



March 22, 2007

NEWS RELEASE

For Immediate Release

For more information, contact:

Bernie Bottomly, 503-552-6746

Marion Haynes, 503.552-6773

Study Finds Lack of Transportation Investments Costs Money, Jobs Business groups release state-wide transportation study

Portland, OR. . . Today a consortium of business groups and transportation agencies from around the state released The Cost of Highway Limitations and Travel Delay to Oregon's Economy study. The findings indicate that without additional investment in the state's critical transportation infrastructure, Oregon's economy could lose \$1.7 billion annually and 16,000 jobs by 2025. The full study and executive summary can be found on the Oregon Business Plan website at www.oregonbusinessplan.org

"The study is designed to provide Oregon business leaders, elected officials and citizens better information regarding the relationship between investments in transportation, the state's quality of life and economic vitality," said Steve Clark, Oregon Business Plan Transportation Committee co-chairman and one of the study's business sponsors. "It is a clear call to action that more investment in the transportation system is needed now."

The study, conducted by Boston, MA based *Economic Development Research Group*, found that Oregon's economy and job base are more transportation dependent than most other states. Oregon has the ninth most trade dependent economy in the country with more than 400,00, or 1 in 5 jobs either transportation reliant or transportation dependent according to the analysis.

The study found that Oregon invests less per capita than any other western state on transportation. As the result, Oregon firms from all sectors and geographic areas of the state impacted by under-investment in the transportation system.

-more-

“The study shows that some businesses are making decisions today to move operations out of the state due to a lack of efficient, reliable and timely highway connections. Others are struggling with the cost of remaining competitive within a system that is not being maintained or expanded to meet the needs of a growing state,” said Clark.

To address the issues highlighted by the study, a diverse group of Oregon business leaders from across the state have come together to advocate for additional investment in the state’s roads and highways this legislative session. Investments of \$300 to 350 million called for in the Oregon Business Plan will begin to address the growing gap between available funds and the most critical unmet system needs. The Oregon Transportation Plan has identified annual needs of \$490 million for the state system, with city and county needs more than doubling that figure.

“The business community understands that remaining competitive requires investment. This study shows that more investment is needed,” said Randy Pape, President and CEO of the Pape Group and the other Oregon Business Plan Transportation Committee Co-Chair. “We hope the legislature will take up this issue on behalf of Oregon businesses.”

Additional findings of the report:

- By 2030, Oregon will see a 41 percent increase in population, an 80 percent increase in freight tonnage and a 147 percent increase in the value of freight.
- Under current plans, total vehicle hours of travel for the state are projected to increase by over 1 million per weekday by 2025, or 338 million more annually.
- By comparing future scenarios in the Oregon Transportation Plan, the study showed additional investment can save 157,000 hours of travel time delay per day by 2025. Over the course of a year, that totals over 53 million vehicle-hours of time saved. In addition, average speeds for both cars and trucks are both notably improved.
- The study shows that failure to invest in the state’s transportation system will cost the state 16,000 jobs and \$1.7 billion annually by 2025. These impacts can be avoided through strategic transportation investments in the state’s rail, marine, air, transit, highway and roads systems.
- Inflation will reduce the purchasing power of the existing fuel tax by 40 to 50 percent over the next 25 years.
- Being a trade hub, Oregon’s competitiveness is largely dependent on efficient transportation, and system deficiencies threaten the state’s economic vitality.
- Businesses are reporting that traffic congestion and travel delay is already costing them money, forcing changes in business operations and impacting location

decisions.

Study Finds Lack of Transportation Investments, Page 3

A partnership of the Oregon Business Council, Portland Business Alliance, Oregon Department of Transportation, the Port of Portland, the Westside Economic Development Alliance, and Associated Oregon Industries contracted with the Economic Development Research Group to do the congestion study. The Oregon Business Plan called for a statewide congestion study to look at how investments in transportation infrastructure impacted Oregon businesses and the state's economy.

“Our next step is to use this study as a catalyst for statewide discussions about planning for and coalescing around a set of priorities,” said Sandra McDonough, President and CEO of the Portland Business Alliance. “Now is the time to invest in transportation. There is a point at which reversal of deteriorating systems is not possible. A clear course of action and a set of shared priorities will ensure Oregon's ability to compete in the global economy. Investment in our transportation systems must be a part of that strategy.”

###