

Oregon Freight Advisory Committee
January 26, 2004

Introductions

Freight Advisory Committee Chair, Tom Zelenka, opened the meeting at 1:00 p.m. Self-introductions were made.

Local Bridge Selection

Chair Zelenka updated the committee regarding the local bridge selection process.

- Local bridge owners (cities, counties) submitted applications for the bridge repair/replacement program authorized through House Bill (HB) 2041, also known as the Oregon Transportation Investment Act (OTIA) III.
- The local agency Highway Bridge Repair and Rehabilitation (HBRR) Committee did an initial screening of the applications and came up with a preliminary ranked list of 216 locally owned “small” bridges, not including bridges with deck space of 30,000 square feet or more – “big bridges.”
- The HBRR Committee received five applications for big bridges.
- The FAC created a Local Bridge Subcommittee to be involved with the HBRR Committee in the review of applications and making project recommendations.
- The FAC subcommittee performed an initial analysis. They found bridges that had comparatively high daily truck traffic that ranked low in the process as well as bridges that had low daily truck traffic that ranked high, which raised some questions.
- The ODOT Bridge Engineering Section was asked to research those bridge project applications for which questions were raised.
- Nine meetings were held statewide to present the HBRR Committee recommended list, to determine if the list was on the right track, and to identify gaps.
- The HBRR Committee received and reviewed the information compiled from those meetings.
- The HBRR Committee again contacted local bridge owners seeking input and clarification to assist in feedback and advice on the process.

Doug Tindall, interim chair of the HBRR Committee, understood HB 2041 to require local bridge projects to contain a freight mobility component. ODOT’s Attorney General confirmed Mr. Tindall’s understanding of the bill. He and Victor Dodier then reviewed each application looking for freight mobility components. Their review suggested that some bridges ranked high initially would be ranked lower with consideration of freight mobility components. The HBRR Committee felt that any agency that had a bridge fall off the list of highest ranked bridges deserved a courtesy call to make sure the committee had the appropriate information and that the agencies understood why the change happened.

On February 6, the HBRR Committee will decide on its recommendation. The committee will review both the original list and the list which has been screened for freight mobility in developing its recommendation. The committee will meet jointly with the FAC's Local Bridge Subcommittee to decide on a recommendation to present to the Oregon Transportation Commission (OTC).

Mr. Tindall hopes to have an updated list completed for distribution and review by Friday, January 30, 2004. His preliminary review, based on the freight mobility screening, resulted in 32 bridges that were impacted, either they fell off the list of highest ranked bridges, or they were added to it.

Victor Dodier gave an overview of how the bridges were ranked, why some bridges were removed from the preliminary list of bridges to be funded, and why others which were not on the preliminary list were subsequently added. For a bridge to have a clear freight component, it should serve an industrial site, be located on a designated freight route, etc.

Truck traffic volumes were not a key component in their review because some bridges in Oregon's rural areas carry low volumes of truck traffic, yet could be a key link in that community's economy. Instead they tried to look for a description of the economic activity. A large number of rural Oregon bridges have low truck traffic, but provide access to timberland or range land. Bridges that primarily served residential areas were generally put in the "no freight" category. If there were still questions about a particular bridge, the applicant was asked for more information. Stakeholder comments were also reviewed to help identify freight mobility characteristics of bridges.

Similar analysis was done based on whether barriers existed (posted weight limits, functionally obsolete, etc.).

The OTC has scheduled a March 3, 2004 meeting to make a decision on recommended bridge projects. The HBRR Committee's recommendations will be presented to and discussed with the OTC in Bend on February 19, 2004.

Area Commissions on Transportation (ACTs) were asked to identify any oversights in bridge needs submitted during the initial application process. Only two new applications had been received from the ACTs. Both applications resulted from circumstances which took place after the application deadline.

The last look at the list will be a review of maps to see if there are any connecting bridges between the bridges that are being recommended for funding and the State Highway System. There are a number of applications that indicate that the bridge is one of several bridges along a particular route. The HBRR Committee wants to make sure that if one or two bridges along a route are funded, that other bridges leading toward a state highway system route are also funded.

Chair Zelenka asked for a summary regarding the big bridges. The HBRR Committee historically has allocated 23 percent of HBRR funds to big bridges and 77 percent to

small bridges. Applying the historically used ratio of 23 percent to OTIA III funding would mean allocating \$69 million to big bridges. There were five big bridge applications submitted: the Sauvie Island Bridge for \$25 million; the Ferry Street Bridge for \$800,000; the Sellwood Bridge for \$43 million; the Morrison Bridge for \$10 million; and the Broadway Bridge, which was subsequently withdrawn from consideration for funding under OTIA III.

The FAC's subcommittee felt that the Sauvie Island and Ferry Street bridges clearly have a freight mobility component. Funding those two projects would cost \$25.8 million. Questions were raised regarding whether the Sellwood Bridge meets the freight mobility criterion. Multnomah County was asked to provide more information prior to the HBRR Committee's meeting in early February. Multnomah County was also asked to explain how they would fund the additional costs of the Sellwood Bridge beyond what was being requested through OTIA III, and when these funds were anticipated to become available.

Randy Papé said that if there is connectivity, and if this is a designated freight route, it is relatively easy. If it is not a designated freight route, will it connect up to another freight route or Interstate?

Doug Tindall said that HBRR funding may be still available for some of the bridges not receiving funding from OTIA III. Solicitation for applications to be funded under HBRR is a separate process and will continue on as long as there is HBRR funding.

Chair Zelenka questioned whether FAC members understood and agreed with the process for selecting bridge projects. Committee members did not have further questions about the process.

Freight Mobility Project Selection Update

Lori Sundstrom requested that Bruce Warner, Director of ODOT, attend the FAC meeting to comment on how the \$100 million should be allocated for the competing needs of freight mobility, creating jobs, and access to industrial lands.

Mr. Warner thanked the FAC for its work to date. He recognized the long hours involved in helping to implement House Bill 2041. The Committee's involvement has been very valuable.

He stressed to the committee that freight mobility is important to him and to the Oregon Transportation Commission. There are very high expectations on how OTIA III funds will be spent. Access to industrial lands, access to job creation sites, and high priority freight mobility projects are all important to the State of Oregon and the economy. He is looking forward to working with Oregon Economic and Community Development Department, the Governor's Office and the Freight Advisory Committee in figuring out how to move forward on this \$100 million as well as the other \$400 million for modernization projects as identified in HB 2041. Mr. Warner and the OTC have begun discussions on the most strategic way to use the funds and build on the success of this in moving forward to future legislative sessions.

Mr. Warner described a spreadsheet, still under development, which shows the location and size of the 25 opportunity sites, whether road improvements would be needed to support development on those sites, whether rail is near a given site, and whether a freight mobility project is near a given site. There are five or six sites that have direct linkages between the industrial sites and some of the projects on the current FAC list of freight mobility projects. He also noted that there also are at least two areas that have been identified as possible job creation sites.

Bob Russell requested confirmation about whether HB 2041 offered another opportunity to fund freight mobility projects with modernization money – funding is not limited to the \$100 million allocated for freight mobility projects. Mr. Warner indicated that Mr. Russell's assumption was correct. Some of the projects on the FAC's list may be subject to funding from the \$400 million of OTIA III modernization monies.

Chair Zelenka asked for Mr. Warner's thoughts about how matching funds would be used, and whether there would be a formula for dividing the funds. Mr. Warner said that local match would be a factor as is current practice. In terms of the types of match, there are a variety of ways to use the matching funds (soft match, hard match, dollars from the private sector, money from the cities and counties, jurisdictional transfers, right of way dedication, etc.).

Randy Papé said that the match issue is very complex and can be difficult to define. There are many differences in how local partners can respond. Each case needs to be reviewed individually. He said that the work of the FAC is critically important. One of the reasons Mr. Papé is involved with the FAC is so he can provide information from the committee to the OTC.

Martin Callery provided a short update on the work of the Freight Projects Subcommittee in developing the list of potential high priority freight mobility projects for the FAC. Currently, there are 56 projects on the list of freight mobility projects estimated to cost approximately \$1.7 billion.

Next he discussed a suggestion made at the December 2 FAC meeting to have ACTs and/or metropolitan planning organizations (MPOs) make presentations to the FAC regarding the freight mobility project selection process. There are pros and cons to having those organizations present information to the FAC. Among the negative aspects: it would require a huge time commitment on the part of the FAC to listen to all the groups that would want to comment, plus the timeline is short to make recommendation to the OTC. The Freight Projects Subcommittee recommended that the FAC should not invite the ACTs and MPOs to make presentations before the committee. The task at hand for the Freight Projects Subcommittee is to come up with a prioritized shorter list of freight projects that will be presented to the Oregon Transportation Commission in April 2004. By way of clarification, Gregg Dal Ponte noted that the FAC had asked the Projects Subcommittee to address whether ACTs, MPOs or other project sponsors should be provided with an opportunity to make oral presentations to the full Freight Advisory Committee. Mr. Dal Ponte further noted that the FAC was working with a list of 56

projects. If project supporters were to be allowed 30 minutes to give the highlights for each project, the Freight Advisory Committee would need to commit many hours to the exercise. The FAC would do a disservice to the extent that it would listen to some and not to others. The bottom line is that it would be impractical to do this.

Mr. Dal Ponte reminded the FAC that in late November it sent a letter providing ACTs, MPOs and local governments with the list of 56 projects. The FAC asked them to look at the 56 projects and comment on any or all of them. We are soliciting that information through March 1, 2004. Also, while the FAC isn't looking for new project submissions, it has provided project supporters with an opportunity to submit additional projects for the FAC's consideration. The process for doing this was outlined in one of the attachments with the November letter to ACTs, MPOs and others. To be considered as part of the FAC's process, the projects would need to meet eligibility criteria that the FAC established for all projects considered. Newly submitted projects also would be subject to the same prioritization process as the rest of the projects.

Bill Friedman suggested that a one-page summary of Mr. Dal Ponte's comments be prepared and distributed where appropriate. He believed this would alleviate any concerns or misconceptions about the freight mobility project selection process. OTIA III is different than were OTIA I and II, i.e., the extra parameters of creating jobs and access to industrial lands. Chair Zelenka said that he would consider Mr. Friedman's suggestion.

Road/Rail Interface Issues as Component of Project Selection

Handouts:

- Draft standards to determine project eligibility and application procedures for grants or loans under the Industrial Spur Program
- Draft standards to determine project eligibility and application procedures for grants or loans for Short Line Railroad rail infrastructure
- Draft list of HB 2011 Opportunity Sites

Claudia Howells, Administrator of ODOT's Rail Division, said that the two draft standards (handouts) would be distributed on Friday, January 30, as part of a formal process. The FAC also has the opportunity to comment.

The short line rules, when adopted, would institutionalize the distribution of funds for railroad infrastructure. The proposed rules are drawn from previously developed federal rules and the existing process for distributing state rail funding.

The industrial spur program is new territory to ODOT. A few states have similar programs, so in developing rule language, ODOT borrowed from other state programs as well as programs at OECDD. This draft rule should be reviewed very closely because it is so new and unfamiliar. As an example, in Oregon there is no regulatory authority that would require a company to get permission to abandon a spur. ODOT needs a way to secure that investment so funds are not expended for a spur, and then some time later, the company salvages the rail and ties and takes the sale proceeds. ODOT also wants to make sure the spurs are used for their intended purpose.

Ms. Howells said that the easy time to make changes to each of these draft standards would be by Friday, January 30, 2004. Additional changes could be suggested during the public comment period, which is open until February 11, 2004.

A FAC member asked if ODOT wanted comments from the FAC as a whole or whether committee members should make comments outside of the FAC umbrella. Ms. Howells deferred to Commissioner Papé to answer the question. He said that comments could come during the public comment period to the OTC on the date specified. In the meantime, written comment is always welcome.

Even without making formal solicitation of applications for this money, just from word of mouth, there have been \$20 million worth of requests for about \$4.5 million of funding available for these projects. The requests are from sites all over the state, and are not concentrated in any one location. The FAC could play an important role in helping ODOT evaluate the projects.

Ms. Howells then distributed a draft list of HB 2011 opportunity sites. She stressed that the list was still in the early stages of development. The purpose of the list is to point out that of the 25 opportunity sites, 14 have the potential for rail access. A couple of the sites are considered to be high priority rail access sites – meaning that they have something about them that makes them particularly good for rail access. These will all require some engineering analysis to determine the cost of improvements. Typically rail spurs are built to serve the customer, and each customer has different rail needs.

Lyn McClelland asked whether any consideration was made regarding whether marine facilities were near any of the sites. Steve Kale said that he would review the sites to determine if marine facilities are nearby.

Chair Zelenka asked Chris Warner, the Governor's transportation policy advisor, to discuss what the Governor's office is doing relative to blending the issues of freight, jobs, sustainability, industrial lands designation, etc. Mr. Warner said that the Governor's office is looking at another subset of sites. There is a certified sites program, under the Governor's Executive Order, where the Governor's office is working with all the local partners, OECDD and the Governor's Economic Revitalization Team. OECDD is working on a certification program to identify sites that are ready for development.

Chris Warner also discussed HB 2011, which called for the identification of opportunity sites. A group that included Mr. Zelenka looked at many sites and came up with the 25 with potential for job growth.

Mike Burton, Oregon Economic and Community Development Department, said that because of the Governor's Executive Order in the case of the certified sites and statute in the case of the opportunity sites, there are timelines driving the work of identifying sites that can be moved toward the market in the shorter term. OECDD will be working with staff comparing lists of sites that are brought forward in applications for certification to

create a longer term “heads up” on expected development and needs, coordinated with the land use process.

Judge Laura Pryor said that it is important to keep records of what has already been done. The work that is being done today in creating this list of industrial sites needs to be codified somehow, in statute or some other mechanism, so that the work is not repeated years from now. The work we are doing now should not be wasted.

Chris Warner said that the Governor wants to institutionalize the certification program in state government. In so doing, Oregon will be able to balance what the law requires with what the market desires.

How does ODOT Manage an Intermodal Agenda?

Handout: Oregon Transportation Plan and Freight Issues

Craig Greenleaf said that this winter, ODOT is launching an update of the Oregon Transportation Plan (OTP) to renew the vision of a balanced, multimodal transportation system established under the 1992 OTP, address challenges arising from changing conditions and new technologies, and identify investment priorities. Gail Achterman, Oregon Transportation Commission member, has been appointed chair of the OTP Update Steering Committee. There are three policy committees that will be brought together – Sustainability and Transportation Choices Committee, the Mobility and Economic Vitality Committee and the Safety and Security Committee. These committees will examine current policies, trends and policy gaps, and will recommend changes to the OTP. The Steering Committee will review the policy committees’ recommendations. After modifying the plan, public input will be sought, and then the OTC will adopt the plan, probably in late 2005.

The Mobility and Economic Vitality Committee will be chaired by Gregg Dal Ponte. This committee will work with background papers prepared by ODOT staff. FAC members will receive information regarding the update of the OTP in a few weeks.

Mr. Greenleaf also told the committee that ODOT is at an early stage in bringing together a recommendation to be advanced to the OTC, in a budget proposal, for an Office of Freight. He envisions that this office would add two positions to work on and coordinate the activities that surround freight. There is interest in the Governor’s office about how to best handle a more integrated agenda regarding freight issues. ODOT will work with the Governor’s office in creating such an office. The federal reauthorization bill also envisions a freight coordination responsibility at the state level. ODOT has not yet discussed this in depth with the OTC. There is not a specific budget proposal at this time, but one is expected to be available by May/June 2004.

Steve Kale said that there are about 10 state departments of transportation that have a freight office. Generally, they are located in states where there is a lot of international trade, and/or along the borders of the US. Washington’s freight office is located in its director’s office. In California, the freight office is located with the planning part of the

agency. Other states have some sort of a multimodal/intermodal unit. He has prepared a paper on the topic and offered copies to committee members if requested.

1st Annual NW Air Cargo Conference

The NW Air Cargo conference was held December 7 through 9, 2003. Ann Crook, Oregon Department of Aviation, said that a decision has not yet been made on whether this type of conference would be held annually. The conference was sponsored by the Port of Portland, Portland Air Cargo Association, American Association of Airport Executives, and Oregon Department of Aviation. There were panel presentations from shippers (Intel, Nike), carriers (Verizon, Federal Express), small airports (Eugene, Spokane, Boise) and large airports (Portland, Seattle). They learned that airfreight is growing and is expected to be the fastest growing segment of the aviation industry. A significant amount of what is termed airfreight is actually trucked. Portland is looking for subsidies or other ways to bring carriers in because the market may not be big enough to be profitable.

Rail Meeting

Dennis Williams and others attended a meeting with U.S. Representative Earl Blumenauer to look at the railroad industry. Mr. Williams wants the FAC to be situated ahead of the curve regarding deficiencies in the short line railroad infrastructure. Eighty percent of interstate rail freight either originates or terminates on the short lines. It appeared from meeting with Representative Blumenauer that the federal government may be moving to give the states funds to deal with the problem after it is identified and quantified. How will the FAC be engaged in this process? How will it participate in the oversight or advice it gives ODOT as to how these funds are distributed? He said that this is estimated to be a 25 billion dollar problem.

Gary Cardwell said he also attended the meeting and was unsure about what would happen next.

Chair Zelenka asked Larry Phipps to share information gathered or developed by the Short Line Association.

The Projects Subcommittee should begin working on a list of non-roadway priorities so that opportunities are not missed.

Future Meeting Dates

The FAC will meet to review the list of local bridge projects on either February 23 or 25, 2004 at 1:00 PM in Portland, depending on room availability.