

**MINUTES
of the
THIRD MEETING
of the
TRANSPORTATION INFRASTRUCTURE REVENUE SUBCOMMITTEE**

**September 22, 2017
State Capitol, Room 322
Santa Fe**

The third meeting of the Transportation Infrastructure Revenue Subcommittee was called to order by Representative Roberto "Bobby" J. Gonzales, chair, on September 22, 2017 at 9:25 a.m. in Room 322 of the State Capitol.

Present

Rep. Roberto "Bobby" J. Gonzales, Chair
Sen. John Arthur Smith, Vice Chair
Rep. Jane E. Powdrell-Culbert
Rep. Patricio Ruiloba
Sen. Clemente Sanchez
Sen. Pat Woods

Absent

Rep. David M. Gallegos
Sen. Ron Griggs

Advisory Members

Sen. Carlos R. Cisneros
Rep. Sharon Clahchischilliage
Rep. Bealquin Bill Gomez
Sen. Stuart Ingle
Rep. Rick Little

Rep. Harry Garcia
Sen. Carroll H. Leavell
Rep. Antonio Maestas
Sen. William H. Payne

Guest Legislators

Rep. Patricia A. Lundstrom
Rep. Sarah Maestas Barnes

Staff

Mark Edwards, Drafter, Legislative Council Service (LCS)
Pam Stokes, Staff Attorney, LCS
Maria Alaena Romero, Intern, LCS
Kathleen Dexter, Researcher, LCS
Shawna Casebier, Staff Attorney, LCS

Guests

The guest list is in the meeting file.

Handouts

Handouts and other written testimony are in the meeting file or posted on the subcommittee's web page.

Friday, September 22

Modal Program: Ports of Entry; Transit and Rail; Traffic Safety

Franklin Garcia, chief, Traffic Safety Bureau, Department of Transportation (DOT), began the presentation with a background of the Traffic Safety Bureau. The bureau was created in statute to continuously reduce motor vehicle-related crashes, injuries and deaths on New Mexico's roadways. Currently, there is a focus on occupant protection, distracted driving, data improvements and reducing incidents of driving while intoxicated (DWI). Funding comes from the National Highway Traffic Safety Administration and various state-designated funds.

The funded programs and projects include public awareness and media campaigns, such as the ENDWI program, supporting law enforcement, ignition interlock devices, DWI drug courts and court monitoring. Mr. Garcia stated that fatalities from alcohol-related crashes in the state have been reduced over time, with more than 400 in 1980 to fewer than 200 in the years 2000 through 2016.

Mr. Garcia continued his presentation with information on ports of entry, including revenue-generating permits, programs for weight distance permits, the weight distance program, trip and fuel tax permits and oversize and overweight permits. These permits and programs generate approximately \$100 million annually for the State Road Fund.

Since 2015, the DOT and the Department of Public Safety (DPS) have been working together to overhaul operations at all ports of entry in the state, including a new e-permit system that allows users to get permits electronically, a new telephone call center system that allows calls to be answered in a timely manner, additional staff to handle walk-in customers and updating statutes and rules to allow for more consistent regulation across the state and with other states. Future initiatives include eliminating cash at ports of entry, enforcing temporary fuel permits at the U.S./Mexico border and including the new coil truck units into the rules. A coil truck is a heavier truck that is not currently defined in the rules.

Questions and comments included the following.

- The project in Texico to convert a visitor center to a port of entry, which involves significant construction, is expected to be completed in March.
- The reduction in DWI funds in recent legislative sessions has not affected local efforts because those funds are directed toward drug and alcohol treatment. For enforcement, the DOT uses federal funds and other state funding that is designated for that purpose; however, law enforcement capabilities may be lacking due to a shortage of officers.

- Upon concerns regarding the truck traffic on U.S. Highway 54, Tom Church, secretary, DOT, stated that the highway is becoming more and more congested and needs to be funded and improved, and it should eventually become a four-lane highway. Texas has completed work on the highway, and Kansas has remarkable projects going on now.
- DWI fatalities have declined because of comprehensive efforts toward using ignition interlock devices and enforcement programs, studying the data and addressing high-impact county areas by putting more efforts into those areas. It is a combined effort of education, enforcement and using data.
- When asked about trucks that go past the 11-mile radius from the U.S./Mexico border down N.M. Highway 28, Secretary Church stated that the 11-mile radius is not necessarily being enforced.
- Secretary Church advised that funding for law enforcement includes funding for DWI checkpoints. On a concern that the New Mexico State Police Division of the DPS may not be receiving enough funds to conduct all of the checkpoints it wants to conduct, the secretary advised that the division just needs to reach out, as there are still funds available for that purpose.
- Funding from the federal government will likely be less than in the past. About 90 percent of the \$1 trillion being talked about for transportation infrastructure takes the form of tax rebates for public-private partnership investment, which may be helpful in large metropolitan areas with a lot of substantial projects but may not work in New Mexico.
- The Taos County Sheriff's Office and the New Mexico State Police Division are enforcing the law that prohibits vendors from conducting business on highway rights of way, including the site near the Rio Grande Gorge Bridge near Taos. The adjoining land is not available to the vendors because it belongs to the federal Bureau of Land Management (BLM).
- The Governor's Office is reviewing and vetting candidates to replace a recently deceased commissioner in State Transportation Commission District 6.
- Federal grants through the Transportation Investment Generating Economic Recovery (TIGER) program that are available for projects nationwide have ranged from \$500 million to \$800 million per year in recent years. TIGER funding applications that the DOT is either supporting or considering include those for: 1) a road project in Los Lunas; 2) a project to keep the Amtrak Southwest Chief operating; 3) the U.S. Highway 82 project; and 4) the Paseo del Volcan project in Rio Rancho.

David Harris, director, Transit and Rail Division, DOT, continued the DOT presentation with a report on the Transit and Rail Division's duties, which include oversight of federal transit funding for rural and small urban transit programs in the state. The division also manages the Park and Ride intercity bus service and, in cooperation with the Rio Metro Regional Transit District, the Rail Runner. In addition to its involvement in public transit systems, the division administers the DOT's railroad grade crossing safety improvement program, with permitting oversight of infrastructure projects that cross or use railroad property owned by the DOT.

Mr. Harris noted that public transit in the state in fiscal year (FY) 2016 accounted for more than 16 million trips, reduced vehicle travel by more than 102 million miles, eliminated more than 49,000 tons of carbon dioxide emissions and reduced gasoline consumption by 5.1 million gallons. Rural transit systems accounted for nearly 10 percent of the results in each category and have proven to be safe, with no fatalities since 2000.

Questions and comments included the following.

- The South Central Regional Transit District (SCRTD) system is just now completing its first year of operation, and ridership numbers are not yet available. No state funding goes to the SCRTD; however, if a county provides matching funds, the system qualifies for federal funding. A member expressed concerns that: 1) the ridership he has seen on SCRTD buses has been low; 2) the system might benefit the El Paso region more than southern New Mexico; and 3) the transit system was implemented by the county commission without support from the voters.
- It will cost \$50 million to install a positive train control system on the Rail Runner to meet a federal requirement that goes into effect in December 2018. The state is pursuing a temporary waiver from the requirement on the condition that the state must show effort toward compliance, citing the State Transportation Commission's vote to loan the Rio Metro Regional Transit District \$15 million for such effort. The transit district must pledge future federal transit funding as repayment for the loan. A member expressed concern that the positive train control system should not apply in New Mexico due to the state's low volume of railroad traffic.
- Local governments are responsible for railroad quiet zones, in which trains cannot blow their horns when approaching grade crossings.
- If the Rail Runner were shut down: 1) there would be no savings to the state because all costs due at this point are infrastructure debt payments; and 2) the Rio Metro Regional Transit District would see savings of approximately \$12 million per year in gross receipts tax revenue that would no longer be spent on the Rail Runner, but that revenue could then only be spent on the Albuquerque bus system.

Minutes

On a motion duly made, seconded and unanimously adopted, the minutes from the subcommittee's meetings on July 25, 2017 and August 22, 2017 were approved.

Trucking Super Center Interstate 40 Proposal Update

Paul Sittig, technical and freight planning supervisor, Government to Government Unit, Asset Management and Planning Division, DOT; Michael Sage, deputy director, Greater Gallup Economic Development Corporation; and Johnny R. Johnson, managing director, New Mexico Trucking Association, gave an update on a proposed trucking super center in the Gallup area.

The DOT adopted a state freight plan in 2015 to address the needs of the trucking industry along the corridors that are used most heavily for freight trucking. The plan is under

revision now to meet new requirements for federal freight funding and will be submitted for approval by December. The DOT is also participating in the development of a "smart freight corridor" from California to Texas that will support truck shipment "platooning" through the coordination of permits across states and the provision of necessary parking and infrastructure.

In response to House Memorial (HM) 96 of the 2016 legislative session, the DOT conducted a study of trucking industry needs under federal requirements that limit truck drivers to 11 consecutive hours of driving. The study identified seven areas along Interstate 40 and Interstate 10 where these drivers are most likely to reach their 11-hour limit and be forced to stop. The study also included interviews with nearly 100 drivers on what amenities they prefer in a truck stop, with secure truck parking identified as the top priority.

The Greater Gallup Economic Development Corporation and the New Mexico Trucking Association are working to create a trucking super center near Gallup, which falls just within an 11-hour travel radius from the port in Long Beach, California. The super center will accommodate up to 1,000 trucks in a secured area and include a hotel, a theater and many other amenities identified in the HM 96 study, as well as offices for trucking companies. A primary function of the center will be to allow drivers who have reached their 11-hour limit to transfer their freight to other drivers who have completed their required layover time and, thus, keep the freight moving.

New Mexico Gas Company provided \$25,000 to develop a site master plan for the super center, and further funding is being sought from investors both in the U.S. and abroad.

Questions and comments included the following.

- There is a concern that the super center will draw business away from smaller, locally financed truck stops in nearby areas that do not fall within the 11-hour radius. There is a parallel concern that a super center might be developed across the state line, undercutting truck stop business in New Mexico.
- Eight percent of truck traffic in the nation goes through Gallup. New Mexico has enough trucking traffic to support two super centers: one on Interstate 40 and one on Interstate 10. The super center will be located near the Gallup Intermodal Industrial Park, which will facilitate freight transfers between rail and truck. The super center is scheduled to open either in late 2018 or in 2019. Construction costs are estimated at \$93 million.
- In "platooning", three trucks are interconnected, with the lead truck controlling the throttle and brakes. By taking advantage of the draft generated by the first two trucks, the rear truck uses 40 percent less fuel.

The subcommittee also discussed the possibility of having a meeting with experts from New Mexico State University and elsewhere, who would give briefings on how best to develop

New Mexico as a nexus within the international logistics chain for both rail and truck freight shipments.

Overview of Municipal Transportation Challenges Statewide

William F. Fulginiti, executive director, New Mexico Municipal League, and Jim O'Neill, president of O'Neill Consulting, LLC, reported on transportation improvements necessary in the state's municipalities and the funding needed to complete those projects. Mr. Fulginiti said that funding needs are essentially unchanged, remaining at over \$1.2 billion through FY 2021. The panelists noted that municipalities have about one-third of the lane miles of roadway in the state, that repair and replacement of municipal streets is more expensive per mile than highways because of the various utility lines under them and that municipalities receive \$0.18 of the state's \$0.17-per-gallon gasoline tax through the Local Governments Road Fund, an earmark that totals approximately \$23 million per year. The presenters thanked the legislature for its support of legislation that would allow local governments to consider creating their own motor fuel taxes to pay for road projects.

Mr. O'Neill said that the Local Governments Road Fund is distributed according to the reported sales within each community. However, he explained, if sale numbers for a given community are incorrectly tabulated, it can be very difficult to correct the error. The distributions are calculated on a monthly basis, and one error has a cascading effect on the whole system. He said that, historically, the sale numbers had been posted monthly on the Taxation and Revenue Department's (TRD's) website, but those postings have become more sporadic and less timely in recent years.

Roadway Dust Mitigation

Trent Botkin, supervisor, Natural Resource Section, DOT, said that between 1965 and 2017, Lordsburg Playa dust storms caused more than 40 fatalities. Many of those fatalities occurred in recent years, with seven fatalities in 2014 and 10 fatalities so far in 2017. In addition, the dust storms have closed Interstate 10 23 times since the beginning of 2014. Mr. Botkin explained that the DOT has been working with several other entities to mitigate dust storm risks around the state, particularly along Interstate 10.

Driver Education. The DOT's Traffic Safety Bureau driver education campaign has put out radio ads and worked alongside the New Mexico Trucking Association to create and distribute a dust training module to drivers. The DOT has also worked with the University of New Mexico to identify and track driver awareness and with the Motor Vehicle Division of the TRD to incorporate dust storm safety into New Mexico driver education. The DOT has also increased highway signage around the state to inform drivers in dust-prone areas what to do during a dust storm.

Dust Mitigation. The soil in the 25-square-mile Lordsburg Playa has a frangible crust that grazing cattle can break apart, thus making it vulnerable to wind erosion. The DOT is working with the State Land Office and the BLM to mitigate, limit or defer grazing on the playa.

In addition, the Highway Safety Improvement Program run by the Federal Highway Administration has funded dust mitigation through reseeded and revegetation projects along U.S. Highway 180 north of Deming.

Roadway Safety Improvements. The DOT is planning to expand the width of the highway shoulders along Interstate 10 to provide drivers with a safety zone to pull off the roadway during dust storms. In addition, there are plans to incorporate raised pavement markers and high-visibility components to help drivers keep track of the road.

Transportation Challenges Facing County Governments

Steve Kopelman, executive director, New Mexico Association of Counties, said that counties are responsible for the majority (52 percent) of the roadway lane miles in the state and receive \$0.018 of the state's \$0.17-per-gallon gasoline tax. He noted that many county budgets are decreasing at the same time that road funding from the state and from the federal government is decreasing. He said that in light of decreasing funding from all sources, most counties are simply trying to keep their roads maintained to a level that prevents major deterioration and the need to rebuild the roads.

Robert Armijo, interim assistant county manager for operations, Dona Ana County, and Rene Molina, interim director, Engineering/Road Department, Dona Ana County, presented an overview of the transportation challenges the county has been facing. For a comparison, Mr. Molina noted that while Dona Ana County has about the same population base as Las Cruces, it covers a geographical area almost 50 times larger, contains 37 of the 150 colonias in the state and has three times more land miles of road to maintain but only has about one-half the annual budget. Mr. Armijo said that between FY 2005 and FY 2018, 176 transportation projects were constructed within the county at a cost of nearly \$37 million. However, he noted, meeting roadway project needs identified in the strategic plan for the Santa Teresa border area would cost several hundred million dollars. An ensuing discussion with subcommittee members included the potential need to construct a north-south road project to connect the border crossing at Santa Teresa and Las Cruces and an east-west road project connecting the labor pool in the colonia of Chaparral to Santa Teresa and that these project would incur additional costs potentially in excess of \$100 million.

Leandro Cordova, county manager, Taos County, and Brent Jaramillo, deputy county manager, Taos County, said that the roadway system in Taos County is vital to the state's tourism industry. They said that because Taos County is a destination location for many tourists, the convenience, safety and aesthetics of the county's road system are all priorities. They particularly noted N.M. Highway 68 through the Rio Grande Gorge and the High Road to Taos Scenic Byway as key arteries both for tourist and local resident traffic. Diminishing state and federal funding is also an issue for Taos County's road program. Funding for bridge repair and for Safe Routes to Schools projects were cited as priorities for the county.

Adjournment

There being no further business, the Transportation Infrastructure Revenue Subcommittee adjourned at 3:30 p.m.