A MEMORIAL

REQUESTING THE DEPARTMENT OF TRANSPORTATION TO CONDUCT A STUDY OF THE LONG-TERM OPERATIONAL AND MAINTENANCE COSTS OF THE RAIL RUNNER TO STATE AND LOCAL GOVERNMENTS AND THE BENEFITS AND FEASIBILITY OF SELLING THE STATE'S OWNERSHIP OF RAIL RUNNER INFRASTRUCTURE.

WHEREAS, the rail runner replaced a portion of the "purple line", a component of the department of transportation's "Park and Ride" commuter bus system that provided a similar service between Albuquerque and Santa Fe; and

WHEREAS, a one-way ticket from Albuquerque to Santa Fe on the park and ride bus cost three dollars ($3.00) and took about one hour, while a similar trip on the rail runner now costs nine dollars ($9.00) and takes about one and one-half hours; and

WHEREAS, from fiscal year 2006 through the end of fiscal year 2015, the state of New Mexico will have spent over two hundred twenty-five million dollars ($225,000,000) to purchase the track, the train cars and other equipment and facilities for the rail runner; and

WHEREAS, the debt service payments for the remaining bond debt for the rail runner are currently costing between twenty-eight million dollars ($28,000,000) and twenty-nine
million dollars ($29,000,000) annually and equal approximately fifty-five percent of the department of transportation's construction budget; and

WHEREAS, the current rail runner bond debt is structured to require balloon payments of over one hundred ten million ($110,000,000) dollars in fiscal year 2025 and in fiscal year 2026; and

WHEREAS, when the state of New Mexico completes payment on the rail runner bond debt in fiscal year 2027, it will have paid well over seven hundred million dollars ($700,000,000) for the equipment and infrastructure for this commuter train; and

WHEREAS, the fiscal year 2015 operating budget for the rail runner is nearly twenty-seven million dollars ($27,000,000), of which just under five million dollars ($5,000,000) comes from ticket revenue and contributions from the Burlington Northern Santa Fe railway and Amtrak for use of the track; and

WHEREAS, the nearly twenty-two million dollars ($22,000,000) in remaining annual operating costs are government subsidies, including over thirteen million five hundred thousand dollars ($13,500,000) in local gross receipts taxes and over eight million two hundred fifty thousand dollars ($8,250,000) in federal grant funds; and

WHEREAS, overall federal spending on transportation has
been stagnant in recent years; the United States congress is
debating whether to turn more responsibility for
transportation systems over to the states; and the federal
subsidy for the rail runner, which amounts to over thirty
percent of the operating budget, may go away; and

WHEREAS, neither the projection for the bond debt nor
the annual operating budget for the rail runner includes the
costs incurred by the department of transportation for the
periodic replacement of rolling stock and other equipment; and

WHEREAS, the department of transportation has been
challenged in recent years by a large gap between its budget
and road construction and maintenance needs around New Mexico; and

WHEREAS, the department of transportation reported a
fiscal year 2014 funding gap between available funding and
maintenance and construction needs of over six hundred million
dollars ($600,000,000); and

WHEREAS, the department of transportation is
anticipating a gap for fiscal year 2015 of nearly four hundred
sixty million dollars ($460,000,000); and

WHEREAS, the trend in the department of transportation's
funding shortfalls can be expected to continue as the economic
and population growth around the state place increasing
demands on transportation infrastructure; and

WHEREAS, in recent years, the department of
transportation emphasized staffing its construction
maintenance crews, has reduced its administrative and planning
staff and is unlikely to find significant new budgetary
methods to improve efficiency;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF
REPRESENTATIVES OF THE STATE OF NEW MEXICO that the department
of transportation be requested to study the costs to the state
and to local governments of maintaining and operating the rail
runner over the next twenty years; the feasibility of selling
the track, rolling stock and other rail runner assets
currently owned by the state; and the potential benefits of
replacing the rail runner with a reestablished commuter bus
service; and

BE IT FURTHER RESOLVED that the department of
transportation be requested to provide a report on the study
results to the appropriate interim legislative committee prior
to November 15, 2015; and

BE IT FURTHER RESOLVED that copies of this memorial be
transmitted to the secretary of transportation and the
governor.