

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ENDORSING A ) RESOLUTION NO. 13-4412  
REGIONAL POSITION ON FEDERAL )  
TRANSPORTATION POLICY ) Introduced by Councilor Collette

WHEREAS, The Congress enacted a two-year transportation authorization bill in 2012 entitled "Moving Ahead for Progress in the 21<sup>st</sup> Century" (MAP-21); and

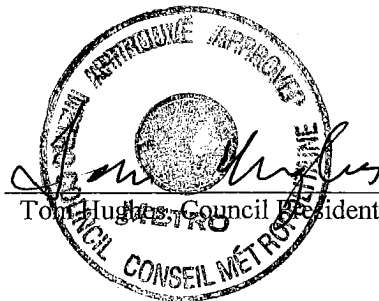
WHEREAS, federal transportation legislation is critical to the successful implementation of the region's adopted plans to achieve the six desired outcomes that define a successful region; and

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

WHEREAS, on February 14, 2013 the Joint Policy Advisory Committee on Transportation recommended adoption of this resolution; now therefore

BE IT RESOLVED that the Metro Council endorses a regional position on federal transportation policy as reflected in Exhibit A.

ADOPTED by the Metro Council this 21 day of February 2013.



Approved as to Form:

Anson Kean Campbell, Metro Attorney

## **Portland Metropolitan Region Federal Legislative Agenda**

### **Transportation supports Economic Prosperity, Community Livability and Environmental Quality in the Portland Region**

- The Portland region, including its regional and local governments and transportation service providers, has an ambitious vision for its future development.
- Integration of transportation and land use is a central theme that is essential to the achievement of the region's vision and is reflected in its long-range plans.
- USDOT is an important policy and funding partner in assisting the region to realize its vision and has often acknowledged the Portland region as a model for the country.
- As the US Congress seeks to clarify and focus the federal transportation program, it is important to sustain a strong emphasis on supporting metropolitan areas as the location of the majority of the country's population and economic activity.

### **Investment in Infrastructure = Economic Prosperity**

- Investment in infrastructure, particularly transportation, is critical to the livability and economic success of regions, states and the nation.
- Investment in infrastructure was a successful element of the American Recovery and Reinvestment Act of 2009, producing both short and long-term jobs and contributing to the federal budget. The \$500 million directed to Oregon created or sustained about 6000 jobs.
- The Portland-Milwaukie Light Rail project is currently under construction. Construction is expected to generate 14,500 direct and indirect jobs in the region. TriMet is tracking these jobs; as of January 2013, 4,719 jobs have been generated. To date, more than 343 firms have been hired to work on the project. Of the 343 firms hired 105 are Disadvantaged Business Enterprises (DBE) with more than \$75 million under contract. TriMet has aggressively pursued diversity in the project workforce with 23.4 percent of the workforce being people of color and 7.9% being women. The federal government is a 50% partner in the project.
- The Columbia River Crossing project is poised to secure federal grant and loan assistance, which will be leveraged by state resources and tolling to produce significant economic benefits to the region, the states of Oregon and Washington and the nation. Construction is expected to generate nearly 21,000 direct and indirect jobs in the region. Overall net present value of the economic benefits of building the project is \$5.4-7.9 billion. After construction is completed the project is projected to contribute 4,200 added jobs per year to the economy by 2030. The project will facilitate freight access to nearby marine, rail and truck terminals.
- The region has projects with similar benefits ready to compete for discretionary funding such as TIGER or Projects of National Significance.

## **A More Robust Source of Transportation Revenue is Needed**

- As strengthened CAFE standards and increased use of electric vehicles undermine the viability of the gas tax as a long-term revenue source, the “user pays” philosophy will continue to erode and the need for a general fund subsidy to the Highway Trust Fund will continue to grow unless Congress takes action.
- Congress should increase the gas tax in the short term and consider enacting a carbon tax in the long term to eliminate the need for a general fund subsidy and increase investment in the future economic prosperity of regions, states and the nation.
- The gas and oil industry is coming to the conclusion that a stable, rational carbon tax is better than the current patchwork pattern developing globally. As Congress considers development of a carbon tax, recognition of the substantial contribution from the transportation sector must be reflected in the dedication of a portion of this resource back to transportation infrastructure. In addition, further efforts should be supported to implement less carbon intensive transportation options including alternative modes to reduce auto travel, increased use of electric and highly fuel efficient vehicles and reduced carbon content of fuels.
- State and local governments, including in Oregon, have stepped up and increased their funding commitments toward transportation. The federal government should respect the partnership and do likewise.
- Oregon has led the country with successful pilot projects for demonstrating a vehicle miles traveled fee as an eventual replacement for the gas tax. The federal government should make a similar commitment by funding large-scale pilot projects in a few states to test technologies and address implementation issues, including privacy concerns and enforcement challenges. These pilots should be aimed at implementing an approach that allows for varying the fee by time of day and location so that it can function as a demand management tool. Once these pilot projects have been completed, the federal government should implement a nationwide program to replace gas taxes with fees based on vehicle miles traveled. The region supports the leadership demonstrated by Congressman Blumenauer to seek legislation directing the Department of the Treasury to develop a VMT fee collection mechanism.

## **Congress Should Begin in 2013 to Act on Infrastructure Investment**

- MAP 21 expires on September 30, 2014. Congressional leaders have indicated a desire to begin working on the next authorization in 2013.
- Even before the transportation committees get to work on reauthorization, there is a potential the revenue committees will begin working on tax reform – both individual and corporate.
- As activity in both of these areas begins, Congress and the Administration should set a target for significant growth in infrastructure investment using traditional and new tax revenue sources and tax incentives as appropriate.

## STAFF REPORT

### IN CONSIDERATION OF RESOLUTION NO. 13-4412 FOR THE PURPOSE OF ENDORSING A REGIONAL POSITION ON FEDERAL TRANSPORTATION POLICY

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Date: February 5, 2013

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#### 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 policy and programmatic changes as well as project earmarking. Last year, after significant delay, Congress enacted a short-term (two year) bill that extended status quo funding levels and no earmarks. In addition, the program structure was revised 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.

This year, while USDOT will undertake significant rulemaking to implement MAP-21, transportation is not likely to be a major focus of attention in Congress. There will, however, be significant attention in Congress to cutting the deficit. As the need for a general fund subsidy to the Highway Trust Fund grows, deficit reduction efforts could create more pressure to generate new transportation revenues. Congress considered the possibility of cutting the program down to the level that can be supported by the Highway Trust Fund as part of MAP-21 development and chose to extend status quo funding levels instead.

Transportation funding faces its own fiscal cliff in 2015. By then, the trust fund is projected to be running a \$13 billion annual deficit, slashing funds to state and local transportation agencies and delaying numerous projects. The main source of highway trust fund revenue (federal taxes on motor fuels) keeps falling as drivers log fewer miles and increasingly opt for more fuel-efficient cars and trucks. Ultimately, Congress must raise new or increased fees and taxes just to avoid decreased revenue due to fuel efficiency and reduced vehicle travel. The gas and diesel taxes have not been increased since 1993. Another option could be to change the tax to a % of motor fuel prices, replacing today's 18.4-cent per gal for gas and 24.4-cent for diesel.

As part of this debate, it will be important for the region to articulate the following basic messages:

1. Transportation supports economic prosperity, community livability and environmental quality in the Portland region
2. Investment in infrastructure = economic prosperity
3. A more robust source of revenue for transportation is needed
4. Congress should begin in 2013 to act on infrastructure investment

The local and regional governments of the Portland metropolitan area and the State of Oregon have worked together for many years to build a prosperous, sustainable and livable region. Here is a summary of current efforts to creatively address a number of significant transportation and community development issues.

## PROJECT CONSTRUCTION AND FINANCING

- **Eastside Streetcar:** The full Eastside Streetcar loop is up and running.
- **Portland-Milwaukie Light Rail:** The Portland-Milwaukie light rail line is under construction and progressing on schedule and on budget.
- **Sellwood Bridge:** After receiving a TIGER grant to complete the funding plan, the Sellwood Bridge is under construction—making two major Willamette River crossings being built at the same time.
- **I-5 Bridge over the Columbia River:** The Columbia River Crossing has a federal Record of Decision and a strong federal rating for New Starts and TIFIA funding, and has initiated the investment grade toll revenue analysis for bond rating purposes. The project is Governor Kitzhaber’s highest transportation priority for funding from the 2013 Oregon Legislature with a favorable recommendation from the Legislative Oversight Committee. In addition, it is considering the creation of a Community Enhancement Fund to improve the livability of neighborhoods affected by the project and a Mobility Council to monitor the performance of the project across modes and suggest potential operational improvements. Upon completion of the funding commitments by the Oregon and Washington Legislatures, federal funding commitments will be important to secure.

Columbia River Crossing – The Columbia River Crossing represents the most important transportation investment in the Portland metropolitan region in a generation, providing benefits to the economy, the environment and the safety of the traveling public. JPACT and the Metro Council urge the Legislature to commit the federal share of the project finance plan as follows:

- \$850 million New Starts Grant from the Federal Transit Administration (FTA);
  - Transportation Infrastructure Finance and Innovation Act (TIFIA) loan of up to \$1 billion from the Federal Highway Administration (FHWA);
  - Congressional reauthorization and funding for FHWA Projects of National And Regional Significance, and a \$400 million grant appropriation for the I-5 Bridge Crossing.
- **TIGER projects:** Last year, the region came to Washington, DC with a prioritized list of candidate TIGER projects and a united message about the region’s top priority. Due to the competitiveness of the program, the region was not successful but the application of the rigorous TIGER prioritization criteria proved to be a useful undertaking. As suggested by USDOT, the region is now considering funding the top three proposed TIGER projects through the on-going development of the Metropolitan Transportation Improvement Program. Following a significant commitment of funds from the Oregon Jobs and Transportation Act, this would represent the final funding commitment allowing several hundred million dollars of multi-modal transportation investments to proceed in the US 26/Brookwood industrial area near Intel, the Sunrise System in the Clackamas industrial area near United Streetcar and the Troutdale/Reynolds industrial area near FedEx. The region continues to support funding for the highly competitive TIGER program and are confident in applying for highly prioritized regional projects in the future.

## REGIONAL AND CORRIDOR PLANS:

- **East Metro Connections:** The East Metro Connections project has identified and endorsed a single set of priorities for circulation between I-84 and US 26 with a multi-modal agreement linked to accomplishing their land use plan.
- **Southwest Corridor:** Using FTA New Starts Alternative Analysis funding, the Southwest Corridor Study is under way addressing the I-5/Hwy 99W corridor. It is integrating updated local land use plans into a common corridor-wide vision with high capacity transit improvements defined within a multi-modal context and linked to broader community investments.
- **Powell-Division corridor:** The region has initiated an HCT corridor project in the Powell-Division corridor between downtown Portland and Gresham with the expectation to take advantage of the Small Starts and Bus Rapid Transit features of MAP-21.
- **Climate Smart Communities:** The region is developing a plan to reduce carbon emissions from light vehicles to meet state greenhouse gas reduction targets. The region has adapted the state's GreenStep model, which USDOT has adopted for use nationally and has begun to adapt for use in other states and regions. Upon completion, we anticipate providing a model for the country of an approach to meeting land use and transportation objectives while also reducing greenhouse gases.
- **Regional Active Transportation Plan:** The region is nearing completion of an Active Transportation Plan identifying a tiered list of priority projects that will complete the regional spine of a seamless green network of on- and off street pathways and districts connecting the region and integrating walking, biking and public transit.
- **I-5/Rose Quarter:** ODOT and the City of Portland have developed a joint land use/transportation plan for the Rose Quarter area. This projects envisioned in the plan will help foster redevelopment of the area, improve local street and bicycle/pedestrian connections across I-5, and ease one of the nation's worst freight bottlenecks where I-5, I-405, and I-84 converge.
- **Aloha-Reedville/Tualatin Valley Highway:** The Aloha-Reedville/TV Highway planning process is integrating a HUD Livable Communities planning grant with FHWA funds to address challenging community development and transportation issues in one of the most diverse and low income sections of Washington County.
- **I-5 industrial access:** Washington County, ODOT, Metro, Tualatin and Wilsonville have defined the preferred access route from I-5 into a very significant industrial land base.
- **Oregon Passenger Rail Study:** The region is participating with ODOT in the Oregon Passenger Rail study, which includes addressing the full federal NEPA requirements, to develop improved passenger rail service between Eugene and Washington State as part of the federally designated Pacific Northwest High Speed Rail Corridor. In order to implement conclusions for this corridor, it will be important for Congress to adopt a reauthorization to the Passenger Rail Investment and Improvement Act (PRIIA), especially the High Speed Intercity Passenger Rail account.

#### MAP-21 IMPLEMENTATION:

- **Regional Transportation Plan:** The region has adopted into the Regional Transportation Plan a definition of expected outcomes with performance indicators to track progress. As the USDOT establishes national requirements for performance measures to implement MAP-21, our regional

transportation plan can serve as a model for the nation.

- **Regional Safety Plan:** The region has adopted its first ever Regional Safety Plan encompassing the full street and highway system and integrating traditional infrastructure improvement priorities with education and enforcement. As the USDOT implements the Safety program in MAP-21 with a requirement to comprehensively address the roads, streets and highway system, our regional transportation safety plan can serve as a national model.
- **New Starts/Small Starts:** Capital investments to improve transit are a significant priority for the region. Proposed changes in administrative rules are important to meeting the direction set in MAP-21. It will be important for the Congress to fund the program at the level authorized to ensure projects can be implemented.
- **New Planning Mandates:** MAP-21 includes substantial new MPO planning requirements for which there is a diminishing source of federal planning funds.
- **State of Good Transit Repair:** TriMet is implementing the new MAP-21 requirements linked to funds targeted at maintaining the vehicles and facilities in good repair.
- **Statewide Transportation Improvement Program (STIP):** Under the STIP Enhance category, ODOT is taking advantage of the new federal highway funding structure by providing more flexibility to select multi-modal improvements taking into account regional priorities rather than prioritizing statewide based on modal silos.

## ANALYSIS/INFORMATION

1. **Known Opposition:** Increasing federal transportation funding is controversial and intertwined with the larger federal budget debate.
2. **Legal Antecedents:** Planning and policy conclusions developed through corridor and area plans must be adopted into the Regional Transportation Plan as a prerequisite for implementation. Federal funding to implement specific projects must be included in the Metropolitan Transportation Improvement Program.
3. **Anticipated Effects:** This action establishes a common regional message to the Oregon Congressional Delegation.
4. **Budget Impacts:** Travel expenses to Washington DC are the primary expense. Federal funds cannot be used for lobbying the federal government.

## RECOMMENDED ACTION

Recommend adoption of Resolution No. 13-4412.