

MINUTES
SENATE TRANSPORTATION COMMITTEE

DATE: Thursday, January 17, 2019
TIME: 1:30 P.M.
PLACE: Room WW53
MEMBERS PRESENT: Chairman Brackett, Vice Chairman Crabtree, Senators Den Hartog, Lodge, Rice, Burtenshaw, Buckner-Webb, and Nelson
ABSENT/ EXCUSED: Senator Winder

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 1:33 p.m. He welcomed the Pacific NorthWest Economic Region (PNWER) members to the Committee. **Chairman Brackett** continued that unfortunately, Senator Winder, the co-chair of PNWER's Transportation and Infrastructure Working Group, had an outside commitment and was unable to personally welcome PNWER's members.

PRESENTATION: **PNWER's Transportation and Infrastructure Briefing — Chairman Brackett** invited Larry Doke, Saskatchewan Minister of Government Relations and PNWER's President, to begin the briefing.

Mr. Doke said he was a member of the Saskatchewan, Canada legislature and is honored to be in Idaho's Capitol building with his colleagues. He offered that Matt Morrison, PNWER's Chief Executive Officer, would be presenting PNWER's transportation and infrastructure report. **Mr. Doke** has been meeting new members of the Legislature; their Boise visit has been very productive.

Chairman Brackett thanked Mr. Doke and invited Mr. Morrison to present PNWER's report.

Mr. Morrison began by stating that Idaho, along with the other states and provinces in the region, chartered PNWER in 1991. Their mission is to increase the economic well-being and quality of life for all citizens of the region, while maintaining and enhancing our natural environment. They do this by: 1.) working to coordinate provincial and state policies throughout the region; 2.) identifying and promoting "models of success;" 3.) serving as a conduit to exchange information; 4.) promoting greater regional collaboration; 5.) finding ways to enhance the competitiveness of the region in both domestic and international markets; and 6.) leveraging regional influence in Ottawa and Washington, D.C.

PNWER's Transportation and Infrastructure Working Group, co-chaired by Senator Winder, is dedicated to improving the infrastructure of our major corridors and gateways, with a special interest on border infrastructure. The group's key issues are: 1.) market access and rail infrastructure; 2.) oil train safety and safety in the Salish Sea; 3.) Autonomous, Connected, Electric, Shared (ACES) vehicles; 4.) infrastructure finance; 5.) permit reform; 6.) Cascadia Innovation Corridor — high speed rail and harbor-to-harbor air service; and 7.) truck size and weight harmonization. More information on this group, including past presentations and reports, can be found on PNWER's website.

Mr. Morrison continued that PNWER has been working with Senator Winder and the Idaho Transportation Department (ITD) for several years on an issue of particular importance to Idaho — the size and weight of trucks. The PNWER region, and in particular Idaho, is very dependent on trucking to move goods to market. He described the differences in truck size and weights allowed in each PNWER state. There are barriers to transporting goods across the PNWER jurisdictions. With the mismatch of weight and size standards, a patchwork regulatory quilt is created across the region and is a significant drag on the potential profits of commodity producers. PNWER is working with ITD to identify high volume destinations and appropriate routes for harmonization opportunities, but there are other harmonization issues that need to be addressed as well, such as flags, escorts, lights, and signs.

When it comes to rail infrastructure, PNWER supports Sandpoint's junction connector as part of the Great Northern corridor, and its five-state rail caucus that is focused on passenger and freight issues. In addition, PNWER has been working on ACES vehicles that will impact the driver workforce, electric grid, productivity, and safety. They want the Northwest to be an ACES leader and leverage the economic benefits of new technology. PNWER facilitates information by sharing between innovators, the traditional private sector, and legislators. New business leaders are emerging in the ACES field including TELSA, Google, and UBER; ACES has attracted start-up entrepreneurs as well as mature businesses. ACES benefits include: 1.) reduced congestion; 2.) increased safety; 3.) lower cost of transportation; 4.) convenience; 5.) environmental friendliness; and 6.) accessibility.

Mr. Morrison moved on to discuss innovative infrastructure financing. Traditional funding mechanisms for large-scale infrastructure and transportation projects are challenged by the absence of resources to explore innovative procurement methods. PNWER is working to ensure any new federal infrastructure package accounts for the specific circumstances of rural states. PNWER's Innovative Infrastructure Finance Taskforce promotes best practices for public/private infrastructure financing. Canadian experts in public/private partnerships share lessons learned with U.S. legislators and other stakeholders at PNWER conferences, webinars, and tours of infrastructure networks. Public/private partnerships in Canada are applied through common contract law and have been expanded to 280 infrastructure projects nationwide.

The Fixing America's Surface Transportation (FAST) Act of 2015 authorized a \$12 million competitive grant program through a regional infrastructure demonstration program. PNWER is working with Congressional leadership to secure funding appropriation for a demonstration program. Projects for funding could include: 1.) rail (freight and passenger); 2.) highways; 3.) utilities; 4.) telecommunications; 5.) water; and 6.) unmanned aerial vehicles (drones).

Mr. Morrison concluded by inviting the Committee to attend PNWER's Annual Summit in July in Saskatoon, Saskatchewan. Discussion and collaboration will focus on infrastructure finance, market access, and autonomous vehicles. They want to feature the issues important to Idaho.

DISCUSSION:

Mr. Morrison responded to questions from **Senator Burtenshaw**, **Chairman Brackett**, and **Senator Nelson** regarding: standard truck weight and axle weight distribution across PNWER's member states; the status of the Sandpoint junction rail connector; and how rural communities react to urban broadband issues.

Chairman Brackett thanked PNWER for their update on important issues that continue to need lots of attention and collaboration.

PRESENTATION: **2018 Local Strategic Initiative Program Report — Chairman Brackett** invited Laila Kral, Deputy Administrator of the Local Highway Technical Assistance Council (LHTAC), to begin her presentation.

Ms. Kral said the Local Strategic Initiative Program (LSIP) was created in 2015 and is often referred to as the surplus eliminator. At that time, 50 percent of the funds went into the Budget Stabilization Fund (or rainy day fund) and 50 percent went to ITD for transportation projects. In 2017, of the 50 percent of the LSIP funds that had previously gone just to ITD, the law was amended so that local highway jurisdictions received 40 percent of that 50 percent and ITD received 60 percent of that 50 percent. LHTAC grants project awards for the funds going to the local jurisdictions. To receive these funds, a project must be for the maintenance of existing facilities and not for expansion or new projects. 2019 will be the last year funding will be available. Also, it was agreed that a portion of the funds could be used for child pedestrian safety.

For developing the program application, LHTAC worked with their council to create the application and areas that should be scored (i.e., safety, mobility, commerce, bid ready — ready to go within 90 days, and community impact). Applications are open to every local agency (highway district, city, county, rural, and urban), and they are scored by members of LHTAC council and staff, with the top project from each of ITD's geographical districts guaranteed to be funded.

For calendar year 2018, there was \$11 million available — \$10.2 million for projects for local jurisdictions and \$800,000 for child pedestrian safety projects. The maximum grant amount that an applicant could request was \$1 million. There were no matching funds required, but the applicants had to take responsibility for the project (i.e., bid, manage, and fully document their project). They were responsible for every aspect of the project once they received the funds. The application clearly states what are eligible and ineligible uses for the funds. In an attempt to get the word out about the available funding, LHTAC presented at conferences, association meetings, regional transportation meetings, and through email, newsletter, and their website. At 11 workshops statewide, LHTAC had over 270 attendees.

They received 79 applications requesting over \$52 million in grants, with the individual requests ranging from \$52,000 to \$1 million. Of those, LHTAC awarded funding for 17 projects that totaled \$10.2 million, with the awards ranging from \$110,000 to \$1 million. The funding agreements were sent on February 20, 2018 and all projects had to be completed by December 6, 2018. **Ms. Kral** shared information on seven of those successful projects: 1.) Post Falls Highway District received \$1 million; 2.) Benewah County received \$494,000; 3.) City of Moscow received \$477,450; 4.) City of Cascade received \$600,000; 5.) Hagerman and Gooding Highway Districts received \$710,000 and \$605,000, respectively; 6.) City of Grace received \$290,672; and 7.) City of Blackfoot received \$441,485.

Ms. Kral concluded by confirming that for 2019, LHTAC had received 92 applications requesting \$69.8 million that were scored, ranked, and approved on January 9, 2019.

Chairman Brackett thanked Ms. Kral for her presentation and added that the program had been very successful.

ADJOURNED: With no further business before the Committee, **Chairman Brackett** adjourned the meeting at 2:46 p.m.

Senator Brackett
Chair

Gaye Bennett
Secretary