

Testimony on SB 1 - Transportation Funding

**Shaun Egan, Chairman
Colorado Motor Carriers Association**

Madame Chair and Members of the Committee. Thank you for the opportunity to testify today on SB 1 and the future of Transportation Infrastructure in Colorado.

My name is Shaun Egan and I am the President and CEO of Iron Woman Construction. I am also the Chairman of the Board of Directors for the Colorado Motor Carriers Association. I am here on behalf of CMCA and our over 600 companies and 100,000 employees in Colorado.

As Chairman, I have one year to positively affect change for the members of CMCA.

In my role, I have tried to work understand all the perspectives, weigh the pros and cons of each issue and help guide our organization in a direction that puts good public policy and people before politics and partisanship.

I don't envy the difficult position, that you Madame Chair and Members of the Committee, are in as you grapple with competing priorities and limited resources.

As a parent, I agree that we need to pay teachers more and fund Public Education at a higher level. We owe it to our teachers and most importantly we owe to our kids.

I know we need to fix PERA and not kick the can, so to speak, down the Pot-Hole fill road

or over the bridge that can't support the weight of one of my trucks.

It is for this reason the I'm here today. Colorado's Transportation Infrastructure has been neglected for too long and from my perspective, is on the Brink of Collapse. From a commercial perspective, the condition of our roads and highways, the gridlock, and congestion has already put many Carriers on the Brink. As a result, the added cost – almost a million dollars a day – is and must be pasted on to your constituents.

So, I am here today to support SB1 as passed, unanimously, by the Senate.

I think we all recognize that SB1 is Not the panacea for Transportation Infrastructure in Colorado. However, we do believe it provides a solid foundation – or as they say in the construction world, a Solid Subgrade – for funding and improvements in the future.

Based on my somewhat limited experience, it is obvious to me that in order to achieve long-term sustainable funding, it is critical that the General Assembly support a solution that provides a significant commitment of state General Fund dollars and a roadmap to generate new funding for our transportation system into the future.

We are very cognizant that there are those who feel the funding commitment passed by the Senate is too high and for too long. This

committee also knows that CMCA is committed and has long supported new funding options to provide the resources – the hard dollars – for the critical improvements and expanded capacity to meet our immediate transportation infrastructure needs.

CMCA and our coalition partners have been at the forefront in calling for a general fund commitment and new revenue. This is not something we embarked on lightly.

I'm sure it is not lost on this committee, that the trucking industry is one of the largest investors in our transportation system today with our industry paying 33% of all of the state transportation taxes and fees going into

the Highways Users Trust Fund while only representing 8 % of the overall traffic.

Since 2012, **31** states, three of whom are our neighbors, passed transportation funding measures. These states saw the importance of a modern and capable transportation system to meet their needs, our state has not.

In fact, with each passing year our state loses ground making it less attractive for businesses and industries that depend on trucking for their needs. Realizing that over 70% of our communities are solely served by trucking for their freight needs, a well-maintained road and highway system with adequate capacity is essential to not only our economy, but our quality of life.

Our industry and its people witness daily, on a first-hand basis, the increasing congestion on our roadways, our deteriorating highways and bridges, and the increasing safety issues created by this situation.

Which brings me to the issue of managed lanes. Managed Lanes do not benefit the commercial transportation industry. Let me explain why.

In 2012 the Colorado Transportation Commission passed Policy Directive 1603, that directed the Colorado Department of Transportation (CDOT) to, and I quote, “strongly consider managed lanes during the planning process for new capacity projects (any expansion and/or operational

improvements) on state highways that are or will be congested.” In addition, the directive stated that CDOT must justify “the decision to not include managed lanes.”

Unfortunately, because of very limited resources, Managed Lanes for CDOT has become a euphemism for Toll Lanes. And because of the cost, and the way they are being managed, these Toll Lanes are widely referred to as Lexus Lanes.

CMCA is not opposed to HOV lanes. Let reiterate, CMCA is NOT opposed to HOV lanes. But we see no justification and based on our analysis – with the very little data available – a request that I will get to in a minute – other than revenue, that HOV lanes should require 3 people.

In fact, use has dropped considerably since the inception of the require 3 person car pool. We still do not fully understand why this was done.

Even if you can find 3 people going to the same location at the same time, the way the program is administered, you still need to secure a transponder for \$15 dollars or you pay the license plate fee.

While providing predictable travel times for the motoring public – for those who can afford it – the current CDOT policy places the “thumb on the scale” and tilts the decision-making process unfairly towards placing “managed lanes” before any other alternative for congestion relief. To add insult to injury,

if a commercial truck wants to use the Toll Lane we must Pay a Surcharge on top of the cost of the Toll Lane.

I think, given the limited information, that a small portion of the proposed revenue, be spent for a study to determine what the effectiveness of -- Toll Lanes and the change in the use of HOV lanes from 2 to 3 people in a carpool -- has truly had on reducing congestion for both the motoring public and the commercial trucking industry.

The Senate version of SB1 incorporates language on managed lanes which in our minds, levels the playing field, by providing CDOT with all its available options to find solutions to our transportation infrastructure problems.

We humbly request that in Madame Chair's amendment that you retain the Senate language and/or work with us to find common objective that help meet our needs and those of the motoring public.

Our companies and their employees' taxes will help pay to construct these Lexus lanes, our trucks are effectively barred and the people who work in our industry, who are primarily blue collar, cannot afford to travel in those lanes. We also view the use of state taxpayer funds to build the lanes and then assessing those same taxpayers with a toll represents double taxation.

For my own company I have seen our costs whether it be traveling across the metropolitan area or transporting a load to Colorado Springs, the costs and time have risen greatly. Along with the additional cost, there has been the added factor of uncertainty. Many of our customers have tight schedules and work on construction projects is dependent upon having materials. When those materials are delayed, construction may stop or be slowed. This may extend project schedules as well as increase costs. At the same time the uncertainty due to traffic conditions makes bidding prospective jobs much more difficult. Where several years ago I could have assigned three trucks and drivers to address a customer's need, today I need four to account for the additional time and delays. This increases overall costs for projects

which we, all, ultimately pay in one way or another.

On our part we wish to commend the sponsors on many positive elements in this measure. In particular the identification of funding CDOT's Tier 1 projects and going to the voters in 2019 for approval for funding and bonding to accelerate these improvements is a very good idea. This provides the opportunity to jump start these critical projects while at the same time taking advantage of a low interest bond market.

We also were pleased that sponsors recognized the importance of a commitment of General Fund monies toward the transportation program. This commitment helps the public understand how important

the General Assembly views transportation and its value to our economy. We also support the funding allocation in SB 1 which is the current approach and reflects the critical need to invest and address the backlog of critical highway and bridge projects in our state.

In closing, I want to thank Madame Chair and Members of the Committee for this opportunity and want you to know we are willing to work with all of you to find viable solutions to fix the \$9 Billion Dollar Pot-Hole in our transportation budget.