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TRANSPORTATION CHALLENGES AND SOLUTIONS IN THE SOUTHWEST WASHINGTON/PORTLAND METROPOLITAN REGION

HEARING

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

UNITED STATES SENATE

ONE HUNDRED EIGHTH CONGRESS

FIRST SESSION

SPECIAL HEARING

AUGUST 13, 2003—VANCOUVER, WA

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TRANSPORTATION CHALLENGES AND SOLUTIONS IN THE SOUTHWEST WASHINGTON/PORTLAND METROPOLITAN REGION

WEDNESDAY, AUGUST 13, 2003

U.S. SENATE,
SUBCOMMITTEE ON TRANSPORTATION, TREASURY AND GENERAL GOVERNMENT, AND RELATED AGENCIES,
COMMITTEE ON APPROPRIATIONS,
Vancouver, WA.

The subcommittee met at 10 a.m., at the Public Services Building, 1300 Franklin Street, Vancouver, Washington, Hon. Patty Murray presiding.

Present: Senator Murray.

OPENING STATEMENT OF SENATOR PATTY MURRAY

Senator MURRAY. Good morning, if we can have everyone come in and sit down. We want to have this committee hearing started.

This committee hearing is called to order. And I want to say good morning. Welcome all of you. I'm delighted to have so many people here who are interested in the topic of transportation.

I've called this field hearing this morning of the Senate Appropriations Subcommittee on Transportation, Treasury and General Government to bring together the stakeholders to address the important transportation problems that are affecting the Southwest Washington/Portland Metropolitan region. Today, in this hearing we will examine current and future transportation challenges and how our solutions can improve the economy, our safety, and our quality of life.

This morning we're going to be hearing from elected officials, regional representatives, along with labor and business interests. So I want to thank all of the participants who are here and the witnesses for their testimony today. We, unfortunately, could not accommodate all of the leaders who wanted to be here today to testify but we certainly do want input from anyone who would like to share their thoughts with us.

So I will be keeping this committee record open of this hearing for 15 days. And I know several groups and individuals, including C-Tran, have additional opinions that they want included in the committee record. So if anyone would like to submit a statement or comments as part of these proceedings, please give them to my staff, Kate Hallahan is one side, Dale Learn on the other. Make sure they get your comments. And again, the record will be open for 15 days for any additional comments from anyone.

I especially today want to thank Senator Mark Hatfield, who is the former Chairman of the Full Appropriations Committee and the Transportation Subcommittee, for taking time out of his schedule to be with us today and to testify. I think all of us know that Senator Hatfield is uniquely qualified to speak to this region's transportation infrastructure. We have many transportation assets here, and, frankly, most of them are the products of Senator Hatfield's work. Whether it's the Columbia River system or Portland's nationally recognized light rail system, these economic assets are truly a legacy of his tremendous work. Senator Hatfield worked to bring people together to address the current needs and plans for the future. And we've all benefitted from his wise approach and it's one that I hope that we can follow today.

Let me begin by putting this hearing in context. Next month in September in Washington, DC I will help write the Senate's transportation appropriations bill. I'm going to use what I learn here today to make sure that what we do in the Senate reflects the needs and priorities here on the ground. We should all recognize that it will not be possible to fund every request. In fact, the budget allocation for my subcommittee is already $300 million below what the President has requested. And because resources are so limited, I want to ensure that whatever we do, we are meeting the region's highest transportation priorities. The information that we gather today will help me and the subcommittee assemble the Senate's transportation budget for fiscal year 2004. In addition to the appropriations bill, in the very near future, Congress is going to update the 6-year Surface Transportation Reauthorization Act, known as TEA–21.

I will be working on that along with Representatives Baird, Blumenauer and DeFazio who are all on the House Transportation and Infrastructure Committee and this region's Senator Ron Wyden, who sits on the highway authorizing committee, along with Senator Gordon Smith from Oregon. Again, I want to ensure that those Federal efforts meet the needs here from this community. So please know that whether you're testifying today or you're submitting your comments next week, your input will help develop this transportation bill that's responsive to the needs of this region.

Let me highlight for all of us a few of the challenges that we are going to examine today and touch on a few proposals. The Southwest Washington/Portland Metropolitan region has grown at a tremendous rate. Today 1.9 million people live here, but that number is expected to grow to 2.4 million by the year 2020. That growth is already straining the region's transportation infrastructure. If we do not improve this infrastructure soon we are going to see increased congestion across all modes of transportation. That will have a painful impact on the region's economy, productivity and quality of life. Unless we act, the price of goods and services will increase and we could lose jobs.

This region is one of the Nation's most trade dependent and that reliance on trade is increasing. For example, we expect import/export freight tonnage to increase 123 percent by 2020. Domestic freight tonnage will increase by 76 percent. Currently Oregon and Washington export $45 billion in products every year. As a percentage of our region's economy, that is about twice the national aver-

age. Of course, the region has several major deep-water seaports, a large international airport, significant upriver barging on the Columbia River, two transcontinental rail lines and extensive industrial space.

Overall, there is enormous potential for growth and for economic development. However, without significant planning and investment, the already congested freeways, rail lines, seaports, and airports will become even more backed up. For example, on the I–5 Columbia River corridor we can expect vehicle traffic to increase by 44 percent by 2020. Unless we act the peak congestion period which today lasts 4 hours will expand to 10 hours. Truck routes on I–5 corridor would see the annual vehicle hours of delay soar by 93 percent. We would see similar congestion problems at our seaports, at our rail yards and other important highways like I–205, and the impact would extend far beyond the region itself.

This area is home to some of the Nation's most significant lumber, wood, and paper industries. Six Washington and Oregon counties ranked among the top ten wheat growing counties in the entire Nation. They rely on safe, reliable, and efficient rail and barge transportation. We know that the world's grain markets are extremely competitive. If the rail links to our Columbia River ports are not efficient, then American growers will lose out.

Other important industries in the region depend on reliable, efficient transportation such as farm and food products, distribution and warehousing and hi-tech companies. Intel, for example, is one of the world's largest microchip manufacturers, and is Oregon's largest private employer. Without a cost effective means of shipping their products to PDX, costs would increase and we could lose jobs.

So in every transportation mode and every regional industry we've got to take the right steps now to address this coming growth and that is why we're holding this hearing today in Vancouver. Wise transportation investments will improve our economy, our productivity, and our quality of life.

Before I turn to our first witness, I want to note that we do have a very strong partnership and record of success that we can build on. This region and the two States are already taking innovative steps to deal with congestion, which I look forward to learning more about today. The two State departments of transportation, local and regionally elected officials, planning organizations, business, labor on both sides of our river have come together to analyze, discuss, and plan our regional transportation solutions. The Federal Government will be a partner in helping the Southwest Washington-Portland Metropolitan region.

As the former chairman and now ranking member of the subcommittee, I've been very proud to fund projects on both sides of this river. Many of you worked on the I–5 Columbia River Corridor Improvement Study. It received over $7 million in Federal funding. Several highway projects on I–205, I–5 and the roads feeding these highways have received Federal earmarks. Transit projects run by C-Tran and Tri-Met have received funding. In fact, the interstate MAX light rail system has received over $130 million over the last 2 years. Portland International, the seaports and other marine

safety programs have also received support from my subcommittee recently.

So we do have a record of progress to build on today. And I especially today want to thank and praise the work of our State governments. Despite extremely tight budget periods for both of our States, they have stepped up to the plate and dedicated billions of dollars to infrastructure improvements. I want to end by saying that everyone in this room has a role to play in improving the economic viability and the livability of this region, and I am looking forward to working with all of you.

With that, I want to welcome our first panelist, Senator Hatfield, if you want to come up to the witness table. Senator Hatfield, it is really an honor to have you here. I should say Mr. Chairman. That's how I needed to address him in Washington, DC when he was there, Mr. Chairman. He is the former chairman of the full Senate Appropriations Committee and the Transportation Subcommittee that I'm now ranking member on. And I know that his tremendous experience and his understanding is going to be very helpful to our work. His wisdom and his insight on how this region has solved difficult issues in the past I think will help set the right stage today.

So, Senator Hatfield, thank you so much for joining us. We look forward to your testimony and appreciate you very much for being here today. Senator Hatfield.

STATEMENT OF SENATOR MARK O. HATFIELD, FORMER U.S. SENATOR FROM OREGON

Senator HATFIELD. Thank you, Senator Murray. Senator Murray, I'm going to just put my testimony in the record as if given and proceed to highlight. And when I heard that from witnesses in the past I used to cringe because they usually took longer if they would have just stopped and read it instead of just ad-libbing their highlights.

Senator MURRAY. That's his first piece of advice for us.

Senator HATFIELD. I'm delighted to be here with you in this role. I'm glad you mentioned the kind of collaboration and the kind of support, working relationships you have with our Oregon delegation and relating to our Oregon projects. Which reminds me of a little incident, to illustrate this matter of regionalism. In 1980, Senator Warren Magnuson had asked me to come to Seattle to deliver a farewell address as he was leaving the Senate after many years of great service. And I told a story that Senator Magnuson, when I went on the Appropriations Committee as a junior member, took me aside and explained to me that there was a very basic principal that he liked to exercise on the Appropriations Committee, and that is, "What is good for Washington is good for Oregon." Then he would proceed to allocate and he'd say, "One for you and two for me."

So in the Seattle speech I recall the fact that whatever I knew because I was going to succeed Senator Magnuson as the chairman of the Appropriations Committee that year of 1980 was the switch in the party's control of the Senate, I said I have learned from the master. I've been at the feet of the master, Senator Warren Magnuson. And so, therefore, I'm going to take his cue from years of expe-

rience and just remind the folk of Seattle and Washington, "That what is good for Oregon is good for Washington." "Two for me and one for you" to kind of catch up.

If I had a simple theme today to share with you it would be that with seniority, moving back and forth across borders and so forth, that the necessity today is even greater than in the past, perhaps, to understand that we have to work, collaborate, cooperate and plan together for the Great Northwest. We have a $350 billion economy between our two States and over 5 million people that are employed in that economy. And with the economy, as it is today, it's all the more reason we pay attention to what impacts on our economy of the Northwest. But there are other things that draw us together in the Northwest far beyond just the political cooperation that we can exhibit, and that is we are tied together in an energy sense by the Bonneville Power Administration, and we also are tied together in even the Ninth Circuit Court of Appeals being a part of this Great Northwest. I mention that because sometimes we have not really understood the necessity of working together.

I recall just a moment of Oregon history. We became a State in 1859. Washington State and Montana together did not become States until 30 years later in 1889. Idaho another year, 1890. Now, in the meantime, Portland really felt pretty smug about the fact that it was the center of the Northwest, population, economics. We had two rail heads tying this country together east/west before Seattle had one. We had the river as almost a monopoly of transportation and moving the goods, services and so forth. We had the coastal transportation from California, the whole access was San Francisco, Portland. And so, consequently, the Portland business community and political people and others began to feel, you know, that's a nice country up there in the territory of Washington, but we're the State. We're the one that has the center of commerce, and particularly transportation. And we had worked hard for that because we found that New York bankers weren't interested in funding our rail program out here north/south, or our river program, or our coastal programs of water transportation. And we finally found the funding out of the German bankers in Germany. But we had reached out to the international world to show the importance of this area of the world to them to cause them to want to invest in transportation.

I only mention that to illustrate how easy it is to feel like the world centers around even within our States. We face today, like most States, an urban/rural division. If you take the politics, you take the economics, it's centered in a tri-county area of Oregon, as far as the State of Oregon is concerned, Washington County, Multnomah County, and Clackamas County population. I suppose you could say three-fourths of the population that votes is in Eugene to Portland, under 25, one valley out of the whole State of Oregon. And the people of Eastern Oregon really understand that. As a consequence, this transportation that we talk about in the I–5, in the river, and all the other transportation, air, is really a unifying factor if we want to look at it that way. What good is the Port of Portland if it doesn't have the products to ship out, and those products come from Eastern Oregon. What good is it to raise the products in Eastern Oregon if they don't have an access to the market.

So as Senator Smith has often said that the river unites and the mountains divide, but it's all the more important for us to understand that we have a unit called State of Oregon, and a unit called the State of Washington and we'd better start looking at how we make all of those people within our respective States feel a part of the whole. And as we do that within the State and then as between the States, and our governors having the bi-State committee of planning and all these other wonderful organizations that have shown the ability to cross the borders and work together. Even our great Columbia River Gorge with it's bi-State commission. We see there again the opportunity to unite the region.

I think one other thing I would like to mention about this, is that when there was a great dependence upon the mid-Western wheat and other grains going down the Mississippi River, out through the mouth, down through the canal, out through the oceans to Asia because there were not competitive rail rates to bring that grain west and out the mouth of the Columbia River.

And as this delegation of Oregon and Washington and Idaho and Montana working together putting the pressure on the rails to get competitive rail rates, we find that this so-called transportation goes beyond even Oregon, Washington, Idaho, Montana. It goes into the Dakotas, it goes into Minnesota and all of the mid-Western States that export grains and other commodities. We're seeing an increasing dependence upon that part of the country to get their products out into the markets, particularly of Asia. Japan being our largest trading partner.

So again, I just want to emphasize that in 1981 when I did become the chairman of the Appropriations Committee, I invited the northwestern States to put together in a collaborative planned way what we needed to do in transportation to enhance the transportation, to make it grow, to make it a vital part of the world picture of trade. And that was also an opportunity to demonstrate that Senator Magnuson, who had set this very carefully crafted program of being as much an expert on Oregon needs as he was on Washington needs, that I, too, must become a chairman that had concern as much for the needs of Washington State, Idaho, Montana, this great region that is united by the Columbia River.

I think also it is of an international import as well in the sense that we are providing for our country one of the very prosperous ports and when you look at balance of trade picture, it is not too happy a picture. And we'd better realize that we can be then contributing to the national and international economics.

I don't see this as a pork-barrel program as oftentimes our critics have mentioned that the appropriators are pork barrellers. Used to say "it's not pork it's beef. It's much better than pork." But anyway, I'm just so grateful for your leadership in the transportation field. And as I say, I am happy to respond to questions. And thank you for giving me more than 5 minutes.

Senator MURRAY. I would always give you more than 5 minutes. And again, Mr. Chairman, you just have to understand, to me he was Mr. Chairman. I know to you he is Senator, but Mr. Chairman, it really is an honor to have you here. And I appreciate that broad look at what we need to be doing and why it is so important to this region. You've been involved in government here and in

transportation issues for a long time. Can you give us the benefit of how you have seen the transportation profile of this region change over the years?

Senator HATFIELD. I could go over a lot of years to tell you the answer to that question. Growing up on the railroad, my father having been a boxsmith for 42 years and riding a pass, I was very much oriented in my life development to the rail, and then to the highway, and then to the air and to the water. I would say that the things that have changed so much is the tremendous growth that's been exploding. It's an explosive growth. And as an example, the bridge that unites the two States. Let's use that as an example.

A number of years ago we'd had a couple of shakes, earth shakes in the Portland area and you had in the Washington State. And we put together a program to do an analysis of Portland as it related to seismic character, and we found where the weakest parts and the stronger parts. And we found that our library, our wonderful public library was in the weakest area. And it was the weak construction. And as a consequence we did a profile of the City of Portland, and we replaced the library through a rebuilding program because of that seismic mapping. We also tried to do the I–5 because it is not only a vulnerability here in these bridges, but you go down to California and beyond, every bridge across those rivers we found had to have an analysis. How much could they withstand, what do we have to retrofit in order to strengthen them. And I think things of that kind become illustrative of the vitality of our transportational system, water and highway and rail. But we have lost in this program, perhaps, I think too much a focus—we haven't put enough focus on rail.

You remember that under a previous administration there were corridors designated by the Secretary of Transportation, and we secured out of the cooperation of the delegation from Washington State and Oregon, Vancouver, British Columbia to Eugene, Oregon, as one of those rail corridors that could be upgraded for fast rail, goods and services. And, frankly, as I look at the terrain out from our side of the river south we go into farmlands, we go into the flatlands. You have much more geographic diversity coming from Seattle to Vancouver area, and you have much more population. But we have wide open spaces. We could have enhanced and really started that fast rail corridor. Unfortunately, we didn't. And it seems to me instead of looking at more farmland going into more highway expansion—and it may be necessary, I'm not making a judgment—I'm just saying if I had my druthers, if I had my pick, I would say enhance the rail north/south rather than taking more land into the I–5 corridor. Nevertheless, we have to look at all options. But those are some of the changes and I think that rail still stands out there as a potential that we have not fully given our priority to and that would be one such.

I think water is another. Remember, energywise water is the most efficient, then comes the rail, and then comes the highways, the last, and then the airports. And I think we ought to have an energy factor in all of the analyses we make of our highway planning. What is the impact requirement of energy in those plans, and what are the alternatives? What are the options?

Senator MURRAY. Very good. And when you were chairman of the Transportation Subcommittee, you, like I, received numerous requests from all different levels. How much did you encourage local decision making and look to those local decisions as you made your decisions about what you would fund?

Senator HATFIELD. I think it's like a structure, that's the foundation. If we don't have the local support it's going to be difficult. As you know in the Appropriations Committee, every State has a list of its desires and wants, and therefore when we did not have the local support for the north/south rail, light rail, we lost out. We could have had the money for that on a 75/25 matching basis, not on a 50/50, which it would be now. But we incorporated that project as a three-part project, west, east—or east, west and then the north/south. We had to have Clark County; we had to have the three counties, Multnomah, Washington, and Clackamas, but we failed to get that support from those local people. Now, that's an illustration in my book on how important it is to have those local people. That's one example but there are others.

I think also they have to feel like it's not a gift of the Federal Government and which they just have to take what the Federal Government has decided. We have competent people. You have in this room today far greater experts than I on transportation of this area. You have metros, you have light rails, you have all of these transportation, inland waterways. And these are the real experts, and they are part of that local, in my view, local support that is mandatory in order to have something succeed in the Appropriations Committee. Because we are not going to settle those local arguments in the Appropriations Committee. If they can't settle them in their own communities, don't come to us because we can just go down the list and find some other State that has settled them and give the money there instead of trying to force the money. Remember we never force the money on any community. It has to be with their welcome and the State and the region.

Senator MURRAY. Wise words again. We're running out of time, but I do want to ask you one important question that I think we are all trying to comprehend. You've had many successes in projects that you've championed and were able to bring funds home for the Portland's Metropolitan MAX light rail. I think it's a 39-mile line now that runs and 102 bus routes and has a tremendous impact on the region. In looking at projects like these now they have such tremendous costs and we have a Federal budget that is very difficult to deal with, we have State budgets that are extremely tight, local communities don't have these funds. Are we going to have to look at innovative new ways of funding transportation projects? And, if you think so, what ways should we be looking at?

Senator HATFIELD. We always get to the vulgar subject of money, don't we. That's our job. Or it was mine. Yours now. I would only say I think this is where we have to really prove the mathematics. I think we have to prove it, as I said, let's use the energy factor. What is the most energy-efficient in our projects and have we chosen the most energy-efficient. I think we have to realize also that it has to be productive and have a cost-benefit ratio like we have in the Corps of Engineers on a water project. Cost-benefit ratio.

How much does it cost? How much revenue is it going to produce? And really figure the fine points of money invested, money reproduced, or money as an investment returned. And I think sometimes we haven't given that care we should have given in order to say, well, we have the most cost-effective, we have the most efficient, we have the most fundamental as far as producing revenues and returns for our investments than they have in Mississippi for that particular project. That we in the Northwest, because we grew up in an area and we've worked in an area that the Federal Government has a very fundamental ownership and we have had the water projects that had to prove they're cost effective and they cost-benefit ratio, we have all that background, but had we applied it in the same vigor that we could have for our competitive transportation projects, I'm not sure. I'm not—I don't remember that we got into those details because we depended a lot more on our status and our seniority to get our projects. And it seems to me now that cost is such an important factor to be considered for any Federal participation in anything. We've got to go back to the drawing board and to the math of it and prove our case superior.

Senator MURRAY. I would agree. I would just say that we have to also take into account regional impacts. When you're looking at cost effectiveness it's fairly easy to build a system in a landlocked area, and many of our areas where we have to do cross water; we have to deal with energy; we have to deal with different modes of transportation and water—bodies of water that other regions don't. We don't want to get into a position where we're being pitted against a city that may be able to cheaply put in light rail where it could be very expensive because of our geography. But I appreciate your words.

PREPARED STATEMENT

Mr. Chairman, I thank you so much for coming today. I thank you on behalf of all of us in this region for your tremendous legacy and for your willingness to travel here today to share with us a few thoughts this morning and I thank you so much.

Senator HATFIELD. Any day you call I respond. Thank you.

[The statement follows:]

PREPARED STATEMENT OF MARK O. HATFIELD

Thank you Senator Murray for inviting me to participate in this morning's discussion about transportation challenges facing the Portland-Vancouver region. It is an honor to be back before the Committee on which I served for many years. You are a leader on transportation issues in the United States Senate and an unyielding advocate for the Pacific Northwest. At a time when the Northwest does not enjoy the seniority that it once had, we in Oregon appreciate your willingness to work with our Senators to support important transportation projects throughout the region.

There are many hard working elected officials and transportation experts here today that are far more capable of covering today's topic than I am, so I will keep my comments brief. As someone who has dealt with transportation issues at the State and Federal level for many years, perhaps I can offer a perspective that will be of some interest.

I'd like to share with you two observations. The first observation that I will make is that the Portland-Vancouver region is an intermodal hub and international gateway for trade. The second is that the region has a long history of using innovation and collaboration to overcome transportation challenges.

We have as a region made progress on many fronts but there is still work to be done to finish what was started years ago, and to address future needs. I am sure that those transportation leaders who will come before this panel today will speak

to how they intend to address and overcome the transportation challenges we currently face—and I leave that work in their good hands.

The Portland-Vancouver region is an intermodal hub and a gateway to international trade. This region is located at the center of a transportation crossroad. We sit at the convergence of two interstate highways, two Class One Railroads and two major waterways. Like the hub of a wheel, this region is connected to other States in the Pacific Northwest, the rest of the Nation and overseas markets by transportation corridors, or spokes. These corridors move people and freight by highway, rail, air and water. Freight and passengers moving north/south and east/west pass through this region.

Not far from where we are meeting today, the Columbia River carries grain and other bulk products to and from America's Heartland to our ports—our gateways to foreign markets. The main highway connecting eastern Oregon farms to markets, Interstate 84 passes through here. Two transcontinental railroads, carrying passengers and freight between the western States and between the United States and Canada cross the river here. The Portland International Airport, which links us to the rest of the country and Europe, sits on the bank of the Columbia River. The Interstate 5 Corridor, which carries international and national freight movements traveling north and south, connects the United States, Canada and Mexico, and the communities of Portland and Vancouver.

Trade is vital to both States' economies. Transportation underpins the $350 billion economy of Oregon and Washington and the region's 5.5 million jobs. Simply put, the economy of our region as well as the Pacific Northwest as a whole is dependent on trade. Much of the freight traffic upon which the region's economy depends travels through the Portland-Vancouver I–5 crossing. Congestion along this shared transportation choke point is eroding the reliability of moving goods and services in the Pacific Northwest and is reducing the economic well being of business and industry.

To state the obvious—failure to maintain and improve the transportation system for moving freight will no doubt result in the region's economy becoming less competitive.

As noted earlier, the region's goods and services also move by ship and barge on our waterways. The Columbia River navigation channel is a critical piece of the transportation infrastructure. Each year, ocean-going vessels on the Columbia River transport roughly $13 billion worth of U.S. products to world markets (primarily to Asia). Critical to sustaining this economic activity is the need for a 40-foot deep Columbia River navigation channel.

Much like highways, railroads, bridges and airports, navigation channels must be improved. Deepening the channel is critical to our region in order to handle our ever-growing trade demands and enable today's modern fleet of deep-draft ships to continue transporting imports and exports by way of the Columbia River.

To further highlight the importance of this effort and how it relates to international trade activities and relations—let me quickly focus on how this links in with our relationship with Japan.

Japan is the largest trade partner with the Columbia-Snake River region. More than 300 Oregon companies imported or exported cargo to/from Japan via Port of Portland facilities. In 2002, $7.1 billion worth of merchandise was imported from Japan and $2.4 billion was exported to Japan via the Columbia-Snake River Customs District.

The threads that bind us on this project do indeed have local, State, national and international significance. As one who has participated in this critical discourse over the years, let me now thank you for your support of the appropriations necessary to build this project.

Let me now turn to how our region approaches transportation challenges. The Portland-Vancouver region has a long history of employing innovation and collaboration to overcome transportation challenges.

In 1981 I challenged the State and Region to maintain their cooperative and collaborative relationship by clearly identifying priorities that could be the focus of the appropriations committee's actions. What followed was an exemplary partnership that has identified transportation priorities, collaborated on funding, devised both innovative projects as well as methods to fund them and that have lasted to this day as a model of cooperation and progress. Quickly, let me share with you some of the innovative aspects of the Portland Region's success in transportation:

The Banfield Project.—This is not simply a Light Rail Project. The $321 million project opened in 1986 was also a complete rebuilding of Interstate 84 from the Lloyd Center area all the way to the Gateway District's intersection with I–205. In 1982 the Region asked the Chairman of this committee for help in declaring the entire undertaking a "Transitway" under Federal law making it eligible to receive the

flexible funds authorized by the Interstate Withdrawal program as discretionary appropriations under contract with the Federal Transit administration (at the time known as UMTA, Urban Mass Transportation Administration). This enabled the highway improvements as well as the new rail line to be constructed and finished together.

A recent example of a successful innovative approach is the Airport Light Rail project in Portland. This project was a transportation innovation from the outset because of its use of private investment funds and its non-reliance on the Federal Government for any funds. The nearly 6-mile rail line was built with local public money and private sector funds.

The Oregon Department of Transportation quite frankly helped the Transit District, TriMet, directly by providing Congestion Management Air Quality (CMAQ) funds, which it had at its disposal for the district's ongoing bus procurement program. This enabled the District to make a sizeable allocation of its funds to the Airport project, and to keep that project totally under local control.

Much of the credit for these successful innovative approaches needs to go to the manner in which the State of Oregon through ODOT and the State of Washington, through WASHDOT and the local governments in the Portland area through METRO cooperate in the functioning of the Portland area Metropolitan Planning Organization (MPO). This has become a cooperative and deliberative body in which representatives of both States and of both Vancouver area and Portland area local governments sit.

Many disagreements, some of them quite intense, surface at this body. But its members have truly disciplined themselves to come to agreement and to speak with one voice when the decisions are made.

These are just some of the region's transportation success stories. While there are may others, the region also faces many challenges. I view two challenges—completing the build out of MAX light rail and improving rail service—as finishing what was started. In addition, we face the new challenge of ensuring that the Nation's aging transportation system can adequately move freight and people in a safe and efficient manner. These issues are more than transportation challenges, at their very core they are economic in nature. They will help define who we are, and chart the course for our future.

Let me end by saying—and saying it with confidence, that the capacity to deal with these many challenges resides in those present in this room today.

Again, Madame Chair and Members of the Committee, thank you for this opportunity.

Senator MURRAY. Thank you. We will now bring our second panel forward. Don Wagner, who is the Regional Administrator Southwest Regional Washington Department of Transportation, and Bruce Warner, who is the Director of the Oregon Department of Transportation. I would just let everyone in the audience know, again, of our time constraints this morning. Each of our panelists will be given five minutes for their prepared remarks. We will then have some Q and A from here, and then move to our next panel.

I will again say for anyone in the audience who hears something that they would like to respond to, the record will be open so that you can submit your testimony and your comments afterwards. But, again, thank you to all of you for participating today. We will begin this morning with Mr. Wagner. If you want to start with your prepared remarks. Thank you.

STATEMENT OF DONALD WAGNER, REGIONAL ADMINISTRATOR, SOUTHWEST REGIONAL WASHINGTON DEPARTMENT OF TRANSPORTATION

Mr. WAGNER. Thank you. Good morning, Senator Murray. I'm Don Wagner and I'm the Southwest Regional Administrator for the Washington Department of Transportation. I think I will take Senator Hatfield's advice and I will read my comments to make sure that we get them done timely.

Thank you for the opportunity to appear before this subcommittee to discuss the transportation challenges facing the com-

munities of Southwest Washington and the Washington/Oregon border region, and thank you for your strong interest, and past assistance, in addressing our transportation challenges.

Before I begin, I would like to acknowledge Commissioner Ed Barnes, a local resident and representative of the Washington State Transportation Commission since 1996. He's in the audience today. I would also like to thank you for including local officials and representatives from the business and labor communities, as well as Mr. Bruce Warner, the Director of the Oregon Department of Transportation, at this hearing. It is our view as it is yours that our region's transportation challenges will be best addressed by a broad and collaborative coalition of interests.

This morning I will frame the challenges associated with the highway and rail crossings of the Columbia River, while Mr. Warner will focus his testimony on the efforts underway to address these issues and the opportunities to meet our needs and maintain economic prosperity in the region.

I have three things I would like you to remember from this morning's hearing. The Columbia River is both a transportation artery and a choke point. Second is today the I–5 corridor has inadequate capacity to carry both rail and highway freight. And lastly, if this region is going to continue to be relevant in world trade we need increased capacity across the river.

Interstate 5 and other regional Columbia River crossings form a multimodal trade corridor of national significance. Highway and rail crossings provide critical freight connections to the area's major ports for deep water shipping and upriver barging. They link two transcontinental rail lines and connect much of the region's industrial land.

I–5 directly serves regional and State economies in Oregon, Washington and California. And it is the north/south backbone for regional trade. Reliable transportation is key to Pacific Northwest's trade dependent character. Oregon and Washington export $45 billion in product each year. As a percentage of the region's economy this is about twice the national average. In fact, Washington is the most trade-oriented State in the Nation, and 54 percent of our economy is built on transportation intensive industries. About half of the rail shipments originating from Seattle/Tacoma area travel south through Portland/Vancouver in route to their final destination.

The geography of the Pacific Northwest defines the regional transportation system. The Columbia River deep water ports provide access to the West Coast and Pacific Rim. And the Columbia/Snake River system provides barge access to the agricultural areas in the eastern half of our region. The river crossings are strategically important to freight transportation locally, regionally and across the Pacific Northwest.

But the Columbia River is also a barrier to land-based transportation and combined with growing congestion, the river and its crossings effectively serve as transportation choke points.

As depicted in attachment 1 of the information that I've earlier provided, the Portland/Vancouver area has fewer crossings than other U.S. metropolitan areas of similar size with only two highway bridges and one rail bridge over the river. With limited existing

bridge capacity, few alternative routes and growing travel demand, the crossings are major bottlenecks.

Congestion is the cost of doing business, but the severity with which we are experiencing it limits economic competitiveness in the global markets and crucial economic expansion. It will become a even greater drag on our economy as the region grows and travel demands increase. Freight movement into and out of our region historically leads to increased business and employment growth, but it is sensitive to congestion.

Unfortunately, freight shipping from Southeast and Southern Asia is already being rerouted to the East Coast and mid-West market distribution points to avoid this West Coast choke point.

Freight rail traffic is disproportionately affected by this choke point. The Portland/Vancouver rail network and the Columbia rail crossings also are severely congested. This network is one of the busiest in the Nation with over 160 trains moving within and through this region each day. When measured in terms of delay per train, rail congestion in the Portland/Vancouver area is twice that of Chicago, the Nation's largest rail hub.

One of the causes of this congestion is inadequate river crossing capacity. The rail system cannot handle projected growth in freight and passenger traffic. Without increased capacity worsening congestion will make supply chains less reliable, drive up the cost of labor and materials and undermine the competitive position of this region and the Pacific Northwest businesses. Railroads may not grow at the pace of the economy and will shed freights to trucks thereby adding to the already congested highway. Efficient freight rail helps reduce heavy truck traffic and congestion on the highways and provide a competitive shipping option for both regional and international farmers and businesses.

The Washington and Oregon Departments of Transportation have analyzed these economic issues in considerable depth. Of significant value is the 2003 report by Cambridge Systematics entitled Regional Economic Effects of the I–5 Corridor/Columbia River Crossing Transportation Choke Points. This report is available on ODOT's website and is included in the executive summary that I provided to your office.

For this report, case studies were developed for five freight-intensive industries that, combined, comprises greater than 30 percent of Washington and Oregon's gross regional product, and account for 70 percent of the trucks and 60 percent of the rail tonnage crossing the Columbia. These five industries are natural resource products, transportation equipment and steel, farm and food products, high technology and distribution and warehousing.

The case studies demonstrate the economic effects of this critical nature of these transportation choke points. I invite you to review the documents provided today illustrating how congestion at river crossings shrink these industry markets, reduce operating efficiency and lower profitability.

PREPARED STATEMENT

In closing, we have a positive choice for the future. The choice is to improve the highway and rail crossings of the Columbia River and make a greater distribution for the economic vitality of the Pa-

cific Northwest. We have made progress in this direction. Mr. Warner will expand on these shortly. I emphasize that the solutions will take time. As we weather economic recession, involve stakeholders, complete studies and acquisitions and build the improvements, I am confident that with your help the region can provide the critical capacity and manage our growth to keep the Pacific Northwest relevant in world trade. Together we can strengthen the economy and maintain the quality of life of the upcoming generations. Thank you.

Senator MURRAY. Thank you, Mr. Wagner.

[The statement follows:]

PREPARED STATEMENT OF DONALD WAGNER

Good morning, Chairman Murray and members of the subcommittee. I am Don Wagner and I am the Southwest Regional Administrator for the Washington State Department of Transportation.

Thank you for the opportunity to appear before this subcommittee to discuss transportation challenges facing the communities of Southwest Washington and the Oregon/Washington Border region. And thank you for your strong interest, and past assistance, in addressing our transportation challenges.

Before I begin, I would like to acknowledge the attendance of Ed Barnes, a local resident and representative on the Washington State Transportation Commission since 1996. I'd also like to thank you for including local officials and representatives from the business and labor community, as well as the Director of the Oregon Department of Transportation, at this hearing because our view is that our region's transportation challenges will be best addressed by a broad and collaborative coalition of interests.

This morning I will frame these challenges, while Bruce Warner will focus his testimony on efforts underway to address these issues and summarize the opportunities to move this regional infrastructure into the future—to meet our needs and maintain economic prosperity in the region and in our two States.

INTERSTATE 5 AND REGIONAL COLUMBIA RIVER CROSSINGS FORM A MULTIMODAL TRADE CORRIDOR OF NATIONAL SIGNIFICANCE

The Columbia River highway and rail crossings connect the communities of Portland and Vancouver for work, recreation, shopping, and entertainment. They provide critical freight connections to the area's two major and numerous other ports for deep-water shipping and up-river barging. They link its two east-west transcontinental rail lines and connect much of the region's industrial land.

Interstate 5 is the only continuous highway from Mexico to Canada on the West Coast and directly serves regional and State economies in Washington, Oregon, and California. Within the Portland-Vancouver metropolitan area, I–5 is the north-south backbone of regional trade, providing primary access to regional warehousing and distribution facilities.

The Portland-Vancouver region's proximity to two interstate highways, I–5 and I–84, makes overnight truck delivery north into British Columbia, east to Idaho and western Montana and south into the Bay Area possible. As a result, the region serves as the Pacific Northwest domestic distribution location for many retailers and manufacturers.

For these and other reasons, Congress recognized I–5's national significance and economic importance in the Transportation Equity Act for the 21st Century (TEA–21) by designating it as a High Priority Corridor. In TEA–21, Congress directed USDOT to conduct a review of National Highway System freight connectors that serve major seaports, airports, and major intermodal terminals. The bulk of these connectors in Washington and Oregon feed the interstate.

EFFICIENT TRANSPORTATION IS ESSENTIAL TO OUR ECONOMY

Reliable transportation is essential as the Pacific Northwest's trade-dependent character continues to grow. Oregon and Washington export $45 billion of products each year. As a percentage of the region's economy, this is about twice the national average. Portland has the highest value of wholesale trade per capita on the West Coast and the region ranks thirteenth among all U.S. cities based on the value of exports. Exports make up the vast majority of the region's traded volume, exceeding

the volume of imports by a factor of 15. In fact, Washington is the most trade-oriented State in the Nation.

The Portland-Vancouver area and the Pacific Northwest can expect freight volumes to grow at rates faster than the national average. Between 1998 and 2020 import-export freight tonnage is forecast to grow 123 percent and domestic freight tonnage 76 percent. While this will benefit economic growth, it will put a strain on the State's network of rail, highways, and water modes of freight transport.

In addition, the region's economy is built on transportation-intensive industries. Agriculture, construction, transportation equipment and utilities, wholesale and retail trade, and manufacturing make up 54 percent of the Oregon-Washington economy, but only 49 percent of the national economy. Consequently, our economy is more dependent on transportation and we spend more proportionally on transportation than the Nation as a whole.

The Columbia River crossings, including the I–5 Interstate Bridge, are a critical link in this trade network. To illustrate:

—About half of rail shipments originating from Seattle-Tacoma travel south through Portland-Vancouver en route to their final destination.

—About 133 million bushels of wheat grown in Eastern Washington and Oregon are shipped through the corridor for export to foreign markets.

—More than 10,000 trucks per day travel through the corridor.

THE COLUMBIA RIVER CROSSINGS ARE TRANSPORTATION CHOKE POINTS AND THREATEN THE ECONOMIC VITALITY OF THE PACIFIC NORTHWEST

The Columbia River is a major regional transportation artery and the physical geography of the Pacific Northwest defines the regional transportation system. The deepwater ports provide access to the West Coast and Pacific Rim, and the Columbia/Snake River system provides barge access to the agricultural areas in the eastern half of the region. The highway and rail crossings over the river are of strategic importance to freight transportation, locally and regionally and across the Pacific Northwest.

But the Columbia also is a major barrier and, combined with growing congestion, the river and its crossings effectively serve as transportation choke points. The regional economy and the ability to effectively support freight movement are choked and languishing.

Let me provide a local example:

The duration of peak-period congestion at the I–5/Interstate Bridge will double from 4 hours today to nearly 10 hours in 2020. The congestion will spread into the midday period, the peak travel time for trucks. This will entangle truck operations, increase trucking costs, and make pick-up and delivery times less reliable. This will increase the cost of delay to trucks by 140 percent—from $14 million in 2000 to $34 million in 2020.

If we do nothing, traffic volume on the Interstate Bridge will grow to 180,000 vehicles per day, an increase of 44 percent. If no significant capacity is added to the bridge crossing, total vehicle hours of delay during the peak periods will increase 74 percent from 31,00 hours per day in 2000 to 54,000 hours per day in 2020. Congested lane miles on truck routes will increase by 58 percent.

FEWER OPTIONS EXIST IN THIS CORRIDOR

As depicted in Attachment 1, the Portland-Vancouver area has fewer crossings than several U.S. metropolitan areas of similar size, with only two highway bridges and one rail bridge over the Columbia River. With limited bridge capacity, few alternative routes, and growing travel demand, the crossings have become major traffic bottlenecks.

While once an alternative to the Interstate Bridge the eight-lane Glenn Jackson Bridge, which carries I–205 across the Columbia River 6 miles up river, now operates near capacity. The bridge carries 132,000 vehicles, including 7,800 trucks, across the river each day. Growing congestion, due in part to diverted traffic from I–5, is diminishing this route's reliability and predictability. As the Glenn Jackson Bridge reaches capacity, it will discourage diversion of I–5 traffic resulting in increased peak-period spreading within the I–5 corridor. The next closest Columbia River highway crossing is the two-lane bridge between Rainier, Oregon and Longview, Washington, 53 miles downstream; it provides little relief to the metropolitan area.

CONGESTION IMPACTS THE ECONOMY IN DIVERSE WAYS

Delays at the crossings affect a wide range of transportation users, including employees commuting to work, customers traveling to stores and business meetings,

shippers meeting schedules, truck picking up and delivering goods, and trains moving freight to and from ports and intermodal terminals.

The costs of delay are passed on to businesses, either directly or indirectly, by:

—Increasing production costs due to delay, unreliable travel times, and increased logistics and inventory costs.

—Shrinking labor pools as the geographical area in which potential employees can afford to work, or are willing to work, is reduced in relation to the increase in time and cost of commuting.

—Reducing access to business inputs and markets as the economies of scale that can be realized by operating in large urban areas are diminished.

Congestion is a cost of doing business but the severity with which we are experiencing it in this region is leading to a reduction in productivity, which in turn limits economic competitiveness and curtails economic expansion. It will become an even greater drag on the economy in the future as the region grows and the demand for travel increases. It is weakening our competitiveness in global markets.

TRADE AND LAND USE ARE SENSITIVE TO THIS CONGESTION

As stated earlier, trade comprises a significant share of our regional economy. Freight movements into and out of the regional have historically led to increased business and employment growth, with the result that today the Portland-Vancouver metropolitan area plays a leading role among regional distribution and transshipment centers for international commerce.

Here is a local example:

While the volume of exports is still dominated by the natural resources sector, the high-technology sector now makes up the majority of the value of exported goods. The value of high-tech goods that cross the Interstate Bridge exceeds $1.5 billion per year.

Because high-tech goods are valuable, light, and time-sensitive, they tend to be shipped by airfreight rather than by sea. This has led to a dramatic increase in airfreight shipments, which has created a greater demand for timely access to the airport. Portland International Airport is primarily accessed by the congested interstates, I–5 and I–205. This demonstrates that growing and maintaining a strong regional economy is increasingly dependent on an efficient transportation system.

We are learning that shipping routes from Southeast and Southern Asia are rerouting to East Coast and Midwest market distribution points to avoid this West Coast choke point.

An additional economic consequence of this choke point to the region is the access to available industrial land. The region is currently short of industrial property available for development. Development potential of two of the region's key industrial enclaves, the Port of Vancouver and the Columbia Corridor/Rivergate area in north Portland, is threatened by the heavy congestion at their access points to I–5 near the Columbia River.

RAIL FREIGHT TRAFFIC IS DISPROPORTIONATELY AFFECTED BY THIS CONGESTION

The Portland/Vancouver rail network and the Columbia River Rail Crossing also are severely congested. This network is one of the busiest in the Nation, with over 160 trains moving within and through the region each day. Currently, two transcontinental railroads, Amtrak long distance trains, and the regional Amtrak Cascades use the network. The two-track Burlington Northern-Santa Fe rail bridge, adjacent to the Interstate Bridge, is the only rail crossing connecting Portland and Vancouver. The rail bridge carries 63 freight trains daily. The next major rail crossing of the river is 92 miles upstream near The Dalles, Oregon.

The cause of congestion in the rail system is inadequate capacity. It will not be able to handle projected growth in freight and passenger traffic. On each side of the Columbia River, trains already compete for track space with local and long-distance, transcontinental trains moving to rail yards and terminals. Local operations—the movement of locomotives and cars between yards and trains into and out of port and railroad terminals—must share track time and space with long-distance, through trains, including intermodal trains traveling from Seattle and Tacoma to the Midwest and California.

When measured in terms of delay per train, rail congestion in the Portland-Vancouver area adds about 40 minutes to every train move, twice that of Chicago, the Nation's largest rail hub. With less than one-fifth the number of trains as Chicago, the area's rail network experiences nearly half the delay hours of Chicago. That's 402 hours of delay for 600 freight and passenger trains in this area compared to 813 hours for about 3,500 trains in Chicago.

Without increased rail capacity, worsening congestion will make supply chains less reliable, drive up the cost of labor and materials and undermine the competitive position of the Pacific Northwest businesses. Railroads may not grow apace with the economy and might shed freight to trucks, adding to already congested highways. Shipping costs may increase, reliability will decrease, and rail shippers may be forced to divert traffic, change modes, or relocate. Limited rail capacity will hinder the growth of the ports of Portland, Vancouver, and others along the Columbia.

The recent I–5 Rail Capacity Study, completed as part of the overall I–5 Transportation and Trade Partnership Strategic Plan, highlights the rail needs for the region. Some relatively low- to medium-cost solutions—estimated at $170 million—can significantly improve existing rail capacity in the region.

To accommodate through trains and local terminal operations efficiently, the railroads must invest heavily in new yard capacity, sidings, bypass tracks, switches, and dispatching systems within our region. The railroads will soon need to look at investing in an expanded rail bridge across the Columbia River or a rail bypass of the Portland-Vancouver area for through trains.

In the long-term, major improvements will be needed to accommodate rail movements in the Portland/Vancouver region, including modifications to the existing Columbia River rail bridge and possibly a new span running parallel to the existing structure. These improvements will require further analysis by the railroads, and the Washington and Oregon Departments of Transportation.

FREIGHT OFFERS OPPORTUNITIES TO REDUCE CONGESTION

Freight rail makes up the smallest share of the total freight moved, but it has perhaps the greatest likelihood for expansion. Since 1970, approximately 40 percent of WA's active rail lines have been abandoned. While this loss increased heavy truck traffic on State and local roads, resulting in higher road maintenance and repair costs, the remaining rail lines help reduce heavy truck traffic and congestion on highways and provide a competitive shipping option for regional and international farmers and businesses.

Preservation of remaining rail lines is crucial.

One of the key projects for the region—the Vancouver Rail Project—was recently funded by the State of Washington and is slated for construction in the 2007–09 biennium. The primary purpose of the project is to support Amtrak Cascades service reliability and expansion, with an important secondary benefit to the region's rail freight mobility.

WE ARE PUTTING IT ALL ON PAPER

The Washington and Oregon Departments of Transportation have analyzed these economic issues in considerable depth. Of significant value to today's actions is a recent report by Cambridge Systematic, Inc., entitled Regional Economic Effects of the I–5 Corridor/Columbia River Crossing Transportation Choke Points. The report is available on ODOT's Web site and the executive summary is provided today as Attachment 2.

In addition to looking at effects on the regional economy as a whole, case studies were developed for five freight-intensive industries that, combined, comprises greater than 30 percent of the Washington/Oregon gross regional product. These five industries—natural resource products, transportation equipment and steel, farm and food products, high technology, and distribution and warehousing—account for 70 percent of truck and 60 percent of rail tonnage crossing the Columbia River in the area.

The case studies demonstrate the general economic affects I have described and the critical nature of these transportation choke points. I invite you to review the documentation provided today, illustrating how I–5/Columbia River crossing congestion is shrinking these industry's markets, reducing operating efficiency, and lowering profitability.

OUTLOOK

We are seeing diminishing returns from transportation initiatives of earlier decades. Capacity and congestion problems today are eroding the productivity of the trans system Congestion at the crossings has a real and immediate cost to Portland-Vancouver residents and businesses and there is a real cost, although less visible, to residents and businesses beyond the region and across the Nation.

WE HAVE POSITIVE CHOICES FOR THE FUTURE

That choice is to improve the highway and rail crossings in this region and make a greater contribution to the economic health of the entire Pacific Northwest.

We have made progress in this direction and Bruce Warner will expound upon this shortly.

In closing, I will emphasize that the solutions and ideas summarized by Mr. Warner, will take time, as we weather an economic recession and involve stakeholders, complete studies and acquisitions and build the improvements. I am confident, that with the help of these stakeholders and elected officials, and industry and the citizens of the Pacific Northwest, the region can provide the capacity and manage this growth and change. Together we can strengthen our economy and quality of life for the coming generations.

Thank you.

Senator MURRAY. Mr. Warner.

STATEMENT OF BRUCE WARNER, DIRECTOR, OREGON DEPARTMENT OF TRANSPORTATION

Mr. WARNER. Good morning, Senator Murray. I'm Bruce Warner. I am the Director of the Oregon Department of Transportation. I also want to thank you for giving me this opportunity to come testify before you this morning on some of the transportation challenges facing the region. And you do have my testimony, so I will highlight some of the important pieces there.

I am going to focus my remarks on what I think is the single greatest transportation challenge that faces the Portland/Vancouver region, and that is the growing congestion and the freight bottlenecks that Mr. Wagner talked about in the Interstate 5 corridor. And I believe you know that Interstate 5 corridor is a corridor of true national significance, recognized by Congress and it is a multimodal corridor that has many modes of transportation that need to be addressed.

As you just heard, the growing congestion in this corridor does threaten the region's economy and the movement of freight. And with your help I want to let you know that this region is developing solutions to overcome this threat. And through a collaborative public process, we have identified transportation improvements that are needed to relieve the highway and rail congestion in this critical corridor. And I want to let you know we will be talking with you and asking for additional help from your committee in coming years. And what I really want to assure you is that we have been working in a way to build a solid foundation—in answer to your question to Senator Hatfield—to make sure that there's a consensus from the local level on what needs to be done. And I do want to thank you for your strong support in the efforts that we've been doing. And because of that the National Corridor Planning Development Program funding that we received with your help and the help of both the other Washington and Oregon Congressional delegation has really been instrumental to moving this along.

And this region has been working to solve the problem in ways that are different from other areas of the Nation. And I say that because we have done that collaborative inclusive, but public process that identified multimodal solutions to the corridor. And we're also, as you identified, going to be looking at ways to fund this in an innovative manner because we know that the needs are great, and we are going to have to look at innovative solutions and involve the private sector probably in ways we never have before to

get the solutions implemented in this corridor. And I think this approach is in contrast to other States where the normal answer is to just add highway capacity as the simple and frankly only answer. And we know that the highway widening in this corridor does not solve all of the problems, and we partnered with many different groups in our efforts. We've taken their opinions into account. And so far the work to date has involved almost 2000 people and the list is growing daily.

And the report that you have in your packet, the I–5 Transportation and Trade Partnership Strategic Plan has been adopted I want to stress to you by Metro, on the Oregon side, Southwest Washington Regional Transportation Council here on the Washington side, Tri-Met, C-Tran, our transportation commissions, the Washington State transportation commissions, the Ports of Portland and Vancouver, the City of Portland, the City of Vancouver, Multnomah County and Clark County as an example. And this all began in 1999 when a group of business folks and elected folks said we need to solve the congestion in this corridor. It resulted in the governors 2 years later appointing a committee of 28 businesses, citizens and interested groups to come up with a strategic plan, which you have before you. It took nearly a year and a half of meetings. And I want to commend all the members who sat through the monthly probably 4- or 5-hour long meetings to come up with the solution. But that 2000 strategic plan is the result of that effort.

And this year, as you just heard, we've also now completed the Economic Impact Analysis and the study did conclude that the congestion in the I–5 Columbia River crossings was affecting, as you heard, not only the Portland/Vancouver area business and industry by increasing their shipping costs, limiting their labor markets and reducing competitiveness with other industries in the region, but it does impact the entire West Coast and the Nation as a whole. It really is that significant a corridor. And so I think that's important to know. And I'm really pleased that the Federal Government has been an active partner in this effort, the Congress, and the U.S. Department of Transportation have supported this project from the inception. And as I noted earlier, Congress has designated the I–5 corridor as national significant—as of national significance in 1997 which made it available for the funding that we've been working on. And with the $7 million that you noted in your opening remarks, that we have completed this planning process and that's where we are today.

So we have the initial planning done. We've completed the economic impact analysis and we now have a final strategic plan adopted. And now our job is to move forward and figure out which of the specific improvements we need to work on right now and where the priorities are and to start moving into the environmental analysis and actually preliminary designs.

Some of the questions—to give you a flavor of some of the questions that we need to have answered are, as an example, should a new freeway bridge be built or should an existing I–5 bridge be modified. Or if we build a new bridge should it be a joint highway like rail bridge or should we be building two separate bridges.

Again, another very big issue is how do we minimize the impacts on the neighborhoods, and then how do we upgrade some of the current interchanges to provide access to the Ports of Portland, and the Port of Vancouver, just to add a few. But we're scoping that out and are ready to get into that effort right now. As I said, we're going to have to build a financing plan which will involve some innovative things that have not been put together before. We need to actually have good construction estimates and time lines, and we need to consider the options for managing that work in a different way, when you have to keep an artery like I–5 open to commerce at the same time you're trying to improve it.

So with additional funding we can get to those, so it is needed. We're going to be asking you for assistance. I want to let you know that Senators Ron Wyden and Gordon Smith have submitted a joint request for planning dollars as part of the 2004 transportation appropriations bill to pay for this next phase of this project. We believe a half million dollars at minimum is necessary and any additional would help speed this up. Federal money will also be needed to complete the environmental impact statement to build on the actual strategic plan that you have before you.

And Congressman Earl Blumenauer has submitted a $15 million TEA–21 high priority project request to the House Transportation and Infrastructure Committee as part of a joint effort with Congressman Brian Baird. And Congressman Baird is also working very hard, I wanted to let you know, to secure Federal funding to construct one of the first priority projects, which is the widening of I–5 between Delta Park and Lombard Street on the Oregon side, and he has submitted a $32.8 million project request to that committee for consideration. And this is a project, if you're not aware, is a project that is a great source of aggravation for Washington commuters and it has been for a number of years, so I'll make you aware, and everybody in the room here, that we are supportive of that and want to see that move forward as quickly as possible.

So in conclusion, we have made significant progress with the help of this committee and our delegations and with our U.S. Department of Transportation and other regional partners. We understand the importance of doing our homework and want to assure you that when we bring forward a project it will be a project that has been vetted fully at the local level and has the grass-roots and total support of the governments in the area. And we do need to have a project that is broadly supported and serves many needs or it's not going to be successful.

PREPARED STATEMENT

The importance of this agreement can't be understated. Senator Hatfield said it and said it very well. So I think I would end there, but I wanted to leave you also in your packet. I couldn't go on without noting that the other thing about the transportation system here on the West Coast, it's fairly young, but I point out to you the interstate system is about 50 years old in most areas and we have a problem in Oregon with bridges that were built during that era that are starting to fail. They were designed for 50 years and, guess what? They're starting to fail at 50 years. And the bottom line is we have about a $5 billion problem just to address the

bridges in Oregon. The good news is our legislature stepped up. I want to acknowledge the governor and our legislature for passing a $2.5 billion program to address bridges and some modernization needs, but that only starts to address the problem. So we are going to be probably talking to you and your committee about some of those needs here in Washington. So with that, I will conclude and be glad to answer any questions that you might have.

[The statement follows:]

PREPARED STATEMENT OF BRUCE WARNER

Good morning Senator Murray and Members of the subcommittee. I am Bruce Warner and I am the Director of the Oregon Department of Transportation. Thank you for this opportunity to briefly discuss the transportation challenges facing this region. I will focus my remarks on the single greatest transportation challenge that faces the Portland-Vancouver region: congestion in the Interstate 5 Corridor.

The I–5 Corridor is a true multimodal trade corridor of national significance. Growing congestion in the corridor threatens the movement of freight and the region's economy. With the support of this Committee, the House and Senate authorizing Committees, the Washington and Oregon Congressional Delegations and the U.S. Department of Transportation, this region is developing innovative solutions to overcome this threat. Through a collaborative, public process, we have identified transportation improvements needed to relieve highway and rail congestion in this critical corridor. There is much more work to be done, and we will be requesting additional help from this Committee in the coming years. We have a solid foundation upon which to build.

Before I begin my remarks on our approach to this difficult challenge and our future needs, I want to first thank you and the Committee for your strong support of this effort. The National Corridor Planning and Development Program funding that we have received, with your help and the help of both Washington and Oregon's Congressional Delegations, has been instrumental in bringing people to the table. It has given us the ability to analyze a wide range of options and provide local decision-makers and the public with good information, which leads to more inclusive and better decisions. I think it is significant and worth pointing out that this effort has received funding under both Republican and Democratic Administrations and has strong bipartisan support in Congress.

This region is working to solve the problem of congestion in ways that are different from what others may be doing elsewhere in the country. We have established a collaborative, inclusive public process that is identifying multimodal transportation improvements needed to relieve highway and rail congestion in this corridor. Further, we are going to explore innovative financing and contracting options in the next phase of project development.

This approach is in stark contrast to a traditional State highway department approach, where added highway capacity is the simple and only answer. These types of projects are rushed through design and the environmental process, and the public is given minimal chances to participate in developing the project. Then Congress is asked to pay for a project that solves only a part of the problem and ignores other needs in the corridor.

In our work on the I–5 Corridor, we took the time to examine many different options, and we have partnered with many different groups and individuals to ensure that we make decisions that take into account many different needs. So far, more than 1,700 people—citizens, local elected officials and business leaders—have been involved in this effort. They have attended meetings, participated in workshops and surveys and provided numerous comments. A Web site developed to inform the public and receive feedback on our plans is used extensively and already has been accessed more than 400,000 times. Presentations have been made to more than 70 groups on both sides of the Columbia River, and the list is growing.

The I–5 Transportation and Trade Partnership Strategic Plan has been adopted by Metro, the Southwest Washington Regional Transportation Council, Tri-Met, C-Tran, the Oregon Transportation Commission, the Washington State Transportation Commission, the Port of Portland, the Port of Vancouver, the City of Portland, the City of Vancouver, Multnomah County and Clark County. We have been very busy.

Our work began in 1999, when, in response to increasing concerns about congestion, a bistate committee was formed to consider the problems in the I–5 Corridor. The committee found that doing nothing to solve congestion in the I–5 Corridor was unacceptable. It recommended that the Portland-Vancouver region initiate a public

process to develop a transportation solution for the I–5 Corridor that addresses all modes of transportation.

Two years later, the Governors of Washington and Oregon initiated the Portland/Vancouver I–5 Transportation and Trade Partnership. A 28-member task force comprised of community, business and elected representatives was appointed by the Governors and set up to guide the development of a strategic plan for the corridor. This group worked with stakeholders and sought input directly from the community for a year and half. The result was adoption in 2002 of a Final Strategic Plan.

This year an economic study was completed. The study concluded that congestion at the I–5/Columbia River crossings was affecting Portland-Vancouver area business and industry by increasing shipping and production costs, shrinking labor markets and reducing the competitiveness of these industries in regional markets. Further increases in shipping costs would cause Oregon and Washington businesses to lose market share and profitability.

My colleague, Mr. Wagner, has already discussed the results of this study, so I will not go into great detail. However, the findings of just how far the impacts of the I–5 bottleneck are felt beyond the Portland-Vancouver region were very surprising. For example, about half of rail shipments originating from Seattle-Tacoma travel south through Portland-Vancouver on the way to their final destinations. About 133 million bushels of wheat grown in eastern Washington and Oregon are shipped through the corridor for export to foreign markets. The study showed that congestion in the corridor affects not only the Portland-Vancouver area but also the economies of Oregon, Washington, the West Coast and the Nation.

I am pleased that the Federal Government has been an active partner in this effort. Congress and the U.S. Department of Transportation have supported this project from its inception. Congress designated I–5 a corridor of national significance in 1997, making it eligible for funding under TEA–21's National Corridor Planning and Development Program. Since then, more than $7 million of Federal funding has been awarded to this project to help pay for the planning phase of this project.

This brings us to where we are today. The initial planning work has been completed, the economic impacts quantified and the Final Strategic Plan adopted. Now we must now determine the best package of specific corridor improvements included in the recommendations to move into environmental analysis and preliminary engineering. Some of the questions that need to be answered include:

—Should a new freeway bridge be built or should the existing I–5 bridge be modified?

—Should the new bridge be a joint use freeway/light rail bridge or should two new bridges be built?

—How do we minimize impacts to existing neighborhoods?

—How do we upgrade current interchanges to improve access into and out of the Port of Vancouver and the Port of Portland?

During this phase of the project, we also must develop a finance plan, estimate costs and construction timelines, and consider options for managing the construction and operation of the project.

Additional Federal funding is needed to perform this work. Oregon's Senators Ron Wyden and Gordon Smith have submitted a joint request for National Corridor Planning and Development funding as part of the Fiscal Year 2004 Transportation appropriations bill to help pay for this phase of the project. A minimum of $500,000 is needed, but more funding would speed things considerably.

Federal funding also will be needed to complete an Environmental Impact Statement. Congressman Earl Blumenauer has submitted a $15 million TEA–21 High Priority Project funding request to the House Transportation and Infrastructure Committee as part of a joint effort with Congressman Brian Baird. Congressman Baird is also working hard to secure Federal funding to construct the first project ready to go in the corridor—widening I–5 between Delta Park and Lombard. He has submitted a $32.8 million project request to the House Transportation and Infrastructure Committee. This project needs to be done as quickly as possible to address a bottleneck that impacts thousands of Washington commuters every day.

In conclusion, we have made significant progress with help from this Committee, the Oregon and Washington Congressional Delegations, the U.S. Department of Transportation and our regional partners. The Federal funds we have received have been put to good use. And with your continued support, we will be able to begin the environmental and preliminary engineering work that will lead us to the improvements in the I–5 Corridor that are needed to keep Pacific Northwest businesses competitive and communities livable.

We understand the importance of doing our homework, of putting in the time and energy now so that when we are ready to ask the Federal Government for signifi-

cant financial assistance to build the improvements that are so desperately needed in this corridor, we will have a project that is broadly supported and serves many needs. There is bistate consensus on the needed improvements in the corridor. The importance of this agreement cannot be overstated.

Lastly, I hope the Committee has an opportunity to read the bridge report that I've submitted with my written testimony. Although not the focus of today's hearing, the State is facing a $4.7 billion deficient bridge problem that is beginning to impact the movement of freight statewide. The Oregon Legislature passed and the Governor recently signed into law a $2.5 billion funding package that will help, but not alleviate, the problem. We will be working closely with our Congressional Delegation to secure Federal funding for Oregon's bridges when TEA–21 is reauthorized.

Again, thank you for this opportunity to be here today. I would be happy to answer any questions.

Senator MURRAY. Thank you very much, Mr. Warner, and to both of you for taking time out today to bring these issues to the committee.

Senator Hatfield talked a lot about rail. Mr. Warner, you mentioned it in your testimony as well and I think you mentioned the $45 billion of products every year that make this region one of the most trade dependent in the entire country. We expect huge growth, as I said in my opening remarks, in import/export freight tonnage by 2020 and domestic freight tonnage. The grain producers in Eastern Oregon and Eastern Washington rely on a reliable and efficient rail system to move their products to domestic and overseas markets.

Can you, both of you describe to me what specific rail improvements you see as critical to growing our freight rail capacity and what assistance the States you represent have provided to the existing rail infrastructure.

Mr. WAGNER. I'll start and thank you for the question. The rail system in the State of Washington certainly we are focusing primarily on the I–5 corridor on the high speed rail. In our last legislative session we did pass the what we call the nickel package for new funding and in that it included over a hundred million dollars of State funds to improve two track sections, one in the Kelso area around Martin's Bluff, and one here in Vancouver, the Vancouver rail project. Those are the first steps and quite honestly, the least expensive steps in trying to remove some of the congestion in the Portland Metro/Vancouver rail congestion issue. The last report I saw indicated that eventually we are going to have to replace or add capacity to the bridge across the Columbia River. But for about the next 15 years there are choke points outside of that bridge area that need to be addressed, and those are the ones that we are working on right now. I believe the timing on the Vancouver rail project is 2007, 2009 we should be in construction. That will provide an additional rail line around the congested switching yard.

As far as the Columbia River bringing the products in, those rail lines are being expanded at this time primarily by the railroads themselves. The biggest issue is once they get into the hub both rail lines have to cross the Columbia on the same bridge. The nearest major crossing for rail is 92 miles east of us at The Dalles right now. I'll let Bruce address Oregon.

Mr. WARNER. In answer to your question, Senator Murray. First off, the Oregon Department of Transportation, our legislature does clearly recognize the importance of rail, freight rail in the I–5 corridor. I think the study that you have before you has identified the

choke points. It's identified in some preliminary ways, some of the improvements that need to be done in terms of just switching to make things more efficient. Probably as we speak right now the legislature is considering our budget where we have about $10 million for passenger rail to continue the additional two trains that link up with what the State of Washington has done. And again, as Don mentioned, they are both on the same tracks.

The other thing they are going to be looking at is consideration of $10 million package to do main line improvements to the main line Union Pacific line that benefit both freight and the passenger rail. And obviously that's a general fund issue for the State. You're probably aware of the budget problems the State of Oregon has right at the moment, so I expect this will be a very interesting debate. But, again, if it isn't addressed this year in terms of the improvements we know that we have to do that in the future and we'll be working with our legislature to continue their infusion of dollars into projects like that in future years.

Senator MURRAY. One of the things I think we're all aware of in this region is that the I–5 Columbia River bridge is aging, and it's only one of two highway bridges that we have, and you both mentioned one rail bridge that we have crossing the Columbia River that has to be shared. You know that similarly populated regions in this country have a lot more highway and rail bridges. Kansas City, Missouri, for example, has ten highway crossings and three rail bridges that span the Missouri River. I think it goes without saying that that really causes a lot of congestion. As we see the growth coming, whether it's in rail infrastructure or in commuter crossings, congestion is going to be a real down side to economic development here in this region. What options are on the table right now, a replacement bridge, supplemental bridge, or a light rail bridge?

Mr. WARNER. Senator Murray, all of those options are on the table right at the moment. The next phase of the work will be looking at those alternatives to figure out what is the best solution for the crossing over the Columbia. New bridge or just a freeway only, is it a joint bridge, is it two new bridges, I mean those are the questions that we need to look at right now. We also then need to answer the question on the freight rail bridge. Again, what do we need to do there? Not only is it a bottleneck for the rail line but it's also a bottleneck for the maritime shipping in that area because of—I won't get into the details—but essentially it creates a hazard for downward barges during some of the water conditions on the Columbia River.

So the next phase of the study that we're going to be asking you for some funding to do, we will start to zero in and get questions like that answered so we can give some clarity to folks, figure out what is the best solution that addresses the needs, but also minimizes the impact on neighborhoods, provides opportunity for the whole area to grow. And again, addresses all of the modes in a way that's comprehensive and doesn't look at just widening one. Because this region—it took a year and a half, as I said, to really determine there is no silver bullet. It's just one of the modes being dealt with. We need to deal with all of them or that entire corridor is going to fail, if I'm being responsive to the question.

Senator MURRAY. And I think we're all aware that some solution needs to come forward. You're talking about the collaborative process that you put together to find the solution and the options that are on the table. I think Senator Hatfield mentioned what happens when local folks oppose a project that everybody feels like they've been working on for a long time. And certainly when it comes to my level and funding, that kind of opposition can have a dramatic impact.

Can you elaborate on the process that you went through to put this plan together and how you made the difficult decisions of prioritizing projects?

Mr. WARNER. Yes, I will try to answer that. If you look at my testimony you will get a little more flavor on the effort itself, but I will assure you that it was very inclusive. As I said, there were 28 members that were appointed by the governors of both the State of Washington and Oregon, who represented business, represented local jurisdictions, represented neighborhoods, and represented interest groups. And some of these interest groups are folks that really don't like widening of highways, as an example, or don't like one particular thing or another in that corridor. So we had a broad-based committee. We had a facilitator we actually hired jointly with the State of Washington. A facilitator that was neutral, that moved the process along, but it was understood right up front, everybody agreed that we needed to do something in this corridor. What we came up with was a solution that I would not say everybody could agree with individually, because there were pieces of it they probably don't like, but as an overall comprehensive solution the whole committee, with the exception of one individual, voted to support the plan that you have in your packet today. They realized that we need to widen the freeway, which some people don't like at all. But we needed to limit the widening. We needed to deal with the heavy rail. We needed to provide ways to get transit, both light rail and more buses, which I think you will probably hear about from Mr. Hansen in a bit, into that corridor. And I will guarantee you, as I said, for a year and a half, probably once a month for 4 to 5 hours, this committee sat down and went through these issues.

We had extensive outreach in the communities on the Washington side and the Oregon side where we gathered input. We had an opportunity for people to participate via the Internet, the world wide web. Very extensive. If you're interested in some of the volumes of input and what we did with that input, I think you would be very pleased. Because what I would say to you is not everybody will be pleased with the solutions that we've come up with, but if you look at it as a comprehensive, unified solution everybody can get behind, I think you have it right there. We need to again put the details together, but I feel very, very good about the process and to make sure that we have that consensus at the local level, so you won't hear that we ought not move forward with this.

Senator MURRAY. Mr. Wagner. Same opinion?

Mr. WAGNER. Same opinion. It was a very long process and I know that as we go into the environmental phase of this project we will work out a few more details to answer some very specific questions that we were not able to address at the broadest sense.

Senator MURRAY. Very good. I want to thank both of you for coming and testifying today, and I look forward to working with you and appreciate your time and all the effort you've put into these important regional transportation issues that are so vital to make sure our economy continues—or at least gets better, but continues to flourish in the future. So thank you very much.

Mr. WARNER. Thank you.

Senator MURRAY. That concludes the second panel for today's testimony. And I would now like to invite our third panel forward. If they would like to move ahead into the chairs I will introduce them as they are coming up.

We have Mr. Royce Pollard, Mayor of Vancouver, Washington, and Board of the Southwest Washington Regional Transportation Council; Mr. Craig Pridemore, Commissioner Clark County, Washington, Board of C-Tran Washington and Board of the Southwest Washington Regional Transportation Council; and Mr. Fred Hansen who is the general manager of the Tri-County Metropolitan Transportation District from Portland, Oregon. Thank you to all of you for coming today and for your testimony.

Again, if you have written testimony we're happy to put it in the record or additional comments later and we will begin, Mayor, with you.

Mr. PRIDEMORE. Senator, we've had a discussion and hope that we could——

Senator MURRAY. See, nobody ever listens to me.

Mr. PRIDEMORE [continuing]. Make a small change.

Senator MURRAY. Mr. Pridemore will begin and, Mr. Pollard, you will follow him. Mr. Pridemore.

STATEMENT OF CRAIG A. PRIDEMORE, CHAIR, CLARK COUNTY BOARD OF COMMISSIONERS AND PRESIDENT, SOUTHWEST WASHINGTON REGIONAL TRANSPORTATION COUNCIL, WASHINGTON

Mr. PRIDEMORE. Senator Murray, my name is Craig Pridemore. I am Chair of the Clark County Board of Commissioners; President of Southwest Washington Regional Transportation Council; Chair of the Bi-State Transportation Committee; Past Chair of C-Tran; and member of Metro's Joint Policy Advisory Committee on Transportation.

It is a pleasure to welcome you back once again to Clark County. We have been very fortunate here to have a senator who attends to our needs here so frequently and we appreciate it very much. What we would like to do in our presentation this morning is I'm going to kind of give the 30,000 foot overview of some of the historical and political realities of this region, and then move on with Mayor Pollard and Mr. Hansen, who will discuss some specific kinds of project areas, and then we'd be very happy to take questions at the end.

Finally, I would also like to discuss some of the things we are doing today within Clark County and in the greater Metropolitan region to address the situation that we've seen. Historically, Clark County was something of an island in the Pacific Northwest. We were largely cut off from issues being addressed by our northern neighbors, and even more isolated by the political boundary and geographic boundary that separated us from our neighbors to the south. That worked fine for the first 100 years of our existence, but

things began to change in the 1950's. Two major events had a dramatic effect on our community, and both were transportation projects. First was the opening of the Interstate 5 freeway and expansion of the existing bridge. Second was the opening of the Interstate 205 bridge in 1982. Both events inextricably linked Clark County's economy with the economy of the Portland Metropolitan region. Since then, any action taken on either side of the river has inevitably had an impact, sometimes good, sometimes not, on the other side.

An example of a positive development was the explosion of the hi-tech sector in the region led by Intel, which chose to build a major corporate center in Beaverton. Though 15 miles and several political jurisdictions removed from us, Intel's presence greatly strengthened the ability of communities around the region to attract other high-tech companies and provided for strong regional economic growth.

An example of a negative development in the region occurred when Oregon implemented growth management strategies in the 1970's without complementary programs being in effect on the Washington side.

As Oregon began limiting historic quantities of land for residential development, a strong competitive advantage was created on our side of the river to provide lower cost, entry-level housing. This helped to propel Clark County's population far ahead of the economy's ability to create the jobs and tax base necessary to support these new residents.

Clark County has consequently become a bedroom community with 65,000 commuters crowding the freeway system twice a day to get to and from work. A survey taken in 2001 established that 80 percent of these commuters would prefer a similar job in Clark County rather than face the daily congestion, but today they have little choice.

We have begun to change that both within Clark County and within the greater region. Today, leaders across the region recognize that if we don't tailor a transportation system to meet the goals of our communities, our transportation system will create our communities for us regardless of our goals.

Clark County's proposed comprehensive land use plan has been modified to accomplish two primary goals that will have a dramatic impact on how our transportation system will function in the future.

First, the plan discourages sprawling residential developments scattered throughout the county. Instead, residential growth will be limited more closely within urban areas where appropriate transportation systems can be developed to accommodate this growth.

Second, the plan is considerably more supportive of employment and business growth on our side of the river. It establishes industrial and commercial corridors. They will have priority on our infrastructure investments.

Simply painting colors on a map won't be enough to create jobs in and of itself, of course. So, in cooperation with our cities and with the Columbia River Economic Development Council, Clark County has initiated an aggressive economic development program

encompassing everything from permitting processes, to infrastructure investments, and to environmental stewardship.

We are confident that Clark County will be well positioned to take full advantage of the opportunities that a national economic recovery can create and we hope that you in the U.S. Senate will continue to push for genuine economic stimulus. If we can be successful in economic development on our side of the river, the strain on our transportation system, our environment, and on our citizens will be greatly reduced.

While our community is taking those steps independently, we have also worked with regional leaders across the river to increase awareness about the regional nature of our economy and of our quality of life.

In 1999 we formed the Bi-State Transportation Committee and authorized it to directly discuss and coordinate transportation issues of regional significance. Because of this coordinated approach, Washington residents have increasingly begun advocating for transportation projects located in Oregon and vice versa.

While transportation projects are vital to the success of our community, they should only be done in the context of a broader vision that encompasses our goals as a community. Consequently, the region has proposed expanding the role of the Bi-State Transportation Committee into a Bi-State Coordinating Committee. In this expanded capacity, the committee will also discuss and comment on land use and economic development issues on both sides of the river.

Regionally, we want to avoid problems of the past. When we plan today, we envision the community that we would like to leave to our children and grandchildren, and then we design a transportation system that will support that greater vision. Our community vision creates our transportation system today, not the other way around.

PREPARED STATEMENT

I want to thank you once again for being here in Clark County and for all the things you've done for the citizens of the State of Washington, and in particular the citizens of Southwest Washington. With that, I'll turn it over to my good friend, Mayor Pollard.

[The statement follows:]

PREPARED STATEMENT OF CRAIG A. PRIDEMORE

Good morning, Senator Murray. It is a pleasure to welcome you back once again to southwest Washington. Clark County has been very fortunate to have representatives in the U.S. Senate who spend as much time working on our behalf as you and Senator Cantwell do and we appreciate it very much.

This morning, I'd like to talk about some of the historic influences on Clark County's growth and how those growth patterns have impacted the regional transportation system. I would also like to discuss some of the things we are doing today, both within Clark County and in the greater metropolitan region, to address that situation.

Historically, Clark County was something of an island in the Pacific Northwest. We were largely cut off from issues being addressed by our northern neighbors and even more isolated by the political boundary that separated us from our neighbors to the south. That worked fine for the first 100 years of our existence, but things began to change in the 1950's.

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An example of a positive development was the explosion of the high tech sector in the region led by Intel, which chose to build a major corporate center in Beaverton. Though 15 miles and several political jurisdictions removed from us, Intel's presence greatly strengthened the ability of communities around the region to attract other high tech companies and provided for strong regional economic growth.

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Regionally, we want to avoid the problems of the past. When we plan today, we envision the community that we would like to leave to our children and grandchildren, and then we design a transportation system that will support that greater vision. Our community vision creates our transportation system, not the other way around.

Thank you again for coming to Clark County and for all the outstanding service you've given to the citizens of Washington.

Senator MURRAY. Thank you. Mayor Pollard.

STATEMENT OF ROYCE POLLARD, MAYOR OF VANCOUVER, WASHINGTON AND BOARD FOR THE SOUTHWEST WASHINGTON REGIONAL TRANSPORTATION COUNCIL, WASHINGTON

Mayor POLLARD. Senator Murray, Ladies and Gentlemen, I'm Ray Pollard, the Mayor of America's Vancouver. And once again I would like to issue a warm welcome to you, Senator, for coming back to Vancouver.

I also want to begin with a thanks to you, Senator, for your frequent visits to our community and for all of your hard work in helping us to develop and implement a comprehensive strategy to deal with one area of public infrastructure where we are the most challenged—transportation.

Senator, I'm happy to tell you that the general state of bi-State relations in our metropolitan area, among all the transportation and land use agencies, is as good as it has ever been. Nothing illustrates this more than the recently concluded 18-month effort of the Bi-State Portland/Vancouver I–5 Trade and Transportation Corridor Study led by our two governors, community organizations, government at all levels, business, labor leaders and private citizens by the thousands were a part of this effort.

This corridor is a nationally recognized choke point that nearly 65,000 residents, as the commissioner said, every day tackle the road to work and back. It is our belief that the two I–5 bridges that span the Columbia just a few hundred yards from here are two-thirds of the remaining lift spans left on this Nation's interstate system. The current state of this corridor cost millions in lost productivity and adds costs each month, and is an impediment to what is otherwise a promising future for our economic growth.

The Port of Vancouver USA has hundreds of acres of developable land available. The Columbia Gateway project, once completed, will bring to Vancouver the largest single industrial parcel in the bi-State metro area. The redevelopment of our downtown and waterfront has begun big-time with over $300 million in private sector investment capital already at work and another $100 million anticipated in the near term. We've diversified our economy, enhanced our labor force, and our utility services and maintained competitive utility rates. Our medical infrastructure continues to grow and advance as does our K–12 and higher education systems. Housing is still affordable and our general quality of life measures quite high. We've got a lot going for us but I am fearful that transportation infrastructure could be our Achilles heel.

For that reason we are, in my judgment, at a very critical juncture. After 18-plus months of hard work we have received a "Call to Action" from the members of this task force and our two governors. Improving the entire corridor, including added capacity through the Delta Park area, replacing or modifying the two I–5 bridges, enhanced multimodal and enhanced rail freight capacity are the essential elements that are needed and we must start down this road now.

We know what needs to be done. There is a shared vision among the public and private sector partners for this critical corridor.

What are needed now are bold first steps to get us moving forward. And in recognition of the multibillion dollar scope of the challenge that lies ahead in "fixing" this nationally significant and strategic corridor, you and the other members of our Congressional delegation and other elements of the Federal Government will need to be with us, as a full-fledged partner, from the start and at every step along the way.

Everyone here knows of my personal interest in expanding transit and in bringing light rail to the people of Vancouver and Clark County sometime in the future. In order to achieve our comprehensive land use, community and economic development vision, light rail will need to be expanded into and throughout our community. I want you to know that extensive public surveying and outreach has been done on this topic in recent years and I'm convinced that the people of Vancouver and Clark County want their local officials to look at ways that could help make this happen, as part of a comprehensive transportation system. I've said before that the people on our side of the river are unique in the world in terms of the per capita cost of buying into an existing multibillion dollar system. This also could present us with the opportunity for the folks from our State who work in Oregon to get a little bit more back from the taxes they pay to the State of Oregon.

No final decision to bring light rail here has been made. There would have to be a public vote. We're hoping that innovative public-private financing partnerships can reduce the cost to our citizens. It is my hope that a private-sector led community visioning effort currently underway will give greater focus and definition to the role of light rail as part of a comprehensive transportation system serving the entire county.

Senator, every year since I've been mayor you have taken the time to come here to Vancouver and ask "How can I help?" And you have helped, over and over again!

There are several short term steps that will help further advance our efforts here and that require Federal assistance and action, and they include:

An earmark of about $4.5 million for ODOT and WDOT to help move the I–5 partnership recommendations forward and to bring EIS work focusing on the bridges and adjacent influence areas; we will also need an additional $16 million authorization for EIS design and related work.

A $33 million earmark for the I–5/Delta Park to Lombard widening project, as mentioned, and its inclusion among congressionally designated "High Priority Projects."

Earmarks for Tri-Met and support of the I-MAX project that will bring light rail to our doorstep—the Portland Expo Center, an authorization and execution of a final design and full funding grant agreement for the MAX South Corridor expansion project. And finally:

Help us to attain "new start" authorization for the I–5/I–205/SR500 light rail loop along with a $2 million earmark for the initial Alternative Analysis pursuant to FTA's New Starts feasibility process.

Senator, once again, let me thank you for your personal interest and leadership in the field of transportation and for the focus you

have brought to our Southwest Washington and our Bi-State Metropolitan Area.

PREPARED STATEMENT

I don't want to sound too dramatic but last year one month from now I had open heart surgery. And I received a warning. I didn't have a heart attack. Our transportation system is clogged and needs an operation. We have been warned. We have not had a heart attack yet. I think together the character of our region is not inaction and I believe together we can find solutions to our difficulties. Thank you, Senator.

[The statement follows:]

PREPARED STATEMENT OF ROYCE POLLARD

Senator Murray, Ladies and Gentlemen, I am Royce Pollard, Mayor of America's Vancouver. Let me begin with a warm "welcome back" to Vancouver. I also want to begin with a thanks to you Senator Murray for your frequent visits to our community, and for all your hard work in helping us to develop and implement a comprehensive strategy to deal with the one area of public infrastructure where we are the most challenged—transportation.

BI-STATE RELATIONS AND THE I–5 CORRIDOR

Senator, I am happy to tell you that the general state of bi-State relations in our metropolitan area, among all the transportation and land use agencies, is as good as it has ever been. Nothing illustrates this more that the recently concluded 18-month effort of the Bi-State Portland-Vancouver I–5/Trade and Transportation Corridor Study led by our two Governors. Community organizations, government at all levels, business and labor leaders and private citizens by the thousands were part of this effort.

This corridor is a nationally recognized "choke point" that nearly 65,000 residents of our County tackle each work day. It is our belief that the two I–5 bridges that span the Columbia just a few hundred yards from here are two-thirds of the remaining lift spans left on the Nation's interstate system. The current state of this corridor costs millions in lost productivity and added costs each month, and is an impediment to what is otherwise a promising future for economic growth.

The Port of Vancouver USA has hundreds of acres of developable land available. The Columbia Gateway project, once completed, will bring to Vancouver the largest single industrial parcel in the bi-State metro area. The redevelopment of our downtown and waterfront has begun big-time with over $300 million in private sector investment capital already at work and another $100 million anticipated in the near term. We've diversified our economy, enhanced our labor force, enhanced utility services and maintained competitive utility rates. Our medical infrastructure continues to grow and advance as does our K–12 and higher education systems. Housing is still affordable and our general quality of life measures quite high. We've got a lot going for us but I am fearful that transportation infrastructure could be our Achilles heal.

For that reason we are, in my judgment, at a very critical juncture. After 18-plus months of hard work we have received a "Call to Action" from the members of this task force and our two Governors. Improving the entire corridor, including added capacity through the Delta Park area, replacing or modifying the two I–5 bridges, enhanced multi-modal and enhanced rail freight capacity are the essential elements that are needed and we must start down this road now.

We know what needs to be done. There is a shared vision among the public and private sector partners for this critical corridor. What are needed now are bold first steps to get us moving forward. And in recognition of the multi-billion dollar scope of the challenge that lies ahead in "fixing" this nationally significant and strategic corridor, you and the other members of our congressional delegation and other elements of the Federal Government will need to be with us, as a full-fledged partner, from the start and at every step along the way.

TRANSIT AND LIGHT RAIL

Everyone here knows of my personal interest in expanding transit and in bringing light rail to the people of Vancouver and Clark County sometime in the future. In

order to achieve our comprehensive land use, community and economic development vision light rail will need to be extended into and throughout our community. I want you to know that extensive public surveying and outreach has been done on this topic in recent years and I am convinced that the people of Vancouver and Clark County want their local officials to look at ways that could help make this happen, as part of a comprehensive transportation system. I've said before that the people on our side of the River are unique in the World in terms of the per capita cost of buying into an existing multi-billion dollar system. This also could present us with the opportunity for the folks from our State who work in Oregon to get a little bit more back from the taxes they pay to the State of Oregon. No final decision to bring light rail here has been made. There would have to be a public vote. We're hoping that innovative public-private financing partnerships can reduce the costs to our citizens. It is my hope that a private-sector led community visioning effort currently underway will give greater focus and definition to the role of light rail as part of a comprehensive transportation system serving the entire county.

REQUEST FOR FEDERAL ASSISTANCE

Senator, every year since I've been Mayor you have taken the time to come here, to Vancouver, and ask "How Can I Help?" And you have helped, over and over again!

Senator, there are several short term steps that will help further advance our efforts here and that require Federal assistance and action, and they include:

—An earmark of about $4.5 million for ODOT and W-DOT to help move the I–5 Partnership recommendations forward and to begin EIS work focusing on the bridges and adjacent influence area. We will also need an additional $16 million "authorization" for EIS, design and related work;

—A $33 million earmark for the I–5/Dela Park to Lombard widening project and its inclusion among congressionally-designated "High Priority Projects";

—Earmarks for Tri-Met in support of the I-MAX project that will bring light rail to our doorstep—the Portland Expo Center, and authorization and execution of a final design and full-funding agreement for the MAX South Corridor expansion project; and, finally,

—Help us to attain "new start" authorization for the I–5/I–205/SR 500 light rail loop along with a $2 million earmark for the initial Alternative Analysis pursuant to FTA's New Starts feasibility process.

Senator, once again let me thank you for your personal interest and leadership in the field of transportation and for the focus you've put on South West Washington and our Bi-State Metropolitan Area.

I don't want to sound too dramatic but I think it fair to say that we are on the cusp and will either, literally, build the bridges our region needs in the 21st Century or we will fall into the abyss of failure and inaction that is out of character for the people and institutions in our region.

Senator MURRAY. Thank you very much, Mayor. I appreciate your testimony and your heart-felt comments. Thank you, Mr. Hansen.

STATEMENT OF FRED HANSEN, GENERAL MANAGER, TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT (TRI-MET), PORTLAND, OREGON

Mr. HANSEN. Thank you, Senator. It is a pleasure to be here and thank you for the opportunity to testify. I have submitted written testimony. I've asked that it be made a part of the record as if delivered. I will summarize those comments. Again, for the record, I'm Fred Hansen. I'm general manager of Tri-Met, that is the public transportation deliverer in the Portland Metropolitan region of the three county area.

Just a moment, if I may, you would recognize our national reputation in terms of light rail, but beyond that the overall system is a poster child for all that is done right in public transportation. In the Portland region we rank 29th in population and yet our ridership is 13th among all major metropolitan areas. Again, demonstrating how significant that public transportation sector is.

Likewise, our weekend ridership exceeds all other major weekend use on other major metropolitan systems, short that in New York City. And we have been able to deliver that service in a most cost efficient fashion compared to, again, other communities. We have done that by making sure that we deliver good service, service that attracts people but also in a cost-effective way. In fact, in an effort to reduce our overall costs, we have taken out over $13½ million in annualized savings and still delivered exactly the same level of service, if not better.

We at Tri-Met work very closely with C-Tran to be able to make sure that our service is coordinated across the river. Everything from being able to make sure that the system is seamless from the standpoint of the customer, that is, the ticket that they have to ride, as well as to be able to make sure that our stops and other coordinations are there and it's a pleasure to work together.

Recognizing the need for high-capacity transit, as the mayor has indicated, as well as County Commissioner Pridemore, across the Columbia River is not new. As you know and as Senator Hatfield mentioned earlier, this is a project underway. In fact, voted on by both our side of the river as well as yours. It was approved in the original vote in the mid-1990's on the Oregon side, but not able to be put together and ultimately not in place for our very real needs.

The 28 member I–5 trade corridor, governor's trade corridor task force you've heard much about. Let me add one additional observation from my perspective as a member. I was particularly struck that the level of agreement that occurred both between the two States and among the various parties, principally government, business and community was unanimous in terms of the issues around how many—how much to be able to expand freeways, how important transit was and virtually high capacity transit provided by light rail. And it was I think remarkable that the community of interest was so uniform across both sides of the river and among those groups.

We are, as you noted in your opening comments, a nationally recognized area for our light rail. We have the first train to a plane in the West Coast. Now joined by BART in San Francisco. But it's interesting to note that the terminus at the airport is less than 2 miles from the Washington side of the river. Likewise, this next April when we open the Interstate MAX alignment terminating at the Expo Center will be less or just about one mile from downtown Vancouver. The opportunities to be able to make those systems be a part of an overall regional system is there and needs to be able to be joined in a way that I think will be very soon. I should add as an aside, we hope that you will be able to join us for the opening of the Interstate MAX alignment.

The planned construction now of the south corridor project in Portland, in the Portland region, down to Clackamas Town Center has another important element and that is a refurbishing and reviewing of light rail on our transit mall. What that will do is allow for additional capacity, again, a capacity that can be utilized if Clark County is able to be entered into the system. We really do believe that the stage is set.

One of the key elements of the balanced partnership is to be able to make sure that we really do have that loop in Clark County. Al-

though it is certainly outside of my direct jurisdiction, Mayor Pollard mentioned again how important it is to be able to see that overall loop that addresses both traffic in the I–5 area, in the I–205 area, and, in fact, the east/west into Clark County. Although we certainly have focused much on the transportation across the river, intraClark County transportation on public transportation is equally important.

The first step is, as you've heard, to do a further definition of the alternative work strategies and the early environmental work, and that will require both bi-State support, but also ultimately Congressional appropriations. We have in this region a perfect record on being able to deliver projects on time and within budget. In fact, I think one of the elements of why we are justified in receiving additional dollars is demonstrated by Interstate MAX. Here is a project, a $350 million project that we are already about 6 months ahead of schedule and about $30 million below budget. Ultimately, I think delivering very efficient projects. Not only that, it has provided important economic stimulus, nearly 3,000 direct jobs have been able to be related to that construction. In addition, approximately $85 million in terms of improved income in direct and indirect benefits. About $250 million of that appropriation will stay within this region to be able to further that economic impact. And I am very proud that we also have in terms of public projects in Oregon, the highest return in terms of assuring that people of color and businesses owned by people of color have participated at a higher level than ever before in the history of our State.

Tri-Met and the Portland Metropolitan region support Clark County and C-Tran's request for bus funds and funding for the alternative analysis of that light rail loop. We are also grateful for your committee's support for the Interstate MAX appropriation and realize how that will be again a very tight issue certainly in this budget, but one that's very, very important.

I might stress as well in terms of your question to Senator Hatfield earlier about doing innovative approaches. We believe that new public-private partnerships are, in fact, an element of that new innovative approach. And we are, in fact, seeking language from the appropriations as—in the appropriation bill this year that will allow us on the I–205 alignment to be able to have a particularly aggressive and innovative public-private partnership, something that we and the Oregon Department of Transportation are working very closely on.

PREPARED STATEMENT

Lastly, I might mention that I do believe that it is very important to be able to reward efficiencies in the delivery of projects on time and on budget for as we have done earlier. You noted earlier that the cost of crossing the river sometimes are greater and your cost-benefit analysis may not take that into account. What we do need, however, is to ensure that the efficiencies that have been able to be achieved by this region are able to be acknowledged by the Federal Government and rewarded by ensuring that additional projects can be funded. I would be happy to answer any questions. Thank you for your time.

[The statement follows:]

PREPARED STATEMENT OF FRED HANSEN

Madame Chair and Members of the Committee, I am Fred Hansen, General Manager of the Tri-County Transportation District of Oregon, known as TriMet. It is an honor to appear here today to discuss the future of the development of the transportation system in the Portland-Vancouver Metropolitan area.

Your committee has been a consistent partner with our region's governments in nearly every aspect of improving and expanding the metropolitan area's transportation system. On behalf of our Board of Directors and the entire community, I would like to express deep appreciation for your support, encouragement, and for your appreciation of the challenges faced in this region.

TriMet is fully committed to expansion of transit services between Vancouver and Portland. It is fully committed to a partnership with C-TRAN to accomplish this, and I welcome the opportunity today to discuss what that entails.

TRIMET BACKGROUND

TriMet is the public transit agency for the three urban counties on the Oregon side of the metropolitan area. It is a full service transportation authority operating over 600 standard size transit coaches, 78 light rail vehicles, and 203 accessible smaller buses and vans for the elderly and disabled population. We currently operate nearly 39 miles of Light Rail, directly serving Hillsboro in the West, Gresham in the East, downtown Portland and the Portland International Airport. Attached is an information fact sheet describing how we are governed and financed.

We are proud of our system because:

—We carry 300,000 people per day—more than any other transit system our size;
—We rank 29th in population, but 13th in ridership; and
—TriMet carries 10 million more riders per year than larger cities such as Minneapolis or Denver.

We have also made great strides in offering this service efficiently. Our Productivity Improvement Program has trimmed $13 million in annual operating costs, without affecting underlying service to our customers. We also have a perfect record in delivering capital projects on time and on budget; and for each, private investment in station areas has followed in dramatic ways.

TriMet is also in its last year of construction of the Interstate MAX line which will extend the system from the Rose Quarter to the Expo Center, close to the shore of the Columbia River and only a mile short of downtown Vancouver. With our partners, including Washington County, Oregon, we are also developing a 14-mile commuter rail line. With 50 percent local funding and all completed railroad agreements in-hand, this project is poised with FTA for final design approval.

TriMet is an important element in the region's "2040 plan". This is a framework for the orderly growth and development of our urban area for the next 40 years. In our opinion this plan wisely envisions strong reliance on public transit to deliver a significant portion of the daily trips required to keep that future metro area functioning in a livable environment.

PORTLAND-VANCOUVER LRT: PROGRESS TO DATE

For more than a decade the Portland-Vancouver transit connection has been a priority for our region. In the mid-1990's, Portland region voters approved a $475 million bond measure to provide local match for the South/North LRT Project, which included an LRT connection with Vancouver. However, after a funding vote was defeated in Clark County, this original funding proposal has not been pursued.

Since then we have been incrementally implementing light rail system improvements on the Oregon side that can relatively easily be expanded to provide an Oregon-Washington link.

The most vital development to date regarding the Portland-Vancouver link has been the construction of the Interstate MAX light rail extension. This 5.8-mile addition to our 39-mile system is on time, under budget and scheduled for opening of revenue service next spring. Its terminus, at the region's EXPO center in North Portland, is only one light rail station away from downtown Vancouver.

In September 2001, TriMet opened service of the MAX line to Portland's International Airport, the first such service on the West Coast. This terminus is also close to the intense growth and development in east Clark County, just across the Glenn Jackson Bridge on the I–205 corridor. This line was constructed through a public-private partnership that has become a model for the Nation.

Recently, our area governments made a very significant decision for the future of the Portland-Vancouver LRT link, when it approved the study of developing light rail along Portland's downtown Mall. This decision, when implemented, makes it

possible to handle the impact of additional trains in the central business core when additional lines in Clark County are established. Without the move to improve the Mall, such service from the State of Washington could not be contemplated.

The Mall project is part of a greater project called the South Corridor Project which eventually will see Light Rail extensions among I–205 South to the Clackamas Regional Center and South on the near east side to the City of Milwaukie.

The local match for the first phase of this project has been identified. We will shortly be asking the Federal Government for permission to enter Preliminary engineering.

With the Mall, Airport, and Interstate MAX extensions, we are poised to extend service to Clark County efficiently, when the Clark County area so decides.

To operate the extended system, additional general fund revenues will be needed. During this session of the Oregon Legislature, we are seeking authority for our Board to adjust the payroll tax rate, which is the main revenue source for the operation of our system. The Board proposes to make such adjustments if authorized to do so only to support the expansion of the system.

PORTLAND-VANCOUVER LRT: CURRENT ACTIVITIES

Work continues on bridging the Columbia River with LRT in the context of a comprehensive solution to problems in the I–5 Corridor.

I am a member, along with my colleagues Mayor Royce Pollard of Vancouver, Commissioner Craig Pridemore of Clark County and Mayor Vera Katz of Portland, as well as representatives from Metro, the State DOTs, local governments, and citizens, of the Portland-Vancouver I–5 Transportation and Trade Partnership Task force. The Task Force has been charged by the governors of both States to recommend transportation improvements in the I–5 corridor and to devise a strategic plan for achieving those improvements.

The Task Force members, met for nearly 2 years, completed their recommendations last June, and called for significant improvements in transit as a well as freeway and bridge improvements along I–5 in both Oregon and Washington.

The Task Force recommendations, which are included in the Task Force Report attached to this testimony, call for a phased light rail loop in Clark County in the vicinity of I–5, SR500 and 4th Plain Blvd. and the I–205 corridor.

It also recommended that in markets not served well by light rail that peak-hour premium express bus service be established from the I–205 and I–5 Corridors to those markets.

The recommendations call for the implementation of transit service improvements as envisioned in the regional transportation plans of both METRO, the Portland area Metropolitan Planning Organization (MPO), and the Regional Transportation Council, the MPO for Clark County.

For both C-Tran, our sister transit agency to the North, and TriMet, the Task Force urged that new operating support be established for the two transit systems and that the efforts be coordinated with plans to extend both bus and light rail service.

CONGRESSIONAL SUPPORT

Congressional support is essential for the realization of these proposals for improved bi-State transit service.

TriMet and the entire METRO region have supported C-Tran's proposals for fiscal year 2004 to improve bus system and to seek preliminary engineering funds for the Clark County LRT loop.

We are also in support of Federal highway funds for the I–5 trade corridor for preliminary studies in both Oregon and Washington. I respectfully hope that your committee will give favorable consideration to C-Tran's request.

Our own Interstate MAX project, which is nearing completion, is also seeking funds under its Full Funding Grant Agreement for the next Federal year. We hope your committee can support the proposal for $77.5 million, as recommended in our full funding grant agreement and the President's budget.

CLOSING

In closing, I again wish to thank you for this opportunity to discuss our plans with the Committee, and I would be pleased to respond to any further questions you may have.

Senator MURRAY. Thank you very much. Thank you to all three of you for your testimony this morning. I do have a couple of ques-

tions I would like to present to all of you. But, Mayor Pollard, I want to start with you.

I think that you had worked particularly hard to try and bring Interstate MAX light rail to Clark County. What challenges remain in getting light rail to Clark County?

Mayor POLLARD. I think the vote in 1995 I believe was done too hastily for Clark County and Vancouver, but I was involved in that somewhat. I was not the mayor. And what we—the approach—I think the greatest challenge is making sure that our community is involved in the process. And we have been doing that for a number of years now through various surveys, focus groups, meeting with citizens. And our intention is, with discussions with the county commissioners, that any system that we develop will be done in conjunction with our citizens, and it will be a system designed by the citizens of Vancouver and Clark County for Vancouver and Clark County. With all respect to our partners across the river, we know what's there, certainly it's part of what we're looking at. But we at first want to design a system that's good for our community and then we will look at the opportunity of hooking into the marvelous system across the river.

So, it is a continuation of this entire process, providing facts and information to people, and that's what we're trying to do right now, in fact, with the continuation of the transportation priorities process, which is a community process, is to provide facts to people. Those facts that we have now and hope that with the help of the Federal Government we will be able to continue forward and provide additional facts so that this community can come to a decision of where we want to go in reference to our future transportation system and, quite honestly, what role light rail may play in that.

Senator MURRAY. And have you done analysis on the economic benefits that this kind of project would bring to the region?

Mayor POLLARD. I would admit to you that not in any significant detail, but there have been. I think we have available to us the information of the impacts that have been across the river, and they are significant. We hope that the future studies and the analysis that we are doing now will provide those kinds of facts and information, and I, quite honestly, they have to show us. We have to see the numbers. You're absolutely right.

Senator MURRAY. Aside from light rail to Southwest Washington, it's also important to improve transit capacity and service there. My subcommittee has provided resources to build Park and Ride lots and adding buses to the existing fleets in this region to try and reduce congestion. Mr. Pridemore, you are on the C-Tran board, I believe. If you could talk with me a little bit about what projects have been successful in particular, I would appreciate it.

Mr. PRIDEMORE. I think the most significant one is the Fishers Landing Park and Ride which opened about a year and a half ago, 2 years ago now, which is already nearing capacity. We've had in the past at Salmon Creek an extremely successful Park and Ride that's been over capacity for a number of years, which we will be looking to relocate now as we try to work out the problems with I–205 and I–5 connection.

We have 99th Street which you very recently assisted us in getting support for which is a Park and Ride that will be moving for-

ward here in the course of next year and hopefully coming on line and relieving some of that additional pressure. What we've found with our Park and Rides is that if we build it, they will come very quickly. So we're looking very forward to developing those further along both I–5 and I–205.

Senator MURRAY. Are you looking at supporting any peak hour premium bus service on the I–5 and I–205 corridors as part of the solution?

Mr. PRIDEMORE. We look at a range of all kinds of incentives that can encourage that, certainly everything is on the table, and we have numerous programs now that we use to encourage peak hour usage, special programs, particularly the clean air action days, for example. It helped to do that. So we've got a fairly broad based program.

Senator MURRAY. Is the region looking at any HOV lanes on either I–5 or I–205?

Mr. PRIDEMORE. We actually have HOV lanes in operation now in Clark County. It's the first one outside of the Puget Sound area. It's been in place for about a year and a half and still on a pilot phase. It's showing better numbers and more productivity as time goes on. It's a large shift for this part of the community. We've advocated over on the Portland side that as we expand capacity on their freeway system that that also be dedicated HOV.

We have HOV now that runs from 99th Street in Clark County down to Mill Plain and then it opens up again because you can't run it across the bridge as it exists today. To really make it effective having it run all the way down significantly further into Oregon would make for a lot of time savings both for HOV, drivers of carpools and things and for our transit system.

Senator MURRAY. Mr. Hansen, do you want to add any comments?

Mr. HANSEN. The one thing that I would add is I that think that it's important that each time there's an addition to the public transportation system whether it be light rail or bus systems and so on and whether it be on the C-Tran side or on the Tri-Met side, what we have seen is that the more ability to be able to get to different parts of the region has a multiplier effect. It's not just an additive. It is a multiplier effect on the attractiveness of the system. Every time we add an additional light rail alignment, it attracts more than just the ridership that will be associated with that alignment. It really provides for that broader set of connections. The Park and Rides, the bus system, all the other elements come together and are very, very important. We do provide on the Oregon side important Park and Ride opportunities that are principally utilized by people from Washington, both the Parkrose as well as the Gateway. And we think that's an important part of our commitment to the region as a whole.

Senator MURRAY. We've talked a bit about the need to replace or supplement the I–5 Columbia River bridge, but some of our previous witnesses spoke about the bottlenecks leading into the three lanes of traffic on that bridge.

Can somebody talk to me about the Delta Park to Lombard project and how important that project is in the scheme of things?

Mr. PRIDEMORE. The recommendation that came out of the I–5 Governors—the partnership agreement was that we would turn I–5 into a fully functioning three-lane facility in both directions. As you point out, the vehicles coming on and moving off really does slow down the effect of one of those lanes currently. The Delta Park is actually two lanes now, and so you've got the two lanes, plus that impact of traffic entering and exiting, so it really does create that bottleneck.

Expanding that to three lanes will achieve that facilitation of the goals of the committee. Also, there will be additional on/off ramps with their own auxiliary lanes that will help serve the industrial areas of the Columbia Boulevard and elsewhere. The big vision is that as we replace the Interstate 5 Bridge, it would be replaced with essentially a five-lane facility in each direction with two of those lanes essentially being those add/drop lanes that would allow—currently, if you go onto SR 14 you're going southbound on Interstate 5. You're merging with traffic just as you're entering onto the bridge. It's a tremendous slowdown. If that lane could instead go across the bridge as a separate lane——

Senator MURRAY. Without——

Mr. PRIDEMORE [continuing]. Drop off at Jantzen Beach, you'd eliminate that merge and greatly increase the ability of I–5—the bridge to handle the traffic.

Senator MURRAY. Mayor.

Mayor POLLARD. If I might just add very quickly, purely the emotional issue of the Delta Park project for our citizens is staggering. But beyond that, if we are really serious about improving the flow of trade and commerce in our region we absolutely have to have that opening up. Because it will allow the cars to essentially have a way to get out of the way so that trade and commerce can move forward. And part of the long-term vision, of course, is that the HOV lane would continue. There's been no decision made, but I think a lot of people are thinking that the HOV lane would be able to continue across the bridge and through into Oregon on that side which would speed up the car traffic. There already is an HOV lane on the Oregon side coming north in the afternoon, so it's a system approach. But the Delta Park fix is, I believe, the first little bypass for the heart that we have to fix. And not only symbolically, but symbolically and efficiency wise.

Senator MURRAY. I caught that word first. What's second, third and fourth? What other projects are out there that you're looking at in the system?

Mayor POLLARD. I think our support for Metro's light rail efforts across the river are very significant. As you know, every time you come back they are high on our priority list and, of course, the initial money for our watchdog here and our requests from the city for our study of the light rail loop system for the AA analysis is very important to us.

Mr. HANSEN. Senator Murray, if I might just add two quick things. One is that you heard earlier from Bruce Warner, our director of Department of Transportation, how high our priority is for the Delta Park widening. That is something I strongly support. We all do in Oregon. No. 2, as County Commissioner Pridemore indicated, the issues around how much of local traffic that is close to

the Columbia River going just over the river but not too much further versus the through traffic and other things are work that was done by the I–5 Trade Corridor Study Group and really believe that that next level of analysis to make sure that we have the most efficient system, the one that really makes the flows work very well, is what will come out of the alternative analysis in the environmental work, and that's why we think it's so important to be able to take that next step.

Senator MURRAY. The strategic plan that's been talked about is pretty ambitious. I think implementing your recommendation for improvements to the bridge and providing a light rail loop alone in 2001 dollars is something like $2.2 billion. Both of our States have just signed multibillion dollar transportation budgets, and I know there are demands everywhere. It's going to be very difficult with the tight Federal funds that are available, State funds, local funds, that we'll see any of that fully implemented without looking at some innovative financing solutions. And I would like each one of you to talk about what we need to be looking at down the road to be able to fully implement some of these plans. And whoever wants to start.

Mr. PRIDEMORE. I will go ahead and start just because I know the mayor would steal my thunder by saying it. Mayor Pollard and I have talked over the years. As a matter of fact, he started the discussion several years before I was in office, and that is the idea that we do need to look at tolling at Interstate 5 and Interstate 205 bridges to help fund some of these cross bi-State issues is something that, frankly, I'm supportive of. I think the community will become supportive of over time. It's a very fair user tax. It involves a lot of work here locally, at the State level and the Federal level in order to implement something like that. But in order to get the kind of level of funding necessary to fund this scope of project, it's the type of funding mechanism that we need.

Senator MURRAY. Mayor.

Mayor POLLARD. Obviously, I'm on record as saying that we ought to consider tolling because I agree with you, our citizens and the Federal Government, quite honestly, the staggering amount that we are going to require. I think if we can break it down into manageable bites and find possible innovative things like tolling both bridges to use for our transportation infrastructure, that could be a possibility.

But beyond that I believe there are possibilities that with the private sector where there may be—and there's a good example. If it's been used across the river Fred can talk about. There are opportunities where there are benefits to the private sector where we can work together to probably reduce this cost to our citizens. I think without those kinds, I agree with you, without those, Senator, I think we face a very daunting task, so I think we have to look for those options.

Senator MURRAY. Mr. Hansen.

Mr. HANSEN. Senator, I would add that happily the issue around the tolling, that's obviously always an important element. I remember my parents certainly talking about the tolling that was on the original I–5 Bridge for construction. Beyond that, however, I do believe that the public-private partnerships are, in fact, important

here. I think contracting methods, such as design-build, which can lower costs and make more efficient are the types of things that can lend themselves to this type of a project. We're still too early to be able to have a specific plan of that sort, but I do believe that those will, in fact, not provide additional revenue, but by lowering costs make the band on the revenue a more palatable amount.

Senator MURRAY. And those are some of the things you'll be looking at as you move along the strategic planning?

Mr. HANSEN. Well, certainly, there are two parts to planning. The alternative analysis is really looking at what should the structure look like and how should it be used. In terms of the overall financing that will be a part of the work as well. It will be separate from the specifics of the alternative analysis, as I understand that process, but those are pieces that are being put in place I think already or at least being talked of and my guess is it will start to come together here in the not so distant future.

Senator MURRAY. Well, thank you to all three of you for your testimony today, and for your participation. We need to move on to our fourth panel, so as you leave I would like them to come up and I will introduce them as they are coming to the forefront here as well.

For our final panel this morning for this hearing we have Mr. Joseph Kalinowski, who is director of WaferTech; Mr. Philip Parker, who is Chairman of the Southwest Washington Labor Roundtable; Mr. Glenn Vanselow, who is the Executive Director of the Pacific Northwest Waterways Association; and Mr. Tom Zelenka, the Chairman of the Oregon Freight Advisory Committee and Chair of the Transportation Committee; Pacific Northwest International Trade Association.

Gentlemen, thank you so very much for coming today and participating. Mr. Kalinowski, let's start with you.

STATEMENT OF JOSEPH KALINOWSKI, DIRECTOR OF FACILITIES, WAFERTECH

Mr. KALINOWSKI. Good morning, Senator. I'm briefly going to summarize my testimony. You have a copy of it. Again, I'm Joe Kalinowski. I'm the Director of Facilities at WaferTech.

Senator MURRAY. Could you raise your mic just a little bit. Thanks. That's good.

Mr. KALINOWSKI. Is that better? Just a little bit about WaferTech. WaferTech is a hi-tech semi-conductor facility. We're wholly owned by Taiwan Semi-Conductor, or TSMC. And TSMC produces more semiconductor chips than any other company in the world. Right now WaferTech occupies about 260 acres in Camas. The significance of that is we have one semiconductor fab at that site. That site could house up to five semi-conductor fabs. Presently we employ about 1,000 employees. And if you built up that site completely that could go up as high as 5,000 employees. Companies like WaferTech and TSMC like to cluster facilities. They like to build multiple facilities.

Senator MURRAY. Yes, move the mic closer and move up just a little bit so the court reporter can hear you.

Mr. KALINOWSKI. Companies like TSMC like to cluster facilities. We like to build multifacilities at one site. That provides economies

to scale. We get to share equipment. We don't duplicate support functions. The problem we're running into nowadays is the cost of these fabs. In the past when we built our first facility about 5 or 6 years ago, the cost was $1.6 billion. Now, we're looking at the cost of the new fabs to be $3.6 billion. That's quite an investment. For companies to make those kind of investments there's key factors that have to be in the decision-making process. The basic infrastructure in an area are part of those key factors, and that includes things like power, water, sewer, the work force and such. Transportation falls into that basic need category. For us, the transportation infrastructure must provide timely access to the airport; that's where we ship our products. We need timely access to our site 24 hours a day. That's where we get our equipment; that's where we get our parts; that's where we get our supplies. And we need easy access to the industrial parks for all of our employees.

PREPARED STATEMENT

For TSMC and other companies to make these kind of commitments this basic infrastructure must be already in place or we will not come. A few years ago we were very alarmed with the concurrency issues we had in the area which restricted growth. Working through the hi-tech council we worked with the local communities, the county and the State to fund the 192nd interchange; that was very successful. More recently we had the same support to fund the 1st Street widening project that connects the industrial park to 192nd. And we would like to thank you, Senator Murray, for your support for attaining Federal funding for that 1st Street project. Without those two projects I doubt WaferTech would consider expanding in Clark County. They were very important to us. Bottom line, if you want hi-tech to expand and bring jobs to the community we must have the basic infrastructure in place. Without a regional transportation plan the hi-tech expansion may be compromised. And again, thank you on behalf of WaferTech and the hi-tech community of Clark County.

[The statement follows:]

PREPARED STATEMENT OF JOSEPH KALINOWSKI

Transportation infrastructure is crucial not only for WaferTech's current needs but also our needs in the future if we are to expand our site. WaferTech is a contract semiconductor manufacturer located in Camas, Washington across the Columbia River from Portland, Oregon. We currently employ approximately 1,000 employees at our single manufacturing facility or "Fab". WaferTech is wholly owned by TSMC, Ltd. of Taiwan, considered to be the leading contract manufacturer of semiconductors in the world, with facilities located in Taiwan, Washington and Singapore and plans for a facility in Shanghai, China. TSMC typically does not construct just a single facility at a location preferring instead to follow the cluster concept of multiple facilities, which benefit from economies of scale.

TSMC's original plans for WaferTech called for a total of five manufacturing facilities at the Camas location. New Fabs currently being constructed are all 300 mm Fabs which means simply that the silicon wafers upon which semiconductors are fabricated are approximately 12″ in diameter as opposed to the wafers currently in use at WaferTech which are 8″ in diameter. The larger the wafer the more semiconductors can be placed on it. New Fabs are enormously expensive costing in excess of $3 billion each. Before undertaking an investment of such magnitude TSMC looks very carefully at all aspects of the location. One of the most important is the local and regional transportation infrastructure.

When TSMC originally made the decision to locate the WaferTech facility in Camas, there were several transportation infrastructure concerns regarding the

rural location of the site. There was no convenient access to Highway 14, an important arterial for access to Portland International Airport. One major concern was lack of a direct access from the Camas industrial area to major highways such as Highway 14 and Interstate 205. The second major concern was the concurrency issues, which have restricted growth in the area. Thanks to a concerted effort among WaferTech, State, local and Federal representatives, the 192nd Ave interchange with Highway 14 was approved and funded along with the widening of SE First Street to provide that convenient connection that was needed.

If TSMC's ultimate goal of building four additional 300 mm Fabs at its Camas site is realized it could add as many 4,000 additional jobs to the 1,000 already existing. In such event (which would occur over a period of several years), there will be additional transportation infrastructure issues that will need to be dealt with to handle the additional employees at the site as well as surrounding neighborhoods that will be impacted by the influx of people to fill the jobs that will be created. Convenient modern transportation facilities will be needed for the construction and equipping of the facilities. Construction of a facility alone will take approximately 2 years during which time huge amounts of materials and equipment will need to be delivered to the site. Similarly, when full production is reached (estimated at 40,000 wafers per 300 mm facility per month) access to a modern international airport such as Portland International Airport will be even more important to the company as virtually all of our finished products will pass through the airport. Expanded air cargo services such as direct service to Taiwan would be a very important element of any future regional transportation plan.

When the time comes for TSMC to consider construction of their next 300 mm facility, the Camas site will be considered and the long term transportation infrastructure plans for the region will be closely scrutinized to ensure that they will be able to meet the needs of an expanded site as part of any decision to expand in Camas. Without an adequate regional transportation plan Camas may well be at risk of not being considered for future expansion by TSMC.

Senator MURRAY. Thank you very much. Mr. Parker.

STATEMENT OF PHILLIP PARKER, CHAIRMAN, SOUTHWEST WASHINGTON LABOR ROUNDTABLE

Mr. PARKER. Good morning. I'm Philip Parker, Chairman of the Labor Roundtable of Southwest Washington, Trustee to Clark, Skamania and West Klickitat Central Labor Council and a 30-year member of the International Brotherhood of Electrical Workers.

I would like to thank our senior Senator Patty Murray for her leadership in both Washingtons. Her energetic support continues to benefit Southwest Washington and our Oregon neighbors. I appreciate being asked to participate on this distinguished panel today.

Members of organized labor believe the most pressing regional issue is funding for multimodal transportation and infrastructure systems. We are active participants in seeking solutions to our challenges. We serve as members of interstate commissions like the Columbia River Channel Coalition; State boards and commissions; local groups like the Vancouver Transportation Finance Task Force and have organized discussion groups like the Light Rail/Economic Development Forum.

Because of our worries about the anti-worker anti-union attitude in the other Washington are looming larger, I would like to share some of the issues that concern the men and women of organized labor. There are many unfounded myths regarding union workers which continue to surface when government on any level considers investing in infrastructure and transportation. Government agencies fail to understand how including prevailing wage, union apprenticeship project labor agreements in infrastructure and transportation contracts can actually lower costs while increasing worker safety. It is both possible and profitable to create family wage

jobs, with reasonable benefit packages, to strengthen the economy and the community.

Statements that repealing the current prevailing wage law will create savings of 20 percent or more are unfounded, counter-productive and just plain wrong. Take the example of new building construction. The generally accepted cost breakdown is 24 percent labor and 76 percent fixed cost. Since fixed costs will not change, the only way to attain 20 percent labor savings is to eliminate almost all of the project's total craft payroll. And this is possible only if the tradesmen work for nothing! Obviously, this is highly unlikely.

Right-to-work organizations would have you believe non-union training programs are equal to union apprenticeship programs. Again, I disagree. Apprenticeship is the original 4-year degree. A proven method to enhance skills, efficiency and productivity. Union apprenticeship programs include ten times more minorities and women than non-union programs and their graduation rates are at least 15 percent higher.

In addition, union contractors continue to lead the way regarding fair, mandatory and inclusive drug testing. As much as 40 percent of job fatalities and 47 percent of injuries can be linked to alcohol. In addition, 77 percent of illegal drug users work full time. Non-union contractors are very slow and non-reactive on this issue.

The opponents of Project Labor Agreements would have you believe that PLAs lead to higher costs and more job-site accidents. A recent study conducted by the Rhode Island 21st Century Labor Management Partnership provided actual data to the contrary. Since I have already discussed the issue of project costs, let's talk about safety. The Rhode Island project studied OSHA records for the period of 1998 to 2001. During that period, there were eight construction fatalities—all in the non-union sector and OSHA recorded over four times more violations against non-union contractors. The hallmark of organized labor has always been productivity, safety, knowledge and skill in the workforce.

When governments consider major road construction, they seem to think that low wages and low benefits mean lower total costs. This is a false assumption. A study of the Federal Highway Administration data indicates how skills and productivity—not differences in wage rates—are critical determiner of bottom line costs per mile of highway. Using data for 13 low-wage States (including MS, GA and FL) and 13 high-wage States (including WA, OR and CA) this study showed that the use of higher-paid, higher-skilled workers reaped an average of $123,000 a mile savings in the high-wage States. This despite the fact that wages in these States averaged $17 an hour compared to $9 per hour in lower-wage States.

PREPARED STATEMENT

Our diverse union membership stands ready to support America in her important mission to build and maintain our infrastructure and transportation systems. Union members live, raise their families and vote in our community. We support our governments by paying gas, property, sales and Federal income taxes. We see infrastructure and transportation as both the fertilizer and the seed

needed for economic growth. Together, we can grow our communities, the State and the Nation. Thank you.

[The statement follows:]

PREPARED STATEMENT OF PHILIP PARKER

Good Morning, I am Philip A. Parker, Chairman of the Labor Roundtable of Southwest Washington, a Trustee of the Clark, Skamania and West Klickitat Central Labor Council and a 30-year member of the International Brotherhood of Electrical Workers.

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Our diverse union membership stands ready to support America in her important mission to build and maintain our infrastructure and transportation systems. Union members live, raise their families and vote in our communities. We support our governments by paying gas, property, sales and Federal income taxes. We see infrastructure and transportation as both the fertilizer and the seed needed for economic growth. Together, we can grow our communities, the State and the Nation.

Thank you.

Senator MURRAY. Thank you very much, Mr. Parker. Mr. Vanselow.

STATEMENT OF GLENN VANSELOW, EXECUTIVE DIRECTOR, PACIFIC NORTHWEST WATERWAYS ASSOCIATION

Mr. VANSELOW. Thank you for this opportunity to testify on this important topic. I am Glenn Vanselow, Executive Director of Pacific Northwest Waterways Association.

First I want to thank you, Senator Murray, and, like you, I want to recognize that the entire Northwest delegation is uniformly supportive of the transportation infrastructure maintenance and improvement throughout the Northwest. And like you, and, Senator Hatfield, in your opening remarks and in his remarks, you very ably described the importance of the role of transportation and the role that the Pacific Northwest plays as a gateway in international trade.

The Northwest economy, while suffering, is as strong as it is because the region's international trade related infrastructure is strong. We want to keep it strong. There are some philosophical differences between the administration and our members in Pacific Northwest Waterways Association that affect our requests to Congress. The administration is seeking to decrease Federal funding on infrastructure, shift funding responsibility from the Federal Government to the private sector and local governments and establish new or increased user fees.

By contrast, PNWA is working hard to keep the Federal role in operating, maintaining and improving navigation infrastructure; keeping essential government functions such as operating the dredges Essayons and Yaquina; increasing Federal funding for navigation and transportation projects; and opposing the expansion of user fees.

Federal investment is justified because for every Federal dollar spent on navigation and transportation infrastructure many more dollars are returned to the treasury, to local economies and to corporations and individuals. This happens because navigation and transportation efficiencies reduce shipping costs and increase the competitiveness of the United States producers in the world marketplace.

Our philosophical differences could have major impacts in the Northwest. On the navigation side the administration proposes to reduce or eliminate funding for what they're calling low-use waterways, ports and harbors. Ultimately, their goal is to de-authorize low-use waterways either closing them down or shifting responsibility completely to local interests.

The Columbia/Snake inland barge system, for example, is on the administration's list of low-use waterways. The ports of Ilwaco and Chinook, as well as the coastal ports in Oregon, are not funded by the administration. These differences in philosophy and approach

between the PNWA and the administration leads to our appropriations requests.

On the navigation side, we support increased operations and maintenance funding for cargo facilities like the Ports of Vancouver, Kalama, Longview and Portland, and for commercial and recreational fishing ports like Ilwaco and Chinook. We support Federal investment in navigation improvements, like the Columbia River channel deepening and the widening of Blair Waterway in Tacoma. And we support funding to rehabilitate our region's failing infrastructure, from the jetties at the mouth of the Columbia to the locks on the Snake River and the seawall at Elliott Bay in Seattle.

On the land side, we appreciate the gains that have been made in freight mobility through your support and we continue to encourage more investment in moving freight along our transportation corridors. We support the initiatives of the I–5 partnership which you heard about earlier in this hearing, including the I–5 improvements and rail improvements in Vancouver and Portland. Moving the BNSF rail bridge swing span will increase the safety of barge traffic and reduce the need for opening the I–5 lift span. And both inside and outside the Southwest Washington focus of this hearing are several rail, highway and airmodal projects we are supporting, some examples include the Fast Corridor in Seattle, the Lake River overpass at Ridgefield, Washington, and from large mega-projects down to some smaller local community interests, eliminating rail-at-grade crossings is a priority for both safety and efficiency in both contexts.

We support rural market access improvements including widening to four lanes, the U.S. Highway 12 from Wallula to Walla Walla, the Port of Pasco's Ainsworth Avenue realignment and the crane project at the Port of Umatilla, most of which are already underway as a result of funding you helped to secure.

PREPARED STATEMENT

In conclusion, much has been accomplished. There's still much to do. And, Senator Murray, we thank you for your efforts and your success in elevating our regional issues and regional needs into national priorities. We look forward to continuing to work with you and the committee to improve our regional transportation corridors, and this will result in more efficient trade gateways to maintain our Nation's and our region's competitive position in the international marketplace. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF GLENN VANSELOW

Thank you for the opportunity to testify on this important topic. PNWA is a nonpartisan, regional, multi-industry association focusing on Federal trade, transportation, navigation and economic development policy. We represent public and private sector interests in Washington, Oregon and Idaho, including ports, towboat companies, steamship operators, river and bar pilots, agricultural producers, forest products manufacturers and others.

First, we would like to thank you, Senator Murray, and the entire subcommittee for your support of transportation infrastructure maintenance and improvement throughout the Pacific Northwest.

The Pacific Northwest is an important national gateway for international trade. Washington is the most trade-dependent State in the Nation. Oregon ranks No. 6. In the region, as a whole, more jobs are dependent on international trade than in

any other region of the United States. (One in four in Washington; one in five in Oregon.) Waterborne foreign trade through Pacific Northwest ports totals over 60 million tons of cargo and $65 billion in cargo value each year. Seattle and Tacoma are among the world's largest container ports. The Columbia River is the largest wheat export gateway in the United States, handling 40 percent of U.S. wheat exports.

The Northwest economy is as strong as it is because the region's international trade-related infrastructure is strong. Although Congress appropriates funds for navigation and surface transportation in two different bills, we view both as part of a single unified transportation system. That system includes harbors and navigation channels as well as the rail lines and highways that feed the ports and move cargo to and from our Nation's producers and consumers.

The Pacific Northwest Waterways Association urges the administration and Congress to fund needed navigation and transportation infrastructure to ensure that we have an efficient, safe transportation system that meets the needs of both people and freight.

On the navigation side, we support increased operations and maintenance funding for cargo facilities like the Ports of Vancouver, Kalama, Longview and Portland, and for commercial and recreational fishing ports like Ilwaco and Chinook. We support Federal investment in navigation improvements, like the Columbia River channel deepening and the widening of Tacoma's Blair Waterway. And we support funding to rehabilitate our region's failing infrastructure, from the jetties at the Mouth of the Columbia River to the locks on the Snake River and the seawall at Elliot Bay.

On the land side, we have been urging Congress to increase the priority of freight mobility for several years. We appreciate the gains that have been made through your support and continue to encourage more investment in moving freight along our transportation corridors. That is a key component in maintaining our Nation's competitive position in the international marketplace.

The Interstate 5 (I–5) Corridor is the most critical segment of the transportation system in the Portland/Vancouver area. The I–5 highway, the road and rail bridges that cross the Columbia River, and the area's rail network constitute a serious chokepoint for passenger and freight traffic. Growing congestion significantly slows not only local traffic but traffic headed to the Puget Sound and California as well. In that sense, it is a serious local, bi-State, regional, and even national challenge.

According to a recent study, without improvements, the duration of peak-period congestion at the I–5 Interstate Bridge and the parallel I–205 bridge will double from 4 hours today to nearly 10 hours in 2020. As a result, congestion will spread into the mid-day period, which is the peak travel time for trucks. The rail network within the Portland/Vancouver area is equally congested. Congestion adds about 40 minutes to every rail move, twice the delay in Chicago—the Nation's largest rail hub. Delays of this kind have a direct impact on the cost of shipping and, ultimately, our ability to trade.

The I–5 Partnership, a bi-State task force, has studied the I–5 road and rail chokepoint and recommended several improvements to enhance its capacity and efficiency. Several public and private sources will have to contribute funding for these improvements. At the Federal level, the Oregon Department of Transportation (ODOT) and the Port of Portland are seeking funds in the fiscal year 2004 transportation appropriations bill and the TEA–21 reauthorization bill. Specifically, ODOT is requesting $500,000 in the appropriations bill to initiate detailed studies of the Columbia River crossing and $32.8 million in the TEA–21 reauthorization bill to widen the Delta Park/Lombard segment of I–5—a critical project to reduce congestion between Vancouver and Portland. The Port of Portland is seeking $11 million to build a rail yard on Port property that will add capacity to the area's rail network.

Another of the I–5 Partnership's identified projects is construction of a new rail line that would bypass the Vancouver Rail Yard. This would increase the efficiency and safety for freight trains moving through the Vancouver area to Columbia River ports as wall as for freight and Amtrak trains moving to and from Puget Sound on UP and BNSF lines that run south to Vancouver then east to the interior of the United States through the Columbia Gorge.

The BNSF Rail Bridge across the Columbia just west of the I–5 Bridge presents a safety hazard that needs improvement. By moving the swing span from the north side of the rail bridge toward the center of the river, the opening would be aligned with the tall span of the I–5 bridge. This would increase the safety of barge traffic on the river and reduce the need for opening the I–5 lift span, thus reducing delays for automobiles and trucks on I–5. We have been seeking Truman-Hobbs funding for this project.

Also over the Columbia River, work has begun on improvements to the Lewis and Clark Bridge between Longview, Washington and Rainier, Oregon. We appreciate your support for that project. The next phase needs funding of $1.75 million for improved access to the bridge from Longview.

Within the Pacific Northwest, but outside the Southwest Washington focus of this hearing, are several rail, highway and intermodal projects we are supporting. From the FAST Corridor in Seattle, to the Lake River Overpass in Ridgefield, Washington, eliminating rail at-grade crossings is a priority for both safety and efficiency.

Rural market access and industrial park access improvements are underway throughout the Northwest, and more work is needed. As examples, we thank you for your support of the first phase of the widening to four lanes of U.S. Highway 12 from Wallula to Walla Walla. The U.S. Highway 12 Coalition has requested $5.1 million in fiscal year 2004 to begin work on the next phase. We also support the Port of Pasco's fiscal year 2004 appropriations request for $3 million for the Ainsworth Avenue Realignment and Sacagawea Heritage Trail Project to improve access to the Big Pasco Industrial Center.

As an example of intermodal projects supported by this subcommittee, again, we thank you for funding the crane project at the Port of Umatilla, Oregon. Two-point-eight million dollars of the $4.2 million needed was funded last year.

In conclusion, much has been accomplished to improve transportation in the past few years. There is still much to do. Senator Murray, we appreciate your efforts and your success in elevating our regional needs to national priorities. We look forward to continuing to work with you and the subcommittee to improve our region's transportation corridors. This will result in more efficient trade gateways to maintain the country's competitive position in the international marketplace. Thank you.

Senator MURRAY. Thank you, very much, Mr. Vanselow. Mr. Zelenka.

STATEMENT OF TOM ZELENKA, CHAIRMAN, OREGON FREIGHT ADVISORY COMMITTEE AND CHAIR, TRANSPORTATION COMMITTEE, PACIFIC NORTHWEST INTERNATIONAL TRADE ASSOCIATION

Mr. ZELENKA. Good morning, Senator Murray. Tom Zelenka, Vice President with Schnitzer Steel Industries and here today as Chairman of the Oregon Freight Advisory Committee which is statutorily created committee by the Oregon legislature to provide advice to the director of the Department of Transportation and the Oregon Transportation Commission on various freight mobility issues, programs and policies on all the modes affecting freight.

If I could, I would like to preface my comments and deviate a minute just to thank you, also related to a different matter that's not on the agenda, per se, but your steadfast support of the Maritime Fire and Safety Association has been a key issue and supportive of really the whole lower Columbia River transportation infrastructure. As you know, that's a bi-State public-private partnership providing ship fire safety and spill response capability, ships and terminals along the entire 40-foot navigation channel, and your steadfast support has been critical and appreciated very much.

If I could, the Oregon Freight Advisory Committee one of its first projects was a study called Freight Moves the Economy, and that really I think sums it up in terms of from the business perspective dealing with the freight component of transportation. Freight does move the economy. And today's focus on I–5, as you've heard an awful lot of comments on that, clearly is a transportation route. It's also an international trade route from Baja to B.C.

Just this summer I've been in meetings from Seattle to Portland to Sacramento to L.A. and next week in Oakland, coast wide of States and local interests looking at I–5 as a critical issue and how are we going to fund and move ahead to make sure that we con-

tinue with the advantages that that I–5 system provides, not just to the local areas but for the entire international trade community.

We're facing immense challenges. The global supply chain logistics, the just-in-time delivery system, as you know, the heightened port requirements that we are facing, and again, the renewed interest of the Panama Canal by overseas interests looking at all water moves that impact the West Coast. I've been ticked off a number of times the challenges we're looking ahead at relative to the rapid growth that we're forecasting both in terms of people and goods, and yet how businesses are supposed to be competitive in those global markets.

As we are hearing about congestion today and we've all sat in congested roadways, it's very irritable and frustrating when we're sitting there whether it's in a car or a bus. But to that 18-wheeler it's more than just an irritation. It often means did we make or lose the sale, did we make or lose a profit. Are we going to lose jobs. And that's a critical issue for business.

So funding for the Interstate Bridge and the related projects that you heard about, and I was glad Mayor Pollard ticked off for you a set of specific earmarked projects. We heartily endorse every one of those that he was mentioning to you. Those are critical. I would only add that, and as you know, that's almost kind of a down payment, but somewhere down the line we need to be looking at things like the I–5/I–84 connection down by the Rose Quarter. We've got to deal long term with that or this will just have been a temporary fix.

Rail—and you've been asking the question and I would like to respond to it a little bit. Rail certainly is part of the solution. We need to do more both with rail and frankly with barge and the connectors, the road connections to our railways and to our port terminals. Will it help? Yes. Is it the total solution? Will we be able to avoid doing road improvements if we just do the rail? I think the answer is no.

My company alone, we have a steel mill in McMinnville. We built a brand new facility there and made the major investment to put all the product moving in and out by rail. We move maybe half by rail, and that's because of the various inefficiencies and other unrelated issues, I don't need to get into today, relative to the movement of freight by rail.

So it will be part of the solution. We need to do all we can, but it's not the panacea alone.

Certainly there's a lot of talk about public and private partnerships and the capital investments needed. I think that's true both operationally in terms of what we need to do at the private sector and our own warehouse distribution of manufacturing facilities, as well as the roadways themselves.

And I was glad that you are asking questions about the local process. Process is something that we also need to look at. It's something that frankly our committee has been looking at and, in fact, recently, we had a series of discussions with some Federal Highway Administration people from DC visiting, discussing freight needs. And what was really instructive in part of that discussion was listening to their review nationwide and understanding that from the business perspective businesses increasingly

are looking at the national and the international markets, strategizing how they are going to be making their investment strategies attendant to those national and international global markets while in terms of the planning and the funding for transportation projects are increasingly localized. This is the Federal Highway Administration people seeing this phenomena nationwide, so that businesses are looking globally, making their investment strategy so that they can remain competitive. And yet what we're seeing is, in terms of transportation planning, transportation funding, increasingly localized and be neighborhood oriented. It's a natural tension, and it's not to dismiss the local issue at all, but it's one to recognize it's there and we need to come to grips with how do we mesh those, because clearly what the Federal Highway Administration folks were recognizing and what we're seeing is there is a tremendous potential for a major disconnect as businesses try to invest and make those national global investment strategies depending on the transportation infrastructure, and it may or may not be there, and we have got to come to grips with that. It's something that our freight advisory committee is looking at. And I'm pleased that that is a topic of discussion today.

PREPARED STATEMENT

So to summarize because I realize time is getting on, from our vantage point freight moves the economy. I–5 is a critical not just a transportation but a trade corridor. And I would encourage, in fact, look at it in terms of the reauthorization measure, if there's any way to be giving greater value in the formula for multistate trade routes that are critical to the national economy that would benefit the entire I–5. And I know from my conversations with the West Coast corridor, up and down, that it's something that we might even find Californians supporting. Maybe. I–5 needs the investments, and I appreciate your interest.

[The statement follows:]

PREPARED STATEMENT OF TOM ZELENKA

My name is Tom Zelenka, Vice President with Schnitzer Steel Industries, Inc., a leading national scrap metal recycler and steel manufacturer, as well as for the Schnitzer Group of Companies, involved in real estate development and investment, ocean shipping and industrial gas production and distribution. With our corporate offices located in Portland, Oregon, the efficient movement of people and goods and transportation is key to all these business endeavors.

Let me preface my comments by first thanking you for your steadfast support of the Maritime Fire and Safety Association (MFSA), a bi-State public/private partnership providing ship-fire safety and spill protection to the ships and terminals along the 40-foot navigation channel. Even though MFSA isn't the subject of this hearing, it is a key support feature of the Lower Columbia River's transportation infrastructure—and your continued leadership to earmark Federal funds for MFSA is critical to its success.

I'm also appearing today as Chairman of the Oregon Freight Advisory Committee, which is statutorily created to advise the Director of the Oregon Department of Transportation and the Oregon Transportation Commission on issues, policies and programs affecting multi-modal freight mobility. Our focus is on all modes of transportation, whether road, rail, air, water or pipeline and the committee's make-up includes representatives of carriers, shippers, manufacturers, governmental agencies and port districts.

Let me first make a few remarks from our company's perspective. Whether it's moving our company's recycled scrap metal for processing or export, from Tacoma, Portland, Oakland or LA . . . the I–5 freeway plays a part. The same is true for the movement of finished new steel products, manufactured at our steel mill in

McMinnville, Oregon, serving 13 western U.S. States. As the only continuous freeway the length of the West Coast, I–5 is a critical component to ensuring the efficient movement of both goods and people. I–5 is a significant freight route. It should also be seen as a key national trade route from B.C. to Baja, as well as the movement of goods to/from overseas.

Yet, the Portland-Vancouver metropolitan area has become a choke point for freight mobility along the corridor because it simply does not have the capacity to handle the 100,000 vehicles, 14 percent of which are trucks, that use this portion of I–5 daily.

Perhaps, the need for efficient transportation can be best illustrated by our 220-acre industrial park in Vancouver, the Columbia Business Center, on the north side of the Columbia River, in close proximity to the Interstate I–5 Bridge. Close-in to the Portland/Vancouver metropolitan area, the 100 plus tenants' transportation needs of the Columbia Business Center are served by both north/south and east/west roadways, rail and barge. The tenants range from the small mom and pop operations to the Fortune 500, with customer markets that are the local Vancouver market solely, to a customer base that is metropolitan region based, Pacific Northwest based, national or the global international market-place.

Yet, no matter which market is the ultimate goal for these tenants, I–5 plays an important role either directly or indirectly as it connects to other modes. Our area is the gateway and hub of transportation; key issues are the connectors between our major roadways, railways, port terminals and airport and manufacturers, producers or end users. Every day the challenge is to make the supply chain move seamlessly and without a delay or break. For every company the specific costs of delay may be different, but an average cost of a general delay for a truck is at least $60 per hour and up to about $375 per hour for unexpected delays due to major traffic incidents.

But, the cost of congestion isn't just hitting the freight move—it ripples through the economy—with a multiplier like effect—the net effect of congestion can mean not just a loss of a day's profit, but the ability to make a sale, stay in business—or loss of jobs.

While this area has benefited from good transportation investments in the past, that competitive advantage is fading fast. By the year 2020, freight tonnage in the western United States is predicted to increase by 100 percent, outpacing all other regions in the United States; congested lane miles on truck routes will increase by 58 percent, and the duration of congestion at the Interstate bridge will double from 4 hours today to nearly 10, increasing the cost of delay to trucks 140 percent from $14 to $34 million.

Here, more than other areas across the Nation, we are dependent on transportation-intensive industries, making up 54 percent of the regional economy, as compared to 49 percent nationally. Local, regional and national transportation routes must be preserved and enhanced if business is to effectively participate in economic markets, whether local or global. With 1 out of 10 jobs in the metropolitan area related to the wholesale trade and freight sectors of the economy we have a lot at stake to insure we retain this region's economic viability to be competitive in the market-place.

It is critical, however, that we understand and find the funds necessary to invest in the entire transportation infrastructure in this corridor. This means not exclusively limiting strategic investments to the I–5 freeway itself, but ensuring its ability to connect with other important transportation links, such as I–84. Although much focus has necessarily been given to addressing the frustrating standstill traffic jams at the I–5 interstate bridge, we know there is more yet to address. For example, as long as the bottleneck at the I–84 junction continues, improvements made along the I–5 corridor will be less effective in securing efficient freight movement. The I–84 exchange should be studied and improved along with other significant bottlenecks along the corridor such as Delta Park and the Interstate Bridge.

Another critical component to I–5 and the ability to move freight efficiently are the railways. The Portland-Vancouver area benefits from the service of two transcontinental railways, but significant improvements are needed to take advantage of the rail system's long haul capacity. We understand that at times the rail delay here double that of Chicago's, the Nation's largest rail hub. Railways are an important tool in moving freight for businesses along the Lower Columbia, such as our tenants at Columbia Business Center whom are provided access to rail spurs and switching services. Can more goods be shipped by rail? Yes. Can we avoid the need for road investments if more is shipped by rail? No. However, the critical component rail provides to the overall transportation infrastructure underscores the importance of evaluating the system as a whole, ensuring good connections between all modes, and investing in the viability of the entire network.

Let me now conclude with a few comments on behalf of the Oregon Freight Advisory Committee. One of the first efforts of our committee was the preparation of a report entitled "Freight Moves the Oregon Economy" (www.odot.state.or.us/intermodalfreight/Reports/FreightMoves/freight_moves_contents.htm). This could have just as easily been entitled "Freight Moves the Washington Economy"! Or "Pacific Northwest" Or "California" Or "U.S."

The west coast faces an enormous challenge in handling the growing volume of freight related to trade. Global supply chain logistics, just-in-time deliveries and heightened port security requirements are several of the factors.

Clearly, part of the challenge is the need for greater investments, both on the public side and by the private sector in optimizing existing capacity and improving productivity of freight operations.

But, perhaps there are also some "process" improvements needed. One of the key concerns we have been grappling with is how to address the natural tension that sometimes exists between freight movement and freight transportation needs and local concerns about growth, density and livability. Recently our committee met with several Federal highway administration officials discussing freight needs. It was most instructive to hear from them their awareness that around the Nation the private sector has become much more focused on the national and global markets and the need for business investment strategies attentive to those markets, while in terms of planning and funding for roads, which is dependent on local government planning and authorization actions, have become increasingly focused on localized or neighborhood based solutions, often resulting in significant disconnects between the strategies of the business sector needing to invest for the national or global markets, while the local government is investing in infrastructure based on local impacts alone.

There is no easy solution to balancing this tension between neighborhood desires or getting goods and services to global markets. Nevertheless, we must come up with the means to provide the broad perspective needed to ensure appropriate transportation investment strategies are developed that meet the needs of all citizens.

Thank you for the opportunity to present a few remarks. I'd be pleased to answer any questions.

Senator MURRAY. Thank you very much to all of you for your testimony. Mr. Zelenka, you have the mic and since we're moving it around up here let me just start with a quick question for you. And I appreciate your comments on rail and on your comments on that tension that we have between trying to plan globally and recognizing the critical input from local citizens because without the support from local citizens it's impossible to get Federal funds. In a very competitive time when a lot of communities come to us with requests, it's pretty easy to use that as a criteria of which projects don't get funded, so it's always important to do both. But I appreciate that.

Let me ask you in particular on the rail part of this because the efficient movement of freight on our rail system and coordinating intermodal transportation services has to occur. Can you tell me if there are any new initiatives in the strategic plan that will help us improve rail efficiency?

Mr. ZELENKA. Some of the things I think we need to get at are in each of the States, as you know with the deregulation and the movement away and the move towards short lines, that we've got to come to grips with how we better mesh their long-term investments so that if you're off the I–5 valley corridor, how are the local communities going to be able to feed in. I've got a facility in north Portland where it takes 10 days to get cargo 38 miles.

Senator MURRAY. Ten days?

Mr. ZELENKA. Ten days, if I'm lucky. The same is true coming out of Eugene because it's a switch between lines—between carriers. And I don't want to be disparaging any individual carrier,

but again, if I'm company A I'm going to move company's A cargo first other than company B's, which is going to involve a switch. And that's also dependent on what's the availability of the crews and the switch engines, which may move around, depending on other more global needs of the rail carriers. So short lines, the rail yards.

You had some discussion about the needs for some of the rail improvements on the side tracks that I think are critical for both in Vancouver as well as in Portland. And I would also, as Mr. Vanselow said, I think really looking at the Columbia River railroad bridge and the need to deal with that both from the improvement on the Interstate Bridge replacement, but also from the navigation standpoint. You know, the old days it was Truman Hobbs Act in terms of obstruction to navigation but we really need to look at that as well.

Senator MURRAY. Are there any efforts underway right now to identify or study how to improve some of the intermodal connections between rail and truck, seaports?

Mr. ZELENKA. At the individual State level I know there are in Oregon, and I believe in Washington as well. I would defer to probably the transportation department officials for a specific listing.

Senator MURRAY. Thank you. Mr. Vanselow, we'll move the mic on down to you. In your prepared remarks you mentioned the need to improve our navigation channels. In seaborne trade it doesn't help to have land infrastructure that is efficient and reliable if our cargo vessels can't move in and out of our seaports. The ports all along the Columbia have done a great job of improving the technology of intermodal connections at their facilities, but channel accessibility is having an impact on business today. Your association represents ports up and down the Columbia. Can you talk a little bit about what some of the needs are that are common among these ports that will improve port access?

Mr. VANSELOW. Well, one thing I think that what we may want to start with is the fact that we have a system. And the system starts on the navigation side in Lewiston, Idaho, and so that one of the common elements is that barges are coming down the system to feed the ports whether it's grain at the United facility here in Vancouver or down in Kalama or in Portland or whether it's containers.

So that we have a system that is in some degree of disrepair and we also have a system that's been difficult to maintain. We have not had dredging on the Snake River now for 3, actually, 4 years, and we're hoping that we will get to a position to be able to do dredging next year in this current——

Senator MURRAY. I'm surprised it's taken this long in a hearing to have that word to come up. Thank you.

Mr. VANSELOW. It is a key factor for us. Then as we look down, we have failing infrastructure. We have lock gates that are failing. We have lock walls. I know that your staff was upriver at some of the dams taking a look at that just yesterday.

So we have to do the maintenance that's necessary to keep the feeding system or the feeder to the lower Columbia ports open. Then in the deep draft side we have a 40-foot channel that is restrictive of cargo primarily for grain and for containers. And we can

have dramatic improvements. We appreciate that last year you were able to get some funding into the appropriations bill, and, again, so far, it's looking as though there is some funding that will be coming forward in fiscal year 2004. But we need significantly more. We're looking to the Federal Government for roughly $95 million and we got $2 million last year, and if we're successful in conference, presumably we'll end up with $5 million this year. It's a start, but it's a slow start and we'll be moving more slowly than would be economically efficient. So we're looking forward to finding a way to increase the appropriations for the channel deepening.

Finally, on the lower Columbia as far as the multiple ports in Oregon and Washington, is the fact that there are problems with deteriorating jetties, both the north and south jetty and there is funding that you helped to secure to do some study of that, but it will be an expensive proposition to solve the problem.

And then finally, while not the ports that you mentioned, we do have issues down in Ilwaco and Chinook. There's a dredge in Ilwaco today doing work to dredge their channel to keep their channel open. In fact, to reopen their channel. It has been at less than authorized depth. Chinook, if we are successful, both the House and the Senate for fiscal year 2004 put money into the budget for Chinook, but—about $500,000 in both cases. The mobilization of the dredge to get from Vancouver, Washington, down to Ilwaco was $190,000.

So we're working with your staff and with others at the Corps of Engineers trying to find a way to get that dredging done this year so that if we're going to spend $500,000 we get $500,000 worth of dredging rather than $300,000 worth of dredging. So there are a number of issues to both maintain and improve navigation on this system that are reaching critical stages and significant amounts of funding, and we need to do some planning as to how we can accomplish over the next 5 to 10 years some rather dramatic investments on the system.

Senator MURRAY. Thank you. Mr. Zelenka, you mentioned the word "security" in your testimony. It is one of the realities of life today that transportation has new costs associated with it concerning the security regime that has been put in place since September 11, a necessary cost, but one that we are trying to work out and not impact economic development.

Can either of you talk to me a little bit about what the ports are doing to try to ensure security without passing huge costs onto their customers?

Mr. ZELENKA. I think the answer is probably we don't know. Certainly there's a big difference between aviation versus the maritime side. In general my sense is the waterborne side. The main terminals feel that all the costs are being pushed on to the—solely on to the private sector, so that is a challenge. Our company has a series of private terminals. We're in the midst of doing the details, security planning, assessment work that Congress has put in place as requirements.

We already have in a number of the requirements, the fencing, and the ID's, and the cameras, but the additional costs I think still are unknown of just how detailed those are going to have to become.

Mr. VANSELOW. The ports up and down the river system and along the coast and up in Puget Sound are all looking at their vulnerabilities and identifying and initiating projects to address those vulnerabilities. One of the issues that Tom raised is on a national basis the Transportation Security Administration has estimated that port security costs will be in the neighborhood of $7 billion. A part of your question was, how are the ports attempting to increase their security capability without passing those costs on to customers, and so far they have not found a way to address that. We have not gotten to the point to where we are spending the bulk of that anticipated $7 billion. We're in the early phases. The security assessments, while they are—they do cost money. They are not—they are not in the multimillion dollar arena. We have appreciated very much that the grant programs, which you have supported, have assisted ports in Puget Sound. Port of Vancouver got a small grant, Port of Portland a small grant and the Regional Maritime Security Coalition on the Columbia River got a grant to try to find ways to—the Regional Maritime Security Coalition is a program to try to find ways to use the information networks and the chain of custody of cargo to identify risks while reducing impacts on those 99.9 percent of the cargos that are not at high risk.

But we do have a significant question, the new rules that have just come out from the Coast Guard are not clear. People don't know whether the rules apply to their port or not or to their cargo facilities or not. They don't know whether they apply to their passenger facilities or not. So there's a great deal of uncertainty of what they must do by Federal law. There's also a great deal of uncertainty even if they are not covered by the Federal law if there are issues related to liability. If an event were to occur the law says you're not covered, you don't need to do this work, but then there is concern on the part of the ports and those elected commissioners that there may be liability in their communities if an event does occur on their facility if they haven't done the due diligence.

And so we're still struggling with how to get some of those initial questions answered, the initial assessments done and we haven't yet turned to the big dollar questions of, okay, now that we've done the assessments, how do we secure the facility.

Senator MURRAY. We have many challenges. We'll be working with you on that.

Mr. VANSELOW. I look forward to that. Thank you.

Senator MURRAY. Mr. Parker, let me turn to you. Washington and Oregon have shared one other statistic, unfortunately, for the last several years and that's that we have the highest unemployment in the Nation between the two States and Alaska. Numerous reasons for that, from bursting the hi-tech bubble, to 9/11, to the aerospace industry, to markets in Asia. Thousands of workers have been laid off in both of our States. But one area where opportunity exists for us is in the transportation construction business. We know that for every $1 billion spent on transportation over 47,000 new family wage jobs are created. And I think that is an important statistic we need to keep in mind as we invest in transportation, particularly in the Northwest right now as we're struggling.

Mr. Parker, could you outline for the committee what is organized labor's role in promoting new construction jobs in this region?

Mr. PARKER. Yes, ma'am. What we were looking for is to help shape public opinion to help focus it on the need. We as organized labor are not necessarily trying to drive and prioritize which form of transportation is No. 1. There are professionals and very great people from our group and from the community who can drive that.

We do agree with you that family wage jobs are very driving factors for organized labor. We stand ready to help America rebuild. But to prioritize which job we would like, we would look forward to help rebuilding America through our work.

Senator MURRAY. Thank you very much. Mr. Kalinowski, as an employer, you know that when employees suffer from those long commute lines and show up late and commercial products are delayed getting to you or being sent from you it really impacts business, and we know business looks long term to make many of these business decisions and transportation is a critical part of that.

What impacts have you felt from the increased congestion in this region whether it's our highways, or rails, or airports that's impacted your business?

Mr. KALINOWSKI. Let me answer that from the hi-tech industry perspective. The greater Portland/Vancouver area is a hi-tech cluster. And what I mean by that is there are scores of hi-tech companies throughout the area. They're all interlinked. They're interlinked through employees, they're interlinked through vendors, they're interlinked through suppliers. If I have, for instance, a tool-down situation, I need a part and the part is across the river, I need to get that part immediately. I can't afford to have that tool down waiting for parts to come across the river or be caught up in congestion. It hurts our business significantly.

The biggest cost to our business is the equipment. I mentioned our facility costs are $3.6 billion. Two-point-six billion dollars of that is our equipment. We have to keep our equipment running all the time. So we need the supplies, we need the parts, we need the people to run that equipment. We can't afford to have the roadway slow that down.

So I think the I–5 corridor, the 205 corridor and the roadways are very important to us at this point in time. We also connect ourselves to the airport. All our product is shipped via air. And it's very timely that we have to get to the airport in a very quick manner. So that is the other part that we have to have good access to the airport and that takes us across the river from our perspective. So those are the major impacts that we've had. So we need to get our employees to work, we need to get our suppliers and our vendors there and we need to get our——

Senator MURRAY. And grow your industry, that's our goal.

Mr. KALINOWSKI. Thank you.

Senator MURRAY. Very good. I want to thank all of our witnesses today. That concludes this panel's testimony. Before I close, I do want to thank several people that are here with us today, Theresa Wheel, who is the district director to Congressman Baird; Bill Gunley, City Council, City of Battleground who has been with us; Betty Sue Morris, Clark County Commissioner, who is here as well; and, of course, Craig Pridemore, who testified from the Clark County Commission.

In particular I want to thank the Clark County Commissioners for letting us hold our field hearing here in their facility today and for their hospitality. It's greatly appreciated. I want to thank all of our witnesses for their testimony today, particularly, again, recognizing Senator Hatfield who has contributed so much to this region and the Clark County Commissioners as well.

ADDITIONAL SUBMITTED STATEMENTS

I want to reiterate for all of you, that this record will remain open for 15 days for anyone who wants to submit any comments or testimony to the committee on any of the topics that were covered today. And if you are interested in doing that, please check with my staff afterwards and they will tell you how to make that happen.

[The statements follow:]

PREPARED STATEMENT OF LYNNE GRIFFITH, EXECUTIVE DIRECTOR/CEO, CLARK COUNTY PUBLIC TRANSPORTATION BENEFIT AREA AUTHORITY (C-TRAN)

Senator Murray and Members of the Subcommittee, I am Lynne Griffith, Executive Director/CEO of the Clark County Public Transportation Benefit Area Authority, also known as C-TRAN. On behalf of the C-TRAN Board of Directors I would like to thank you for the opportunity to submit testimony following the August 13, 2003, Senate Field Hearing held in Vancouver, Washington. I was present at the hearing, as were several C-TRAN Board members, and it is an honor to contribute to the important discussions that occurred regarding the challenging transportation issues present in Southwest Washington and in the Portland/Vancouver region.

C-TRAN has provided bus service in Clark County and to and from Portland, Oregon for the past 22 years. Our service district spans nearly all of Clark County and includes our county's most urban area and the State's fourth largest city, the City of Vancouver, as well as Clark County's smaller suburban communities including LaCenter, Ridgefield, Battle Ground, Yacolt, Amboy, Hazel Dell, Brush Prairie, Camas, and Washougal. Nine elected officials, representing these diverse communities, govern C-TRAN forming one of the few countywide transportation forums in Clark County.

For the past several years C-TRAN has actively participated in the regional bi-State transportation discussions. C-TRAN served as a task force member throughout the I–5 Transportation and Trade Partnership Study, sits as a voting member of the Southwest Washington Regional Transportation Council (RTC), is a member of the Bi-State Transportation Committee, partners with TriMet in numerous ways, and participated in the community's Transportation Priorities Project (TPP)—Dream It, Fund It, Build It.

C-TRAN's Board of Directors unanimously supported the I–5 Partnership's Strategic Plan recommendations and welcomed the citizen-driven Transportation Priorities Project and the citizen feedback that resulted from that effort. The Board immediately took steps to implement solutions that supported the transit related priorities of both projects and in so doing, directed the C-TRAN staff to involve the public in the development of a 20-Year Transit Development Plan. This work is underway and will specifically look at service alternatives that address several funding scenarios for C-TRAN as well as the transit elements identified in the I–5 Partnership's Strategic Plan.

The plan being developed by C-TRAN is not another independent planning effort. It is an action plan that synthesizes the planning and public involvement efforts completed in the past several years by the I–5 Transportation and Trade Partnership Task Force, the Southwest Washington Regional Transportation Council, the City of Vancouver, Clark County, the Transportation Priorities Project, and C-TRAN. The 20-Year Transit Development Plan reflects the transit elements addressed by each of these agency efforts and will incorporate aspects of the I–5 Partnership's Strategic Plan, Vancouver's Transportation System Plan, the county's update of the Comprehensive Land Use Plan, Phase I of the Transportation Priorities Project, and C-TRAN's exhaustive research and update of its 2002 Financial and Service Plan.

The transportation challenges confronting Clark County and the Portland/Vancouver region will require continued analysis and plan development, bi-State coordi-

nation, public involvement, and a significant financial commitment by this region to realize the multi-modal transportation improvements needed to keep our economy, services and goods, and citizens moving efficiently and effectively through our communities. The good news is that there is tremendous public participation, support, and momentum and a strong commitment by government, business, and community interests in Clark County to accomplish the improvements identified.

The testimony provided by the Honorable Mark O. Hatfield is particularly relevant to Clark County's next steps in realizing the multi-modal transportation improvements suggested in the I–5 Partnership Study. It will be necessary for us to prove that the transportation improvements desired are productive, efficient, and cost effective. This emphasizes the importance of our completing the required homework. C-TRAN supports completing an alternative analysis to determine the best transit solutions for Clark County and asks the Subcommittee to support the Southwest Washington Regional Transportation Council's request for $2.0 million to complete this essential study. C-TRAN also supports the regional funding requests made by other agencies including funding to begin the EIS in the I–5 bridge influence area, to widen I–5 at Delta Park, to complete TriMet's Interstate MAX line, and to obtain a full funding grant agreement for TriMet's south corridor. C-TRAN also asks the subcommittee to support C-TRAN's funding requests for $6.4 million for bus and van replacement over the next several years, $1.6 million for the development of a new transit center in the Vancouver Mall area, and $1.2 million for continued deployment of Intelligent Transportation System (ITS) technology.

Senator Murray, you and the subcommittee have supported C-TRAN on numerous occasions and provided substantial Federal funding to improve Clark County's transit system. I would like to share with you the progress of several of the projects that you have helped to fund. C-TRAN's newest transit center and park and ride, Fisher's Landing, is located in East Clark County, opened in the fall of 2000, and is operating today at near capacity. The 99th Street Park and Ride, a key new facility being built in the I–5 corridor, is in design and expected to be completed in September 2004. Thirty-four replacement transit buses have been acquired allowing C-TRAN to retire its 22-year-old commuter bus fleet. Each of these capital projects supports our very popular commuter bus service to Portland, which is also operating at near capacity.

Expansion of the region's transportation demand management (TDM) strategies, including additional bus service, vanpools, and carpools, were also recommended in the I–5 Partnership's Strategic Plan. C-TRAN is aggressively pursuing TDM solutions that maximize our current infrastructure and resources wherever possible. C-TRAN supported the Washington State Department of Transportation's recommendation to continue the HOV lane project on I–5 from 99th Street to the Main Street exit and believes the project's future is linked to the HOV system being continued across the Columbia River and south on I–5. C-TRAN has partnered with the Washington State Department of Transportation in conducting a regional vanpool study and C-TRAN actively participates in the City of Portland's Carpool Matching Program. These transportation demand management efforts are particularly important when factoring the limited Federal, State, and local dollars available for transit investments and are critical to the region given the lengthy timeframe associated with planning, funding, designing, and constructing major infrastructure improvements.

In closing, C-TRAN supports the regional multi-modal transportation system improvements identified in the I–5 Partnership's Strategic Plan. We are committed to developing public transportation solutions that provide effective and competitive mobility choices to our citizens and will continue to work with other regional partners to realize the improvements envisioned in the I–5 Corridor. Again, thank you for the opportunity to add testimony to the August 13 hearing and for your continued support of Washington State's public transportation systems and C-TRAN.

PREPARED STATEMENT OF STEVE CLARK, CHAIRMAN, PORTLAND BUSINESS ALLIANCE TRANSPORTATION COMMITTEE, AND GARY CARDWELL, CHAIRMAN, PACIFIC NORTHWEST INTERNATIONAL TRADE ASSOCIATION

Madam Chair, Members of the Senate Appropriations Transportation Subcommittee, on behalf of the members of the Portland Business Alliance (the Alliance) and the Pacific Northwest International Trade Association (PNITA) we sincerely appreciate the opportunity to provide written comments for your consideration as part of the Senate Appropriations Transportation Subcommittee Hearing.

On July 1, 2003 the Alliance and PNITA formally merged as a combined business entity to expand our member's voice on international trade issues locally, regionally,

and on the national stage. Our united membership now represents over 1,650 businesses comprised of both the area's largest private sector employers and hundreds of small business owners.

Key among our members concerns is the critical role that transportation and more specifically freight mobility plays in the competitiveness and prosperity of the Portland/Vancouver region as well as the Northwest region. They understand that the Northwest economic health is directly related to trade within domestic markets and trade with global markets. Access to these markets is either enhanced or limited by the adequacy and efficiency of our transportation infrastructure.

The convergence of surface transportation, rail, air service and port facilities in Portland and Vancouver makes the Interstate 5 (I–5) corridor, between the Interstate 84 interchange in Oregon and the Interstate 205 (I–205) interchange in Washington, an important crossroads for freight flows by all modes into, through and around this region. In addition, I–5's intersection with the Columbia River, connecting the Interstate system with deep water shipping, upriver barging and two water-grade transcontinental rail lines, makes it a natural crossroads for domestic and international trade.

Our geographic good fortune and wise past transportation investments have created a transportation nexus for this region's economy. The Portland/Vancouver region is an established distribution area where we reap the benefits of a market area larger than our jurisdictional boundaries and our overall population base. Our ability to serve that broader market is directly linked to the ability of the transportation system to support business needs by moving products to market, particularly along the I–5 corridor. This is why we want to see road and rail improvements that support freight mobility and transit.

We need to continue to take concerted action in these critical areas. Freight volumes in our region are projected to grow. The national commodity flow study shows volumes on the West Coast doubling in 20 years, and Metro's commodity flow forecast suggests freight congestion will increase by a measure approaching seven times the rate of automobile congestion during that same period.

Over 10,000 trucks and 63 trains already move though the corridor every day. Half of the goods they carry come from or bound to the Portland/Vancouver metropolitan area. The value of these shipments is more than $24 billion a year, which is equivalent to one-third of this region's gross regional product.

As a major distribution center for the West Coast, transportation is the means by which the businesses in this region reach other markets and remain competitive with the rest of the country. The size of our transportation and distribution industry is an indicator of the importance businesses place on the transport of products. Six thousand distribution and logistics companies combine to move goods to market, and these companies employ more than 100,000 people in the metro area. They represent about 10 percent of the region's workforce and with a payroll of $4.7 billion, they contribute about 13 percent of the region's total payroll.

Within the 17 western States, the Portland/Vancouver Metropolitan area is the number one origin and the number two destination for tonnage moved by commercial vehicles. The Portland metro area is projected to be in the top five fastest growing origins and destinations for freight tonnage in the United States. I–5 is central to this region's ability to distribute products to market. The convergence of transportation and port facilities in the I–5 Trade Corridor makes it a crossroads for both north-south and east-west trade, and an international gateway to markets in Canada, Mexico and the Pacific Rim countries.

Yet this corridor is the most congested in the region and one of the most congested in the country for road and rail freight movement. With 1,600 hours of delay daily for trucks in the I–5 corridor, a conservative estimate $60/hour for delay means about $26 million of productivity is lost annually by shippers and carriers moving in the corridor. Furthermore, these additional costs are not just borne by the shippers and carriers, but are passed on in a multiplier effect through the economy at a time when customers are saying, "No more!" In an economy in which the challenges of competing in a global marketplace require costs to be contained as much as possible, this leakage of resources is no longer acceptable to our members.

Senator Murray, investments in transportation are not just investments in transportation. They are investments in the economy of the region and the States in which they are made or, in this case, the States which the I–5 transportation system adjoins and serves. As a result, targeted transportation investments not only put people to work in Portland or Vancouver, but they keep people effective and at work in far away communities and States which rely on the transportation investments made in the I–5 trade corridor. And those local jobs created, maintained and grown in the I–5 trade corridor, and in communities the corridor serves, pay income taxes that are returned to all levels of government.

Access to domestic and global markets is either enhanced or limited by an adequate and efficient transportation infrastructure. Simply put, our members need a transportation system that can move our people to and from the workplace, and our goods and services to and from the marketplace. A sound transportation system is a critical element in our efforts to keep the region competitive for reinvestment and new investment.

To that end, we would like to call the Committee's attention to a report that was prepared by Metro's Transportation Investment Task Force in December 2002 that outlines key projects, directions in partnered funding and developing regional, business and municipal commitment. It is a good plan and we strongly urge your support in funding this important strategy forward to implementation.

We are not asking for a Federal silver bullet or a single, Federal solution. As illustrated by the Metro Transportation Investment Task Force recommendations, the Oregon Freight Advisory Committee, the I–5 trade corridor committee, the efforts and the investments we support and are seeking Federal participation in are based upon State (and multi-State), regional and local investments. We are not simply asking for the Federal Government to do this on its own. The Metro report calls for about $1.9 billion in balanced, multi-modal investments, a small but critical portion is Federal. The rest would be State, regional and local investments.

We know of your strong support in bringing Federal resources back to the Pacific Northwest. We urge you to continue your close work with the entire Pacific Northwest Congressional Delegation to accomplish these goals, and we look forward to joining that effort with you.

PREPARED STATEMENT OF THE TRANSPORTATION INVESTMENT TASK FORCE

EXECUTIVE SUMMARY AND RECOMMENDATIONS

SUMMARY

In July 2002, Metro Executive Officer Mike Burton appointed a task force of business and community leaders from Clackamas, Clark, Multnomah and Washington Counties (the Portland Metropolitan area), asking them to address a critical problem in our region: the need to fund key transportation improvements which meet the demand of commuters and businesses in order to maintain livability and support economic health. He charged the Task Force with recommending a package of highest-priority projects, along with revenue measures sufficient to pay for them.

The Task Force reviewed the adopted capital investment plan for the region's transportation infrastructure, and the nearly $4 billion shortfall in expected Federal, State and local transportation funding that will flow to these projects. Discussions were held with State agencies and local governments that have responsibility for portions of the transportation system. The group also investigated a broad spectrum of revenue options. Public opinion polling and other mechanisms were used to assess the feasibility of these revenue options and the level of support for various transportation projects being considered.

RECOMMENDATIONS

The Task Force recommends that the Metro Council adopt its action plan as follows:

—Approve a package of highest-priority transportation projects that is balanced among transportation modes in its approach and in meeting critical transportation needs throughout the region. The selected projects should be those that can be implemented quickly and provide the most immediate value to the region's citizens. The recommended package includes three components—a highway portion, a community streets and sidewalks portion, and a transit portion. The total cost will be $521 million.

This package addresses only part of a $4 billion shortfall in capital funds for the area's transportation needs. More effort—and other new funding—will be required to build, operate and maintain the transportation infrastructure needed for a livable metropolitan area. The impact of these projects, and the other funds leveraged by this regional commitment, will be significant.

In addition to its transportation impacts, this infrastructure investment will have a beneficial impact on our economy. Over 12,900 person-years of employment in family wage jobs will be created, at a time when they are badly needed.

Highway Projects.—The highway package of projects is intended to help alleviate traffic congestion, move freight, and support the economic growth and livability of the region. The package includes widening four sections of the re-

gional highway system from a current four-lane configuration to six lanes: Highway 26 to 185th Avenue, I–5 in the Delta Park area of North Portland, Highway 217 from Highway 26 to I–5 in Washington County, and I–205 from West Linn to its interchange with I–5. The Task Force also recommends building two new planned facilities, the "Sunrise Corridor" in Clackamas County and a connector road between I–5 and Highway 99W near Tualatin.

Community Projects.—A series of neighborhood-scale community livability and congestion relief transportation projects is included in the package. Here, the emphasis is on building missing sidewalk connections, addressing congestion "hot spots" and improving neighborhood main streets to create better pedestrian environments and support local business districts.

Transit Projects.—To provide access to key employment and residential centers, supply more transportation alternatives and support the livability of the metropolitan area, the Task Force recommends a package of transit improvements, which includes building light rail from downtown Portland through Southeast Portland neighborhoods to Milwaukie, a "bus rapid transit" corridor along 99W/Barbur Blvd., connecting the planned Washington County Commuter Rail project to the Washington Square mall and assisting in the funding of the planned light rail project along I–205 from the Gateway district to the Clackamas Town Center.

Funding.—The Task Force recommends a regional vehicle registration fee increase of $15 per year that would generate approximately $270 million for highway and community transportation projects and a General Obligation bond measure that would raise $251 million for transit investments.

—*Create an Accountability Committee.*—This committee would be composed of non-governmental representatives of the community to oversee the implementation of these recommendations and to help assure on time/on budget project delivery.

—*Ask the Task Force Members to Consider Further Service in the Next Phase of this Effort.*—The Transportation Investment Task Force has brought the perspective and the credibility of non-governmental leadership to this critical community need. This resource should not be lost.

—*Actively Participate in the Legislative Process During the 2003 Session of the Oregon Legislative Assembly and Congressional Deliberations.*—The recommendation of the Task Force can only be fully accomplished if there are additional State and Federal funds available to leverage the proposed local resources. The Task Force should take an active role in advocating at the State and Federal level for additional funding for these projects.

—*Refine the List of Projects and the Selected Revenue Measures Once New Information is Obtained.*—Federal transportation authorization and appropriation measures will be considered next year, at the same time that the Oregon Legislature will be considering transportation funding issues. The outcome of these deliberations will affect the Task Force's recommendations.

COMMITTEE FINDINGS AND CONCLUSIONS

THE ISSUE

This metropolitan area has been growing at historic rates, but investment in the transportation system to accommodate that growth has not occurred. During the 1990's, the area's population increased by more than 250,000, and the daily vehicle miles traveled by that growing population increased by more than 6.8 million to approximately 26 million miles per day.

Meanwhile, there has not been an increase in revenues to adequately finance expansion of the transportation system to meet the needs of a growing population nor even to maintain the system that exists today. The end result is the following:

—Without new effort and improvements, highway congestion will be widespread and will increase to more than 38 percent of the region's freeways by 2020.

—The hours of delay on the road system due to congestion will cost the freight industry more than $35 million every year and motorists more than $255 million.

—Roadways and bridges are failing. More than $100 million per year is required to bring the backlog of necessary repair projects to a tolerable level.

—While transit ridership is increasing, it cannot grow at a rate that would achieve the region's transportation goals without increases in revenues for more buses and expansion of the light rail system.

—The total requirement to achieve the region's goals is $7.6 billion over 20 years, or more than $380 million per year. Less than half that amount is estimated to be generated given currently available revenue sources.

—Cars stuck in traffic are a threat to our air quality, wasting energy resources, and eroding our quality of life.
—Neighborhoods without sidewalks lack a basic ingredient of safe and livable communities.

THE CHARGE

On July 16, 2002, Metro Executive Officer Mike Burton convened the Task Force with this charge:

"The Metro Executive Officer's charge to the Transportation Investment Task Force is to propose a package of transportation projects, programs and matching funding proposals for critical elements of Metro's Regional Transportation Plan (RTP). The projects may include road, transit, bicycle or pedestrian components separated into packages that have different funding sources or mechanisms. This may result in a recommendation to the Council or other governments to place a measure on the ballot. It would also include recommendations for a strategy for the next legislative session as well as identifying local public or public/private initiatives to enhance transportation funding.

Using the RTP as its framework, the Task Force will have sole responsibility for recommending the list of projects and funding mechanisms. The Task Force will also decide whether to develop a strategy for funding the entire shortfall contained in the RTP or the most critical elements of the plan. Metro's staff and an independent consultant will provide technical and administrative support for the Task Force."

TASK FORCE MEMBERSHIP

The Task Force was structured to include:
—One chair from the private sector appointed by the Metro Executive Officer;
—Approximately 15 members from the private sector;
—One Metro Councilor;
—One representative from Clark County;
—Two members of the Joint Policy Advisory Committee on Transportation (JPACT);
—One member of the Metro Policy Advisory Committee (MPAC); and
—Metro Executive Officer (ex-officio).

TASK FORCE APPROACH

The members of the Task Force have considerable experience as community leaders on transportation issues, and relied on that experience and their research to shape their approach. Although the Task Force was empowered to make its findings outside of the official governmental structure, it conferred with the Joint Policy Advisory Committee on Transportation (JPACT), local governments and State agencies throughout its deliberations, allowing local expertise to inform its choices, but relying on a strategic approach to the four basic questions facing it:
—What are the most needed and publicly supported transportation projects in the Portland metropolitan area?
—What is the cost of an aggregation of the most critical of these projects?
—How would this package of projects be funded?
—How quickly can proposed projects be implemented?

The Task Force began its work by reviewing the Regional Transportation Plan, the 2040 Growth Concept and other regional policies. Initial presentations also reviewed the significant financial shortfall in funding for the planned improvements under the Regional Transportation Plan. National trends in transportation finance, recent polling data on public attitudes about transportation funding and projects, and recent efforts to pass transportation funding measures by referendum were also summarized and discussed.

POLICY BACKGROUND

Oregon now ranks among the lowest States for transportation funding. The region has historically relied on Federal and State funds to pay for large capital projects in the Regional Transportation Plan, with some exceptions. The voters of the region approved General Obligation Bond funding for the local portion of the cost of the Westside Light Rail project, and Washington County voters have approved a series of property-tax-funded measures in the county's Major Streets Transportation Improvement Initiative (MSTIP). By and large, though, a combination of Federal and State funds, allocated regionally or distributed by formula to local governments, and city and county general fund capital dollars have built the region's transportation infrastructure. This strategy is not keeping up with the region's needs. Only once

in the last decade has the Oregon Legislature approved new transportation funding, the exception being the Oregon Transportation Investment Act (OTIA), a $500 million statewide program approved in 2001.

In addition, the region is also in a prolonged economic recession. Transportation investment to support key economic sectors should be one part of the recovery effort. Finally, in all surveys conducted by Metro and others, traffic congestion continues to be the No. 1 growth-related issue for citizens in the region.

POLICY OBJECTIVES

The Task Force determined that projects selected for funding consideration should maximize to the degree possible the following objectives:

—Enhance the regional economy (Projects that move freight, provide access to terminals, or leverage commercial, industrial, or mixed use development);
—Relieve congestion (Projects that address key bottlenecks or relieve existing traffic congestion);
—Enhance community livability (Projects that assist in creating notable places);
—Provide a funding connection with other public or private investment and enhance the function and operation of the overall system;
—Ensure construction begins within 3 years with full implementation within 6 years from the time of voter approval;
—Provide for a multi-modal system;
—Ensure geographic balance; and
—Leverage other transportation dollars, whether Federal, State, regional, private or local.

PROJECT IDENTIFICATION

The Task Force next began to sort projects and develop a "short list" of key projects which fit the criteria and which would be easily understood by the larger public. Based on its adopted policy objectives for regional livability, economic health, relieving congestion, etc., the Task Force decided to adopt a working model of three project categories, and to look for the most critical investments in each category:

Highway projects.—Move freight, relieve congestion, and support economic health by making improvements and additions to the regional system of major highways, regardless of whether these were State highways or part of the interstate system. This category is focused on limited access, regional highways and their interchanges.

Transit projects.—Improve transportation choices, the environment and support complete communities by making capital investments in the transit system, including light rail, streetcars, buses, park-and-ride facilities or other capital facilities (shelters, "Bus Rapid Transit" improvements, etc.).

Community projects.—Support neighborhood quality of life and remedy unsafe conditions by funding improvements to local major streets and to bike, pedestrian and trail systems. Although local in scale, the effect of these projects is felt regionally in providing transportation choices and in reinforcing local districts or neighborhoods.

State agencies and local governments were interviewed by the Task Force and by a Projects Subcommittee, which, in the middle portion of the group's 6-month effort, focused on a possible project list. An initial project list for each of the three categories was drafted by the subcommittee and reviewed and approved for further research by the full Task Force.

REVENUE MEASURES CONSIDERED

The Revenue subcommittee examined a variety of potential revenue sources for the three project categories, including:

—Tolls and other direct user charges;
—Tax Increment Financing;
—System Development Charges;
—Transportation Utility Fees;
—Vehicle Registration Fees;
—Fuel taxes;
—Parking taxes (levied on parking spaces for business and commercial uses);
—General Obligation Bonds supported by property taxes;
—Payroll taxes;
—Vehicle excise taxes (levied as a percentage of vehicle sales price); and
—General retail sales taxes.

The subcommittee ultimately recommended that the Task Force test the feasibility of five funding mechanisms, three for highway and community projects and

two for transit projects. This segregated approach to revenue measures is necessitated by Oregon's Constitutional limitation on the expenditure of vehicle-related revenues.

During its deliberations on possible revenue measures, the Task Force met with Representative Bruce Starr, who led transportation funding efforts in the 2001 session, and who is developing legislative concepts for the 2003 Legislature Assembly. Rep. Starr indicated that he plans to seek an increase in the State gas tax and the vehicle registration fee, with the proceeds to be directed into bridge repair, maintenance and capital improvements.

PUBLIC OPINION POLLING

The Task Force contracted with Davis, Hibbitts & McCaig, Inc. (DHM) to conduct a survey of preferences and priorities for transportation projects and funding proposals among motivated voters in Clackamas, Multnomah, and Washington Counties. This telephone survey was conducted during November 2002.

The sample size for the survey was 500 registered voters voting in at least two of the past four elections. Respondents were 18 and over and proportionately selected to reflect the population of the metropolitan area. The survey tested individual projects and revenue sources, and a variety of packages which combined them.

A package approach.—All of the packages of transportation improvements described to poll respondents received very high levels of support, and every specific project tested in this survey received majority support from these respondents. However, each of the three packages—as well as the full package encompassing all three of the strategies—generally fared better than individual projects. This indicates that the traveling public perceives transportation solutions from a regional perspective.

An appeal to balance.—The citizens of the region strongly support the proposed projects, as well as an approach to transportation investment, which provides a choice of modes, as shown by the following table:

Transportation packages	Support (percent)	Oppose (percent)
Transit Projects	74	25
Highway Projects	80	20
Community Transportation	76	24
Total Package	78	19

The support for each package was very strong and comparable (74–80 percent), for the transit, highway and community projects. The general public appears to recognize the value of multiple strategies to address the region's transportation demands.

Geographic differences are not as pronounced as initially anticipated.—All of the respondents, regardless of where they lived, had an overarching preference for a balanced approach incorporating each of the three approaches. Multnomah County and Portland respondents expressed very strong (approximately 80 percent) support for the transit package, while still supporting the road package by more than 70 percent. Citizens in Washington and Clackamas Counties reflected the opposite dynamic, supporting the road package by 85 percent, while still supporting the transit package by more than 70 percent.

Though survey respondents were more likely to support projects near where they lived, the support level was generally not that much greater than the community at large. This may reflect a growing sense of connectedness citizens feel in the region based on commuting patterns or other factors.

Funding options.—The poll suggests that the vehicle registration fee is a promising revenue source for the road-related needs. Because of the restrictions of the State Constitution, road-related funds are not available for transit. Among the sources tested for transit investments, none currently have majority support. The Task Force believes that the General Obligation bond has the highest likelihood of voter approval.

Overall guidance and conclusions from the poll.—While the survey suggests that there is not a clear majority which supports any given revenue measure, the data suggest that a successful measure can be crafted. The combination measure of a General Obligation bond for transit projects and a Vehicle Registration Fee increase for highway and community projects polled higher than any of the other options to fund the package.

DELIBERATION AND DECISION

The Task Force reviewed its proposed projects and revenue measures. They did this considering their charge, the region's policies and capital project needs as described in the Regional Transportation Plan, the Task Force's own objectives and criteria, and the findings of the public opinion poll. Recommendations were discussed, drafted and approved as follows:

RECOMMENDATIONS

The Transportation Investment Task Force submits the following recommendations to the Metro Council:

Recommendation No. 1: Adopt the Task Force's proposed package of projects and revenue sources, and move it to voter approval as a package.—Following the charge given by the Metro Executive Officer, the Task Force has developed, and recommends that the Metro Council support a package of highest-priority transportation projects consisting of $270 million in highway and community transportation investments and $251 million in transit improvements. The recommended package is modally balanced in its approach and supports the livability of the region's communities in meeting critical transportation needs throughout the region.

The package includes three components—a highway portion, a transit portion, and a more localized, community-level set of projects. These projects are all found in the adopted Regional Transportation Plan, but merit particular attention because they enjoy high levels of public support and will significantly and visibly make progress in improving the region's transportation system. The Task Force believes that the public will be more inclined to support a package that includes a combination of highway, transit and local improvements which distributes its benefits across many areas of the region.

Recommended Highway Projects

The Task Force recommends a combination of highway investments which are intended to move regional freight, help alleviate traffic congestion, and support the livability and economic growth of the region. The package includes widening four sections of the regional highway system from a current four-lane configuration to six lanes: Highway 26 to 185th Avenue, I–5 in the Delta Park area of North Portland, Highway 217 from Highway 26 to I–5 in Washington County, and I–205 from West Linn to its interchange with I–5. The Task Force also recommends building two new planned facilities, the "Sunrise Corridor" in Clackamas County and a connector road between I–5 and Highway 99W near Tualatin. The recommended highway package assumes funding from State, Federal, and regional sources—some of it new revenue—to match the regional commitment:

[In millions]

Project	New Task Force funding
I–5 North	$41
Highway 217	30
Sunset Highway	20
Sunrise Corridor	40
I–205	29
I–5/99W Connector	30
TOTAL	190

The new regional funding is expected to leverage $60 million in Federal funding and more than $400 million in new State funding.

Recommended Community Projects

This component of the package helps ensure that transportation investments are made not just in large, regional facilities, but also "close to home," building projects which improve safety, relieve congestion "hot spots" and support neighborhood commercial districts. Examples are provided below, but the community projects portion of the package will require additional definition, since the Task Force has recommended a total amount and general categories without selecting each individual project. This process should be completed prior to sending measures to the voters.

[In millions]

Community project categories	New Task Force funding
Neighborhood congestion ''hot spots''	$30
''Main Street'' boulevard improvements	35
Sidewalks where lacking	15
TOTAL	80

Examples of community projects:
—Construct sidewalks on Capitol Highway in Southwest Portland;
—Improve the intersection of Murray Blvd. and Tualatin Valley Highway;
—Redesign Hwy. 8 in downtown Forest Grove as a community Main Street;
—Construct sidewalks on Railroad Avenue in Milwaukie;
—Redesign Tacoma Street between the Sellwood Bridge and McLoughlin Boulevard as a community main street;
—Improve the intersection of Beaverton-Hillsdale Highway, Scholls Ferry Rd. and Oleson Road;
—Improve the intersection of Sandy Boulevard, Burnside and 12th Avenue;
—Construct sidewalks on 92nd Avenue between Powell and Foster Roads;
—Reconstruct Grand Avenue and MLK Boulevard in the Central Eastside as a community main street;
—Construct sidewalks on Murray Boulevard between Scholls Ferry Road and Tualatin Valley Highway;
—Improve the intersection of Macadam Avenue and the Sellwood Bridge;
—Construct sidewalks on First Avenue from downtown Hillsboro to Glencoe High School;
—Redesign NE 102nd Avenue in the Gateway district as a community main street; and
—Construct sidewalks on Fuller Road between Canyon and Harmony Roads.

The Community Projects portion of the package is expected to leverage almost $40 million of Federal funds and $40 million in other local contributions.

The Task Force recommends funding the highway and community projects in this package by a regional vehicle registration fee of $15 per year.

Recommended Transit Projects

The Task Force recommends a package of transit improvements, which includes building light rail from downtown Portland through Southeast Portland neighborhoods to Milwaukie, a "bus rapid transit" corridor along 99W/Barbur Blvd., and connecting the planned Washington County Commuter Rail project to the Washington Square mall and assisting in the funding of light rail along I–205 from the Gateway district to Clackamas Town Center mall. We have assumed a combination of Federal and local funding sources to pay for the full capital cost of these projects, with new funding coming in the form of a General Obligation bond measure supported by a property tax rate of approximately $0.25 per thousand of assessed value. This commitment of new regional funding to transit projects is expected to leverage approximately $900 million in other Federal and local funds. The light rail projects assume Federal project support at a 60 percent level. The Task Force also recognizes the need to increase the amount of revenue available for operation of the transit system due to the growing population and capital projects expansion.

[In millions]

Project	New Task Force funding
Downtown Portland/SE Portland/Milwaukie Light Rail	$185
Bus Rapid Transit on Baurbur/99W	20
Washington County Commuter Rail—Washington Sq. Connect.	10
Assist in Funding I–205 Light Rail	36
TOTAL	251

Recommendation No. 2: Create an accountability committee of Task Force members and other interested citizens to maintain the basis of the Task Force's recommendations in the community, and to thus improve public acceptance.—Numerous surveys have shown, and recent experience has confirmed, that one problem facing transportation funding measures is a "credibility problem" of public agencies. Warranted or

not, many citizens perceive that transportation agencies do not use current funds efficiently and therefore are wary of approving any additional funding. Providing oversight by a body of citizens could help ameliorate this concern and improve the package's chances of success. This nongovernmental oversight group should also assist in explaining the projects' benefits to the public and in assuring that the projects are delivered on time and on budget.

Recommendation No. 3: Ask the Task Force members to consider further service in the next phase of this effort.—Although the Transportation Investment Task Force's members were asked to make a 6-month commitment, the level of involvement and interest in this project by Task Force members is notable. This is a citizen resource that the Metro Council should continue to utilize. Many Task Force members would be willing to further assist the Metro Council and help implement these recommendations.

The unique value of the Task Force as a primarily volunteer and private sector-based group working outside of the customary governmental process should be retained as well. This effort has been a successful example of a new approach.

Recommendation No. 4: Actively participate in the legislative process during the 2003 session of the Oregon legislative assembly and in congressional deliberations.—The recommendations of the Task Force can only be fully accomplished if there are additional State and Federal funds available to leverage the proposed local resources. The Task Force should take an active role in advocating at the State and Federal level for additional funding for these projects.

The Task Force recommends that a dialogue be continued with State legislative leaders and other interests who are planning a transportation funding effort in the next session. The Task Force believes that a coordinated effort is possible and mutually advantageous, and that the funding measures proposed for the metropolitan area are compatible with the measures currently being discussed for statewide application.

The Task Force also recognizes the need for the 2003 Oregon Legislature to authorize an increase in the Tri-Met payroll tax, which will be needed to meet growing capital and operating needs in the transit system.

Recommendation No. 5: Refine the list of projects and the selected revenue measures once new information is obtained.—Federal transportation authorization and appropriation measures will be considered next year, at the same time that the Oregon Legislature will be considering transportation funding issues. The outcome of these deliberations will affect the Task Force's recommendations. In addition to questions about State and Federal funding which should become clearer over the next 6 months, the Task Force believes that further research will be needed to refine the package, to better understand public attitudes about transportation generally, the proposed projects in particular, and the types and amounts of revenue measures being proposed.

LETTER FROM JIM HOWELL

Portland, Oregon, August 26, 2003.

Senator PATTY MURRAY,
Senate Transportation Appropriation Subcommittee.

DEAR SENATOR MURRAY: This letter is intended to be part of the record of the Sub-Committee's Hearing held on August 13, 2003 addressing the transportation problems affecting the Southwest Washington/Metropolitan Portland region.

BACKGROUND

In January 2001, the States of Oregon and Washington started a project called the Portland/Vancouver I–5 Transportation and Trade Partnership to address the growing concerns about congestion in the I–5 corridor between I–84 in downtown Portland and I–205 north of Vancouver.

The Project Task Force's final recommendation is to widen I–5 to a maximum of three through lanes in each direction and build a new supplemental or replacement bridge across the Columbia River with up to two additional lanes in each direction and two light rail tracks. They also recommend adding rail capacity by pursuing rail infrastructure improvements required to accommodate anticipated 20 year freight rail growth in the I–5 Corridor while allowing for eight additional intercity passenger trains.

COMMUTER RAIL

Commuter rail was not a recommended option, not because it was looked upon unfavorably, but because the I–5 Rail Capacity Study which was done as part of this project, determined that there was insufficient capacity through Vancouver Yards, North Portland and over the existing railroad bridge for commuter rail service.

We strongly believe that commuter rail is needed, in addition to light rail and more local road capacity if we are going to permanently solve the transportation problems in this corridor. We wish to point out that commuter rail does not "compete" with light rail. The two can work hand-in-hand to serve Clark County and Vancouver. They work together by connecting to one another—serving different sets of commuters based on origin and destination of those commuters. Because of this, many more persons can find a rail line close to their home, within walking distance or a short car drive. Commuter traffic on I–5 goes down as a result, freeing up capacity for freight on I–5. Stations can provide for transfers between light rail and commuter rail, creating a network serving central Vancouver and connecting to the extensive light rail system throughout the Portland Metro area that now includes not only downtown Portland, but the Portland International Airport. The net effect will be a dramatic reduction in commuter traffic by automobile in the I–5 corridor.

The I–5 Transportation and Trade Partnership Task Force is correct to put the light rail connection to the Portland system as a high priority. However, the substantial potential for commuter rail should not be ignored. This is the primary reason we are proposing a Vancouver-North Portland Passenger Rail Bypass that would, in addition to providing capacity for commuter rail, accommodate more high speed Cascade Corridor and long distance trains than is possible with the Task Force's recommendations. It also would greatly increase freight rail capacity by removing all passenger trains from BNSF's most congested tracks in Vancouver and North Portland.

We offer the attached map (Figure 1) as an example of a passenger rail bypass in the existing rail corridor. Another example could put it further east next to I–5.

Two commuter routes, one north to Ridgefield or Kelso, and another east to Washougal (Figure 2) would greatly reduce long distance highway commutes, thus reducing congestion on I–5 and SR500. These commuter trains would more than double the total number of passenger trains currently projected for this corridor over the next 20 years.

These commuter lines could come into Union Station, but a decided preference would be a new rail station on the East Side of the River next to the Rose Quarter. Here, commuter trains can connect with all light rail lines including direct rail service to the Portland Airport. The beginnings of a true regional rail system could finally include Clark County and Vancouver, and this time by two different rail modes that would connect to each other in downtown Vancouver.

Another advantage of a new passenger rail bridge over the Columbia is that it could accommodate, at minimal cost, a roadway on an upper deck connecting the West Vancouver truck traffic from Mill Plain Blvd. with N. Marine Drive near the Rivergate industrial area. This too will help trucks stay out of the heavy commuter traffic across the I–5 Bridge, and will give them much faster passage from Vancouver's industrial area to that of Portland.

HIGHWAY IMPROVEMENTS

I–5 and I–205 are the only options available for local travel between Oregon and Washington. The fact that there are 12 freeway lanes, with no alternative options, is one of the fundamental reasons for the horrendous traffic problems on I–5.

Why is there no longer any arterial street access? U.S. Highway 99, the primary highway between Portland and Seattle, used to follow Interstate and Denver Avenues to Jantzen Beach and Vancouver. This arterial connection was severed in the 1960's when the Minnesota Freeway (now I–5) was built. Access to Hayden Island became a freeway interchange and Denver Avenue dissolved into the freeway. It remains this way today.

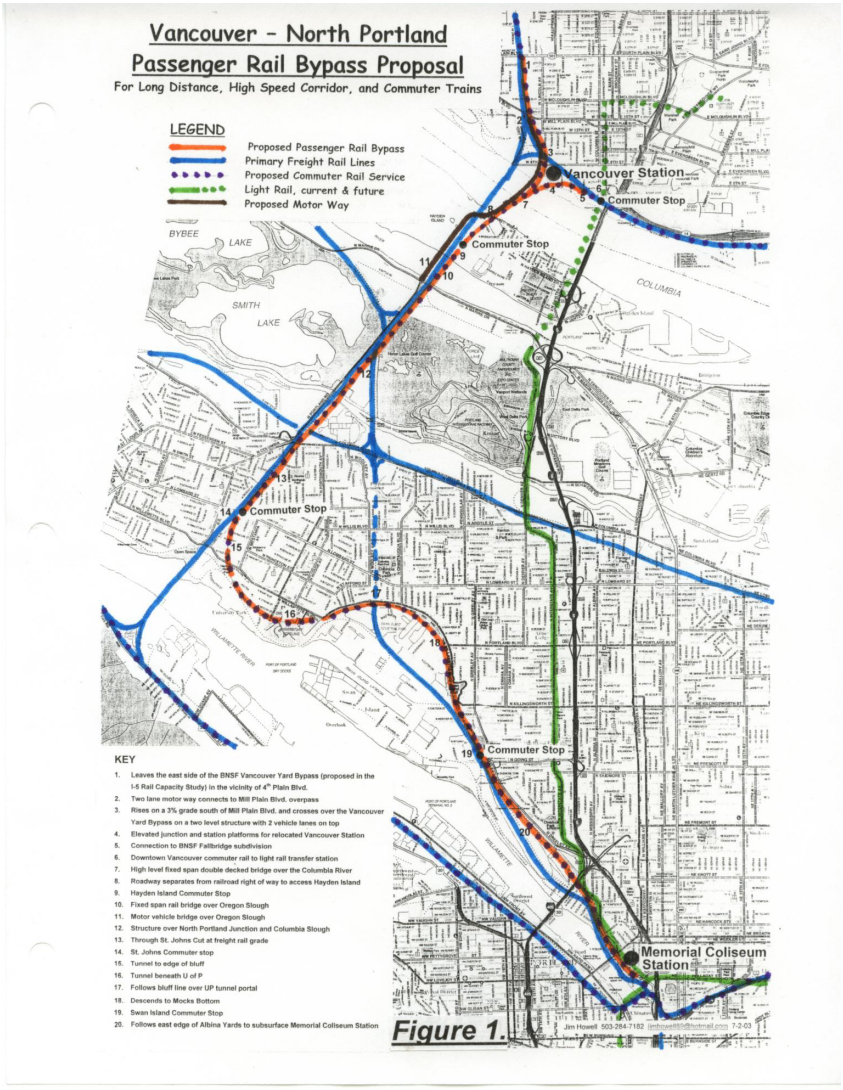
Many of the traffic snarls in this area, caused by local traffic entering the freeway, could be resolved without widening I–5. The most obvious solution is to disconnect Denver Avenue from the freeway and re-establish its connection to Hayden Island and Vancouver via local arterial lanes on the new bridges needed for light rail. The freeway could be streamlined to provide three through lanes on the existing southbound bridge span by providing an auxiliary lane to I–5 on the light rail bridge from downtown Vancouver and SR14. Local access lanes between downtown Vancouver and Hayden Island would negate the need for a northbound freeway ac-

cess from Hayden Island which currently reduces the effective capacity of I–5 to two lanes on the northbound bridge (see Figure 3).

Providing an integrated light rail, freight rail, commuter rail and highway solution to the transportation problems rather than a fragmented effort that deals with the various modes separately will more efficiently solve the transportation problems affecting the Southwest Washington/Metropolitan Portland region.

Cordially,

JIM HOWELL.



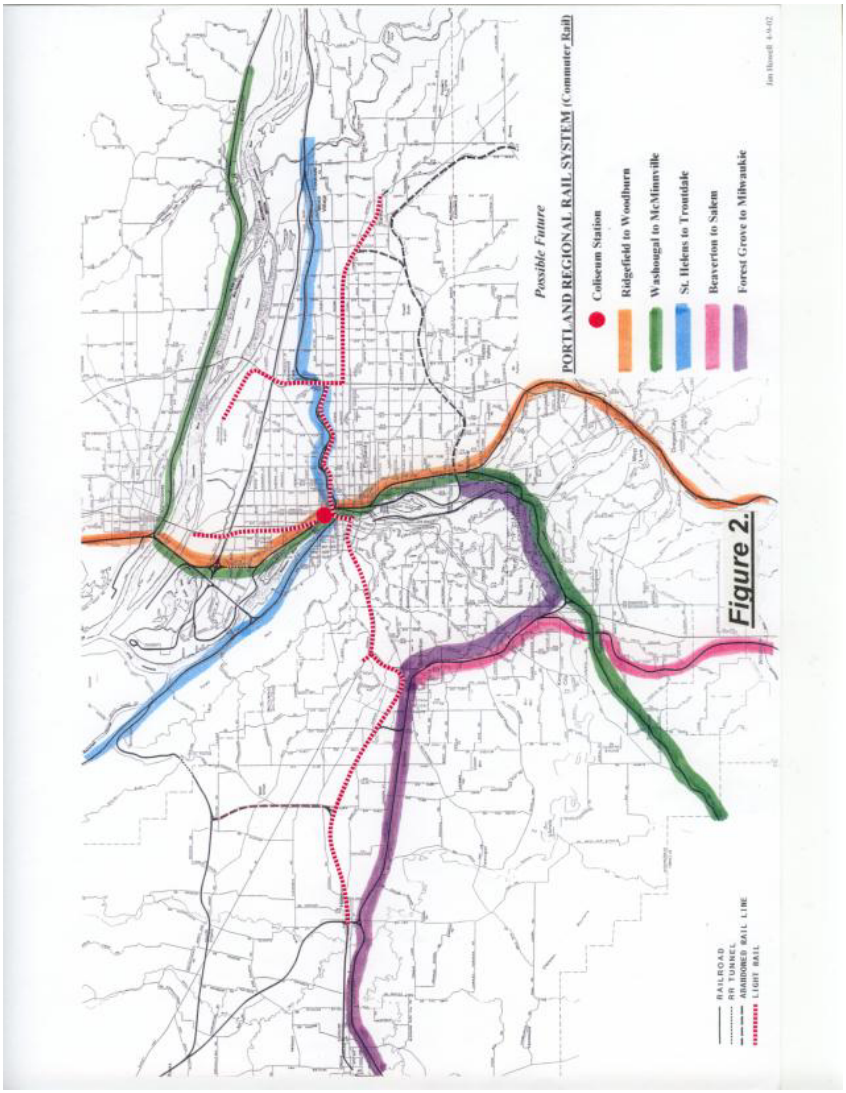
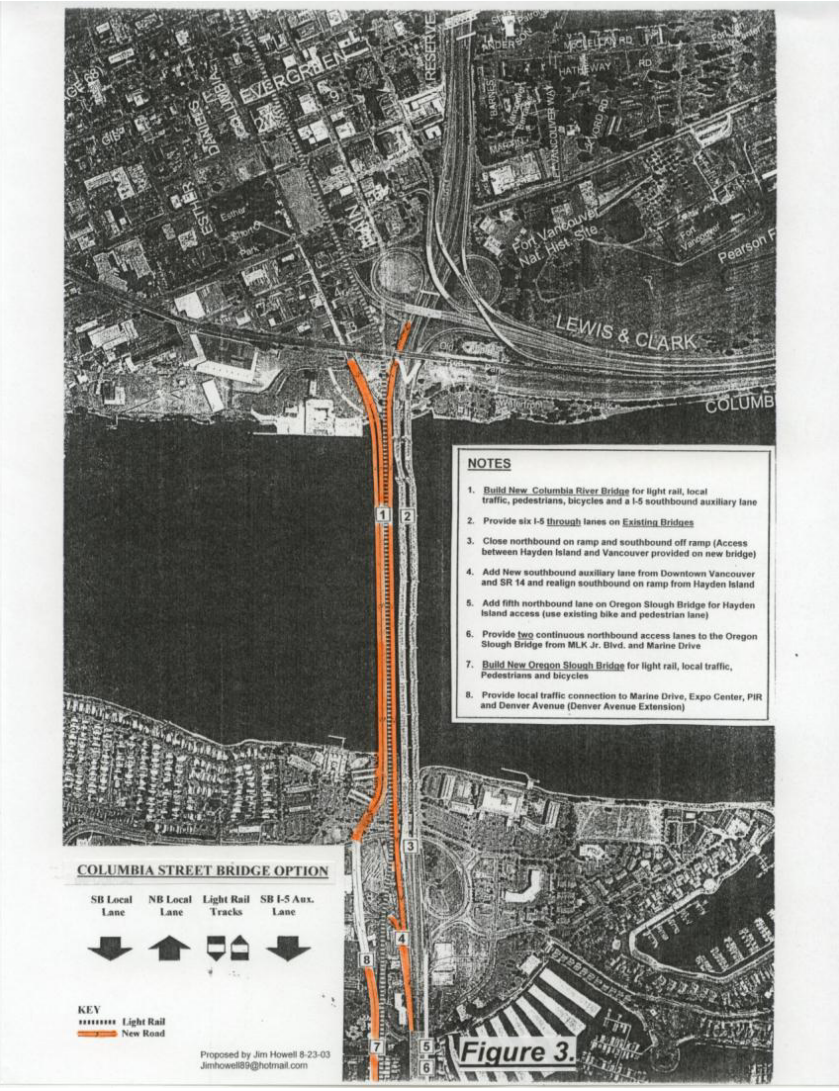

Possible Future
PORTLAND REGIONAL RAIL SYSTEM (Commuter Rail)
Coliseum Station
Ridgefield to Woodburn
Washougal to McMinnville
St. Helens to Troutdale
Beaverton to Salem
Forest Grove to Milwaukie
RAILROAD
RR TUNNEL
ABANDONED RAIL LINE
LIGHT RAIL

Figure 2.



CONCLUSION OF HEARING

Senator MURRAY. With that, this does conclude the field hearing. The subcommittee is recessed according to the call of the Chair. Thank you very much.

[Whereupon, at 12:26 p.m., Wednesday, August 13, the hearing was concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]

○