

OREGON FREIGHT ADVISORY COMMITTEE (OFAC)
MEETING NOTES

March 8, 2006 1:30 p.m. – 4:30 p.m.
Port of Portland (First Floor Conference Room)
121 NW Everett St. Portland, OR 97209

Call to Order & Committee Introductions

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

January 11, 2006 Meeting Notes & Follow-Up

Meeting notes from the January 11, 2006 meeting were accepted as written.

Summary of Projects Subcommittee Meeting – March 8, 2006

Martin Callery, Projects Subcommittee Chair, provided a brief summary of the Projects Subcommittee meeting that just concluded. The subcommittee will submit a freight projects recommendation for the 2008-2011 draft STIP to OFAC at its April 5 meeting for approval. Mr. Callery reported the subcommittee had lengthy discussions concerning projects in Regions 1 and 4. The subcommittee needs to determine how to reprioritize projects that came out of OTIA and projects added by the regions /ACTs. Some projects will be placed at the bottom of the priority list because construction can't be started in a timely manner: one of those could be the Hwy. 97 Cooley Road project which has some complex land use issues. Chair Zelenka stated it might be beneficial to provide broader input from the full OFAC committee for projects where there was disagreement, need for interpretation or further discussion. It was requested that additional information (such as corridor improvements) be added to the evaluation form. Chair Zelenka requested FMS staff contact the ACTs if the regions are not forthcoming with the requested information.

Oregon Transportation Plan Comments

Susie Lahsene, Policy Subcommittee Chair, indicated that the Subcommittee's comments to the Oregon Transportation Plan (OTP) focused primarily on the policy section. Three critical issues will be passed onto the Oregon Transportation Commission (OTC): 1) The plan doesn't demonstrate the significance and urgency that moving freight is to the state's transportation system; 2) different regions in Oregon have a variety of freight needs -- the OTP needs to reflect that 'one size doesn't fit all; and 3) the plan needs to define the significance of the current funding system and importance of additional funding overall.

Ms. Lahsene stated the next step for the FMS staff is to develop a state freight plan (Goods Movement Action Plan, (GMAP)) with the OTP being the umbrella document that will provide language to give the other modal plans breadth and depth. Julie Rodwell advised a draft letter had been submitted to the OTC. If any additional changes are submitted, they can be incorporated in the final letter. She requested that members who haven't submitted comments to please do so.

Ms. Lahsene noted there are several areas in the OTP where technical information is incorrect, especially concerning pipeline; she asked Rob Mathers to correct it. A motion was made by

Martin Callery and seconded by Liz Wainwright to make the changes and submit the letter. The motion passed unanimously. The letter was subsequently finalized and submitted.

Transit in Oregon

Martin Loring, ODOT Transit Division Administrator, gave a PowerPoint presentation on Transit in Oregon as part of OFAC's series of background briefings on the modes in *ConnectOregon*. Freight includes moving goods and materials and transit is moving people. Transit provides mobility for people that don't have an option to drive their own car and also provides mobility choices during peak congestion periods. More population density equals more transit options.

A discussion ensued concerning how projects are fairly compared by mode and what criteria will be utilized to select projects funded under *ConnectOregon*. Chair Zelenka stated each mode used the same application and instructions and is being reviewed for completeness and feasibility. The Public Transit Advisory Committee will look only at transit projects and determine which ones rank highest. Once all review committees have submitted their recommendations, a Consensus Committee will "harmonize" those recommendations to the OTC with a consensus recommendation. Chair Zelenka asked Mr. Loring for help in quantifying transit project elements that are similar to other modes to aid OFAC in the prioritization process and suggested use of information in the PowerPoint. Mr. Loring stated Transit projects don't move goods, won't result in lots of jobs, and will be different than other modes. Bridget Wieghart stated these are excellent points if we have comparable information to analyze, but we are stuck with whatever information was asked for in the application. Ms. Wieghart stated she felt there are potential benefits to the economy with Transit projects because delays suffered by commuters also affect business through increased cost due to extra shift changes and accommodation to unions. A shift to using transit in congested corridors would be a benefit.

Rail Briefing – Andrew Johnsen / BNSF Railway Co., John Gray / UP and Bruce Carswell / Portland and Western Railroad

Kelly Taylor, ODOT Rail Division Administrator, distributed a map of the rail system and advised the rail PowerPoint presentations would be emailed to OFAC members. She noted the Rail Advisory Committee would be reviewing only *ConnectOregon* rail applications and would then forward them to the Consensus Committee, and introduced the three speakers from the rail industry.

John Gray from Union Pacific (UP), Andrew Johnsen from BNSF Railway, and Bruce Carswell from Portland and Western provided a briefing on Railroads in Oregon. Mr. Gray described how Union Pacific is a Class I railroad operating west of the Mississippi River in 23 states. Railroading is the most capital intensive industry in the United States. As an example, UP replaces approximately 850 miles of track each year – equivalent to building the transcontinental railroad each year. The core of the UP system is across the central plains, which is important because many shipments terminate in the Pacific Northwest. Classification yards are also important to this area. The railroad business in Oregon is primarily "carload", i.e. bulk commodities, not intermodal, i.e. containers; "intermodal" is usually associated with very large population centers.

Andrew Johnsen provided insight into BSNF operations, also a Class I railroad. Mr. Johnsen described how the BNSF railroad network is linked with customers throughout the United States and Canada. A pressure point in one area can have a profound effect on other areas, e.g. mudslides in Puget Sound affected the entire northwest system. BNSF's critical issues are traffic, financing, and safety. He stated that as productivity has improved, so has safety. They support a successful Operation Lifesaver program. Intermodal traffic forecasts indicate that the Asia-Pacific area will have double-digit growth overall, and triple-digit growth in Washington State over the next several years.

Bruce Carswell then described how the Portland and Western Railroad is the largest regional railroad in Oregon and is categorized as a Class 3 or shortline railroad. His focus was on the shortline system in Oregon. Mr. Carswell explained that the Class I railroads are defined as having \$260m+ in revenue while shortlines have \$40m or less. Mr. Carswell also reported that 60 percent of railroad business is done on shortlines and that as productivity has increased, safety has improved. As Class I railroads shrink, shortlines increase in rail miles, but rail yard capacity is still an issue. He advised that there would be some *ConnectOregon* applications to increase yard capacity. Other immediate issues facing shortlines are the need for more grade-separated crossings so that the increasing car weight and flexible nature of track interface less with roads; and track upgrades to handle the heavier (286,000# gvw) to allow shortlines to effectively interface with Class I railroads. A future shortline issue systemwide in Oregon will be the replacement of numerous timber bridges nearing the end of their life cycle.

ConnectOregon Update

John Jackley, OFAC Executive Sponsor, reported 103 applications were received with \$235m in funding requests. He stated all projects have good merit for technical eligibility and are being evaluated to document statutory completeness. There was a healthy distribution of applications by region and mode with four out of five regions requesting in excess of \$40m and one region \$25m-\$30m. He referred the committee to the *ConnectOregon* map provided by FMS that shows each project by mode and region. Project applications will be posted to the *ConnectOregon* web site within the next few weeks. Ultimately, all applications will be sent to OTC after modal and regional committee reviews. The conflict of interest issue was discussed with the Department of Justice and will be handled through disclosure: Mr. Jackley advised the review committees are populated with some of the best transportation minds in the state and it is appropriate to receive all feedback possible on the applications. Those with a specific conflict of interest may participate in discussion of the project but not vote on it. Mr. Jackley advised that Sorin Garber Consulting Group, with other modal subcontractors, is completing the feasibility reviews and flagging issues for committee review. The applications will be provided to the modal and regional committees on March 21 along with a letter of instruction. Committees may select their own method of prioritizing projects and can use weighted points based on the six strategic considerations in SB 71 or some other numerical process. Mr. Jackley advised the OTC wants the applications to be prioritized by strategic projects on a regional and statewide level – which ones are best strategically for the state's economy.

West Coast Corridor Coalition (WCCC) Report

Julie Rodwell, Freight Mobility Section Manager, indicated that she had attended the West Coast Corridor Coalition (WCCC) meeting in January in San Diego along with OFAC members Mike Quilty and Bob Russell and several others from Oregon. The group is still in the formation stage.. The WCCC wants to send representatives to Washington, D.C. to lobby for more federal dollars as this region is sharing a disproportionate burden for handling eastbound freight and infrastructure improvements need to be made. Ms. Rodwell also stated there is some discomfort with the WCCC's management because the focus of Glenn Pascall is widely felt to be too subjective. Mr. Jackley advised it is unclear to what degree the WCCC can be helpful to the state. Mr. Jackley advised that Matt Garrett requested that as a concept, OFAC work with WCCC to orchestrate earmarks when the next transportation bill is up for approval in four years.

Round Table / Agenda Building

Ms. Rodwell referred the committee to Attachment #3, Agenda Priorities memorandum. Requests for information received from OFAC to FMS staff are not always agenda items. She asked the committee to review the "topic" lists on pages 20 and 21 of the agenda packet, to prioritize them by indicating A, B or C in importance as a meeting item, and to return them to her. She also suggested there may a combination of "topics" that could make one agenda item.

Discussion ensued concerning extending the OFAC meetings to a full or three-quarter day once OFAC begins meeting again on a quarterly basis because of the number of agenda items that need to be discussed and to allow for breaks and networking time. The committee determined that longer meetings could be held in Portland, possibly from 10:00 a.m. until 3:30 p.m., and the soonest this could be accomplished would be at the July meeting. Ms. Rodwell was asked to poll members to determine the level of interest or otherwise in making such a change.

Mike Montero asked if FMS could start a library of documentation, i.e. could the minutes and other information be put on a CD and distributed at the end of the year. Ms. Rodwell stated this will be done.

Other Business/Announcements

The University of Washington is hosting a teleconference on March 30 from 1:30 to 5:00 p.m. to facilitate discussions on how Washington, Oregon, and California can pursue, on a partnership basis, I-5 as a corridor for an Intelligent Transportation System application i.e. "green light" interoperability for truck weighing.

Anne Ballew expressed her thanks for the Maritime Panel and ODOT Planning for their presentations at the last meeting.

FMS was asked to share info on Shortsea shipping by passing out web link marad.dot.gov and adding a link from the FMS web site.

Tracy Ann Whalen advised the Portland Office of Transportation is having an open house March 21 between 3:00-6:00 p.m. concerning the I-5 Corridor.

Attachment #1
Agenda Item #2

Susie Lahsene advised there will be a bi-state forum on March 16 between 8:00 a.m. and 3:30 p.m. at PSU to discuss the economics of both Washington and Oregon, including economic development and land use practices.

Next Meeting - The next meeting will be April 5 in Salem. Emails will be sent providing the location details.

Public Comment -None

Adjournment - Chair Zelenka adjourned the meeting at 4:20 p.m.

**Oregon Freight Advisory Committee (OFAC)
March 8, 2006 - Meeting Attendees**

OFAC Members (General, Associate, & Alternate)

Steve Bates	Redmond Heavy Hauling
Jim Bertram	CORP
Bill Burgel	HDR Engineering, Inc.
Martin Callery	International Port of Coos Bay
Bruce Carswell	Portland & Western Railroad
Jerry Grossnickle	Bernert Barge Lines
Tom Hawksworth	CORP
Bob Hidley	Oregon Department of Aviation
Andrew Johnsen	BNSF
Susie Lahsene	Port of Portland
Rob Mathers	Kinder Morgan Energy
Lyn McClelland	US DOT Marine Administration
Mike Montero	Montero & Associates LLC
Jim Nave	Union Pacific Railroad
Ray Neil	Pendleton Grain Growers
Mike Quilty	Rogue Valley MPO
Bob Russell	Oregon Trucking Associations
Don Schellenberg	Oregon Farm Bureau
Tom Schwetz	Lane Council of Governments
Liz Wainwright	Merchants Exchange
Lonny Welter	Columbia County
Bridget Wieghart)	Metro
Tracy Ann Whalen	ESCO Corporation
Paul Zalec	Portland & Western Railroad
Tom Zelenka	Schnitzer Steel Industries, Inc.

ODOT

Teddie Baker	Freight Mobility Section
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
Martin Loring	Transit Division
Julie Rodwell	Freight Mobility Section
Kelly Taylor	Rail Division

Other Attendees

Arlene Dietz	Transportation & Freight Consultant
John Gray	Union Pacific
Steve Kale	SR Kale Consulting
Kathryn Williams	Imeson & Carter / P&W RR