

# MINUTES

## LEGISLATIVE TASK FORCE ON INTERMODAL TRANSPORTATION AND COMMERCE

February 10, 2016

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The Legislative Task Force on Intermodal Transportation and Commerce met Wednesday, February 10, 2016, in Room B-MAC, Little Rock, Arkansas.

**Task Force members present:** Senator Greg Standridge; Representatives Mike Holcomb, Co- Chair; Mathew Pitsch, and Marcus Richmond. Non-legislative members: Scott Bennett, Kenneth Burleson, David Choate, Craig Christiansen, Bryan Day, Bob Freeman, Jeff Hawkins, Butch Rice, Lily Roberts (Jerry Chism), and Kevin Sexton.

**Other legislators present:** Senators Cecile Bledsoe, Ronald Caldwell, Jonathan Dismang, and Blake Johnson; Representatives Andy Davis, Charlotte Douglas, Dan Douglas, Kenneth Ferguson, Jeremy Gillam, Bill Gossage, Mary P. “Prissy” Hickerson, Sheilla Lampkin, David Hillman, Brandt Smith, and DeAnn Vaught.

Representative Holcomb called the meeting to order.

Representative Holcomb and Senator Standridge welcomed members and guests in their opening comments.

### **Discussion of Act 166 of 2015 Re-establishing and Expanding the Task Force**

Representative Pitsch briefed members on Act 166 of 2015 and its intent to study the reason that over 40 states incorporate transportation, infrastructure, and funding through a Department of Transportation (DOT), creating an umbrella for all modes of transportation. The Arkansas Highway and Transportation Department (AHTD) covers waterways, aeronautics, railroad, and the private sector. He said the task force was not created to implement a DOT but to study the benefits of a formal organization under one umbrella.

Mr. Bennett, Director, AHTD, stated Act 166 questions whether the state can operate more efficiently by having all modes of transportation under one umbrella and, if so, how it would be structured considering parts of the Act are constitutional and parts are statutory. Each entity has designated funds but there is concern that if all modes are under one umbrella, the already inadequate sources of revenue will be spread even thinner. All states, with the exception of Arkansas and Nebraska, are introduced as a State Department of Transportation at national meetings.

Representative Pitsch added that the Department of Transportation moniker is the definition of the way state transportation should be run. He said trucking companies, rail, and water must be kept in mind when building an interstate and the Act was written to ensure that all departments were included to help guide the changes.

### **Consideration to Approve Minutes of the January 13, 2016, Meeting**

Without objection, the Minutes from the January 13, 2016, meeting were approved.

### **Overview of the Arkansas Highway and Transportation Department (AHTD)**

Mr. Scott Bennett discussed the history of the AHTD and provided the following timeline:

- 1913 - first Arkansas Highway Commission (AHC) established under the Department of Lands; \$72,000 budget; 50,000 vehicles; 36,000 miles of public roads
- 1920's - first gas tax (1¢ per gallon); AHC changed twice
- 1923 - first highway system created; first highway improvement fund
- 1927 - all Road Improvement District miles and \$100 million in debt transferred to the state
- 1929 - Highway Department created; 200,000 vehicles; 8,800 miles of state highways; 1,400 paved
- 1930 - AHC changed two more times; increase in gas tax to 6.5¢ per gallon (last increase until 1960's); 255,000 vehicles; 9,300 miles of state highway (3,000 paved)
- 1940's-50's- AHC changed two more times; 9 Acts restructured the AHC; 750,000 in 1950's; 11,000 miles of state highways (8,800 unpaved)
- 1960's - led the nation in completed interstate highway miles; allowed transfer of county roads to AHC as state highways without additional funding; 1.1 million vehicles; 14,500 miles of state highways; 13,000 unpaved

- 1970's - paid off initial \$100 million debt; Highway Department renamed and given expanded authority over planning/coordination of transportation/rail/ air/water; each legislator and county judge allowed to transfer 12 miles of local roads
- 1950's-70's - additional 5,500 miles of county roads added to the highway system without supplementary funds; 1¢ fuel tax increase put into place as a State Aid Road Construction Program for remaining county roads and remains in place today generating approximately \$20 million per year
- 1980's - 16,200 miles of state highways; 2.0 million vehicles; Transportation Safety Agency transferred to AHTD and included tracking/analysis of accidents, etc.; Rural Road Program was passed with a 2¢ per gallon increase in gas/diesel to pave roads (1985)
- 1990's - Highway Improvement Program; federal gas tax increase raised to current rate of 18.4¢ per gallon for gasoline, 24.4¢ for diesel; 2.1 million vehicles; 16,400 miles of state highways (16,300 paved)
- 1999 - state gas tax increased 3¢ per gallon to 21.5¢ and diesel increased 4¢ per gallon to 22.5¢; first Interstate Rehabilitation Program
- 2011 - second Interstate Rehabilitation Program passed; 2012 Connecting Arkansas Program (½¢ sales tax); working on paving last gravel state highway; 3 million vehicles; 16,400 miles of state highways (all paved)

Mr. Bennett spoke on AHTD's organizational structure which includes 4 branches: Planning, Design, Operations, and Administration. AHTD is the 3<sup>rd</sup> largest state agency with 3,600 employees (300 engineers); 10 districts with each having 7-8 counties responsible for maintenance and operation of 16,418 highway miles and 7,335 bridges.

As the planning agency for all modes, AHTD is in the process of creating a Statewide Intermodal Transportation Plan. The preliminary indication is that over the next 25 years, there will be \$54-\$63 billion in needs, with the vast majority spent on highway systems. AHTD hopes to have a statewide intermodal plan in place within a year; however, it will be the responsibility of each mode to implement the plan.

Mr. Bennett provided the following information in response to questions by several members:

- AHTD is responsible for airport access roads (by statute); commission policy states they are responsible for maintenance of institutional drives (with limited funding)
- waterways has a very small budget; aeronautics is funded largely by a user fee sales tax and provides grants to airports; AHTD receives revenue from the Federal Transit Administration and a sales tax on rental cars that is dedicated to public transit and distributed through grants to public transportation agencies for elderly and disabled programs; rail is funded through the Federal Railroad Administration
- for planning purposes, AHTD relies on the transportation modes to advise what is needed for maintenance, navigation, etc. The Highway Police were once part of the State Police; they are fully licensed law enforcement officers responsible for commercial vehicle laws and regulations (size/weight/safety) which have an impact on the highway system
- federal regulations require states to submit multi-modal or intermodal planning; highway funds are held until plans are presented
- DOT staff impact – may help smaller modes; the purpose is to access more expertise
- State Aid Program for counties generates \$20 million per year; program is responsible for coordinating with county judges for allocation of funds; ½¢ sales tax passed in 2012--triggered a transfer of \$20 million in revenue to the city street program; \$40 million in revenue is currently available to state aid programs for local roads; 30% of highway revenue is distributed to cities and counties in turnback revenue and they are responsible for making improvements; state revenue is \$400 million per year (30% is turnback revenue)
- Amendment 42 gives very broad authority to the Highway Commission over the highway system
- ongoing research regarding merging the State Police and Highway Police retirement plans

Mr. Bennett said that by statute, the Highway Commission is the state's tolling authority; however, at this point, the state has no toll roads.

Next meeting is scheduled for Monday, March 14, 2016, at 9:00 a.m., in Room 130 of the State Capitol. With no further business, the meeting adjourned at 9:55 a.m.