

# Transportation secretary watches as 'Made in USA' streetcar makes debut

by Dylan Rivera, The Oregonian  
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Doug Beghtel/The Oregonian

**Oregon Iron Works Chief Executive Terry Aarnio (right) shows the Clackamas plant assembling the new Portland street car to (from left) Rep. Kurt Schrader, Secretary of Transportation Ray LaHood, Rep. Earl Blumenauer and others, including Rep. David Wu.**

U.S. Transportation Secretary Ray LaHood came to Oregon on Wednesday to tout metro Portland's mass transit innovations and lavish praise on the first U.S.-made streetcar in nearly 60 years.

He told the state's congressional delegates that the region's commitment to rail transit will lure more federal money, generate good-paying local jobs and spur economic growth.

[United Streetcar](#), a subsidiary of Oregon Iron Works Inc., unveiled its first streetcar, which will be deployed in a few years on a new line connecting the Pearl District and the Oregon Museum of Science & Industry.

"Portland's commitment to public transportation and its visionary streetcar system has made it one of the most livable, sustainable and economically vibrant cities in America," LaHood said.

LaHood's first visit to Portland as a member of President Barack Obama's Cabinet was intended to underscore the administration's commitment to mass transit and walkable,

mixed-use real estate development across the nation. It also comes as Congress and LaHood haggle over a six-year transportation bill that could provide federal money for streetcar construction, and potential United Streetcar customers.

Also on Wednesday, the Portland Bureau of Transportation started a 45-day comment period on a plan for 16.8 miles of streetcar lines in the near future, and 41.1 more miles of other streetcar corridors in coming decades.

After a morning pep rally at a South Waterfront streetcar stop, LaHood toured United Streetcar's Clackamas factory and hunkered down in a balmy warehouse to talk mass transit policy with about 30 local policymakers, union leaders and rail industry suppliers.

The secretary got an earful of pointed complaints about how federal mass transit policies actually produce costly delays in light rail and streetcar development.

U.S. Rep. Earl Blumenauer, D-Portland, wrote a program called Small Starts that was intended to provide federal money for streetcars, but the Bush administration slanted implementation to favor bus projects. Unlike highways and bridges, light rail and streetcar projects are held to strict cost-effectiveness standards that Blumenauer says bear little resemblance to reality.

Former Portland City Council member Charlie Hales took a job at national engineering firm HDR Inc. to help spread streetcars across the nation, but federal reviews have thwarted projects. That has left cities like Portland, Seattle and Tucson to raise local money to build streetcar lines.



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**The first modern streetcar built in the United States in 60 years gets a test run near the OHSU Center of Health and Healing on the South Waterfront. The streetcar is built by United Streetcar, a subsidiary of Oregon Iron Works.**

With the recession the 60 or more cities nationwide that want to build streetcar lines are running out of local money to spend, and running out of time to wait for the federal government, Hales said.

"It's really a sink or swim moment for this movement," Hales told LaHood. "There's really no regular source of funds for streetcars."

Grace Crunican, a Portland native and director of the Seattle Department of Transportation, said the Federal Transit Administration has been "almost an anti-transit agency."  
"Let them be the pro-transit agency again," she told LaHood.

The secretary said he got the message but defended the use of cost-benefit analyses for mass transit projects.

"What I got is there's a lot of frustration and I've heard that before," said LaHood, a former Republican congressman from Illinois. "We've got to make sure that when we fund projects, that taxpayer money is well spent."

LaHood has already sent money to back up his glowing praise of Portland. On April 30, he approved \$75 million for Portland's eastside streetcar extension to OMSI. And Wednesday, he threw in \$360,000 of stimulus money to pay for signal upgrades and handicapped access ramps.

But LaHood still faces a fight from some of his closest allies from Oregon. U.S. Rep. Peter DeFazio, D-Springfield, is pushing for a new six-year transportation bill that would end many of the highway building practices pushed by the Bush administration.

In a meeting with The Oregonian editorial board, LaHood said it would be unrealistic to expect Congress to pass a new six-year transportation bill by September, as DeFazio has called for. And LaHood said he proposed a more mass-transit friendly interim bill, but Congressional leaders said they would only accept an extension of the Bush-era bill until a new bill can be negotiated.

Nevertheless, LaHood said he is keen on Portland, and said he is working with other agencies to create a livable communities program that will spur mixed-use, streetcar-oriented development.

"I came here today because Portland is the transportation capital of our country," LaHood said. "Portland is the green capital of our country. Portland is the streetcar capital of our country and Portland is the livable community capital of America."

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