

Metro | Agenda

Meeting: Joint Policy Advisory Committee on Transportation (JPACT)
Date: Thursday, Feb. 9, 2012
Time: 7:30 to 9 a.m.
Place: Metro Regional Center, Council Chamber

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|----------------|------------|---|--|
| 7:30 AM | 1. | CALL TO ORDER & DECLARATION OF A QUORUM | Carlotta Collette, Chair |
| 7:32 AM | 2. | INTRODUCTIONS | Carlotta Collette, Chair |
| 7:35 AM | 3. | CITIZEN COMMUNICATIONS ON NON-AGENDA ITEMS | Carlotta Collette, Chair |
| 7:38 AM | 4. | COMMENTS FROM THE CHAIR & COMMITTEE MEMBERS <ul style="list-style-type: none">• Comment period on 2012-2015 Metropolitan Transportation Improvement Program (MTIP)• Filed initiatives in Clackamas County related to rail transportation• Gail Achterman memorial service scheduled for Feb. 9 | Jason Tell, ODOT |
| 7:43 AM | 5. | * CONSIDERATION OF THE JPACT MINUTES FOR JAN. 12, 2012 | |
| | 6. | <u>ACTION ITEMS</u> | |
| 7:45 AM | 6.1 | * Resolution No. 12-4330, For the Purpose of Endorsing a Regional Position on the Authorization of a Surface Transportation Act in the US Congress – <u>ACTION REQUESTED</u> | Andy Cotugno |
| 8:05 AM | 6.2 | * ODOT's Congestion Tolling Policy – <u>APPROVAL OF COMMENT LETTER REQUESTED</u> | Andy Cotugno |
| | 7. | <u>INFORMATION / DISCUSSION ITEMS</u> | |
| 8:25 AM | 7.1 | * Greater Portland Metro Export Initiative – <u>INFORMATION</u> | Noah Siegel,
City of Portland |
| 9 AM | 8. | ADJOURN | Carlotta Collette, Chair |

Upcoming meetings:

- The JPACT Washington, DC prep meeting is scheduled for Monday, Feb. 27, 2012 at 5 p.m. at the Metro Regional Center, Room 370A/B.
- The next regular JPACT meeting is scheduled for March 1, 2012 from 7:30 to 9 a.m. at the Metro Regional Center, Council Chamber.

* Material available electronically.

Material will be sent in a supplemental mailing.

For agenda and schedule information, call Kelsey Newell at 503-797-1916, e-mail: kelsey.newell@oregonmetro.gov. To check on closure or cancellations during inclement weather please call 503-797-1700.

2012 JPACT Work Program

2/1/12

<p><u>January 12, 2012 – Regular Meeting</u></p> <ul style="list-style-type: none">• 2010-13 MTIP Amendment to add the City of Portland Peer-to-Peer Carsharing Project – Action• RTP & MTIP amendments – Action<ul style="list-style-type: none">○ Northbound Cornelius Pass Rd. to Eastbound US 26 Project (City of Hillsboro)○ Construction Phase of Sellwood Bridge Replacement Project (Multnomah County)○ Bike Sharing Project (City of Portland)○ Removing Allen Blvd. and Nimbus Ave. Extension Projects (City of Beaverton)• Climate Smart Communities Scenarios – Accept of the Phase 1 Findings• Transportation Electrification Executive Council (TEEC) and Drive Oregon – Information• ODOT Congestion Pricing – Discussion• Federal Authorization Priorities – Discussion	<p><u>February 9, 2012 – Regular Meeting</u></p> <ul style="list-style-type: none">• Federal Authorization Priorities – Action• ODOT Congestion Pricing – Comments/Action• Greater Portland Metro Export Initiative – Information
<p><u>March 1, 2012 – Regular Meeting</u></p> <ul style="list-style-type: none">• Regional Safety Plan – Action• 2012-15 MTIP/STIP Approval and Air Quality Conformity – Action• Briefing on RTO Strategic Plan – Information• Oregon Sustainable Transportation Initiative (OSTI) - Information<ul style="list-style-type: none">○ Statewide Transportation Strategy (STS)○ LCDC Rulemaking on selection of preferred scenario <p><u>March 5 to 8, 2012 – Annual Washington, DC Trip</u></p>	<p><u>April 12, 2012 – Regular Meeting</u></p> <ul style="list-style-type: none">• FY2012-13 UPWP – Action• RTO Strategic Plan – Action• Climate Smart Communities Scenarios Phase 2 work plan – Discussion
<p><u>May 10, 2012 – Regular Meeting</u></p> <ul style="list-style-type: none">• OSTI draft Statewide Transportation Strategy (STS) – Discussion• Climate Smart Communities Scenarios Phase 2 – Discussion• Draft Regional Safety Plan – Information	<p><u>June 14, 2012 – Regular Meeting</u></p>
<p><u>July 12, 2012 – Regular Meeting</u></p> <ul style="list-style-type: none">• Climate Smart Communities Scenarios – Discussion	<p><u>August 9, 2012 – Regular Meeting</u></p>

<p><u>September 13, 2012 - Regular Meeting</u></p>	<p><u>October 11, 2012 - Regular Meeting</u></p> <ul style="list-style-type: none"> • Climate Smart Communities Scenarios - Discussion • Oregon Sustainable Transportation Initiative (OSTI) - LCDC Rulemaking on selection of preferred scenario - Discussion
<p><u>November 8, 2012 - Regular Meeting</u> Climate Smart Communities Scenarios - Discussion</p>	<p><u>December 13, 2012 - Regular Meeting</u></p>

Parking Lot:

- Regional Indicators briefing



JOINT POLICY ADVISORY COMMITTEE ON TRANSPORTATION

January 12, 2011

Metro Regional Center, Council Chamber

MEMBERS PRESENT

Rex Burkholder
Jack Burkman
Carlotta Collette, Chair
Shirley Craddick
Nina DeConcini
Donna Jordan
Deborah Kafoury
Ann Lininger
Roy Rogers
Jason Tell

AFFILIATION

Metro Council
City of Vancouver
Metro Council
Metro Council
Oregon Department of Environmental Quality
City of Lake Oswego, representing Cities of Clackamas Co.
Multnomah County
Clackamas County
Washington County
Oregon Department of Transportation, Region 1

MEMBERS EXCUSED

Sam Adams
Shane Bemis
Craig Dirksen
Neil McFarlane
Steve Stuart
Don Wagner
Bill Wyatt

AFFILIATION

City of Portland
City of Gresham, representing Cities of Multnomah Co.
City of Tigard, representing Cities of Washington Co.
TriMet
Clark County
Washington State Department of Transportation
Port of Portland

ALTERNATES PRESENT

Jef Dalin
Bart Gernhart
Susie Lahsene
Lisa Barton Mullins

AFFILIATION.

City of Cornelius, representing Cities of Washington Co.
Washington State Department of Transportation
Port of Portland
City of Fairview representing the Cities of Mult. Co.

STAFF: Robin McArthur, Kim Ellis, Dylan Rivera, Deena Platman, Tom Kloster, Randy Tucker, John Mermin, Kathryn Sofich, Aaron Brown, Alison Kean Campbell, Andy Cotugno, Elissa Gertler, Nuin-Tara Key, Ted Leybold, Kelsey Newell, Sheena VanLeuven, Marc Week

1. CALL TO ORDER AND DECLARATION OF A QUORUM

Chair Carlotta Collette declared a quorum and called the meeting to order at 7:34 a.m.

2. INTRODUCTIONS

Chair Collette welcomed new committee members Mr. Bart Gernhart and Councilor Lisa Barton Mullins of the City of Fairview representing the Cities of Multnomah County, and Metro staff Mr. Marc Week.

3. CITIZEN COMMUNICATIONS ON NON-AGENDA ITEMS

There were none.

4. COMMENTS FROM THE CHAIR & COMMITTEE MEMBERS

Chair Collette provided a brief overview of the Dec. 15 JPACT Regional Funding Subcommittee meeting. Highlights included a presentation from Mr. Craig Boretz of the Community Investment Initiative's Leadership Council and a discussion on this year's federal authorization priorities. She also highlighted a memorandum from Metro staff Aaron Brown that overviewed the national recipients of TIGER III grants. (Memo included as part of the meeting record.)

Commissioner Deborah Kafoury announced that Multnomah County was a recipient of a TIGER III grant for the Sellwood Bridge project and provided a brief status update.

Mr. Alan Lehto of TriMet announced that JPACT member Mr. Neil McFarlane and alternates were not available for the meeting due to a meeting with the Federal Transit Administration. He also highlighted TriMet's current budget challenges and encouraged attendees to review TriMet's *Challenges and Choices: A Budget Discussion Guide*. (Report included as part of the meeting record.)

Ms. Mary Moller of Oregon Transportation Research and Education Consortium (OTREC) announced that PSU was a recipient of the U.S. Department of Transportation grant for research and education on sustainable transportation topics. OTREC and Portland State University's (PSU) transportation center will administer the \$3.5 million grant.

Councilor Donna Jordan of Lake Oswego announced that the City of Lake Oswego voted to table the Lake Oswego to Portland Transit project. She noted that the stakeholder and partner support is critical to the project.

5. CONSENT AGENDA

MOTION: Commissioner Roy Rodgers moved, Councilor Jordan seconded, to approve the following items:

- The JPACT minutes for December 8, 2011 minutes;
- **Resolution No. 12-4323**, For the Purpose of Amending the 2010-13 Metropolitan Transportation Improvement Program (MTIP) to Add the City of Portland Peer-to-Peer Carsharing Project;
- **Resolution No. 12-4319**, For the Purpose of Amending the Financially Constrained 2035 Regional Transportation Plan (RTP) and the 2010-13 Metropolitan Transportation Improvement Program (MTIP) to Add the Northbound Cornelius Pass Road to US 26 Eastbound Project;
- **Resolution No. 12-4319**, For the Purpose of Amending the Financially Constrained 2035 Regional Transportation Plan (RTP) and the 2010-13 Metropolitan Transportation Improvement Program (MTIP) to Add the Construction Phase of the Sellwood Bridge Replacement Project; and
- **Resolution No. 12-4321**, For the Purpose of Amending the Financially Constrained 2035 Regional Transportation Plan (RTP) to Add the City of Portland Bikeshare Project and to Remove the Allen Boulevard and Nimbus Avenue Extension Projects.

ACTION TAKEN: With all in favor, the motion passed.

6. ACTION ITEMS

6.1 **Climate Smart Communities Scenarios: Discussion of Preliminary Results and Findings**

Ms. Kim Ellis of Metro provided a presentation on the Climate Smart Communities Scenarios Project. JPACT was asked to consider and accept the Phase I Findings report, *Understanding Our Land Use and Transportation Choices*. JPACT acceptance of the report would acknowledge the work completed to date and forward the findings to the Metro Council for their review and consideration. Pending the Metro Council's acceptance of the Phase 1 Findings, staff will forward the Phase 1 Findings and the Strategy Toolbox to the Oregon Department of Transportation and Department of Land Conservation and Development. ODOT and DLDC will include the findings and toolkit in their joint progress report for the Legislature in Feb. 2012. Additionally, Ms. Ellis briefly overviewed elements of Phase 2 which will include adjusting the assumptions and goals, and initiating community engagement with more local policymakers and other business and community leaders.

The committee discussion included:

- Mayor Jef Dalin of Cornelius, on behalf of the cities of Washington County, was opposed to accepting the findings. He stated the cities did not have sufficient time

to review the Phase 1 report and were unclear as to the consequences of accepting the report. He also noted the need to strengthen community outreach.

- The process for comparing and selecting between the different scenarios; including comparing cost effectiveness.
- Climate Smart Communities Scenarios timeline; specifically the anticipated Fall 2012 decision providing direction on alternative scenarios to be tested.
- The possibility of forming a subcommittee around the CSC.
- The importance of maintaining flexibility with the scenarios; specifically that there is no one scenario that will fit all communities.
- The importance of including other stakeholders, especially members of the business community and local industries.
- The need to broaden the region and state's focus on reducing greenhouse gas emissions to include other contributors in addition to light-duty vehicles.

JPACT is anticipated to review and endorse the Phase 2 work program at their April 2012 meeting.

MOTION: Councilor Jordan moved, Commissioner Rogers seconded, to accept the Climate Smart Communities Scenarios Phase 1 Findings Report, *Understanding Our Land Use and Transportation Choices*.

Discussion: Commissioner Rogers acknowledged the Cities of Washington County's comments, but expressed his support for the motion stating that these details will come with the next phase of the project.

ACTION TAKEN: All in favor, and one opposed (Dalin), the motion passed.

7. INFORMATION/DISCUSSION ITEMS

7.1 Update on the Transportation Electrification Executive Council (TEEC) and Drive Oregon

Mr. Charlie Allcock of Transportation Electrification Executive Council (TEEC) and Mr. Jeff Allen of Drive Oregon provided a presentation on the use of electricity as fuel in the Portland metropolitan area. Mr. Allcock discussed the improvements in battery technology and how the Federal 2025 emission standards can be met with hybrid and electric vehicles. He also addressed the history of electric transportation in Portland and future issues the electric vehicles industry will face. Mr. Allen discussed how the Portland metro region can develop electric vehicle markets and the associated economic impacts. (Presentation included as part of the meeting record.)

The committee discussion included capacity to meet the region's potential electricity needs, electricity storage and infrastructure, and other U.S. states' dependency on coal power.

7.2 Comments on Oregon Department of Transportation's (ODOT) Tolling/Congestion Pricing Policy

Mr. Andy Cotugno of Metro, with assistance from Mr. Dave Williams of ODOT, provided a presentation on ODOT's tolling/congestion pricing policy. ODOT has released a draft set of policies and is seeking comment related to the consideration of tolling and congestion pricing on state highway system facilities. The overall intent of the policies is to ensure complete consideration of the issues before implementation of tolling or congestion pricing projects. And while the policy is limited to ODOT owned facilities, the policies are fundamental to the future management of the region's transportation strategy.

In response to ODOT's request, staff proposed a set of policy questions for JPACT's consideration:

- How should the policies be drafted to facilitate and help implement the region's interest in tolling and congestion pricing?
- Are there additional considerations that need to be included in the policy?
- What are the policy reasons why the region would want to implement a toll, congestion pricing and/or both congestion pricing and tolling?

JPACT is anticipated to review and will be asked to take action on a formal comment letter to ODOT at their February meeting.

The committee discussion included:

- Potential impacts to other facilities due to diversion.
- The State of Washington's experience with tolling such as HOV lanes and the Tacoma Narrows Bridge.
- The policy as a statewide policy and other areas that have or may be considered for tolling or congestion pricing in the future.
- Different electric tolling payments methods.
- The potential for staged multi-phased approach to tolling
- The difficulties in drafting a policy statement given the unpredictability of the public and other government bodies.

Committee members recommended Mr. Bart Gernhart of Washington State Department of Transportation provide a presentation on Washington state's experience with tolling.

7.3 Federal Authorization Priorities

Mr. Cotugno briefly overviewed a draft memorandum outlining this year's federal authorization priorities. Unlike previous years, the region's priorities will focus on the larger message of the importance of an authorization bill, the need to invest in transportation, and will emphasize that action on 9 key priorities that will directly impact the region and implementation. Key priorities

included, but were not limited to, collaborative decision-making, maintaining the established funding split between transit and highways, and continued coordination through Sustainable Communities Partnership. Mr. Cotugno indicated a resolution finalizing a position would be brought for the February JPACT meeting.

8. ADJOURN

Chair Collette adjourned the meeting at 9:05 a.m.

Respectfully submitted,



Marc Week
Recording Secretary

ATTACHMENTS TO THE PUBLIC RECORD FOR JANUARY 12, 2012

The following have been included as part of the official public record:

ITEM	Document type	Doc Date	Document Description	Document No.
4	Memo	01/11/12	National recipients of Tiger Grants	011212j-01
6.1	Packet	12/11	Trimet: Challenges & Choices Budget Discussion	011212j-02
6.1	PPT	01/12/12	Climate Smart Communities Scenarios Project	011212j-03
6.2	PPT	01/12/12	Transportation Electrification	011212j-04
7.1	Report	01/11/12	Tolling Flux	011212j-05
7.2	PPT	01/12/12	Oregon Highway Plan Goal 6: Tolling and Pricing	011212j-06

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ENDORSING A) RESOLUTION NO. 12-4330
REGIONAL POSITION ON THE)
AUTHORIZATION OF A SURFACE) Introduced by Councilor Collette
TRANSPORTATION ACT IN THE US
CONGRESS

WHEREAS, the Senate Environment and Public Works Committee of the US Senate has introduced to the 112th Congress a new transportation authorization bill entitled “Moving Ahead for Progress in the 21st Century (MAP-21); and

WHEREAS, additional legislation is forthcoming from the Senate Banking Committee, the Senate Finance Committee and the House Transportation and Infrastructure Committee; and

WHEREAS, federal transportation legislation is critical to the successful implementation of the region’s plans to achieve the six adopted outcomes of a successful region; and

WHEREAS, it will be important for the region to actively engage in development of legislation as it continues to evolve; and

WHEREAS, on _____, 2012 the Joint Policy Advisory Committee on Transportation recommended adoption of this resolution; now therefore

BE IT RESOLVED that the Metro Council endorses Exhibit A reflecting the following key policy positions:

1. The Congress of the United States should invest in America’s prosperity through infrastructure.
2. Congress should end the indecision on transportation authorization legislation in recognition of the need for long lead times for transportation operation, rehabilitation and improvements.
3. The long standing commitment to a funding split between transit and highways should be maintained.
4. The collaborative decision-making of the metropolitan planning organizations should be maintained.
5. The program structure should support the region’s planning for desired outcomes through a program structure that reinforces flexibility with accountability.
6. The federal program should be designed to support discretionary programs to allow for the construction of major transportation projects.
7. The federal program should support incremental upgrading of intercity passenger rail service.
8. The Sustainable Communities Partnership should be sustained, supported and expanded.

9. Although there will not be project earmarking, Congressional intervention will be required for competitive grant applications for programs such as TIFIA, Projects of National Significance and New Starts.

ADOPTED by the Metro Council this _____ day of _____ 2012.

Tom Hughes, Council President

Approved as to Form:

Alison Kean Campbell, Deputy Metro Attorney

**Portland Metro Region Position
on
Federal Transportation Authorization Legislation**

The Portland Region urges Congress to take action on transportation authorizing legislation with the region's priority policy emphasis as follows:

1. **The Congress of the United States should invest in America's prosperity through infrastructure:** Continued and increased federal investment in transportation infrastructure is essential to national economic prosperity and competitiveness. While reduced tax collections in the highway trust fund may limit the size of the program for now, supplemental funding is needed just to maintain status quo funding and it is critical to identify the funding mechanism to address the gap. It is equally important to position the program to invest at a higher level needed for economic prosperity in the future as improving economic conditions permit.

2. **Congress should end the indecision and adopt transportation authorization legislation in recognition of the need for long lead times for transportation operation, rehabilitation and improvements:** There is an urgent need to end the Congressional indecision of the past few years and establish a clear federal policy direction. Transportation improvement and rehabilitation projects require significant lead time tied to clear and reliable policy and funding.

In adopting authorizing legislation, the key priority elements of interest to the region are as follows:

- A. **The long standing commitment to a funding split between transit and highways should be maintained:** Equal in importance to the overall funding level is the compact maintained over the past two decades to invest in both highways and transit. The long-standing commitment to an 80/20 balance between dedicated highway and transit funding needs to at least be maintained.

- B. **The collaborative decision-making of the metropolitan planning organizations should be maintained:** The federal transportation program has been built since the 1970's on the principle of collaborative decision-making in metropolitan areas. The proposed Senate bill includes a number of adjustments to ensure metropolitan planning organizations (MPOs) meet a minimum level of capability and employ the best practices in evaluation of transportation issues, which are welcome additions. However, both the Senate and House bills also include a shift in decision-making from the MPO to the state DOTs. It is important to maintain the decision-making structure of metropolitan planning organizations in urban areas to include the effective participation by the various transportation jurisdictions (the state DOT, the transit operators, the port districts and the local governments) and ensure integration with the land use jurisdictions (cities, counties and regions).

- C. **The program structure should support the region’s planning for desired outcomes through a program structure that reinforces flexibility with accountability:** The region has oriented its planning and policy setting around achieving six outcomes that define a great place:

People live, work and play in vibrant communities where their everyday needs are easily accessible.

Current and future residents benefit from the region’s sustained economic competitiveness and prosperity.

People have safe and reliable transportation choices that enhance their quality of life.

The region is a leader in minimizing contributions to global warming.

Current and future generations enjoy clean air, clean water and healthy ecosystems.

The benefits and burdens of growth and change are distributed equitably.



The proposed authorization bill begins to move in a similar direction by establishing a program structure around a few broad programs, with performance standards to measure progress and a required minimum spending level for certain types of projects (particularly bridge and pavement conditions and safety). It establishes clear expected outcomes, provides the needed flexibility for states and MPOs to determine how to best meet those outcomes and ensures accountability. Continued movement in this direction to enable the region to reach its six desired outcomes is a good step.

The basic proposed program structure is as follows:

- a) National Highway Performance Program
- b) Transportation Mobility Program
- c) Safety
- d) Congestion Mitigation/Air Quality
- e) Freight

However, fundamental program structure concerns associated with the relationship between the National Highway Program and the Transportation Mobility Program need to be addressed:

- Funding for bridges **off** the National Highway System needs to follow the assignment of responsibility. Specifically, an amount equivalent to the amount of Bridge funds spent on non-NHS bridges under SAFETEA-LU should be provided under the TMP where the responsibility for addressing non-NHS bridges has been assigned.
- Requirements to spend a minimum funding level on bridges **off** the Federal Aid Highway System should not be retained because it results in more spending on bridges of lower significance in better condition than bridges **on** the Federal Aid Highway System.

- The requirement to meet the minimum standard for NHS bridge and pavement conditions should be funded by shifting spending from NHS expansion rather than by shifting funds from the TMP to the NHPP.

D. The federal program should be designed to support discretionary programs to allow for the construction of major transportation projects: It is important that the federal program be structured to support implementation of large projects, addressing critical needs that are beyond the capacity of the region to fund. The core formula programs cannot be used to implement these mega-projects without doing so at the expense of transportation needs throughout the rest of the region and state.

- a. For the transit program, the New Starts/Small Starts program is critical to expand and streamline to make project delivery more efficient. Continued implementation of the regional light rail and streetcar system is dependent upon this commitment.
- b. For the highway program, the Projects of National Significance and TIFIA Programs are important to maintain and expand. Projects of National Significance should be funded at a higher level and be based upon very rigorous and competitive criteria. TIFIA should be awarded competitively, not on a first-come-first-served basis. Implementation of the Columbia River Crossing (CRC) Project is dependent upon these programs.
- c. With a model track record for a competitive program, the TIGER program should be maintained and expanded for multi-modal projects. The region has submitted a number of high priorities that are beyond the scale of the region to implement.

E. The federal program should support incremental upgrading of intercity passenger rail service: To ensure that Oregon and Washington can continue to improve service by reducing travel times, improving reliability, and increasing roundtrips, Congress should provide long-term, dedicated funding for both large-scale corridor projects as well as for small-scale projects that make incremental improvements to service.

F. The Sustainable Communities Partnership should be sustained, supported and expanded: The federal partnership between USDOT, HUD and EPA to coordinate their programs toward the goal of achieving sustainable communities should be applauded and reinforced. Unless our federal partners work together, it is difficult for the region to advance efforts to integrate programs locally and regionally.

G. Although there will not be project earmarking, Congressional intervention will be required for competitive grant applications for programs such as TIFIA, Projects of National Significance and New Starts: It is clear that there will not be earmarks in the bill. However, there are a few instances in the future that will need some Congressional intervention, including Full-Funding Grant Agreements for New Starts projects (most immediately Portland to Milwaukie and CRC), application for TIFIA funds and Projects of National Significance funds for the Columbia River Crossing project and significant competitive applications like TIGER funds.

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 12-4330, FOR THE PURPOSE OF ENDORSING A PORTLAND METRO AREA REGIONAL POSITION ON THE AUTHORIZATION OF A SURFACE TRANSPORTATION ACT IN THE US CONGRESS

Date: January 23, 2012

Prepared by: Andrew Cotugno

BACKGROUND

The region annually produces a position paper that outlines the views of the Metro Council and the Joint Policy Advisory Committee on Transportation (JPACT), a regional body that consists of local elected and appointed officials, on issues concerning transportation funding that are likely to be considered by Congress during the coming year. In the past, the region has adopted a substantial federal authorization position on both policy and programmatic changes as well as project earmarking. This year, after significant delay and indecision by Congress, it is evident that neither is feasible. In the past, it has been possible to consider substantial policy decisions and earmarking based upon the expectation of a significant increase in funding levels (consistent with increases adopted in the past three 6-year bills). However, the funding level in the next authorization is expected to be status quo plus inflation at best, resulting in no earmarks or programmatic expansion. In addition, there is a strong move to consolidate multiple programs into a few broad categories with decision-making delegated to state DOTs and MPOs and new emphasis on performance measures and accountability rather than multiple categories of projects tied to specific funding amounts in specific programs.

In this changing federal environment, it is important to focus the region's priorities on the issues of highest regional importance where there is a prospect of impacting the results. As delineated in further detail in Exhibit A to this resolution, the key priorities are as follows:

1. The Congress of the United States should invest in America's prosperity through infrastructure.
2. Congress should end the indecision on transportation authorization legislation in recognition of the need for long lead times for transportation operation, rehabilitation and improvements.
3. The long standing commitment to a funding split between transit and highways should be maintained.
4. The collaborative decision-making of the metropolitan planning organizations should be maintained.
5. The program structure should support the region's planning for desired outcomes through a program structure that reinforces flexibility with accountability.
6. The federal program should be designed to support discretionary programs to allow for the construction of major transportation projects.
7. The federal program should support incremental upgrading of intercity passenger rail service.
8. The Sustainable Communities Partnership should be sustained, supported and expanded.
9. Although there will not be project earmarking, Congressional intervention will be required for competitive grant applications for programs such as TIFIA, Projects of National Significance and New Starts.

Attached to this staff report is a sample list of specific legislative language that would enable the Portland region to meet its objectives through the use of the federal legislation. As the bills continue to evolve additional specific amendments will need to be pursued.

ANALYSIS/INFORMATION

1. **Known Opposition:** None
2. **Legal Antecedents:** Policy positions being sought through federal transportation legislation are consistent with the Regional Transportation Plan, adopted by Resolution No. 10-1241B, “For the Purpose of Amending the 2004 Regional Transportation Plan to Comply with State Law; To Add the Regional Transportation Systems Management and Operations Action Plan, the Regional Freight Plan and the High Capacity Transit System Plan; To Amend the Regional Transportation Functional Plan and Add it to the Metro Code; To Amend the Regional Framework Plan; And to Amend the Urban Growth Management Functional Plan.” In addition, changes in federal authorizing legislation will change funding authorities delegated to the Metro Council and JPACT.
3. **Anticipated Effects:** Resolution would provide the US Congress and the Oregon Congressional delegation with the region's priorities for transportation funding policy for use in the federal transportation authorization and appropriation process.
4. **Budget Impacts:** Federal transportation legislation will impact the level of federal funding available to the Portland region, a portion of which funds planning and projects at Metro.

RECOMMENDED ACTION

Approve Resolution No. 12-4330 for submission to the Oregon Congressional delegation.

Proposed federal action	To support the following regional objective
Sustain, increase and streamline the New Starts Program	To facilitate securing a Full Funding Grant Agreement for Portland to Milwaukie Light Rail and facilitate the needed New Starts funding contribution toward the Columbia River Crossing Light Rail project
<p>Maintain the 50% set-aside of TMP and CMAQ funds and correct the program structure as follows:</p> <ul style="list-style-type: none"> • assign non-NHS bridge funding to the TMP where the responsibility to fund non-NHS bridges is placed; • shift the NHPP pavement and bridge condition penalty from the TMP to the expansion component of the NHPP; • drop the minimum spending requirement to spend 15% of the bridge program on off-system bridges 	<p>To continue the region’s investment in expansion of the light rail, streetcar and high capacity bus system, demand management programs, system management and operation projects, transit oriented development projects, bike and pedestrian projects, freight projects</p> <ul style="list-style-type: none"> • To ensure bridge repair and replacement on the non-NHS bridges is adequately funded • To link the consequence of inadequate expenditure on NHS system pavement and bridge condition to decisions to invest in NHS expansion • To ensure higher priority bridges are addressed
Increase the maximum amount of Small Starts funding to \$100 million	To support closing the eastside streetcar loop (at OMSI) To help build the streetcar production market for Oregon Ironworks as a regional economic development strategy
Allow for a Documented Categorical Exclusion in the Small Starts program	To facilitate streamlined delivery of future streetcar projects in the right-of-way
Allow the MPO planning funds to be used as match against university research funds (like the state planning funds)	To increase the partnership between the MPOs and OTREC
<p>Increase the funding level for Projects of National Significance</p> <p>Increase the funding level for TIFIA to \$1 billion (as reflected in the MAP-21 bill) and apply competitive criteria rather than awarding on a “first-come, first-served” basis</p>	To ensure the needed federal highway funding contribution to CRC is feasible
Provide for implementation of “practical design”	To facilitate implementation of more economically viable projects in the face of fiscal limits
Implement the proposed Freight Program	This region is disproportionately trade dependent and this program will enable focused attention on the most significant freight routes (for both planning and projects)
Maintain the eligibility of urbanized areas that operate rail systems to access Section 5307 “Bus and bus facilities” funding. This is current law, is maintained in the Senate bill and is proposed for change in the House bill.	This would provide funds to TriMet for routine bus replacement.



Jan. XX, 2012

DRAFT

Mr. Jason Tell, Manager
ODOT, Region 1
123 NW Flanders
Portland, OR 97209-4037

Dear Jason:

Thank you for the opportunity to review and comment on the draft Oregon Highway Plan Tolling and Congestion Pricing policies. We understand that the draft is the culmination of a significant body of research on alternative applications of congestion pricing or tolling and the best practices for evaluation of the tool for potential implementation. It provides a useful guide for factors and considerations that should be weighed in deciding whether to implement a proposal.

However, the foundation for the policy is that there is a resurgence of interest in tolling due to the high cost of expansion projects and in congestion pricing due to the changes in technology that enable a broad variety of approaches. It further provides in the introduction a description of the wide variety of applications and policy objectives that might be addressed through pricing or tolling and introduces the need for a thorough analysis of likely effects and public acceptance of the proposal.

In order for this policy to be effective and useful it should be developed to provide direction on the policy intent being pursued through pricing or tolling and have as its foundation the policy principles that are intended to be accomplished. As presently written, the draft defines a number of factors to be considered in a thorough evaluation but provides no guidance on the intended policy objectives.

The Oregon Highway Plan and the Oregon Sustainable Transportation Initiative recognize the potential role of pricing as a tool for managing the operation of the transportation system and provide an appropriate starting point for the policy making needed to be developed. We recognize the importance of these policies and believe that the draft policy provides a good framework for the evaluation issues to be considered. We support moving forward a revised draft policy (after addressing our comments) for consideration by the Oregon Transportation Commission (OTC) as soon as possible. Since the application of these tools are almost exclusively going to be located in the Portland region, it is also important that the Joint Policy Advisory Committee on Transportation be closely involved in the policy making process. We also urge the Oregon Department of Transportation to undertake a comprehensive revision of the Oregon Highway Plan soon in order to more fully address and integrate tolling, green house gas and other policy initiatives.

As the policy becomes more fully developed, attached are detailed section-by-section comments to take into consideration.

Sincerely,

Carlotta Collette, Chair
Joint Policy Advisory Committee on Transportation
Councilor, District 2

Encl: 1

Cc: Metro Council

ODOT Goal 6: Tolling and Congestion Pricing Policy
Detailed Section-by-Section Comments

1. Pages 1 and 2 should provide more of a framework for the policy rationale for where and why you may want to implement tolling or congestion pricing. Most of the specifics of the policy document are in the context of tolling being a major departure from the status quo and likely to be controversial. With this in mind, the policy direction calls for a significant evaluation process to ensure a thorough and publicly transparent process. In addition to establishing the expectation that issues that may be controversial should be fully evaluated, there should be a stronger introduction to the good policy reasons that tolling or congestion pricing maybe appropriate. Possible policy rationales to include are:
 - a. Tolling – Tolling may be appropriate if the proposed highway modernization project (such as a freeway or bridge expansion) is substantially more expensive than the broad-based user fees could support (i.e. statewide gas taxes, vehicle registration fees and truck weight-mile taxes).
 - b. Congestion Pricing – Congestion pricing may be appropriate if the level of congestion is such that the facility cannot operate in an uncongested manner without the price signals during the congested period.
 - c. Tolling and/or congestion pricing may be appropriate if it serves to strengthen the “user pays” philosophy of the road financing system by assigning the extra cost of very expensive expansion projects or the cost of the extra lanes in a congested corridor directly to the user of the facility.

Inclusion in the policy document of Table 4 (page 22 and 23) of “Tolling White Paper #2 – Geographic and Situational Limits (2009)” (attached) could provide the framework for defining applications of tolling or pricing that may be appropriate to pursue.
2. Tolling creates both private and public benefits. The policy should explicitly recognize this, should distinguish the two and should prioritize the public benefit.
3. Policy Action 6.1.3 states: “ODOT will only consider those toll projects ranked “high” under tolling parameters considered by ODOT.”² The policy should list these parameters rather than reference another document. Furthermore, proposals that are rated “medium to high” should be considered not just those rated as “high”. As reflected in the referenced document, those that are rated high are clear candidates for tolling or pricing. Those that are rated medium would be a closer judgment call that would be revealed through the detailed evaluation that is called for and in light of the particular outcomes being sought.
4. Add a policy for new capacity projects to contrast the use of toll revenues to the application of conventional funding mechanisms. For example, will toll revenues be limited to use on the facility being tolled? Or, will toll revenues be limited to facilities that benefit the operation of the facility being tolled? Or, will toll revenues be limited to facilities within the broader corridor or region? In contrast, conventional funding sources are not restricted to be used exclusively in the area where the revenues are generated. A comparison of tolled vs. conventional funding mechanisms should be disclosed to better understand who benefits vs. who pays for each funding approach.

5. Policy Action 6.2.2 states: “The proposer of any tolling or pricing project is required to have a clear statement of public policy objectives against which the effectiveness of the proposal can be measured.” The policy should be further expanded to call for a clear delineation of whether the policy intent is as a revenue-raising mechanism or a demand management mechanism or both. Policy Action 6.2.3 states: “The proposer of any tolling or pricing project is required to compare the proposal to a null, non-tolled alternative to ensure the effects of introducing tolls can be clearly demonstrated.” The policy should be further expanded to call for consideration of other non-tolled, build alternatives to ensure that the consequences of introducing tolls can be contrasted with addressing the purpose and need through actions that do not entail tolls.
6. Policy 6.3 “Background” states: Roadway tolls may be levied for a variety of public policy objectives. The relative importance or degree of public acceptance of these objectives may vary in different locales and parts of the state. Similarly, a pricing program for a given purpose in one locale inadvertently may have undue negative effects on other parts of the state. “Region or” should be added in front of “state” as the effects are more likely to be regional rather than statewide.
7. Policy Action 6.3.2 states: “ODOT will analyze the likely transportation, economic, social, energy and environmental effects of any tolling or pricing project on parts of the state outside of the project area.” Add “region and” prior to state.
8. Policy Action 6.3.3 calls for the following: “ODOT will analyze the expected change, if implemented, in vehicle throughput due to any tolling or pricing proposal to ensure consistency with ORS 366.215.” ODOT staff has indicated the ORS 366.215 (regarding preservation of capacity on freight routes) may not apply. If it does apply, the policy should list these parameters rather than reference the statute.
9. Policy Action 6.3.4 states: “ODOT region staff and local government agencies shall work together to evaluate public understanding of and support for the principle likely objectives for road tolling and pricing applications.” The policy should be further expanded by indicating the need to evaluate public understanding of the proposal as contrasted with other alternatives to address the purpose and need including other economic, social and environmental consequences and alternate funding responsibility.

Table 4: Potential Toll Application Rating System Using Performance Measures

Measure/ Application	New Alignment or Greenfield Toll Road	HOV-to-HOT Lane Conversion	New or Replacement Major Bridges	Tolling Existing Facilities
Daily Volumes	<20,000 = Low 20,000 – 60,000 = Medium >60,000 = High	Based on volume-to-capacity ratio or ability to maintain a minimum guaranteed speed.	<20,000 = Low 20,000 – 60,000 = Medium >60,000 = High	<20,000 = Low 20,000 – 60,000 = Medium >60,000 = High
Travel Time Savings (compared to existing corridor or no-build alternative)	Little or no improvement = Low Measurable = Medium Substantial = High	Measured along HOT facility: Little or no improvement or negative impact on HOV speeds = Low Measurable improvement with no negative impact on HOV speeds = Medium Substantial improvement, zero negative impact on HOV speeds = High	Little or no improvement = Low Measurable = Medium Substantial = High	Little or no improvement = Low Measurable = Medium Substantial = High
Traffic Management – congestion levels on adjacent or parallel facilities potentially relieved by tolling application (based on modeling or other travel demand estimation)	Little or no relief = Low Moderate reduction of traffic delays on parallel facilities = Medium High level of reduction of traffic delays on parallel facilities, or existing “free” facility has multiple hours per day where volumes exceed capacity = High	Little or no relief = Low Moderate reduction of traffic delays on parallel facilities = Medium High level of reduction of traffic delays on parallel facilities, or existing “free” facility has multiple hours per day where volumes exceed capacity = High	Little or no relief = Low Moderate reduction of traffic delays on parallel facilities = Medium High level of reduction of traffic delays on parallel facilities, or existing “free” facility has multiple hours per day where volumes exceed capacity = High	Little or no relief = Low Moderate reduction of traffic delays on parallel facilities = Medium High level of reduction of traffic delays on parallel facilities, or existing “free” facility has multiple hours per day where volumes exceed capacity = High
Existence of Proximate or Competing Free Facilities	Close (within a mile) = Low In vicinity but not close = Medium Remote (more than 3 miles away) = High	General purpose lanes are within the same facility. If they are heavily congested, they won’t compete very well with HOT lane.	Close (within a mile) = Low In vicinity but not close = Medium Remote (more than 3 miles away) = High	Close (within a mile) = Low In vicinity but not close = Medium Remote (more than 3 miles away) = High

Measure/ Application	New Alignment or Greenfield Toll Road	HOV-to-HOT Lane Conversion	New or Replacement Major Bridges	Tolling Existing Facilities
Multimodal	No toll exemption for buses, or no transit service gained as part of project = Low Some toll exemption for buses, some transit services gained as part of project = Medium Transit has toll exemption, excess toll revenue can fund high level of peak transit service = High	Unlikely to fund new transit service or facilities. FHWA will require no negative impact on HOV/bus speeds.	No toll exemption for buses, or no transit service gained as part of project = Low Some toll exemption for buses, some transit services gained as part of project = Medium Transit has toll exemption, excess toll revenue can fund high level of peak transit service = High	No toll exemption for buses, or no transit service gained as part of project = Low Some toll exemption for buses, some transit services gained as part of project = Medium Transit has toll exemption, excess toll revenue can fund high level of peak transit service = High
Revenue Return	Low traffic volumes, low proposed toll = Low Medium traffic volumes, low or medium proposed toll, or high traffic volumes, low proposed toll = Medium High traffic volumes, medium or high proposed toll = High	National experience on corridors that carry 150,000 or more vehicles a day is that revenue will cover operating and maintenance costs, or perhaps a little more, which goes into transit operations. Oregon has no corridors carrying 150,000 or more vehicles per day, but I-5 in Portland is projected to carry that level or higher levels well before 2040.	Low traffic volumes, low proposed toll = Low Medium traffic volumes, low or medium proposed toll, or high traffic volumes, low proposed toll = Medium High traffic volumes, medium or high proposed toll = High	Low traffic volumes, low proposed toll = Low Medium traffic volumes, low or medium proposed toll, or high traffic volumes, low proposed toll = Medium High traffic volumes, medium or high proposed toll = High
Diversion to Free Facilities (based on modeling)	Could be an issue especially if the toll authority has no-compete clause in the tolling agreement. High level of shift, perhaps enough to result in volumes exceeding capacity on adjacent facility = Low Some shift but not enough to cause substantial congestion on parallel routes = Medium Little or no shift onto parallel routes = High	Less likely to occur since HOT lanes are attempting to use up excess HOV capacity.	High level of shift, perhaps enough to result in volumes exceeding capacity on adjacent facility = Low Some shift but not enough to cause substantial congestion on parallel routes = Medium Little or no shift onto parallel routes = High	High level of shift, perhaps enough to result in volumes exceeding capacity on adjacent facility = Low Some shift but not enough to cause substantial congestion on parallel routes = Medium Little or no shift onto parallel routes = High
Access Management	Frequent local access, or > 3 driveways/mile = Low Infrequent or controlled access, 1-	Must be limited access facilities. Access as measured by ability to enter/exit HOT lane:	Typically should be limited access over the river.	Frequent local access, or > 3 driveways/mile = Low Infrequent or controlled access, 1-2

Measure/ Application	New Alignment or Greenfield Toll Road	HOV-to-HOT Lane Conversion	New or Replacement Major Bridges	Tolling Existing Facilities
	2 driveways per mile = Medium Limited access, no driveways = High	Continuous access = Low Buffer separation, access every 1-2 miles = Medium Buffer or barrier separation, access > 2 miles apart = High		driveways per mile = Medium Limited access, no driveways = High
Oregon Planning Rule Implications	Potentially difficult to justify in urban areas if new roadway capacity increases reliance on single-occupant vehicles; need to demonstrate compliance with goals for reducing vehicle miles traveled per capita in Section 12 of the Statewide Planning Goals contained in the Oregon Administrative Rules (OAR 660- 012-0000).	May be justifiable if it can be demonstrated that there is no net negative impact on HOVs.	Probably neutral – a new bridge will require inclusion in a transportation system plan, which will trigger Oregon Planning Rule review.	Probably neutral.

Rating system is as follows:

Low = Low potential for reasonable tolling application under this criterion.

Medium = Medium potential; shows promise, but borderline under this criterion.

High = High potential for reasonable tolling application; shows merit under this criterion.

Draft 12-7-2011
OHP Goal 6: Tolling and Congestion Pricing

Overview

Oregon's citizens have become accustomed to public funding of roads through use taxes such as fuel and vehicle fees; they generally understand how these funding mechanisms work, and have built their traveling behavior on the basis of this system. The Oregon financing structure is based on the relationship between beneficiaries and responsibility for funding the road system.

However, roads are perceived by many as a "public good"; that is, roads are accessible to any citizen at any time and the cost of developing, operating and maintaining the system is borne by the population as a whole. Also, everyone benefits from some level of use; even if one does not drive, drives very little, or uses public transportation they still benefit from a road system being in place as the goods and services that they have access to are delivered via a roadway system.

In Oregon, tolling has been limited to a few Columbia River bridges. The rationale for tolling bridges has been that they are extraordinarily expensive, vehicles have limited travel alternatives, tolls can be collected at one location and those that use the bridge pay for the use.

Around the world, and in the United States, tolling is seeing a resurgence. There are two main drivers: 1) bridges and highways are increasingly expensive to build with limited public appetite for tax increases; and 2) modern electronic tolling technology allows creative new tolling applications that not only raise money, but potentially enhance transportation system performance. Commensurate with this renewed interest, the Oregon Department of Transportation (ODOT) has undertaken a variety of tolling and congestion pricing studies supportive of the policies and strategies below.

The rapid and continuing improvement in tolling and in-vehicle navigation technology also has resulted in making the consideration of tolling in many cases more complex. First, there are a variety of policy objectives beyond the traditional financing of construction of a new road or bridge. Tolling can now be used to relieve congestion, improve the environment or enhance

economic development. In fact, the number of possible objectives can be quite large, and in some cases, but not all, can be mutually reinforcing. Second, the number of different ways tolls can be applied also has expanded considerably. In addition to the new road or bridge, individual lanes, new or existing, can be priced in various ways to encourage different behavior. Time-of-day (congestion) pricing can be applied to certain portions of an urban area or to select parts of the highway system. Finally, it is not always possible to separate tolling applied to new capacity, new facilities, and existing capacity. For instance, there may be situations where existing capacity will need to be tolled to help pay for new capacity in the same corridor, or situations where new facilities provide new capacity while also replacing existing capacity.

The number of possible combinations of policy objectives and tolling applications raises the question of whether, or how well, particular applications can achieve particular objectives. The effectiveness of applications to objectives varies considerably, requiring each combination to be considered in and of itself. Further, for every tolling application there will be winners and losers. The winners may consider the toll a bargain, or at least feel indifferent between paying the toll and saving time. Those made worse off, either directly or indirectly, are likely to view tolling as an expensive or less affordable alternative to new capacity funded through higher fuel use and vehicle taxes or fees. Even those that benefit may question tolling as the most appropriate solution.

The indeterminate outcome of any application coupled with Oregon's limited experience with tolling, implies that any proposed use of tolling of the state highway system should be preceded by a thorough analysis of likely effects and public acceptance. Oregon Revised Statutes, Chapter 383 grants the Oregon Transportation Commission authority over toll rates, and ODOT authority over tolling state highways. Additional interstate bridge authority is granted to ODOT by Chapter 381. Therefore, the role of the Oregon Transportation Commission is to provide policy guidance for developing, evaluating and implementing tollway projects in Oregon in a manner consistent with Oregon statutes as well as existing Commission policies and the *Oregon Transportation Plan*.

Policy 6.1 – New Toll Facilities

Background

Most new highway capacity in the United States is not currently financed with toll revenues. Many projects are not suited to tolling due to low traffic volumes, traffic diversion impacts or inadequate revenue generation. As one example, Truck-only toll lanes (TOT lanes) have little utility in Oregon because the state already allows longer-combination vehicles; hence the ability to improve productivity is limited. In addition, limited urban right-of-way, high construction costs, environmental concerns and insufficient demand appear to limit utility for TOT lanes even in urban areas.

Other projects seem well suited to toll financing, and nationally the number of toll roads has increased significantly in recent years. Each project will have its own unique circumstances.

ODOT has well-established procedures within the Statewide Transportation Improvement Program (STIP) process for developing and funding projects. The Oregon Transportation Commission has managed this process in a manner intended to provide public assurance that once a project is undertaken, it will move forward in an appropriate way. In Oregon, low traffic volumes indicate few, if any, projects can be funded solely with toll receipts so this introduces the issue of how ODOT should financially manage projects that have the potential to be partially funded with toll receipts.

Policy 6.1 – New Toll Facilities

It is the policy of the State of Oregon to consider the use of tolling for financing the construction of new roads, bridges or dedicated lanes only if expected toll receipts will pay for an acceptable portion of project costs.

Action 6.1.1

Tolling projects providing new capacity need to be in compliance with other State policies and regional and local plans.

Action 6.1.2

In order to consider the potential negative effects of traffic diverting around tolled facilities, project proposers must perform a benefit-cost analysis in a

manner prescribed by ODOT¹ on all proposed toll projects to demonstrate overall societal benefits.

DRAFT

¹ Currently see, *Benefit-Cost Assessment Guidance for Evaluating Proposed Highway Tolling and Pricing Options for Oregon* (March 2010) <http://www.oregon.gov/ODOT/TD/TP/docs/LRPU/Benefit.pdf>.

Action 6.1.3

ODOT will only consider those toll projects ranked “high” under tolling parameters considered by ODOT.²

Action 6.1.4

Toll projects requesting statewide funds to supplement toll receipts must prepare and submit to ODOT a formal financing plan that includes debt service, operational, maintenance, and preservation expenses.³

Action 6.1.5

Proposed “premium service” high occupancy/toll (HOT) lanes must be expressly compared to high occupancy vehicle (HOV) lane(s) and “multi-class,” general purpose alternatives to ensure the overall best use of the limited additional capacity.

Policy 6.2 – Pricing Existing Capacity

Background

Applying tolls to existing roadways is likely to be viewed differently by the public than using tolls to finance new capacity. Our current financing system essentially treats roadways as “public goods.” Congested roadways, however, do not meet the classic definition of public goods as one person’s use can preclude or significantly limit the use by others at the same time. In addition, under many circumstances it is possible to charge for the use of roadways. This reality, experienced in many urban areas, has driven the renewed interest in congestion pricing of existing roadways.

Several problems have been seen to impede the application of time-of-day tolls, despite the efficiency benefits cited in economic theory. One, the public seems to prefer the existing approach, with the notable exception of pricing existing HOV lanes which has seen considerable success in a number

² Currently see, Table 4 in *Tolling White Paper #2 – Geographic and Situational Limits* (2009).

<http://www.oregon.gov/ODOT/TD/TP/docs/LRPU/twp2.pdf>

³ This is a separate requirement from the Federal requirement to have an annual financial plan for projects of over \$100 million.

of locales. A few major cities (London, Singapore, Stockholm) have successfully priced access to their cores. Most cities, however, have not opted to do the same. The reasons for this are varied and not well documented by existing research. Therefore, consideration of road pricing in Oregon cities will warrant careful study of both the effects – positive and negative –, consistency with other statutes and policies, and public reaction.

Policy 6.2 – Pricing Existing Capacity

It is the policy of the State of Oregon to consider the use of tolls, including time-of-day pricing, on existing, non-tolled state highways consistent with other Oregon Transportation Commission policies, state law, and federal statutes and planning regulations.

Action 6.2.1

A project that tolls the existing capacity of a previously non-tolled state highway must be included in relevant local and regional land use and transportation plans.

Action 6.2.2

The proposer of any tolling or pricing project is required to have a clear statement of public policy objectives against which the effectiveness of the proposal can be measured.

Action 6.2.3

The proposer of any tolling or pricing project is required to compare the proposal to a null, non-tolled alternative to ensure the effects of introducing tolls can be clearly demonstrated.

Action 6.2.4

The economic, social and environmental effects of any proposed tolling or pricing project will be analyzed by ODOT according to analytical procedures adopted by ODOT.⁴

⁴ Currently see, *Economic Assessment of Tolling Schemes for Congestion Reduction (March 2010)* <http://www.oregon.gov/ODOT/TD/TP/docs/LRPU/Economic.pdf> and *Benefit-Cost Assessment Guidance*

Action 6.2.5

The equity of any tolling or pricing proposal, particularly upon the transportation disadvantaged, will be examined by ODOT and will comply with federal statutes, rules and guidance.

Policy 6.3 – Consistent and Supportive Policy Objectives

Background

Roadway tolls may be levied for a variety of public policy objectives. The relative importance or degree of public acceptance of these objectives may vary in different locales and parts of the state. Similarly, a pricing program for a given purpose in one locale inadvertently may have undue negative effects on other parts of the state.

In addition, some potential policy objectives require tolls so high that facility throughput is reduced. This may be inconsistent with state statute.

It is unclear which policy objectives will be deemed the most important in future tolling or pricing proposals. It is clear, however, that attention may have to be given to the need for a degree of statewide consistency in policy objectives advanced through pricing proposals, as per Goal 7 of the Oregon Transportation Plan.

Policy 6.3 – Consistent and Supportive Policy Objectives

It is the policy of the State of Oregon to ensure motorists and its citizens have clear, consistent and coordinated objectives for any future highway tolling or pricing proposals, reflective of primary public concerns with the performance of the state highway system.

Action 6.3.1

Project proposers will review and document that their roadway tolling or pricing proposals are consistent with other tolling and congestion pricing policies, state and federal statutes and policies, and other tollway projects within the state.

Action 6.3.2

ODOT will analyze the likely transportation, economic, social, energy and environmental effects of any tolling or pricing project on parts of the state outside of the project area.

Action 6.3.3

ODOT will analyze the expected change, if implemented, in vehicle throughput due to any tolling or pricing proposal to ensure consistency with ORS 366.215.

Action 6.3.4

ODOT region staff and local government agencies shall work together to evaluate public understanding of and support for the principle likely objectives for road tolling and pricing applications.

Policy 6.4 – Toll Revenues

Background

The appropriate use of toll generated revenues may be dependent upon a number of factors. These include: a) the type of tolling application under consideration; b) the objective(s) for the application; c) the geographic scope of the application; d) the relative importance of the “user pays” principle; e) public attitudes on transportation system needs; and f) how best to off-set any negative effects of levying tolls. The most appropriate use of toll revenues for any given application may be constrained by federal and state statutes or procedures.

Policy 6.4 – Toll Revenues

The effectiveness, equity and overall utility of tolling projects can be affected by how net toll receipts are used. Multiple approaches to using revenue may need to be considered. It is the policy of the State of Oregon to treat the use of toll-generated revenue as an important component in evaluating any tolling proposal.

Action 6.4.1

For any proposed tolling or pricing project on a state highway, the project proposer will consider a range of potential uses for toll generated revenue, conditional upon the policy objective for the application, and ODOT will incorporate the resultant investments into the economic, social, energy and environmental analysis undertaken for the proposed project.

Action 6.4.2

ODOT region staff and local government agencies shall work together to assess public attitudes toward proposed toll revenue usage for any tolling or pricing project on a state highway as a means of meeting public needs.

Policy 6.5 — Tolling Technology and Systems

Background

The trend in the United States is for state-owned tolling systems to offer electronic toll collection in addition to toll booth cash collection. In contrast, modern toll facilities in other parts of the world now operate as all-electronic systems with no cash payment option at entry to the facilities. Potential toll payers without transponders or bank accounts, or who seek privacy, have options for electronic payment derived from cash payment at another location. Typically, a motorist can obtain a day pass at roadside kiosks or retail stores.

Most state-owned toll facilities in the United States that allow electronic toll collections operate as closed proprietary systems that are not interoperable with each other. As a result, state-owned toll facilities become bound to one provider and limited to the capabilities of that provider. Motorists using toll facilities in multiple states may require more than one transponder for

compliance. An alternative is to develop an integrated system based on common standards and an operating sub-system accessible by the marketplace where components performing the same function can be readily substituted or provided by multiple providers.

Policy 6.5 — Tolling Technology and Systems

When tolling state highways, it is the policy of the state of Oregon to implement tolling systems that:

- (1) Enable cash-based motorists ready access to all-electronic toll facilities while eliminating the need for cash payment at the point of entry;
- (2) Deploy technology that facilitates interoperability with tolling systems of neighboring states and allows evolution of fully functional, non-proprietary tolling systems.

Action 6.5.1

For any proposed tolling or pricing project on a state highway, ODOT shall develop tolling systems that rely on all-electronic collection mechanisms, and enable at least one manner of toll collection that allows a readily accessible electronic payment method for cash customers.

Action 6.5.2

For any proposed tolling or pricing project on a state highway, ODOT will develop and utilize tolling technologies and systems that are based on common standards and an operating sub-system accessible by the marketplace where components performing the same function can be readily substituted or provided by multiple providers to the extent possible while compatible with tolling systems in the State of Washington.

Greater Portland Export Plan

Greater Portland Exports At-a-Glance

Exports: \$22 billion; #12

Export Jobs: 125,626; #15

Exports Growth: \$11 billion; #7

Export Jobs Growth: 47,734; #15

Export Growth Rate: 100.9%; #2

Export Jobs Growth Rate: 61.3%; #27

Note: data is for 2008; growth from 2003 to 2008; rank is among top 100 US metros

Greater Portland has a global reputation when it comes to advanced urban planning, leading-edge sustainability, and high quality of life for its citizens; however, its reputation as an economic leader is less recognized. In response, regional leaders are positioning Greater Portland to be a leader in the 'next economy' through a strategic focus on target industry clusters, innovation and international trade.

Export Profile: Over 90 percent of exports and export growth come from the top 10 exporting industries in the region including: manufacturing (computer and electronics, primary metal, machinery and transportation), royalties, professional services, and travel and tourism. The *computer and electronics products* industry dominates local exports (57 percent of total volume; 67.2 percent of total growth). Top markets for exports from Greater Portland include countries in the Pacific Rim and Europe.

State of Export Services: Greater Portland's economy is rich with SMEs that have limited awareness of global opportunities or local export services and programs. Export services are considered good, but the system is fragmented, has gaps and is reactive in nature. Export promotion is not fully integrated into the region's target industry and business development efforts.

Objectives and Strategies: The objectives of the export plan are to create and sustain regional jobs through export growth, promote a strong export culture, increase the number of firms exporting, and solidify Greater Portland's position as a top 10 US exporting metro. Four core strategies drive attainment of these objectives:

- 1. Support and Leverage Primary Exporters**

Provide proactive economic development support to the computer and electronics industry, including an intense focus on growing the local supply chain (secondary exports) through strategic recruitment and existing business integration efforts.

- 2. Catalyze Under-Exporters**

Target a defined set of high potential regional companies in the advanced manufacturing cluster with outreach and account management services: firm specific market analysis, targeted trade missions and a peer-to-peer export mentoring program.

- 3. Build a Healthy Export Pipeline**

Coordinate export services, fill service gaps, and improve market intelligence for new-to-export firms; includes the improvement of the region's export culture through proactive marketing, developing an export web portal ("roadmap") and establishing a regional export accelerator.

- 4. Branding & marketing Portland's global edge: 'We Build Green Cities'**

Package Greater Portland's cluster strengths to support new market presence for the most innovative sectors. This begins with a Clean Tech initiative that offers regionally developed solutions to global challenges. Proactive marketing to sell Portland's 'Green City' story

internationally around a set of industries, companies and products with export potential and a travel and tourism component to attract international conventions, meetings and tourists.

[<back page>](#)

Portland

Export Plan Development

The development of Greater Portland's export plan has been led by staff from the following regional coalition organizations:

Office of Portland Mayor Sam Adams (co-lead)
Portland Development Commission (co-lead)
Greater Portland, Inc.
Port of Portland
Portland Business Alliance
Metro
Business Oregon
Portland U.S. Export Assistance Center
Columbia River Economic Development Council
Portland State University
Oregon Export Council

In addition to the work of the strategy development team, Greater Portland sought significant input from a wide range of public sector organizations, higher-education institutions, regional decision-makers, and private sector businesses through working sessions, one-on-one meetings and presentations to regional boards and commissions.



GREATER PORTLAND METRO EXPORT INITIATIVE Presentation to JPACT

February 9, 2012

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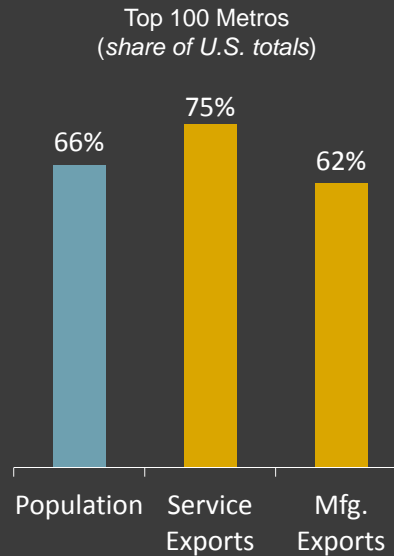
Greater Portland Export Moment



- Economic development strategy focused on job creation
- Link: cluster development, innovation & international trade
- Annual exports = \$22 billion (r. 12)
- 126,000 export jobs (r. 15)
- Emerging markets = economic growth opportunities
- Exports & trade gateways critical to sustained regional growth

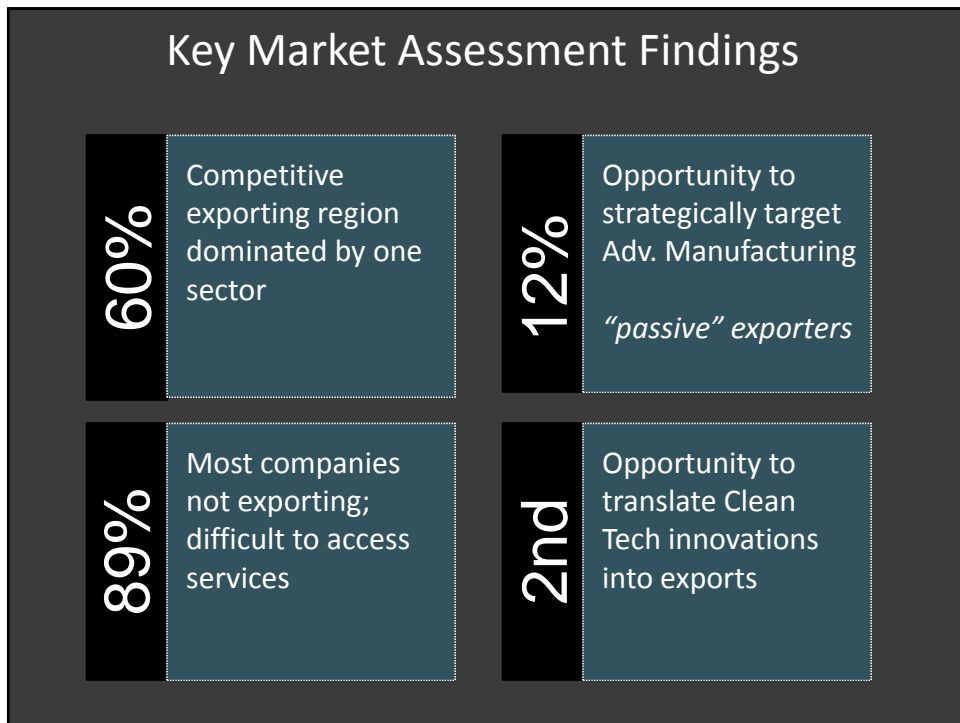
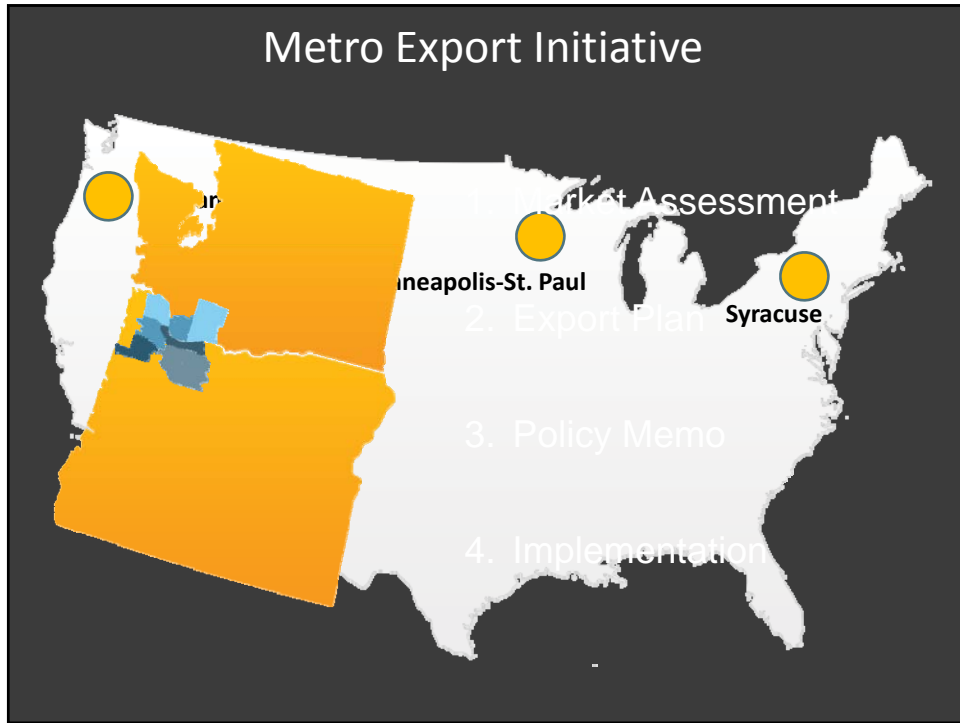
Why the Metro Focus?

- Metro areas drive U.S. exports
- Metro regions lack export strategies



From NEI to MEI

- President's National Export Initiative (NEI)
 - Double U.S. exports over 5 years
 - Deliver economic growth and jobs
 - Good pay to workers at all levels of education
 - Rebalance US economy and lower trade deficit
- Brookings Metro Export Initiative (MEI)
 - Export Nation Study: 100 largest metro areas
 - Connect macro vision to metro reality
 - Develop metro specific export strategies



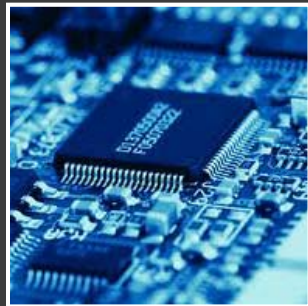
Export Strategy Goals



1. Create & retain export-related jobs; maintain leading export position
2. Diversify export industries, increasing number of companies exporting and the markets they access
3. Create a strong local export culture and a global reputation for trade

Export Plan Strategies

Leverage Primary Exporters



Capitalize on export strength of Computer & Electronic Mfg. Sector

- Ensure location advantages
- Enhance supply chain (*secondary exports*)
- Reduce leakage of exported products
- Track spin-off and startup companies

Export Plan Strategies

Catalyze Under-Exporters



Develop proactive strategy for select number of manufacturing firms

- Account management
- Customized market analysis
- Peer-to-peer export mentoring
- Tailored export-focused trade missions

Export Plan Strategies

Healthy Export Pipeline



Improve access to services to increase the number of SMEs exporting

- Single point-of-entry web portal (“roadmap”)
- Promote export culture
- Train economic development community
- Manage companies thru export services pipeline
- Export accelerator

Export Plan Strategies

Market Portland's Global Edge



WeBuildGreenCities.com

Take Greater Portland innovations to global markets

- Roll out "WBGC"
 - Strategic marketing
 - Directory of companies & products
- Evaluate strategy in other industries
- Internationalize regional marketing
- Tourism & education

Performance Metrics

Macro Indicators (Brookings)

- Export-related jobs
- Export value
- Export intensity
- Indexed performance rank
- Diversification of export industries

Performance Metrics

Macro Indicators (Brookings)

Export Activity (MEI Partners)

- New firms entering export service system
- Demand for export services
- New export markets
- Use of port facilities
- New sales contracts

Performance Metrics

Macro Indicators (Brookings)

Export Activity (MEI Partners)

Export Environment (MEI Partners)

- Policies adopted
- Integration of exports (*Reg Planning & Ec Dev*)
- Metro led trade missions
- C-level export leaders
- Media coverage

A Policy Voice for Exports

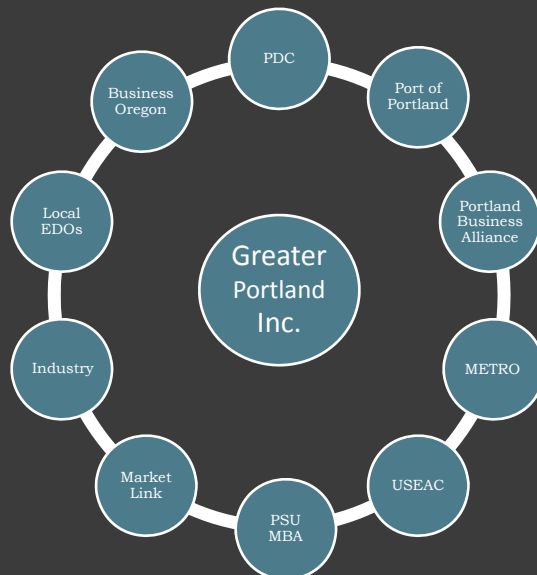


Ongoing discussions with federal, state & local leaders

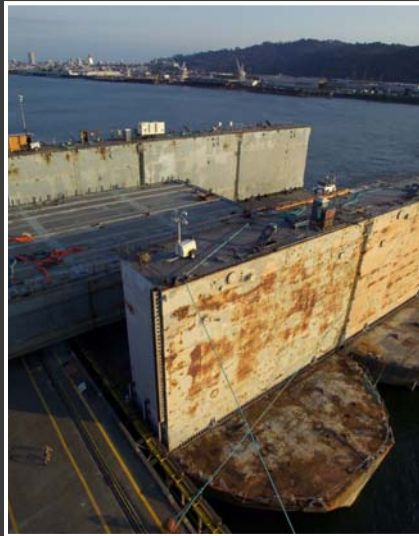
- Funding of export promotion services
- Relevant metro level data
- Freight strategy to address export growth
- Land use and tax issues
- Movement of people and ideas
- Alignment of performance measures

Implementation

- Regional Implementation Team
- Regional Advisory Committee



Next Steps



- Finalize Implementation Strategy & Policy Memo
- Present to Boards & Commissions
- Public Rollout (Feb. 15th)
- Fundraising



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Materials following this page were distributed at the meeting.

2012 JPACT Work Program

2/8/12

<p><u>January 12, 2012 – Regular Meeting</u></p> <ul style="list-style-type: none">• 2010-13 MTIP Amendment to add the City of Portland Peer-to-Peer Carsharing Project – Action• RTP & MTIP amendments – Action<ul style="list-style-type: none">○ Northbound Cornelius Pass Rd. to Eastbound US 26 Project (City of Hillsboro)○ Construction Phase of Sellwood Bridge Replacement Project (Multnomah County)○ Bike Sharing Project (City of Portland)○ Removing Allen Blvd. and Nimbus Ave. Extension Projects (City of Beaverton)• Climate Smart Communities Scenarios – Accept of the Phase 1 Findings• Transportation Electrification Executive Council (TEEC) and Drive Oregon – Information• ODOT Congestion Pricing – Discussion• Federal Authorization Priorities – Discussion	<p><u>February 9, 2012 – Regular Meeting</u></p> <ul style="list-style-type: none">• Federal Authorization Priorities – Action• ODOT Congestion Pricing – Comments/Action• Greater Portland Metro Export Initiative – Information <p><u>February 27 –JPACT Washington, DC Prep Meeting:</u></p> <p>Location: Metro, Room 370A/B When: Monday, Feb. 27, 5 p.m.</p>
<p><u>March 1, 2012 – Regular Meeting</u></p> <ul style="list-style-type: none">• Regional Safety Plan – Action• 2012-15 MTIP/STIP Approval and Air Quality Conformity – Action• Briefing on RTO Strategic Plan – Information <p><u>March 5 to 8, 2012 – Annual Washington, DC Trip</u></p>	<p><u>April 12, 2012 – Regular Meeting</u></p> <ul style="list-style-type: none">• FY2012-13 UPWP – Action• RTO Strategic Plan – Action• Climate Smart Communities Scenarios Phase 2 work plan – Discussion• Oregon Sustainable Transportation Initiative (OSTI) - Information<ul style="list-style-type: none">○ Statewide Transportation Strategy (STS)○ LCDC Rulemaking on selection of preferred scenario
<p><u>May 10, 2012 – Regular Meeting</u></p> <ul style="list-style-type: none">• OSTI draft Statewide Transportation Strategy (STS) – Discussion• Climate Smart Communities Scenarios Phase 2 – Discussion• Briefing on Regional Safety Action Plan – Information• East Metro Connections update – Information	<p><u>June 14, 2012 – Regular Meeting</u></p>
<p><u>July 12, 2012 – Regular Meeting</u></p> <ul style="list-style-type: none">• Climate Smart Communities Scenarios – Discussion	<p><u>August 9, 2012 – Regular Meeting</u></p>

<p><u>September 13, 2012 - Regular Meeting</u></p>	<p><u>October 11, 2012 - Regular Meeting</u></p> <ul style="list-style-type: none"> • Climate Smart Communities Scenarios - Discussion • Oregon Sustainable Transportation Initiative (OSTI) - LCDC Rulemaking on selection of preferred scenario - Discussion
<p><u>November 8, 2012 - Regular Meeting</u> Climate Smart Communities Scenarios - Discussion</p>	<p><u>December 13, 2012 - Regular Meeting</u></p>

Parking Lot:

- Regional Indicators briefing

US DOT TIGER IV Grant Program

The US DOT National Infrastructure Investment grant program (TIGER IV) will provide \$500 million for surface transportation projects across all modes. Funding will be awarded on a competitive basis for projects that have a significant impact on the nation, a metro area, or a region.

The TIGER IV program is essentially identical to the TIGER III program from 2011.

Funding and Setasides

A total of \$500 million is available. A number of set-asides were included in the legislation:

- At least \$120 million will be provided to projects in rural areas (areas outside a Census Bureau-defined Urbanized Area of 50,000 or more population).
- Not more than \$175 million can be used for subsidies under the Transportation Infrastructure Finance and Innovation Act (TIFIA) program.
- DOT has set aside \$100 million for high speed and intercity passenger rail projects.
- Not more than \$20 million can be retained by US DOT for administration and oversight.

Grant Sizes

US DOT can make grant awards for projects in urban areas as small as \$10 million and as large as \$200 million. In rural areas awards may be as small as \$1 million. However, US DOT has indicated that the largest grants are likely to be less than \$200 million. In the TIGER II program, grants ranged from \$1 million to \$47.6 million, with an average award of \$13.25 million.

Matching Funds and Leverage

For projects in urban areas, at least 20 percent of project costs must be provided from non-federal funds. Projects in rural areas may receive up to 100 percent federal funding. US DOT will give priority to projects for which federal funding is required to complete an overall financing package. Projects can increase their competitiveness by demonstrating significant non-federal contributions.

Eligible Applicants

Eligible applicants are state, local, and tribal governments, including transit agencies, port authorities, metropolitan planning organizations (MPOs), other political subdivisions of State or local governments, and multi-State or multijurisdictional groups applying through a single lead applicant (for multijurisdictional groups, each member of the group, including the lead applicant, must be an eligible applicant). An organization can be the lead applicant on no more than three applications.

Eligible Projects

All surface transportation capital projects are eligible, including highways and bridges, public transit, freight and passenger rail, and port improvements.

Application Process and Deadlines

Pre-applications providing basic information to validate eligibility must be submitted by February 20th. Final applications are due March 19th.

Selection Criteria and Considerations

Primary Selection Criteria

Long-Term Outcomes: DOT will give priority to projects that have a significant impact on desirable long-term outcomes for the nation, a metropolitan area, or a region. Applications that do not demonstrate a likelihood of significant long-term benefits in this criterion will not proceed in the evaluation process. The following types of long-term outcomes will be given priority:

- *State of Good Repair:* Improving the condition of existing transportation facilities and systems, with particular emphasis on projects that minimize life-cycle costs.
- *Economic Competitiveness:* Contributing to the economic competitiveness of the United States over the medium- to long-term.
- *Livability:* Fostering livable communities through policies and investments that increase transportation choices and access to transportation services for people in communities across the United States.
- *Environmental Sustainability:* Improving energy efficiency, reducing dependence on oil, reducing greenhouse gas emissions and benefitting the environment.
- *Safety:* Improving the safety of U.S. transportation facilities and systems.

Job Creation & Near-Term Economic Activity: DOT will give priority to projects that are expected to quickly create and preserve jobs and promote rapid increases in economic activity, particularly jobs and activity that benefit economically distressed areas.

Secondary Selection Criteria

Innovation: DOT will give priority to projects that use innovative strategies to pursue the long-term outcomes outlined above.

Partnership: DOT will give priority to projects that demonstrate strong collaboration among a broad range of participants, integration of transportation with other public service efforts, and/or are the product of a robust planning process.

DOT will give more weight to the Primary Selection Criteria.

Additional Considerations

US DOT is directed to ensure an equitable distribution across geography, transportation modes, and between urban and rural areas. Because funds must be obligated by September 30, 2012, DOT will focus on the extent to which a project is ready to proceed with obligation of grant funds when evaluating applications, and give priority to those projects that are ready to proceed sooner than other competitive projects.

TriMet Service Trends

Fixed Route Service – light rail, bus, commuter rail (no streetcar)

12-month averages, Jan-Dec

	2004	2005	2006	2007	2008	2009	2010	2011	% Change
Peak Veh.	625	612	606	608	613	624	618	601	-3.8%
Rev Hours	143,784	140,003	137,973	140,983	144,469	144,542	133,776	128,435	-10.7%
Veh. Miles	2,621,657	2,560,074	2,476,114	2,485,882	2,532,453	2,529,128	2,375,802	2,247,113	-14.3%

TriMet Financial Resources, 2004-2012 (millions)

TriMet payroll tax rate increased effective 1/1/05 and will rise .01% every January through 2024

	FY 04/05	FY 08/09	FY 09/10	FY 10/11 (est)	FY 11/12 (budget)	% Change 04/05-11/12
Passenger Fares	\$ 59.49	\$ 90.10	\$ 93.73	\$ 97.97	\$103.80	+74.5%
Payroll tax revenue	\$171.23	\$209.10	\$207.10	\$217.20	229.10	+33.8%
Total operating resources	\$308.77	397.24	\$423.50	\$424.20	\$443.21	+43.6%
Total resources	\$493.72	\$888.35	\$809.75	\$763.66	\$1,004.44	+103.44%

The Rising Cost of TriMet Fringe Benefits

	2001	2003	2005	2007	2008	2009	2011
Wages (millions)	\$97.1	\$107.8	\$113.9	\$121.1	\$128.6	\$127.3	\$123,482
Fringe ben. (mill)	\$59.2	\$74.1	\$92.9	\$98.5	\$151.8*	\$ 163.6	\$200,875
Number of FTE	2,517	2,643	2,519	2,513	2,590	2,515	2,297
Avg. Cost p/FTE	\$62,023	\$68,901	\$82,063	\$87,490	\$108,262	\$115,436	\$141,053
Benefits as a % of Wages	61%	69%	82%	81%	118%	129%	163%

*In the 2008 TriMet audit, it was noted that, "In 2008 fringe benefits increased \$53,366,000, or 54.2%, due to the increased cost of medical premiums, pension funding requirements, and the implementation of recording of postemployment medical benefit liabilities under GASB Statement No. 45." This indicates that the high costs of fringe benefits had been there all along; they just became more transparent beginning in 2008 due to implementation of GASB Statement 45 for Other Post-Employment Benefits.

**Monthly ridership and financial trends
TriMet Westside Express Service Commuter Train
February 2009 (opening month) – December 2011**

	Feb '09	Feb '10	Feb' 11	Dec '11	% in.
Op. cost/originating ride	\$ 19.18	\$ 19.96	\$ 26.56	\$ 24.70	+28.7%
Op. cost/train-mile	\$ 43.48	\$ 41.79	\$ 63.54	\$ 59.33	+36.5%
Op. cost/train-hour	\$ 878	\$ 914	\$ 1,390	\$ 1,305	+48.6%
Average originating Fare (system-wide)	\$ 1.21	\$ 1.19	\$1.29	\$ 1.30	+7.4%
Avg. subsidy/ride	\$ 17.97	\$ 18.77	\$ 25.27	\$ 23.40	+30%

Source: TriMet monthly reports

The Low-Cost Alternative Ignored by Trimet: Rapid Bus

The Los Angeles MTA has developed a relatively cost-effective program called Metro Rapid. This system relies on distinctive, low-floor CNG buses with red stripes providing fast, reliable transit service with headways as low as 2.5 minutes during the peak commutes. A summary of the key characteristics of the Metro Rapid Transit bus system compared with the proposed Milwaukie LRT project is shown below:

	Los Angeles Rapid Bus	Milwaukie LRT
Year opened:	2000	2015 (est)
Avg. wkday boardings	242,000	13,000 (est)
System length	369 miles	7.3 miles
Capital cost/mile	\$.35 million	\$205 million
Peak freq of serv.	Every 2.5-10 min.	Every 10 minutes
Service area	Citywide	SE Portland
Cost per/vehicle	\$.4 million	\$4 million
Avg. speed	14-30 MPH	14-18 MPH

J. Charles
2/3/12

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ENDORSING A) RESOLUTION NO. 12-4330
REGIONAL POSITION ON THE)
AUTHORIZATION OF A SURFACE) Introduced by Councilor Collette
TRANSPORTATION ACT IN THE US
CONGRESS

WHEREAS, the Senate Environment and Public Works Committee of the US Senate has introduced to the 112th Congress a new ~~highway transportation~~ authorization bill entitled “Moving Ahead for Progress in the 21st Century (MAP-21)”~~”; and the Senate Committee on Banking, Housing and Urban Affairs has introduced a new transit authorization bill entitled “The Federal Public Transportation Act of 2012;” and~~

~~WHEREAS, the Committee on Transportation and Infrastructure of the US House of Representatives has introduced a new transportation authorization bill entitled “The American Energy and Infrastructure Jobs Act of 2012;” and~~

~~WHEREAS, additional legislation is forthcoming from the Senate Banking Committee, the Senate Finance Committee and the House Transportation and Infrastructure Committee; and~~

WHEREAS, federal transportation legislation is critical to the successful implementation of the region’s plans to achieve the six adopted outcomes of a successful region; and

WHEREAS, it will be important for the region to actively engage in development of legislation as it continues to evolve; and

WHEREAS, on _____, 2012 the Joint Policy Advisory Committee on Transportation recommended adoption of this resolution; now therefore

BE IT RESOLVED that the Metro Council endorses Exhibit A reflecting the following key policy positions:

1. The Congress of the United States should invest in America’s prosperity through infrastructure.
2. Congress should end the indecision on transportation authorization legislation in recognition of the need for long lead times for transportation operation, rehabilitation and improvements.
3. The long standing commitment to a funding split between transit and highways should be maintained.
4. The collaborative decision-making of the metropolitan planning organizations should be maintained.
5. The program structure should support the region’s planning for desired outcomes through a program structure that reinforces flexibility with accountability.

6. The federal program should be designed to support discretionary programs to allow for the construction of major transportation projects.

7. The federal program should seek ways to streamline project development and permitting to eliminate wasteful and inefficient requirements while maintaining important environmental protections provided through the National Environmental Policy Act (NEPA).

~~7.8.~~ The federal program should support incremental upgrading of intercity passenger rail service.

~~8.9.~~ The Sustainable Communities Partnership should be sustained, supported and expanded.

~~9.10.~~ Although there will not be project earmarking, Congressional intervention will be required for competitive grant applications for programs such as TIFIA, Projects of National Significance and New Starts.

ADOPTED by the Metro Council this _____ day of _____ 2012.

Tom Hughes, Council President

Approved as to Form:

Alison Kean Campbell, Deputy Metro Attorney

**Portland Metro Region Position
on
Federal Transportation Authorization Legislation**

The Portland Region urges Congress to take action on transportation authorizing legislation with the region's priority policy emphasis as follows:

1. **The Congress of the United States should invest in America's prosperity through infrastructure:** Continued and increased federal investment in transportation infrastructure is essential to national economic prosperity and competitiveness. While reduced tax collections in the highway trust fund may limit the size of the program for now, supplemental funding is needed just to maintain status quo funding and it is critical to identify the funding mechanism to address the gap. It is equally important to position the program to invest at a higher level needed for economic prosperity in the future as improving economic conditions permit.
2. **Congress should end the indecision and adopt transportation authorization legislation in recognition of the need for long lead times for transportation operation, rehabilitation and improvements:** There is an urgent need to end the Congressional indecision of the past few years and establish a clear federal policy direction. Transportation improvement and rehabilitation projects require significant lead time tied to clear and reliable policy and funding.

In adopting authorizing legislation, the key priority elements of interest to the region are as follows:

- A. **The long standing commitment to a funding split between transit and highways should be maintained:** Equal in importance to the overall funding level is the compact maintained over the past two decades to invest in both highways and transit. The long-standing commitment to an 80/20 balance between dedicated highway and transit funding needs to at least be maintained.
- B. **The collaborative decision-making of the metropolitan planning organizations should be maintained:** The federal transportation program has been built since the 1970's on the principle of collaborative decision-making in metropolitan areas. The proposed Senate bill includes a number of adjustments to ensure metropolitan planning organizations (MPOs) meet a minimum level of capability and employ the best practices in evaluation of transportation issues, which are welcome additions. However, both the Senate and House bills also include a shift in decision-making from the MPO to the state DOTs. It is important to maintain the decision-making structure of metropolitan planning organizations in urban areas to include the effective participation by the various transportation jurisdictions (the state DOT, the transit operators, the port districts and the local governments) and ensure integration with the land use jurisdictions (cities, counties and regions).

- C. **The program structure should support the region’s planning for desired outcomes through a program structure that reinforces flexibility with accountability:** The region has oriented its planning and policy setting around achieving six outcomes that define a great place:

People live, work and play in vibrant communities where their everyday needs are easily accessible.

Current and future residents benefit from the region’s sustained economic competitiveness and prosperity.

People have safe and reliable transportation choices that enhance their quality of life.

The region is a leader in minimizing contributions to global warming.

Current and future generations enjoy clean air, clean water and healthy ecosystems.

The benefits and burdens of growth and change are distributed equitably.



The proposed authorization bill begins to move in a similar direction by establishing a program structure around a few broad programs, with performance standards to measure progress and a required minimum spending level for certain types of projects (particularly bridge and pavement conditions and safety). It establishes clear expected outcomes, provides the needed flexibility for states and MPOs to determine how to best meet those outcomes and ensures accountability. Continued movement in this direction to enable the region to reach its six desired outcomes is a good step.

The basic proposed program structure is as follows:

- a) National Highway Performance Program
- b) Transportation Mobility Program
- c) Safety
- d) Congestion Mitigation/Air Quality
- e) Freight

However, fundamental program structure concerns associated with the relationship between the National Highway Program and the Transportation Mobility Program need to be addressed:

- Funding for bridges **off** the National Highway System needs to follow the assignment of responsibility. Specifically, an amount equivalent to the amount of Bridge funds spent on non-NHS bridges under SAFETEA-LU should be provided under the TMP where the responsibility for addressing non-NHS bridges has been assigned.
- Requirements to spend a minimum funding level on bridges **off** the Federal Aid Highway System should not be retained because it results in more spending on bridges of lower significance in better condition than bridges **on** the Federal Aid Highway System.
- The requirement to meet the minimum standard for NHS bridge and pavement conditions should be funded by shifting spending from NHS expansion rather than

by shifting funds from the TMP or STP categories to the NHPP.

D. The federal program should be designed to support discretionary programs to allow for the construction of major transportation projects: It is important that the federal program be structured to support implementation of large projects, addressing critical needs that are beyond the capacity of the region to fund. The core formula programs cannot be used to implement these mega-projects without doing so at the expense of transportation needs throughout the rest of the region and state.

- a. For the transit program, the New Starts/Small Starts program is critical to expand and streamline to make project delivery more efficient. Continued implementation of the regional light rail and streetcar system is dependent upon this commitment.
- b. For the highway program, the Projects of National Significance and TIFIA Programs are important to maintain and expand. Projects of National Significance should be funded at a higher level and be based upon very rigorous and competitive criteria. TIFIA should be awarded competitively, not on a first-come-first-served basis. Implementation of the Columbia River Crossing (CRC) Project is dependent upon these programs.
- c. With a model track record for a competitive program, the TIGER program should be maintained and expanded for multi-modal projects. The region has submitted a number of high priorities that are beyond the scale of the region to implement.

E. The federal program should seek ways to streamline project development and permitting to eliminate wasteful and inefficient requirements while maintaining important environmental protections provided through the National Environmental Policy Act (NEPA): Certain process streamlining changes are welcomed reductions in bureaucratic requirements but others go so far as to undermine the integrity of NEPA.

E.F. The federal program should support incremental upgrading of intercity passenger rail service: To ensure that Oregon and Washington can continue to improve service by reducing travel times, improving reliability, and increasing roundtrips, Congress should provide long-term, dedicated funding for both large-scale corridor projects as well as for small-scale projects that make incremental improvements to service.

F.G. The Sustainable Communities Partnership should be sustained, supported and expanded: The federal partnership between USDOT, HUD and EPA to coordinate their programs toward the goal of achieving sustainable communities should be applauded and reinforced. Unless our federal partners work together, it is difficult for the region to advance efforts to integrate programs locally and regionally.

G. Although there will not be project earmarking, Congressional intervention will be required for competitive grant applications for programs such as TIFIA, Projects of National Significance and New Starts: It is clear that there will not be earmarks in the bill. However, there are a few instances in the future that will need some Congressional intervention, including Full-Funding Grant Agreements for New Starts projects (most immediately Portland to Milwaukie and CRC), application for TIFIA funds and Projects of National Significance funds for the Columbia River Crossing project and significant competitive applications like TIGER funds.

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 12-4330, FOR THE PURPOSE OF ENDORSING A PORTLAND METRO AREA REGIONAL POSITION ON THE AUTHORIZATION OF A SURFACE TRANSPORTATION ACT IN THE US CONGRESS

Date: January 23, 2012

Prepared by: Andrew Cotugno

BACKGROUND

The region annually produces a position paper that outlines the views of the Metro Council and the Joint Policy Advisory Committee on Transportation (JPACT), a regional body that consists of local elected and appointed officials, on issues concerning transportation funding that are likely to be considered by Congress during the coming year. In the past, the region has adopted a substantial federal authorization position on both policy and programmatic changes as well as project earmarking. This year, after significant delay and indecision by Congress, it is evident that neither is feasible. In the past, it has been possible to consider substantial policy decisions and earmarking based upon the expectation of a significant increase in funding levels (consistent with increases adopted in the past three 6-year bills). However, the funding level in the next authorization is expected to be status quo plus inflation at best, resulting in no earmarks or programmatic expansion. In addition, there is a strong move to consolidate multiple programs into a few broad categories with decision-making delegated to state DOTs and MPOs and new emphasis on performance measures and accountability rather than multiple categories of projects tied to specific funding amounts in specific programs.

In this changing federal environment, it is important to focus the region's priorities on the issues of highest regional importance where there is a prospect of impacting the results. As delineated in further detail in Exhibit A to this resolution, the key priorities are as follows:

1. The Congress of the United States should invest in America's prosperity through infrastructure.
2. Congress should end the indecision on transportation authorization legislation in recognition of the need for long lead times for transportation operation, rehabilitation and improvements.
3. The long standing commitment to a funding split between transit and highways should be maintained.
4. The collaborative decision-making of the metropolitan planning organizations should be maintained.
5. The program structure should support the region's planning for desired outcomes through a program structure that reinforces flexibility with accountability.
6. The federal program should be designed to support discretionary programs to allow for the construction of major transportation projects.
7. The federal program should seek ways to streamline project development and permitting to eliminate wasteful and inefficient requirements while maintaining important environmental protections provided through the National Environmental Policy Act (NEPA).
- ~~7.8.~~ The federal program should support incremental upgrading of intercity passenger rail service.
- ~~8.9.~~ The Sustainable Communities Partnership should be sustained, supported and expanded.
- ~~9.10.~~ Although there will not be project earmarking, Congressional intervention will be required for competitive grant applications for programs such as TIFIA, Projects of National

Significance and New Starts.

Attached to this staff report is a sample list of specific legislative language that would enable the Portland region to meet its objectives through the use of the federal legislation. As the bills continue to evolve additional specific amendments will need to be pursued.

ANALYSIS/INFORMATION

- 1. Known Opposition:** None
- 2. Legal Antecedents:** Policy positions being sought through federal transportation legislation are consistent with the Regional Transportation Plan, adopted by Resolution No. 10-1241B, “For the Purpose of Amending the 2004 Regional Transportation Plan to Comply with State Law; To Add the Regional Transportation Systems Management and Operations Action Plan, the Regional Freight Plan and the High Capacity Transit System Plan; To Amend the Regional Transportation Functional Plan and Add it to the Metro Code; To Amend the Regional Framework Plan; And to Amend the Urban Growth Management Functional Plan.” In addition, changes in federal authorizing legislation will change funding authorities delegated to the Metro Council and JPACT.
- 3. Anticipated Effects:** Resolution would provide the US Congress and the Oregon Congressional delegation with the region's priorities for transportation funding policy for use in the federal transportation authorization and appropriation process.
- 4. Budget Impacts:** Federal transportation legislation will impact the level of federal funding available to the Portland region, a portion of which funds planning and projects at Metro.

RECOMMENDED ACTION

Approve Resolution No. 12-4330 for submission to the Oregon Congressional delegation.

Proposed federal action	To support the following regional objective
Sustain, increase and streamline the New Starts Program	To facilitate securing a Full Funding Grant Agreement for Portland to Milwaukie Light Rail and facilitate the needed New Starts funding contribution toward the Columbia River Crossing Light Rail project
<p>Maintain the 50% set-aside of TMP and CMAQ funds and correct the program structure as follows:</p> <ul style="list-style-type: none"> • assign non-NHS bridge funding to the TMP where the responsibility to fund non-NHS bridges is placed; • shift the NHPP pavement and bridge condition penalty from the TMP to the expansion component of the NHPP; • drop the minimum spending requirement to spend 15% of the bridge program on off-system bridges 	<p>To continue the region’s investment in expansion of the light rail, streetcar and high capacity bus system, demand management programs, system management and operation projects, transit oriented development projects, bike and pedestrian projects, freight projects</p> <ul style="list-style-type: none"> • To ensure bridge repair and replacement on the non-NHS bridges is adequately funded • To link the consequence of inadequate expenditure on NHS system pavement and bridge condition to decisions to invest in NHS expansion • To ensure higher priority bridges are addressed
Increase the maximum amount of Small Starts funding to \$100 million	To support closing the eastside streetcar loop (at OMSI) To help build the streetcar production market for Oregon Ironworks as a regional economic development strategy
Allow for a Documented Categorical Exclusion in the Small Starts program	To facilitate streamlined delivery of future streetcar projects in the right-of-way
Allow the MPO planning funds to be used as match against university research funds (like the s State p lanning <u>and Research (SPR)</u> funds)	To increase the partnership between the MPOs and OTREC
<p>Increase the funding level for Projects of National Significance</p> <p>Increase the funding level for TIFIA to \$1 billion (as reflected in the MAP-21 bill) and apply competitive criteria rather than awarding on a “first-come, first-served” basis</p>	To ensure the needed federal highway funding contribution to CRC is feasible
Provide for implementation of “practical design”	To facilitate implementation of more economically viable projects in the face of fiscal limits
Implement the proposed Freight Program	This region is disproportionately trade dependent and this program will enable focused attention on the most significant freight routes (for both planning and projects)
Maintain the eligibility of urbanized areas that operate rail systems to access Section 5307 “Bus and bus facilities” funding. This is current law, is maintained in the Senate bill and is proposed for change in the House bill.	This would provide funds to TriMet for routine bus replacement.

American Energy and Infrastructure Jobs Act

Summary of surface transportation provisions

The House transportation draft bill modifies surface transportation policy by consolidating and repealing a number of both the highway and transit programs. Overall the bill maintains the historical funding percentages for highways (~80%) and transit (~20%). In addition, the bill contains a number of provisions related to project delivery, innovative financing and performance measures.

Proposed Core Highway Programs

National Highway System (NHS) - \$17.4B

The bill consolidates the existing National Highway System, Interstate Maintenance and Highway Bridge programs into a single program focused on improvements to the National Highway System, as it exists today. As a part of this program states are required to develop asset management plans to show how they will meet performance targets for pavement and bridge condition on the NHS. States that do not have a plan within 4 years will have their federal share reduced from 80% to 70% for NHS projects. The program does not continue the provision from the Interstate Maintenance program restricting a portion of funds from being used for new capacity. In addition, if more than 10% of the deck area of a state's NHS bridges is structurally deficient the state must spend 10% of its NHS and STP funds on NHS bridges.

Surface Transportation Program (STP) - \$10.5B

The bill consolidates several programs as well as off-system bridges – bridges on local and minor collectors roads – into the Surface Transportation Program. The program retains the flexibility to invest in a broad range of activities including highways, transit, bike and pedestrian projects and travel demand management. The bill eliminates the 10 percent set-aside for transportation enhancement activities. Fifty percent of the program will be suballocated to areas within the state based on population. While this percentage is lower than the current 62.5%, the absolute amount of funding to be suballocated will remain the same due to an increase in program size. If more than 15% of the deck area of a state's off-system bridges is structurally deficient then a state must spend an amount equal to 110% of the previous off-system bridge set-aside.

Highway Safety Improvement Program (HSIP) - \$2.6B

The program provides funding to improve safety for road users on all public roads. It defines road user to include both motorized and nonmotorized users. States are required to collect data to help with the identification and improvement of hazard locations, including information on bicycle and pedestrian safety. States must have an updated strategic highway safety plan within a year to spend funds from this program. The bill continues to set-aside \$220M for railway-highway crossing improvements. The high-risk rural roads set-aside is eliminated.

Congestion Mitigation Air Quality (CMAQ) - \$2B

The bill continues the CMAQ program with several modifications. It shifts funding for the program from the highway account of the highway trust fund to the new 'alternative transportation account' – currently the mass transit account – in the trust fund. The bill also allows ordinary highway expansion/construction to be an eligible project; previously only highway projects for HOV lanes were eligible. The funding for this program, unlike other highway programs that increase year over year, is flat lined over the five-year period.

Programs repealed

The bill repeals the following programs and set-asides: Safe Routes to School; Transportation Enhancements; Scenic Byways; Transportation, Community and System Preservation; and Projects of National and Regional Significance.

Other highway provisions and policies

Performance Measures. The bill directs US DOT to develop performance measures for 11 categories within 2 years. These categories include pavement and bridge condition, congestion, safety, bike/ped safety, air quality and energy consumption, transit availability and repair, and rural connectivity. States are required to set targets within a year and report on progress towards the targets annually.

TIFIA program. The bill would expand the TIFIA program from \$122 million to \$1 billion and modify the program from a competitive application process to a rolling application process. Provisions have been added that allow for applicants to enter into master credit agreements to provide funding for a suite of projects at once and that allow a TIFIA loan to cover up to 49% of project costs, up from 33%. There are modifications that make it easier for public transportation agencies with dedicated revenue sources to apply for TIFIA loans. In addition, there are modifications that would help fund public infrastructure that supports transit oriented development with a lower overall project cost threshold.

Project Delivery and NEPA. The bill includes many provisions related to the environmental review and permitting process. These provisions range from exempting certain projects from the NEPA process, establish deadlines and automatic approvals if the deadlines are missed, new restrictions on judicial review, expanded use of categorical exclusions (a more limited environmental review), concurrent review of environmental documents by natural resource agencies, allows the President to waive the environmental review and permitting process for certain projects during the next two years, and other provisions.

Transportation Planning. The bill mostly maintains existing planning requirements for states and metropolitan planning organizations (MPOs). It maintains existing MPOs and raises the threshold for new MPOs from a population of 50,000 to 100,000. The bill also requires the statewide transportation plan to consider intercity bus, port, and aviation needs. Under this proposal states

would be able to override MPO decision making for projects located on the Interstate system. Rural officials would have an increased role in the statewide transportation planning process.

Freight Policy. The bill contains several provisions related to freight including establishing a national freight policy, encouraging state freight plans and advisory committees and provisions related to truck weights.

Tolling and Intelligent Transportation Systems. The bill expands the authority of states to toll new and existing highway facilities. It ensures that any existing Interstate lanes that are toll-free would remain toll free. The proposal removes a restriction that excess revenues HOT lanes, converted from HOV lanes, be used for developing alternatives to single occupancy vehicle travel and projects for improving highway safety. The bill includes grants for wide scale deployment of ITS projects in an area.

Transit Policy and Programs

Urbanized Area Formula Grants - ~\$4.6B

No major changes except that the “Growing States High Density” program was repealed and its funded was shifted to this program. In addition, the proposal eliminates provision that 1% of funds in urbanized areas over 200,000 be spent on transit enhancements.

Rural Area Formula Grants - \$672M

The proposal increases funding by more than 40% and includes new factors in the distribution formula related to intensity of transit service provided in an area. Goals are established for the program related to improving mobility and access as well as coordination. In addition, there are provisions that allow funds from private bus operators to match federal funds to support and expand intercity bus service.

Coordinated Access and Mobility Program - \$504M

This program is a consolidation of three specialized transit programs – the Elderly and Disabled, Job Access Reverse Commute and New Freedom programs. Funding for these programs is increased approximately 25%. The proposal establishes goals for this program.

Fixed Guideway Modernization Formula Grants - ~\$1.7B

Overall the purpose of this program remains unchanged. The proposal would establish goals for the program including improving the state of good repair of fixed guideway transit systems and increasing transit ridership.

Bus and Bus Facilities - \$840M

This program is modified from a discretionary, earmarked program into a formula program. Funding for this program is reduced by ~15%. Limits recipients to transit agencies in urbanized areas that operate fixed route bus service and do not operate rail service.

New Starts and Small Starts - ~\$2B

The program authorizes approximately \$2B in general funds for new fixed guideway transit projects. The proposal streamlines the existing process by eliminating the alternatives analysis step and consolidating other steps. The project evaluation criteria are modified. The proposal sets-aside \$150M for small start projects.

Private Sector Participation policies.

The proposal makes several changes to policies related to private sector participation in transit including allowing private funds to match federal funds to enhance vanpool service, allowing the Federal Transit Administration to set standards for private sector participation in providing transit service, and creates incentives for transit providers to contract out service.

Rail Policy and Programs

Amtrak provisions. The proposal reduces the authorized levels for Amtrak operating assistance by ~25%. It requires Amtrak to put its food services out to bid. It also modifies the other provisions related to Amtrak's due process rights.

Passenger Rail Investment and Improvement Act (PRIIA) Grants. The proposal eliminates the congestion grants authorized by PRIIA. It also eliminates certain grants for class II and III railroads and the requirement that projects selected for Intercity Passenger Rail Capital Grants be included in a state rail plan.

Project Development and Review. The proposal makes numerous changes to the project development and review process.

Summary of MAP-21

MAP-21 consolidates numerous FHWA programs into five core programs. The new program structure is as follows. The accompanying graphic illustrates which SAFETEA-LU formula programs were consolidated into these new core programs.

National Highway Performance Program (NHPP): ~\$20.6 billion

This program focuses on repairing and improving an expanded National Highway System (NHS). The NHS is expanded from ~160,000 miles to ~220,000 miles. States are required to develop asset management plans and as a part of these plans establish performance targets for the condition of roads and bridges and the performance of the system. In addition, the program includes provisions to hold states accountable for the repair of Interstate pavement and NHS bridges by requiring that they spend a certain amount of funding on the repair of those facilities if they fall below minimum standards established by USDOT.

Transportation Mobility Program (TMP): ~\$10.4 billion

This program replaces the existing Surface Transportation Program (STP) and allows states and regions to invest flexible dollars in a broad set of highways, transit projects, freight rail projects, and bicycle and pedestrian projects, as well as other activities like travel demand management. Fifty percent of these funds are suballocated to areas in the state based on their population. While this percentage is lower than the current 62.5 percent, the absolute amount of funding to be suballocated will remain the same due to an increase in program size.

Highway Safety Improvement Program (HSIP): - \$2.5 billion

This program provides funding to states to improve safety for all road users on all public roads. A road user is defined as both motorists and non-motorized users. States are required to collect extensive data on crashes and create a database containing information on safety issues for all public roads including identification of hazard locations. (8% of all funds in this program are set-aside for data collection.) States must also develop a strategic highway safety plan using the data collected. If states do not develop a strategic highway safety plan within a year using a process approved by USDOT, they are required to spend additional funding on safety projects. States are also required to develop performance targets on fatalities and serious injuries.

Congestion Mitigation Air Quality Program (CMAQ): ~\$3.3 billion

In the CMAQ program there are two pots of funding – one that funds typical CMAQ projects and another “reserved” fund.

CMAQ pot. Funds are provided to states and tier I Metropolitan Planning Organizations (MPOs) to address the impacts of the transportation system on national ambient air quality standards. In states with non-attainment or maintenance areas, 50 percent of the funds are suballocated to tier I MPOs based on the area's status with national ambient air quality standards. Funds cannot be used to construct new travel lanes except for HOV or HOT lanes. USDOT is required to develop performance measures for air quality and congestion reduction. Tier I MPOs that receive funds under this program are required to develop a performance plan that outlines baseline conditions, targets for each of the performance measures developed by USDOT, and a description of projects to be funded, including how those projects will help meet the targets.

“Reserved” pot. This pot of funding is equal to the amount of funds provided for the Transportation Enhancements set-aside in FY09. Eligible activities under this pot include the following: transportation enhancements, safe routes to school, recreational trails, environmental mitigation, and certain types of road projects (including street redesigns and HOV lanes). States are allowed to use these funds for CMAQ projects (the first pot) if they build up an unspent balance of a year and a half worth of funds.

National Freight Program: ~\$2 billion

USDOT is directed to establish a primary freight network consisting of 27,000 miles of key freight corridors. States can use funds for highway projects that improve freight movement with a focus on the primary freight network and key rural freight corridors. A state may use up to 5 percent of funds for rail or maritime projects subject to certain conditions. USDOT must also develop a National Freight Strategic Plan, which will analyze performance and conditions on the primary freight network, identify bottlenecks, estimate future freight volumes and identify best practices for mitigating impacts of freight movement on communities. USDOT shall publish a Freight Condition and Performance Report on a biennial basis. States must establish performance targets and report on progress every two years.

Other key components

TIFIA program - \$1 billion. MAP-21 expands the TIFIA program from \$122 million to \$1 billion and modifies the program from a competitive application process to a rolling application process. Provisions have been added that allow for applicants to enter into master credit agreements to provide funding for a suite of projects at once. In addition, there are modifications that make it easier for public transportation agencies with dedicated revenue sources to apply for TIFIA loans.

Planning and Performance. MAP-21 creates performance measures for conditions on the National Highway System (NHS), NHS performance, safety, freight, congestion mitigation and air quality. As part of the development of the plan, states and large MPOs shall analyze the baseline

conditions for the performance measures and establish performance targets for each performance measure. The plan must include the future performance of their transportation system with regards to these performance measures including whether or not they will achieve their performance targets. Large MPOs may undertake scenario planning as a part of the development of their long-range plans. Smaller MPOs are required to develop long-range plans and USDOT will establish rules that provide for the standards they must meet regarding the performance measures required for the larger MPOs.

Statewide transportation improvement programs (STIPs) and metropolitan transportation improvement programs (TIPs) must include performance measures and targets used in assessing the existing and future performance of the transportation system. A system performance report must include progress toward achieving state performance targets.

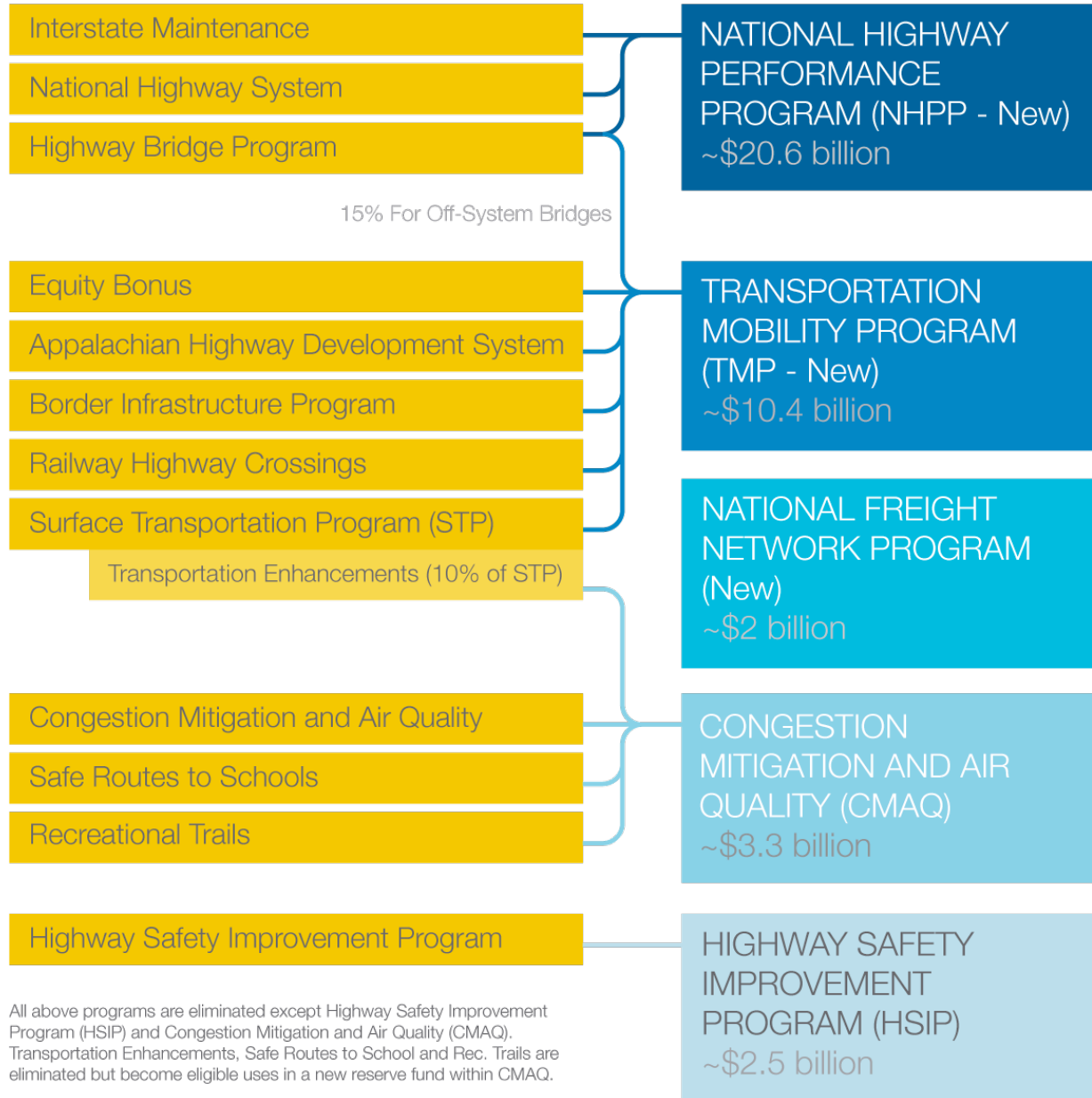
Project Delivery. MAP-21 includes numerous provisions intended to accelerate project delivery. Most of these provisions relate to administrative actions to be taken by USDOT. There are also provisions that relate to expanding the types of projects that can be undertaken through a categorical exclusion (a more limited environmental review). In addition, it allows for the earlier acquisition of right-of-way.

Restructuring of Core Highway Programs Under the Senate's MAP-21 Transportation Reauthorization Proposal



Current Formula Programs

MAP-21 Core Program Structure



All above programs are eliminated except Highway Safety Improvement Program (HSIP) and Congestion Mitigation and Air Quality (CMAQ). Transportation Enhancements, Safe Routes to School and Rec. Trails are eliminated but become eligible uses in a new reserve fund within CMAQ.



GREATER PORTLAND METRO EXPORT INITIATIVE Presentation to JPACT

February 9, 2012

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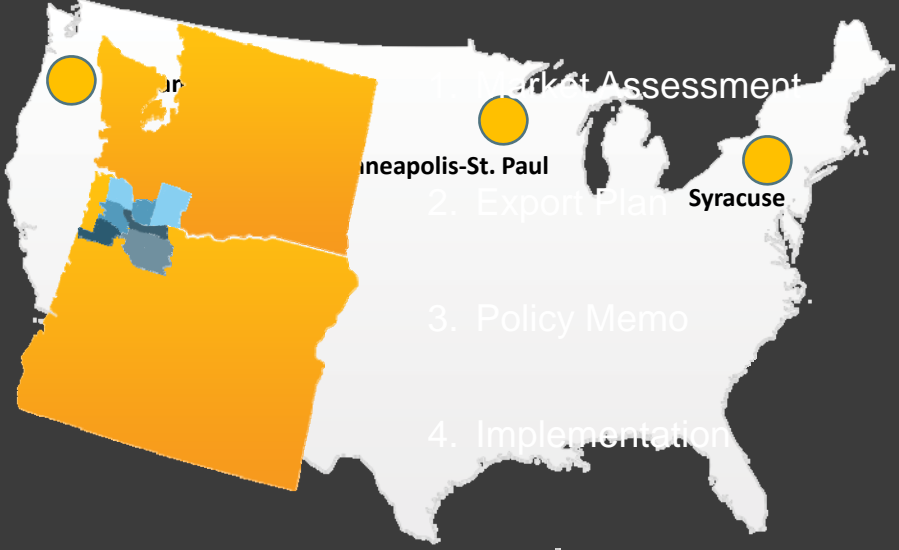


Greater Portland Export Moment



- Economic development strategy focused on job creation
- Link: cluster development, innovation & international trade
- Annual exports = \$22 billion (r. 12)
- 126,000 export jobs (r. 15)
- Emerging markets = economic growth opportunities
- Exports & trade gateways critical to sustained regional growth

Metro Export Initiative



The map shows the United States with several regions highlighted in orange and blue. Three yellow circles are placed on the map, corresponding to the cities listed in the adjacent list: Portland, Minneapolis-St. Paul, and Syracuse.

1. Market Assessment
2. Export Plan
3. Policy Memo
4. Implementation

Export Strategy Goals



1. Create & retain export-related jobs; maintain leading export position
2. Diversify export industries, increasing number of companies exporting and the markets they access
3. Create a strong local export culture and a global reputation for trade

Export Plan Strategies

Leverage Primary Exporters



Capitalize on export strength of Computer & Electronic Mfg. Sector

- Ensure location advantages
- Enhance supply chain (*secondary exports*)
- Reduce leakage of exported products
- Track spin-off and startup companies

Export Plan Strategies

Catalyze Under-Exporters



Develop proactive strategy for select number of manufacturing firms

- Account management
- Customized market analysis
- Peer-to-peer export mentoring
- Tailored export-focused trade missions

Export Plan Strategies

Healthy Export Pipeline



Improve access to services to increase the number of SMEs exporting

- Single point-of-entry web portal ("roadmap")
- Promote export culture
- Train economic development community
- Manage companies thru export services pipeline
- Export accelerator

Export Plan Strategies

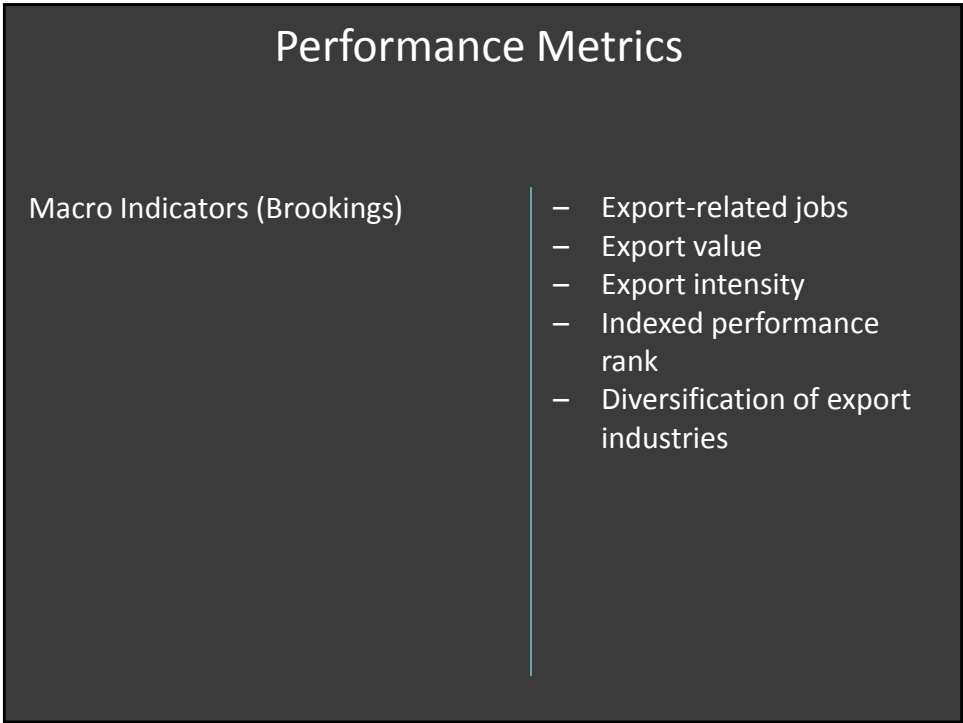
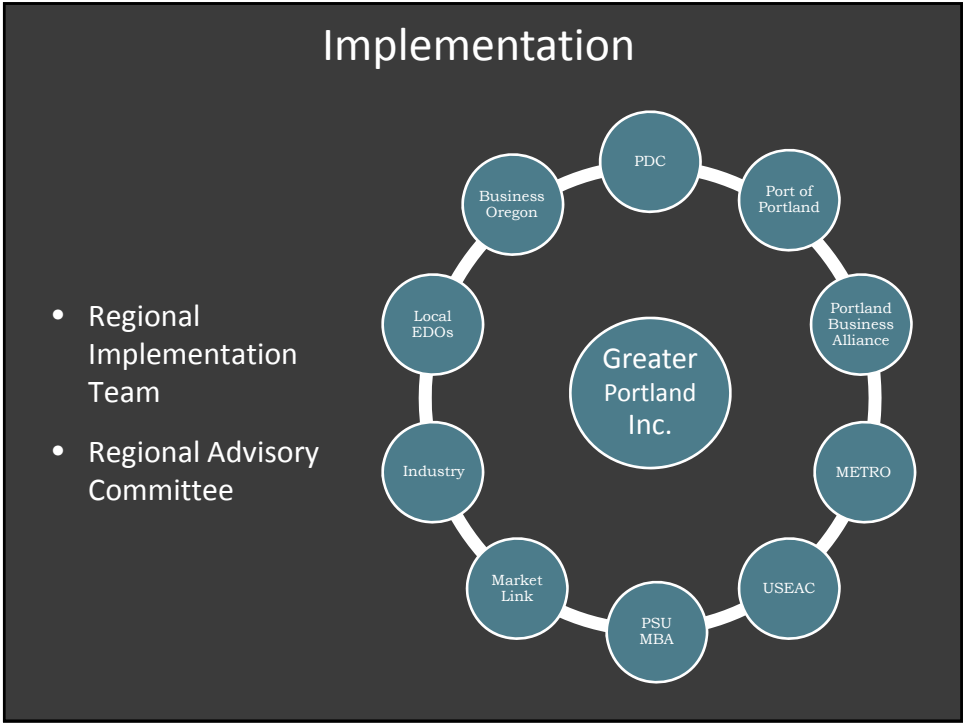
Market Portland's Global Edge



WeBuildGreenCities.com

Take Greater Portland innovations to global markets

- Roll out "WBGC"
 - Strategic marketing
 - Directory of companies & products
- Evaluate strategy in other industries
- Internationalize regional marketing
- Tourism & education



Performance Metrics

Macro Indicators (Brookings)

Export Activity (MEI Partners)

- New firms entering export service system
- Demand for export services
- New export markets
- Use of port facilities
- New sales contracts

Performance Metrics

Macro Indicators (Brookings)

Export Activity (MEI Partners)

Export Environment (MEI Partners)

- Policies adopted
- Integration of exports (*Reg Planning & Ec Dev*)
- Metro led trade missions
- C-level export leaders
- Media coverage

A Policy Voice for Exports



- Funding of export promotion services
- Relevant metro level data
- Freight strategy to address export growth
- Land use and tax issues
- Movement of people and ideas
- Alignment of performance measures

A Policy Voice for Exports: Transportation



Federal recommendations

- Passage and funding for the National Transportation Bill and its provisions for freight corridors and corridors of national significance.
- A true national freight strategy with attention to urban freight and the last (or first) mile.

A Policy Voice for Exports: Transportation



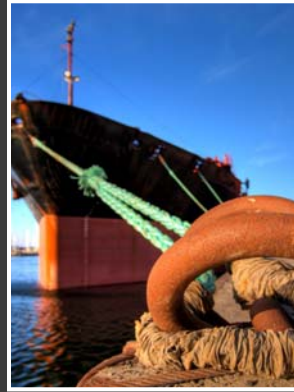
State and Local

- Support metro freight strategy as it relates to market access
 - Rail
 - Easing congestion
 - Improvement of freight movement on key routes.
- Support for the region's gateway role
- Continued funding for "Connect OR"

A Policy Voice for Exports: Land Use & Tax Structure



- Superfund: Federal incentives for companies that commit to environmental clean-up & export-intensive activity
- Support the Market Ready Analysis & export oriented development
- Support Enterprise Zone tax deferrals & single sales factor
- Pursue a streamlined Foreign Trade Zone process & clustering of trade areas



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GREATER PORTLAND Metro Export Initiative Policy Memo

Overview: In developing the market assessment and initial Metro Export Initiative (MEI) strategy, we have encountered a number of challenges in the way that we collectively support export growth. We have attempted to identify these policy issues and suggest changes at different levels that will increase our chances for success. These recommendations are intended to complement the 2011 National Export Strategy, with specific suggestions for effective implementation at the state and local level.

1. Funding for export-led growth

Federal

We recognize the constraints of current political and economic realities, and understand that there is unlikely to be a large additional infusion of new programming for exports. At the same time, the current strategy of advancing new rounds of existing programs under the National Export Initiative is flawed in both the short and long terms.

Ultimately, the Greater Portland region would like to see new federal investment in metro export growth in a sustained manner that recognizes the strategic efforts of the region. Flexible block grants without the limitations of a specific agency or program would allow us to implement the best export strategy for our specific region.

In the short run, we encourage the Federal Government to:

- Extend the State Trade and Export Promotion (STEP) grant for the full three years with consistent funding. This would allow states to work with new-to-market companies over an extended period of time, and drawing important links to the MEI.
- Refocus Department of Commerce Economic Development Agency grants and Manufacturing Extension Program activity to regions that integrate export strategies into Comprehensive Economic Development Strategies (CEDs).
- Dedicate Market Development Cooperator Program rounds towards metro regions with newly articulated export strategies.
- Increase funding to U.S. Export Assistance Centers and the Foreign Commercial Service to meet demand generated by increased export activity at metro level, and offer more flexible service eligibility guidelines.
- Offer export financing at lower capital requirements, whether through Export-Import Bank or Small Business Administration, and find a work-around to commercial banks that refuse to lend.
- Support an expanded U.S. national presence for companies at trade shows.

State and Local

In many respects, the State of Oregon faces even greater fiscal challenges than the federal government. We applaud Salem for maintaining funding in these difficult times for the Oregon Business Development Department and the Oregon Trade Promotion Program for export assistance. Other states have not been able to maintain this vision in periods of austerity. Continued investment in our economic future has made it possible for our region to benefit from the federal STEP grant and to work together on a metro export strategy. Regional export growth is a bright spot in an otherwise sober forecast. As such, the MEI recommends:

- Continued state support for exports in future budgets, especially valuable foreign trade offices.
- Explicit commitments by local/regional economic development organizations (EDOs) and local governments to integrate exports into economic development strategies, with explicit commitments of budget and personnel.
- Working with Metro Regional Government to access available expertise and resources for export development.
- Adding export training and focus to city and state funded incubators, industry cluster strategies, and other sectors with export potential.

2. Lack of metro-level export tracking data

Federal

The Brookings Institution has made an important contribution to export planning with a new methodology focused on metro economies. Nevertheless, there are large data gaps in specific data categories that that would allow for more accurate metrics. Improved data could include:

- Regular International Trade Administration updates on export market data to develop country strategies appropriate for Greater Portland industries.
- Improved tracking of exports in services, as recommended by the Federal Trade Promotion Coordinating Committee.
- Export tracking by detailed industry codes, which would allow the metro region to measure export value by relevant industry clusters.
- Detailed related-party information for supply chain strategy and targeting.

State and Local

Most critical data will continue to flow from the Federal Government and traditional sources, but the region will look to track specific companies and industries clusters through local data gathered through the MEI. We recommend:

- Increased export data sharing among regional agencies (to the extent that confidentiality allows).
- Gathering new baseline export data for the region through surveys and analysis at Greater Portland Inc. Metro Regional Government, the Port of Portland and elsewhere.

- Full coordination with SW Washington, which has mandated similar tracking through the state's STEP grant.

3. Freight strategy to support to export growth

Federal

The Greater Portland region is encouraged by the active involvement of the U.S. Department of Transportation in the NEI, and by recommendations of the President's Export Council to focus future funding allocations on commercial corridors. Our region support still clearer action, including:

- A true national freight strategy with attention to urban freight and the last (or first) mile.
- Passage and funding for the National Transportation Bill and its provisions for freight corridors and corridors of national significance.

State and Local

In the view of the MEI, similar focus and coordination on transportation is required at the state, regional, and city level. The Portland metro region has an active freight strategy that emphasizes:

- Getting freight to market, with prioritized objectives for rail, easing congestion, and improvement of freight movement on key routes.
- Support for the region's gateway role with international air and marine service, as well as important rail links.
- Continued funding for "Connect OR" and other programs that support key transportation improvements needed to move goods to market.
- Port planning for the Panama Canal widening and the effect on regional exporters.

4. Effective land use and tax structure

Federal

- Many of the industrial parcels adjacent Portland Harbor are constrained by suspected environmental contamination and anticipated Superfund liability. The MEI recommends:
 - Federal tax incentives, such as a corporate income tax waiver, for companies that commit to environmental clean-up and export-intensive activity on the site.
 - Release from federal liability for companies that acquire contaminated sites for clean-up and use in export-intensive activity.
 - State property tax incentives for companies that remediate contaminated sites and return them to productive industrial use.
- Reform the international tax rules to make US companies more competitive in the global market.

State and Local

There are a number of concurrent processes underway for evaluating and managing available lands for the metro area. The MEI recommends consideration of export growth in future land use decisions, and suggests that the region:

- Invite Metro Regional Government and its expertise in planning, to work with through the MEI to strengthen the coordination on economic development and trade promotion.
- Support the Market Ready Analysis and its recommendations for the most efficient use of available lands in Oregon and SW Washington.
- Preserve, assemble, and ensure market ready supply of industrial land for traded sector use through public and private investments and actions.
- Support state Enterprise Zone tax deferrals and the single sales factor – both huge regional advantages for exports.
- Pursue a streamlined Foreign Trade Zone process and encourage clustering of potential foreign trade areas to help market the region as an export center.

5. Movement of people and ideas

Federal

Many regional companies point out that the perception that the U.S. is not open for business and serious about international trade holds them back from new markets. We recognize the work of the TPCC to make progress on complicated issues touching on national security and international relations, and support:

- Any measures to streamline the B1/B2 visa process for travel to the United States.
- Protection of intellectual property, Greater Portland's second largest export.
- Work with developed and developing trading partners on bilateral and multi-lateral trade agreements that improve market access for US goods and services and ensure a level playing field.

State and Local

With clear export recommendations from the MEI, elected leaders in the region could provide more effective advocacy for exporting companies. Greater Portland should help regional companies detail exporting barriers and petition for redress. Rather than making each company go it alone in Salem or Washington, the MEI can operate as a clearing house for export issues to be raised with elected representatives.

6. Alignment of performance measures

Federal

The success of Greater Portland's export goals depends heavily on regional coordination between federal, state, and local government. The National Export Strategy stresses the importance of effective integration with regional and local economic development, and experience on the ground has shown the benefits of such an approach. The MEI

recommends that internal evaluations for federal export professionals place a commensurate value on regional coordination.

State and local

The MEI recommends that local economic development organizations mirror this approach by incorporating export growth in internal performance measures. The success of metro export growth over time ultimately depends on reorienting economic development focus to include export-led development, and effectively linking those efforts to state and federal efforts on export promotion.

DRAFT