

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING A) RESOLUTION NO. 15- 4616
REGIONAL POSITION ON FEDERAL)
TRANSPORTATION POLICY) Introduced by Councilor Dirksen, Chair of the
Joint Policy Advisory Committee on
Transportation

WHEREAS, Moving Ahead for Progress in the 21st Century (MAP-21) was adopted by Congress in 2012 for the period encompassing federal fiscal years 2013 and 2014; and

WHEREAS, the Highway and Transportation Funding Act of 2014 was adopted by Congress in August 2014 extending the MAP-21 programs through May 31, 2015; and

WHEREAS, further action by the Congress is needed prior to May 31, 2015 for either a short-term, stop-gap extension or a full long-term transportation authorization bill; and

WHEREAS, MAP-21 has a significant policy effect on transportation planning and decision-making and funding in the Portland metropolitan region; and

WHEREAS, the Joint Policy Advisory Committee on Transportation (JPACT) approved and the Metro Council adopted Resolution No. 13-4489 establishing a regional position on federal transportation policy; and

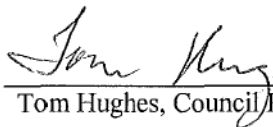
WHEREAS, the Joint Policy Advisory Committee on Transportation (JPACT) approved and the Metro Council adopted Resolution No. 14-4501 endorsing a federal transportation revenue proposal introduced by Transportation for America; and

WHEREAS, the Joint Policy Advisory Committee on Transportation recommended adoption of the resolution at its March 19, 2015 meeting; now therefore,

BE IT RESOLVED that the Metro Council

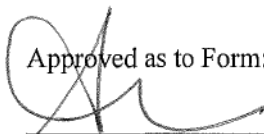
1. Supports adoption by Congress of a comprehensive long-term transportation program with increased federal investment in transportation in support of national and regional goals for economic prosperity, community livability, environmental sustainability and equity.
2. Lacking Congressional support for increased investment, support continuation of the status quo transportation program to the next Congress to determine the long term fate of transportation.
3. Endorses the position paper reflected in Exhibit A as a statement of regional policy.

ADOPTED by the Metro Council this 2nd day of April 2015.


Tom Hughes, Council President



Approved as to Form:



Alison R. Kean, Metro Attorney

April, 2015



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Advisory Committee
on Transportation
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Metro Council

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Metro Council

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PORTLAND METROPOLITAN REGION

**POSITION ON FEDERAL
TRANSPORTATION POLICY
AND FUNDING**

Investment in a multi-modal transportation system is important for the region, the state and the nation to reach their goals for economic growth and prosperity, community livability and environmental sustainability and to improve equitable access to opportunity for all members of the community. In addition, investment in the active transportation elements of the system also produces significant health benefits, providing savings to individuals and businesses on both transportation and health care. A well-funded federal transportation program plays an important role in taking care of aging infrastructure, increasing global competitiveness and addressing sustainability, health and resilience to earthquakes and extreme weather events.

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Federal investment in a multi-modal transportation system is essential. State and local governments have stepped up to increase their contribution towards transportation.

The federal government has not.
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2014 **ECONOMIC IMPACTS OF CONGESTION**
on the Portland metro and Oregon economy



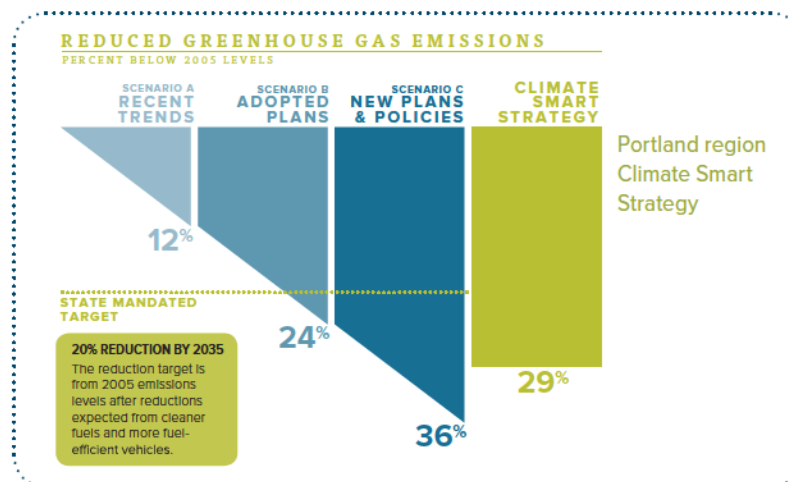
A recent report, "2014 Economic Impacts of Congestion," documents the dependence of the economy of Oregon and the Portland region on a transportation system that moves goods, provides access to labor and increases productivity. Because Oregon and the Portland region are heavily dependent upon trade, growing congestion poses a significant threat. Without adequate investment in all modes, the share of daily travel operating in congested conditions will rise from 5% to 15% by 2040 with the result that the average household will experience 69 hours of travel per year in congestion. Investing in improvements to reduce congestion

will provide \$1.1 billion in economic benefits and provide \$2.40 in return on investment for every \$1 of expenditure on improvements. The region's investment in the transit, bike and pedestrian systems has also proven to be an important asset for attracting talent and creative businesses.

At the same time, the region has adopted a Climate Smart Strategy to meet state targets for reducing greenhouse gases, serving as a model for the country. Improvement in fuel efficiency and increased use of electric vehicles will help meet the state targets. However, the region's integrated land use and transportation plans with the support of increased investment in transportation facilities and operations are essential to reach the desired 29 percent reduction in per capita greenhouse emissions. Key investments include building new sidewalks and bike connections, increasing transit service and using technology and other strategies to improve safety, reduce traffic delay and make the most of adopted land use plans and leverage investments we have already made in our transportation system.

Finally, failure to begin systematically strengthening the state's transportation infrastructure to withstand the impact of a Cascadia subduction zone earthquake would lead to catastrophic impact on the economy and a very long period of recovery.

Accomplishing these goals requires commitment at the federal, state and local levels. The state and local governments have stepped up substantially to increase their level of investment and are aggressively pursuing further increases. However, the federal government has not stepped up and the overall share of investment by the federal government is shrinking as a percent of the total.



With this in mind, presented here are the key policy messages from the Portland region to our Congressional delegation.

INCREASE FEDERAL INVESTMENT ON TRANSPORTATION

- Substantially increase the level of federal investment in all parts of the multi-modal surface transportation system, preferably with some form of highway user fees and with a renewed expression of commitment through increased revenues to the Highway Trust Fund. This is the foundation of the federal transportation program, providing the certainty and stability of formula funds for highways, roads, streets and transit to each state and metropolitan area.
- The region specifically supports the proposal by Congressman Blumenauer to increase and index the gas tax and the proposal by Congressman DeFazio to adopt a tax on each barrel of crude oil. Both approaches continue the longstanding federal practice of funding transportation through user fees in recognition of the fact that those who pay the fees also benefit. The region further supports Congressman Blumenauer's proposal to sunset the gas tax to encourage conversion to a mileage based fee and to expand the application of Road User Charge pilot projects to more states to increase the understanding and awareness of this approach.
- ***With an increased commitment of funding resources***, adopt a 6-year authorization bill to provide certainty and stability to the planning, engineering and programming process.
- ***If there is not an increased funding commitment***, maintain status quo funding levels (with a modest allowance for inflation) and limit the authorization bill to a two-year period to allow the next Congress to consider the future of transportation.

The federal government needs to increase its level of funding commitment to transportation and provide the certainty of a 6-year bill to allow for projects to be developed efficiently.

If the federal government is not prepared to increase funding, don't lock in a 6-year bill. Just extend the bill for the next Congress to consider.





If there is an increase in federal funding level, we care about how it is used:

- Make TIGER permanent
 - Increase funding for Major Transit Capital Investments
 - Allow wider use of tolls
 - Expand the focus on freight including Projects of National and Regional Significance
 - Provide certainty for Intercity Passenger Rail improvement
 - Restore the bridge repair and replacement program
 - Renew the Commuter Parity Act
-

REGIONAL PRIORITIES FOR INCREASED INVESTMENT

With an increase in funding and 6-year certainty, it is feasible to expand the scope of the federal transportation program and invest in matters that need increased attention.

MAP-21 Framework – MAP-21, adopted in 2012, restructured the federal highway and transit programs and provides an effective platform to build upon.

- Continue the TIGER program at the \$500-600 million per year level and incorporate it into the Highway Trust Fund as an on-going part of the transportation program. The TIGER program has provided an important competitive funding source for innovative highway, transit, bike and pedestrian projects and should be established on a reliable continuing basis.



- Consistent with the policy direction established through MAP-21, implement performance based planning and programming of funds to improve the transparency and accountability of decision-making. However, avoid a “one size fits all” approach and ensure performance metrics are comprehensive in nature covering not only measures of the condition and operation of the transportation facilities themselves but the community benefits that result such as safety, economic prosperity, affordability for the user, health, climate change and equity.
- Expand the federal ability to support transportation investment through better credit options including increased application of the TIFIA program.
- Consistent with MAP-21, continue the federal transportation investment in university research centers and programs.



The administration’s GROW America Act provides a framework to improve upon MAP-21. Key elements to consider are:

- Consistent with the GROW America Act introduced by USDOT, consider establishing additional categories of competitive grants. Competition reinforces local innovation leading to better transportation investments nationwide.
- In recognition of the increased competition and expansion into Core Capacity projects, increase the funding commitment for the Fixed Guideway Capital Investment Grant Program (New Starts and Small Starts programs).
- Relax limitations on the use of tolls for both raising revenue to fund maintenance and improvement of the transportation system and peak period demand management.
- Continue to expand the focus on freight by establishing funding for formula and competitive grant programs as well as funding for Projects of National and Regional Significance, but ensure freight is addressed in a multi-modal manner including urban and intercity trucking, rail, marine, air cargo and intermodal connections.
- Increase the level of investment in and the certainty of funds for passenger rail service through inclusion of the program in the Trust Fund.
- There is a proposal in the DOT bill to revise the criteria for US Coast Guard permitting of a new bridge over navigable waters to also take into consideration the needs of rail, aviation, transit and highway traffic. This may be important for any possible future replacement for the Interstate Bridge.



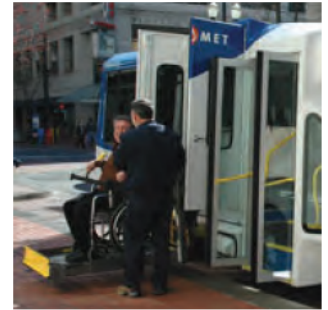
But further enhancements to the program should be considered.

- ▶ Restore the Highway Bridge Replacement and Rehabilitation Program which was eliminated through MAP-21 and ensure the program eligibility includes seismic retrofits.
- ▶ Clarify language for FTA sponsored joint development projects directing that they are intended to both provide for an economic return on the transit investment and produce more economically and socially successful communities as a result of the transit investment.
- ▶ Add an emphasis on improved access to employers and funding for “last mile” access.
- ▶ Increase the suballocation of funds to metropolitan planning organizations.
- ▶ Continue to pursue methods of streamlining federal requirements to speed up project delivery while maintaining the requirements for intergovernmental cooperation, community involvement, inclusion and equity and environmental impact.
- ▶ Renew the Commuter Parity Act providing comparable tax benefits to transit users as auto commuters.
- ▶ Expand the emphasis on safety including reduced serious injuries and deaths across all modes and on all parts of the transportation system. Establish separate safety targets for bike and pedestrian modes.



The region is working on projects that may need Congressional assistance periodically:

- The Southwest Corridor and Powell-Division transit corridors
 - Passenger rail improvements between Eugene, Portland and Vancouver, B.C.
 - Projects of National and Regional Significance
 - Joint development around transit that helps create strong transit supportive communities
 - Support of the Army Corps of Engineers to address the repair and reopening of the Willamette Locks
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PROJECT ACTIVITIES – Certain projects are significantly impacted by the administrative practices of the federal agencies. Although Congress has eliminated the option of Congressional directive through earmarks, intervention to provide support from the delegation may be needed on certain projects.

- The Southwest Corridor and the Powell Division Corridors are progressing through the federal New Starts/Small Starts process with considerable FTA oversight.
- Passenger rail improvement between Eugene, Portland, Seattle and Vancouver BC is being pursued by Oregon, Washington and the Province of British Columbia. The scope of upgrade in Oregon is now under consideration in a Draft Environmental Impact Statement with considerable oversight by FRA.
- The region is targeting significant redevelopment around light rail and street cars stations which often involves significant FTA oversight. It is important to the region that investing in these sites be for the community goals of the area not just to capture the increased property value from the transit investment.
- There is currently a process underway with the US Army Corps of Engineers to consider alternative approaches for rehabilitation of the Locks at Willamette Falls and the reopening to public commercial and recreation service. This would enable the full length of the Willamette River to resume its historic function as an important route. Ensuring that the appropriation for the Army Corps of Engineers includes this effort is essential to successfully accomplishing the repair and reopening.



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- ▶ FHWA has solicited from each state nominations for projects that might be eligible for a new “Projects of National and Regional Significance” funding category. Candidate projects submitted by jurisdictions in this region that FHWA might consider are as follows:

- I-5/Rose Quarter
- I-205 from the Abernathy Bridge to the Stafford interchange
- Phase 2 of the Sunrise Corridor from 122nd to 172nd
- Hwy 217 and I-5 from Beaverton-Hillsdale Highway to Lower Boones Ferry Road

As the authorization bill evolves through the Congress, it will be important to engage on the further definition of this new program to be sure it provides eligibility for projects such as these. While this source of funding will not be sufficient to complete these projects, it could provide a vital contribution.



STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 15-4616 FOR THE PURPOSE OF ADOPTING A REGIONAL POSITION ON FEDERAL TRANSPORTATION POLICY

Date: April 2, 2015

Prepared by: Andy Cotugno, xt. 1763

BACKGROUND

The Portland region, with strong support from the Oregon Congressional delegation, has actively advocated for federal transportation legislation with a policy emphasis in support of the region's land use and transportation plans. In 2012, the Congress confronted the issue of scaling the federal program down significantly (by about one-third) to a level that could be funded by the federal gas tax and instead adopted the "Moving Ahead for Progress in the 21st Century Act of 2012," (MAP-21) choosing to maintain a status quo funding level with a modest adjustment for inflation. Funding to address the shortfall from the gas tax has been provided through transfers from the General Fund. Policy reforms were also adopted in MAP-21 to consolidate numerous special purpose funding categories into a few broad programs with greater state and local flexibility. In addition, to improve accountability, MAP-21 included requirements for establishment and tracking of performance measures.

In 2014, the regional position adopted by the Joint Policy Advisory Committee on Transportation and the Metro Council emphasized increasing the level of transportation user fees to both displace the subsidy from the General Fund to the Highway Trust Fund and support an increase in the size of the transportation program. Specifically, Resolution No. 14-4501 endorsed the proposal recommended by the advocacy organization "Transportation for America" for a \$30 billion per year increase in federal transportation user fees. The options to raise the \$30 billion per year were identified for consideration by Congress:

- A 17-cent addition to the existing 18.3 cent federal gas tax; or
- Replacing the existing 18.3 cent federal gas tax with an 11% federal sales tax on gasoline; or
- Imposition of a \$4 fee on each barrel of oil; or
- Addition of a 5.5% federal sales tax on gasoline; or
- Indexing the gas tax to construction costs and raising one of the options above but at a lower rate.

In 2014, the Administration submitted its proposal for long term expansion and stability of the federal transportation program in the form of the "GROW America Act - Generating Renewal, Opportunity, and Work with Accelerated Mobility, Efficiency, and Rebuilding of Infrastructure and Communities throughout America." This proposal would provide funding at a level 40% higher than the adopted 2015 level with a modest annual escalator for a 6-year period. This would accomplish the desired goal of increasing investment and providing long-term certainty and within a programmatic and policy structure that incorporates much of the region's desired policy direction.

The funding proposed to support the GROW America Act is through corporate tax reforms, specifically a 14% tax on corporate profits held outside the US and returned for reinvestment in the US economy. A portion of the GROW America Act involves moving the Federal Railroad Administration, the TIGER competitive grant program and the Transit Capital Investment Program (New Starts and Small Starts) from the General Fund to the Trust Fund and providing a continuing source of General Funds to the Trust Fund through corporate tax reform maintains this practice. However, fully funding the gas tax shortfall in

the Trust Fund through a general fund subsidy (i.e. corporate tax reforms) ignores the weakness and continued erosion of the gas tax due to improved fuel efficiency and inflation and is inconsistent with the region's advocacy to focus on a user fee based approach.

Ever since the Federal Interstate Highway Act of 1956, the federal transportation program has had bipartisan support with renewed commitment and refinement to policy direction every five to six years. In the past five years, there have been 19 short-term extensions adopted through continuing resolutions and 11 extensions with the longest being the 2-year extension of MAP-21. Clearly, this is a reflection of a divided Congress.

ANALYSIS/INFORMATION

1. **Known Opposition:** Increasing federal transportation funding is controversial and intertwined with the broader federal budget debate.
2. **Legal Antecedents:** Metro's designation as a metropolitan planning organization and its responsibilities for managing federal transportation funds are provided through this federal legislation.
3. **Anticipated Effects:** This resolution and federal policy position provides the mechanism for the region to communicate a consistent message to our Congressional delegation.
4. **Budget Impacts:** A portion of Metro's transportation planning budget is funded through the federal transportation program.

RECOMMENDED ACTION

Recommend adoption of Resolution No. 15- 4616