OREGON TRANSPORTATION COMMISSION

Minutes of the Regular Monthly Meeting
March 16, 2011
Salem, OR

On Wednesday, March 16, 2011, the Oregon Transportation Commission (OTC) and Oregon Department of Transportation (ODOT) staff held the regular monthly meeting in the Large Conference Room at the Oregon Department of Transportation, 1158 Chemeketa Street N.E., Salem, Oregon.

Chair Gail Achterman, Commissioner David Lohman, and Commissioner Mary Olson participated by phone.

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

Chair Gail Achterman
Commissioner Mary Olson
Commissioner Dave Lohman
Director Matthew Garrett
Chief of Staff Joan Plank
Deputy Director for Operations Jerri Bohard
Communications Division Admin. Patrick Cooney
Deputy Director for Central Services Clyde Saiki
Government Relations Manager Robin Freeman
Senior Federal Affairs Advisor Travis Brouwer
Int. Trans. Development Admin. Barbara Fraser
Region 5 Manager Monte Grove
Commission Assistant Amy Merckling

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Chair Achterman called the meeting to order at 8:37 a.m.

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The Commission considered approval of the Consent Calendar. *(Background materials in General Files, Salem)*

1. Approve minutes from the February 16, 2011, meeting in Salem.
2. Confirm the next two Commission meeting dates:
   - Wednesday, April 20, 2011, in Salem
   - Wednesday, May 18, 2011, in Salem
3. Adopt a resolution for authority to acquire real property by purchase, condemnation, agreement or donation.
4. Approve the following Oregon Administrative Rules:
   a. Amendment of 735-034-0000, 735-034-0005, 735-034-0010 and 735-154-0005 relating to trip permit agents and agreements.
   b. Amendment of 735-080-0020 and 0040 and the adoption of 735-080-0045 relating to disabled person parking permits.

5. Acknowledge receipt of the Immediate Opportunity Fund Annual Report for state fiscal year 2010.
6. Approve a request to amend the 2010-2013 Statewide Transportation Improvement Program by approving a request for a Type A Immediate Opportunity Fund project in the amount of $883,500 to make improvements to 10th Avenue in Stayton in support of the expansion of the Santiam Memorial Hospital.
7. Adopt the Interstate 5 Exit 24 Interchange Area Management Plan (IAMP) in Jackson County which implements Policy 3C of the Oregon Highway Plan and is consistent with the IAMP requirements of the department's Access Management Rule (OAR 734-051-0155). Adoption of the IAMP will constitute an amendment to the 1999 Oregon Highway Plan.
8. Approve a purchasing agreement with Aerovironment, Inc., to supply, install, operate and maintain electric vehicle charge equipment as required under ORS 367.803(6)(a).
9. Request approval of the proposed proclamation from Governor John Kitzhaber designating May 2011 as Transportation Safety Awareness Month.

Commissioner Olson moved to approve the Consent Calendar. Commission members unanimously approved the motion.

Chair Achterman commented on Consent Calendar item #8. A very successful meeting was held Monday on the Innovative Partnership agreements the Governor's Electric Vehicle Task Force put together with four companies. The task force has come a long way in terms of an action strategy for Oregon on electric vehicles.

A high ranking executive from Toyota attending the meeting said Toyota will start commercially selling hydrogen fuel-cell vehicles to fleets within less than five years. For ODOT to position itself on the cutting edge of innovation on climate-neutral vehicles, it will have to expand the charter for the climate-neutral vehicle group to include fuel-cell vehicles, and not be limited to only electric vehicles.

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The Commission received an update from Senior Federal Affairs Advisor Travis Brouwer on federal transportation issues, including funding and the status of surface transportation reauthorization legislation. *(Background materials in General Files, Salem)*

Travis Brouwer gave a briefing on his recent trip to Washington, D.C., and the current federal situation. He said the mood is bleak, and there is not a lot of hope for a well-funded surface transportation bill to pass Congress this year.

Funding levels for programs paid out of the Highway Trust Fund are not in sync with current revenue levels by a gap of $16 billion. In 2010, the highway account took in

only about 70 percent of the funding committed under the highway program. For mass transit programs, it was about 57 percent.

There have been three general fund infusions into the Highway Trust Fund totaling $35 billion, and those balances should sustain the program through 2012, possibly early into 2013. However, by 2013, the highway account will be empty, as will the transit account. The Highway Trust Fund will have to find money or cut spending on surface transportation programs - highways cut by about 30 percent, transit by over 40 percent.

Over the past few months, House Republicans signaled intent to cut transportation funding by modifying rules to allow this to happen in an appropriations bill, but has chosen not to do so yet in the 2011 budget. However, if transportation funding is not cut in the annual budget, it's likely the authorization bill will do so, as Chairman Mica of the House Transportation Infrastructure Committee has said he will pass a bill to bring funding levels down to match revenue levels.

If Congress chooses to bring funding down to the level supportable by revenue, the 30 percent cut on the highway side translates into a reduction of highway program funding for Oregon of about $150 million a year. On the transit side, it's likely in the $20-30 million range, spread across all the various transit agencies in Oregon.

President Obama's Federal FY 2012 budget includes the outline of a surface transportation authorization plan. The plan proposes a six-year, $556 billion surface transportation reauthorization bill. Some of the highlights of the bill are:

- significant increases for highways (48 percent), and transit (more than double), and a substantial investment in passenger rail
- creation of a national infrastructure bank to provide grants and loans for major projects like the Columbia River Crossing project
- creation of a more performance-based program that would require states to establish and meet performance targets tied to national goals for safety and system condition
- put in place a reformed program structure focused on national goals of economic competitiveness, safety, livability, sustainability, and maintaining the system in a state of good repair

However, noticeably absent from the proposal is any discussion of how to pay for it. The proposal includes a placeholder revenue increase of $231 billion, but there is no indication of how this would be done.

Travis gave a brief review of ODOT papers on the surface transportation program that were sent to the Commission, including authorization priorities with local government organizations, legislative proposals, and position papers.

Commissioner Olson said ODOT should anticipate a reduction in funding, and reprioritize which projects are possible going forward, accordingly.

Chair Achterman noted that Area Commissions on Transportation (ACTs) have consistently voiced a desire to hear sooner, rather than later, when changes occur. In anticipation of a zero or negative balance Highway Trust Fund, ODOT staff should evaluate when adjustments to the STIP might be needed, and what kind of process would be presented to the ACTs. She suggested this might be an item of discussion at the upcoming Transportation Policy Group meeting with the cities, counties, and Metropolitan Planning Organizations. Director Garrett agreed that the time to have this discussion is now, and said these conversations are taking place; watching what is being played out at the federal level to help identify the landscape to come.

Chair Achterman said talking points will be prepared for commission members to meet with local government in their areas, and she will try to set meetings with key business and local government leaders. She asked for suggestions on whom to meet with in the Bend area when she attends the upcoming Environmental Conference for ODOT.

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Chair Achterman adjourned the meeting at 9:11 a.m.

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Gail Achterman, Chairman	Not present Michael Nelson, Vice Chair
Mary Olson, Member	Not present Alan Brown, Member
David Lohman, Member	Roxanne Van Hess, Commission Support