

JOINT POLICY ALTERNATIVES COMMITTEE ON TRANSPORTATION
August 8, 2002
Meeting Notes

MEMBERS PRESENT

AFFILIATION

Rod Monroe	Metro
Fred Hansen	Tri-Met
Rex Burkholder	Metro
Kay Van Sickle	Oregon Department of Transportation (ODOT – Region 1)
Larry Haverkamp	City of Gresham, representing Cities of Multnomah County
Don Wagner	Washington State Department of Transportation (WSDOT)
Stephanie Hallock	Oregon Department of Environmental Quality (DEQ)
Roy Rogers	Washington County
Rod Park	Metro
Rob Drake	City of Beaverton, representing Cities of Washington County

MEMBERS ABSENT

AFFILIATION

Bill Kennemer	Clackamas County
Maria Rojo de Steffey	Multnomah County
Jim Francesconi	City of Portland
Karl Rohde	City of Lake Oswego, representing Cities of Clackamas County
Bill Wyatt	Port of Portland
Royce Pollard	City of Vancouver
Craig Pridemore	Clark County

ALTERNATES PRESENT

AFFILIATION

Lonnie Roberts	Multnomah County
Brian Newman	City of Milwaukie, representing Cities of Clackamas County
Dave Lohman	Port of Portland

GUESTS PRESENT

AFFILIATION

Sarah Armitage	Oregon Department of Environmental Quality (DEQ)
Clark Berry	Washington County
Laurel Wentworth	City of Portland
Dave Williams	Oregon Department of Transportation (ODOT – Region 1)
Mike Driscoll	Portland State University – Engineering
Deborah Murdock	Portland State University
Susie Lahsene	Port of Portland
Cherie McGinnis	Clackamas County
Phil Selinger	Tri-Met

Neil McFarlane	Tri-Met
Gregg Lande	Oregon Department of Environmental Quality (DEQ)
L.A. Ornelas	OHSU
Sharon Nasset	NPBA
Linda Floyd	City of Wilsonville
Karen Schilling	Multnomah County
Robert Paine	Multnomah county
Lou Ogden	City of Tualatin

STAFF

Andy Cotugno Mike Hoglund Bill Barber Renee Castilla

I. CALL TO ORDER

Chair Monroe called the meeting to order and declared a quorum at 7:36 am.

II. CITIZEN COMMUNICATIONS TO JPACT ON NON-AGENDA ITEMS

Sharon Nasset reiterated her position to the committee regarding the Northwest Passage and its ability to reduce congestion on I-5. She explained that the NW passage is an expressway over the existing railroad in the existing cut through North Portland. It would have double deck bridges over the Willamette and Columbia Rivers for trains (freight and commuter rail), trucks, cars, bikes, and pedestrians. She stated that unlike construction on I-5, this can be built without interfering with traffic and destroys fewer homes than any other I-5 Trade Corridor option – most required land is now vacant. She also invited members of the committee to a tour of the proposed NW passage and directed them to call her for further information.

III. MINUTES OF JULY 11, 2002 MEETING

ACTION TAKEN: Larry Haverkamp moved and Fred Hansen seconded the motion to approve the meeting minutes of July 11, 2002. The motion passed.

IV. ENDORSEMENT OF ODOT PEDESTRIAN AND BICYCLE GRANT APPLICATIONS

Bill Barber presented the endorsement of ODOT pedestrian and bicycle grant applications (included as part of this meeting record).

ACTION TAKEN: Rob Drake moved and Rex Burkholder seconded the motion to approve the endorsement of the ODOT pedestrian and bicycle grant applications. The motion passed.

V. PROPOSED AIR TOXIC PROGRAM

Sarah Armitage, Oregon Department of Environmental Quality, presented the proposed air toxic program (included as part of this meeting record).

Larry Haverkamp expressed his concerns regarding Portland's ability to meet the requirements of this program considering all of the outside factors.

Sarah Armitage replied that while she is not personally involved in the air toxic programs of other jurisdictions; they do have them in place and are as concerned as the Oregon Department of Environmental Quality in improving the air surrounding the Metro areas in Oregon and Washington.

VI. PROPOSED ODOT GUIDELINES FOR FORMATION AND OPERATION OF AREA COMMISSIONS ON TRANSPORTATION ACTs)

Andy Cotugno presented the proposed ODOT guidelines for formation and operation of area commissions on transportation (ACTs), (included as part of this meeting record).

Mike Hoglund stated that he has been attending the ODOT STIP Stakeholder meetings and stated that he is working very close with the ODOT regarding Metro's role as the MPO and the possible formation of a new ACT in Region 1 and whether one would be needed. He said that he would stay on top of it and keep the committee informed.

VII. TRANSPORTATION INVESTMENT TASK FORCE

Larry Haverkamp, City of Gresham, stated that there have been two meetings of the Transportation Investment Task Force. He stated that in the first meeting they introduced themselves to other members, were given the mission statement or "charge" of the Task Force and were ask for their ideas and opinions of how the members would like to see things proceed. The members viewed different power point presentations consisting of the history of transportation funding in the region and several funding options for the future.

He said that in the second meeting of the Task Force they further discussed future funding options, for example, sales tax, gas tax, etc. He stated that they were given a questionnaire to fill out. He handed out several copies of this questionnaire to the committee and asked for their return. He said he would need time to review and compile them for submission at the next transportation Investment Task Force which, he said would be held on September 10, 2002 at the ODOT – Region 1 offices. He further stated that he would continue to brief the committee on any future discussions of the Transportation Investment Task Force.

VIII. TEA-21 REAUTHORIZATION ISSUES PAPER

Andy Cotugno presented the TEA-21 Reauthorization Issues Paper (included as part of this meeting record) and also stated that the committee need to review this paper and be prepared for it to be a discussion item at each subsequent meeting through the end of the year.

Dave Williams stated that February of next year the President will submit his budget and the administration would submit a bill, which will be the starting point for the conversation of reauthorization. Later in the spring, there will be a number of congressional hearings and then

ideally they will enact a bill the end of the fiscal year. The big issue will be trying to grow the program. There has been a lot of discussion in the last few years between the federal government and other organizations about the gap between project need and available funding in virtually all of the funding categories. Without a big change in revenue flowing in there will only be about a 3% growth in the program. There is roughly a \$27 billion Trust Fund bank; there will be \$33 billion in FFY09 (the last year of the next bill). Oregon gets slightly more than 1% of the money from the Highway Trust Fund on a formula basis, which is about \$300 million. Therefore, Oregon could only grow \$30 million per annum at the end of FFY09.

He stated that Congress is talking about a number of options for the short run for how to grow the program.

1. Try to regain interest from the Highway Trust Fund to grow the balance. He stated that the interest now is a credit to the General Fund. If the interest were credited to the Highway Trust Fund, it would grow \$2-4 billion per year.
2. Part of the tax from Ethanol, \$.025 goes to the General Fund, if it were returned to the Highway Trust Fund, it would add \$3-4 billion to the account over the course of the bill.
3. Eliminating the \$.053 gas ethanol exemption which would increase the bill \$7.5 billion over the life of the authorization. This is important because Congress is mandating the use of ethanol.
4. To index the Gas Tax to the Consumer Price Index. This would generate a lot of money.
5. Raising the Gas and Diesel Tax to feed the Highway Trust Fund.

He stated that AASHTO is floating a proposal that would to bond against one of those increases. Take the new revenue source and bond against it. They would do this by utilizing tax credit bonds. The idea would be to create a non-profit corporation, sell tax credit bonds, and take some of the proceeds from the bonds to make a sinking fund to repay the bondholder at termination. Because they are tax credit bonds, there is no interest on the bonds. The program would look the same to Oregon as any other revenue source; they would simply allocate with the same mechanisms that they currently use. This would allow these sources to be multiplied by ten over the life of the bill.

In the long term, Congress is discussing how to think about Vehicle Miles Travelled (VMT) taxes or something comparable because the gas tax has a diminishing rate of return as cars and trucks become more economical or more alternative fuel vehicles enter the fleet.

Dick Feeny stated that APTA and other transit supporters, including AASHTO are talking of a doubling of the program to \$14 billion a year. This would start with the present program of \$7.2 billion in FFY03 and raise it every year until \$14 billion is reached in the last year. For the New Starts program this means going from a little over \$6 billion a year and \$3 billion in contingent commitment to a total over the next six years of \$11.7 billion with \$6 billion or more in contingent commitment.

He stated that there is a problem presented in the way OMB scores spending of Transit. Because a portion of transit's total spending authority is from the federal general fund (in FFY03 \$1.45 billion GF and \$5.8 billion HTF), OMB scores as spent all the transit money that is appropriated

in any year rather than the money actually obligated to contracts. This means that continuing the present method of spending and scoring that the mass transit funds will all be spent down by the middle of the authorization period.

One solution to this problem is to move 30 percent of the mass transit spending authority to the General Fund and 70 percent to remain from the MTA of the HTF. This will work if the same set of guarantees is in place in TEA-21.

If AASHTO's proposal on transit is followed, then any amount over \$10 billion would have to come from the General Fund.

He said there is interest in the FTA moving New Starts to a 50/50 local/fed matching ratio. This would not be a surprise to many transit agencies, but would upset plans like the I-205 corridor at 60 percent.

He further stated that there is an effort to designate 60 percent of any new funds that would go into the Rail Mod category; to the 11 oldest properties and 40 percent to the newest ones. This would have the effect of putting more funds at the disposal of New Starts cities. This idea would create in effect a New Starts tier in addition to the seven existing tiers in the rail mod category. Anything above \$1.124 billion would be split in the 60/40 fashion.

He also stated that the League of Cities and National Association of Cities are interested in moving sub allocation. Some of the transit properties are signing on to this concept. One of the ideas is simply to move the STP program to a sub-allocated program in effect eliminating the 37.5 percent that go to states.

This same concept is advocated by some for the NHS program. It would require that the proportion of NHS miles in a metro area be allocated to the metro area. The idea is to dedicate the funds to a UCP (Urban Congestion Program) and fund it at about \$2 billion a year. All of it flexible.

In conclusion, he stated that the small starts ideal would be to authorize rail projects of \$100 million with a reduced or simplified process for federal funding. The big issue is whether BRT projects are a part of this, or are separate. If they were a part, then rules about the definition BRT would have to be agreed upon.

IX. ADJOURN

There being no further business, Chair Monroe adjourned the meeting at 9:11 am.

Respectfully submitted,

Renee Castilla