

## A G E N D A

### Transportation Legislation Review Committee

House Committee Room 0112  
State Capitol Building

Wednesday, July 16, 2003  
9:00 a.m.

#### SUMMARY FOLLOWS AGENDA

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- 9:00 a.m.** Call to Order, Representative Gayle Berry, Chairman
- 9:05 a.m. - 10:30 a.m.** Colorado Department of Public Health and Environment
- "Air Quality and the State Implementation Plan"
  - Steve Arnold, Deputy Director, Air Pollution Control Division
  - Doug Lempke, Administrator, Air Quality Control Commission
- 10:30 a.m. - 12:00 p.m.** Colorado Department of Revenue (DOR)
- "DOR Update"
  - Aurora Ruiz-Hernandez, Motor Carrier Services
  - Steve Tool, Senior Director, Motor Vehicle Business Group
  - Roni White, Director of Operations, Driver License Services
  - Julie Featherstone, Budget Director, Motor Vehicle Business Group
  - Joan Vecchi, Director of Operations, Driver's Services/Driver Control
  - John Schoen, Manager, Emissions Program
- Lunch**
- 1:30 p.m. - 2:00 p.m.** Colorado County Clerks Association
- "Update on License Plate Distribution"
  - Sara Rosene, Grand County Clerk and Recorder, Past President, Colorado County Clerks
- 2:00 p.m. - 2:30 p.m.** Public Utilities Commission
- "Passenger Transportation Regulation"
  - Bruce Smith, Director
- 2:30 p.m. - 3:00 p.m.** E-470 Public Highway Authority
- "E-470 Public Highway Authority Update"
  - Ed Delozier, Executive Director
  - John McCuskey, Director of Finance

- Dave Kristick, Director of Operations

**3:00 p.m. - 3:30 p.m.** Colorado Intermountain Fixed Guideway Authority (CIFGA)  
• "CIFGA Progress Report and Wrap-up Plan"  
- Miller Hudson, CIFGA Executive Director  
- Sally Hopper, Chair, CIFGA Board of Directors  
- Dr. David Munoz, CIFGA Technical Manager

**3:30 p.m. - 4:00 p.m.** Colorado Motor Carriers Association (CMCA)  
• "CMCA Update"  
- Greg Fulton, Executive Director

*Adjourn*

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## STAFF SUMMARY OF MEETING

### TRANSPORTATION LEGISLATION REVIEW COMMITTEE (TLRC)

House Committee Room 0112  
State Capitol Building

Wednesday, July 16, 2003

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#### **9:01 AM**

The meeting was called to order by Representative Berry, Chair. Members present were Representatives Berry, Borodkin, Briggs, Cloer, Larson, MacFadyen, Merrifield, Pommer, Ragsdale, Sinclair, Spence, Stafford, and Williams, S., and Senators May, Isgar, Johnson, Nichol and Takis. Senators McElhany and Chlouber were absent and excused. Also present were Bradley Denning and Geoffrey Johnson, Legislative Council Staff; and Jery Payne, Office of Legislative Legal Services.

#### **9:02 AM Colorado Department of Public Health and Environment (DPHE)**

Doug Lempke, Administrator, Air Quality Control Commission (AQCC), DPHE, reviewed the Colorado State Implementation Plan (SIP.) Steve Arnold, Deputy Director, Air Pollution Control Division, was also present. Mr. Lempke explained the components of the SIP, including AQCC regulations, and the process by which the SIP is reviewed and approved by the Governor and General Assembly. He noted that the adoption of SIPs is a federal requirement, and that if the state were to fail to adopt a SIP, one would be imposed by the federal government. He said that a number of factors result in modifications to SIPs including internal and external factors. Examples are changes in air quality, legislative changes, new federal requirements and updates to rules and regulations. He distributed a copy of his presentation to committee members (Attachment A).

#### **9:13 AM**

Mr. Lempke discussed the processes by which a SIP may be modified. Alterations to SIPs are very time consuming. There is a two to 14 month interval between AQCC action and legislative review. After approval by the General Assembly, a SIP must be reviewed by the Governor and the Environmental Protection Agency. The minimum amount of time it takes for a SIP modification is seven months; the maximum amount of time is two to four years. Mr. Lempke discussed "requests for pre-approval." He said that changes are often needed to a SIP which result from unexpected developments. In recent years, four "pre-approval requests" have been considered by the General Assembly, and dozens of changes have been made to the SIP.

#### **9:23 AM**

Mr. Lempke commented on the status of air quality in Colorado. He discussed air quality violations that have

occurred in the last 25 years, and noted that the Denver metro area recently experienced an ozone violation. He said the DPHE has created a working group to address ozone pollution. He said that the department is considering strategies by which ozone concentrations can be reduced through regulatory means. The department's goal is to avoid a "non-attainment designation" and a "new source" review process in the Denver area. Fuel strategies are being considered, such as "low-RVP" fuel" which lowers the volatility of fuel and reduces hydrocarbon emissions. Emission control strategies for natural gas well heads in Weld County are also being examined. Modifications to the vehicle emissions inspection program are being considered. Efforts are being made to identify high hydrocarbon-emitting vehicles.

**9:34 AM**

Senator May believes that the General Assembly has insufficient oversight over air quality improvement strategies, and the SIP in particular. Legislative review of the state's air quality and improvement strategies should be more focused. He said that the legislature should try to avoid a situation in which onerous, expensive regulations are imposed on the state. He noted that improvements in automotive technology have helped to improve our air quality in recent years.

**9:43 AM**

Senator Takis noted that collector cars in the state are exempted from emissions testing subsequent to their sale. She said that there may be some fraud in this program in which persons seek the plates simply to avoid emissions testing requirements.

**9:44 AM**

Mr. Lempke said that ozone violations have occurred at a Rocky Flats monitoring station as well as other locations in the Denver metro area. He said that there is no indication that the TREX project is having an adverse impact on air quality. He noted that four mobile source sensing vans will begin operating in the Denver metro area in the next few weeks.

**9:49 AM**

Shirleen Tucker, Program Manager, Air Pollution Control Division, DPHE, said that the "Clean Screen" program has been operating two vans in the northern Front Range for more than a year. She commented on program costs. The most important benefit of the program is motorist convenience. The program is run through a contract with a company called Envirotest. The contract expires on December 31, 2005.

**9:54 AM**

Mr. Lempke said that the costs and benefits of air quality strategies that the department has under consideration have not been quantified at this time. He commented on the four-year model year exemption from emissions testing for new vehicles. He noted that the AQCC is considering increasing this model year exemption. In regard to collector plates, he said that the plates are available for vehicles that are at least 25 years old. Emissions tests are required only when a collector plate is first issued.

**10:08 AM**

Representative Berry said that proposed SIP changes might be considered by the TLRC or the transportation committees on a routine basis to increase the continuity of the legislative review process. The TLRC could conduct an annual summer hearing on the SIP. Representative Berry said that she would like the department to return to the TLRC at a later date to present a comparison of various air quality improvement strategies (i.e., costs, features, success in other states, and time frames) and to make recommendations to the TLRC.

**10:32 AM**

Recess.

**10:39 AM Colorado Department of Revenue**

Aurora Ruiz-Hernandez, Director, Motor Carrier Services, DOR, commented on the department's "Weigh-in - Motion" program for trucks, and automated vehicle identification. She said that 24 states currently have weigh-in-motion systems for truckers. In Colorado, there is a 31 percent utilization rate among truckers, an increase from 26 percent last year.

**10:43 AM**

Jerry Pierce, Chief, Port of Entry (POE) Section, DOR, commented on the department's efforts to increase utilization of the "Pre-Pass" program.

**10:49 AM**

Ms. Ruiz-Hernandez provided the following information on the department's fuel tax system. The usage of this information technology system by the trucking industry is over 90 percent. With regard to the fuel tax collections, the system is very effective at identifying fraud. She noted that diesel fuel is taxed at a higher rate than "dyed fuel." The

department's system has means for the identification of under and over-reporting of fuel sales.

**10:55 AM**

Mr. Pierce explained the funding of capital improvement projects for the state's POE. He expounded on the replacement of fixed scales, concrete and construction of a new POE building.

**10:59 AM**

Mr. Pierce provided the following information on requirements for the tarping of trucks. Three years ago, a law was enacted which required the tarping of aggregate loads if the aggregate is less than one inch in diameter, and if the load is moved more than two miles from its source. In addition, the law also requires the use of mud flaps. The POE has issued 162 tickets for violations in the last year, but complaints have fallen dramatically in recent years.

**11:01 AM**

Senator May said that residual aggregate is causing major problems on Colorado's highways, and that out-of-state trucks are a major source of the problem. The committee discussed the level of the fine (\$40) for violations of the tarping law and whether it was a sufficient deterrent. The committee also discussed signs which are often placed on the back of these trucks declaring that the companies which operate the trucks are not responsible if aggregate breaks a motorist's windshield. Senator Takis expressed interest in carrying a bill to address this problem.

**11:05 AM**

Steve Tool, Senior Director, Motor Vehicle Business Group, DOR, distributed an organizational chart of the Motor Vehicle Business Group Staff to the committee (Attachment B) and provided the following information. With regard to license plate distribution to county clerk's offices in Colorado, Mr. Tool does not believe that memoranda of understanding are required any longer between DOR and Colorado county clerks. The department has established a good working relationship with the clerks. And, to assist with license plate issues, Senate Bill 03-272 was enacted to cash-fund the Colorado's license plate system. Computer programming related to the implementation of the bill is being completed.

**11:14 AM**

Mr. Tool said that there is currently a 112,000 motor vehicle title backlog in the state. The department is hoping to resolve this backlog by October of this year. In response to this issue, many counties have taken on titling duties. The department hopes that vehicle titles will be available, on average, to customers after two weeks.

**11:24 AM**

Senator May asked if the department had any suggestions by which the delivery of out-of-state titles for automobiles which are sold in Colorado could be expedited.

**11:26 AM**

Mr. Tool provided copies of the DOR 2004 Legislative Agenda (Attachment C). He said that the DOR will seek the endorsement of the TLRC for seven bills. There is the potential that the seven bills could be consolidated into one omnibus DOR bill. DOR will present these bills to the TLRC at a later meeting.

**11:37 AM**

Senator May commented on excessive wait times for the renewal of driver licenses.

**11:38 AM**

Mr. Tool said that the license plate distribution system is in good shape now and that inventories are high. Senator May said that the TLRC is looking forward to the DOR presentation dedicated to this topic, with input from Colorado county clerks.

**11:44 AM**

Mr. Tool submitted applications for special license plates, which were received by the department, to the TLRC. These applications are on file at the Legislative Council staff offices.

**11:45 AM**

Roni White, Driver License Office, DOR, provided the following information. Due to state budget constraints, there has been a 17 percent reduction of Driver License Section staff. Three percent of driver license renewal business is being conducted by the counties and each customer transaction requires an average of four minutes. Each employee completes 13 transactions per hour. The average wait time for renewal is now 65 minutes along the Front Range, up from 35 minutes last year. She believes there is a need for driver license renewal by telephone and over the Internet.

**11:47 AM**

Joan Vecchi, Driver Services/Driver Control, DOR, commented on the effectiveness of Colorado's graduated driver license program and provided related handouts (Attachments D and E.) She said that 16 year-old drivers are

three times more likely to be involved in motor vehicle accidents than 18 year-old drivers. Sixteen-year old drivers are also ten times more likely to crash than adults. She pointed out the restrictions on young drivers under Colorado law, noting that fatalities have dropped significantly since the program was enacted in 1999. She discussed other states' experiences with graduated driver licensing.

**12:05 PM** Recess.

**1:34 PM Colorado County Clerks Association**

Sara Rosene, Grand County Clerk and Recorder, spoke on behalf of the Colorado County Clerks Association. She commented on the DOR's license plate redistribution effort and said that the Department of Corrections has assisted with this effort.

**1:37 PM**

P.J. Taylor, Chair, License Plate Committee, Colorado County Clerks Association, commented on the redistribution. She said that a new plate distribution system is in place to avoid distribution problems in the future.

**1:41 PM**

Mr. Tool, DOR, explained that due to past procedures, license plate inventories had grown to excessive levels. These procedures encouraged the department to spend all funds appropriated for license plate production. Sufficient plates had existed to meet demand, but certain plates were in the wrong locations. The Plate Inventory Program (PIP) is credited with improving plate distribution. The goal of the department is to have approximate "on-time inventories" of 300,000 to 400,000 sets of plates available.

**1:45 PM**

Ms. Rosene said that the distribution problem began with the "replating" of Colorado. The department is no longer automatically replating vehicles upon renewal. However, replating should be complete by 2007. She added that some counties are renewing driver licenses, and that an increase in fees to offset county costs should be considered.

**1:50 PM Public Utilities Commission (PUC)**

Bruce Smith, Director, PUC, discussed Colorado passenger transportation regulation. He reviewed relevant statutory definitions, including the definition of "common carrier" in Colorado law. Common carriers are defined as public utilities and are accordingly regulated. He explained the differences of "regulated monopoly" and "regulated competition" to the TLRC members (see handout, Attachment F.) Federal support for transportation in rural areas has reduced demand for taxi services in some rural areas.

**2:01 PM**

Mr. Smith said that Colorado law addressing the regulation of common carriers does not contemplate competition as a goal. He said that Colorado taxi companies have merged over the years. He agreed with Senator May's conclusion that the situation represents a government protected monopoly. Mr. Smith said that the PUC is not able to grant competitive entry and that, personally, he believes some changes should be made to transportation laws.

**2:22 PM**

Representative Larson said that services must be provided at an adequate level by those with monopoly status. He added that there should not be a "free-for-all," that there should be some regulation.

**2:23 PM**

Senator May took issue with the way the law works currently and said that the PUC should be granted additional authority. He noted that Denver has only three taxi companies, and said that he will consider working with Representative Larson to address the situation legislatively.

**2:33 PM**

Recess.

**2:38 PM E-470 Public Highway Authority (E-470)**

Ed Delozier, Executive Director, E-470, showed a videotape to the TLRC about the history of the authority and its toll road. The video depicted the creation of E-470, its bonding activities, the enactment of the Public Highway Authority Law, the adoption of a registration fee to support E-470, and the groundbreaking of toll road segments.

**2:50 PM**

Mr. Delozier commented on the member jurisdictions of the authority and the \$300 million effort to complete the final 12-mile segment of the toll road.

**2:54 PM**

John McCuskey, Finance Director, E-470, said that the authority has \$1.2 billion in outstanding principal. He

noted that 80 percent of E-470's revenue comes from tolls, ten percent from vehicle registration fees, and ten percent from interest income. He noted that E-470 has a lower bond rating because it is considered a "start-up" project. Most of the authority's outstanding debt is insured, giving it an AAA investment rating. He noted that E-470 and the Northwest Parkway Public Highway Authority will have complementary transponder systems for their toll roads. He commented on current E-470 capital projects.

**3:03 PM**

Dave Kristick, Director of Operations, E-470, commented on E-470's customer service and provided the following information:

- many customers have on-line accounts with the authority;
- 70 percent of rush hour traffic vehicles pay tolls electronically;
- E-470 supports electronic "Highway Speed" tolling (more than 60 percent of E-470's total revenue is collected electronically);
- E-470 toll road transponders may be obtained at Safeway; and
- E-470 is researching the matter of license plate obstruction by drivers.

**3:15 PM Colorado Intermountain Fixed Guideway Authority (CIFGA)**

Sally Hopper, Chairman, Board of Directors, CIFGA, said that CIFGA will sunset at the end of 2003, and the authority has completed its mission. She noted disappointment in the loss of the election to construct a demonstration project and provided two handouts to the TLRC (Attachments G and H.) She said that the high-speed rail option has been endorsed by residents of the I-70 Corridor. The Colorado Department of Transportation (CDOT) has proposed the preservation of right-of-way to accommodate a rail option in the future. CIFGA is working with the federal government on the development of "MagLev" (magnetic levitation) technology and has received a \$4 million grant for this purpose.

**3:21 PM**

Dr. Dave Munoz, CIFGA Technical Manager, provided the following information on the "Urban MagLev Study." The Sandia National Laboratories and CDOT are involved in the technological study. Such a train would be technically feasible for the I-70 corridor, although the mountain environment does provide challenges. Full cost estimates will be available for the corridor in December. He said that Japan has been working on these systems for over 30 years.

**3:33 PM**

Ms. Hopper said that the idea of high-speed rail in the corridor will not die because there is enthusiasm in the mountain corridor for the idea. She anticipates that a successor organization to CIFGA will surface to continue high-speed rail planning. Dr. Munoz said that the train could be designed to travel as fast as 100 mph.

**3:40 PM**

Mr. Miller Hudson, CIFGA Director, said that CIFGA has recommended a high-speed fixed guideway system. He said that CIFGA will provide a final report to the General Assembly in the first quarter of next year. He noted that system has the potential to remove 35 percent of all traffic from I-70 in peak travel hours. He estimated that 70 percent of all trips from DIA to the mountains would be handled by the train. He said that the federal government is interested in this Colorado project, and that funding would be sought to continue examination of the technology.

**3:47 PM Colorado Motor Carriers Association**

Greg Fulton, President, Colorado Motor Carrier's Association, said that his organization represents 450 companies which move 80 percent of all goods in Colorado. He said approximately 160,000 people are involved with the industry. He said that the freight business is still sluggish and that many trucking companies are struggling. He noted that rising insurance costs have hurt the industry. He commented on issues relating to truck safety, environmental concerns, taxation and fee levels, and regulatory burdens.

Mr. Fulton said that he would like to see trucking companies' safety records considered as a factor in the awarding of state contracts. He said that modern trucks are ten times cleaner than they were in 1988, and that many pre-1990 trucks still have emission problems. He likes the idea of incentives for cleaner burning vehicles. He said that new federal HazMat transportation regulations will cost trucking companies about \$2,000 each, and that these companies must be in compliance by September 2003. He commented on new requirements for HazMat driver background checks and fingerprinting.

Mr. Fulton said that Colorado has the fourth highest level of taxes and fees on the trucking industry in the country, resulting in a tax burden of about \$13,000 for each tractor-trailer. He commented on the sales tax on interstate

trucks sales, and said that this puts Colorado at a disadvantage. He said that he would like to see Colorado's taxation of the trucking industry come in line with other states.

He recommended continuation of the streamlining of regulatory processes, an area in which he believes Colorado has an impressive record. He recommended development of a commercial vehicle insurance database and said that insurance databases currently exist at DOR and the PUC. He recommended electronic credentialing for intra-state fleets, and the consolidation of auditing requirements.

**4:10 PM**

Recess.