

Final
STAFF SUMMARY OF MEETING
COMMITTEE ON JOINT TRANSPORTATION

Date: 12/10/2015

Time: **09:01 AM to 11:32 AM**

Place: HCR 0112

This Meeting was called to order by
Senator Baumgardner

This Report was prepared by
Matt Kiszka

ATTENDANCE

Becker J.	X
Buck	X
Carver	X
Cooke	X
Coram	X
Esgar	E
Garcia	E
Kraft-Tharp	X
Melton	E
Mitsch Bush	X
Moreno	*
Neville P.	X
Nordberg	X
Scott	X
Todd	E
Winter	X
Tyler	*
Baumgardner	X

X = Present, E = Excused, A = Absent, * = Present after roll call

Bills Addressed:	Action Taken:
Presentation from the Colorado Department of Transportation Pursuant to the Presentation from the Public Utilities Commission Pursuant to Joint Rule 25	Witness Testimony and/or Committee Discussion Only Witness Testimony and/or Committee Discussion Only

09:02 AM -- Presentation from the Colorado Department of Transportation Pursuant to the SMART Act

Senator Baumgardner, chair, called the meeting to order. He made opening comments and welcomed the Colorado Department of Transportation (CDOT) to the table. A packet of materials from Legislative Council Staff (LCS) was distributed to the committee (Attachment A), including an LCS memo on the State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act, an Office of State Planning and Budgeting publication on SMART Act performance management in Colorado, and a Joint Budget Committee budget briefing document for CDOT.

Shailen Bhatt, Executive Director, and Josh Laipply, Chief Engineer, CDOT, came to the table to present to the committee. Documents pursuant to the SMART Act were distributed to the committee by CDOT, including a copy of the department's presentation (Attachment B), the department's 2015-16 performance plan (Attachment C), the department's regulatory agenda (Attachment D), and two budget requests (Attachment E). Director Bhatt began his presentation, saying that CDOT has a "three peaks" (technology, people, system) strategy for making the organization the best DOT in the country. He spoke to why many DOTs in the country are currently financially challenged, pointing to slides 3 and 4 of his presentation. Director Bhatt stated that the federal gas tax brings in \$500 million a year for transportation spending in Colorado, and the state gas tax brings in \$300 million. He said CDOT has identified that it needs \$805 million per year to maintain state transportation infrastructure assets. Mr. Bhatt discussed CDOT wants and needs, and the lack of funding to cover both. He said that CDOT has a \$1 billion a year overall shortfall in funding for the next 20 years.

Mr. Laipply discussed CDOT's performance plan for FY 2015-16. He discussed CDOT's strategic policy initiatives, which include safety, travel time reliability, pavement condition, and maintenance. Mr. Laipply and Mr. Bhatt responded to questions on why traffic fatalities have risen in Colorado in the last 5 years, noting that the state is seeing population growth, and more deaths in the overall population from distracted driving. He noted that Colorado also does not have a primary seat belt law, which usually leads to a decrease in fatalities. The CDOT representatives responded to questions on the passage of the 5-year federal transportation funding bill and how it will help Colorado. Mr. Bhatt discussed the advantages of long-term funding and how it can help a state plan ahead for its transportation infrastructure projects. Mr. Bhatt and Mr. Laipply responded to questions on additional funding from new federal authorization, whether the new funding is earmarked for specific projects, whether Colorado's toll roads are a source of revenue for the state, and revenue that could come in from enforcement of tolls.

09:24 AM

Mr. Bhatt and Mr. Laipply responded to questions on whether the state is considering a vehicle miles travelled (VMT) pilot study, if CDOT is expecting to add more toll roads in the state, and if CDOT has a plan for adding new lanes that will be tolled versus not tolled. The committee discussed concerns with a VMT approach to taxation of road users. Mr. Bhatt and Mr. Laipply responded to questions on whether the state gas tax and Funding Advancements in Surface Transportation and Economic Recovery (FASTER) fees will go away if VMT is implemented, and if CDOT is including commercial vehicles in its VMT pilot.

09:40 AM

The CDOT representatives responded to questions on the legality of the use of shoulder lanes as travel lanes on the state's highways, if a breakdown of the annual cost of maintenance for Colorado's major highways is available, and whether CDOT is able to consider having certain state roadways moved into the jurisdiction of municipalities or counties.

09:49 AM

Director Bhatt discussed RoadX, CDOT's new program that will bring technological advancement to Colorado's roadways (for more information see <https://www.codot.gov/programs/roadx>). Mr. Laipply discussed the pavement condition of Colorado's roads, the improvement of which is one of CDOT's other strategic initiatives. Director Bhatt spoke to legislative plans for transportation bonding (TRANS bonds), and how CDOT is concerned that legislation could move forward without dedicated funding to pay for the bonds. He stated that CDOT is not against the idea of bonding, just bonding without a payment plan that will require CDOT to use its maintenance dollars to repay the bonds.

Mr. Laipply spoke to travel time reliability, another strategic objective of CDOT. He said that the department is trying to make congestion predictable so that it can provide reliable estimates of travel time throughout the state. Director Bhatt discussed the bad congestion and imperfect roadways in Colorado that are leading to increased travel times, and how this will worsen over time.

Mr. Laipply discussed maintenance, CDOT's final strategic policy objective, which aims to make all of the state's transportation assets last as long as possible. He spoke to CDOT's asset management projects. Director Bhatt discussed the bills that CDOT is looking to bring forward in the 2016 legislative session, and its budget requests. He made final comments on Colorado's transportation infrastructure and transportation funding to the committee.

09:58 AM

The CDOT representatives responded to questions on how to get local buy-in for transportation infrastructure projects, road work being done on State Highway 43 through Glen Haven, CDOT's marijuana education program budget request, the resources that CDOT has devoted to its VMT study and whether the study was authorized by the legislature, how CDOT's new offices are being paid for, how CDOT defines a "want" versus a "need" for the state, concerns with CDOT's plans to put in new bike paths when areas of the state do not see them as a priority, how CDOT plans to repay the bonds it will issue for its new offices, how much it costs the state to use federal dollars due to regulations and administration, and whether this cost can be reduced. Committee discussion ensued.

10:22 AM

Discussion ensued on the state and local transportation infrastructure planning processes and how the state interacts with the federal government. Discussion also focused on CDOT's project approval process and how local governments have had issues with delays and lost paperwork. Discussion ensued on the ploughing of roads in certain areas of the state and how CDOT's work on this needs to be improved.

10:38 AM -- Presentation from the Public Utilities Commission Pursuant to Joint Rule 25

Joe Neguse, Executive Director, Department of Regulatory Agencies, and Doug Dean, Director, Public Utilities Commission (PUC), came to the table to present to the committee on the PUC, pursuant to Joint Rule 25 of the General Assembly. A copy of the PUC's presentation was distributed to the committee (Attachment F). Director Neguse made opening comments on the mission and goals of DORA and the PUC.

Director Dean provided an overview of the PUC and the value it provides to Colorado's citizens. He said the PUC is 100 percent cash funded and saves Colorado's constituents \$10.75 for every \$1.00 that funds the commission. Director Dean explained that the PUC is quasi-legislative and quasi-judicial, and balances the needs of investor-owned utilities (IOUs) to receive a fair rate of return with the needs of the utility customers to pay reasonable energy rates.

Director Dean explained the industries regulated by the PUC, noting that the rates of transportation network companies (TNCs) and the limousine industry are not regulated by the PUC. He said the PUC responds to consumer complaints and questions in regards to utilities. He introduced and discussed the PUC's commissioners and staff, as outlined in Attachment F. He explained how oversight of the Regional Transportation District (RTD) is also performed by the PUC, which then bills RTD for the oversight, per state law.

10:54 AM

Director Dean provided an overview of legislation that the PUC is bringing forward in 2016. He discussed some of the recent major cases of the PUC, including Black Hills Energy's request to build a wind farm and Boulder County's goal of creating a municipal utility. Director Dean responded to questions on the status of a case before it on High Cost Fund (HCF) support for telecommunications utilities.

Director Dean discussed the PUC's recent major rulemakings. He said rulemaking for TNCs had come about through collaboration between PUC staff and the TNCs, which was a new approach for the PUC that it plans to use going forward in rulemaking for taxi companies and other industries. He responded to a question on the PUC's role in local community expansion of broadband availability, stating that there is none.

11:05 AM

Director Dean discussed the challenges of the PUC, as seen on page 26 of the presentation, which include budgetary challenges and its annual workload. He responded to questions on the regulation of out of state vehicles being used to transport people from Denver International Airport to mountain resorts. Director Dean stated that these carriers do not fall under PUC regulation. He responded to questions on statutory changes made to Office of the Consumer Counsel (OCC) oversight, what happened to OCC cases after legislative changes made in the 2015 session, and whether the PUC needs legislation to be introduced to cover its costs.

Director Dean discussed rate case annual customer savings, and responded to questions on what the PUC is doing to ensure energy assistance for low-income customers.

At the request of the committee, Lynn Notarianni, Telecommunications Section Chief, came to the table to speak to the HCF for broadband deployment and the pending Century Link settlement case currently sitting before the PUC. She explained the details of the case and moneys to be received by Century Link if a ruling is found in its favor. She responded to questions on whether the PUC has considered moving HCF moneys to another fund, the potential results of its ruling in the current case, and whether mapping can be provided on broadband-competitive areas of the state.

11:31 AM

The committee was adjourned.