

MINUTES
SENATE TRANSPORTATION COMMITTEE

DATE: Thursday, March 06, 2014

TIME: 1:30 P.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Brackett, Vice Chairman Johnson, Senators Keough, Winder, Rice, Nonini, Hagedorn, Bock and Buckner-Webb

**ABSENT/
EXCUSED:** None

NOTE: The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

CONVENED: **Chairman Brackett** called the meeting of the Senate Transportation Committee (Committee) to order at 1:35 p.m. and asked the secretary to take a silent role. With a quorum present, **Chairman Brackett** welcomed all in attendance to the Committee and invited Jeff Sayer, Director of the Idaho Department of Commerce, to make a presentation on behalf of the Idaho Transportation Coalition on the 'Impact of Infrastructure on Idaho Commerce.'

PRESENTATION: **Mr. Sayer** began by saying that he has spent so much time on tax policy this session that it is a pleasure to talk about two other priorities that are critical to Idaho's future economic growth; that is workforce and infrastructure. He spent the morning with the Workforce Development Council who in partnership with the Education Department and the Department of Labor are coming together to develop pipelines of talent for Idaho's industries. Today he will concentrate on reinforcing the importance of investing in infrastructure.

Infrastructure is a broad umbrella that incorporates many components: roads and bridges, sewer and water, broadband and air travel. These are only a few of the needs Idaho has, but he understands that this Committee is focused on Idaho's transportation needs. They need to be looked at and paid attention to, and he appreciates the Committee's efforts.

Companies that relocate to Idaho automatically have a transportation disadvantage. He used a company that recently relocated to the Magic Valley as an example. He said that in this company's financial analysis prior to relocating to Idaho, they had choices that had far more robust transportation mechanisms. They said that they looked at the whole economic picture and Idaho did have higher transportation costs than the other location, which was Utah that has a huge number of transportation options. This company chose Idaho because overall it provided more opportunities because of lower energy and labor costs. If we are going to grow our State economically, we need to address transportation issues.

Mr. Sayer sited another example of a company that chose Idaho over Washington and they had a similar analysis. Their transportation costs were 20 percent higher than they would have been in Washington. These are real issues that need to be addressed.

Idaho is seeing a lot of growth in the Magic Valley which is being encouraged, but that area is scrambling to keep up with the roads and bridges maintenance that has come with all this new traffic. He is excited about this new growth, but the reality is that these counties and cities are having a difficult time keeping up. Growth comes with a cost and it is something the State needs to address. It does not matter what the industry is, Idaho needs to address maintaining its infrastructure.

Mr. Sayer shared a story of a partnership with the Idaho Transportation Department (ITD) on Nunhems Seeds in Parma. They wanted to expand their facilities and bring more research and production jobs and make Idaho a bigger presence in their company's footprint. They said they could not expand their facility if they could not fix an issue they had with a turnout lane. They were concerned for their employees' safety because of the heavy traffic on a nearby state highway. The discussion went on for a year and they said that this lane was the factor keeping them from expanding. Finally, the Department of Commerce, ITD and Nunhems Seeds sat down to develop a solution. Commerce and Nunhems were willing to provide funds toward a solution and ITD said that with those resources they could move it up on their priority list and get the job done. This reinforced the needs for these kinds of investments. **Mr. Sayer** said he would stand for questions.

Senator Hagedorn asked how the management team is working now that the extension has been completed for Numhems Seeds. **Mr. Sayer** said that by working together to change that turnout lane, it opened up a discussion about growth.

Senator Nonini wanted details about why the company chose Idaho over Washington. **Mr. Sayer** said that they chose Idaho even though it would mean a 20 percent increase in their transportation costs. It is important for Idaho to bring those costs down. **Senator Nonini** spoke about a freeway interchange in his district that Cabela's wanted to fix. With available funding at a minimum for these types of improvements, Cabela's brought the concept of State Transportation Assistance Revolving Fund (STAR) financing to Idaho to help finance the project they needed in place in order to locate in North Idaho. He wanted to know why companies decide to come to Idaho even with higher transportation costs. **Mr. Sayer** said that Idaho is competitive as his two examples indicated. These companies do everything they can to keep their costs lower because they have a lot of retail costs. Transportation is an inherent problem with merchandise delivery.

Chairman Brackett asked if there were more factors than the 20 percent increase in transportation costs. **Mr. Sayer** said he is not an expert, but there are small things Idaho is doing like expanding their load limits on trucks which helps companies lower their costs. **Chairman Brackett** asked that he share those factors as they come up with the Committee so they can help find solutions.

Senator Rice said that bundling issues among state government departments is important in looking at the big picture and where the State can reduce its disadvantages. **Mr. Sayer** said it was exciting to be part of the solution.

Senator Winder said that some of the disadvantages are that population tends to center along the coast. **Mr. Sayer** said that there are all sorts of factors that add costs, and any way to improve that would be beneficial. There were no further questions for Mr. Sayer.

H 493:

Chairman Brackett thanked Mr. Sayer for his presentation and asked Jerry Deckard of CapitolWest Public Policy Group to present **H 493**. **Mr. Deckard** said that he had sat through meetings to exempt mud and other debris from load weights on trucks. He mentioned the recent legislation exempting axel load weights for garbage trucks. **H 493** is a solution for the buildup of debris on trucks travelling through inclement weather where load weights will be forgiven as long as the axel limitations are not exceeded. He would like the Committee to send **H 493** to the 14th Order for amendment. Although he represents log haulers, the way the bill is written, it does not meet the needs of logging trucks. Also, there is no language saying that the overweight forgiveness is not to be included in the payload of the vehicle. The excess weight is for debris. There are two amendments that will remedy that situation so that the bill focuses on snow and ice. Without this language, drivers need to stop their vehicles before weighing and remove chunks of the debris. **Mr. Deckard** said he would stand for questions.

CONFLICT OF INTEREST:

Senator Keough said that because she works for the Associated Logging Contractors she could have a conflict of interest. She wanted the record to reflect that potential conflict.

Vice Chairman Johnson said that Mr. Deckard's testimony is to send **H 493** to the 14th Order for amending Idaho Code § 49-1001 and § 49-1008, but there are three subsections in § 49-1001 with tables of different weights. He wanted to know how he was going to make the changes. **Mr. Deckard** said that the amendment says 'notwithstanding of those provisions, there is the excess weight of the material.' **Vice Chairman Johnson** asked if that meant weights would be raised to 81,000 pounds from 79,000 pounds. **Mr. Deckard** said that was not correct. **Vice Chairman Johnson** used the example of a load weight of 78,500 pounds and if you add 1,500 pounds on the scale, the load weight would be over. **Mr. Deckard** said that was not correct. **Vice Chairman Johnson** asked that if ITD understood this would not apply to weight load. **Mr. Deckard** said he had spoken with ITD that morning.

Senator Bock asked how the weight of the debris was determined. **Mr. Deckard** said the only way was to chip the debris off and place it on the scale. If it is overweight, however, it would be picked up from the time it was loaded so the weight of the debris could be measured by the scale weight minus the load weight. There were no further questions for Mr. Deckard.

MOTION:

Senator Winder moved that **H 493** be sent to the 14th Order for amendment. **Senator Hagedorn** seconded the motion.

Senator Winder asked Mr. Deckard if he had his amendments ready to go. **Mr. Deckard** confirmed that he did. **Senator Winder** said that if the Committee vote sends this bill to the 14th Order, the amendments need to go to the Secretary of the Senate today. **Mr. Deckard** said he understood.

Chairman Brackett called for a vote on the motion. The motion passed by a **voice vote**. **Senator Hagedorn** said he would carry the bill on the Senate floor.

ADJOURNED:

With no other business before the Committee, **Chairman Brackett** adjourned the meeting at 2:04 p.m.

Senator Brackett
Chair

Gaye Bennett
Secretary