

**OREGON FREIGHT ADVISORY COMMITTEE (OFAC)
MEETING NOTES**

December 7, 2005, 1:30 p.m. – 4:30 p.m.
ODOT Region 1 Headquarters, Conference Rooms A& B, First Floor
123 NW Flanders Street, Portland

Introductions

Chair Tom Zelenka called the meeting to order at 1:35 p.m. Meeting attendees introduced themselves.

November 2, 2005 Meeting Notes & Follow-Up

Meeting materials contained the notes from the November 2, 2005 meeting, as well as documentation of previous member and guest requests and their status. There were no questions or comments.

OTIA Bridge Program Update

Jon Oshel, Association of Oregon Counties Road Program Manager, gave a brief update on the Oregon Counties' OTIA bridge projects. Mr. Oshel reported that the Counties are very pleased with the program, and the speed with which the projects are proceeding. Approximately one-third of deficient bridges were funded for replacement. OTIA I & II selected 32 bridges in 17 counties for replacement in Spring 2002. Three and one-half years later, 28 bridges have been completed and the other 4 are under construction. OTIA III selected 117 bridges in 26 counties for replacement starting in Spring 2004. Already 22 bridges have been completed and 40 more are under construction.

Oregon's Petroleum Supply System

Brian Doherty, Miller Nash LLP, representing the Western States Petroleum Association (WSPA), gave a presentation on the short-term and long-term petroleum supply system that serves Oregon. There are 15 major refineries along the West Coast – 4 in Washington, 11 in California, and none in Oregon. The most recently constructed was Washington's Cherry Point refinery, which came on line in 1971. Due to regulatory restrictions and/or public opposition, it is unlikely that any new refineries will be constructed on the West Coast, and doubtful the existing California refineries will be expanded. Oregon receives petroleum via a pipeline from Washington and via maritime tankers. Nationally, over 50 percent of crude product is imported, as well as about 10 percent of the refined product. Mr. Doherty cited studies showing that oil industry profits are comparable with all U.S. industry, concluding that oil companies have not engaged in 'price gouging.' WSPA supports increased infrastructure and the development of alternative fuels and energy sources, but advises against government controls on gas prices.

Oregon Department of Aviation

Bob Hidley, director of the Oregon Department of Aviation (ODA), gave an overview of aviation in Oregon and a review of ODA activities and operations. Mr. Hidley passed out copies of his PowerPoint presentation, but focused his remarks on just a few of the slides. He explained that ODA intends to finalize their Aviation Master Plan, which will include a ranked list of aviation projects, by late summer 2006. Using a grant from the Federal Aviation Administration (FAA), ODA is performing an economic

impact study and system plan update for the State's 98 airports. The ODA is also developing a 'tool kit' that communities can use to assess whether scheduled passenger air service makes sense for their area. Mr. Hidley spoke of the need to determine which airports could develop additional business or tourism income from improvements such as runway lengthening. He also told of a new generation of business jets expected to become available in 2006. The new jets will be considerably less expensive (about \$1 million), and may increase the number of companies, and consequently, Oregon airports using these jets. In addition, he told of a proposal with FAA to install ADS-B transmitters at 12 airports across the State (see map handout), funded jointly by FAA and ODA. In response to a *ConnectOregon* question, Mr. Hidley said he intended to apply for funds for installing the ADS-B transmitters mentioned above, which would have statewide impact. He also knew of one or more airports that intended to seek funding for terminal work, and that the Ontario airport will pursue funding to lengthen its runway.

Election of OFAC Officers

Tom Zelenka and Susie Lahsene were nominated to continue as the committee's Chair and Vice Chair, respectively. Members commented that they were performing well and re-elected them both.

ConnectOregon Update

John Jackley, Oregon Department of Transportation (ODOT) Executive Officer, began the topic by explaining that the temporary administrative rule has been adopted, and the Oregon Transportation Commission (Commission) will consider finalizing the permanent rule in January 2006. The Commission will begin to discuss how to 'flesh out' the project selection process at their next meeting. A considerable amount of input has been received from stakeholders, and the Commission will be focusing on four main areas in their response. First, the time between the permanent rule adoption and the end of the application period will likely be increased to allow applicants more time. Secondly, the Commission will likely incorporate regional review in addition to modal review. Thirdly, the Commission will probably form a Consensus Committee that will take the regional and modal lists, and develop a single consensus list of projects to recommend to the Commission for *ConnectOregon* funding. Lastly, the Commission will likely provide common direction to the advisory committees and regional committees pertaining to project prioritization. The Commission is looking for strategic investments, e.g. that connect two or modes of transportation on a regional level.

Regarding timeline, once the application period ends, the ODOT Freight Mobility Section will perform an initial completeness review, then an outside expert consultant will perform a feasibility review of the applications – assessing whether the job creation/retention and strategic investment claims are plausible. The credible applications will then go to the regional and modal review committees for evaluation and prioritization. The prioritized lists will then be forwarded to the Consensus Committee for development of a single list. Mr. Jackley explained that the Commission wants the Committee to be balanced across the modes and regions, and to be professionally facilitated. He invited OFAC members to attend the Commission's meeting on December 13 at 9:30 a.m. in the Transportation Building in Salem.

The application period will likely open on December 14, and members were encouraged to sign up for the e-mail list (ConnectOregon@odot.state.or.us) to stay abreast of developments. Tom Zelenka, OFAC Chair, asked what ODOT will be looking for in hiring the consultant. Mr. Jackley and Julie Rodwell, ODOT Freight Mobility Section Manager, explained that the selected consultant should have expertise in

all the *ConnectOregon* modes, and have a demonstrated ability to evaluate whether applications are well scoped and feasible.

Oregon House Representative Greg Smith offered his perspective from the Oregon legislature and the Ways and Means Committee. They view a “strategic project” as meaning it will eliminate a bottleneck, and cited examples of strategic projects or areas from Douglas County (low bridge overpass limits rail movements), the Port of Morrow (10 counties funnel freight into that port), and the Port of Portland.

Follow-up: *ConnectOregon* update and discussion planned for every OFAC meeting in 2006.

Projects Subcommittee Report

Susie Lahsene, Port of Portland, spoke on behalf of Martin Callery, Projects Subcommittee Chair, who could not be present. Ms. Lahsene stated that the Projects Subcommittee met just prior to this meeting, principally to discuss the Statewide Transportation Improvement Program (STIP) and *ConnectOregon*. The subcommittee is beginning the process of reviewing the 2004 OFAC project list and affirming that the 2008-2011 STIP has an adequate number of strategic freight projects. This work will be done in February and March 2006, and Ms. Lahsene invited interested parties to participate. For *ConnectOregon*, the subcommittee anticipates it will be reviewing an estimated 50 to 100 project applications in March 2006. Thus far, the subcommittee has met monthly, and additional meetings will likely be needed as the STIP and *ConnectOregon* applications become available for review.

Follow-up: Subcommittee will begin setting 2006 meeting dates once *ConnectOregon* applications are received.

Policy Subcommittee Report

Policy Subcommittee Chair Susie Lahsene stated that the subcommittee’s recent focus has been to look at potential ODOT Research problem statements. Three have been submitted that the subcommittee would consider recommending – Multi-state Alliances, Economic Importance of Freight Investments, and Truck Traffic Volumes. Copies of problem statements were handed out, and the committee then voted to endorse the submittal of these three problem statements. The subcommittee is aware of three others that will likely be submitted separately – Inland Intermodal Centers (Northwest Container Services), Roundabouts (City of Astoria), and Reuse of Railroad Ties (Portland & Western Railroad).

Follow-up: ODOT Freight Mobility staff to submit the three problem statements to ODOT Research Unit prior to the December 16 deadline.

Freight Mobility Manager’s Report

Ms. Rodwell handed out her report, pointing out that it contains updates on the Washington State gas tax repeal initiative, the Oregon 140 Study (in the Request for Proposal process), the Commodity Flow Study data (discrepancies in consultant’s spreadsheets are getting resolved), and the West Coast Corridor Coalition (WCCC). Ms. Rodwell explained that Oregon interested parties in WCCC will meet later this month to develop (1) an agreement of who will be on the Executive Committee, and (2) a list of Oregon’s top priority freight transportation projects. She will report back to OFAC at its January 2006 meeting.

Ms. Rodwell also reminded attendees about two upcoming events – the NW Transportation Conference, February 7-9, 2006, in Corvallis (see p. 5 of the agenda packet for more info) and PNWARS' Winter Seminar, February 22-23, 2006, in Portland (see separate handout).

Round Table / Agenda Building

Ms. Lahsene told the group about the recently completed Cost of Congestion study in the Portland area, and suggested OFAC receive a presentation on it soon. She said the executive summary and the complete report can be found on Metro's website (<http://www.metro-region.org/article.cfm?ArticleID=16673>). Tammy Dennee, Oregon Wheat Growers League, suggested two issues of interest to the agricultural community for future agenda items. One issue is regarding the impact of the Jones Act on Oregon's ports, especially the Port of Portland; the other issue is rail car availability and overall rail service in Oregon. Chair Zelenka pointed out that railroad representatives will speak to OFAC regarding the state of rail at the January 2006 meeting. Regarding the Jones Act, Chair Zelenka said he knew of some individuals who could come to a subsequent meeting and address this issue.

Jerry Grossnickle, Bernert Barge Lines, recommended that OFAC hear from the Columbia River Crossing Task Force at some point. Ms. Lahsene asked about the Delta Park project, to which Chair Zelenka replied that the Environmental Assessment will soon be complete, at which time OFAC should get an update on it. Ms. Dennee stated that her group will be going to Washington D.C. in late March 2006 to discuss appropriations and asked if OFAC could learn anything before then regarding the locks maintenance fund. Chair Zelenka suggested that Ms. Dennee provide OFAC with a presentation on this issue at its March meeting, and that perhaps OFAC could then send a letter of support in advance of the D.C. trip. Mike Montero, Montero & Associates LLC, suggested the Committee later next year look back at the 2008-2011 STIP selection process to evaluate how well they responded to modified prioritization factors. Chair Zelenka asked if ODOT Regional staff could come to report on that; Craig Greenleaf, ODOT Transportation Development Division Administrator, pointed out that it could be difficult to get all five regional directors at the same meeting, but it may work if the meeting coincided with a regional directors' meeting. Mike Quilty, Rogue Valley MPO, suggested a future presentation on the impact of OTIA III debt service payments on modification funds – have other funding sources been identified? Mr. Jackley and Mr. Greenleaf stated that ODOT is recommending to the OTC that the State seek increased federal funds available through the reauthorization so as to fill in the gap, and that ODOT will report back at a future OFAC meeting. Nick Fortey, Federal Highway Administration, suggested an evaluation and periodic updates on how well ODOT's statewide model and MPO models evaluate freight demand. Chair Zelenka reminded the group that the next meeting is January 11, 2006, in Salem.

Adjournment

Chair Zelenka adjourned the meeting at 3:50 p.m.

**Oregon Freight Advisory Committee (OFAC)
Meeting Attendees
December 7, 2005**

OFAC Members (General, Associate, & Alternate)

Ken Armstrong	Oregon Ports Group/Oregon Short Line Railroad Association
Anne Ballew	Eugene-Springfield MPO
Steve Bates	Redmond Heavy Hauling
D.E. Bridges	Oregon Forest Products Transportation Association
Bill Burgel	HDR Engineering, Inc.
Gary Cardwell	Northwest Container Services, Inc.
Bruce Carswell	Portland & Western Railroad
Tammy Dennee	Oregon Wheat Growers League
Nick Fortey	Federal Highway Administration (FHWA)
Lylla Gaebel	NW ACT
Jerry Grossnickle	Bernert Barge Lines
Bob Hidley	Oregon Department of Aviation
John Kratochvil	Oregon Department of Agriculture
Susie Lahsene	Port of Portland
Sarah Lucas	Oregon Department of Aviation
Rob Mathers	Kinder Morgan Energy Partners
Greg Miller	Weyerhaeuser Company
Mike Montero	Montero & Associates LLC
Gary Neal	Port of Morrow
Ray Neil	Pendleton Grain Growers
Deena Platman (for Bridget Wieghart)	Metro
Mike Quilty	Rogue Valley MPO
Jonathan Schleuter	Westside Economic Alliance
Tom Schwetz	Lane Council of Governments
Charlie Tindall	Blue Line Transportation Company
The Honorable Alan Unger	Mayor of Redmond
Lonny Welter	Columbia County Public Works
The Honorable Mike Wendel	Mayor of Prineville
Tracy Ann Whalen	ESCO Corporation
Gary Whitney	Oregon Economic and Community Development Dept.
Paul Zalec	Portland & Western Railroad
Tom Zelenka	Schnitzer Steel Industries, Inc.

ODOT

Gregg Dal Ponte	Motor Carrier Transportation Division
Cary Goodman	Freight Mobility Section
Karen Green	Freight Mobility Section
Craig Greenleaf	Transportation Development Division
John Jackley	Executive Officer
Julie Rodwell	Freight Mobility Section
Kelly Taylor	Rail Division

Other Attendees

Janet Adkins	Oregon Legislative Committee Staff
Brian Doherty	Miller Nash LLP
Arlene Dietz	Transportation & Freight Consultant
Steve Kale	SR Kale Consulting
Lyn McClelland	US Maritime Administration
The Honorable Greg Smith	Oregon State Representative