees paid by light vs. heavy vehicles within the State. The most recent study is the Highway Cost Allocation Study-2009-2011 Biennium (HCAS) prepared for the Oregon Department of Administrative Services, Office of Economic Analysis. Excerpts from this report are included and marked as "Exhibit B". The HCAS is quite lengthy (244 pages, with appendices), and attempts to evaluate all known variables concerning impacts of the different types and weights of vehicles on the public roads.

The HCAS found that: Light vehicles (those weighing 10,000 lbs. or less) should pay 67.1 percent of state highway user revenues, compared to 66.5 percent that is projected under the current fee structure; and heavy vehicles (over 10,000 lbs.) should pay 32.9 percent versus the projected 33.5 percent. This means that light vehicles are projected to underpay by 0.8 percent and heavy vehicles are projected to overpay by 1.7 percent during the current biennium. Based on the study, it appears that heavy vehicle users within the State of Oregon are currently slightly subsidizing the light vehicle users.

An evaluation of the applicability of the HCAS and relevance to conditions in Lane County has not been undertaken, but since the methodology appears to be based on generally accepted Engineering and Economic techniques, it is not expected that such an evaluation would yield substantially differing results.

Pursuant to the terms of the proposed Agreement, Lane County will collect a \$5.00 service charge from the motor carrier for each COVP issued in addition to a service charge of \$2.75 for each road authority whose roads are included in the Permit, and \$2.00 of this is to be retained by Lane County with, \$0.75 to be remitted to the State.

For the Fiscal Year ending June 30, 2009, net revenue collected under the existing COVP Agreement was \$58,985.50, and the costs were \$12,431, including wages, benefits and operating overhead. Of the total net revenue, \$52,363.00 was collected by other jurisdictions and remitted to Lane County, and very minimal labor cost is involved on the part of Lane County when permits are issued by others.

ORS 818.270 states that the fees established by a Road Authority for the issuance of a variance permit may be any amount not to exceed \$8.00.

**3. What is the anticipated/realized impact on Lane County roads with various state/federal road detours onto Lane County Roads?**

Most detours are of short duration due to overpass raising, bridge or ramp work. In such cases, a permit would be issued to ODOT to allow the traffic plan and signage on the County system needed to facilitate the required detour. COVP permits would ordinarily be honored, but Public Works staff would evaluate the route. If the detour route was not suitable for extended weight or dimension loads, then the State would be informed to find alternate routing for such loads.

For longer duration detours onto Lane County facilities, and especially when a very low volume road is subject to very high traffic volumes due to work on the State system, County staff would work with the State or other agency prior to issuance of the permit to emphasize that the increased wear and tear on the County road and the accelerated overlay/chip seal interval would dictate that the State/Agency include appropriate surface restoration or other restoration as part of the proposed project.

This strategy has been used successfully in the past, most recently under somewhat different circumstances in connection with repair work within Armitage Park in connection with the I-5 Bridges, and within Orchard Point Park and on Clear Lake Road in connection with the Army Corps of Engineers Fern Ridge Dam repair project.

**IV. Alternatives/Options**

1. Authorize the County Administrative Officer to sign the agreement.
2. Deny the authorization to sign the agreement.

**V. RECOMMENDATION**

Option 1.

**VI. FOLLOW-UP**

Upon approval by the Board, the Agreement will be processed for signature by the County Administrator.

**VII. ATTACHMENTS**

Exhibit "A" – Copy of Lane County C-20 Attachment  
Exhibit "B" – Excerpts from HCAS-2009-2011 Biennium

IN THE BOARD OF COUNTY COMMISSIONERS  
OF LANE COUNTY, OREGON

ORDER NO.

09-8-4-10

( IN THE MATTER OF APPROVING AN  
( AGREEMENT WITH THE OREGON  
( DEPARTMENT OF TRANSPORTATION  
( (ODOT) REGARDING THE ISSUANCE OF  
( CONTINUOUS OPERATION VARIANCE  
( PERMITS AND AUTHORIZING THE COUNTY  
( ADMINISTRATIVE OFFICER TO SIGN THE  
( AGREEMENT

**WHEREAS**, pursuant to Order No. 06-12-13-7, Lane County entered into an agreement with the State of Oregon to issue Continuous Operation Variance Permits (COVP) and authorized the County Administrative Officer authority to sign a Memorandum of Understanding and the Agreement to Participate, plus any other necessary documents; and

**WHEREAS**, said agreement will expire on December 31, 2009, and the County and ODOT are desirous of entering into a new agreement to replace the existing agreement effective upon execution by all parties; and


**WHEREAS**, participation in the COVP program pursuant to ORS 818.205 will enhance the convenience of commerce within the State of Oregon and will encourage compliance with laws relating to travel by oversize and overweight loads on county and state roads; **NOW THEREFORE**

**IT IS HEREBY ORDERED** that the County Administrative Officer be authorized to sign the Agreement.

**DATED** this 4th day of August, 2009.

APPROVED AS TO FORM

Date: 7-23-09 Lane County



OFFICE OF LEGAL COUNSEL

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Chair,  
Board of County Commissioners

# Attachment 1

## **Agreement To Issue Continuous Operation Variance Permits (Agreement)**

**Between**

**Oregon Department of Transportation  
(ODOT)  
Motor Carrier Transportation Division**

**And**

**Lane County  
(Road Authority)**

Oregon Revised Statute (ORS) 818.205, directs the State of Oregon by and through the Oregon Department of Transportation, Motor Carrier Transportation Division, hereinafter referred to as State, to develop and implement a program that allows State and other participating road authorities to issue transportation continuous operation variance permits, herein referred to as COVPs, covered by this program for, and on behalf of, each other and other participating road authorities.

The Lane County, who has elected to participate as a Level 3 participant in this program by entering into an Agreement to Participate with State, which agreement is attached hereto and by this reference is incorporated herein, and State agree to the following terms and conditions regarding the issuance of COVPs under this program:

- 1.1 Lane County will act as an agent for State issuing approved COVP's in accordance with established State requirements for same. Such requirements are contained in the COVP policy document, incorporated herein by reference.
- 1.2 State shall provide to Lane County an electronic interface and allow Lane County electronic access to the State database of motor carrier records including, but not necessarily limited to, the over dimension permitting system, carrier name and address records and approved vehicle records.
- 1.3 State will provide the necessary technical assistance to create the electronic interface and will otherwise provide sufficient training to designated Lane County staff to enable their satisfactory participation in the activities included under this agreement.
- 1.4 State reserves the right to change and upgrade computer systems. Lane County shall provide and maintain computer systems hardware and software sufficient to maintain access to the State database of motor carrier records and computer systems as necessary to conduct agreed upon COVP processing.

## Attachment 1

2. Lane County will ensure the security of the State database. The information obtained by Lane County pursuant to this Agreement shall be used by Lane County only for the purposes of performing its duties and responsibilities under this Agreement. Lane County shall allow only its authorized employees to access the database records to obtain information necessary to perform its functions under this Agreement. No other use, sale, or access by unauthorized persons shall be allowed. No individual or other entity shall access or otherwise utilize any information contained in the database, for any purpose not permitted or authorized by the parties. Lane County retains ownership of records pertaining to Lane County's jurisdiction.
  - 2.1 Lane County shall immediately notify MCTD of any breach or potential breach of security of MCTD data obtained by Lane County pursuant to this agreement. For the purpose of this agreement, a breach of security is the unauthorized release or inadvertent public exposure of data in any format that has the potential to materially compromise the security, confidentiality or integrity of personal information maintained by the person. Lane County will bear the expense of any notification to the entities impacted by the breach or potential breach if ODOT in its judgment determines that notification is required by statute or prudence; and, Lane County will bear the expense of any credit monitoring by impacted parties resulting from a security breach to MCTD data that is caused by Lane County users or systems.
3. Lane County will utilize the information made available to it under this Agreement to perform the following functions:
  - Lane County will utilize database information to support the preparation of COVPs for motor carriers pursuant to the provisions of this Agreement and ORS 818.200 through 818.220.
  - Lane County will prepare and submit to motor carriers COVPs under the approval and authority of State.
  - Lane County will assist motor carriers in understanding the permit conditions and restrictions imposed by COVPs issued by Lane County.
  - Lane County may enforce permit provisions for operations conducted within its jurisdiction.
4. State shall provide and Lane County is required to use, and shall not alter or modify, all language, attachments, and maps for each COVP issued under this Agreement or as provided through the COVP Policy. This provision does not affect Lane County's authority to define special requirements related to size and weight limitations under its jurisdiction pursuant to its Agreement to Participate with State.

## Attachment 1

- 5.1 Lane County shall collect all authorized permit fees associated with each COVP issued under this Agreement. Each Road Authority retains the right to establish and amend its authorized permit fees upon 120 days advance notice to State.
- 5.2 Lane County shall collect and retain a \$5.00 service charge from the motor carrier for each COVP issued by Lane County under this agreement.
- 5.3 Permit fees of road authorities, except of the issuing Road Authority, shall be reduced by \$2.75 for each road authority included on a permit issued under this Agreement.
- 5.4 In addition to all applicable permit fees, Lane County shall collect a \$2.75 service charge for each road authority permit, except that of Lane County, included on the permit issued. Lane County will retain \$2.00 of the service charge collected and forward the remaining \$.75 to the State.
- 5.5 Lane County will retain its portion of fees and service charges collected and forward to State fees collected for other road authorities, and State's portion of the service charge, as indicated by a monthly transmittal provided by State to Lane County. Payment must be received by State within 45 calendar days of the date of the transmittal.
- 5.6 Lane County shall participate in annual renewal of COVPs.
- 6.1 It is understood that the parties hereto are subject to the Oregon Public Records Law, ORS 192.410 through 192.505, and ORS 802.179 and, therefore, the parties authority to maintain the confidentiality of records and documents is subject to and limited by law.
- 6.2 The parties shall comply with all laws, rules and regulations together with States Continuous Operation Variance Permit Policy for issuance of COVPs covered by this program forwarded by the State to Lane County throughout the term of this Agreement, all as may be amended or updated from time to time. Lane County retains its current authority for roads within its jurisdiction.
- 6.3 The State of Oregon acting through ODOT and Lane County are the only parties to this Agreement and are the only parties entitled to enforce its terms. Nothing in this Agreement gives, or is intended to give, or shall be construed to give or provide, any benefit or right to third persons.
- 6.4 Lane County, its employees, representatives and agents shall not be eligible for any compensation, social security, unemployment insurance or workers' compensation benefits from the State of Oregon under, or by reason of, this Agreement.



## Attachment 1

- 6.5 This Agreement shall be governed by and constructed in accordance with the laws of the State of Oregon. Any first party claim, action or suit between State and Lane County that arises out of or relates to the performance of this Agreement shall be brought and conducted solely and exclusively in Lane County in the court of the State of Oregon having jurisdiction thereof, provided however, that if any such action, claim or suit may be brought only in a federal forum, it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon.
- 6.6 State may limit Lane County's level of participation for failure to comply with program provisions.
- 6.7 The failure of the parties to enforce any provision of this Agreement shall not constitute a waiver by the parties of that or any other provision.
- 7.1 Lane County and State each shall be responsible, to the extent provided by the Oregon Tort Claims Act (ORS 30.260-30.300) and the Oregon Constitution, only for the acts, omissions or negligence of its own officers, employees or agents.
- 7.2 Lane County shall maintain, at Lane County expense, and keep in effect during the term of this Agreement, Commercial Liability Insurance covering bodily injury and property damage. This insurance shall include personal injury coverage, contractual liability coverage for the indemnity provided under this Agreement, errors and omissions and products/completed operations liability. This coverage may be obtained through a program of self-insurance or the purchase of a commercial policy. The limits would be subject to extent required by Oregon Tort Claims Act (ORS 30.260-30.300) and the Oregon Constitution.
- 7.3 Except where a road authority is a self insurer, this liability insurance coverage shall include the State of Oregon, State and its divisions, officers and employees as Additional Insureds but only with respect to the activities that Lane County is to perform under this Agreement.
- 7.4 All work product of Lane County that is produced solely pursuant to this Agreement is the exclusive property of State. If for any reason the work product is not deemed the property of State, Lane County irrevocably assigns to State all of its right, title and interest in and to any and all of the work product, whether arising from copyright, patent, trademark, trade secret, or any other State or federal intellectual property law or doctrine. Lane County shall execute such further documents and instruments as State may reasonably request in order to fully vest such rights in State. Lane County forever waives any and all rights to the work product, including without limitation, any and all rights arising under 17 USC section 106A or any other rights of

Attachment 1

identification of authorship or rights of approval, restriction or limitation on use or subsequent modifications.

7.5 This Agreement shall become effective on the date it has been signed by every party hereto and, when required, approved by the Department of Justice. Unless terminated or extended, this Agreement shall expire at 12 p.m. on December 31, 2011. This Agreement may be terminated earlier by mutual written consent of the parties. Further, either party may, at its sole discretion, terminate this Agreement upon 30 days written notice to the other party.

Acceptance:

This Agreement in conjunction with an executed Agreement to Participate constitutes the entire agreement between the parties. No waiver, consent, modification or change of terms of this Agreement shall bind either party unless in writing and signed by both parties. Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements or representations, oral or written, not specified herein regarding this Agreement. The undersigned parties accept the terms and conditions of this Agreement.

APPROVED FOR LEGAL SUFFICIENCY

Saul A. Galan Date 2/6/09  
Oregon Department of Justice

State of Oregon acting by and through the Motor Carrier Transportation Division of the Department of Transportation.

\_\_\_\_\_ Date \_\_\_\_\_  
Gregg Dal Ponte, Deputy Director

Lane County, \_\_\_\_\_, acting by and through its governing body.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Date \_\_\_\_\_

APPROVED AS TO FORM

\_\_\_\_\_ Date \_\_\_\_\_  
Lane County Counsel



**LANE COUNTY WEIGHT RESTRICTED BRIDGES  
AND APPROVED ROUTE LIST  
ATTACHMENT C20\*\***

\*\*Changes to this County Attachment that may have been adopted since the print date can be found on the ODOT website @ [www.oregon.gov/ODOT/MCT/OD.shtml](http://www.oregon.gov/ODOT/MCT/OD.shtml)

**LANE COUNTY WEIGHT RESTRICTED BRIDGES**

Road / Road Number	Crossing	Approximate Location	Mile Post	Authorized Weight
Austa Road #4387 <b>Max Height 11'5"</b> (1 Lane)	Wildcat Creek Covered Bridge	MP 26.53 off OR126	0.09	10 tons on two axle vehicle (Type H Truck) 20 tons on three axle vehicle (Type 3 Truck) 30 tons on combinations (Type 3S2, Type 3-3)
Battle Creek Road #4082 (1 Lane) <b>(No Thru Trucks)</b>	Coyote Creek Covered Bridge	MP 26.04 off Territorial Hwy	0.11	16 ton weight limit
Deadwood Loop #5145 (1 Lane) <b>(Max Height 10'7")</b>	Deadwood Covered Bridge	MP13.28 off OR36	0.31	10 ton weight limit
Delta Road #1117	West Fork Horse Creek Bridge	MP 1.04 off E. King Rd	0.10	40 ton (Weight Table 1)
Goodpasture Road #1094 <b>(Max Height 12'8")</b> (1 Lane)	Goodpasture Covered Bridge	MP 25.63 off OR126	0.01	40 ton (Weight Table 1)
Jasper-Lowell Road #6220 (1 Lane)	Unity Covered Bridge	N of Lowell	8.51	10 tons on two axle vehicle (Type H Truck) 20 tons on three axle vehicle (Type 3 Truck) 30 tons on combinations (Type 3S2, Type 3-3)
W. King Road #1116 (1 Lane) <b>(Max Height 13'1")</b>	Belknap Covered Bridge	MP 46.39 off OR126	0.01	40 ton (Weight Table 1)
Layng Road #2542 (1 Lane) <b>(Max Height 11'7")</b>	Mosby Creek Covered Bridge	E of Cottage Grove	0.20	8 ton weight limit
London Road #2700	Big River	S of Cottage Grove	13.01	19 tons on three axle vehicle (Type 3 Truck) 27 tons on combinations (Type 3S2, Type 3-3)
Old Mill Road #6129 (1 Lane)	Office Covered Bridge	N of Westfir	0.01	20 ton weight limit
Parvin Road #6122 (1 Lane) <b>(Max Height 11'11")</b>	Parvin Covered Bridge	SE of Pleasant Hill	0.77	10 ton weight limit
Paschelke Road #1980 (1 Lane) <b>(Max Height 12'8")</b>	Earnest Covered Bridge	MP 13.79 off Marcola Road	0.04	9 ton weight limit

Road / Road Number	Crossing	Approximate Location	Mile Post	Authorized Weight
Place Road #6225 (1 Lane)	Pengra Covered Bridge	MP 4.07 off Jasper-Lowell Road	0.04	10 tons on two axle vehicle (Type H Truck) 20 tons on three axle vehicle (Type 3 Truck) 30 tons on combinations (Type 3S2, Type 3-3)
Purkerson Road #3609	Purkerson/Vogt Bridge	S of Junction City	0.38	38 ton weight limit
Wendling Road #1975 (1 Lane)(Max Height 11'11")	Wendling Covered Bridge	NW of Marcola	3.53	10 ton weight limit

**ROADS BELOW RESTRICTED TO 10 TONS**

Road / Road Number	From	To
BIG CREEK ROAD #5082	MP 174.94 OFF US101	ENTIRE ROAD
S. CANARY ROAD #5330	MP 5.73 (NEAR FIDDLE CREEK)	MP 6.25 (DOUGLAS COUNTY LINE)

**ROADS BELOW RESTRICTED AS SHOWN**

FROM OCTOBER 1 THROUGH JUNE 30 EACH YEAR TO:		FROM JULY 1 THROUGH SEPTEMBER 30 EACH YEAR TO:
2 axle vehicle – 14 Tons 3 axle vehicle – 23 Tons 5 axle combinations – 34 Tons		Legal weight (80,000 lbs gross weight) as shown on Weight Table I
Road / Road Number	From	To
BRIGGS HILL ROAD #4090	MP 0.00 (TERRITORIAL HWY)	MP 1.95
GAROUTTE ROAD #2555	S OF COTTAGE GROVE	ENTIRE ROAD
MOLITOR HILL ROAD #2416	N OF COTTAGE GROVE OFF OF SEARS RD	ENTIRE ROAD
SEARS ROAD #2410	NEAR LANE COUNTY SHOPS - MP 0.66	SOUTH OF E. SAGINAW - MP 3.24

**RESTRICTED TO NO THROUGH TRAFFIC**

Road / Road Number	From	To
DILLARD ACCESS ROAD #1885	HWY 58 AT I-5 JUNCTION – MP 0.00	DILLARD FRONTAGE - MP 0.88
GAME FARM ROAD #1528	HARLOW ROAD	BARRICADE
MT VERNON ROAD #1042	S OF SPRINGFIELD – MP 0.00	ENTIRE ROAD
REUBEN LEIGH ROAD #6235	JASPER-LOWELL ROAD	BIG FALL CREEK ROAD
SUTTLE ROAD #4410	HWY 126	TERRITORIAL HWY

**RESTRICTED TO NO THROUGH MOBILE HOME TRAFFIC**

Road / Road Number	From	To
COTTAGE GROVE-LORANE ROAD #2600	CITY LIMITS OF COTTAGE GROVE	TERRITORIAL HWY
WOLF CREEK ROAD #4078	TERRITORIAL HWY	SIUSLAW ROAD

RESTRICTED VERTICAL CLEARANCE STRUCTURES				
Road / Road Number	Height	Crossing	Approximate Location	Mile Post
AUSTA ROAD #4387	11'5"	WILDCAT COVERED BRIDGE	MP 26.53 off OR126	0.09
AUSTA ROAD #4387	13'2"	RAILROAD CROSSING	MP 25.35 OFF TERRITORIAL HWY	0.05
DEADWOOD LOOP #5145	10'7"	DEADWOOD COVERED BRIDGE	MP 13.28 off OR36	0.31
GOODPASTURE ROAD #1094	12'8"	GOODPASTURE COVERED BRIDGE	MP 25.63 off OR126	0.01
W. KING ROAD #1116	13'1"	BELKNAP COVERED BRIDGE	MP 46.39 off OR126	0.01
LAYNG ROAD #2542	11'7"	MOSBY CREEK COVERED BRIDGE	E OF COTTAGE GROVE	0.20
LOVE LAKE ROAD #3110 (AYRES)	6'9"	RAILROAD CROSSING #1	MP 30.85 OFF OR99E	1.88
LOVE LAKE ROAD #3110 (AYRES)	6'9"	RAILROAD CROSSING #2	MP 30.85 OFF OR99E	1.90
NELSON MTN ROAD #4670	12'0"	LAKE CR COVERED BRIDGE	MP 17.59 OFF OR36	0.08
PARVIN ROAD #6122	11'11"	PARVIN COVERED BRIDGE	SE OF PLEASANT HILL	0.77
PASCHELKE ROAD #1980	12'8"	EARNEST COVERED BRIDGE	MP 13.79 OFF MARCOLA ROAD	0.04
PENN ROAD #4366	12'10"	RAILROAD CROSSING	MP 34.96 OFF OR126	2.54
THOMPSON CREEK ROAD #5110	12'5"	RAILROAD CROSSING	MP 4.68 OFF OR36	0.01
WENDLING ROAD #1975	11'11"	WENDLING COVERED BRIDGE	NW OF MARCOLA	3.53
WHEELER ROAD #6280	12'7"	RAILROAD CROSSING	MP 9.41 OFF OR58	1.82

### Lane County Approved Route List

#### Without Permit

Truck-Tractor Semitrailer Combinations may operate at a maximum of 75 feet in overall length on all county highways or, Combinations consisting of Double Trailers may operate at a maximum of 75 feet in overall length on all county highways or, Truck & Trailer Combinations may operate at a maximum of 75 feet in overall length on all county highways.

- The maximum length of a semitrailer in a truck tractor semitrailer combination is 45 feet.
- The maximum length of a semitrailer in a truck tractor semitrailer trailer combination (doubles) is 40 feet. The distance measured from the front of the first trailer to the end of the rear trailer cannot exceed 68 feet.
- The maximum length of a truck or trailer in a truck trailer combination is 40 feet.

#### LOCAL DELIVERY: (Maximum overall length 75')

In the case where the terminal cannot be accessed by traveling solely on the permitted Extended weight routes, the truck operator may use such streets and highways as are necessary, except where specifically prohibited as shown on this attachment or posted by road sign. Operator shall use Extended weight routes to minimize travel on Non-extended weight routes. Savings in route length, time or avoidance of inconvenience is not justification for the use of Non-extended weight routes. If called upon, operators shall produce documents as evidence to support the reason they are on a Non-extended weight route. Documentation shall include site address, owner's name, etc. and will be subject to verification.

Terminal shall mean any location where:

- Freight either originates, terminates or is handled in the transportation process; or
- Commercial motor carriers maintain operating facilities.

**With Permit**

**Truck-Tractor Semitrailer Combinations may operate at a maximum of 75 feet in overall length on the county highways listed below.**

- **The maximum length of a semitrailer in a truck tractor semitrailer combination is 53 feet.**

**Double Trailer Combinations may operate at a maximum of 95 feet in overall length on the county highways listed below.**

Road	From	To
6 <sup>TH</sup> STREET SOUTH	I-5	LONDON ROAD
30 <sup>TH</sup> AVENUE	COLLEGE VIEW ROAD	SPRING BLVD
AIRPORT ROAD	MP 0.67	GREEN HILL ROAD
ALVADORE ROAD	OR36	CLEAR LAKE ROAD
APPLEGATE TRAIL	OR36	TERRITORIAL HWY
AWBREY LANE	PRAIRIE ROAD	GREEN HILL ROAD
BAILEY HILL ROAD	CITY LIMITS (EUGENE)	SPENCER CREEK ROAD
BEACON DR (W)	RIVER ROAD	PRAIRIE ROAD
BEAR CREEK ROAD	CLOVERDALE ROAD	ROGERS ROAD
BERNHARDT CREEK ROAD	SWEET CREEK ROAD	END OF COUNTY MAINT
BIG FALL CREEK ROAD	JASPER-LOWELL ROAD	END OF COUNTY MAINT
BOB STRAUB PARKWAY	OR126	JASPER ROAD
BOLTON HILL ROAD	TERRITORIAL HWY	VAUGHN ROAD
BRICE CREEK ROAD	ROW RIVER ROAD	CHAMPION CREEK ROAD
CAMAS SWALE ROAD	BUTTE ROAD	HAMM ROAD
CAMP CREEK ROAD	MARCOLA ROAD	MCKENZIE HWY 126
S. CANARY ROAD	CANARY ROAD	LOWER FIDDLE CREEK ROAD
CANARY ROAD	US101	S. CANARY ROAD
CENTENNIAL BLVD	I-5	ASPEN STREET
CENTRAL ROAD	OR126	TERRITORIAL HWY
CLEAR LAKE ROAD (EUGENE)	OR99	TERRITORIAL HWY
CLEAR LAKE ROAD (FLORENCE)	US101	CANARY ROAD
CLOVERDALE ROAD	OR58	HENDRICKS ROAD
COBURG ROAD	COUNTY FARM ROAD	LINN COUNTY LINE
N. COBURG ROAD	COBURG ROAD	LINN COUNTY LINE
COTTAGE GROVE-LORANE ROAD	CITY LIMITS (COTTAGE GROVE)	TERRITORIAL HWY
COTTAGE GROVE RESERVOIR ROAD	LONDON ROAD	LONDON ROAD
COUNTY FARM ROAD	MP 0.35 (DALE AVE)	COBURG ROAD (MP 1.15)
COUNTY FARM ROAD "Y"	COUNTY FARM ROAD	COBURG ROAD (MP 0.12)
CROW ROAD	GREEN HILL ROAD	TERRITORIAL HWY
CURRIN CONN	ROW RIVER ROAD	MOSBY CREEK ROAD
DEADWOOD CREEK ROAD	OR36	UPPER DEADWOOD CR ROAD

**With Permit**

**Truck-Tractor Semitrailer Combinations may operate at a maximum of 75 feet in overall length on the county highways listed below.**

- **The maximum length of a semitrailer in a truck tractor semitrailer combination is 53 feet.**

**Double Trailer Combinations may operate at a maximum of 95 feet in overall length on the county highways listed below.**

Road	From	To
N. DELTA HWY	BELTLINE RD (W)	GREEN ACRES ROAD
S. DELTA HWY	BELTLINE RD (W)	I-105
DEXTER ROAD	OR58	LOST CREEK ROAD
E. MAPLETON ROAD	OR126	END OF COUNTY MAINTENANCE
E. ENID ROAD	OR99	PRAIRIE ROAD
FERGUSON ROAD	OR99	TURNBOW LANE
FIDDLE CREEK ROAD	S. CANARY ROAD	END OF COUNTY MAINTENANCE
FISH HATCHERY ROAD	OR58	1 <sup>ST</sup> ST (OAKRIDGE CITY LIMITS)
N. GATE CREEK ROAD	MCKENZIE HWY	END OF COUNTY MAINTENANCE
GIMPL HILL ROAD	BAILEY HILL ROAD	PINE GROVE ROAD
GOLDSOON ROAD	OR36	HALL ROAD
GONYEA ROAD	GONYEA NE RAMP #11	END OF COUNTY MAINTENANCE
GREEN HILL ROAD	CROW ROAD	MEADOWVIEW ROAD
HADSALL CREEK ROAD	SWEET CREEK ROAD	END OF COUNTY MAINTENANCE
HECETA BEACH ROAD	US101	RHODODENDRON DRIVE
HAMM ROAD	TERRITORIAL HWY	CAMAS SWALE ROAD
HIGH PASS ROAD	OR99	TURNBOW LANE
HIGH PRAIRIE ROAD	EAST 1 <sup>ST</sup> ST (OAKRIDGE)	HIGH PRAIRIE LOOP
HILLS CREEK ROAD	JASPER-LOWELL ROAD	END OF COUNTY MAINTENANCE
HOLDEN CREEK LN	OR126	OR126
HORSE CREEK ROAD	MCKENZIE HWY 126	END OF COUNTY MAINTENANCE
HORTON ROAD	OR36	END OF COUNTY MAINTENANCE
INDIAN CREEK ROAD	OR36	END OF COUNTY MAINTENANCE
IRVING ROAD	NORTHWEST EXPRESSWAY	OR99
JASPER ROAD	S. 42 <sup>ND</sup> ST	PARKWAY ROAD
JASPER-LOWELL ROAD	PARKWAY ROAD	LITTLE FALL CREEK ROAD
JASPER-LOWELL ROAD	PLACE ROAD	OR 58
KING ROAD EAST	KING ROAD WEST	HORSE CREEK ROAD
KING ROAD WEST	KING ROAD EAST	COUGAR DAM ROAD (BLM)
KITSON SPRINGS ROAD	OR58	END OF COUNTY MAINTENANCE
LATHAM ROAD	OR99	LONDON ROAD
LAWRENCE ROAD	TERRITORIAL HWY	OR36

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**Double Trailer Combinations may operate at a maximum of 95 feet in overall length on the county highways listed below.**

<b>Road</b>	<b>From</b>	<b>To</b>
LITTLE FALL CREEK ROAD	JASPER-LOWELL ROAD	END OF COUNTY MAINTENANCE
LONDON ROAD	LATHAM ROAD	BIG RIVER ROAD (BLM)
LORANE HWY	SPENCER CREEK ROAD	TERRITORIAL HWY
LOST CREEK ROAD	OR58	END OF COUNTY MAINTENANCE
LOWER FIDDLE CREEK ROAD	CANARY ROAD SOUTH	DOUGLAS CO LINE
LYNX HOLLOW ROAD	OR99	END OF COUNTY MAINTENANCE
MAPLE DRIVE	RIVER ROAD	END OF COUNTY MAINTENANCE
MARCOLA ROAD	HAYDEN BRIDGE ROAD	LINN COUNTY LINE
MARTIN CREEK ROAD	OR99	END OF COUNTY MAINTENANCE
MCFARLAND ROAD	WESTFIR-OAKRIDGE ROAD	HIGH PRAIRIE ROAD
MEADOWVIEW ROAD EAST	OR99	PRAIRIE ROAD
MEADOWVIEW ROAD WEST	OR99	GREEN HILL ROAD
MERCER LAKE ROAD	US101	MERCERVIEW DRIVE
MOSBY CREEK ROAD	CURRIN CONN	END OF COUNTY MAINTENANCE
NORTH FORK SIUSLAW ROAD	OR126	UPPER NORTH FORK ROAD
NORTHWEST EXPRESSWAY	RIVER ROAD	PRAIRIE ROAD
NOTI LOOP ROAD	OR126	OR126
OLD MOHAWK ROAD	MP 1.94 ON MARCOLA ROAD (MP 0.00)	MP 1.10
PEARL STREET	COBURG ROAD	I-5
PENGRA CONNECTOR	PENGRA ROAD	PLACE ROAD
PENGRA ROAD	JASPER-LOWELL ROAD	JASPER-LOWELL ROAD
PLACE ROAD	PENGRA CONNECTOR	JASPER-LOWELL ROAD
POODLE CREEK ROAD	OR126	OR36
POWERLINE ROAD	COBURG ROAD	LINN COUNTY LINE
PRAIRIE ROAD	MAXWELL ROAD	E. ENID ROAD
PRAIRIE ROAD	NORTHWEST EXPRESSWAY	HWY 99
RAISOR ROAD	LONDON ROAD	END OF COUNTY MAINTENANCE
RATTLESNAKE ROAD	OR58	LOST CREEK ROAD
RIVER ROAD	OR99 (JUNCTION CITY)	FEDERAL LANE (ECM)
ROW RIVER CONN #1	MOSBY CREEK ROAD	ROW RIVER ROAD
ROW RIVER CONN #2	ROW RIVER CONN #1	ROW RIVER ROAD
ROW RIVER ROAD	CITY LIMITS (COTTAGE GROVE)	SHOREVIEW DRIVE



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**Double Trailer Combinations may operate at a maximum of 95 feet in overall length on the county highways listed below.**

<b>Road</b>	<b>From</b>	<b>To</b>
ROW RIVER ROAD	SHOREVIEW DR	BRICE CREEK ROAD
SHARPS CREEK ROAD	ROW RIVER ROAD	CHAMPION CREEK ROAD
SHOREVIEW DRIVE	ROW RIVER ROAD	ROW RIVER ROAD
SIUSLAW ROAD	OR126	MP 5.92
SIUSLAW ROAD	MP 25.35 (BCM)	TERRITORIAL HWY
SPENCER CREEK ROAD	LORANE HWY	PINE GROVE ROAD
SWEET CREEK ROAD	OR126	END OF COUNTY MAINTENANCE
SWEET LANE	OR99	TALEMENA DRIVE
TEN MILE ROAD	US101	END OF COUNTY MAINTENANCE
THORNTON ROAD (S)	ROW RIVER ROAD	END OF COUNTY MAINTENANCE
UPPER NO FORK ROAD	NORTH FORK SIUSLAW ROAD	BIG CREEK ROAD
VAUGHN ROAD	NOTI LOOP ROAD	TERRITORIAL HWY
VOGT ROAD	OR36	MILLIRON ROAD (W)
WENDLING ROAD	MARCOLA ROAD	COVERED BRIDGE (MP 3.5)
W. BOUNDARY ROAD	JASPER-LOWELL ROAD	END OF COUNTY MAINTENANCE
WESTFIR-OAKRIDGE ROAD	HWY 58	HIGH PRAIRIE ROAD
WILDISH LN	COUNTY FARM ROAD	END OF COUNTY MAINTENANCE
S. WILLAMETTE STREET	CITY LIMITS (EUGENE)	FOX HOLLOW ROAD
WINBERRY CREEK ROAD	BIG FALL CREEK ROAD	END OF COUNTY MAINTENANCE
WOLF CREEK ROAD	TERRITORIAL HWY	SIUSLAW ROAD

**Pilot Vehicle Requirements - Width**

<b>WIDTH</b>	<b>FRONT PILOTS REQUIRED</b>	<b>REAR PILOTS REQUIRED</b>
8'7" TO 9'	NONE	NONE
9'1" TO 11'	ONE	NONE
11'1" TO 14'	ONE	ONE

**Pilot Vehicle Requirements - Length**

<b>LENGTH</b>	<b>FRONT PILOTS REQUIRED</b>	<b>REAR PILOTS REQUIRED</b>
UP TO 80'	NONE	NONE
80' 1" TO 100'	ONE	NONE
100' 1" and over	ONE	ONE

# Highway Cost Allocation Study 2009-2011 Biennium

Prepared for  
Oregon Department of  
Administrative Services,  
Office of Economic Analysis

**ECONorthwest**

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EXHIBIT "B"

# Highway Cost Allocation Study

## 2009-2011 Biennium

### Summary of Major Findings

The 2009 Oregon Highway Cost Allocation Study finds that:

- Light vehicles (those weighing 10,000 pounds or less) paying full fees should pay 67.1 percent of state highway user revenues, and heavy vehicles (those weighing over 10,000 pounds) paying full fees should contribute 32.9 percent during the 2009-11 biennium.
- For the 2009-11 biennium and under existing, current law tax rates, it is projected full-fee-paying light vehicles will contribute 66.5 percent of state highway user revenues and full-fee-paying heavy vehicles, as a group, will contribute 33.5 percent.
- The calculated equity ratios for full-fee-paying vehicles, defined as the ratio of projected payments to responsibilities for the vehicles in each class, are 0.9915 for light vehicles and 1.0173 for heavy vehicles as a group. This means that, under existing tax rates and fees, light vehicles are projected to underpay their responsibility by 0.8 percent. Heavy vehicles, as a group, are projected to overpay their responsibility by 1.7 percent during the next biennium.
- The equity ratios for the individual heavy vehicle weight classes show some classes are projected to overpay and some to underpay their responsibility during the 2009-11 biennium. Chapter 7 of this report offers alternative fee schedules that would minimize this cross-subsidization of some heavy vehicle weight classes by others.
- The reduced rates paid by certain types of vehicles, principally publicly owned and farm vehicles, mean these vehicles are paying lower per-mile charges than comparable vehicles subject to full fees. The difference between what these vehicles are projected to pay and what they would pay if subject to full fees represents a cost that is borne by all other highway users.

## Introduction and Background

**C**OST RESPONSIBILITY IS THE PRINCIPLE that those who use the public roads should pay for them and, more specifically, that users should pay in proportion to the road costs for which they are responsible. Cost responsibility requires each category of highway users to contribute to highway revenues in proportion to the costs they impose on the highway system. Cost allocation is the process of apportioning the cost of highway work to the vehicles that impose those costs, and is therefore necessary for the implementation of the cost responsibility policy of the State of Oregon.

For over 60 years, Oregon has based the financing of its highways on the principle of cost responsibility. This tradition has served Oregon well over the years by ensuring that the state's highway taxes and fees are levied in a fair and equitable manner. Periodic studies have been conducted to determine the "fair share" that each class of road users should pay for the maintenance, operation, and improvement of the state's highways, roads, and streets. Prior to the present study, 15 such studies had been completed; the first in 1937, the most recent in 2007.

Oregon voters ratified the principle of cost responsibility in the November 1999 special election by voting to add the following language to Article IX, Section 3a (3) of the Oregon Constitution:

"Revenues . . . that are generated by taxes or excises imposed by the state shall be generated in a manner that ensures that the share of revenues paid for the use of light vehicles, including cars, and the share of revenues paid for the use of heavy vehicles, including trucks, is fair and proportionate to the costs incurred for the highway system because of each class of vehicle. The Legislative Assembly shall provide for a biennial review and, if necessary, adjustment, of revenue sources to ensure fairness and proportionality."

### *Purpose of Study*

The purpose of this 2009 Oregon Highway Cost Allocation Study (HCAS) is to

- (1) determine the fair share that each class of road users should pay for the maintenance, operation and improvement of Oregon's highways, roads and streets, and
- (2) recommend adjustments, if necessary, to existing tax rates and fees to bring about a closer match between payments and responsibilities for each vehicle class.

### *Past Oregon Highway Cost Allocation Studies*

Oregon, more than any other state, has a long history of conducting highway cost allocation or responsibility studies and basing its system of road user taxation on the results of these studies. Studies were completed in 1937, 1947, 1963, 1974, 1980, 1984, 1986, 1990, 1992, 1994, 1999, 2001, 2003, 2005, and 2007. As noted above, the Oregon Constitution now requires a study be conducted biennially and highway user tax rates be adjusted, if necessary, to ensure fairness and

proportionality between light and heavy vehicles.

Prior to 1999, Oregon used the terminology "cost responsibility studies," while the federal government and most other states called their studies "cost allocation studies." Oregon has now adopted the more conventional terminology, although the two terms are essentially equivalent and used interchangeably in this report.<sup>1</sup>

In this and all prior studies, highway users and other interested parties have been given the opportunity to offer their input in an open and objective process. During the 1986 Study, for example, three large public meetings were held to provide information on the study and solicit the input of all user groups.

As part of the 1994 study process, a Policy Advisory Committee was formed to address several cost responsibility issues that arose during the 1993 legislative session. This committee consisted of 12 members including a representative of AAA Oregon and five representatives of the trucking industry. The committee held six meetings devoted to understanding and recommending policies for the 1994 Study as well as future Oregon studies.

In 1996, the Oregon Department of Transportation (ODOT) formed the Cost Responsibility Blue Ribbon Committee to evaluate the principles and methods of the Oregon cost responsibility studies and, if warranted, recommend improvements to the existing methodology. This eleven-member committee was chaired by the then Chairman of the Oregon Transportation Commission and included representatives of the trucking industry, AAA Oregon, local governments, academia, and Oregon business interests. The committee held a total of seven meetings and reached agreement on a number of

recommendations for future studies. Since the trucking industry, in some cases, did not agree with the full committee recommendations, it was given the opportunity and elected to file a Minority Report that was included in the committee report.

All studies prior to 1999 were conducted by ODOT staff. In February 1998, the ODOT and Oregon Department of Administrative Services (DAS) Directors reached agreement to transfer responsibility for the study from ODOT to DAS. The 1999, 2001, 2005, and 2007 studies, as well as the current study, were conducted by consultants to the DAS Office of Economic Analysis. ODOT's role in these studies was to provide technical assistance and most of the data and other required information. In the 2003 study, ODOT conducted the study using the model developed for the 2001 study.

The Oregon studies prior to 1999 relied on an internal technical advisory committee to provide the expertise and some of the many data elements required for the studies. As noted, highway users and other interested parties were also provided the opportunity to offer their input as the studies were being conducted. For the 1999 and subsequent studies, DAS formed a Study Review Team (SRT) to provide overall direction for the studies. The SRT's role has been to provide policy guidance and advisory input on all study methods and issues.

The SRT for the 2001 Study consisted of ten members and the SRTs for the 2003 and 2005 studies had eight members. The SRT for the 2007 study and the present study again consisted of ten members. The composition of the SRT has changed from study to study, but all have included motorist, trucking industry and Oregon business representatives, academics, and

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<sup>1</sup> It should be noted that to be precise, neither term is technically correct. Since all state studies, including Oregon's, have to this point allocated expenditures rather than actual costs imposed, they are really "expenditure allocation" studies.

state officials. All SRTs have been chaired by the State Economist. ODOT did not have a representative on the 1999 SRT but was represented on the SRTs subsequent studies.

### **Other Highway Cost Allocation Studies**

Although Oregon has the longest history of conducting highway cost allocation studies, a number of other states also have conducted such studies. The majority of those have been completed over the past two decades. Since the first HCAS, 32 states have performed at least 84 cost allocation studies. Since the late 1970s, 30 states have conducted such studies.

The interest of other states in undertaking these studies has, in many cases, been sparked by the completion of similar studies by the federal government. Several states undertook studies following the release of the 1982 Federal HCAS. With the release of the 1997 Federal HCAS and the Federal Highway Administration's (FHWA) interest in helping states do their own studies, there has again been a renewed interest among the states. Upon completion of the 1997 Federal Study, FHWA formed a state representatives' Steering Committee to assist the states in adopting the research and methods employed in that study.

A 1996 Oregon Legislative Revenue Office report concluded most of the differences in study results among states can be explained by differences in the types of expenditures that are allocated.<sup>2</sup> Oregon, for example, includes no state police expenditures in its studies because, since 1980, state police do not receive Highway Fund monies.

California, on the other hand, includes large Highway Patrol expenditures in its studies. Since policing expenditures are typically viewed as a common responsibility of all highway users and are assigned to all vehicle classes on the basis of each class's relative travel, they are predominantly the responsibility of automobiles and other light vehicles. Therefore, it is not surprising the California studies find a higher light and lower heavy vehicle responsibility share than the Oregon studies.

A review of state studies conducted in connection with the 1997 Federal Study found those studies attempting to clearly allocate costs between light and heavy vehicle classes have commonly found heavy vehicles to be responsible for 30 to 40 percent of total highway expenditures. The past several Oregon studies have produced results in this range. Both the 1982 and 1997 Federal HCASs found trucks and other heavy vehicles to be responsible for 41 percent of federal highway expenditures.<sup>3</sup>

### **Oregon Road User Taxation**

Oregon's constitutionally dedicated State Highway Fund derives most of its revenue from three major highway user taxes: vehicle registration fees, motor vehicle fuel taxes (primarily the gasoline tax), and motor carrier fees (primarily the weight-mile tax). The basis of each of these taxes is governed by the concept of cost responsibility. This three-tiered structure is used to collect a fair share of revenue from each highway user class.

Road user taxes were initially levied against motor vehicles to cover the cost of registration. A one-time fee of \$3 was

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<sup>2</sup> "Oregon Cost Responsibility Studies Compared to Other States," Legislative Revenue Office Research Report #4-96, September 10, 1996.

<sup>3</sup> It should be noted, however, that the results of the federal studies are not directly comparable to those of state studies. The reasons are that highway maintenance is largely a state funded activity and so not included in the federal studies, and the heavy vehicle responsibility share is generally lower for most maintenance activities than for construction, particularly major rehabilitation projects. Therefore, the responsibility for federal expenditures will typically be more weighted toward heavy vehicles than is the case for state expenditures.

instituted in 1905. Since this proved to be a productive source of revenue, the state soon annualized the fee and began to increase the rates and used the proceeds to finance highways.

The registration fee is considered payment for the fixed or non-use related costs of providing a highway system. These costs include minimal maintenance of facilities and equipment along with certain administrative functions necessary to keep the system accessible. Since these costs account for a small portion of total highway costs, registration fees in Oregon have traditionally been low (for both cars and trucks) in comparison to the corresponding fees in most other states. From 1990 to 2003, the registration fee for automobiles and other vehicles weighing 8,000 pounds or less was \$30 biennially. It currently is \$54 biennially.

The second tier in the Oregon system is the fuel tax. In 1919, Oregon became the first state in the nation to enact a fuel tax on gasoline. It was regarded as a "true" road user tax since those who used the roads more paid more. The fuel tax came to be viewed as the most appropriate means of collecting the travel-related share of costs for which cars and other light vehicles are responsible.

The state fuel tax was extended to diesel and other fuels in 1943. Since that time, the tax on diesel and other fuels, referred to as a "use fuel" tax, has been at the same rate per gallon as the tax on gasoline. Oregon's fuel tax rate is \$0.24 per gallon. It was last increased in 1993.

The third tier in the Oregon highway finance system is the weight-mile tax. Oregon's first third-structure tax was put into effect in 1925 in the form of a ton-mile tax. It was used to cover the responsibility of the growing number of trucks and other heavy vehicles appearing on the public roadways at that time.

Oregon's first weight-mile tax was

enacted in 1947 and implemented in 1948. The tax applies to all commercial motor vehicles with declared gross weights in excess of 26,000 pounds. It is based on the declared weight of the vehicle and the distance it travels in Oregon. The weight-mile tax is a use tax that takes the place of the fuel tax on heavy vehicles. Vehicles subject to the weight-mile tax are not subject to the state fuel tax.

The Oregon weight-mile tax system consists of a set of schedules and alternate flat fee rates. There are separate schedules for vehicles with declared weights of 26,001 to 80,000 pounds and those over 80,000 pounds. Additionally, log, sand and gravel, and wood chip haulers have the option to pay flat monthly fees in lieu of the mileage tax.

Since 1990, carriers hauling divisible-load commodities at gross weights between 80,001 and 105,500 pounds pay a weight-mile tax (statutory Table "B") based on the vehicle's declared weight and number of axles. There are separate schedules for five, six, seven, eight, and nine or more axle vehicles with each schedule graduated by declared weight. The rates are structured so that, at any declared weight, carriers can qualify for a lower per-mile rate by utilizing additional axles.

Also since 1990, carriers hauling non-divisible loads at gross weights in excess of 98,000 pounds under special, single-trip permits pay a per-mile road use assessment fee. Non-divisible (or "heavy haul") permits are issued for the transportation of very heavy loads that cannot be broken apart such as construction equipment, bridge beams, and electrical transformers.

The road use assessment fees are expressed in terms of permit gross weight and number of axles and are currently based on a charge of 5.7 cents per equivalent single axle load (ESAL<sup>4</sup>) mile of travel. As with the Table "B" rates, carriers are assessed a lower per-mile

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<sup>4</sup> An ESAL is equivalent to a single axle carrying 18,000 lbs. (80kN).

charge the greater the number of axles used at any given gross weight. The road use assessment fee takes the place of the weight-mile tax for the loaded, front-haul portion of non-divisible load trips. With rare exceptions, empty back haul miles continue to be subject to the weight-mile tax and taxed at the vehicle's regular declared weight.

In the years since 1947, the weight-mile rates have been adjusted 14 times based on the results of updated cost responsibility studies. The most recent revision occurred on January 1, 2004 when the 2003 Legislature increased weight-mile rates by approximately 9.9% when enacting OTIA-3. Prior to 2004, on September 1, 2000 rates were reduced across-the-board by approximately 12.3 percent to reflect the results of the 1999 Study. The rates were also reduced by 6.2 percent on January 1, 1996 based on the results of the 1994 Study. The last time the rates were increased was January 1, 1992, when they were increased to maintain equivalency with the fuel tax increases enacted by the 1991 Legislature.

The 1999 Oregon Legislature repealed the weight-mile tax and replaced it with a 29 cent per gallon diesel fuel tax and substantially higher heavy truck registration fees. This measure, House Bill 2082, was subsequently referred to the voters and defeated in the May 2000 primary election.

After the May 2000 vote, the trucking industry challenged the Oregon tax in the courts. The primary focus of the legal action was the feature that allows haulers of logs, sand and gravel, and wood chips to pay alternate flat fees in lieu of the mileage tax. The industry argued these fees are, from a practical standpoint, available only to Oregon intrastate motor carriers, and this provision of the Oregon system therefore unfairly discriminates against non-Oregon based interstate firms. In February 2002, the Third District Circuit

Court ruled in favor of the State in the lawsuit. The ruling was reversed in the Court of Appeals in 2003. The Oregon Supreme Court affirmed the original Circuit Court decision in December 2005.

### ***Organization of this Report***

This volume of the 2009 Study provides an overview of the study issues, methodology, and results as well as recommendations for future studies. There are a number of exhibits throughout this report to illustrate specific data. Please note that amounts shown are rounded and may not total exactly.

This chapter has provided an introductory discussion of the purpose, scope, and process of the 2009 Study as well as a brief background discussion of the history of Oregon highway cost allocation studies, studies by the federal government and other states, and the evolution of Oregon road user taxation.

Chapter 2 briefly summarizes the basic structure and parameters of the 2009 Study including the analysis periods, road (highway) systems, vehicle classes, revenues attributed, and expenditures allocated to the vehicle classes.

Chapter 3 presents the general methodology and approach used for the study. It includes a description of the special analyses conducted for the study and discussion of the major methodological and procedural changes from previous Oregon studies.

Chapter 4 summarizes the data and forecasts used in the study, and compares them to the data and forecasts used in recent studies.

Chapter 5 presents the study expenditure allocation and revenue attribution procedures and results, and compares the methods and results to those of previous Oregon studies.

Chapter 6 brings together the expenditure allocation and revenue



attribution results from the previous chapter to develop ratios of projected payments to cost responsibilities for light vehicles and the detailed heavy vehicle weight classes. It also compares these ratios to those from the prior two Oregon studies.

Chapter 7 contains recommendations for changes in existing tax rates and fees to bring about a closer match between revenues contributed and cost responsibilities for each vehicle class.

The Appendices to this report include:

- A. Glossary of terms;
- B. A set of Issue Papers developed for this study;
- C. The agenda and minutes of each of the SRT meetings;
- D. Model description and detailed documentation of the model.