

International Trade and Logistics Trucker Training Program Work Team Report

Work Team:

Karen Goddin – convener; Kathryn Williams and Susie Lahsene, Port of PDX, Janet Fratten, Worksystems, Inc.,

Charge: Provide further analysis and implementation of Trade & Logistics Steering Committee recommendation (2D) regarding truck driver training and career marketing efforts.

Oregon’s solution has been to motivate interest and opportunity in our industry by providing loans of up to \$3000 to help new drivers cover some of the cost of training through the Oregon Truck Driver Loan Program. This revolving loan program was established through the Oregon Legislature and originally funded with a \$386,000 grant. Interest in the program has been strong, and there was a need to add additional funding due to the slow

loan repayment schedule.

Accomplishments (or Recommendations): Oregon Legislature allocated recommended amount of \$250,000 in recognition of the driver need and certified schools now have an opportunity to help these potential students receive loans through the program. The Oregon Department of Administrative services (DAS) received the funds and the monies were fully disbursed covering the costs of training about 50 new drivers. As these loans are repaid, on-going loans will become available beyond the original principal. WorkSystems Inc. is the fiscal agent, and Oregon Trucking Associations manages the program.

All the active truck driving schools in Oregon participate in this program. This includes all of the private trade schools; IITR, Western Pacific, and Elite truck schools as well as the truck schools offered through our community college systems. Several other community colleges have partnered with IITR to provide truck driver training in their local areas.

As part of this process, all of the schools are now recognized as Professional Truck Driver Certified schools with Certified Trainers and Master Trainers, as well as updated curriculum and assessments.

Next Steps (Legislative Proposals, Agency Actions, Follow-on Study):

None at this time.

Valley Intermodal Transfer Facility Study Work Team Report

Work Team: Chris Cummings, Business Oregon (IFA), Convener; Jackie Mikalonis, South Valley Mid Coast Regional Coordinator, Regional Solutions Team (RST), James LaBar, Mid Valley Regional Coordinator, RST, Jae Pudewell, RST Liaison, ODOT, Marc Zolton, Business Oregon, Terry Fasel, Oregon Department of Agriculture, Robert Melbo, State Rail Planner, ODOT, Daniel Porter, ODOT.

Charge: Further analysis and implementation of T&L Steering Committee recommendations:

3A – New Intermodal Transfer Facility Feasibility Study in Mid-Willamette Valley;

4A – Transportation/Shipper support from Regional Solutions Teams

There has been interest among shippers, legislators, and other stakeholders in exploring the establishment of a new rail intermodal yard in the Willamette Valley to reduce transportation costs and truck congestion.

Initial analysis of this concept was undertaken as part of the Trade and Logistics Initiative. The analysis provided case studies that offered valuable insight into historical issues associated with the creation of new intermodal yards. Additional analysis and discussion with key stakeholders is recommended.

Accomplishments (or Recommendations):

The second proposal, a feasibility study for a new intermodal rail facility, is driven by the strong interest exhibited for an inland transfer facility in the central Willamette Valley from the Trade and Logistics Workshops. An intermodal yard provides a facility to load exports from truck to rail at a point closer to many of Oregon's agriculture and forestry producers. This will help Oregon products use existing rail corridors and avoid long, over-the-road truck hauls to Puget Sound ports.

Oregon Legislature allocated \$100,000, as recommended by T&L Steering Committee report, for a feasibility study. Effort was led by State Sen. Lee Beyer with support from ODA, ODOT, RST, Oregon Seed Industry, Oregon Straw/Fiber Industry, A&E Railroad, City of Lebanon, Pennington Seed, Ore-Gro Seed, Lowe's, the timber industry, Boshart Trucking and Teledyne Wa Chang. Money sent to Infrastructure Finance Authority (Business Oregon) for disbursement.

IFA hired EcoNorthwest to conduct the feasibility study due to be completed by November 18, 2016.

Next Steps (Legislative Proposals, Agency Actions, Follow-on Study)

- The consultant, EcoNorthwest, began work in July. A Steering Committee was formed to manage the consultant's work. In addition, an informal TAC will be formed and the steering committee will approve Phase One and the scope for Phase Two.
- ECONW provided a PPT presentation for Phase One to the Steering Committee on August 11th.
- Steering Committee agreed that no specific locations or sites will be recommended by ECONW in the study. ODOT will work with ECONW to develop a set of criteria for examples of locations to use in the analysis.
- ECONW will deliver a Business Case that showcases a few ways of establishing an ITF that includes scenarios where the ITF can function successfully without government incentives.
- Steering Committee approved constant's Phase 2 scope of work on Aug. 11. Consultant scheduled to complete its work by early December.

A report on the consultant's study is due back to the Legislature in 2017.

Policy and Regulatory Issues Work Team Report

The Policy and Regulatory work team was assigned eleven (11) work items from the final T&L Report and during the process added a new item. The team met four times over the spring and summer of 2016.

Below is the summary of each work team item and recommendations from the work team.

Work Team Items:

2A Existing Intermodal Container Facilities

The team recommends that adequate multimodal freight funding in the ConnectOregon program should be a policy priority for the legislature. While the team acknowledges and supports funds for non-highway passenger movements, there is concern that potential important freight investments are not being funded due to limited funds and increased competition between freight and non-highway passenger movement needs. This could be a policy area for the legislature to consider.

The Team Recommendation:

- ***The team recommends that this policy item title change to ConnectOregon Program Enhancements.***
- ***The team recommends that a policy change be suggested as part of the next Connect Oregon legislative decision that creates a separate fund each for freight related investments and non-freight (transit, bike, walk). The team recommends that the primary focus and funding levels from CO directed towards the many freight challenges and needs of Oregon.***
- ***Consider clarifying the considerations in the CO legislation for freight to ensure that certain mobile assets such rail cars can compete fairly.***
- ***Continue to promote making the CO program permanent as a valuable tool to address needed freight and economic needs of the state and support increased funding for the program, returning to the preferred \$100 million funding level, – with priority for the Freight portion of the program.***
- ***Work with the Oregon Transportation Commission to clarify and further define the meaning and expectations of the statutory considerations of the CO program. Develop clear guidance and training to modal staff and the various reviewing committees of these meanings and expectations. Consider piloting cross modal review teams rather than mode specific process as is used currently with the goal of gaining broader views of proposed project benefits.***
- ***Continue to promote partnerships similar to those discussed in item 2F.***

2F Truck Driver Shortages

The team validated the T&L assessment of this item and acknowledged the effect of driver shortages to the State of Oregon. OTA informed the team that nationally there is a shortage of truck drivers today of 40,000 and that up to 50% of the current drivers will be eligible for retirement in 5 years.

The Team Recommendation:

- ***This policy item needs to be broadened beyond age, to truck driver shortages. Age limits may be one part of the solution, but much more is needed.***

- ***Oregon should develop a multi-state compact with Washington, California, and Idaho to allow younger truck drivers to operate in and between these states. ODOT's Motor Carrier Division should lead this effort.***
- ***The Truck Driver Training and Career Development Work Team should lead other actions. This team suggests the following ideas and concepts be considered:***
 - ***Promotion of trade schools at the college and high school levels***
 - ***Develop career development programs across public and private sectors***
 - ***Tuition assistance programs***
 - ***Marketing strategies to promote truck driving careers***
 - ***Encourage private sector to improve and strengthen compensation and benefits to drivers***

2G Weight Limit Exemptions in Rural Oregon

The team members believed this particular item is a regional issue only and mostly related to a certain commodity). The team also validated that there is a process for oversized (including weight) vehicles for moving on state highways and that process is sufficient to address specific load needs.

The Team Recommendation:

- ***The team does not recommend any action for this particular work item***

2H Truck Driver Hours of Service

The team members agreed this particular regulatory issue is significant for Oregon. OTA reported that at the federal level, there were discussions about modifying the hours of service regulations as part of the recent federal legislation, but it did not get added. OTA is working at a national level with other stakeholder groups to attempt to address this issue.

The Team Recommendation:

- ***This is a Federal issue that the state does not control and recommends that OTA and other trucking interests continue to work at the federal level to modify the regulations.***

2I Trucker CDL Requirements

The team validated that this particular work item is strongly linked to work item 2F – now Truck Driver Shortages, as the CDL requirements are connected to the truck driver shortage need.

The Team Recommendation:

- ***In addition to combining this work item with the recommendations from 2F Truck Driver Shortages, the team recommends that Oregon Trucking Association work with Oregon stakeholders and the ODOT MCTD in responding to and informing federal rules.***

4A Governor's Vision Panel Recommendations

The team agreed that the entire T&L initiative should continue to promote and support the recommendations contained in the Governor's Vision Panel Recommendations. The team also agreed that the other policy and regulatory work items addressed by this team will help promote and support those recommendations. The team also believes the private sector should play a critical role in helping inform implementation of those recommendations.

The Team Recommendation:

- **No additional recommendations at this time.**

4B Freight Bottlenecks

This policy item generally is focused on highway system freight bottlenecks. ODOT representatives shared some of the ongoing work they are doing as part of ensuring Oregon is in compliance with Federal legislation (FAST – transportation funding legislation). As part of that work program ODOT has already embarked on a process to define and develop an inventory of highway freight bottlenecks. ODOT will also be prepare freight needs for Intermodal Connector facilities (often referred to as the first and last mile segments), as well as needs for rail freight, port freight, and air freight.

The Team Recommendation:

- **The work team decided this is important work, but they mainly want to be kept informed of the progress of the ODOT work. They also suggested ODOT consider ways to involve RST's and ACT's in the process.**

4C Heavy-Weight Truck Routes

This policy item is mostly focused on the important first and last mile segments and connections to intermodal facilities. ODOT is doing some work in this area discussed as part of item 4B already.

The Team Recommendation:

- **Similar to item 4B, the work team decided this is important work, but they mainly want to be kept informed of the progress of the ODOT work. They also suggested ODOT connect with work completed at the local level – primarily with Metro and City of Portland which has completed recent freight planning activities that could help inform this policy item.**

4D Investment in Oregon's Multi-Modal Freight System

The team strongly supported the need for multi-modal system investment and believed this item had similarities to work item 2A – changed to Connect Oregon Program Enhancements. During the discussions the team discussed the need for this item to focus on marketing the importance of freight to Oregon. This was expressed by the desire to modify the title of this work item to the Importance of and Investment in Oregon's Multi-Modal Freight Transportation System. Some of the key aspects of the marketing strategy were:

- *Effects to the economy*
- *Need to overcome the negative perception of freight – “Get rid of all those trucks!”*
- *Freight has a strong relationship to jobs – freight directly dependent and indirectly related.*

- *Private sector in addition to state agencies such as ODOT, OBDD, ODA etc. need to jointly promote the importance of freight and the need for investment.*
- *The marketing strategy (campaign) needs to leverage the key messages from other work items such as 4G, 4E, 2A and others.*
- *Any marketing effort must be a fully coordinated and funded campaign with clear and concise messages about the benefits and importance of freight.*
- *There was even some discussion about changing the title of this item to Marketing the Importance of Freight Infrastructure.*

The Team Recommendation:

- ***The Communication and Marketing Work Team should develop refined recommendations utilizing the concepts and principles outlined above.***

4E Monitoring of International Trade and Transportation Performance

This item discusses the potential role of the Oregon Freight Advisory Committee (OFAC) as the group to monitor freight performance and overall effectiveness of implementation of the T&L recommendations. The team believed that OFAC is an appropriate group to take on this function. However, the team did want to ensure that OFAC had the ability to reach out and connect with the broader freight community and maintain a strong connection to Department of Agriculture and the Oregon Business and Development Department. The team then discussed potential tools to help with the monitoring, and most of the discussion was around various data, performance indicators, and reporting. The team suggested a system of key Dash Boards might be beneficial, recognizing they may need to be implemented in phases. The team recognized this will require the state to share data between agencies, such as OBDD, ODA, and ODOT as well as other public/private data such as ports and USACE.

The Team Recommendation:

- ***OFAC should lead the conversation and bring in others as needed to help identify the potential indicators that are meaningful in describing the health of the freight system, work with agencies to identify potential data sources (including potential private sources), guide development of freight performance dash boards and where best to make information available, and develop implementation priorities as well as support funding needs. Suggest OFAC start with a small set of meaningful measures first (value added) and develop a phased in approach recognizing data and resources are limited.***
- ***OFAC should lead the effort to seek resources to implement including financial, data, and staff.***

4G Transportation Shipper Support from RST's

The team discussed the potential issues that were described in the report and items that have been shared with RST's recently. These include:

- *Load weight limit – particularly across borders. Recognition that Oregon's weight limits do not always match our neighboring states.*

- *Shortage of agriculture truck chassis to handle the weight of some products and various strategies and concerns to address the shortage.*

Based upon discussion, the team believed the RST's can often play a critical role in helping to facilitate discussions.

The team recommendation:

- ***RST's communicate key statewide freight messages, issues, concerns, etc. to local stakeholder groups where appropriate.***
- ***RST's should look for opportunities to serve as collaborator or facilitator in promoting transportation systems that fully consider freight needs. Generally these efforts are best if they are driven from local/regional interests, including industry representatives, ports, shippers, logistics, etc.***
- ***The Oregon Freight Advisory Committee (OFAC) Chair or other representatives meet annually or biennially with RST coordinators to discuss freight priority topics and needs. RST's would then consider these in helping to prepare their work plans.***
- ***RST's should share their work plans with OFAC.***
- ***While this policy item focuses on communication with RST's, the Policy and Regulatory Work Team recommends the Communication Work Team continue to look for other connections to share and leverage information exchanges such as ORULE and OPPA, and others.***

New Land Use Policies and Issues

A number of concerns around this issue were discussed. One example is a concern around compatible land uses such as residential areas near industrial freight generators. Recognition of trucks mixing with other users and system needs. The team agreed that land use issues and policies could have significant effect to freight system mobility. The team did recognize that this is a very large topic and keeping the scope of discussions and recommendations to the freight issues could be challenging.

The Team Recommendation:

- ***Recommend ODOT, DLCD, OBDD, and ODA leadership regularly meet to discuss potential land use and freight transportation compatibility and guidance. Ensure information flow works both directions between the field staff of these agencies and their leadership structure.***
- ***ODOT should continue with its current efforts to update the Transportation System Planning Guidelines that help provide direction to local and regional jurisdictions about how to align land use and transportation systems, particularly expanding the discussion of freight system needs.***
- ***RST's should seek opportunities to help facilitate conversations locally and regionally to improve freight and land use compatibility solutions and recommendations.***
- ***ODOT should encourage MPO's to engage their local jurisdictions as appropriate to promote freight and land use compatibility solutions and opportunities. It is recognized the MPO's (except Metro) do not have land use authority, however they can help provide data and a regional perspective to these issues.***

Port Shipper Solutions Work Team Report

Charge:

Provide further analysis and implementation of T&L Steering Committee recommendations, including:

- 2B. Container Satellite Yard to Support Westwood Terminal 6 Service
- 2E. Mid-Willamette Valley Container Reuse Pilot
- 3B. New Metro Area Satellite Container Yards **(on hold)**
- 3C. Return of Columbia River Container Barge Service
- 3D. Boardman Rail Service Support
- 3E. Portland Cold Storage and Transload Opportunities **(on hold)**
- 4A. Transportation/Shipper Support from Regional Solutions Teams

Work Team Members: Seb Degens, Rob Smith, Greg Borossay – Port of Portland; Terry Fasel, Oregon Dept. of Agriculture

Accomplishments or Recommendations:

2B. Container Satellite Yard to Support Westwood Terminal 6 Service – The Port worked with Portland Container Shipyard to create a staging area for containers using Westwood’s monthly westbound container service. This yard remained active between restart of the Westwood service in August 2015 to suspension of this service in May 2016. This yard has resumed its main focus as a container depot for empties for all the primary ocean carriers.

2E. Valley Container Reuse Pilot – This pilot program was created by the Port working in partnership with Lowe’s Regional Distribution Facility in Lebanon. The goal of the pilot program was to match some of the 100-200/week Lowe’s import containers with agricultural exporters in the Valley. Lowe’s corporate headquarters endorsed the pilot as a national model for cost and energy savings through two-way utilization of containers. This effort was launched in February 2016. A container reuse program is a complex proposition. There needs to be container size matching (20s, 40s, 40s high cubes and 45s), ocean carrier matching, and quick turnaround from import unloading to export loading. This program works best with 40 high cube containers. Due to education and logistics challenges, the volumes of containers moving from the Valley through this program has been limited – approximately 10 containers a week. The Port is actively working with exporters to grow these volumes. The primary Oregon agricultural user of this pilot program at present is Valley Hay and Georgia Pacific. Other interested shippers include: Bossco Trading, OREGRO, and Smith Seed. The Port has expanded its efforts to capture import containers from other sources, such as Tacoma Transload into Medford. All Lowe’s import carriers are engaged in this effort

3B. New Metro Area Satellite Container Yards – No action at present as these yards would allow storage of containers using Terminal 6 service.

3C. Return of Columbia River Container Barge Service and 3D. Boardman Rail Service Support – The rail/barge shuttle was launched in November 2015 as collaboration between the Port of Portland, NW Container, Tidewater Barge, Port of Morrow and Port of Lewiston to move cargo to Portland to Puget Sound ports. Approximately 80-100 containers move by NW Container rail each week out of the Port of Morrow carrying Oregon agricultural products. Barged products from the Port of Lewiston can add to these volumes when in season. The primary agricultural users of the rail/barge shuttle are peas, beans, lentils, hay and paper products – high volume, high impact commodities for rural Oregon communities that rely on low cost barge/rail transport. The Port is actively working to recruit other rail shippers from Central Oregon. Oregon Hay is the primary Oregon shipper moving 45-50 boxes a week while Northwest Container Services moves 45-50 boxes a week of garbage that makes the weekly train service successful. A multi-carrier container pool has been established in Boardman to support the barge-rail shuttle (APL, Hyundai, Westwood, Yang Ming).

3E. Portland Cold Storage and Transload Opportunities – No action at present as this opportunity relies on active Terminal 6 container service.

4A. Transportation/Shipper Support from Resolutions Team – The Mid-Valley Regional Solutions Team has been very active in the Valley Intermodal Rail Yard Feasibility Study. The 2017 Legislature approved \$100,000 in funding for this study. Business Oregon is managing the contact with EcoNorthwest. Work on this initiative is discussed under the Valley Intermodal Rail Yard Work Team. Rep. Bentz in Ontario is working to develop a transload facility for Malheur onions and is consulting with the Port of Portland and Eastern Oregon Regional Solutions Team.

Next Steps (Legislative Proposals, Agency Actions, Follow-on Study):

Continue work on Valley Container Reuse Pilot, Columbia River Barge-Rail Shuttle, and other shipper solutions that provide the opportunity to move Oregon products to market efficiently and cost competitively.

Global Trade & Stakeholder Education Work Team Report

Work Team: Karen Goddin, convener; Marc Zolton, Business Oregon, Susie Lahsene, Lise Glancy and Doug Smith, Port of Portland, Jonathan Berndt, Expeditors International, Doug Badger, PNITA, Brenda Barnes, George S. Bush Co.

Charge: Further analysis and implementation of T&L Steering Committee recommendations:
4F – Sustaining Stakeholder Engagement;
4H – International Trade Initiatives; and
4L – Ongoing International Trade Education and Research

Accomplishments (or Recommendations):

Development of Key Messages in light of transportation funding discussion.

Helped Oregon Freight Advisory Committee (OFAC) deliver a letter containing key messages regarding funding statewide freight improvements to Joint Legislative Committee conducting statewide public hearings on future transportation funding.

Key Messages:

- Oregon is a trade dependent state. Businesses and industries that make up the local, regional and statewide economy rely on the state's location as a gateway to global markets by rail, air, highway and marine transportation.
- Our ability to compete with other countries and states is dependent on a multi-modal transportation system that can move goods, people, and services efficiently.
- International trade is a key growth strategy for Oregon businesses large and small.
- A functioning 21st century transportation system is fundamental for business success.
- Strategic investments in transportation could yield even higher value to the regional and state economy.

Next Steps (Legislative Proposals, Agency Actions, Follow-on Study):

Continue to look for opportunities to deliver key trade/transportation system messages to Oregon legislators as well as general public.

Shift to more trade-centric messaging focused upon the importance of trade to Oregon's economy and job creation following November 2016 election cycle.

Consider hiring a public relations/communications firm to design a specific campaign to promote the benefits of trade to Oregon's economic well-being.

Resolution of Terminal 6 Labor-Management Issues and Container Service Recruitment

Charge:

Further analysis and implementation of T&L Steering Committee recommendations, including:

- 1A. Resolution of Labor-Management Issues.
- 1B. Restoration of Weekly Container Service

Work Team Members:

Port of Portland and Governor's Office

Accomplishments or Recommendations:

1A. Resolution of Labor-Management Issues

In May 2010, the Port of Portland entered into a 25-year lease with ICTSI to operate Terminal 6 container facility. Almost a year after ICTSI began operation in February 2011, the ILWU Local 8 (ILWU) filed a grievance against ICTSI claiming the ICTSI was in violation of the Pacific Maritime Association-ILWU collective bargaining agreement because ICTSI was not assigning the plug/unplug and monitoring of reefers at Terminal 6 to ICTSI's ILWU employees. After a full evidentiary hearing, the National Labor Relations Board (NLRB) awarded the reefer jurisdiction to IBEW in August 2012. (PMA is the employer of the ILWU. ILWU has jurisdiction for operation of all public international terminals on the West Coast. IBEW had historical jurisdiction for the two reefer jobs at Terminal 6.)

Terminal 6 operations have been the subject of grievances, actions and appeals of NLRB decisions by the PMA-ILWU over reefer job jurisdiction, and counter actions by ICTSI over jurisdiction, and unfair labor practices, including ILWU work slowdowns, interference with maintenance and repair, and carrier threats. In the spring of 2013, the NLRB enforcement arm initiated unfair labor practice charges against ILWU. NLRB evidentiary hearings on those charges concluded in early 2016, confirming the productivity slowdowns allegations and proposing damages. The ILWU and PMA are appealing both decisions to the Washington, DC Court of Appeals. Despite efforts to pursue settlement, the parties continue to proceed with litigation.

ICTSI has 19 years remaining on its 25-year lease with the Port for Terminal 6. The Port is working with ICTSI to ensure Terminal 6 is ready for operation when labor-management issues are resolved. This includes maintenance of cranes, docks, dredge maintenance and other public assets. ICTSI remains fully staffed (20 FTE) and committed to the long term.

1B. Restoration of Weekly T-6 Service

In anticipation of resolution of the labor-management issues and restructuring of the shipping industry, the Port of Portland Marine and Research Departments have conducted a comprehensive evaluation of available deployments in the Pacific Northwest and a full analysis of the changes in the Puget Sound that may afford the Portland Terminal 6 opportunities in the future.

The Port has identified four Transpacific carriers with medium-sized vessels to provide weekly container service to key Oregon origin and destination markets (China, Japan, and Korea), and continues to maintain relationships with these carriers, and make the case that Oregon has a strong local market (250,000 TEUs) where carriers can thrive. The Oregon cargo market should be able to support 1-2 Trans-Pacific carriers with medium-sized vessels (5,000-6,000 TEU) now being redeployed with the Panama Canal widening completed in June of 2016. The Port is staying engaged with importers and exporters and senior ocean carrier executives. Engagement of ICTSI, ILWU and the Port will be critical to restoration of weekly Terminal 6 service.

Next Steps (Legislative Proposals, Agency Actions, Follow-on Study):

Continue to pursue resolution of underlying jurisdiction issues. Continue engagement with carriers to recruit Terminal 6 service. Work with Oregon shippers to find transportation solutions in the interim.