



Lane County

Public Works Department / Transportation Planning Division
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T. Q. A.

April 9, 2010

Supplement for April 13, 2010

TO: Board of County Commissioners

DEPARTMENT: Public Works

PRESENTED BY: Celia Barry, Transportation Planning Division

AGENDA ITEM TITLE: PUBLIC HEARING AND ORDER/IN THE MATTER OF ADOPTING AN
OREGON DEPARTMENT OF TRANSPORTATION (ODOT) MATRIX REVIEW
SHEET AND PRIORITY LIST FOR CONNECTOREGON III PROJECTS IN LANE
COUNTY

Attached please find testimony for your ConnectOregon III public hearing item. Mr. Swanson indicated the testimony will also be submitted at the hearing.

Attachments

1. April 8, 2010 Schnitzer Steel letter



SCHNITZER STEEL INDUSTRIES INC.

3200 NW Yeon Avenue (97210)
PO Box 10047
Portland, Oregon 97296-0047
Phone 503.286.5771
Fax 503.286.6948

April 8, 2010

Commissioner Bill Dwyer
Commissioner Bill Fleenor
Commissioner Rob Handy
Commissioner Pete Sorenson
Commissioner Faye Stewart

Lane County Board of Commissioners
125 East 8th Avenue
Eugene, Oregon
97401

Dear Commissioners:

Connect Oregon has been a beneficial program, providing for the finance and expedient construction of transportation projects throughout the State of Oregon. Many of these projects have yielded great improvements to the multi-modal freight transportation system, improving flow and efficiency, and thereby keeping Oregon's economic base viable and competitive with these investments.

Recently, the Port of Portland reported the following regarding the importance of trade to Oregon's economy:

- Oregon is the 9th most trade dependent state in the nation
- Oregon's businesses export more than \$19.3 billion in goods annually
- Oregon is 7th in the nation in trade per capita
- Oregon has the 5th largest export-supported job base in the U.S.
- 1 in 5 Oregon jobs are trade-related
- For every \$1 million in export sales lost, Oregon loses 10 jobs

Our State's marine, highway, and rail infrastructure are critical to our economic growth and sustainability, and to the end that Connect Oregon funds are wisely employed to invest in that system, the benefits directly accrue to all Oregonians.

Concerns exist, however, and questions should be asked of several applicants whose projects do not seem to be in keeping with the intent of the Connect Oregon program. For instance, where a private enterprise is applying for funds and is anticipating a return in increased profits due to cost savings and/or increased revenues resulting from the project, why is there an absence of privately-sourced capital lined up to fund such a project?

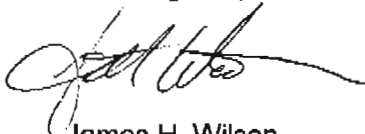
Several Connect Oregon applications in the present funding cycle have raised concerns of public dollars spent for private gains, or where very negligible benefit actually accrues to the public which financed the project. We strongly urge the Board of Commissioners to reject projects through assigning an appropriately low scoring value where:

- The project does not fill a presently under-served gap or niche in the transportation system
- The project initiates market entry where there are existing enterprises serving a particular market – existing enterprises which came into being by employing privately-sourced capital
- The project's sole purpose is to acquire land and/or equipment to enter a business or market, or start a new venture

In the constrained funding environment faced by policymakers today, it is important that the scarce available funds for transportation infrastructure projects be applied prudently, and where they will clearly yield the greatest systemic transportation benefit to the multi-modal freight network on which we all depend. The effects of successfully or unsuccessfully doing so will be measured in job creation, employment, wage levels, and other broad measures of regional prosperity.

Thank you for your interest and attention to the Connect Oregon III program.

Kind Regards,



James H. Wilson
Regional Director



Chris Gerlitz
General Manager