



**SUBCOMMITTEE  
MEETING #4 MINUTES**

**September 11<sup>th</sup>, 2015  
2:00 pm – 4:00 pm**

**ODOT Headquarters, Room  
240  
355 Capitol St. NE,  
Salem OR 97301**

**Governor’s Transportation Vision Panel  
Transportation Finance Subcommittee**

**MEETING MINUTES, September 11<sup>th</sup>**

**Subcommittee Chair:**

John Lattimer

**Subcommittee Members:**

Rep. Cliff Bentz (*by phone*)

Rollie Wisbrock

Susan Morgan (*by phone*)

Tom Potiowsky

**Panel Co-Chairs:**

Gregg Kantor

Tammy Baney (*by phone*)

**Panel Sponsor:**

Karmen Fore

**Resources and Support:**

Sam Haffner

Pete Pande

Travis Brouwer

Jeoung Lee (*by phone*)

**Topic 1: Introductions and Discussion of Agenda/Meeting objectives**

**Objectives:**

**Review updated Panel charge, schedule, and scope**

**Get a comparative perspective on how other states are funding their transportation needs**

**Review the Funding Options Matrix**

**Develop a future meetings work plan for the subcommittee**

**Topic 2: Review updated Panel Charge, Schedule and Scope**

**Tammy and Sam provided an overview of the Panel’s charge:**

- The Vision Panel is still charged with developing a 30-year transportation vision for the state of Oregon. Alongside this 30 year vision is the need to look at the immediate and strategic priorities for the state around transportation
- In the last steering committee meeting, a suggestion was made to develop a series of recommendations actionable over the next 4 years that can begin to advance this 30-year vision. While the Panel should identify actions to be taken over the next 4 years to advance the needs of transportation, the objective of the panel remains centered on this 30-year vision
- The Governor has charged the Panel with putting additional emphasis on addressing the major transportation challenges of *seismic resiliency* and *transportation congestion*.

**GTVP Schedule:**

- The current subcommittee work in Phase 2 is scheduled through early December. This particular subcommittee may want to extend its work into the new year. This group will want to take direction from other groups on *what needs to be funded*.
- Phase 3 would include Regional Forums across the state to get feedback on preliminary recommendations. Staff is working to ensure that these regional forums don’t conflict with the legislative session.
- The goal is to have a complete report to the Governor in the Spring, 2016.

**Subcommittee Charge and Scope:**

**Charge:** Identify current and future obstacles to Oregon’s ability to pay for key transportation investments. Based on revenue needs identified by other subcommittees, the TF Sub should identify and develop options that provide adequate and sustainable funding for all modes of transportation.

**Scope:** Focus on how to finance the state’s current and future transportation needs. Other subcommittees will be tasked with identifying what the needs are.

**Topic 3: A comparative Perspective on Transportation Funding, Jeoung Lee, AASHTO  
Review Funding Options Matrix, Travis Brouwer and Sam Haffner**

**Presentations:**

[Jeoung Lee's Presentation - Comparative Perspectives on Transportation Funding](#)

[Primer on Transportation Revenue Options \(see Panelist Info Packet, Page 31\)](#)

**Panelist questions and discussion:**

- A lot of the examples raised are near-term solutions on transportation revenue. Are there any states looking for innovative funding solutions for 20-30 years out?

- At federal level, there were two commissions in 2007 and 2009 that took a big look at this. A major finding was the Vehicle Miles Traveled (road user) fee. Oregon has been at the forefront of this.
- Many states doing creative bonding schemes to deliver projects in the near term
- Other than these, most states have looked to more robust forms of traditional revenue; gas tax, user fees, sales tax, etc.
- The presentation identifies 38 options, some of them innovative, some enhancements of existing fees, but none identified as a magic bullet.
- Could a 'carbon tax' also be part of a menu of options, are there states looking at this? There has been work on this in California. More momentum at the federal level five or six years ago.
- What about funding dedication toward other modes? In federal context, gas taxes have contributed toward transit since 1962. General consensus is that transit is in the national interest. While transit dedication and transportation alternatives dedication has sparked some controversy with each reauthorization, consensus has continued. At a state level, state tax dedication toward transit varies greatly; high percent in New York State versus little dedication in rural mountain western states.
- Q: Should consideration of congestion pricing be considered alongside a standard road user charge? A: One of the advantages of a road user charge is that you could feasibly vary rates depending on a whole host of factors or desired outcomes. Charges could also be set at variable rates based on fuel efficiency, vehicle weight, etc.
- While more equitable than some other taxes and fees identified in the matrix, excise taxes on vehicles would still be regressive. A fee based on the value of a new vehicle would be similar to a sales tax; it would be a higher percentage of total income for poorer individuals. To be non-regressive, there may need to be some exemption from lower-cost vehicles, or set at progressive rates.
- The funds identified in the revenue options matrix would be dedicated toward the state highway fund, and limited to use in the highway right of way. The once exception would be what is known as the "lawnmower fund". If you did increase the gas tax there would be a *slight* increase in funds available for non-highway modes.

#### Topic 4: Subcommittee Future Work Plan

##### Proposed Workplan:

##### **Next meeting (4):**

- *Tolling, Bonding, Infrastructure bank, and Public private partnerships*

##### **Meeting 5:**

- *Road User Charges, and Non-roadway funding options*

##### **Meetings 6,7:**

- *Subcommittee discussion; receive recommendations from other committees, develop preliminary recommendations*

##### Questions and Comments:

- Q: As we think about the work plan, what do we need to consider in terms of what transportation looks like in 10 years, what can we predict? A: Fleet will be more fuel efficient, meaning declining gas tax revenue. This makes it important to think about alternatives to reliance on the gas tax. We can also expect a growing advent of autonomous vehicles. The impact of automation on driver behavior, vehicle purchases, land use patterns, etc., is largely uncertain.  
Q: what can we project about the role of a rail system for the movement of goods? A: Rail system is limited in terms of capacity, so we can expect trucking will continue to play largest role in freight movement.
- This panel may need to consider the political challenge with any of the funding options and strategies identified. This is major criteria that can't be ignored. There is a big space between what we want and need, and what the public will support in terms of taxes. A major part of this vision should be how these revenue concepts can be relayed to the public.
- An opportunity in this panel's work is to move beyond just identifying the needs of the system, and what the politics will bear. By identifying and effectively communicating the *value* of investment in the system, you can begin to bring the political limitations into closer alignment with system need.
- A key part of this *value* component is identifying lost economic opportunity for the state.
- This community and public engagement piece is a desperate conversation that needs to take place in this state and nationwide, but might be beyond the purview of this committee.
- In thinking long term, the subcommittee should give further consideration to the idea of a public utility commission.