

# **JOINT MEETING OF THE WASHINGTON AND OREGON STATE TRANSPORTATION COMMISSIONS**

## **Meeting Summary**

Pendleton, Oregon  
September 19, 2012

The joint meeting of the Washington State Transportation Commission and the Oregon State Transportation Commission was called to order at 9:00 a.m., on Wednesday, September 19, 2012, at the Pendleton Red Lion Inn, Walla Walla Room, 304 SE Nye Avenue, Pendleton, Oregon.

### **CHAIR WELCOME AND COMMISSION INTRODUCTIONS**

Oregon Commission Chairman Pat Egan opened the meeting and welcomed the Washington Commissioners.

Washington Commission Chair Dan O'Neal thanked the Oregon Commission for hosting the meeting.

Oregon Commissioners Mary Olson, Mark Frohnmayer, and David Lohman and Washington Commissioners Tom Cowan, Anne Haley, and Philip Parker introduced themselves.

### **CTUIR Tribal Transit Systems**

Jim Beard, Comprehensive Planning Director for the Confederated Tribes of the Umatilla Indian Reservation (CTUIR), made a video presentation of the CTUIR tribal transit systems. The first bus was purchased in 2002 and ran a Pendleton – Mission route. Private taxis provided additional service. As of 2010, there are nearly 60,000 riders on multiple transit routes. While the primary focus is getting employees to and from work, the CTUIR system improves accessibility for all rural residents of Umatilla County and the region. It also connects with the Grape Line at both ends. Beard explained the CTUIR System is funded by cobbling together “every transportation fund available.” He cited section 5309, 5310, 5211 and section 5307 as sources of money. Tribal money, Oregon state funds, Indian Reservation Road funds, are all used. The service saves people \$300-\$400 month on transportation and enables them to spend that money in the community.

### **ECONOMIC TIES BETWEEN OREGON AND WASHINGTON**

Michael Fischer, Cambridge Systematics, briefed the Commissions on trade between the two states. Most freight moves by truck between the states and is concentrated in the I-5 Corridor. US 97 is the only other significant bi-state corridor.

Trade between the states makes up 18% of Oregon freight movement and 11% of Washington movement by weight, and 19% and 10% of the movement by value, respectively. Looking ahead, a 153% increase in value of goods shipped between the states is forecast for 2040.

In terms of value of shipments, a large share of Oregon shipments are durable goods and mixed freight/consumer products. Washington ships a more varied mix of manufactured products, fuels, and mixed freight/consumer products.

Overall, freight dependent industry sectors account for 49% of Oregon GSP and 32% of

Washington GSP. Both states are shifting to higher value products which will change their traditional interdependencies built around resource commodities. The future will bring greater focus on truck movements and the I-5 corridor.

## [Economic Ties Between Washington and Oregon](#)

### AMTRAK CASCADES RAIL CORRIDOR

John Sibold, Co-Director, Rail & Marine Division, WSDOT, briefed the Commission's on the developing bi-state approach to managing and growing passenger rail service in the 467-mile corridor from Vancouver, BC to Eugene, Oregon. In the current biennium, projected cost allocation is:

- WSDOT 47%
- ODOT 29%
- Amtrak 24%

New federal legislation enacted in 2008, the Passenger Rail Investment and Improvement Act (PRIIA) requires states to pay for all state-sponsored service. Starting in October 2013, Washington and Oregon must cover the costs of the Amtrak cascades train currently funded by federal dollars. The cost is estimated at an additional \$4.5 million per year for Washington for operations and equipment. The facilities charge is still being determined.

Washington and Oregon are engaging with British Columbia to begin paying a share of the costs. The two states also are planning schedule changes to increase ridership and profitability. Following ARRA-funded track improvements, two additional Seattle-Portland round trips are scheduled to begin in 2017.

## [Pacific Northwest Rail Corridor](#)

### WEST COAST ELECTRIC HIGHWAY

Jim Whitty, ODOT and Jeff Doyle, Director, Transportation Innovative Partnerships, WSDOT, provided an informational presentation on the Electric Highway and the cooperative efforts to promote the introduction and adoption of Electric Vehicles (EV) in Washington and Oregon with the deployment of EV Charging Infrastructure in the states.

## [West Coast Electric Highway](#)

### [Pacific NW Collaboration to Develop the West Coast Electric Highway](#)

### ROAD USAGE FEE / CHARGE EFFORTS

Mr. Whitty, ODOT and Mr. Doyle talked about the similarities and differences in approach Oregon and Washington are taking in considering road usage fees as a potential future funding source. Since the legislature created the Road User Fee Task Force (RUFTF) in 2001, Oregon led the nation in road usage charge development, implementing policies adopted by RUFTF in a 2006-07 pilot program. This pilot tested the pay-at-the-pump model, and was regarded as a success across the nation. Oregon's RUFTF recently adopted policies to enable ODOT to redesign the road usage charge system to achieve greater public acceptance. ODOT will test the redesigned system in a

three-month pilot program this fall.

Working with a legislatively mandated advisory group, the Washington Transportation Commission, in coordination with WSDOT, began research and policy development in 2012. This legislation also directs WSDOT to prepare a concept of operations for a pilot program to test charging by distance.

### Road Usage Charge Pilot Program

### Road Usage Charge Assessment in Washington State

### **COLUMBIA RIVER CROSSING**

(Commissioner Ford joined by phone for this portion of the meeting.)

Commission Chairman Dan O’Neal said that the Washington State Transportation Commission agrees with need to improve and replace the I-5 Bridge over the Columbia River. The Washington State Commission has spent a lot of time learning about the facility and asking questions.

Nancy Boyd, Director, Administrator, Columbia River Crossing, WSDOT and Chris Strickler from the CRC project Office briefed the two Commissions on the Finance Plan and Tolling Authorities. TIFIA Loan and tolling schedule requires two commissions to work together and act. Who sets tolls is tied with who issues debt.

Jennifer Ziegler, Governor’s Office, Washington State, briefed the two Commissions on the specific roles and responsibilities for toll-setting in WA. In 2012, Legislature authorized WSTC to enter agreement with OTC on joint setting, adjustment and review of toll rates

Funding plan is 1/3 federal; 1/3 state and 1/3 toll revenue. Each state must raise \$450 million for the state share. In addition, the best goal for the tolling share would be bonds backed by TIFIA loan repaid from tolls.

Commissioner O’Neal asked about the involvement of the State Treasurers. Ms. Ziegler responded that both treasurers were involved and recommended that one state issue debt and set toll rates for the best rate. However, they also considered joint toll-setting (where each state acts separately) to be a good option, but “a new thing.”

Mr. Strickler indicated that the treasurers would prefer a tie-breaking agreement in the bond covenants.

Commissioner Haley stated that a tie-breaker methodology should not pit one state against another, but be collaborative.

By phone, Commissioner Ford disagreed that a tie-breaker is desirable. He feels that including a tie-breaker raises the question whether the two Commissions can work together. Commissioner Lohman said that the simplest mechanism will be the easiest to sell to the bond market.

Commissioner Haley stated that disagreements on tolls may revolve not on overall numbers but around smaller details, such as exemptions, variable or dynamic tolling, and approaches to multi-axle tolls.

Commissioner Olson suggested creating a four member subcommittee composed of two members from each Commission to work out the rates and policies and bring them back to each Commission. Commissioner Parker suggested weighted votes for the individual Commissioners of each state. Commissioner Ford agreed with keeping the bi-state process as simple as possible. He noted that subcommittees are important due to state open meetings requirements.

Commissioner O'Neal asked that the State Treasurers be involved. Commissioner Ford asked that outside bond counsel be involved.

Ms. Ziegler said that she will consult with bond counsel on tiebreaker options. She also will seek to clarify how much of an agreement is needed for the 2013 Legislature.

The two Commissions may meet again before December 31, but will delegate the work of developing a toll-setting protocol to the Joint Subcommittee.

The Oregon subcommittee members will be Commissioners Egan and Olson. The Washington Subcommittee members will be the Commission tolling team: Ford, Parker, Haley.

In summary, the preferred approach identified at the meeting:

- Joint toll setting structure, where each commission maintains their existing rate setting authority
- Develop a subcommittee structure of the OTC/WSTC to advise the commissions on rate setting
- Separate debt in each state for their share of the toll backed portion of the project
- Much discussion, but no agreement among Commissioners, on whether to include a tie-breaker process
- If there must be a tie-breaker, strong preference from Washington Commissioners to avoid the third-party consultant option that was suggested.

### [Columbia River Crossing](#)

#### ***Action/Follow-up:***

- Prepare a joint letter of commitment for forward movement to be signed by both chairs
- Work with a subcommittee to address and work on the Intergovernmental Agreement between the WSTC. Potential issues to consider in the Agreement:
  - Exemptions
  - Variability of rates
  - Number of Axles
  - Cost per Axle

**TRANSPORTATION COMMISSION**

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DAN O'NEAL, Chairman

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TOM COWAN, Vice-Chairman

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DICK FORD, Member

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PHILIP PARKER, Member

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JERRY LITT, Member

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ANNE HALEY, Member

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JOE TORTORELLI, Member

ATTEST:

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REEMA GRIFFITH, Executive Director

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DATE OF APPROVAL