

**Final**  
STAFF SUMMARY OF MEETING

TRANSPORTATION LEGISLATION REVIEW COMMITTEE

Date: 07/23/2014

Time: **09:33 AM to 04:47 PM**

Place: HCR 0112

This Meeting was called to order by  
Senator Todd

This Report was prepared by  
Mistia Zuckerman

ATTENDANCE

Becker	X
Buck	X
Coram	X
Everett	*
Ginal	E
Jahn	E
Jones	*
King	A
Kraft-Tharp	X
Lawrence	A
Lee	X
Mitsch Bush	X
Moreno	A
Peniston	X
Rivera	X
Scott	X
Tyler	X
Todd	X

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

Bills Addressed:	Action Taken:
Public Highway Authorities Reports	Witness Testimony and/or Committee Discussion Only
Public Utilities Commission Report	Witness Testimony and/or Committee Discussion Only
Update on the Oversize and Overweight Permitting Work Group	Witness Testimony and/or Committee Discussion Only
Colorado Department of Transportation Report	Witness Testimony and/or Committee Discussion Only
Report on the High Performance Transportation Enterprise	Witness Testimony and/or Committee Discussion Only
Briefing by the Aviation Industry	Witness Testimony and/or Committee Discussion Only

**09:34 AM -- Public Highway Authorities Reports**

Senator Todd, chair, called the meeting to order. A quorum was present. She reviewed the committee's upcoming meeting schedule and the day's agenda.

**09:37 AM**

Mayor Dick McLean, Chair, E-470 Board of Directors, and Mr. John McCuskey, Executive Director, E-470 Public Highway Authority (PHA), came to the table. Mr. McCuskey introduced himself to the committee and distributed a handout (Attachment A) and the 2013 Annual Report (Attachment B). Mr. McCuskey discussed the E-470 PHA's 2013 Annual Report and responded to questions from the committee regarding how E-470 can relieve traffic congestion in other areas. He said that this summer has set records in traffic volume and added that the PHA is considering widening the highway. He said that they have over one million transponders in vehicles currently.

**09:46 AM**

Mr. McCuskey answered questions from the committee regarding the number of customers who have not paid their tolls, what PHAs are doing to collect overdue tolls in other states, and pricing. He said that E-470 expects to nearly double the number of transactions in the state by 2020. He discussed the debt management plan and answered questions from the committee regarding these payments.

**10:00AM**

Mr. McCuskey said that the unbillable tolls are the single largest loss for the company, adding that vehicles with temporary license plates or no visible license plates make up 59 percent of unbillable toll revenue. He said that E-470 has been working with the Department of Revenue (DOR) and the Colorado Department of Transportation (CDOT) to find a solution to the problem. Senator Todd commented that these changes could help law enforcement agencies. Mr. McLean added that the placement of the temporary license plate tag is also an issue. Mr. McLean and Mr. McCuskey responded to questions from the committee regarding the makeup of the Board of Directors and pricing strategies for congestion and time of day. Mr. McLean stated that the board works very well together.

**10:15 AM**

Mayor Pro Tem Greg Stokes, Chairman, Northwest Parkway, and Mr. Ozaki, Managing Administrator, Northwest Parkway, introduced themselves to the committee and distributed a handout (Attachment C). Mr. Stokes provided a background on the history of the parkway, recent energy savings, and current status. He said that the highway tolls continue to increase although the current revenue is less than the initial projections. He discussed the savings in power in all-electronic tolling and the Northwest Parkway's safety record. Senator Todd commented on the quality of road surfaces and its connection to public safety. Mr. Stokes and Mr. Ozaki answered questions from the committee regarding road maintenance, plans for refinancing, and the concession lease agreement.

**10:34 AM**

Mr. Bill Ray, Executive Director, Jefferson Parkway PHA reported on the current status of the parkway and future plans for deeding parcels in the right-of-way. He answered questions from the committee regarding the time line for the Jefferson Parkway and said that there is no firm date for construction. He proceeded to describe the planning process and answered questions from the committee regarding the types of financing Jefferson Parkway would seek for the project.

**10:47 AM -- Public Utilities Commission Report**

Mr. Ron Jack, Chief Operating Officer, Public Utilities Commission (PUC), introduced himself to the committee and gave a brief overview of the PUC's organizational structure. Mr. Cliff Hinson, Manager, Investigations and Compliance Unit, PUC, introduced himself to the committee and discussed PUC's mission to protect consumers and companies. He commented on how the PUC has been working with the transportation industry and law enforcement to perform investigations, enforce compliance, and find criminals. He said that the division has regular town hall meetings.

**10:58 AM**

Mr. Hinson and Mr. Jack answered questions from the committee regarding the regulation of transportation network companies (TNCs), such as Uber and Lyft. Mr. Jack said that because the legislation regarding TNCs is so new, the PUC has not had the opportunity to create an education program yet. Mr. Jack said that currently the PUC allows Uber and Lyft until September 1 to file their applications. Mr. Jack and Mr. Hinson responded to questions from the committee regarding TNCs, including requirements that drivers be medically fit, operating at the Denver International Airport, and insurance rates. Committee discussion ensued.

**11:35 AM**

Mr Larry Herold, Manager, Rates and Authorities Unit, PUC, gave a brief overview of the history of the PUC and how it implements Colorado law. He discussed how different types of carriers are regulated and said that the PUC is currently working on rules for the TNCs. He said that there will be a hearing on August 11 to set permanent insurance rules for TNCs. He also discussed transportation issues for Medicaid recipients and answered questions from the committee.

**11:52 AM -- Update on the Oversize and Overweight Permitting Work Group**

Senator Todd invited the panelists to the table. Mr. Dan Wells, Unit Supervisor, CDOT; Mr. Eric Bergman, Policy and Research Supervisor, Colorado Counties, Inc. (CCI); and Mr. Mark Radtke, Legislative and Policy Advocate, Colorado Municipal League (CML) introduced themselves. A handout was provided (Attachment D). Mr. Wells began the presentation by discussing concerns about the oversize and overweight permitting process in Colorado. He said that any jurisdiction can issue a permit for operation on the roads in their jurisdiction. He talked about the permitting work group's efforts to assist motor carriers. He discussed the new permitting system and stated that it will be web-based and accessible 24 hours per day, 7 days per week. He discussed the routing system used when permits are issued. He said the goal of the new system is to make information available to as many entities as possible and that the system must be capable of issuing city and county permits. He said that the state will issue permits with the local information and requirements included. He stated that the system is expected to launch in October, 2014.

Representative Coram asked if the work group has talked with the agriculture industry and if there is movement to change the designated routes for this industry. Mr. Wells responded that legislation enacted in 2014 allows for more flexibility for those industries like agriculture in operating under the permit system.

**12:00 PM**

Mr. Radtke began his portion of the presentation. He said that the new CDOT permitting system is going to streamline the process in Colorado and that cities are talking with CDOT about adding their permits to the new state system. He discussed features of the system that will benefit truck operators, including only having to enter permit data one time into one system and point-to-point route schedules among other features. He discussed CML's role in the new system and said that the organization will hold forums with CDOT to educate municipalities and counties on the advantages of the new system. He added that some cities and towns are experiencing oversize and overweight vehicles for the first time due to oil operations.

**12:04 PM**

Mr. Bergman began his portion of the presentation. He echoed Mr. Radtke's comments and added that CCI is interested in the new system because it will streamline the process and be beneficial to truck operators and local governments.

Mr. RJ Hicks, representing the Colorado Motor Carriers Association (CMCA), came to the table. He said that one of the reasons why the permitting work group exists is because CMCA asked for improvements in the system. He added that, under current law, local governments can charge the same price for a permit as the state does. He said that CMCA would like a more equitable distribution of the fee payment schedule. Senator Todd thanked the panelists.

**12:07 PM**

The committee recessed for lunch.

**01:16 PM -- Colorado Department of Transportation Report**

Senator Todd called the committee back to order and invited the panelists to the table. Mr. Don Hunt, Executive Director, CDOT; Mr. Scott Richrath, Chief Financial Officer, CDOT; and Mr. Josh Laipply, Transportation Program Director/Chief Engineer, CDOT, introduced themselves. A handout was provided (Attachment E). Director Hunt began the presentation by giving an update on the department. He discussed the old way of looking at transportation versus today's transportation needs and said that today, transportation focuses on increased travel choices (transit, carpool), increased mobility through operational improvements, the use of express lanes to manage travel reliability and growth, and promoting options for walking and biking. He talked about express toll lanes and said that about 20 other states are working on toll lanes in their states as well. He said that the primary reason for the construction of toll lanes is that the lanes will provide reliable access in the future. He discussed congestion pricing on tollways. Committee discussion ensued regarding CDOT's planned expenditures and sources of revenue for the next five years.

**01:30 PM**

Director Hunt continued. He talked about the new Office of Major Project Development within CDOT, and said it is a central place where the High Performance Transportation Enterprise (HPTE) and CDOT engineering staff can come together to work on projects. He discussed the role of the HPTE and said that it is primarily a financing organization. He talked about CDOT's public engagement process. Representative Peniston asked how public and stakeholder feedback is used by CDOT. Director Hunt responded that greater and greater shares of project funds are going towards the public engagement process. He said that CDOT receives a lot of comments about projects, but that the department doesn't always receive comments that result in adjustments to a project. He said that it is a delicate balance, but in the end, it is CDOT's responsibility to make the decisions that are best for Colorado. He talked about Senate Bill 09-228, which provides some funding to CDOT when a personal income growth trigger is reached in the state. Representative Tyler talked about a US 6 bridge project, where input from the community did result in adjustments to the project plan. Senator Jones commented on the importance of engaging the public early in the process. Committee discussion ensued regarding the public engagement process and CDOT's work to make the process better.

**01:52 PM**

Director Hunt continued the presentation. He talked about CDOT's organizational chart. He discussed roadway congestion and said that technology will better help CDOT respond to transportation issues and challenges. He talked about peak period shoulder lanes and other strategies to reduce congestion. Representative Kraft-Tharp commented on the transportation needs of the constituents in her district. Committee discussion about statewide transportation projects ensued.

**02:06 PM**

Mr. Laipply continued the presentation. He discussed CDOT's ongoing and future projects and provided updates on the I-70 mountain corridor, I-70 East, C-470, North I-25, State Highway 550, and I-25 at the Cimarron interchange. He said that CDOT's goal in the I-70 mountain corridor is to reduce congestion. He said that CDOT is moving forward with a new project that will provide peak period shoulder lanes on I-70 through the mountain corridor. He discussed how the peak period shoulder lanes will reduce travel times by about 30 minutes and provide more reliable access for tourism. Representative Becker asked about the peak period shoulder lanes and commented that it is not a long term solution. Mr. Laipply stated that CDOT needs about \$11 billion to address all of the issues on the I-70 mountain corridor. Committee discussion regarding funding for I-70 projects ensued. Director Hunt stated that the environmental impact study was completed in July 2012, and it was clear at that time that no money is available for I-70 and that there are not prospects for money for these projects in the future. He said that I-70 is one of Colorado's biggest problems and that the congestion and issues on the interstate are killing business and tourism. Representative Mitch Bush commented on the work of the I-70 Coalition. She said that the real solution would be an advanced guide-way system. The committee discussed the gas tax and sales tax. The committee talked about ways to communicate to voters that transportation needs to be a priority.

**02:22 PM**

Mr. Laipply continued to provide project updates. Representative Peniston asked what the "C" in C-470 stands for. Director Hunt said that it stands for Colorado, and that is because the state owns that stretch of highway. Mr. Laipply finished his presentation. Director Hunt talked about inter-regional express bus service which is slated to launch in Spring 2015, and the September 2013 flood recovery efforts.

**02:33 PM**

Mr. Richrath provided an update on CDOT's budget and said that the department is looking at preserving the state existing infrastructure. He said that 64 percent of CDOT's funding for capital comes from the federal government. He discussed the amount of federal funding that other states receive for transportation. He talked about Senate Bill 09-228 and the personal income growth trigger. He said that once the trigger is met, about \$1 billion over five years will be transferred to CDOT. Of this amount, 10 percent will go towards transit, and 90 percent to highway and bridge projects. Director Hunt said that the state must add capacity through toll lanes. Committee discussion regarding the Taxpayer Bill of Rights (TABOR) and the ratchet-down effect ensued.

**02:42 PM -- Report on the High Performance Transportation Enterprise**

Mr. Mike Cheroutes, Director, High Performance Transportation Enterprise (HPTE), introduced himself to the committee. A handout was distributed to the committee (Attachment F). He noted that the HPTE operates as a government-owned business within CDOT. He commented on old versus new ways of addressing funding and project delivery. He discussed how HPTE operates with CDOT and stated that CDOT decides the project and the budget and then asks HPTE to analyze and explore innovative delivery options. CDOT then provides final approval. He said that HPTE pursues innovative financing that advances funding, guarantees performance of high levels of service and maintenance, and is transparent to the public. He commented on how the HPTE approaches analyzing corridors and said that it examines cost, provides matrices of risks and identifies the best value, and considers other possible hazards.

**02:54 PM**

He discussed the new engagement process and the need for town hall meetings and public and stakeholder participation. He provided corridor updates for US 36, I-70 East, C-470, I-70 West, and North I-25. He said that I-70 is a big project and commented on the first phase which is to remove the viaduct between Brighton and Colorado Boulevard. He said that the second phase, which will cost \$350 million, and third phase, which will cost \$40 million, will extend the toll lanes to Pena Boulevard. He said that funding of this project will require multiple sources, including the Bridge Enterprise and the Denver Regional Council of Governments. He discussed the travel-time benefits in 2035 from the I-70 corridor project and stated that, as a result of the project, the express lanes would take 17 minutes compared to 60 minutes and general purpose lanes would take 35 minutes compared to 60 minutes. Representative Tyler asked for clarification on the general purpose lanes.

**03:01 PM**

Mr. Cheroutes commented on options that the HPTE considers related to the I-70 East project, including value for money analysis, annual performance payment models, and public-private partnership (P3s) models. He said that P3s build on traditional construction approaches through potential design for innovation and cost, construction efficiencies, and assured program delivery at a guaranteed price. He discussed public involvement on project financing and commented on June and July public outreach and meetings.

**03:06 PM**

He discussed the C-470 project and said that the estimate for the project is \$230 million, \$100 million will be allocated from the RAMP program for the project. He said that the project could generate enough revenue to borrow a significant portion of the cost but that further analysis is necessary. He commented on a Level 1 Traffic and Revenue Study that was completed in 2013, and stated that initial assessment indicates that North I-25 as a preferred alternative is not feasible at this time.

**03:09 PM**

He commented on the I-70 West project. Representative Kraft-Tharp thanked Mr. Cheroutes for his efforts and focus on making transparency a priority. Mr. Kurt Morrison, CDOT, said that there was a lot of attention to unpaid tolls on E-470 and that a stakeholder group is looking into the issue. Senator Jones asked for more information on the timeframe for the North I-25 project.

**03:12 PM -- Briefing by the Aviation Industry**

Mr. Patrick Heck, representing the Denver International Airport (DIA), introduced himself to the committee. A handout was distributed (Attachment G). Mr. Heck said that DIA is the fifth busiest airport in the country and that it had 52.5 million passengers last year. He said that DIA is the third largest air service network in the country. He discussed shopping and dining at DIA and stated that in 2013, the airport had a record of \$295 million in gross revenue. He commented on the financial strength of the airport and the cost per enplaned passenger compared to competing airports. He commented on Phase 1 of the construction of the Westin Hotel and the commuter rail to Denver Union Station. He discussed transit oriented development and said that the commuter rail will generate development opportunities.

**03:25 PM**

Mr. David Gordon, Division of Aeronautics, CDOT, introduced himself to the committee. A handout was distributed (Attachment H). He said that there are 74 public use airports in Colorado, of which 13 are commercial, 50 are publicly owned general aviation, and 11 are privately-owned. He discussed the economic benefits of aviation, including jobs, payroll, and output, or total annual economic activity. He said that from 2008 to 2013, the economic benefit increased from \$32.2 billion to \$36.7 billion. He commented on aviation tax revenue and said that the Division of Aeronautics operates entirely through the state Aviation Fuel Tax revenue.

**03:32 PM**

The committee took a brief recess for a fire alarm.

**03:52 PM**

The committee came back to order. Mr. Gordon continued his discussion on aviation fuel tax revenue. Representative Becker asked for more information about federal dollars for aviation.

**03:55 PM**

Mr. Gordon commented on unmanned aerial systems (UAS) and said that Congress directed the FAA to develop rules for UAS integration into the national airspace system by 2015. He said that the division is considering establishment of a test facility to promote UAS development in Colorado and discussed facility stakeholders. He said that test and evaluation facility development goals include establishing UAS operational requirements and deploying surveillance technologies in support of the test activities.

**03:59 PM**

Mr. Kenny Maenpa, representing Rocky Mountain Metropolitan Airport and the Colorado Airport Operators Association (CAOA), introduced himself to the committee. He commented on the mission of the CAOAs and said that it provides a unified voice to statewide airports. It promotes understanding of the value of aviation and that Colorado airports account for \$36.7 billion in total economic activity. He commented on the Colorado Discretionary Aviation program.

**04:06 PM**

Mr. David Ruppel, representing Yampa Valley Regional Airport, introduced himself to the committee. A handout was distributed (Attachment I). He said that 70 percent of the winter vacation visitors arrive through the airport and that the airport is a key asset in the development of location neutral businesses. He said that 186,672 people used the airport in 2013/2014. It is one of only three 10,000 foot runways west of the Front Range. He commented on the airport's role in the Yampa Valley's infrastructure and stated that it is the seventh busiest commercial airport in Colorado. He commented on the air service issue and said that every person that travels in and out of the airport is essentially receiving a \$30 subsidy on their ticket paid by the airport, the Ski Corporation, and the Local Marketing District .25 percent sales tax.

**04:13 PM**

He commented on the Colorado Surveillance Project, which is a cooperative effort between the state, mountain airports, and the FAA to advance NextGen by deploying the emerging technologies to bring radar-like service to the mountain airports. He discussed the needs for improved surveillance. He commented on the challenges of mountain airports. Representative Tyler asked about expansion projects. Representative Mitsch Bush thanked Mr. Ruppel for his work.

**04:21 PM**

Mr. Chris Cole, representing Steamboat Springs Airport, introduced himself to the committee. A handout was distributed (Attachment J). He said that the airport encompasses roughly 254 acres of land at an elevation of 6,878 feet. He stated that the airport has an economic impact of \$8.8 million. He said that the activity of the airport is seasonal and that the airport generates revenue year-round by collecting facility fees. He commented on the strengths of the airport, including its location, based aircraft, and the demand for hanger space and parking spaces.

**04:28 PM**

He discussed challenges of the airport, including competition of for local funding, difficult terrain, and costs exceeding revenue. He commented on grant opportunities for the airport from the FAA and CDOT aeronautics funding. Representative Mitsch Bush thanked Mr. Cole for his work.

**04:37 PM**

Mr. Robert Orlislagers, representing Centennial Airport, introduced himself to the committee. He commented on recent legislation in Colorado related to aviation. He discussed House Bill 05-1314, concerning the creation of aviation development zones to offer economic incentives for aircraft manufacturers, and House Bill 13-1080, concerning modifications to the Colorado manufacturer new employee tax credit. He commented on House Bill 14-1374, concerning the inclusion of on-demand carriers in the sales and use tax exemption for certain aircraft. He discussed the impact of the passage of these bills and the importance of retaining aviation businesses in Colorado.

**04:47 PM**

The committee adjourned.