

OREGON TRANSPORTATION COMMISSION

**Minutes of the Regular Monthly Meeting
September 19, 2012
Pendleton, Oregon**

On Wednesday, September 19, 2012, at 8:00 a.m., the Oregon Transportation Commission (OTC) and Oregon Department of Transportation (ODOT) staff held a briefing session and reviewed the agenda in the Cayuse Room of the Red Lion Hotel, 304 SE Nye Avenue, Pendleton, Oregon. The regular monthly meeting began at 9:10 a.m., in the Walla Walla Room.

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 Pat Egan	Trans. Development Division Administrator Jerri Bohard
Commissioner David Lohman	Highway Division Administrator Paul Mather
Commissioner Mary Olson	Region 1 Manager Jason Tell
Commissioner Mark Frohnmayer	Region 5 Manager Monte Grove
Director Matthew Garrett	Columbia River Crossing Deputy Project Director Kris Strickler
Chief of Staff Dale Hormann	Commission Assistant Jacque Carlisle
Communications Div. Admin. Patrick Cooney	Commission Assistant Katherine Wentzel



Agenda review – Director Garrett and the Commission reviewed the agenda for the Joint Commission meeting and the monthly OTC meeting.

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Area Commission on Transportation Letter – Transportation Development Division Administrator Jerri Bohard presented a draft letter of invitation to the Area Commissions on Transportation (ACTs) for the October meeting. Discussion followed.

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Region 1 Project Selection Committee – Region 1 Manager Jason Tell discussed the proposed composition of the Region 1 Project Selection Committee that would perform the same function as an ACT for selecting projects under the “Enhance” category of STIP funding. This proposal will be addressed during the agenda discussion.

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Joint Meeting: Oregon and Washington Transportation Commissions

Chair Egan called the meeting to order at 9:10 a.m.

Mayor Phillip Houck welcomed the Oregon and Washington Commissions to Pendleton and gave a brief history of the city.

Introductions were made of the Washington (WTC) and Oregon (OTC) Commission members participating in the joint meeting.

- Jerry Litt (Douglas County) WTC member
- Philip Parker (Clark County) WTC member
- Anne Haley (Walla Walla County) WTC member
- Tom Cowan (San Juan County) WTC member
- Dan O'Neal (Mason County) WTC Chair
- Reema Griffith, Executive Director to WTC
- Paula Hammond, Secretary, Washington Department of Transportation
- Matt Garrett, Director, Oregon Department of Transportation
- Mary Olson, OTC member
- Pat Egan, OTC Chair
- Dave Lohman, OTC member
- Mark Frohnmayer, OTC member

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Confederated Tribes of the Umatilla Indian Reservation (CTUIR) Transit System

The Commissions received a presentation about the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) Transit System.

Background:

In most rural areas of America, it is difficult to get around without a car, and many people must depend on friends or family for rides. It can be tough to plan medical appointments, maintain work schedules, shop for necessities, or sign up for classes.

The Confederated Tribes of the Umatilla Indian Reservation (CTUIR) found this lack of mobility in and around their reservation troubling. In response, they decided to sponsor a bus and taxi voucher service for travel in the area. Now recognized by both state and federal transit officials as one of the most efficient and capable public transit systems in the Pacific Northwest region, CTUIR Public Transit has opened up new opportunities for tribal citizens and strengthened relations with neighbors.

CTUIR Planning Director Jim Beard showed a short film that is the result of a national award CTUIR received from Harvard University for its transit project.

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Economic Ties between Washington and Oregon

The Commissions received an informational presentation about economic ties between Washington and Oregon from Michael Fischer of Cambridge Systematics, Inc. Highlights of the presentation were:

- Overview of trade and freight movements between Washington and Oregon, which is critical to the economies of both states
- Significant trade flows between Washington and Oregon
- Measures of trade flow: weight and value
- Types of products moved
- Modes used to transport freight
- Freight corridors/ key highway corridors
- Future of Oregon-Washington trade and economic ties

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Cascades Rail Corridor

The Commissions received an informational presentation on the Rail Corridor from Cascades Corridor Director John Sibold. Participating in the presentation were ODOT Project Manager Jim Cox, and WSDOT Senior Planner Kerri Woehler. Highlights of the presentation were:

- History of the Pacific Northwest Intercity Passenger Rail Corridor – Amtrak Cascades
- Current partnership between Oregon/Washington/Amtrak
- Designated high-speed rail corridors
- Categories of rail service
- System investments
- ARRA stimulus funding service requirements
- Improvements in on-time performance
- Growth in annual ridership/annual ticket revenues
- Existing cost sharing
- Fare box recovery by station
- Funding challenges
- Passenger Rail Investment and Improvement Act (PRIIA)
- Preparing for PRIIA, which requires states to pay full subsidy
- Increasing revenues, reducing state subsidy
- Corridor approach to address challenges
- Memorandum of Understanding Corridor partnership
- Cascades Rail Corridor Team
- Corridor approach to service delivery
- The corridor approach in action
- Corridor approach next steps

Kerri Woehler talked about joint Oregon/Washington planning efforts for the corridor. Oregon and Washington are both currently working state rail plans. As required by state and federal law, the plans are separate, but they are coordinated, as is outreach to stakeholders. The plans are to be completed by the end of 2013.

WTC Chair Dan O'Neal started the discussion by saying that it is important to understand that mixing rail passenger service with rail freight service creates conflicts that are very difficult to resolve. Under the law, passenger service has priority, but the reality is that in the commercial world, the customer has priority. There are certain requirements for maintaining right-of-way that, in the past, have been subsidized. But federal subsidizing to small communities is going away, and while some local communities seem to understand that they will need to step up to the plate, some don't. It's critical that message gets delivered.

OTC Commissioner Mark Frohnmayr asked about getting high-speed rail across the Columbia River. John Sibold said the Federal Rail Association is very open to a corridor approach and collaboration on investments, but there needs to be an overall focus on where those investments go.

WSDOT Commissioner Anne Haley asked if a target had been set for fare box recovery. John Sibold said that is one of the policy issues that still need to be developed. There are various opinions on what the target should be, and based on history, we know about what it should be. What we don't want to do is increase the burden on taxpayers and go backward. That's some of the challenge with the increased costs from Amtrak and the flattening revenue as PRIIA approaches. The concern now is how to just stabilize it so it doesn't increase the impact on taxpayers.

WSDOT Secretary Hammond said the States for Passenger Rail Coalition collaborates at the national level and has joined forces on methodology, not only for the Amtrak costs, but also for the costs of the infrastructure and train sets. This national collaboration gives states the ability to talk to Amtrak on the highest level, and with the understanding and recognition that we are buying this service now, and we will control costs. Amtrak may have to change into a more performance managed, performance based kind of service.

John Sibold said California, Washington and Oregon are the leaders in pushing this change with Amtrak. It's hard to change a big culture like Amtrak, but the Northwest has great managers and leaders to move this process.

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Electric Highway

The Commissions received an informational presentation on the Electric Highway and the cooperative efforts to promote the introduction and adoption of Electric Vehicles (EV) in Washington and Oregon with the deployment of EV Charging Infrastructure in the states. ODOT Office of Innovative Partnerships Manager Jim Whitty, and WSDOT Public/Private Partnerships Director Jeff Doyle gave the presentation.

In an effort to establish a *West Coast Electric Highway*, WSDOT and ODOT have worked in cooperation to coordinate procurement of private sector services to deploy an electric vehicle fast charge network along Interstate 5. The innovative procurement programs of each state assisted these efforts.

Jeff Doyle started the discussion with an informational presentation about the status of Washington State's portion of the *West Coast Electric Highway* project. Highlights of the presentation were:

- West Coast Green Highway Initiative
- 2008 WSDOT Alternative Fuels Corridor Economic Feasibility Study
- Strategically-located Fast Charge stations alleviate "range anxiety" and build range confidence
- Benefits of Electric Highway
 - mobility choices for drivers
 - connects communities
 - reduces greenhouse gas emissions
 - advances energy independence
 - creates jobs and supports the economy
 - meets state legislation and federal goals
- Project purpose – commercialization of electric vehicles
- US Department of Energy's Transportation Electrification project
- Regional efforts
- A consistent EV driving experience
- Washington's EV charging network
- Collaborative EV efforts under way in Washington

Jim Whitty continued the discussion with an informational presentation about the status of Oregon's portion of the *West Coast Electric Highway* project. Highlights of the presentation were:

- Southern Oregon EV charging network
- EV charging results
- The Electric Vehicle Corridor Connectivity Project
- TIGER grant funding

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Road Usage Fee

The Commissions received an informational presentation on Road Usage Fee/Charge efforts under way from Jim Whitty and Jeff Doyle.

Background:

Both Oregon and Washington legislatures passed legislation directing the initiation of research activities, policy development, and pilot programs related to charging motorists for distance traveled: Oregon in 2001 and 2011, and Washington in 2012.

Since the legislature created the Road User Fee Task Force (RUFTF) in 2001, Oregon led the nation in road usage charge development, implementing policies adopted by RUFTF in a 2006-07 pilot program. This pilot tested the pay-at-the-pump model, and was regarded as a success across the nation. Oregon's RUFTF recently adopted policies to enable ODOT to redesign the road usage charge system to achieve greater public acceptance. ODOT will test the redesigned system in a three-month pilot program this fall.

Working with a legislatively mandated advisory group, the Washington Transportation Commission, in coordination with WSDOT, began research and policy development in 2012. This legislation also directs WSDOT to prepare a concept of operations for a pilot program to test charging by distance.

Jim Whitty gave a presentation on Oregon's Road Usage Charge/Fee efforts. Highlights of the presentation were:

- Road Usage Charge Pilot Program
- Road User Fee Task Force (RUFTF)
- The 2006-07 Pay-at-the-Pump Pilot Program
- National review and support
- Next pilot: three month demonstration of new mileage charge system
- Four options for pilot
 - Basic plan (without GPS)
 - Smart phone plan
 - Advanced plan (with GPS)
 - Prepaid flat-rate plan
- Installation of on-board units
- Payment choices for payment of Road Usage Charge
- Additional research under way
- Presentations to Area Commissions on Transportation
- Preparing legislation

Jeff Doyle gave a presentation on Road Usage Charge (RUC) Assessment in Washington State. Highlights of the presentation were:

- Road usage charges
- Purpose for considering RUC system in Washington

- Taxing mechanism must evolve to serve tax policy objectives
- Legislative authorization to investigate funding strategy
- RUC project oversight and management
- The interrelation of RUC policy, technology, operations, and public acceptance
- Determining feasibility of transition to RUC system
- RUC schedule and key deliverables

OTC Chair Egan asked about integration points, on the technology side, between tolling technology and potential tracking of mileage. Jim Whitty said that the way the Oregon system is developed, it could have numerous overlaps. A tolling device, that could identify miles in some fashion, could be used for this purpose, and we are beginning to see a device called “Telematics” being factory-installed in cars. “Telematics” identifies charging stations and reports miles into the Internet cloud. Drivers can then pull from their home computer how many miles they drove, and where. All it would take to have that data delivered to the tax processor is an agreement between the motorist and the auto maker.

WTC Chair Dan O’Neal acknowledged Washington FHWA Administrator Dan Mathis and Oregon FHWA Administrator Phil Ditzler for their presence and support.



Chair Egan called for a brief break for members to make a sandwich at the sandwich bar, and to take a photo of the Commissions.



Columbia River Crossing

ODOT Columbia River Crossing (CRC) Deputy Project Director Kris Strickler and WSDOT Columbia River Crossing Deputy Project Director Nancy Boyd led a working lunch discussion about the Columbia River Crossing project, tolling governance, and legislative oversight efforts.

ODOT Director Matt Garrett and WSDOT Secretary Paula Hammond started the presentation with background on the Columbia River Crossing, which is a project of national significance.

- I-5 is a critical link between Canada and Mexico
- One of the worst freight bottlenecks in the nation
- \$40 billion in freight crosses the bridge; \$71 billion by 2030
- 1 in 4 Washington jobs, and 1 in 5 Oregon jobs are trade related

Critical I-5 problems the project will address:

- 400 crashes per year will increase to 750 per year by 2030
- Congestion will increase from 4-6 hours per day now, to 15 hours by 2030

- Freight immobility – 1 in 4 Washington jobs are trade related
- Earthquake risk due to pilings in vulnerable soils
- Limited transit options – subject to I-5 congestion
- Poor bike and pedestrian access

OTC Chair Egan noted that the project is something we want to move forward on. Both Washington's and Oregon's governors have said CRC is a priority, and both Commissions have pursued it as a project to move forward on. WSTC Chair Dan O'Neal said the Washington State Transportation Commission supports that.

WSDOT CRC Director Nancy Boyd introduced ODOT Columbia River Crossing Deputy Project Director Kris Strickler and Washington Governor's Transportation Policy Advisor Jennifer Zeigler. Director Boyd discussed some of the benefits of the projects.

- Significantly reduce crash rates by up to 70 percent
- Reduce congestion by up to 70 percent
- Improve reliability of state's transportation system for freight movement
- Provide better access to ports, and support regional job growth
- 1,900 jobs per year during construction
- Meet current seismic safety standards
- Up to 6 million light rail transit boardings per year

Jennifer Zeigler talked about the project's financial plan framework. The project will be funded by a one-third split between federal, state and toll sources of funding, with the state funding being split equally between Oregon and Washington. She said a piece of good news is that the federal government recently expanded the Transportation Infrastructure Financial Innovation Act (TIFIA) loan program, which is one of the key components of the current finance plan and allows borrowing at much more competitive rates, so we can maximize toll revenue. Jennifer said it is important to achieve each milestone of the progressive funding schedule, and stressed that all of those pieces need to be in place to be approved for FTA funding (item #17 in the funding schedule).

Chair Egan said there needs to be a strong appreciation for both the opportunity and the timing. On the opportunity side, the FTA and FHWA have clearly communicated this is a high priority project ready to move forward with state action. From the timing standpoint, it's important to fully appreciate what the FTA funding schedule means and will involve.

Jennifer Zeigler said that both Washington and Oregon will need to have financial discussions in 2013 about state equity contributions, confirming that the funds would be committed in the specified timeframe. That leads into our ability to apply for, and be approved for the full funding grant agreement in late 2013. From this group's standpoint, that means there will be a lot of decision making that will need to go into the toll framework, and how that will be set and managed.

Kris Strickler discussed bistate tolling responsibilities. He said both departments are responsible for the planning, analysis and construction of all toll bridges and other toll

facilities. Both commissions have toll-setting authority in their respective states. In Oregon, the Oregon Legislature has granted authority to the Transportation Commission (OTC) to set tolling policies. The OTC has general supervision and control over all matters pertaining to the selection, establishment, location, construction, improvement, maintenance, operation and administration of state highways, and also has the authority to designate toll facilities after evaluating a proposal based on set criteria.

Jennifer Zeigler said Washington policies regarding tolling are provided in statute, and only the legislature may authorize the imposition of tolls on eligible toll facilities in Washington. The State Transportation Commission (WSTC) sets toll rates and considers statutory toll policies in determining toll rates. The WSTC also establishes exemptions and ensures that toll rates will generate revenues sufficient to meet operating costs of the eligible toll facilities and for the payment of debt service on the bonds. 2012 Washington legislation designated the Columbia River Crossing project as an "eligible toll facility," and authorized WSTC to enter into agreements with the OTC regarding the joint setting, adjustment and review of toll rates. Any agreement between the two commissions is not enforceable until 30 days after the next regular legislative session. If the WSTC has not entered into an agreement by December 31, 2015, this authority expires.

Jennifer Zeigler discussed Columbia River Crossing toll-setting structure options. The various options consider policy, financial, state and other considerations. She reviewed the four options:

- Separate state bonds and joint toll-setting with the full commissions
- Separate state bonds and joint toll-setting with commission subcommittees
- Separate state bonds and joint toll-setting with full commissions and subcommittees
- Washington issues all toll-backed bonds and sets tolls

After discussion, some of the issues to be worked on are:

- Whether to include a tie-breaker process in the event of a tie vote, and if so, what kind
- a joint toll-setting process, in which each state issues debt separately
- draft of discussion with legislators
- make sure going in the right direction to satisfy legislative expectations
- consider another joint commission meeting before January
- more information on various tie-breaker options
 - subcommittee structure
 - independent expert/advisor
 - a default toll rate

Chair Egan said it might be helpful to put the legislative requirements into explicit words, along with explicit wording from a rating agency bond counsel on what it is looking for that needs to be resolved by the end of this year. That might help us have a target to shoot for.

Jennifer Zeigler summarized next steps:

1. a write-up summarizing Washington statutory requirements
2. consult with FTA to clarify its expectations in terms of agreement between the two states/consult with Washington legislators for additional insight on their expectations
3. take tie-breaker options to State Treasurer's Office and consult with financial staff to get more definitive information on the cost of financing related to the different tie-breaker options
4. a joint subgroup will come back with a definitive proposal for the two commissions
5. a letter memorializing today's discussion and a joint commitment to the path chosen

Chair Egan clarified that the Washington subcommittee consists of Philip Parker, Anne Haley, and Richard Ford. He nominated himself for the Oregon subcommittee, along with Commissioner Mary Olson.

Director Garrett concluded the discussion by saying that through the staff of the two organizations, we are working in a very collaborative, professional, and respectful manner to hopefully come to decisions to meet the needs of the many masters the Departments of Transportation have to serve. A clock is ticking in regard to tolling, but the prework done has all the ingredients to get the recipe we need. We are in line, but the more clarity and discipline brought to the conversation helps shape the direction. ODOT will continue to work very closely with its friends at the Washington Department of Transportation.

Chair Egan thanked the Washington members for their participation and adjourned the Joint Washington/Oregon Commission meeting at 1:58 p.m.



FORMAL MONTHLY MEETING

Chair Egan called the public portion of the Oregon Transportation Commission meeting to order at 2:22 p.m.



Public Comments

Public comments were received from:

Paul W. Locke spoke in opposition to the Columbia River Project, saying that projects should be paid for with cash flow and not by incurring additional debt.



Sharon Nasset provided written and verbal comments in opposition to the Columbia River Crossing, saying it has not followed its own process, and has no proof of an adopted Purpose and Need statement.

Debra Kalz provided written and verbal comments in opposition to the Columbia River Crossing saying NEPA standards require a Supplemental Environmental Impact Statement.

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STIP Funding Allocations and Project Selection Process

The Commission considered approval of the 2015-2018 Statewide Transportation Improvement Plan (STIP) Funding Allocation and Project Selection process for the “Enhance” category. ***(Background materials in Director/Commission/History Center File, Salem)***

Background:

As discussed at the April-August OTC meetings, the “Enhance” category includes projects and programs that focus on enhancing or expanding Oregon’s transportation infrastructure and services. The “Fix-It” category includes projects and programs that focus on fixing or preserving the system. The OTC approved the “Fix-It” process and funding percentage at its July meeting. The Commission set aside approval of the “Enhance” process for two months to allow additional stakeholder outreach and comment.

Jerri Bohard said the funding and selection process is framed around the Oregon Transportation Plan, direction received from the governor, and identification of the best solutions for transportation issues. Since the July meeting, staff has continued to meet with stakeholders, and the key comments/concerns heard were:

- diversity of stakeholders as part of ACT membership
- maintaining the commitment to funding nonhighway modes
- concern with project benefit/criteria being too subjective
- concern with timeline for completion of the work by the ACTs
- maintaining the commitment to funding nonhighway modes

The timeline will start with the application process beginning the end of this week or the first of next. October 16, the OTC will meet with ACT Chairs and advisory committees at the annual workshop to confirm letters of expectations with the ACTs. The applications will be due to the regions by November 27, and the ACTs will start discussions with staff to fine-tune the applications on December 6. March 15 is the deadline to provide the regions their 150 percent list. In June, 2013, the ACTs will meet with the OTC to discuss the 150 percent list.

Chair Egan said that one of the earlier conversations was that Region 1 did not have an ACT. At that time, there was direction by the Commission to form a Project Selection Committee, with formation of the ACT to follow at a later date. One of the approvals being sought today is direction to go forward and continue with the formation of that committee, and with finalization of the expectations of the committee chairmanship. Chair Egan said a major part of the selection process is to open up the STIP selection process to gain the perspective of the ACTs. It was noted that a substantial portion of Region 1 did not have an ACT, so working with Region 1 Manager Jason Tell, a Region 1 Selection Committee with representatives from each of the four counties involved was created. A Chair still needs to be selected.

Jerri Bohard asked for the following approvals, which will allow the “Enhance” funding allocation and project selection process to move forward, and the application solicitation period to begin.

1. Identify 76 percent to go to “Fix-It” category.
2. Identify 24 percent to go to the “Enhance” portion of the STIP program.
3. Identify that 80 percent will go to the regions, with 20 percent for the Oregon Transportation Commission (OTC) obligation to state or region priorities.

Chair Egan clarified that one of the points of making this change is to be more open and transparent, and to get more local feedback. We’ve done that, which has been demonstrated through *ConnectOregon*, and the discussions with the various ACTs when the Commission goes on the road. This is another step on that path. It also includes all modes and local government representation. It’s also important to note that this is a pretty big process change in the middle of reduced federal funding and anticipated reduced state funding. It’s critical to take seriously input and questions from outside entities that may not know what an ACT is.

Commissioner Olson moved to approve the 2015-2018 Statewide Transportation Improvement Program (STIP) Funding Allocation and Project Selection process as well as the Region 1 Selection Committee. Commission members unanimously approved the motion.

Commissioner Olson requested the regions provide the Commission a quick synopsis of the applications received, and talk about the intermodal aspects of the applications. Commissioner Lohman said he would like to see that expanded to include how we are doing on practical design consideration and other things we have said are important considerations. Jerri Bohard said that would be done as the information becomes available.

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Consent Calendar

The Commission considered approval of the Consent Calendar. ***(Background materials in Director/Commission/History Center File, Salem)***

1. Approve the minutes of the August 15-16, 2012, Commission meeting in Baker City.
2. Confirm the next two Commission meeting dates:
 - Tuesday and Wednesday October 16-17, 2012, meeting in Silverton
 - Wednesday, November 14, 2012, in Salem
3. Adopt a resolution for authority to acquire real property by purchase, condemnation, agreement or donation.
4. Request approval of the following rules:
 - a. Amendment of 734-020-0019 relating to advisory speeds.
 - b. Amendment of 735-063-0065, 735-063-0067 and 735-063-0070 relating to CDL "V" restriction.
 - c. Amendment of 735-070-0004 relating to cancellation of driving privileges for providing a false or fictitious address to DMV.
5. Request approval to amend the 2012-2015 Statewide Transportation Improvement Program (STIP) to add the Preliminary Engineering (PE) phase for the Interstate 205: U.S. 26 to Clackamas River Seismic Retrofit project. This project will be funded by project savings realized in the State Bridge Financial Plan. The estimated cost of the PE phase of this project is \$750,000.
6. Request approval to amend the Statewide Transportation Improvement Program (STIP) to add \$184,200 to construct wildlife fencing adjacent to Interstate 5 in conjunction with the Interstate 5: Glendale-Hugo Paving and Climbing Lane project in Region 3. Funding for this project will come from project savings contained in the Region 3 Financial Plan. The total estimate for this project is nearly \$50 million.
7. Request approval to add a Policy Option Package to the ODOT ARB for the purchase of land, design and construction of a new building complex that will consolidate Region 1 Maintenance District offices and crews. The estimated costs is \$15 million. Funding for the project will come from the Region 1 financial plan.

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



Chair Egan adjourned the meeting at 3:14 p.m.

Pat Egan, Chair

David Lohman, Member

Mary Olson, Member

Mark Frohnmayer, Member

Absent

Tammy Baney, Member



Roxanne Van Hess, Commission Support