



Oregon Freight Advisory Committee

2015 Annual Report

Susie Lahsene, Port of Portland, Chair

Martin Callery, Vice-Chair

December 2015

OREGON FREIGHT ADVISORY COMMITTEE



March 31, 2014

Tammy Baney, Chair
Oregon Transportation Commission

Dear Chair Baney:

CHAIR LETTER

Susie Lahsene
Port of Portland
Chair

Martin Callery
Oregon
International Port of
Coos Bay Vice Chair

Susie Lahsene, Chair,
Oregon Freight Advisory Committee

Oregon's Freight System

Oregon's diverse economy relies on efficient freight movements in every corner of the state. While trucks move the majority share on the 8,000 mile highway system, Oregon's vast rail, marine and air systems play critical roles in the efficient movement of goods and services in, through and out of Oregon, underscoring the importance of a multimodal system and connections.

Oregon is trade dependent. In fact, Oregon products worth nearly \$20.9 billion were exported in 2014 to countries around the globe. Further, Oregon's population recently passed 4 million and continues to grow, increasing the demand for goods and services as well. All freight modes are expected to experience growth in tonnage and value by 2035.



Photo description

However, aging infrastructure and growing congestion hinder freight movement. Preserving, protecting and enhancing critical freight infrastructure is essential for Oregon's continued economic growth and improved quality of life for all Oregonians.

Oregon Trade & Logistics Facts

14th – Rank of Oregon's exports among states for share of 2014 GDP

(Source: Oregon Department of Administrative Services, Office of Economic Analysis, International Trade Administration, U.S. Department of Commerce)

\$20.9 billion – Value of goods exported from Oregon in 2014

(Source: U.S. Census Bureau, Foreign Trade Division)

\$13.8 billion – Estimated value of Oregon's 2014 imports

(Source: U.S. Census Bureau, Foreign Trade Division)

10% - Estimated percentage Oregon exports represented of the state's Gross Domestic Product over the last decade

(Source: Value of Jobs – International Trade 2013 Report, Portland Business Alliance)

The Oregon Freight Advisory Committee (OFAC) was established with the passage of ORS 366.212 in 2001 to advise the Director and the Oregon Transportation Commission on issues, policies and programs that impact multimodal freight in Oregon. Appointed by the Director, OFAC members advise on freight related transportation policy, program development and project selection. OFAC meets quarterly and additionally as needed. The 32-member committee includes trucking, rail, marine and aviation representatives as well as elected officials, ACT members, special interest groups, and transportation officials.

Mission

The mission of the Oregon Freight Advisory Committee is to advise the Oregon Department of Transportation, Oregon Transportation Commission and Oregon Legislature on priorities, issues, freight mobility projects and funding needs that impact freight mobility and to advocate the importance of a sound freight transportation system to the economic vitality of the State of Oregon.

OFAC met as a full committee four times in 2015, twice in Salem, once in Portland and once in Medford. Additionally, the Policy and Membership Subcommittee held special meetings to review to review the bylaws and discuss potential committee members. Meeting agendas and minutes are available at the OFAC website:

<http://www.oregon.gov/ODOT/TD/TP/pages/ofac.aspx#meetings>



Federal Issues

The importance of freight infrastructure and policy was underscored in MAP-21 which called for the development of a National Freight Strategic Plan. Domestic freight shipments by all modes are expected to increase by over 40 percent, further stressing aging infrastructure and already congestion urban areas. A draft of the plan was released by USDOT in October 2014. The draft calls for the identification of key trade gateways and corridors as well as a multimodal freight network as a foundation.

The significance of America's freight system is expected to be a common thread in the next federal transportation authorization. While major infrastructure will likely take center stage, auxiliary issues such as truck parking shortages and intermodal connectors will also be present.



According to the American Association of Port Authorities, TIGER funding has leveraged over \$700 million for the nation's freight network but more is still needed. A recent survey of U.S. ports found that nearly 80% of those surveyed anticipated a minimum of \$10 minimum in investments needed for intermodal connectors alone.

As reported by the Coalition for America's Trade Corridors and Gateways:

- The U.S. transportation system moved, on average, **32 million tons of goods worth \$37.3 billion daily** in 2012.
- As the U.S. population expands, the U.S. freight system will be called upon to meet the demands of a larger population. Between 2010 and 2035, the system will experience a 22 percent increase in the total amount of tonnage it moves. By 2050, with an estimated 420 million people in the U.S., the increase is projected to be **35 percent**.
- Forecasts show that by 2050, **75 percent of U.S. inhabitants will live in metropolitan "megaregions" and 80 percent of population growth will occur there**. As a result, more passenger and freight traffic will move into these regions causing increased traffic congestion and loss of productivity that will diminish quality of life in and around megaregions if these changes are not met with proper planning and investment.

Rogue Valley ACT / OFAC Joint Meeting

On September 8, OFAC held its third quarterly meeting in Medford to accommodate a joint meeting with the Rogue Valley Area Commission on Transportation (RVACT) and leadership from Region 3. RVACT is the ODOT designated ACT for the area within Region 3 including Jackson and Josephine Counties.

Eighteen OFAC members joined RVACT members to discuss regional and statewide freight issues. The group discussed the importance of regional freight projects as well as impacts of Portland area projects. For example, the group discussed in detail how the loss of container service at Port of Portland terminal 6 greatly impacts local agriculture and manufacturing entities in Region 3.

Additionally, trucks are the primary freight carrier and I-5 is the backbone of the region's freight system. Infrastructure deficiencies along this route can cripple freight to and from the region. Rail services are limited throughout the region, further underscoring the critical role of trucking.

The meeting was followed by an extensive regional site tour, led by RVACT Chair, Mike Montero and ODOT Planner, Gary Leaming and joined by Oregon Public Transit Committee Chair, Julie Brown and Oregon Bicycle and Pedestrian Committee Chair, Jenna Marmon Stanke. The tour included visits to Combined Transport, Mercy Flights, critical viaduct infrastructure, the Fern Valley interchange and Harry and David.



Keep Oregon Trade Moving

The Port of Portland Terminal 6 is Oregon's only deep water container service facility. The withdrawal of service from Hanjin and Hapag-Lloyd carrier services and continued labor issues at the port have greatly reduced productivity of the terminal, stranding thousands of Oregon importers and exporters and forcing longer routes to the Ports of Tacoma, Seattle and even Oakland. Transportation costs associated with these developments have risen sharply.

In April 2015, Governor Kate Brown approved a Trade and Logistics Initiative to find interim freight solutions focusing on small and medium sized businesses. Led by Business Oregon in conjunction with the Oregon Department of Agriculture and ODOT, 6 workshops were held throughout the state. The workshops culminated in a final report detailing specific issues, impacts and potential solutions. Efforts to restore service have continued.

OFAC discussed this topic at length, received a presentation from the Tioga Group who completed the report and outlined future steps to address this issue.



Bicycle Pedestrian Plan

OFAC received two presentations on the Oregon Bicycle and Pedestrian Plan in 2015. The plan is a 20-year horizon statewide policy plan, intended to serve as an element of the Oregon Transportation Plan (OTP) and support strategic decision-making for walking and bicycle investments that will provide an interconnected, robust and safe transportation system. The planning process began in early 2014 and culminated in the release of the draft plan for public comment in November 2015.

OFAC members addressed key concerns with the plan including preservation of designated freight routes, prioritizing projects that also improve freight efficiency and related policies. The Oregon Bicycle and Pedestrian Plan info can be found at:

<http://www.oregon.gov/odot/td/tp/pages/bikepedplan.aspx>

Transportation Options Plan

The first of its kind in Oregon, the Transportation Options (TO) plan serves as a refining element of the OTP. The TO plan outlines strategies, programs and investments which enhance travel options such as bicycling, walking and telecommuting resulting in a system that not only offers transportation options but also improves access and efficiency of the system. OFAC received a presentation on key components of the plan and engaged in a discussion following the presentation by ODOT staff.

The Transportation Options Plan can be found at:

<http://www.oregon.gov/odot/td/tp/pages/toplan.aspx>

Rough Roads Ahead

OFAC received a presentation from ODOT staff on the *Rough Roads Ahead* report, an economics focused effort that outlined how deteriorating roads will impact Oregon's economy and the level of investment needed to prevent further deterioration. Senior Economist Becky Knudson provided OFAC with the methodology and findings and engaged the group in a discussion which followed. Critical findings include:

- 100,000 future jobs and \$94 billion in production will be lost by 2035 as higher transportation costs associated with declining pavement and bridge conditions reduces Oregon's future economic growth.
- Bridge restrictions will increase transportation costs making Oregon firms less competitive. It will cost more to bring deteriorated infrastructure back to a state of good repair than it would have cost to keep it in good condition in the first place.
- Rougher pavement will increase vehicle operating costs by reducing fuel efficiency and requiring more repairs.
- Traffic congestion will increase as available resources are focused on keeping roads from falling apart.
- Adverse safety impacts will occur from pavement in poor condition.



The report can be found at:

<http://www.oregon.gov/ODOT/GOVREL/Pages/Rough-Roads-Ahead.aspx>

Implementing the Oregon Freight Plan:

The ODOT freight planning unit is responsible for implementing the 2011 Oregon Freight Plan through projects and programs that address key issues and support the OFP Vision. The Oregon Freight Plan can be found here:

<http://www.oregon.gov/odot/td/tp/pages/ofp.aspx#cat1>

Highway Oversize Load Pinchpoint Project

Transportation system oversize load pinchpoints are system constraints or restrictions that prevent over dimensional vehicles (e.g. weight, height, length or width) from utilizing routes that are often most direct and greatly impact freight movement efficiency and costs. ODOT has embarked on an effort to identify freight pinchpoints, identify causes and provide valuable information for regional decision makers to reduce pinchpoints.

ODOT freight planner Robin Marshburn is leading the effort, working in conjunction with the ODOT Motor Carrier Division to review permit request information. Additional coordination with ODOT district managers provides key supplementary information for the effort. A final report is expected in 2016 which will include maps of locations, tables of restriction information, and an assessment of prioritization. This report will provide ODOT ACTs, area managers and the Motor Carrier division with key information for project development and selection to address pinchpoints and improve freight system efficiency. Robin presented preliminary findings to OFAC on two separate occasions. OFAC will continue to be apprised of findings.

Freight Highway Bottlenecks List

Freight highway system bottlenecks were identified as a key concern in the OFP and in January 2013, OFAC adopted a freight bottlenecks list. ODOT will be completing an update of this list, supported by freight data and stakeholder input. The final list is expected for presentation to OFAC in December 2016 for discussion and adoption.

OFAC Bylaws Review

Periodically, OFAC examines current bylaws for revisions. In 2015, OFAC updated the bylaws and adopted the newest version at the December quarterly meeting. After a robust September meeting discussion and subcommittee review, the revised bylaws included some key changes.

Changes include: changing membership to “general” and “ex-officio,” thereby removing references to “associate” members. Other changes included making term length uniform at four years and recognizing the importance of participation and representation by adding a section stating that those members whose representations changes significantly shall be asked to resign OFAC membership. At 32 members, representing all modes, various freight sectors, public and private entities and research, the committee will continue to benefit from its membership.

Welcome New Members

OFAC welcomed eight new members in 2015, covering a variety of sectors and interests. New to OFAC this year are:

- ◆ Timothy Collins, Metro
- ◆ Kevin Downing, Oregon Department of Environmental Quality
- ◆ Paul (Mike) Eliason, Union Pacific
- ◆ Terry Fasel, Oregon Department of Agriculture
- ◆ Brodie Harvey, Knife River Corporation
- ◆ Salvador Hernandez, Oregon State University
- ◆ Jana Jarvis, Oregon Trucking Associations
- ◆ Scott Parkinson, ARG Transportation Services

OFAC Membership

David Anzur	Anzur Logistics, LLC
Wayne Bauer	Westside Economic Alliance
Jerri Bohard	Oregon Department of Transportation
Gary Cardwell	Northwest Container Services
Martin Callery, Vice Chair	Oregon International Port of Coos Bay
Timothy Collins	Metro
Mike Coleman	Kittelson and Associates
Debra Dunn	Oregon Trucking Associations
Paul Eliason	Union Pacific
Terry Fasel	Oregon Department of Agriculture
Kristal Fiser	United Parcel Service
Nick Fortey	Federal Highway Administration
Greg Gilmer	NORPAC
Jerry Grossnickle	Bernert Barge Lines, Inc.
Dave Harlan	Oregon Economic Community Development Dept.
Brodie Harvey	Knife River Corporation
Salvador Hernandez	Oregon State University
Robert Hillier	Portland Bureau of Transportation
Jana Jarvis	Oregon Trucking Associations
Susie Lahsene, Chair	Port of Portland
Mark Landauer	Oregon Public Ports Association
Michael Montero	Montero & Associates LLC
Scott Parkinson	ARC Transportation
Deena Platman	DKS Associates
Mike Quilty	Medford-Rogue Valley MPO
Mitch Swecker	Oregon Department of Aviation
Alan Unger	Deschutes County Commissioner
Colleen Weatherford	BNSF
Lonny Welter	Columbia County Road Department
Tracy Ann Whalen	ESCO Corporation

2016-2017 Goals

With the recent passage of the "Fixing America's Surface Transportation Act" also known as "FAST" federal transportation bill authorization and a potential Oregon transportation package in the 2017 legislature session, OFAC recognizes the important role of statewide freight system needs. OFAC members have served on the Governor's Transportation Vision Panels as well as continuously providing information to the Oregon Transportation Commission. In 2015, OFAC updated the committee goals as follows:

Oregon Freight Advisory Committee 2016-2017 Goals (adopted December 9, 2015)

1. Initiate and participate in discussions with the private and public sectors to develop legislative concepts and priorities for the 2016 and 2017 Oregon legislative sessions that ensure **statewide** freight system needs are addressed as part of any legislative proposals. Significant effort must be focused on the 2017 session to coincide with the efforts of the Oregon Governor's Transportation Vision Panel, legislative leadership and supporting stakeholders.

The goal is to promote policies that will further expand and sustain an efficient multimodal transportation system that supports a growing statewide economy and which encompass the Oregon Freight Advisory Committee's (OFAC) defined priorities.

- Develop a list of transportation infrastructure priorities that will continually inform the Governor, legislators and legislative agendas going forward
 - Identify freight mobility projects to inform the Oregon Transportation Forum (OTF), other transportation system advocates and policy makers
 - Identify and implement alternative assessments of transportation infrastructure needs
2. The restoration of international marine container shipping via dedicated steamship lines serving the Port of Portland's Terminal 6 must be a priority for the OFAC, statewide transportation advocates and Oregon businesses involved in international trade.

Oregon's traded-sector economy is highly dependent on international trade, primarily the export of valuable Oregon-sourced commodities moving to Asian/Pacific Rim trading partners and other international markets.

3. Continue to develop and refine freight project criteria that identify beneficial characteristics of multimodal freight projects that advance the efficiency and capacity of the overall system and implement them in review processes.

Improvements to the state's and the northwest region's transportation system can be achieved if

all aspects of Oregon's multimodal freight movements are fully analyzed and understood. Evaluating both the challenges and the benefits of system components will allow OFAC to promote a more cohesive plan and ultimately streamline overall freight movements statewide.

- Air/Marine Constraints prioritization list*
- Highway Bottlenecks/Constraints list*
- ITS Solutions and other appropriate technologies for managing freight flow
- Intermodal Connectors*
- Highway Oversize Load Pinch Points*
- Rail Plan*

4. Develop criteria that guide the OFAC in selecting projects that are strategically focused on improving connectivity to industrial lands, rail systems and transload facilities, marine commerce ports, air freight connections and other industrial hubs, including first mile/last mile connections around the state.

Constrained funding sources require more thorough and stringent evaluation guidelines for project selection. Building on identified project priorities, OFAC can create better criteria to help guide decision makers.

- 2017-2020 STIP Enhance Criteria Development*
- Continuing refinement of *ConnectOregon* process

5. Adopt and implement "Fixing America's Surface Transportation" Act (FAST) freight requirements and other federal legislative mandates into Oregon's freight and multimodal system planning and programming.

Proactively guiding implementation of federal requirements allows OFAC the opportunity to assess the state and federal-level impacts of these requirements and provide feedback.

- Freight Performance Measures*

6. Engage OFAC in the integration of freight considerations into the evaluation of active transportation and transit projects.

Oregon is an "active transportation" frontrunner, which can often overshadow the more basic transit and freight needs, both in urban and rural areas across the state. It is critical that OFAC be involved in discussions on active transportation projects and develop clear talking points and strategies to keep freight mobility a consideration during the planning process.

- Bike/Pedestrian Plan Update*
- Transportation Options*
- Public Transit Plan

7. OFAC must partner with Area Commissions on Transportation (ACTs), Metropolitan Planning Organizations (MPOs) and other stakeholders to promote dialogue and strategy development to

address multimodal freight system needs as well as consideration of regional transportation challenges, opportunities and constraints.

Transportation needs vary around the state. In order to effectively represent all regions, the OFAC needs to open lines of communication and maintain them with the ACTs, MPOs and other relevant committees.

- ACT Check-Ins on an annual basis
- Strategies the OFAC develops will include opportunities to engage in mutually-beneficial discussions between ACTs, MPOs other transportation advocates and the OFAC subcommittees.

8. Review the OFAC structure and administration on an annual basis.

The OFAC has discussed changing the bylaws to give public officials the opportunity to vote, which current bylaws do not allow. Further discussion is needed on this proposed change as well as identifying other constructive and beneficial revisions.

- Membership designation*

* Designates items specified in the OFAC Work Plan