

**OREGON TRANSPORTATION COMMISSION**

**Minutes of the Special OTC Meeting  
August 24, 2011  
Salem, Oregon**

On Wednesday, August 24, 2011, at 1:38 p.m., the Oregon Transportation Commission and Oregon Department of Transportation staff held a Special Meeting in the Main Hearing Room at the Public Utility Commission Building, 550 Capitol Street NE, Salem, Oregon.

Notice of this meeting was made by press release of local and statewide media circulation throughout the state. Those attending part or all of the meetings included:

Commissioner David Lohman  
Commissioner Mary Olson  
Commissioner Mark Frohnmayer  
Commissioner Tammy Baney  
Director Matt Garrett

Chief of Staff Joan Plank  
Communications Div. Admin. Patrick Cooney  
Int. Deputy Director of Operations Jerri Bohard  
Highway Division Administrator Paul Mather  
Commission Assistant Amy Merckling

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Commissioner David Lohman called the meeting to order at 1:38 p.m.

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Commissioner Lohman welcomed Governor Kitzhaber who was present to give remarks to the commission.

Governor Kitzhaber started by announcing that Transportation Commission Chair Gail Achterman has health issues and was not able to be in attendance. He said she has made an enormous contribution to the state, and certainly to transportation policy, for which he is very grateful.

Governor Kitzhaber presented a talking points paper and asked the commission to take the opportunity to look at the larger work plan document so he could address any questions.

In 1996, Governor Kitzhaber came before the commission to urge it and the Transportation Department to be more than just a transportation agency; to not be a highway agency, but a growth management agency. He said the staff and the commission have done a remarkably good job of recognizing the connection between transportation decisions and land use decisions, and making investments in a multimodal system that connects communities. There are tangible results because of that.

Oregonians drive fewer miles and consume less gasoline per capita than the national average, and our pattern of compact urban development has lowered infrastructure costs, while preserving natural areas and our agriculture and forest lands.

Governor Kitzhaber issued a new challenge to staff and the commission: revisit the underlying assumptions that have guided our policy, and partner with all transportation stakeholders and other related agencies to develop a transportation system for the 21<sup>st</sup> century.

Governor Kitzhaber said there were three issues of note, and six principles for consideration. The first issue was the 2009 Jobs and Transportation Act (JTA), in which the legislature asked that the area of governance be addressed. Governor Kitzhaber has asked his staff to work with the commission and ODOT staff to clarify the area of governance.

Governor Kitzhaber congratulated the commission and staff for maneuvering the somewhat contentious access management issues. The second issue is to apply the lessons learned there to two of the larger assumptions: the plan and design level mobility guidelines. The legislature has asked for a different approach to those guidelines, and it's important that we apply those as one, but not the only, criteria when looking at projects.

Paying for transportation infrastructure going forward is the third issue, and a huge one. Oregon was the first state in the national to adopt a gasoline tax, but that is becoming less and less relevant given where we are trying to go in terms of reducing our carbon footprint, and the overall cost of fossil fuel. We need to seriously think about leading the nation in looking at a utility model for financing our transportation infrastructure. Governor Kitzhaber fully supports developing pilots for the vehicle miles traveled measure, and he would be happy to lead on that at the commission's recommendation.

Governor Kitzhaber presented six principles that are good filters to apply to decisions made as members of the Transportation Commission:

1. Do we have the right group of individuals at the table at the beginning of the process to define the problem and solution together?
2. Should ODOT manage or own the facility or would it be better managed for a diverse set of outcomes by another agency or jurisdiction?
3. Are we creating programs that don't simply invest in the future of the transportation system but meet a multitude of community objectives?
4. Does each decision move us closer to a sustainable, safe, lower carbon, multimodal system?
5. Does the decision maximize benefit for the least cost under the limited resources?

6. Finally, does this decision or policy move us closer to finding a more rational transportation funding mechanism for the future?

Governor Kitzhaber said ODOT has a great work plan, and if it is willing to refocus on the three issues mentioned earlier, and use the lens of those six principles, it will be very well positioned in Oregon for a bright transportation future, and also will be on the cutting edge of some really creative thinking that will benefit Oregon, the region, and the country as well.

Commissioner Baney thanked the governor for laying out this foundation, saying there is a lot to be learned here. Local government is doing a lot of what is outlined in the governor's plan, and together we can share in those efficiencies. A lot of the efficiencies can be drawn out in the governance discussion. We cannot invest in single entities.

Commissioner Olson said it's important that we take on an attitude of working across jurisdictions, and think holistically about the state. The economy will force us to think that way and use every dollar wisely, and be willing to listen to other jurisdictions, and hope they will be willing to partner with us, to assure transportation dollars are invested in the most cost efficient and right modes of transportation.

Commissioner Lohman said the commission is very much in sync with the three goals the governor laid out, and the department is working to be up to speed on that. The commission whole-heartedly agrees that having the right people at the table is an important factor that we have been working hard on.

Commissioner Lohman said one big issue the department has been struggling with is the goal of facilitating economic stability and growth. There are different aspects of that like making sure freight moves efficiently, while also making sure we facilitate development where it is appropriate, and not undo the impact of the existing system that could make moving freight less efficient. These are competing issues and we have struggled to define the right balance. We will look to stakeholders, and the governor's office, to find the right balance.

Governor Kitzhaber said that as we move forward, there will be things done in the past that will conflict. The issue of freight movement and development is one of them. The key is to fundamentally change the paradigm. If we look at the world the way we did in the past, we're not going to be able to find a third path forward between these approaches.

Governor Kitzhaber will ask the members of all commissions to think about how to apply these principles. We've created about 16,000 jobs in this state since January, most of those in the first quarter. The unemployment rate has dropped by 1 percent, and our credit rating has gone from AA to AA-plus. But there is still a lot of pain out there. The underemployment rate is profoundly disturbing. There is a real disconnect between the discussion of an economic recovery and what's happening in everyone's lives on a daily basis. So when we talk about freight movement, people will sort of get it, but if they are about ready to lose their home, freight movement doesn't mean very much to them. It's incumbent upon all of us to give people some hope, and to connect what we are doing as transportation commissioners

with what's going on in their lives in terms of their ability to put food on the table, provide medical care, or save for their children's college education.

We need to be ambassadors of hope, and also to educate and engage people that we're all in this together, and we are going to get out of it together. We all have a role to play. Our role is in the area of transportation.

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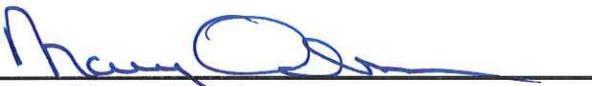
Commissioner Lohman adjourned the meeting at 2:00 p.m.

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Not present

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Gail Achterman, Chairman

  
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David Lohman, Member

  
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Mary Olson, Member

  
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Mark Frohnmayer, Member

  
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Tammy Baney, Member

  
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Roxanne Van Hess, Commission Support