

Oregon Business Plan

2018 Federal Agenda

Priority Issues

International Trade: Oregon is one of the most trade-dependent states in the nation. International trade supports nearly half a million jobs across the state. Sectors such as transportation services, advanced manufacturing, footwear and apparel, and agriculture all play a key role in driving our economy and growing international trade. Oregon companies and workers can win if they are able to compete globally. Disengagement from the world will hurt our economy.

In 2016, Oregon exported \$22 billion worth of goods to international markets. This level of activity would not be possible without international trade agreements, such as the North American Free Trade Agreement (NAFTA).

- Canada is Oregon's third largest market for exports and Mexico is its 15th largest; ^{1,2}
- Canada and Mexico receive more than \$1 billion in exports from Oregon; and
- Trade with Canada and Mexico supports more than 150,000 jobs across the state. ^{3,4}

Trade makes Oregon businesses more competitive against Chinese companies that benefit from state subsidies. Given increasing global competition, maintaining the strength of NAFTA and the North American supply chain it helped create is of great economic importance to Oregon and the United States as a whole.

International trade is on the rise globally. China is putting a heavy emphasis on international trade and opening new markets for their goods and services. The U.S. needs to continue prioritizing international trade in order to compete in the new global order. A healthy and robust North American economic zone is our nation's best defense against the growing economic interaction between Asia, Europe and Africa. NAFTA strengthens our global position by fostering a strong North American supply chain, allowing the U.S. to compete with low-cost goods manufactured in China and elsewhere.

We welcome the modernization of NAFTA and recognize many economic and technological advances have occurred since its ratification in 1993, however, the benefits of the agreement remain clear. It's estimated for every dollar of value from the import of a Mexican good, there is 40 cents worth of "Made in the USA" content in it. There is now a sophisticated supply chain that exists throughout North America, and it would be severely disrupted if NAFTA is altered without consideration of those relationships.

Request: [The best way to level the playing field is to expand international trade. For that reason, we ask the administration and Congress to remain in our current trade deals, and seek new trade agreements that benefit Oregon.](#)

¹ Oregon Exports, Jobs, & Foreign Investment, U.S. Department of Commerce International Trade Administration, February 2017.

² Growing Together: Oregon Factsheet, Mexico Institute, Wilson Center, April 11, 2017.

³ The Canada-U.S. Partnership: Oregon, The Business Council of Canada, 2017.

⁴ Growing Together: Oregon Factsheet, Mexico Institute, Wilson Center, April 11, 2017.

Infrastructure: Oregon's economy cannot thrive without a robust multimodal transportation system that can efficiently move goods and people throughout our state. Businesses from Portland to Ashland to Pendleton require good, quality roads to move their products to national and international markets. About 90 percent of Oregon exporters are small- to medium-sized businesses. It is critical to our economy and our quality of life that we adequately invest in improvements that ensure an efficient and reliable transportation system.

According to a 2014 Oregon Department of Transportation study, "*Rough Roads Ahead: The Cost of Poor Highway Conditions to Oregon's Economy*," higher transportation costs due to declining pavement and bridge conditions could cost the state an estimated 100,000 future jobs and \$94 billion in cumulative Oregon Gross Domestic Product by 2035. While our transportation system is currently in decent condition, increasing congestion throughout the state means roads and bridges will deteriorate at an accelerated pace. Another report, released in 2014 by the Value of Jobs coalition titled "*Economic Impacts of Congestion on the Portland-metro and Oregon Economy*," found 346,400 Oregon jobs are transportation related, or transportation dependent, and strategic investments in our transportation system would generate 8,300 jobs and \$1.1 billion in annual benefits by 2040, representing a \$2.40 return for every \$1.00 of investment.

Much of the business community in Portland, and throughout Oregon, supported the capacity improvement projects included in House Bill (HB) 2017, which passed the Oregon state legislature last summer. HB 2017 is a significant step forward in our efforts to improve the transportation system for all Oregonians and those who conduct business here, but the work continues and the consequences of inaction or underfunding are enormous. Although the Fixing America's Surface Transportation (FAST) Act allocated five years of stable transportation funding (FY 2016 – 2020), it does not do enough to address Oregon's transportation maintenance, preservation or expansion needs in the short term.

Further, it is not always possible to generate sufficient revenue from transportation facilities to attract private partners, which is a core tenet of President Trump's proposed infrastructure package. The budget proposal released on Feb. 12, 2018, allocates \$200 billion of federal funds for infrastructure improvements that would indeed stimulate significant private investment, but the level of federal dollars proposed falls far short of what is needed to truly revitalize our nation's infrastructure. Of course, expanding financing mechanisms and exploring public-private partnerships is beneficial, and Oregon is well positioned in both of these areas, given we were the first state to create a gas tax and the first to have a fully operational road usage charging pilot program -- in addition to our exploration of congestion pricing as a way to reduce congestion and make trips more reliable. However, our state undoubtedly requires a substantial increase in federal funding for critical infrastructure, which is absent from the budget framework currently provided.

Request: It is vitally important that upgrading Oregon's multimodal transportation network be among our congressional delegation's top priorities in 2018. Our federal representatives must build on the progress that will be made by HB 2017. It is encouraging that President Trump has prioritized a federal infrastructure package this year, but if and when Congress considers this issue, it is essential the legislation include funds for improving the quality of, and access to, our state's surface streets, highways, waterways and bridges. We encourage the Oregon delegation to support additional federal revenues, as well as added financing tools.

Affordable Housing and Homelessness: The Oregon business community has been actively involved in addressing the housing and homeless emergency that has emerged throughout the state. Housing affordability concerns have been largely driven by supply not keeping pace with population growth. The Value of Jobs coalition's "2017 Economic Check-Up" identified this growing supply gap in the Portland-metro region, as well as found 50 percent of the region's renter-occupied households are cost-burdened. A lack of affordable housing is also impacting communities throughout the state, particularly for workforce housing. The private sector plays a significant role in addressing the housing unit shortage, but lower-income housing requires public subsidy. Addressing homelessness is also related to housing, but requires additional support services such as mental and behavioral health services. The city of Portland and Multnomah County, in particular, have escalated efforts to provide indoor shelter for those experiencing homelessness, but the need is significant. Despite the increase in local efforts to address housing and homelessness, to truly make an impact federal resources are needed to expand affordable housing, and address homelessness and its underlying causes.

Request: Recognize the federal government must partner with local governments to address this issue. Support the Community Development Block Grant program, the HOME program, Housing Choice Vouchers, the HUD-VASH program, Low Income Housing Tax Credit and protections under the Fair Housing Act. To assist those experiencing homelessness in finding housing, Congress should support programs under the McKinney-Vento Homeless Assistance Act, as well as the continuation of the U.S. Interagency Council on Homelessness, which coordinates a government-wide response to homelessness. Congress should continue to support the successful programs Supportive Services for Veteran Families, and Grant and Per Diem, which have been key to historic reductions in veteran homelessness. Congress should also support the use of Medicaid resources in funding mental health and behavioral health services in supportive housing. Finally, Congress should expand the Emergency Solutions Grant (ESG) program to increase rapid rehousing, prevention, shelter and outreach strategies, and make ESG more flexible so that it can be used to fund shelter alternatives, like navigation and triage centers.

Wildfire funding request on next page

Wildfire Funding: Congress should improve national forest health and fire resiliency by enacting federal legislation to address the wildfire funding crisis, and creating legally sufficient opportunities to increase active, sustainable forest management. Our government should consider treating the devastating forest fires, such as Oregon experienced in 2017, like the natural disasters they are. Two of the largest fires last year, the Eagle Creek Fire in the Columbia River Gorge and the Chetco Bar Fire in Southwest Oregon, burned more than 48,000 acres and 191,125 acres, respectively. In addition to the threat these fires pose to lives and homes, small businesses throughout the state that rely on outdoor activities were affected dramatically. Unlike other natural disasters where agencies can draw from an emergency fund to pay for disaster response, the U.S. Forest Service and Interior Department do not have access to disaster funds and are forced to “fire borrow” – a practice in which money and staff are taken from other important programs to respond to wildfires. According to the president’s 2019 budget proposal, wildfire suppression spending reached a record \$2.4 billion in 2017, necessitating \$527 million transferred from other programs. Reacting to these natural disasters by transferring funds from fire prevention and forest restoration efforts, to fire suppression, is ineffective.

Request: Pass legislation similar to the Wildfire Disaster Funding Act to end the disruptive practice of fire borrowing and allow wildfire suppression expenditures in excess of the 2015 10-year average to qualify for disaster funding.

Oregon Business Plan Federal Agenda

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Description of Other Critical Issues and Requests

Portland Harbor Superfund: Cleaning up the Portland Harbor Superfund Site (Harbor or Site) in a way that is protective and cost-effective is a top business priority. The Harbor is Oregon's largest seaport, home to approximately 30,000 direct jobs. In addition, \$413 million in state and local tax revenue was generated by activity within Portland's working harbor in 2015. The Harbor also represents opportunity for new investment and future employment.

The Environmental Protection Agency (EPA) released its Record of Decision (ROD) in January 2017. The business community expressed concern about the ROD's expansion of the cleanup and commensurate cost increases (to an EPA estimated total of \$1.7 billion undiscounted), as compared to the remedy described in the EPA's earlier proposed plan. This is a very expensive cleanup based on stale data at a time our city and region are facing many critical affordability issues. We were encouraged, however, by language in the ROD that acknowledged the need for new data and allowed flexibility in the implementation of the cleanup. Several parties engaged with the EPA about additional investigation and sampling work to determine current conditions in the Harbor.

At the end of 2017, a group of potentially responsible parties (PRPs) reached an agreement with the EPA on a pre-remedial design investigation and baseline sampling plan. In addition, certain other PRPs are moving forward on design work for specific areas under individual agreements with the EPA. While the business community remains concerned about costs and consistency with cleanup decisions in other EPA regions, there is reason to be hopeful. We know that, historically, the cost estimates developed by the EPA have consistently been lower than the resulting actual project costs — and we expect that to be the case here, but the EPA appears to be evolving toward a more collaborative working relationship with PRPs. We are cautiously optimistic that the Site will move from endless studies into a cleanup that will enable the Harbor to continue and strengthen as an economic engine for the region.

Request: The EPA should continue to work collaboratively with PRPs on implementation of the sampling plan and design work in specific areas. EPA headquarters should continue to provide leadership, expertise and resources by remaining engaged. It is essential there is adequate funding for the EPA to proceed with the Harbor work. The Oregon congressional delegation should ensure the EPA fairly evaluates the data that will be collected under the sampling plan, and allow data, science and risk management principles to drive decision-making. Finally, the delegation should ensure the federal agencies, as PRPs at the Harbor, contribute their fair share of the cleanup costs, which arise primarily because of the long history of wartime shipbuilding, ship repair and ship breaking in the Harbor.

SUPPORTING RURAL COMMUNITIES AND NATURAL RESOURCE INDUSTRIES:

Natural resource based economic activity – farming, ranching, nurseries and forest products – represent Oregon's second largest economic sector. Agriculture produces more than \$6 billion in 'farm gate' products and generates \$50 billion in related economic activity. Oregon's forest sector generates \$12.5 billion in annual sales, creating 61,000 jobs and nearly \$3 billion in wages. We are home to 35,000 family farms, 60,000 small woodland owners, thousands of acres of tree farms and more than 1,100 fishing vessels. Oregon wood product manufacturers are among the most efficient

in the nation, producing more dimension lumber and plywood annually than any other state. Oregon has also established itself as the nation's leader in the manufacture and use of mass timber products, such as cross-laminated timber (CLT). Below are our top priorities for supporting rural communities and natural resource industries.

Support a Comprehensive Wildfire Funding Bill: Congress needs to act immediately to improve national forest health and fire resiliency by enacting federal legislation to address the wildfire funding crisis, and creating legally sufficient opportunities to increase active, sustainable forest management. Our government should treat devastating forest fires, such as Oregon experienced in 2017, like the natural disasters they are. Two of the largest fires last year in National Forests, the Eagle Creek Fire in the Columbia River Gorge and the Chetco Bar Fire in Southwest Oregon, burned more than 48,000 acres and 191,125 acres, respectively. In addition to the threat these fires pose to lives and homes, small businesses throughout the state that rely on outdoor activities were affected dramatically. Unlike other natural disasters where agencies can draw from an emergency fund to pay for disaster response, the U.S. Forest Service and Interior Department do not have access to disaster funds and are forced to “fire borrow” – an unsustainable practice in which money and staff are taken from other important programs to respond to wildfires. Reacting to these natural disasters by transferring funds from fire prevention and forest restoration efforts, to fire suppression, is ineffective.

Request: Pass legislation similar to the Wildfire Disaster Funding Act to end the disruptive practice of fire borrowing and allow wildfire suppression expenditures in excess of the 2015 10-year average to qualify for disaster funding.

Federal Forest Management and Restoration: There is an urgent need to increase hazardous fuels reduction and restoration activities in the nation's forests. According to USDA data, more than 80 million acres of National Forest System land are in need of restoration to reduce the risk of wildfire, insect epidemics and forest diseases. Removing barriers to forest restoration would allow the Forest Service to increase the pace and scale of restoration.

Request: Provide new streamlined authorities and tools for federal management and restoration activities that build on the forestry title of the 2014 Farm Bill. This should include removing artificial barriers to forest restoration, such as the limitation on road maintenance activities under the Good Neighbor Authority and the arbitrary 21-inch rule in Region 6 that prevents harvest of any tree greater than 21 inches diameter at breast height (DBH).

Wood Products Innovation: The Timber Innovation Act (TIA) is bipartisan, bicameral legislation that would accelerate research and development — and ultimately construction of wood buildings in the U.S. Specifically, the legislation would focus on finding innovative ways to use wood in the construction of buildings more than 85 feet in height. Oregon has distinguished itself as a first-mover with regard to mass timber. Passage of the TIA would leverage Oregon's growing strength and reputation as a mass timber innovator and supplier.

Request: Pass the TIA (HR 1380/S 538).

Support Working Farms and Ranches in Transition: Nearly 98 percent of Oregon's 35,000 farms and ranches are family-owned. We want to keep Oregon farming and ranching in local ownership, but studies show more than 10 million acres of Oregon farm and ranch land will change hands over the next two decades. Federal programs designed to stabilize farming and ranching income, support rural communities and economies, and promote conservation of the farmland base and natural resources that farms depend upon help these families hold on to their lands and better prepare them for the challenges associated with intergenerational transfers.

Request: Support programs to assist farmers and ranchers whose land faces ownership transition.

Support Beginning Farmer and Rancher Viability: The percentage of Oregon farmers and ranchers who have operated a business for 10 years or more is shrinking, from 32 percent of all farmers and ranchers in 2002, to 24 percent in 2012. This is not because of a lack of interest, but because of the extreme cost and knowledge barriers to entering this profession, with land prices skyrocketing and few Oregonians having the opportunity to inherit land and learn from parents who are farmers. Federal programs are needed to assist beginning farmers and ranchers in affording land, receiving training, accessing financial capital and federal crop insurance, and conserving the land base they depend upon.

Request: Support the Beginning Farmer and Rancher Opportunity Act (HR 4316).

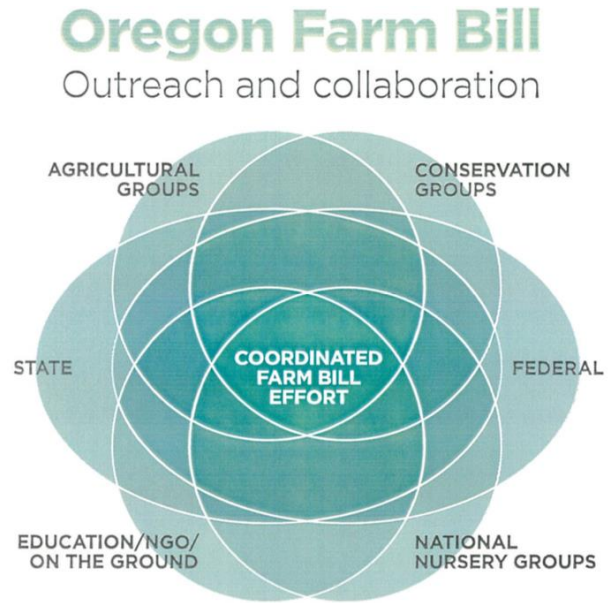
USDA Research and Promotion: Since 1966, Congress has authorized 22 industry-funded research and promotion (R&P) boards to provide a framework for agricultural industries to pool their resources and combine efforts to develop new markets, strengthen existing markets, and conduct important research and promotion activities. The Agricultural Marketing Service (AMS) provides oversight, paid for by industry assessments, which helps ensure fiscal accountability and program integrity.

Request: Continue authority for R&P programs in their current form.

Watershed and Flood Prevention Operations Program (PL 566): The Watershed and Flood Prevention Operations Program (PL 566) is administered through the USDA's Natural Resources Conservation Service (NRCS) and provides funding for watershed protection, flood prevention, agricultural water management, canal piping and other activities. Thanks to the support of Oregon's congressional delegation, NRCS is investing \$150 million in 51 new projects in 48 states through this program, including the Central Oregon, Tumalo and Swalley irrigation modernization projects. These projects help irrigators conserve water, reduce energy consumption, increase irrigation delivery efficiency, improve public safety, and benefit instream habitat for threatened and endangered fish.

Request: At least \$150 million annually to support PL 566 along with continued flexibility for the program as outlined in current statutes, and additional flexibility for states to implement PL 566 in a manner that makes most sense for the resource.

Coordinated Oregon Approach to the 2018 Farm Bill: Many of the priorities above could move as part of, or in tandem with, the 2018 Farm Bill. The Farm Bill is the nation’s largest investment supporting conservation, restoration and management of America’s natural resource lands, and is a vital tool to keep Oregon’s economy strong. While we have highlighted some priorities above, there are many other components of the Farm Bill that are critical to Oregon’s economic and community well-being. We are proud to be part of a coalition of agricultural, conservation and state agency groups, led by leaders of the agricultural industry, that is developing one Oregon Farm Bill ask. The objective of the effort is to identify common goals and policies amongst various groups and seek a cogent ask of the Oregon congressional delegation and other decision makers on the Farm Bill. Over the next couple of weeks, a broad-based document will be created and distributed that captures the agreement of a large coalition. For now, here is a high-level summary of priorities.



Farm Bill Priorities—Initial Overview
<p>Title 2: Conservation — Support working lands programs, such as Environmental Quality Incentive Payments (including Conservation Innovation Grants); Conservation Stewardship Program, Conservation Reserve Program (including Conservation Reserve Enhancement Program), Regional Conservation Partnership Program flexibility and state-based approach; Agriculture Conservation Easement Program; Organic Certification Cost Share Program, dry land programs; increased technical assistance dollars through NRCS, and watershed and flood protection. A big opportunity is to reinvent the conservation title to bring water quality and quantity investment to Oregon.</p>
<p>Title 3: Trade — Expand market access; trade agreements that support agriculture, and protection from pest and disease; emerging markets program; and the global broad-based initiative.</p>
<p>Title 4: Nutrition – Maintain SNAP funding connection with general agricultural policy; reduce barriers for other food assistance efforts (Oregon Food Bank); and update SNAP employment programs and simplify benefit calculations.</p>
<p>Title 6: Rural Development — USDA loan guarantee program; direct loan program support for those who are unable to obtain guaranteed loans; and employment and training dollars.</p>
<p>Title 7: Research — Greater flexibility to achieve multi-sourced research projects; ARS, AFRI, IR-4 as part of baseline; and support for university research and extension services.</p>
<p>Title 8: Forestry – See detailed forestry priorities above; Healthy Forest Reserve Program; Good Neighbor Authority; redefinition of forestry (timber and logs) as an “agricultural commodity;” language to reinforce/expand authorities given to federal land management agencies to expedite</p>

Farm Bill Priorities—Initial Overview
forest health and post-fire restoration projects; and adaptation funding for forest fire prevention.
Title 9: Energy — Dairy methane digester incentive program; Greenhouse gas mitigation incentives/allowances; energy efficiency incentive programs for irrigation; bio-based markets; Community Wood Energy Program; and Biomass Research and Development Program.
Title 10: Horticulture — Specialty crop block grants, Specialty Crop Research Initiative, Clean Plant Network; pest and disease program funding; and examine policy change to working lands 10-year limit.
Title 11: Crop Insurance — Preserve and expand “Whole Farm Revenue Protection Pilot Project (WFRP); fix the disaster definition to include specialty crops; and expand Tree Assistance Program.
Title 12 Miscellaneous — Outreach and assistance for Socially Disadvantaged Farmers and Ranchers, and Veteran Farmers and Ranchers Program.

Federal Emergency Management Agency (FEMA) Biological Opinion: In 2016, the Federal Emergency Management Agency (FEMA) received a regulatory determination, or Biological Opinion (BiOp), from the National Marine Fisheries Service (NMFS) finding the National Flood Insurance Program (NFIP), as it exists today, violates the Endangered Species Act (ESA) because it allows future development in and around floodplains. However, conservation and recreational uses of floodplain are not the purpose of the NFIP; instead, it is intended to ensure all structures built within a floodplain meet higher construction standards, and obtain and maintain insurance coverage. NMFS, nevertheless, asserts the ESA authority extends to all federal agencies implementing discretionary programs that may jeopardize endangered species, which would require FEMA to make changes to the NFIP to comply with the ESA. Yet FEMA does not approve new development in floodplains, nor does it have legal authority over local and state government land use requirements. At issue is whether the intent of the NFIP is to dictate local land use decisions, or to ensure all development in mapped floodplains are insured and meet higher construction standards.

Without some amendment, the BiOp that addresses the NFIP in Oregon has potentially far reaching consequences, including mandating state and local governments to develop new permitting requirements that would significantly restrict future development in and around mapped floodplains.

Request: During congressional re-authorization of the NFIP, clarify implementation is a “non-discretionary action.” This will ensure the federal agency is not required to modify the program to address potential impacts to endangered species under the ESA.

INFRASTRUCTURE:

Surface Transportation Infrastructure: To be competitive in overseas markets, Oregon’s exports require reliable, efficient and safe roads, as well as rail connections to seaports and airports. However, the road and rail infrastructure in Oregon and other states is deteriorating as federal and state funding fails to keep up with maintenance and improvement needs. While the president’s

2019 budget proposal outlined a significant infrastructure investment, \$200 billion in federal funding is insufficient.

Request: We appreciate that, in 2015, Congress adopted the Fixing America's Surface Transportation (FAST) Act, the first long-term surface transportation law in more than a decade. The FAST Act locked in five years of stable transportation funding (FY 2016 - 2020), and includes a program specifically for investing in freight movement, which is significant and will help support our nation's economy. While the FAST Act was an improvement over the practice of short-term stop gap extensions, it did not generate additional resources of the scale needed to address the nation's pressing transportation demands for maintenance and preservation, or expansion to respond to growth. While we appreciate the Trump administration's prioritization of this issue, it is important for Oregon's congressional delegation to oppose any cuts from existing and effective programs that improve the state's surface transportation system. We understand there is significant interest in expanding financing mechanisms and exploring the potential benefits of public-private partnerships, but it is not always possible to generate sufficient revenue from transportation facilities to attract private partners. What is needed is a substantial increase in federal funding for critical infrastructure. We encourage the Oregon delegation to support additional federal revenues beyond the \$200 billion proposed by the White House, as well as added financing tools.

Infrastructure for Rebuilding America (INFRA) Grants: The region supported the inclusion of the Infrastructure for Rebuilding America (INFRA) grant program in the FAST Act. The program is a needed acknowledgement of the important role that freight movement plays in the continued economic health of our country. These grants help transportation agencies pay for critical improvements in the freight system.

Request: The Oregon Department of Transportation (ODOT) has submitted INFRA applications for a portion of the cost of improving the Abernethy Bridge on I-205 to provide additional capacity and upgrade seismic resilience, as well as an ODOT project to complete the US 97 Bend Parkway, a project on the Lake County Railroad and the Port of Morrow Columbia River Barge Terminal. We encourage a continuation and, if a federal infrastructure package is considered, an expansion of this program.

TIGER Grants: The TIGER Grant program has been an important and successful tool for Oregon and the region in addressing some critical transportation needs. The success of the program is one of the reasons we had advocated for a larger, permanently authorized TIGER program in the FAST Act. The president's 2019 budget proposal suggests abolishing the TIGER program; this would be detrimental to state and local surface transportation projects.

Request: We encourage the delegation to continue to support permanent authorization and greater annual funding for these flexible grants that provide opportunities to target investments and promote innovative solutions.

Public Transportation: TriMet and the Portland-metro region will be seeking Federal Transportation Administration (FTA) approval for a number of projects. The Division Transit Project will be the Portland region's first Bus Rapid Transit corridor and will improve transit service in one of the city's most populous areas. The existing bus line carries nearly 9,000 rides per day and the area is seeing significant growth in high-density multifamily housing. The area is home to a large community of low-

income, housing-insecure and minority populations that rely on transit for their daily needs. TriMet plans to submit a request for a \$100 million Small Start grant for this project. TriMet and the region will also be seeking FTA support to enter project development for the Southwest Corridor Light Rail Project. This new project will connect Portland State University, Oregon Health & Sciences University, PCC Sylvania, Tigard and Tualatin along one of the most congested corridors in the region. This stretch of I-5 and Barbur Boulevard is the only major commute corridor in the region that doesn't have a parallel light rail facility to help relieve traffic. The line is expected to carry nearly 35,000 trips per day by 2035.

Request: Urge the FTA to support and help fund key public transit projects in the Portland-metro region.

The Columbia-Willamette-Snake River Federal Navigation Channel: The channel is a critical piece of transportation infrastructure for the region's marine exports. It is important to our success as an export gateway that the Corps of Engineers receive enough funding to maintain and improve the navigation channel, including the jetties at the mouth of the Columbia River.

Request: The president's budget request for 2019 proposes healthy levels of funding for these Corps of Engineers activities and we urge Congress to approve them.

Levee Ready Columbia: The levee system maintained by the Multnomah County Drainage District protects significant residential and economic assets, including the Portland International Airport (PDX), industrial parks and businesses. Improvements need to be made in the system to ensure it can continue to protect against flooding.

Request: We urge the Corps of Engineers to select Levee Ready Columbia for a general investigation new start feasibility study in the work plan, which it will develop following the passage of a fiscal year 2018 appropriations bill.

Preserve and Enhance Funding for Airport Needs: The president's 2019 budget proposal has some concerning elements for airports. It seeks to eliminate the Transportation Security Administration (TSA) Law Enforcement Officer (LEO) reimbursement program, funding the Port of Portland police department relies on to provide security support to the TSA at PDX. The president's budget also does not include an increase in the Passenger Facility Charge (PFC). The PFC is a local user fee airports collect as part of passengers' airline tickets. Airports use PFC revenue to fund capital projects, such as terminal improvements. Since 2000, federal law has limited the PFC to \$4.50 per trip segment, which means rising construction costs have eroded the purchasing power of the PFC by about 50 percent. Enhanced PFC revenue is needed to support improvements like the capital construction projects planned at PDX over the next decade.

Request: We urge Congress to preserve funding for the LEO reimbursement program. We also recommend Congress raise the cap on the PFC so airports can adjust it to meet their capital requirements.

Columbia River Treaty: For more than 50 years, the Columbia River Treaty with Canada has governed hydropower and flood control on the 1,200-mile Columbia River. The U.S. and Canada have taken initial steps to launch negotiations in 2018 to modernize the treaty.

Request: As the U.S. and Canada seek to modernize the treaty, the U.S. should prioritize lowering costs for Northwest consumers and businesses; and preserve navigation, flood risk management and carbon-free hydropower for the Northwest economy.

Jordan Cove Natural Gas Export Terminal and Pacific Connector Pipeline: The Jordan Cove Natural Gas Export Terminal and Pacific Connector Pipeline would establish the Oregon International Port of Coos Bay as the premier energy center on the U.S. Pacific Coast. The Jordan Cove project is located within the Port of Coos Bay on the north spit of lower Coos Bay, on an undeveloped site zoned for industrial development. The project represents a \$10 billion investment in the Southern Oregon coast, an area in desperate need of economic development. The Port of Coos Bay will also benefit through Jordan Cove's 7.5 million tons of cargo exported per year, which will significantly increase the total tonnage of cargo moved through the Port. This is important as federal funds for the maintenance of the Port's navigation channel are based on the volume of cargo moved through the Port, and only those ports moving 10 million tons of cargo a year or more are guaranteed to receive federal maintenance funds.

The project will employ 6,000 people during construction and 200 permanently at wages nearly three times the area average, and provide an ongoing source of tax revenue for the local community. When operational, Jordan Cove and Pacific Connector will pay \$60 million a year in local taxes to Coos, Douglas, Jackson and Klamath counties, and \$48 million a year in corporate taxes to the state for a total annual tax benefit of \$108 million in Oregon. It will also substantially increase overall economic activity in the area. Jordan Cove has project labor agreements in place to use union contractors, and local governments in Coos County are working on a "community enhancement plan" to divide the influx of approximately \$500 million in taxes and payments in lieu of taxes expected to accompany the project over a 20-year period.

The project sponsors have reached preliminary agreements with two purchasers – JERA and ITOCHU – for at least 50 percent of Jordan Cove's capacity for a minimum of 20 years. In addition, following a 30-day open season, the pipeline has executed a precedent agreement for 96 percent of its capacity. This is being held by Jordan Cove for its terminal customers. The Federal Energy Regulatory Commission (FERC) completed a final Environmental Impact Statement (EIS) for the project in 2015 and stated impacts will be minimal and can be mitigated. Given the design changes in the project's recent application to FERC, which will further reduce its impact, we anticipate the project will once again meet FERC's rigorous review standards.

Request: We urge FERC to approve the Jordan Cove Natural Gas Export Terminal and Pacific Connector Pipeline, pending the completion of its environmental and technical reviews.

Water Infrastructure Finance and Innovation Act Program: The Water Resources Reform and Development Act (WRRDA) of 2014 was signed into law by President Obama on June 10, 2014. Title V, Water Infrastructure Finance and Innovation Act (WIFIA), establishes a new financing mechanism for water and wastewater infrastructure projects to be managed by the EPA. The WIFIA program provides low interest rate financing for the construction of water and wastewater infrastructure. The program is modeled after the Transportation Infrastructure Finance and Innovation Act (TIFIA), the successful transportation investment program where each dollar of federal funds can provide up to \$10 in credit assistance and support up to \$30 in infrastructure investment. In December of 2014,

Congress provided \$2.2 million to the EPA to establish the WIFIA program, including hiring qualified staff, developing guidance and application materials, and establishing a credit subsidy model. Senator Merkley helped secure a \$70 million appropriation in last fiscal year's budget, and the program is currently authorized through the 2019 fiscal year.

Now, the Water Infrastructure Finance and Innovation Reauthorization Act of 2018 is under consideration. This bill would increase the EPA's fiscal year 2019 WIFIA authorization to \$90 million and extend the program for five years. The bill would also allow EPA to use its established process to review applications for funding potential WIFIA projects that fall under the jurisdiction of the U.S. Army Corps of Engineers, but would retain final decision-making authority with the Corps. This streamlining of WIFIA's administrative process, combined with the extended authorization, would significantly increase the number and type of projects able to receive funding assistance through WIFIA.

Request: Support the Water Infrastructure Finance and Innovation Reauthorization Act of 2018 in order to extend the program through 2024 and increase the fiscal year 2019 authorization to \$90 million, which will ensure the scope of the program is streamlined and more accessible.

OTHER:

Higher Education Act: As Congress considers the reauthorization of the Higher Education Act, please make sure any legislation passed includes full funding or increased funding of national Pell grants. These financial aid funds provide pivotal resources that make a college degree possible for all Oregonians.

Request: Protect the Pell Grant Program and ensure any reauthorization of the Higher Education Act does not negatively impact financial aid services. These actions would lead students to higher levels of persistence and degree completion.

Research Funding: Public research universities serve a national interest and contribute to the innovation economy. They provide quality education opportunities and programs at an efficient cost. Funding federal agencies that award research grants to public research universities is vital for innovation, economic growth, expanding public knowledge, and serving the communities and regions where these universities are located.

Request: Continue to fund federal agencies like the National Science Foundation, the National Institute of Health, the National Endowment for the Humanities and others that support research at public research universities in order to enhance our nation's competitiveness in today's global information and innovation-based economy.

State and Local Tax Deductibility: As part of the recently passed tax reform legislation, the Tax Cuts and Jobs Act of 2017, state and local tax (SALT) deductions were eliminated. Because Oregon is a high-tax state, this loss of SALT deductibility from federal taxes negatively impacts all Oregonians as they will now essentially be taxed twice on the same income. Additionally, the SALT deduction on property taxes, along with the deduction on mortgage interest, provides a strong incentive for homeownership. According to preliminary analysis from Oregon's nonpartisan Legislative Revenue Office, all income levels will be affected by this significant change in the tax code. The Legislative Revenue Office predicts high-income Oregon taxpayers could pay tens of thousands of dollars more

per year without the deduction, and households earning less than \$75,000 could face tax increases averaging about \$1,200.

Request: Support efforts to reinstate state and local tax deductibility in the federal tax code.

Immigration Reform: Comprehensive immigration reform is an economic imperative for Oregon's businesses. Oregon's economy is highly dependent on both the technology and agriculture industries, and immigration reform is critical for the competitiveness of both. We need a lawful, rational, and workable immigration system that secures our borders, provides the workers we need at all skill levels, and protects the rights of citizens, businesses, the undocumented and those legally pursuing citizenship.

Request: Support rational immigration reform efforts and recognize the importance of Oregon's immigrant community to our economy.

Opioid Epidemic in Oregon: Across the nation, communities are experiencing an opioid addiction epidemic. Over the past few years, the state of Oregon has seen an increase in the number of overdose deaths related to opioids, especially in rural and coastal communities. However, this is not an urban, rural or suburban issue. It is a problem throughout the state. Compounding this uncontained epidemic is 40 years of federal disinvestment in our community-based mental health safety net and affordable housing. Our country is failing to serve our most vulnerable residents. According to the Oregon Health Authority, deaths from opioid overdose, which includes prescription drugs as well as street drugs, have markedly increased during the past decade, from 73 total deaths in 2000 to 332 deaths in 2011. In 2015, there were 263. Addressing the crisis remains a top priority not only for city, county and state leaders, but for Oregon's entire business community as well.

Request: Comprehensive federal action is required to help states fight this epidemic. Funding for recovery and prevention programs, training for first responders who engage with those experiencing overdoses, and laws to prevent the over-prescription of opioids are needed. The president's declaration of the opioid crisis as a Public Health Emergency was acknowledgement of the issue and some of the roadblocks that stand in our way. The federal government has a duty to help combat this epidemic. The U.S. Departments of Health and Human Services, Housing and Urban Development, and Veterans Affairs should have the leadership and resources to aid states and local governments.

Urban Areas Security Initiative: The Urban Areas Security Initiative (UASI) helps high-threat urban areas build their capacity to prevent, respond to, and recover from natural disasters and terrorism. It provides funding for planning, operations, equipment, training, and exercises for emergency preparedness and response. The Portland UASI region, which covers the Portland-metro area, including Clark County, Washington, is the economic engine for the state. UASI funding has been important to increasing our regional preparedness, including resources to build our capacity throughout the state.

Request: We ask that the minimum UASI award be increased to at least \$2 million due to the heavy administrative, reporting and compliance burden, and to allow more funds to strengthen the region's resilience to natural and human caused disasters. The UASI funding implementation cycle is currently three years, but in the past has slipped to two. Maintaining a three-year implementation period will allow more time to effectively bring grant projects to completion.