

MINUTES
SENATE TRANSPORTATION COMMITTEE

DATE: Thursday, February 16, 2017

TIME: 1:30 P.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Brackett, Vice Chairman Nonini, Senators Keough, Winder, Hagedorn, Den Hartog, Lodge, Harris, and Rohn(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** convened the meeting of the Senate Transportation Committee (Committee) at 1:32 p.m. He welcomed Senator Troy Rohn, temporarily substituting for Senator Buckner-Webb, to the Committee. **Chairman Brackett** announced that it was photo day and there would be Committee members coming and going throughout the hearing.

MINUTES APPROVAL: **Senator Den Hartog** made a motion to approve the Minutes of February 7, 2017. **Senator Rohn** seconded the motion. The motion passed by **voice vote**.

H 27 **Under hazards to air flight, this legislation adds an exemption to poles of structures supporting electric lines carrying voltages of 69,000 volts or more.** **Chairman Brackett** invited Ron Williams of Williams Bradbury, PC and Luke Papez of LS Power to present **H 27**.

Mr. Williams said he would give background on Idaho Code § 21-515A and Mr. Papez would speak about the legislation and LS Power's role. The original legislation was passed in 2012 primarily because of the wind development industry. Meteorology towers were being located in agricultural land and the desert to measure wind. This affected crop dusters trying to spray fields. This section of Idaho Code was amended to deal with guyed towers taller than 50 feet requiring they be marked with identification balls, painting schemes, and flashing lights. There were exemptions for telecommunication facilities and electrical structures. In 2013, it was amended again to include federal power marketing agencies serving public and consumer owned utilities. **H 27** deals with transmission companies, like LS Power, building transmission lines and selling or leasing transmission space to other utilities. The transmission companies did not meet the current definitions in Subsection 4.

Mr. Papez testified in support of **H 27**. LS Power is an independent transmission and generation firm that develops transmission lines and power facilities all across the United States. In Idaho, they focus on a 500 kilovolt transmission line originating in Twin Falls and continues south for 75 miles before entering Nevada. Idaho Power began this line in the late 1980s; LS Power acquired it in the mid-2000s. At that time, sage grouse were a species of concern that affected tower design. This new design eliminates many of the perching opportunities for predators of the sage grouse. The design has met with success in Nevada, has been approved by the Bureau of Land Management (BLM), and LS Power would like to introduce the design in Idaho. The design increases regional transmission that generates economic benefits to help lower the market price of energy. He concluded by asking for the Committee's support.

Senator Harris commented that the tubular polls take up more surface area and asked how that would affect locating them on farmland. **Mr. Papez** agreed that the space consumed at the base was significant, but said they would work with land owners on the crossing rights from public to private land if the problem arose.

Chairman Brackett asked if the towers co-locate with existing power lines. **Mr. Papez** said their project is within the same corridor of an existing transmission line. The lines use similar guyed structures.

MOTION: **Senator Harris** moved to send **H 27** to the floor with a **do pass** recommendation. **Senator Den Hartog** seconded the motion. The motion passed by **voice vote**. Senator Winder was assigned to carry the bill on the Senate floor.

S 1070 **Creates an Idaho Rotary International specialty license plate. Chairman Brackett** invited Senator Martin to present **S 1070**.

Senator Martin introduced Barbara Dorsey of the Rotary Club of Boise Southwest who would present **S 1070**, but he would answer questions following her presentation.

Ms. Dorsey introduced two past presidents of the Boise club who were with her; they all support this bill. The mission of Rotary is to provide service to others, promote integrity, and advance world understanding, goodwill and peace through its fellowship with business, professional, and community leaders. The Rotary motto is "service above self". She expressed the good work that Rotary does throughout the world, highlighting the Polio Project that eliminated polio. Idaho has a 100 year history with Rotary that will be celebrated later in the year in Boise. There are clubs throughout Idaho. Each time a specialty plate is purchased, a large percent of the initial and annual renewal fees fund transportation. She concluded by stating having this license plate would make a great 100 year anniversary of Rotary in Idaho.

Vice Chairman Nonini said he had been active in Rotary for more than 20 years. He had worked on polio eradication and providing clean drinking water to third world countries. He worked with Mrs. Dorsey last year and knows of her great passion for getting this passed. It would be wonderful to have the plate available for past Rotarians statewide. **Vice Chairman Nonini** had Senator Martin hold up a poster depicting the license plate.

MOTION: **Vice Chairman Nonini** moved to send **S 1070** to the floor with a **do pass** recommendation. **Senator Harris** seconded the motion. The motion passed by **voice vote**. **Senator Den Hartog** asked that she be recorded as voting nay. Senator Martin was assigned to carry the bill on the Senate floor.

PAGE FAREWELL: **Good-bye to Committee Page Tess Jensen of Caldwell, Idaho. Chairman Brackett** presented Ms. Jensen with parting gifts from the Committee including a letter of thanks and a recommendation letter. **Chairman Brackett** said the Committee enjoyed having Ms. Jensen as the Committee's page and invited her to the podium to share her experiences.

Ms. Jensen expressed her gratitude to the Committee and how much she enjoyed her work in the Senate. She shared that it had been an emotional day and she was regretting that this week marked her last. **Ms. Jensen** said that over spring break in late March she would be traveling with a school group to Italy and Greece. She concluded by stating following graduation from Caldwell High School, she was going to work through the summer before heading to Rexburg to attend BYU-Idaho in the fall.

Vice Chairman Nonini was interested in what cities in Italy she was visiting. **Ms. Jensen** said she would be visiting Rome then travelling by bus to Naples where they would get on a big ship to Greece.

Senator Harris applauded Ms. Jensen's artistic ability which had been used for the cover of the Senate Memorial Service scheduled for Monday. He appreciated her willingness to do that.

PAGE WELCOME: **Welcome to Committee Page Anika Draper of Idaho Falls, Idaho. Chairman Brackett** welcomed Ms. Draper to the Committee and invited her to take the podium.

Ms. Draper said she was home schooled in Idaho Falls where she was a junior in high school. After she graduates from high school she plans on attending BYU-Idaho then go on to interior design school.

PRESENTATION: **"Road Usage Charges" presentations by Travis Dunn of Austin, Texas and Stephen Fitzroy of Boston, Massachusetts. Chairman Brackett** invited Mollie McCarty, Governmental Affairs Manager for the Idaho Transportation Department (ITD), to introduce ITD's presenters.

Ms. McCarty said that in 2009/2010 the Governor's Task Force looked at transportation challenges, focusing on the pros and cons of the tools available. One tool was a road user fee which all agreed warranted additional study. This presentation is an appropriate update on the issue from two experts in the area of road user fees. Mr. Dunn is a Partner at D'Artagnan Consulting in Austin that provides specialty advisory services on transportation funding policy, chiefly road user charging; and Mr. Fitzroy is the Executive Vice President of the Economic Development Research (EDR) Group in Boston where he is a leader in the firm's highway and multi-modal transportation planning practice. She concluded by indicating Mr. Dunn would begin and he would be followed by Mr. Fitzroy.

PASSED THE GAVEL:

Chairman Brackett had business outside the Committee; he passed the gavel to Vice Chairman Nonini.

Vice Chairman Nonini invited Mr. Dunn to begin his presentation.

Mr. Dunn described Idaho's transportation funding dilemma in light of vehicle fuel economy trends, market dynamics, and other policies. In 2011, the Governor's Task Force found: 1.) Idahoans continue to buy more fuel-efficient vehicles, further widening the gap between available revenue and transportation needs; 2.) a tax based on the number of vehicle miles traveled (VMT) would protect transportation revenues against the effects of increasing vehicle fuel efficiency and the use of alternative fuels; and 3.) VMT tax has high potential for revenue and is recommended for further study.

Mr. Dunn continued with fuel economy challenges. Fuel economy was flat for 30 years then started to improve around 2008 resulting in a reduction in fuel consumption. The Energy Information Administration forecasts improvements in fuel economy despite recent gasoline price trends.

An exploration and testing of VMT charging was attractive in theory, but there are challenges to implement them in reality. Among others, Washington, Oregon, California, and Hawaii have begun implementing road usage charges (RUC). In total, fourteen western states' departments of transportation, including Idaho's, voluntarily created the Western Road User Charge Consortium (RUC West) in order to build public institutional knowledge and develop expertise for the potential of mileage-based RUCs. It is a collaborative forum that facilitates resource sharing and joint research to identify best practices, discuss issues, make observations, and gather lessons learned. Members are free to determine if or how they wish to advocate testing or implementing RUC systems in their State, but they are not required to adopt or advocate a system, or adopt policies used by another member. While there are many concerns, the biggest unresolved issue is the cost of collecting RUCs.

**PASSED THE
GAVEL:**

Mr. Dunn talked about the Fixing America's Surface Transportation (FAST) Act, the first federal law in over a decade to provide long-term funding certainty for surface transportation infrastructure planning and investment. Even though progress was being made, under the FAST Act no state has looked at the impact of fleet technology changes on revenue from heavy vehicles. He referenced 2015's H 312 where Idaho's legislative intent was to study imposing an operating fee by weight class on all commercial vehicles and on all farm vehicles in excess of 60,000 pounds based on the total miles traveled on Idaho's roads and highways. He concluded his presentation by stating the funding dilemma doesn't have an arrival date, but Idaho can benefit from other states' experiences and from federally funded opportunities to do more localized research.

Vice Chairman Nonini returned the gavel to Chairman Brackett.

Senator Hagedorn asked if anyone was working on the BTU fuel tax. **Mr. Dunn** was unaware of any studies.

Senator Rohn wondered if during a vehicle's annual emissions testing could mileage usage be gathered. **Mr. Dunn** replied that while it wouldn't work in every state, California is working with their board to make it happen.

Senator Harris wanted to know if RUC was meant to replace tax on fuel. **Mr. Dunn** said that in every case, RUC is in addition to the gasoline tax; California does allow a tax credit.

Vice Chairman Nonini asked for specific information on the pilot program in Spokane, Washington. **Mr. Dunn** said that for nearly eight years, Washington State has been capturing mileage data based on its different geographical areas. In Spokane, drivers do not want to be charged for miles driven in Idaho. **Vice Chairman Nonini** commented that gasoline prices were higher in Washington than in Idaho.

Chairman Brackett asked what it would take for North Idaho to be part of that pilot program. **Mr. Dunn** said it was being run by the Washington Department of Transportation and they are already working with British Columbia, Canada to test crossing borders. **Chairman Brackett** thought a pilot program was a good place to begin and borders should be explored.

Senator Hagedorn suggested that if states don't tax their fuel, how would Idahoans travelling on their roads be charged? He saw this as an issue for border communities. **Vice Chairman Nonini** added that Idahoans already go to Washington to buy groceries because there is no sales tax.

Chairman Brackett thought privacy could be a concern with RUC. **Mr. Dunn** said that each state handles privacy differently. By including privacy language in statutes, monthly reports on miles driven once paid would need to be destroyed. **Chairman Brackett** reminded everyone that these discussions have been going on for ten years; perhaps they should consider reprogramming payment through fuel tax similar to paying an electricity bill. **Mr. Dunn** agreed they're experimenting with that. A pilot program educates how roads are paid, but few people know the process required to get it accomplished. **Chairman Brackett** asked if this were a way to increase funding or was it an RUC option. **Mr. Dunn** replied that all states are using pilot programs as a way to hold harmless the gathered information while understanding where motorists are driving which will determine where resources need to be focused. **Chairman Brackett** asked if this was a replacement for vehicle registration or was it in addition to the fuel tax, and were trucks included. **Mr. Dunn** said it was not a replacement, and he discussed Oregon's fuel pumping laws with regards to trucks.

Chairman Brackett invited Mr. Fitzroy to begin his presentation.

Mr. Fitzroy said he would review the financial impacts of RUC West on drivers in rural and urban counties. The objectives of his study was to compile comparable data available for all western states. This data was analyzed between rural and urban drivers to assess the potential effects of adopting a multi-state RUC system. They are developing ways for use by all participating states. This meant using as much existing data as possible in innovative ways. It is designed to provide flexibility in developing and interpreting outcomes and will become a common basis for multi-state analysis.

After the intricate analysis, there were 22 cities in Idaho with populations greater than 10,000. They form six clusters of cities and towns around which urban and mixed census tracts coalesce. The process for estimating the number of VMT in each census tract involved work done by the Bureau of Transportation Statistics (BTS). BTS equations gave VMT estimates for each of the 298 census tracts in Idaho. The 26.5 million VMT per day translated into roughly 7.8 billion VMT per year in Idaho. **Mr. Fitzroy** went through the analysis of what this meant for determining where people are travelling and, therefore, where resources should be focused.

Mr. Fitzroy went through the much more complicated process of trying to determine the types of vehicles used by households in Idaho and how many were gas-powered and non-gas-powered. The research showed a reasonable depiction of the differences in the types of vehicles, and the fuel efficiency of those types. Households in urban areas tended to own newer vehicles and, therefore, more fuel-efficient vehicles. Rural households tended to own older, larger vehicles and more light duty trucks, including flex and bio-fueled vehicles. They are generally less fuel-efficient.

In conclusion, Idaho has a stable but declining revenue stream from its current motor fuels tax. Based on their analysis, they determined the revenue-neutral road user charge rate would be about 1.45 cents per mile. For a vehicle driven 45 miles per day, the average in Idaho, the RUC cost would be 65 cents per day, regardless of the vehicle's fuel type. There were many implementation challenges that he discussed.

Senator Hagedorn wanted to know why the VMT was increasing. **Mr. Fitzroy** that there were many factors: 1.) older drivers have more free time; 2.) Idahoans are driving more than in the past; 3.) population is growing; 4.) fuel efficiency in vehicles has lessened the financial burden; and 5.) economic factors. **Senator Hagedorn** asked what constitutes a "trip" and how the changing fleet will affect the model Mr. Fitzroy presented. **Mr. Fitzroy** explained a "trip" is a round-trip and the two factors in question change proportionally.

Chairman Brackett applauded both presenters for sharing valuable information with the Committee. He asked if their presentations could be shared with each Committee member. **(NOTE: A paper copy of each PowerPoint presentation's slides are located in the Senate Transportation Committee's Legislative Session Book on permanent file in the Legislative Services Library.)**

ADJOURNED:

With no further business before the Committee, **Chairman Brackett** adjourned the meeting at 3:00 p.m.

Senator Brackett
Chair

Gaye Bennett
Secretary