

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

April 5, 2006 * 1:30 - 4:30 p.m.
Local Government Office, Room 113
Salem, OR

Call to Order / Introductions

In Tom Zelenka's absence, Vice Chair Susie Lahsene called the meeting to order at 1:35 p.m. Attendees introduced themselves.

March 8, 2005 Meeting Notes & Follow Up

Meeting notes from the March 8, 2006 meeting were accepted as written.

Recommendations to OTC on 2008-11 STIP

Martin Callery, Projects Subcommittee Chair, gave a PowerPoint presentation summarizing the subcommittee's review process for the 2008-011 STIP. He advised the subcommittee is ready to make their recommendations based on OFAC's request to review projects at 150% of the available funding to provide a fallback of projects. The project list was developed from OFAC's prior list of 56 projects recommended to OTC for OTIA III, combined with current STIPs/OTC requests, new projects from ODOT regions/ACTs/MPOs, projects as a result of the Motor Carrier vertical clearance study; and other priority projects from 200+ OFAC list. Projects were further prioritized based on the freight mobility indicators in the OTIA and ODOT modernization template with projects located on regional or statewide freight routes, those removing barriers to efficient freight movement, those that are intermodal and / or multimodal, and those are job creation and / or industrial land access being rated over others. The subcommittee recommended all projects on the initial OTIA list be put back on the list to indicate continuing need. Mr. Callery noted that because the STIP will not be adopted until 2007, OFAC can come back and make further recommendations at a later date. A motion was unanimously passed that OFAC approve the subcommittee's report and send it to the OTC.

ConnectOregon Update

John Jackley, Executive Sponsor, reported 103 applications were submitted by the February 17 deadline. The completeness and feasibility reviews by FMS and an outside consultant were completed and all applications advanced to the review stage. A master log and evaluation matrix that can be used as a guide was distributed to each review committee. John Jackley or Ms. Rodwell will seek an invitation to each review committee's first meeting to answer questions and provide guidance with May 19 set as the committee deadline for submittal of project funding recommendations to ODOT. For the review committees' convenience, all applications and materials associated with the review process are on the ODOT ftp server.

Alison Kelley, a mediator and attorney, has been selected to facilitate the Consensus Committee.

Mr. Jackley advised ODOT is working with DAS and Treasury on ways to compress bond sales to a September or October time frame.

Review of *ConnectOregon* Aviation and Marine Project Applications

Martin Callery, Projects Subcommittee Chair, reported the subcommittee met today and discussed at length each of the six considerations contained in SB71 and the four categories for projects recommended by the OTC. The subcommittee made some designations as to where the aviation and marine projects fall and determined not to consider those ranked 3 or 4 at this time. The subcommittee will make its project recommendations for adoption at the May 17 OFAC meeting. The next subcommittee meetings will all be held in Portland: April 24 from 10:00 a.m. -3:30 p.m. in the Portland State Building; May 5 and May 17 from 10:00 a.m. – 3:30 p.m. and 10:00 a.m. – 1:15 p.m. respectively at the Port of Portland. Detailed notes from the subcommittee meeting are attached.

Mike Burrill asked if, in reviewing the *ConnectOregon* applications, the subcommittee members have experience with modes other than freight. Mr. Callery stated the subcommittee has a broad membership with regional representation. He advised OFAC was the only committee that is looking at all 103 applications other than the Consensus Committee and that the ACTs look at all modes in their region.

Oregon Association of Nurseries and Advantage Oregon

John Aguirre, Executive Director, Oregon Association of Nurseries (OAN) introduced SueLynn Callahan, General Manager for OAN's wholly-owned subsidiary, Advantage Oregon. Mr. Aguirre gave a PowerPoint presentation providing an overview of the nursery industry in Oregon and how freight transportation costs impact the nursery industry nationwide. Oregon nursery sales amount to \$844m per year with 25,000 loads or \$110m spent on freight shipments. Nursery growers rely heavily on brokers and small, independent carriers and are frustrated by the high costs of freight, price spikes/volatility and uncertain availability of trucks. The OAN is trying to bridge the gap by forming Advantage Oregon.

SueLynn Callahan, General Manager for Advantage Oregon, discussed the new company's goals to aggregate and organize industry freight demand to obtain better rates and managed accessorial charges; provide rate stability and predictability; provide defined service terms (availability, on-time pick-up and drop, etc.); and intermodal alternatives. The implementation of a partial load consolidation program will be a benefit to growers and programs with other agricultural industries will even out seasonality issues. Advantage Oregon wants to provide the logistics to transport goods in an efficient and economical manner – 75% of Oregon's nursery sales are from products shipped outside of the state. A lengthy discussion ensued concerning how this type of freight management can benefit Oregon's economy.

Oregon Highway 140 Update

Bob Russell opened the discussion by advising trucks must detour two hours in each direction because of weight, width, and length restrictions on Oregon Highway 140 between Klamath Falls and the Nevada border. Additional fuel alone amounts to \$60 per trip. The implications for economic benefits by improving the route are to be quantified in the forthcoming study. Cary

Goodman, FMS Planner, gave a brief PowerPoint reviewing the purpose of the Oregon Highway 140 study and the seven tasks in the Scope of Work. He stated that the project's Technical Advisory Committee (TAC) has been formed with both public and private sector representatives to provide guidance. The project was advertised and three proposals were received. The Consultant Selection Committee will meet in the near future to select a consultant. It is anticipated the project will be complete by Spring 07.

Oregon Goods Movement Action Plan

John Jackley, OFAC Executive Sponsor, reported the GMAP will be a landmark effort and to be credible it must have its roots in stakeholder input. He emphasized the necessity for an open, transparent and inclusive project that will guide freight mobility in the state and also strengthen the OTP. Julie Rodwell, Freight Mobility Section Manager advised the work scope will be built from stakeholder input to reflect the needs of users and stakeholders of the system.

Several suggestions were received regarding the GMAP:

- Ensure the new OTP accommodates/incorporates/ anticipates the GMAP.
- Interview shippers/carriers sparingly for GMAP - tapped out in recent Portland area studies.
- Utilize Portland area studies as resources for GMAP.
- Consider Governor's Economic Revitalization Team goals and initiatives in GMAP.
- Research Immediate Opportunity Funds (IOF) public / private partnership initiative: matrix/tools may be available for GMAP.
- Economic benefit / impact considerations should be a constant thread throughout GMAP.
- Obtain best practices from other states and organizations for GMAP.
- Consider capacity challenges: What Oregon does right / well (as well as what other states do).
- Examine industrial sanctuaries, multiple use areas (e.g. downtowns).
- Utilize results to develop a revised project delivery system focused on freight as well as "passengers", public-private partnerships, siting of distribution centers/logistics, etc.

Round/Table Future Agenda Priorities

Julie Rodwell, Freight Mobility Section Manager, advised that questions from OFAC members and topics of interest that have been placed on the future agenda list are so numerous there isn't enough time in the year to cover each item. Some of the items will be answered in direct correspondence, others may not require a formal answer. How would OFAC like to prioritize or handle those topics that should be agenda items? Bob Russell suggested leaving it to staff to set agenda priorities.

Other Business

Susie Lahsene stated the Port of Portland will be the recipient of expanded container service from Zim. Gary Neal advised he hopes Zim will have a direct call to Japan.

Lylla Gaebel thanked Julie Rodwell and Teddie Baker for their assistance in facilitating submittal

Attachment #1
Agenda Item #2

of a letter of support from OFAC for the Neahkahnie Mountain historic rock wall repair project and asked what the process is for requesting letters of support from OFAC in the future. Julie Rodwell responded that requests need to be submitted as early as possible in order to allow time for OFAC to discuss. If the request comes in between OFAC meetings, approval can be done by phone. Susie Lahsene stated OFAC needs a way to judge a project – is it on a freight route or critical corridor.

Martin Callery reported he appreciates the hard work the FMS staff has provided for the Projects Subcommittee.

Next Meeting

The next meeting is scheduled for May 17, 2006 in Portland. It will be a special meeting to discuss the Projects Subcommittee *ConnectOregon* project funding recommendations. A follow-up meeting notice will be sent prior to the meeting.

Public Comment – None.

Adjournment

Vice Chair Lahsene adjourned the meeting at 4:00 p.m.

**Oregon Freight Advisory Committee (OFAC)
Meeting Attendees
April 5, 2006**

OFAC Members (General, Associate, & Alternate)

John Aguirre	Oregon Association of Nurseries
Steve Bates	Redmond Heavy Hauling
Mike Burrill	Burrill Resources
Martin Callery	International Port of Coos Bay
Tammy Dennee	Oregon Wheat Growers League
Nick Fortey	Federal Highway Administration (FHWA)
Lylla Gaebel	NWACT/Clatsop County Commissioner
Greg Gilmer	NORPAC Foods
John Gray	Metro
Jerry Grossnickle	Bernert Barge Lines
Tom Hawksworth	CORP
John Kratochvil	Oregon Department of Agriculture
Susie Lahsene	Port of Portland
Sarah Lucas	Oregon Department of Aviation
Rob Mathers	Kinder Morgan Energy
Greg Miller	Weyerhaeuser
Mike Montero	Montero & Associates LLC
Jim Nave	Union Pacific Railroad
Gary Neal	Port of Morrow
Ray Neil	Pendleton Grain Growers, Inc.
Bob Russell	Oregon Trucking Associations
Charles Tindall	Blue Line Transportation Company
The Honorable Alan Unger	Mayor of Redmond
Glenn Vanselow	PNWA
Lonny Welter	Columbia County Road Department
Gary Whitney	Oregon Economic and Community Development Dept.
Bridget Wieghart	Metro
Paul Zalec	Portland & Western Railroad

ODOT

Teddie Baker	Freight Mobility Section
Jerri Bohard	Transportation Development Division
Gregg Dal Ponte	Motor Carrier Transportation Division
Cary Goodman	Freight Mobility Section
Karen Green	Freight Mobility Section
John Jackley	Executive Officer
Robert Melbo	ODOT – Rail Division
Julie Rodwell	Freight Mobility Section

Other Attendees

Suelynn Callahan	OAN
Arlene Dietz	Transportation & Freight Consultant
David Harlan	OECDD
Kim Hickman	OTA – Lile International
Steve Kale	SR Kale Consulting
Jack Laventy	OTA - Lile International