

## MEETING REPORT

DATE OF MEETING: October 8, 1992

GROUP/SUBJECT: Joint Policy Advisory Committee on Transportation (JPACT)

PERSONS ATTENDING: Members: Chair Richard Devlin, Susan McLain and Jim Gardner, Metro Council; Pauline Anderson, Multnomah County; Larry Cole, Cities of Washington County; Don Adams (alt.), ODOT; Steve Greenwood (alt.), DEQ; Craig Lomnicki (alt.), Cities of Clackamas County; Ed Lindquist, Clackamas County; Bonnie Hays (alt.), Washington County; Earl Blumenauer, City of Portland; Gerry Smith, WSDOT; Les White (alt.), C-TRAN; Dave Lohman (alt.), Port of Portland; and Tom Walsh, Tri-Met

Guests: Keith Ahola, WSDOT; Bob Hart, SWRTC; Ted Spence, ODOT; Dick Feeney, Laurie Garrett, G.B. Arrington and David Calver, Tri-Met; John Kowalczyk, DEQ; Steve Dotterer, City of Portland; James Beard, Oregon Environmental Council; Rod Sandoz, Clackamas County; Bruce Warner, Washington County; and Susie Lahsene, Port of Portland

Staff: Andrew Cotugno, Richard Brandman, Leon Skiles, Mike Hoglund and Lois Kaplan, Secretary

### SUMMARY:

The JPACT meeting was called to order and a quorum declared by Chair Richard Devlin.

### MEETING REPORT

The September 17 JPACT Meeting Report was approved as written.

### STATUS OF TRANSPORTATION FUNDING PROGRAMS

The purpose of the overview was to provide a foundation on financial activities in the region and their interrelationship. The status paper provided a review of past funding actions and described progress made.

Andy explained that there are many parts of the transportation system, emphasizing the need to ensure there is a funding mechanism for each part.

In highlighting the regional transportation funding status paper, Andy spoke of past objectives, accomplishments and the status of projects relating to regional highway corridors, LRT corridors, urban arterials, and transit operations and routine capital. Andy noted that Travel Demand Management and Bicycle and Pedestrian Facilities should be included as bullets under "Present Status" relating to the region's funding efforts and focus.

Under the heading of LRT Corridors, Andy noted that seed money has been established for the next corridor in Milwaukie. The issue of whether the Clark County project should be included as part of the I-205 budget is being discussed.

In discussion on STP funds, Andy noted that \$9 million per year is available under the new ISTEA, about double our normal allocation. These additional funds provide for flexibility in choosing projects.

The Roads Finance Committee has concluded its needs analysis and is developing a funding package which will probably be finalized by December. The analysis provides a comprehensive update, projecting needs, setting standards, and a comparison of revenue sources. It also includes sources for highways from the General Fund and forestry receipts. There is an effort to integrate the Roads Finance effort with the Oregon Transportation Plan so that the rest of the modes are addressed as well.

There was discussion on the reliance by some districts (noting cities from Lane County and Salem) on payroll taxes and the fact that many are presently working on reserves. Andy explained how Measure 5 complicated the transit funding picture, noting that a solution is critical. A discussion followed on a proposal for a tire and battery accessory tax with interest expressed by the Transit Association. Such funds could be used for capital or operating expenses but it doesn't represent a lot of funds. There is also discussion about making the road funding increase big enough to allow flexible STP funds to be transferred out of the Highway category for transit capital purposes. A bike tax is also being discussed.

Andy spoke of the possible creation of a Transit Trust Fund for allocation to the transit districts which would include a dedicated amount for transit and highways. Also being discussed is placing a limitation on the Highway and Transit funds to restrict use to preservation and maintenance and setting up another fund for operating expenses.

Tom Walsh indicated the Roads Finance group will conclude its funding package by mid-November. Dave Bishop and Mark Ford have

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indicated that the Roads Finance work will be one component of the OTP Financial Plan.

A discussion followed on the need for any source of funds used for transit capital to be bondable to prevent the project from bogging down. Tom Walsh clarified that flexible funds are not bondable as is a dedicated sales tax. STP funds require a local match, which is still a non-constitutional local concern.

Andy noted that the needs analysis was predicated on meeting the VMT reduction requirement for State Rule 12. There are \$11 billion worth of reduced needs because of the VMT rule constraint.

Dick Feeney reported that State Representative Delna Jones is supportive of the local option vehicle registration fee being used for transit purposes and he felt confident it would be considered at the next legislative session. Bondable taxes discussed included the property tax, the license fees, the gas tax and the tire and battery tax. The need for reliability based on a steady source of funds was stressed.

Andy asked for Committee opinions on the funding status report.

Les White noted a significant problem with respect to Section 9 funds; he indicated they will go down by 11 percent while Section 3 funds have been increased by 30 percent for transit. The overall program will be about \$300 million less this year. Les indicated that ISTEA has helped in funding the Highway side but that Transit has lost with respect to routine operating funds.

Steve Greenwood felt that it was a helpful summary but that discussion was lacking on the new objectives. He asked for recognition of highway-eligible activities that are included in the highway needs side.

A discussion followed on whether any legislative members are pushing to take away some of the flexibility of the funds. STP funds available statewide to ODOT could be earmarked and committed to transit, which could lock in its flexibility. Don Adams indicated that no one has discussed that possibility.

Also discussed was the fact that there could be legal challenges to the process (if found to be flawed) that would be risky if funds were dedicated to one sole mode based on the STIP.

Commissioner Lindquist informed the Committee that there is an attempt at the county level to bring transit people into the advisory committee process.

RECOMMENDATIONS OF TASK FORCE ON VEHICLE EMISSIONS

Andy Cotugno reviewed the recommendations of the Governor's Task Force on Vehicle Emissions in the Portland Metropolitan Area, providing background information and assumptions for its conclusions. At this time, the report is provided for review purposes only; in December, Metro and DEQ will seek approval of a position paper and accompanying resolution.

Andy spoke of the region's non-attainment status in air quality, which creates a burden on industry with compliance deadlines of late 1993 for ozone and late 1995 for the carbon monoxide standard.

A discussion followed on offsets needed with respect to the level of industrial emissions, which is currently set at a 1.1 to 1 ratio. Andy indicated there was strong business participation in the Task Force process and noted that industry has had a dramatic drop in emissions.

Andy reviewed the specific recommendations that evolved out of the Task Force process as outlined in the memo to JPACT. There is a 35 percent HC goal and a 20 percent NOx goal by the year 2007. As contingency back-up measures, he noted the following: 1) reformulated gas; and 2) congestion pricing concepts. He reported that some strategies will require legislative action, citing revisions to DEQ's vehicle inspection program; authorization for a vehicle emission fee; funding for a public education program; and authorization for a congestion pricing program.

Steve Greenwood indicated that DEQ's goal is to develop a Maintenance Plan with the intent of getting out of the non-attainment status. As soon as these proposals are implemented, they will be incorporated in the Maintenance Plan. Later in the meeting, Steve thanked those from the technical staffs of Metro and DEQ for the achievements of their cooperative effort.

Commissioner Hays emphasized the need for industry to be involved in the process or the package might be jeopardized before it goes to the Legislature. It was noted that the Association of Oregon Industries (AOI) has been an active participant in the process and that ALI was also involved. Committee members agreed that an effort should be made to work with industrial representatives.

Steve Greenwood noted that there are a lot of details and reality checks to be worked out for each proposal and acknowledged the need to work with those people that will be affected.

Commissioner Hays asked whether the cost of enforcement had been programmed into the costs for each proposal. John Kowalczyk

responded that 5 percent of the fees was allowed for administering of the tax.

Tom Walsh suggested that, if there was an emission cushion or surplus afforded by these strategies to achieve our goal, he felt that a more controversial strategy might be dropped. He also commented on the need for capacity to expand economic development in this region.

Dave Lohman of the Port of Portland commented that there are a lot of companies in the Portland area that are not members of AOI that are concerned about excessive fees and taxes and the business climate they create. Also discussed was the issue of equity and whether there are secondary impacts, such as extra tolls that truckers must pay for intermodal facilities and whether it would have an impact on the Port.

Councilor Devlin asked whether AAA took any specific action with regard to the issue of enhanced vehicle inspection emissions. John Kowalczyk felt that they supported the concepts.

Don Adams commented on the fact that we are in a non-attainment area and that we need to file a Maintenance Plan that will define how to come into attainment. A discussion followed on exceedances over the past three-year period. Don stressed the importance of maintaining the economic viability of the region.

Steve Greenwood pointed out that this package of strategies was arrived at following discussion at many lengthy meetings and noted there was a long list of other alternatives not selected for recommendation. He felt there were tough choices to make and that the decision was reached at a high consensus level. This package would save the state approximately \$9,302/ton.

Commissioner Lindquist felt that, given additional time, some of the other strategies, such as the parking fee, could have been included as well. Commissioner Cole concurred that there were a couple of issues that might have been discussed further, such as pay-as-you-go insurance.

Andy Cotugno then reviewed the charge to the Task Force as defined in HB 2175.

Les White asked whether there has been any coordination on this proposal with the State of Washington. It was noted that the Washington Department of Ecology had participated in the process. They did commit to developing a Maintenance Plan, to abide by the same amount of emission reductions on the Washington side, and to make their plan compatible with the strategies adopted on the Oregon side.

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#### ANNOUNCEMENTS

Chair Devlin announced that the JPACT Finance Committee meeting was being moved from October 15 to October 29 at 7:30 a.m.

Chair Devlin also noted that some interest has been expressed in returning JPACT meetings to its 7:30 a.m. timeslot. He asked that some thought be given to this issue and indicated that a vote would be taken on the subject at the November 12 JPACT meeting.

Andy Cotugno announced that Ted Spence will be retiring at the end of November and asked that members set aside the evening of November 20 to celebrate the occasion with Ted.

#### ADJOURNMENT

There being no further business, the meeting was adjourned.

REPORT WRITTEN BY: Lois Kaplan

COPIES TO: Rena Cusma  
Dick Engstrom  
JPACT Members