PNWER Working Group Session Report

Working Group: Transportation and Infrastructure Finance II
Meeting Date/Time: Monday, July 23, 2018 / 2:30pm
**Broadcast by TVW**
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Co-chairs:
- Senator Chuck Winder, Idaho
- Bruce Agnew, Cascadia Center

Speakers
- Jeff Marker, Idaho Transportation Department
- Shawn Bills, Office of Senator Patty Murray
- Leslie Blakey, Coalition for America’s Gateways and Trade Corridors
- Marie-Claude Petit, Transport Canada
- Graham Sucha, Alberta Legislative Assembly
- Mark Romoff, Canadian Council on PPPs
- Traci Couture, Office of Congresswoman Cathy McMorris Rodgers

Agenda Items:
1. Truck size and weight harmonization and market access
2. Federal and state transportation infrastructure spending
3. Public private partnerships for infrastructure investment

Summary of Meeting:
The afternoon session built off the morning’s presentations on Permit Reform and Market Access with a discussion on Infrastructure Finance.

Jeff Marker began with a presentation on truck harmonization and the need to remove regulatory differences between states and provinces. Many of the goods produced in PNWER states are fungible, like sugar, and have prices determined at the national and global level. For producers of these goods, transportation costs cut directly into their bottom line, making the reduction of transportation inefficiencies crucial. He emphasized that heavier trucks (multi-axle) are better for the road, congestion, pollution, and safety, as well as being more cost effective.

Shawn Bills gave an update on Senate appropriations. The House had just sent a ‘minibus’, a bundle of appropriations and spending bills, to the Senate, who plan to use it as a vehicle to pass THUD, Ag, SGG, and Interior spending bills. Mr. Bills’ outlook was optimistic as
he believed that both parties were trying to avoid ‘poison pill’ amendments. On the horizon: the Water Resources Development Act and FAA reauthorization.

Leslie Blakey explained the state of affairs in US infrastructure finance at the federal level. The Trump administration’s infrastructure plan proposes to use a $200 billion federal incentive to leverage $1.5 trillion from state/local/private contributions and reduced project costs. The plan encourages P3’s, non-Federal funding, and addressing rural transportation needs, but Ms. Blakey did not have confidence in its ability to collect $1.5 trillion with so small an incentive.

Marie-Claude Petit discussed Canadian infrastructure development with the goal of reducing constraints and bottlenecks, increasing transportation resilience to climate change, and sustainability. They will do this by leveraging investment from multiple partners drawn from a wide variety of eligible stakeholders (ports, airports, road, railway, intermodal).

Graham Sucha focused on the effect transportation infrastructure has on trade. Alberta’s trade with the US, and the PNW in particular, are extremely important to the province’s economy and its energy industry is dependent on rail, port, and pipeline facilities. For future development, safety and ease of travel are priorities, with new regulation on the way mandating better training for truck drivers.

Mark Romoff explained P3’s in the Canadian context. He emphasized fixed-price contracts and service delivery requirements with penalties as effective ways to build on-time, on-budget projects. Placing maintenance responsibilities on the private sector partner incentivizes good quality, long lasting materials. The best value can be had when the private sector maintains and operates the asset, according to Mr. Romoff. The important thing to remember about P3’s is that, in Canada, they are simply a procurement method. It is never privatization - the government owns and controls the asset.

Traci Couture gave an update on congressional infrastructure spending. Obtaining funding to prepare for growing traffic in Eastern Washington is a priority. The good news: TIGER/BUILD grants have tripled and contain 25% funds incentivized for rural communities. Rep. McMorris Rodgers also asked Ms. Couture to emphasize the damage that tariffs will do to PNW trade and the importance of Columbia River Treaty modernization.

**Audience Questions:**

To Graham Sucha: Are you looking to partner with Via Rail to rebuild some of its western network? Mr. Sucha is in favor of Via Rail and other private charter services as well as rideshare programs. He plans to work with municipalities to establish legislation for ride share. Bruce Agnew added that Amazon and Microsoft employees who can easily travel to Vancouver BC by plane or rail are frustrated when they cannot access Uber or Lyft once in BC.