

FISCAL NOTE
Requested by Legislative Council
02/06/2017

Amendment to: HB 1255

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$607,750		\$1,144,000
Expenditures		\$15,000				
Appropriations						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill provides for a large truck primary highway network and the permitting of increased vehicle weights.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

- Assumes that the Interstate System will gain Congressional approval during the second year.
- Assumes no intersection improvements completed
- Each permit generates \$700 for the State Highway Fund and \$15 for the Motor Carrier Electronic Permit Transaction Fund.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

This scenario assumes an increasing number of permits each biennium. For the 17-19 biennium we are estimating sales of 850 permits generating \$595,000 of revenue for the State Highway Fund and \$12,750 for the Motor Carrier Electronic Permit Transaction Fund. For the 19-21 biennium we are estimating sales of 1,600 permits generating \$1,120,000 of revenue for the State Highway Fund and \$24,000 for the Motor Carrier Electronic Permit Transaction Fund.

This bill will have a negative impact on the amount of fuel taxes collected in North Dakota due to larger loads carried by fewer trucks. However, we have no reliable way to determine what that impact may be.

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

- The Highway Patrol will incur a one-time cost of approximately \$15,000 in the 15-17 biennium to modify the Motor Carrier Electronic Permit system to accommodate the provision of this bill.

•There will be a long term increase in pavement and bridge repair costs as a result of this bill. However, at this time we have no reliable method to determine the extent and timing of these costs.

•NDDOT will incur additional costs for increased bridge inspections. We estimate these costs will be approximately \$20,706 in fiscal year 2019.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

The \$15,000 of increased expenditures that will be incurred by the Highway Patrol are already covered by a continuing appropriation from the Motor Carrier Electronic Permit Transaction Fund.

Name: Shannon L. Sauer CPA

Agency: ND Dept of Transportation

Telephone: 328-4375

Date Prepared: 02/07/2017

FISCAL NOTE
Requested by Legislative Council
02/06/2017

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- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

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Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill provides for a large truck primary highway network and the permitting of increased vehicle weights.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

- Assumes that the Interstate System will gain Congressional approval during the second year.
- Assumes no intersection improvements completed
- Each permit generates \$700 for the State Highway Fund and \$15 for the Motor Carrier Electronic Permit Transaction Fund.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

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- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

- The Highway Patrol will incur a one-time cost of approximately \$15,000 in the 15-17 biennium to modify the Motor Carrier Electronic Permit system to accommodate the provision of this bill.

•There will be a long term increase in pavement and bridge repair costs as a result of this bill. However, at this time we have no reliable method to determine the extent and timing of these costs.

•NDDOT will incur additional costs for increased bridge inspections. We estimate these costs will be approximately \$20,706 in fiscal year 2019.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

The \$15,000 of increased expenditures that will be incurred by the Highway Patrol are already covered by a continuing appropriation from the Motor Carrier Electronic Permit Transaction Fund.

Name: Shannon L. Sauer CPA

Agency: ND Dept of Transportation

Telephone: 328-4375

Date Prepared: 02/07/2017

2017 HOUSE TRANSPORTATION

HB 1255

2017 HOUSE STANDING COMMITTEE MINUTES

Transportation Committee
Fort Totten Room, State Capitol

HB 1255
1/27/2017
#27540

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A bill relating to the creation of a large truck primary highway network.

Minutes:

Attachments # 1-8

Vice Chairman Rick C. Becker brought HB 1255 before the committee.

Representative Dan Ruby, District 38, spoke to introduce HB 1255. I introduced this bill initially at the request of the North Dakota Trade Office. One of the things that are discussed a lot are the weights, and whether or not they can be transported. Years ago the federal government froze all of the weights on the interstate system at the weight the state was at that time. North Dakota was at 80,000 pounds. A trucker can permit for over that weight, but I know that other states are at higher weights right now. One of the options that was brought to me was for a commission to be set up to designate a highway system that would allow for larger loads. The Department of Transportation can be asked for their concerns for higher weights. Generally, to go to 129,000 pounds, the bridge lengths on the trucks are going to have to meet specifications, a certain number of axels, and the weight per square inch of tire width is actually less than trucks that are running now. One of the concerns is that that weight can be spread out and the weight per axle is down, but when you get on a bridge, all of the weight is on the bridge. There has been some research when other states went to this, they did not have to do any significant work with their bridges. The Department of Transportation feels that our bridges will handle the weight. The places that we may have problems are on county roads; the bridges are constructed differently. That is why they are not a part of this. They would not just give them the power to drive on a county road. You can drive on some of those roads now if you pay the permit, and they tell you when and where you cannot go.

I've had a request that the League of Cities would like to be added to the advisory committee. We may hear of some more that would like to be added.

I have also talked with the Department of Transportation about potential options for the permit fees for the higher levels of weights. They have a breakdown for moving it up with equal percentages like it is done now.

I would like find out whether that option would be preferable, or potentially a permit process that would allow a monthly permit to be purchased. That would require more involvement in getting a monthly permit or possibly an annual permit. I would like to put into place whatever would be more advantageous for the industries.

The bill has the potential to have a couple of amendments to get it into the best shape possible. There is a lot of support for this with the problems we are having getting heavy loads moved from point A to point B. If we can get this regulated and approved the way it is intended, it will be good for the state and enable more harmonization with other states for shipments to be seamlessly moved, which is better for everyone.

Representative Westlind: Where did you come up with the 129,000-pound level?

Chairman Ruby: It is a fairly standard rate among the other states. I don't think that there are any that are higher.

Representative Westlind: If this was enacted, and we could haul 129,000 pounds on Hwy 2. Would you have to be permitted to originate a load in Cando at 129,000 and travel on Hwy 281 to meet that? Or would you have to originate the load on the designated highways?

Chairman Ruby: Yes, the county would have to approve you to move that kind of a load.

Dean Gorder, Executive Director, North Dakota Trade Office, spoke to support HB 1255 and provided written testimony and maps of proposed sections of highways. See attachment # 1, pages 1-4.
11:45

Vice Chairman Rick C. Becker: On page three I see six non-international entry points into the network. When I look at the lower diagram, I only see one from I-94 from Fargo and Minnesota. Don't the other the other states have them coming to that point? So, are we just preparing so that when they do we are already set up?

Dean Gorder: Are you addressing the bottom diagram? That is a National Freight Highway Network that was proposed by the federal government. The North Dakota Department of Transportation has already submitted a response to that proposal. It looks just like the top diagram. It is the proposal that we want.

Vice Chairman Rick C. Becker: So, do MN, SD, and MT have coordinated proposals back where these six entry points do have a contiguous pattern into the other states, which would be necessary for this to be effective?

Dean Gorder: Yes. The key element is making sure that we are in harmony with the other entities.

Chairman Ruby: Depending on the types of loads, would it be more advantageous to get permitting or just buy a registration?

Dean Gorder: There are several shippers in the room, and I think that they would be better equipped to answer that question.

Clark Price, a farmer from Hensler, North Dakota, spoke on behalf of the North Dakota Corn Growers Association. He spoke to support HB 1255 and provided written testimony. See attachment # 2.

Representative Nelson: How do the Corn Growers see this a benefit?

Clark Price: I believe that the way we move freight; we move longer distances. So, I would assume that through the advisory committee process, we will get more roads added that would allow those larger loads. Then we could actually come from a point and get to ethanol plants and load out facilities.

Darrel Oswald, North Dakota Ag Coalition Vice-Chairman and a rancher from Wing, spoke to support HB 1255 and provided written testimony. See attachment # 3.
19:25.

Bob Sinner, President of S, B, & B Foods from Castleton, North Dakota, spoke to support HB 1255. They have been in the export business for over twenty-five years and been doing contracts with over 250 producers in the upper Midwest.

Bob Sinner: Our business faces competitive challenges. The biggest challenge that we have is transportation. We lose business because of containers that end up in large metropolitan areas, like Chicago and Minneapolis, and therefore need to be repositioned back to North Dakota. There is a cost to that. We have been very involved in developing an intermodal ramp location in North Dakota. We will be successful for that in the near term. This bill is about allowing us to minimize our transportation cost by moving two containers back to the ramp at one time. That is the 129,000 pounds. Putting two containers, each carrying about 750 bushels, on a chassis to move back to a ramp at one time, basically cuts our transportation costs in half. We appreciate the bridge law requirements. This bill is designed to make sure that the chassis axle spreads are adequate to make sure that we do not damage the roads. I am clearly in favor of this as an exporter. I believe it would significantly help the competitiveness of North Dakota crops in the export world.
21:37

Eric Bartsch, Director of Food Ingredients for AGT Foods, spoke to support HB 1255. Our producers pull product from all throughout North Dakota, South Dakota, Montana, and the whole region to come to our various factories. The issues with the growers is that they do not want to haul to North Dakota because of the issues of the differences of the load limits. It is really about being in a competitive market for our products.

The other side of this bill is the economic development, and the ability to get the product from our door to our customer. We have already invested over one hundred million dollars into our facilities. You can continue investment, but if you can't get it from the point of processing to the customer, that is the biggest issue we have. It involves container movement, rare freight, truck rate, and is just a series of items that allow us to be more competitive. Today we ship about 250,000 tons of Pulse crops. All of those products end up being containerized

or shipped by truck at some point. It is either rail to Seattle or rail to the coast. As we move further into developing our food safety programs, restrictions come on us as far how we handle food products. We are not able to transition the products to Seattle, have it (inaudible) in container and shipped anymore. We need to originate containers in North Dakota to move these value added food products. Otherwise, we are not going to have the value here. We will need to add the value somewhere where we can have adequate access containers and movement of freight. This is another tool in the state's arsenal to allow us to move larger loads and be competitive in the marketplace.

Chairman Ruby: Do you add value by the quality controls that you receive by having it containerized? Or does it have to be broken up or restocked?

Eric Bartsch: If we are shipping whole peas, whole chick peas, whole dry beans, the food safety centers maybe aren't as high. But as we start adding value, like splitting them, or in the case of Minot, where we are milling them into flour, extracting protein or starch, you get further into the value added chain. At that point the food safety standards continue to become higher and higher. There are some crops like identity preserved soy beans. Those are things that have to be containerized here in order to maintain those food safety requirements. 25:28

Arik Spencer, Executive Vice President of the North Dakota Motor Carriers Association, spoke to support HB 1255 and provided written testimony. See attachment # 4.

31:00

Representative Paur: A lot of our commodities go to the Twin Cities; what is the weight limit in Minnesota?

Arik Spencer: I will defer to the Department of Transportation on that question, I don't know off-hand. I believe it is less than the 29,000 pounds.

Representative Paur: So, if you equip these trucks to carry the heavier loads, you would have to carry less cargo than you do now, when heading into Minnesota?

Arik Spencer: Into Minnesota you would not be able to go up to the 29,000 pounds.

Representative Paur: Would this be for single trailers?

Arik Spencer: It could be a combination, but I think the intent is a single trailer.

Representative Paur: Where do you see this heading with multiple trailers?

Arik Spencer: The combination of both trailers would have to be below the 129,000 pounds.

Dan Gown, Director of Agriculture at American Crystal Sugar in the Red River Valley, spoke to support HB 1255. Written testimony was provided. See attachment #5. 35:30

Stephanie Dassinger, Deputy Director of the North Dakota League of Cities, spoke to ask for an amendment that would add a seat on the advisory committee for the North Dakota

League of Cities and would support HB 1255 when amended in that manner. See attachment #6. 37:25

Cal Klewin, Executive Director of the Theodore Roosevelt Expressway Association, spoke to support HB 1255. He provided written testimony. See attachment # 7, pages 1-2.

Brent Bogar, the Greater North Dakota Chamber, stood to support HB 1255. He provided written testimony. See attachment #8. 40:35

Alexis Brinkman Baxley, North Dakota Petroleum Council, spoke to support HB 1255. We have a number of different members that would all like to see this bill get a DO PASS.

Dan Wogsland, Executive Director for the North Dakota Grain Growers Association, spoke to support HB 1255.

Dan Wogsland: We were pleased to be part of the regulatory committee that was studying this. We were also pleased to see that on Page 2, lines 25-28, that the farm trucks, as they are now configured, are not impacted by this legislation.
42:00

There was no further support for HB 1255.

Dan Zinc, RRV and Western Railroad company from Wahpeton, North Dakota, spoke to oppose HB 1255 on behalf of the short line railroads in North Dakota.

Dan Zinc: There are five short line railroads in North Dakota; primarily three companies that operate currently about 40% of the railroad track miles in the state. These companies are small in nature when compared to the larger railroads, like BNSF and the Canadian Pacific Railroad in North Dakota. Two of the names are the Dakota Missouri Valley and Western Railroad in Bismarck and the Northern Plains Railroad in Fordville, North Dakota. These companies were formed when the rural branch line network in North Dakota was failing. Small independent operators came in and took over these rural low density branch lines, and essentially put a stop to the absolute spiral of branch line abandonment that was happening in North Dakota. Now, these three companies and the rural branch lines they operate are thriving, as are some of the customers they serve in mostly small communities. We walk a very delicate line on this issue. We are in support of development of all kinds in North Dakota, particularly the development in improvement in containerized inter-mobile shipments in North Dakota. I personally feel, and our company feels, that is a very, very important sector of our transportation network that needs to be improved. Our company is and has been specifically working on that issue to try to establish and improve that service for many years. So, to the extent that this bill contributes to the development of containerized freight shipments in North Dakota, we are all in favor of it. However, this bill and the heavier trucks that would result from it, stand to damage short line railroads and some of our customers and the service we provide, especially in rural areas. Much of our business is on short hauls. For example, we haul a lot of corn into two of the ethanol plants mentioned earlier. We haul aggregate from a distant pit into counties that don't have good aggregate. Those shipments are the most competitive with trucks that we have. Those shipments are threatened by this and would hurt our businesses. This shouldn't be about whether it hurts our businesses, but there are

nuances to this bill that have not been mentioned. One is the impact on short line railroads and the small rural communities that we serve. As the proposed network expands, the bill itself strongly suggests that is when the real damage will occur that the Upper Great Plains Institute study has identified. The other issue is safety, and the suggestion that more competitive heavier trucks would lead to fewer trucks. I personally do not believe that. A more competitive industry will lead to higher volumes not lower.

So, we stand in qualified opposition to HB 1255 to the extent that it develops our containerized network, and we are all in favor of that. To the extent that it damages rural communities and shippers that the short lines serve, we stand in opposition to the bill.

Representative Dobervich: Is there short line rail that is taking North Dakota goods out of the state that would be in competition with the trucks? Or are the short lines just operating within the state, whereas the trucks would be doing in-state and out-of-state?

Dan Zinc: Our short line networks here in North Dakota offer primarily lines within the state, but we do have some lines that go out-of-state. Typically, what happens with about 75 percent of our freight is that it is loaded at a North Dakota origin, pulled by our short line railroad to an interchange point where we hand it off to one of the larger railroads to go to its final destination. There is an out-of-state component to it.

There was no further opposition to HB 1255.

Ron Henke, Deputy Director Engineering for North Dakota Department of Transportation, rose to answer questions for the committee in a neutral capacity.

Representative Weisz: What would be the axle combination for a double to do 129,000 #?

Ron Henke: There were several combinations that were studied in the report. I don't know the exact configurations. Tim Horner from Great Plains may be able to answer that.

Chairman Ruby: This would require the Department of Transportation to coordinate and chair and advisory committee. I don't see a fiscal note. Is it understood that the time will be volunteered and the Department of Transportation will not need any funds to oversee this?

Ron Henke: We are involved in a lot of committees. We do not have a fiscal note on this because we see this as part of our business of making sure we can move commodities throughout the state.

Representative Nelson: Do you see that this will have significant change to our roads, or are we basically changing the trucks?

Ron Henke: We are looking at this bill as a change to the truck. There are some roads that over time may need something done to them, but we see no immediate impact based on the routes that are in this bill.

Representative Paur: When we increase the bridges on the trucks, won't that effect the highway system the same way as it would do if we increase the speed limit by 5 mph?

Ron Henke: On this bill we already have a network that's is configured for 110 feet, so these roadways are on that network. As far as the length of the truck, it will stay in the 110 feet and allow someone to get up to the 129,000 pounds. As far as costs associated with bridges, we follow the same guidelines that South Dakota and Montana do when it comes to loads on bridges. The other thing in this bill is the reference to the inner and outer bridge formula. This bill would bring in to play the inner bridge formula.

Tim Horner, Program Director for the Upper Great Plains Transportation Institute, rose to answer a question from the committee. Representative Weisz asked what configuration would it take to get to 129,000 pounds. When we did the study we looked at eight truck types and reviewed them with the advisor committee. Within those truck types there are not that many that hit 129. There are two configurations that hit on 129,000: a twin trailer, a single steering, a tandem, then a triple, then a tandem, then a tandem, and the other was also a two trailer combination with steering, a triple, a tandem, a tandem, and a tandem on the back trailer.

Representative Weisz: With the triple are we looking at 42?

Tim Horner: The triple was as high as 43.5.

There was no further neutral testimony on HB 1255.

The hearing on HB 1255 was closed.

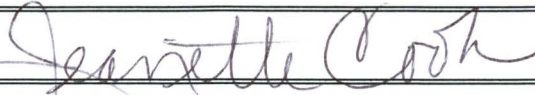
2017 HOUSE STANDING COMMITTEE MINUTES

Transportation Committee
Fort Totten Room, State Capitol

HB 1255
2/3/2017
#27888

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A bill relating to the creation of a large truck primary highway network.

Minutes:

Amendment #1

Chairman Ruby brought HB 1255 back before the committee. He provided a proposed amendment. See attachment #1.

Chairman Ruby: Something that wasn't included in the bill was working on the registration fees that would be in accordance to the increased weight. It became a preference of the Department of Transportation and the industry to just do a permit fee. As you can see it is \$100 per month or \$700 annually. If we adopt the amendment, this will put a fiscal note on the bill that we do not have. So, my recommendation is if we like the bill, we would do a DO PASS as amended, and re-referred to Appropriations.

Vice Chairman Rick C. Becker moved the amendment. See attachment #1.
Representative Owens seconded the motion.

A voice vote was taken. All aye. Motion carried.

Vice Chairman Rick C. Becker moved an additional amendment to add g) the League of Cities on Page 2, Line 13.
Representative Owens seconded the motion.

A voice vote was taken. All aye. Motion carried.

Representative Owens moved a DO PASS as amended and rereferred to Appropriations on HB 1255.
Representative Sukut seconded the motion.

A roll call vote was taken: Aye 10 Nay 0 Absent 4
The motion carried.

Representative Jones will carry HB 1255.

Prepared by Legislative Counsel Intern 7 for
Chairman Ruby
February 3, 2017

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1255

Page 1, Line 2, after “network” insert “and create a new subsection of section 39-12-05.3 of the North Dakota Century Code relating to permitting of increased vehicle weights.”

Page 2, after line 28, insert

“**SECTION 2. AMENDMENT.** Subsection 9 to 39-12-05.3 of the North Dakota Century Code is created and enacted as follows:

9. The Director shall have the authority to permit trucks greater than one hundred and five thousand pounds [47854.00 kilograms], up to one hundred and twenty nine thousand pounds [58513.41 kilograms] with a monthly permit fee of one hundred dollars per month or seven hundred dollars annually. Allowable vehicle weight will be determined according to the federal bridge formula under subsection 2 of section 39-12-05.

Renumber accordingly

2/3/17 DA

17.0406.02001
Title.03000

Adopted by the Transportation Committee

February 3, 2017

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1255

Page 1, line 1, after "24" insert "and a new subsection to section 39-12-05.3"

Page 1, line 2, after "network" insert "and the permitting of increased vehicle weights"

Page 2, line 12, remove "and"

Page 2, line 13, after "association" insert: "; and

g. The North Dakota league of cities"

Page 2, line 24, replace "[47,854 kilograms]" with "[47854 kilograms]"

Page 2, line 27, remove "[47,854"

Page 2, line 28, replace "kilograms]" with "[47854 kilograms]"

Page 2, after line 28, insert:

"**SECTION 2.** A new subsection to section 39-12-05.3 of the North Dakota Century Code is created and enacted as follows:

The director may issue a permit for a truck with a gross weight that exceeds one hundred five thousand five hundred pounds [47854.00 kilograms], not to exceed one hundred twenty nine thousand pounds [58513.41 kilograms]. The monthly permit fee is one hundred dollars per month or seven hundred dollars annually. Vehicle weight under this subsection is determined according to the formula under subsection 2 of section 39-12-05."

Renumber accordingly

Date: 2-3-17
 Roll Call Vote #: 1

**2017 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1255**

House Transportation Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Becker Seconded By Owens

Representatives	Yes	No	Representatives	Yes	No
Chairman Dan Ruby			Rep. Gretchen Dobervich		
Vice Chair. Rick C. Becker			Rep. Marvin Nelson		
Rep. Bert Anderson					
Rep. Jim Grueneich					
Rep. Terry Jones					
Rep. Emily O'Brien					
Rep. Mark Owens					
Rep. Gary Paur					
Rep. Randy Schobinger					
Rep. Gary Sukut					
Rep. Robin Weisz					
Rep. Greg Westlind					

*Voice Vote
 All aye.
 Motion Carried*

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Amendment - Chairman Ruby #1

Date: 2-3-17
 Roll Call Vote #: 2

**2017 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1255**

House Transportation Committee

Subcommittee

Amendment LC# or Description: 17.041

- Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Refer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Becker Seconded By Owens

Representatives	Yes	No	Representatives	Yes	No
Chairman Dan Ruby			Rep. Gretchen Dobervich		
Vice Chair. Rick C. Becker			Rep. Marvin Nelson		
Rep. Bert Anderson					
Rep. Jim Grueneich					
Rep. Terry Jones					
Rep. Emily O'Brien					
Rep. Mark Owens					
Rep. Gary Paur					
Rep. Randy Schobinger					
Rep. Gary Sukut					
Rep. Robin Weisz					
Rep. Greg Westlind					

*Voice Vote
 All aye
 Motion carried*

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Page 2, Line 13 ^{add} g.) League of Cities

Date: 2-3-17
 Roll Call Vote #: 3

**2017 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1255**

House Transportation Committee

Subcommittee

Amendment LC# or Description: 17.0406.02001

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Owens Seconded By Sukut

Representatives	Yes	No	Representatives	Yes	No
Chairman Dan Ruby	✓		Rep. Gretchen Dobervich	A	
Vice Chair. Rick C. Becker	✓		Rep. Marvin Nelson	A	
Rep. Bert Anderson	A				
Rep. Jim Grueneich	✓				
Rep. Terry Jones	✓				
Rep. Emily O'Brien	✓				
Rep. Mark Owens	✓				
Rep. Gary Paur	✓				
Rep. Randy Schobinger	✓				
Rep. Gary Sukut	✓				
Rep. Robin Weisz	A				
Rep. Greg Westlind	✓				

Total (Yes) 10 No 0

Absent 4

Floor Assignment Jones

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1255: Transportation Committee (Rep. D. Ruby, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (10 YEAS, 0 NAYS, 4 ABSENT AND NOT VOTING). HB 1255 was placed on the Sixth order on the calendar.

Page 1, line 1, after "24" insert "and a new subsection to section 39-12-05.3"

Page 1, line 2, after "network" insert "and the permitting of increased vehicle weights"

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Page 2, line 28, replace "kilograms]" with "[47854 kilograms]"

Page 2, after line 28, insert:

"SECTION 2. A new subsection to section 39-12-05.3 of the North Dakota Century Code is created and enacted as follows:

The director may issue a permit for a truck with a gross weight that exceeds one hundred five thousand five hundred pounds [47854.00 kilograms], not to exceed one hundred twenty nine thousand pounds [58513.41 kilograms]. The monthly permit fee is one hundred dollars per month or seven hundred dollars annually. Vehicle weight under this subsection is determined according to the formula under subsection 2 of section 39-12-05."

Re-number accordingly

2017 HOUSE APPROPRIATIONS

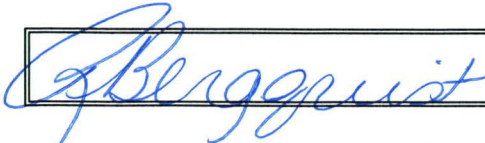
HB 1255

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

HB 1255
2/8/2017
28073

- Subcommittee
 Conference Committee



Explanation or reason for introduction of bill/resolution:

Relating to the creation of a large truck primary highway network and the permitting of increased vehicle weights.

Minutes:

Representative Ruby, District 38: HB 1255 Sets up a serious of highways that would be designated for heavy weight shipments loads, up to 129 thousand pounds. We put in a permit for that of 100 dollars or 700 dollars for an annual permit, that's similar to some of the permit that we do for overweight and over size now.

Chairman Delzer: You can buy an annual permit now?

Representative Ruby: Yes, and what that did was expenditures of 15 thousand dollars for highway patrol to change some of their systems to get that set up. It's very difficult to assume all of the advantages or expenses but generally they came up with a revenue of 600-700 thousand for the first biennium and 1.144 million for the second biennium. They could not quantify whether or not there would be a reduction in fuel tax because of companies being able to ship with less trucks. Some of the companies may need to buy different trucks because of the state bridge formula, some of the trailers have different axels.

2:30 Crystal Sugar testifies that they could reduce their trucks by 19% on the highways, just by carrying more weight but with the way the axels are set up, they would actually have less weight per axel then they do now.

Chairman Delzer: This is like HB1055 your legal on the state roads but what about when you go off these roads?

Representative Ruby: I believe there is a 1-mile rule exemption at this point and they would have to stay on these highways. They would have to find a place to pull off and change the load. This was brought to us by the North Dakota Trade office. This is manly used for intermodal type.

Chairman Delzer: I can understand I-29 and I-94 but even 52 north out of Minot, I don't know that Canada is going to let you in with 129 thousand pounds. I don't know, maybe there's intermodal up there at Portal.

Representative Ruby: Montana is already at 131 thousand, so this would give them the ability to go up, not to the 131 thousand

Chairman Delzer: These are legal to come in a truck stop and put in fuel?

Representative Ruby: We have no opposition, in fact the league of cities asked to be amended on to be part of the advisory committee that is involved with this as far as setting up where they can go. So their input and on page 2 is a list of advisory members. They are all in favor of it. The axel weight per square inch of the width tire is equal to if not less.

Chairman Delzer: Did you have any discussion from ag side?

Representative Ruby: We have input from some ag groups and they were in favor of it. Soy beans, grain growers, there were several.

Chairman Delzer: It's limited to Hwy 83, Hwy 52 Hwy 85, Hwy 2, I-91 and I-29 roads?

Representative Ruby: Yes, and as you can see I-29 and I-94, it's subject to federal approval.

Representative Boe: How about Hwy 3 or Hwy 281? Why aren't they considered?

Representative Ruby: They chose those that they felt were prepared for it and that were most likely used for intermodal. The advisory committee will be in charge of approving or reviewing requests for other roads as they are available to be brought online.

Chairman Delzer: I don't know that we had the fiscal note, I don't know that we would have to have it but my understanding is that the money would go into the highway fund.

Representative Ruby: Starts in the highway trust fund and then you base your DOT budget out of that fund and then the difference goes into the highway distribution fund, which includes the state highway.

Chairman Delzer: There's not a whole lot that goes back from the highway fund to the distribution fund, it's usually the other way around.

Representative Ruby: Starts in the highway fund and then you take what you need for administration, then highway distribution and the majority of the state has the highest percentage of the highest distribution fund and then that trickles down to the cities, counties and townships and transit.

Chairman Delzer: Brady Larson, Legislative Council, I thought that was the other way around, that anything that was in the highway fund did not go back.

7:40 Brady Larson, Legislative Council: Generally, the motor fuel taxes and the licensing fees do get deposited directly into the highway distribution fund, which of course goes into the state highway fund. However, there are some provisions where some of the funding is deposited directly into the state highway fund at certain percentage of cost for administrative expenses prior to that money going into the highway distribution fund.

Representative Brandenburg: The point is that a lot of elevators can load these trucks up to a higher weight. These highways can take a lot of grain that have no rail. Farmers can't do this on farm roads, but it would really help to get this out of the elevators.

Representative Kempenich: I think like on line 22, you're looking at 8 and 9 axel trucks or combinations. I am assuming DOT will put in rules in place.

Chairman Delzer: How do you get on and off of these highways to distribute the load that you are carrying?

Representative Ruby: The only opposition we got was from the railroad.

10:40 Representative Pollert: They're going to go to the township or the county to get that road to 129 thousand but the elevator may be willing to pay for that up keep on those roadways.

Representative Vigesaa: Was there any discussion about weight limits in the spring?

Representative Ruby: They would be what they are now, that's something that they will have to deal with, most shipments don't move around too much during that time.

Chairman Delzer: Most of these roadways currently don't have any weight restrictions. Will they end up being restricted during the spring period off of this 129 thousand?

Representative Ruby: We didn't really ask that question but I would think that DOT will have the authority to make that call.

Representative Kempenich: I think DOT, we've used 8 axel trucks in the past, you can do it in the winter but you do it in the spring and those roads don't last.

Representative Ruby: During the inter we had some information brought to us about overall weight and the effect on the roadway and it was extremely minimal.

Chairman Delzer: Further discussion?

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

HB1255
2/13/2017
28286

- Subcommittee
 Conference Committee

Emineth

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact a new chapter to title 24 and a new subsection to section 39-12-05.3 of the North Dakota Century Code, relating to the creation of a large truck primary highway network and the permitting of increased vehicle weights.

Minutes:

Chairman Delzer: Meeting opened on HB 1255. 94 and 29 are subject to federal rules for the most part on the interstate system you are limited to 80,000.

Rep. Boe: Can we amend it to add 281?

Chairman Delzer: Is 281 a sufficient road to do that?

Rep. Pollert: Are we going to see companies or farmers asking for an exemption for a mile or 2-mile road to go from an 80,000-mile road to go to 129 thousand?

Chairman Delzer: That is an issue that I have concern about I think they a mile distance already. If they have a large distance, whoever the company is will have to do the work on their particular strength to get in and out because this is the problem that one would have if farmers for example if they would want to go that route.

Rep. J. Nelson: Is there a standard for the roads that were chosen for this?

Chairman Delzer: I don't believe that this was done by the people that put it in.

Grant Levi: HB 1255 is not is not an agency bill, it is a bill that was introduced by the legislators. There was a study included in there to take a look at taking trucks to 129,000 lbs. in the state system. We worked with Upper Great Plains to complete a study for that. We worked with a committee which Ag. representation, city and county and local government representation. The outcome of that study was that the state of North Dakota would go down the path of increasing its weight on certain routes on the system the committee should follow a process in which HB1255 is.

The sponsors suggested the routes, the Department of Transportation has no concerns with those routes identified. With respect as far as adding roads there are provisions in HB1255 for the DOT working with the committee to add additional routes to it.

Rep. J. Nelson: So you are saying that highway 281 won't meet some of the standards or needs like some of routes that were chosen?

Grant Levi: For each route that we would add we would do an evaluation to determine if there were any concerns. The bill does contain a provision that governs the 129,000 lbs. load using the federal standards, which are the bridge laws which governs the axle weight and length. The road ways themselves there is minimal impact if the truck is probably loaded.

Rep. J. Nelson: it's about the bridges?

Grant Levi: yes, it is about the bridges.

Rep. Streyle: I move a do pass to HB 1255.

Rep. Schatz: Second the motion.

Chairman Delzer: A Roll Call vote was taken. Yea: 20 Nay: 0 Absent: 1
Floor Assignment: Rep. Jones

Date: 2/13/2017
Roll Call Vote #: 1

**2017 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1255**

House Appropriations Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Representative Streyle Seconded By Representative Schatz

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X				
Representative Kempenich	X		Representative Streyle	X	
Representative: Boehning	X		Representative Vigesaa	X	
Representative: Brabandt	X				
Representative Brandenburg	X				
Representative Kading	X		Representative Boe	X	
Representative Kreidt	A		Representative Delmore	X	
Representative Martinson	X		Representative Holman	X	
Representative Meier	X				
Representative Monson	X				
Representative Nathe	X				
Representative J. Nelson	X				
Representative Pollert	X				
Representative Sanford	X				
Representative Schatz	X				
Representative Schmidt	X				

Total (Yes) 20 No 0

Absent 1

Floor Assignment Representative Jones

If the vote is on an amendment, briefly indicate intent:

Motion Carries

REPORT OF STANDING COMMITTEE

HB 1255, as engrossed: Appropriations Committee (Rep. Delzer, Chairman)
recommends **DO PASS** (20 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING).
Engrossed HB 1255 was placed on the Eleventh order on the calendar.

2017 SENATE TRANSPORTATION

HB 1255

2017 SENATE STANDING COMMITTEE MINUTES

Transportation Committee
Lewis and Clark Room, State Capitol

HB 1255
3/16/2017
29346

- Subcommittee
 Conference Committee

Committee Clerk Signature

Mary Munder

Explanation or reason for introduction of bill/resolution:

Relating to the creation of a large truck primary highway network and the permitting of increased vehicle weights.

Minutes:

Attachments #1-5

Chairman Laffen: Called the hearing of HB 1255 to order and welcomed Representative Dan Ruby.

Rep. Ruby: I have a bill here today that I think is beneficial for the state. Currently North Dakota has its' weights on highways at 105,500 although the interstate is 80,000 but you can get a permit to go over that. What this bill seeks to do is set up a network of highways that would be available to be licensed up to 129,000 lbs. Bridge lengths also discussed. People are going to be afraid the weight will be too much for the roads but if it is set up with axel weights it will actually be less weight on the road. So this bill designates a network of highways and talks about the interstates which are subject to federal approval. We also have some amendments put in the new bill for you to consider. We talked about annual permits for some of the loads that exceed 129,000 lbs., \$100.00 monthly or \$700.00 annually.

Senator Nelson: How do the trucks know how much to load if every state is different in their weight?

Rep. Ruby: They only load for the state they are going to. Sometimes they need to get permits if going through different states with regulations.

Senator Campbell: If this bill is passed, is there any federal bridge money we can lose for the state roads and in MN what is the weight again and are the bridges state so we can enter there with no weight problem?

Rep. Ruby: I don't remember the limits of MN. The actual bridges are engineered and rated well above this amount, so the bridges will be ok.

Senator Nelson: I would think the states could get together and come up with a common weight plan.

Rep. Ruby: ND is part of a compact and we will be bringing the meeting to ND this year. Some states do not participate but if we can just get them to agree to a level, there will be less problems in that area.

Senator Nelson: ND Legislature belongs to an organization with SD, MN, Manitoba and we meet every summer and one of the major topics was transportation. I believe it was WY. That had a limit of maybe 90,000 and then another one was up to 120,000 something and I am just thinking it should be stabilized.

Rep. Ruby: I think it is easier to harmonize with the bigger states. Several years ago the government put a freeze on and whatever weight you were at is where you were stuck. We have been asking the federal government that if we are part of a compact that agrees to it and are working together, could we get an exemption to that and we are working on it a little more aggressively now.

Chairman Laffen: Any more questions? None. Thank you. Further testimony in favor of HB 1255?

(14:44) Dean Gorder: See attachment #1.

Senator Nelson: How much cargo do the truckers carry?

Dean: I am not sure but I do know trucks do move it all.

Chairman Laffen: Any other questions? None. Thank you. Further testimony in favor of HB 1255?

(18:55) Bob Sinner, farmer and exporter from Casselton, ND: I am in favor of this bill. Rural America is getting left in the dust. Containers that come into this part of the country from metropolitan areas like Chicago and you have companies that have their headquarters in Minneapolis, like Best Buy, say it is cheaper to import a container into Chicago and truck it back to Minneapolis, we have some problems. The only way we are going to fix that is to get a coalition of rural states. We have to compete with exports out of those large metropolitan areas. So it is cheaper to export out of Chicago than it is out of Fargo, ND and they are a 1,000 miles closer to the west coast. It is a serious issue. Dean talked about what we have been trying to help grow this economy of exports. The growth in IP (Identity Preserved) is making a wave across the country and across the world. More and more of the commodities are going in these containers. We have to compete and what we are looking to do is develop a process in the state that will compete with MN and Chicago, and minimize our trucking costs by moving 2 containers at a time making sure we do not exceed the bridge formulas and it will help us compete. I did some business in South Korea yesterday with zero profit and we got our butts kicked because of transportation. It's that simple. I would speak in favor of this, it is important to our economy.

Senator Casper: I find your comments very interesting and I appreciate them. You are saying if something came by boat or by rail into Chicago and then went out, comment on that first please.

Bob: If goods are coming in they usually come in by container, as retail goods. The ocean and rail systems price everything to large metropolitan areas so that is where the containers end up. For us in rural America we need those same containers to export. How do we get them, because we don't have a lot of imports into North Dakota, so we have to compete by trucking long distances from Chicago to Minneapolis? The goods are loaded into the containers and shipped back to Minneapolis. My cost to do that is higher than out of Chicago. How can we compete unless we can reduce our trucking costs?

Senator Casper: You will be able to take your raw products, put it on a container, and put it on a train or truck to get it to the west coast.

Bob: No, we would still load the containers at our facilities, then it will be trucked to a rail ramp, wherever we can establish one, and then it goes by rail to the west coast.

Senator Nelson: So a couple of years ago we had a bill to set up this thing in Minot, what exactly do we have up there?

Bob: There is a structure and the railroad is ready to move containers out of Minot but there are 2 things. #1 We don't have a lot of imports into Minot right now. #2 We don't have any other business that brings imports into Minot. There-fore we have to reposition those containers from Chicago by rail to Minot at an upcharge.

Chairman Laffen: Any more questions? None. Thank you. Any further testimony in favor of HB 1255?

(26:09) Paul Mathiason, chairman of the North Dakota Ag Coalition: See attachment #2

Chairman Laffen: Any question? None. Thank you.

(29:20) Eric Bartsch, Director for AGT Foods: We are based in Minot, Williston with headquarters in Bismarck, ND. We draw products from eastern MT. in our Williston base and it is extremely difficult because of the weight limits. They have to light load their trucks to bring to us and puts us at a disadvantage as a company to attract more material into the state. The competition with other states and Canadian producers which is our biggest competitor shipping all over the world. Canada can haul three containers at one time. In addition, they can max load their containers. As a state if we want to continue expanding agriculture we need to figure out a solution to develop this. This legislation will be a key piece to establish that.

Chairman Laffen: Any questions? None. Thank you. Further testimony in favor of HB 1255?

(32:56) Cal Klewin: See attachment #3

Chairman Laffen: Any questions? None. Thank you. Further testimony in favor of HB 1255?

(34:31) Arik Spencer, North Dakota Motor Carriers Association: See attachment #4. Proper axel placements are important for weight distribution.

Chairman Laffen: Any questions? None. Thank you. Testimony in favor? None. Opposition?

(39:21) Daniel Zink, on behalf of ND Short Line Railroad Company: See attachment #5. I am in opposition of this bill.

Chairman Laffen: How heavy are those big cars that hold grains?

Daniel: 286,000 lbs. generally and the car itself will weigh in around 60ish.

Senator Casper: Is there an association of this company?

Daniel: You are looking at it. It is an informal group.

Senator Casper: What would be the difference in cost in shipping from the producer to the user using your train or using the trucking system?

Daniel: I really can't answer that specifically, but it will have an effect on our ability to compete with the local trucks hauling to a processor.

Senator Casper: I was just trying to get a balance between the two.

Daniel: The trucks on the roads will take some of our rail road business, we know that for sure there will be some impact on us.

Senator Casper: We hear lots of stuff about economic development, but I am intrigued by the idea of doing something without the state having to put forth a huge expenditure to allow our industry to expand and grow. What is your response to that?

Daniel: there are many things positive about this bill and it will be great for business in ND. So from that perspective we are extremely supportive but we feel it is an assault on our business. I want this state to grow but I fear it will make our railroad branches less competitive to the point where some may not be around long.

Senator Nelson: Where do you begin and end?

Daniel: From Maddock to Edgeley, the central and southeastern part of the state. The Northern Plains Railroad is the old Soo Line.

Chairman Laffen: Any more questions? None. Thank you. Opposition? Neutral?
We will close the hearing on HB 1255.

2017 SENATE STANDING COMMITTEE MINUTES

Transportation Committee
Lewis and Clark Room, State Capitol

HB 1255
3/17/2017
29370

- Subcommittee
 Conference Committee

Committee Clerk Signature

Mary Munder

Explanation or reason for introduction of bill/resolution:

Relating to the creation of a large truck primary highway network and the permitting of increased vehicle weights.

Minutes:

Chairman Laffen: Reopened the hearing on HB 1255. This is the bill on the truck weights.

Senator Rust: Part of these roads are very busy already, example is from Minot to Canadian border, and now we will have these heavier, longer trucks traveling these roads. What is that essentially going to do to the traffic.

Chairman Laffen: Arik, meanings you are here, are these trucks really much different than the other trucks? I know they have more axels.

Arik Spencer: They will not be any longer and it will be just increasing the weight as you travel through the states. They will have more axels so there will be no safety problems.

Chairman Laffen: I heard some testimony mentioning trans systems from Crystal Sugar and somebody on the other side of the state that they are in business right on the border of MT, but this doesn't include all roads, these are just some designated routes. Can you explain this a little bit for us?

Arik: I think there is a desire to go beyond those initial roads in the future. There is a process where people can nominate roads and there is an advisory committee that makes recommendations too. Ultimately the DOT has the final say. Concerning township or county roads there is nothing in this bill that says they have to accept this. There would be permits and regulations involved. For now, the network that was selected is a pretty solid one.

Senator Rust: The highway I am thinking of is Highway 52 from Minot to the Canadian border and also highway 85 south of Watford City. If you have longer roads and heavy traffic, we need to wonder about people and the safety issues.

Senator Campbell: Just to address that, really there will be less traffic as there will be more axels and the weight will be shared and that will free up the roadway.

Senator Nelson: Just a reminder, will they be able to fill up to 129,000, are they all that weight limit?

Chairman Laffen: Senator Nelson, I think they will probably be restricted on the route that they can go, carrying the weight of the lowest state.

Arik: It really depends on your final destination and a lot of the time it will depend on the lowest state.

Chairman Laffen: We did ask the DOT if they would have a problem with this and they had no discussion on what the extra weight would do to the roads. Apparently these roads are built to handle it. They are our larger highways.

Arik: The roads are built for the weight being distributed amongst axels. Their main concern is when you get off the main network to cross bridges and that will be the main factor when DOT considers modifying the network.

Chairman Laffen: The weight on the tires will go down instead of going up.

Arik: Correct.

Senator Campbell: Do you know if MN is looking to do this? Is the 129,000 on their agenda or not at all?

Arik: I am not sure exactly but I do believe they have looked at some weight increases along the western part of their state because of the potatoes and sugar beets.

Senator Campbell: Could we maybe look at an amendment for this bill?

Chairman Laffen: Yes, we can wait a while on this.

Senator Nelson: Do the bridges have height restrictions?

Arik: Height has nothing to do with this and is unchanged by this. They will look at a bridge or overpass to make sure there will be no infrastructure damage.

Chairman Laffen: Brady will you do a little homework on this for us? We will have time to bring this back. Closed the hearing.

2017 SENATE STANDING COMMITTEE MINUTES

Transportation Committee
Lewis and Clark Room, State Capitol

HB 1255
3/17/2017
29411

- Subcommittee
 Conference Committee

Committee Clerk Signature

Mary Munden

Explanation or reason for introduction of bill/resolution:

Relating to the creation of a large truck primary highway network and the permitting of increased vehicle weights.

Minutes:

Chairman Laffen: Reopened hearing on HB 1255. Senator Campbell had considered an amendment but I think he is good now.

Senator Campbell: Yes, I am good.

Senator Nelson: I was concerned yesterday about the Short Line railroads and the impact it would have on them and I like those railroads.

Chairman Laffen: I do think this is good in general for economic growth in ND and we want to be on the transportation route they are traveling through and I think this is an important thing for the state.

Senator Campbell: I just want to comment on weight. It is approximately 550 lbs. per square inch for each tire. So if you spread it out with your bridge laws and your tires with the 129,000 lbs. it is not over that. You just put more wheels on and going over the bridges it is all legal. They won't be overloading at all, it's just that between the extra axels it will still come out to 550 lbs. per square inch and that is legal.

Senator Nelson: So these trucks have retractable axels?

Senator Campbell: Some do but not necessarily. That is irrelevant to this law.

Chairman Laffen: I talked to some people last night and they saw no issue with the Short Line Railroads.

Senator Campbell: I move a Do Pass on HB 1255 and refer to Appropriations.

Senator Casper: Seconded.

Chairman Laffen: Any further discussion. None.

Roll Call taken: Yeas-6, Nays-0, Absent-0. Motion carried.

Senator Campbell will carry the bill

2017 SENATE STANDING COMMITTEE MINUTES

Transportation Committee
Lewis and Clark Room, State Capitol

HB 1255
3/27/2017
29721

- Subcommittee
 Conference Committee

Committee Clerk Signature

Mary Munder

Explanation or reason for introduction of bill/resolution:

Relating to the creation of a large truck primary highway network and the permitting of increased vehicle weights.

Minutes:

Chairman Laffen: Called the hearing on HB 1255 to order. Attendance taken with all present.

Committee, I would like you to consider a small change on HB 1255. It is the bill that created the 129,000 lb. roads. At the end it also created an advisory committee which is on page 2 of the bill. It includes Greater North Dakota Chamber, Association of Counties, Ag Commissioner, Commerce Commissioner, Superintendent of Highway Patrol, Motor Carriers and the League of Cities. Over the weekend I received an e-mail from the North Dakota Short Line Railroad and the Chamber of Commerce. They thought it would also be a good idea to have them on the Advisory Committee. I think the purpose of the Advisory Committee is to look for future locations where these might go. I am going to propose an amendment, Laffen Amendment, to add to that Advisory Committee-HB North Dakota Short Line Railroads.

Senator Casper: I would move the Laffen amendment to first engrossed HB 1255.

Senator Nelson: Seconded.

Chairman Laffen: Discussion? Opposition? We had good testimony from them, they seemed to know a lot about this issue. It would be good to have them at the table.

Roll Call taken on Laffen Amendment: Yeas-6, Nays-0, Absent-0. Motion passed.

Senator Casper; I would move for a Do Pass on first engrossed HB 1255 as amended.

Senator Nelson: Seconded.

Chairman Laffen: Discussion. None

Roll Call taken: Yeas-6, Nays-0, Absent-0. Motion carried

Senator Campbell will carry the bill.

Chairman Laffen: We are adjourned.

March 27, 2017

C1
3-27-17
p 1 of 1

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1255

Page 2, line 15, remove "and"

Page 2, line 16, after "cities" insert "; and

h. Representatives of short line railroads operating in this state"

Page 2, line 21, replace "congress" with "Congress of the United States"

Renumber accordingly

Date: 3-17-17
Roll Call Vote #: 1

2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. "Enter Bill/Resolution No." HB1255

Senate Transportation Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar

Other Actions: Reconsider _____

Motion Made By Campbell Seconded By Casper

Senators	Yes	No	Senators	Yes	No
Chairman Lonnie J. Laffen	✓		Senator Carolyn Nelson	✓	
Senator Tom Campbell	✓				
Senator David Rust	✓				
Senator David Clemens	✓				
Vice Chairman Jonathan Casper	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Campbell

If the vote is on an amendment, briefly indicate intent:

Date: 3-27-17
 Roll Call Vote #: 1

**2017 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. "Enter Bill/Resolution No." HB 1255**

Senate Transportation Committee

Subcommittee

Amendment LC# or Description: 17.0406.03001 Title: 04000

- Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Casper Seconded By Nelson

Senators	Yes	No	Senators	Yes	No
Chairman Lonnie J. Laffen	✓		Senator Carolyn Nelson	✓	
Senator Tom Campbell	✓				
Senator David Rust	✓				
Senator David Clemens	✓				
Vice Chairman Jonathan Casper	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 3-27-17
Roll Call Vote #: 2

2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. "Enter Bill/Resolution No." HB 1255

Senate Transportation Committee

Subcommittee

Amendment LC# or Description: _____

- Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Casper Seconded By Nelson

Senators	Yes	No	Senators	Yes	No
Chairman Lonnie J. Laffen	✓		Senator Carolyn Nelson	✓	
Senator Tom Campbell	✓				
Senator David Rust	✓				
Senator David Clemens	✓				
Vice Chairman Jonathan Casper	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Campbell

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1255, as engrossed: Transportation Committee (Sen. Laffen, Chairman) recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1255 was rereferred to the **Appropriations Committee**.

REPORT OF STANDING COMMITTEE

HB 1255, as engrossed: Transportation Committee (Sen. Laffen, Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
DO PASS (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1255
was placed on the Sixth order on the calendar.

Page 2, line 15, remove "and"

Page 2, line 16, after "cities" insert "; and

h. Representatives of short line railroads operating in this state"

Page 2, line 21, replace "congress" with "Congress of the United States"

Renumber accordingly

2017 SENATE APPROPRIATIONS

HB 1255

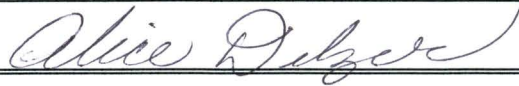
2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

HB 1255
3/24/2017
JOB # 29665

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact a new chapter to title 24 and a new subsection to section 39-12-05.3 of the NDCC, relating to the creation of a large truck primary highway network and the permitting of increased vehicle weights.

Minutes:

- | |
|---|
| 1.NDMCA testimony submitted by Arik Spencer
2.Theodore Roosevelt Expressway Association
submitted by Cal Klewin |
|---|

Chairman Holmberg: called the Committee to order on HB 1255. Roll call was taken. All committee members were present. Chris Kadrmas, Legislative Council and Stephanie Gullickson, OMB were also present. We start with 1255.

Representative Dan Ruby, District 8, Minot here to introduce the bill. testified in favor of HB 1255 and explained that the bill increases the maximum allowable commercial motor vehicle (CMV) gross vehicle weight to 129,000 pounds on select highways, which are comparable to weights allowed in Montana, South Dakota and Canada. Our interstates are frozen at 80,000 pounds. Back to the weight what you find with these trucks there is less weight per square inch of the tires that's usually what they determine and per axel. So even if you have more weight you have less weight on each axel of the truck. It is supported by aby our auto industry. DOT's ok with it. Montana and South Dakota does 131,000 pounds so this is lower than what they have. With that, I would stand for any questions. **(0.05.43)**

Senator Gary Lee: The weights are for these particular highways that you have listed in the bill. how do they get onto those highways with that weight? If those other roads that they are on don't allow them.

Rep. Ruby: Obviously those trucks coming in to the state coming on these highways would already be loaded and coming through. What this is primarily for is areas of hauling, basically they could haul two boxes in their series of their trailers. A lot of those are already located close to these roads. I think there is a one mile grace area and we also, since this does set up the network it also does set up an advisory board that's involved. One of the amendments we put on was the League of Cities wanted to be part of that. So we added that because they are part of the transportation system as roads would run into cities. They would not be albe to, they would probably have to get special permits on any road that's far off of this network

and there's other permits you can because right now they can do that. Most of the terminals would be close to it or are already set up. The testimony in the House Transportation Committee stated this would be very helpful for their existing operations.

Senator Erbele: Looking at the highways you have listed here. 281 is a major north-south highway that runs the whole length of the country. Is that one not built to standards or why isn't that one on the list?

Rep. Ruby: I don't know why it wasn't added. If they are able to be and want to be the advisory board could add them. That's why it set up this initially group of roads but they certainly, there's ways to add roads as they are deemed to be appropriate and necessary. I know one of the Senators on the Transportation Committee actually kind of hoping to amend a road in by his place for his operation but it was decided just to leave as is.

Senator Erbele They can add without legislative action.

Rep. Ruby: Yes, through the advisory board and DOT.

Senator Erbele: If Montana and South Dakota are at 131 why wouldn't we want to go there? They are not going to drop a ton when they cross the line.

Rep Ruby: I don't know why.

Chairman Holmberg: That would be a questions that would be part of the policy committee. We are focusing on the dollar amounts.

Senator Wanzek: I know you've got these networks of highways listed but for a truck to get a load it's most likely have to go off that road. Say a large grain elevator would have to get approval, say to the Spiritwood Ethanol Plant. How do they go about that?

Rep Ruby: If that road isn't deemed to be acceptable for this road they wouldn't be part of this network where this permit would apply but if it's incidental trips or something like that, of course permits can always be obtained to go higher than our levels right now. It's based on the amount of axels and things like that that they permit. Remember the western counties have that unified permitting system so there are ways that trucks are pretty heavy loads on, either they get on to a main road and with a permit that would take them through the whole network and get where they want to go. We don't want to see trucks when they get to the border they have to stop and off load and break up their load to be legal. Another thing is a lot of times if one is coming from another state and moving through, they typically just under load, which costs money because they are not maximizing their capacity, and so they come up here with less of a load, or if it's a load that can't be broken up they have to just get the permits. The money basically, a percentage of the amount goes into the motor carrier electronic permit transaction fee. The rest goes into the state highway fund, which is the fund that the DOT administration amount is taken out of that and then the difference goes into the Highway Distribution Fund, which then transfers to all the state funds, the counties, cities, townships, transit and so on.

(0.13.01-0.15.34) Arik Spencer, Executive President of the North Dakota Motor Carrier's Association (NDMCA) testified in favor of HB 1255 and provided written Testimony attached # 1 expressing the importance of HB 1255. He stated this bill is a result of a study that came out of the interim. A study that was attached to the DOT budget bill last session. It was looked at what laws needed to be changed or need to be done to harmonize with states around us up to that 129,000 pound limit and up to 100 feet cargo-carrying length. I would also like to note that the UGPTI Study looked at safety implications and found that there was not enough data to conclude that heavier trucks are any more unsafe than current allowable weights in ND.

Senator Oehlke: We are talking about size of trucks. What length are we going to now?

Mr. Spencer: Stated that you won't see bigger trucks but just higher weights. Legal in ND is 110 feet. Montana is 131,000 pounds, South Dakota is at 129,000 pounds. There is an effort among western states called the Western States Transportation Alliance that looks at harmonization between western states and their cap is 129,000 pounds.

Senator Oehlke: Highway 281 isn't really a consideration right now. There are stretches of that road that are great there's probably bridges and width configurations that wouldn't accommodate that especially if you want to pass somebody?

Mr. Spencer: I don't know why that wasn't included, but that very well may be the case. If there are bridges that couldn't handle that weight increase they wouldn't travel along that road. The advisory committee can make recommendations but DOT has the ultimate say over whether they will allow roads to be added to this network. **(0.17.52)**

V. Chairman Bowman: If this bill passes and goes into law, how long will we know before we actually see a savings in the overall costs of maintaining our road because the weight distribution is a big key in tearing down the roads. if we have less trucks with more axels so the weight's distributed better that might be a nice savings for the state of North Dakota, would you agree?

Mr. Spencer: I do agree with you. The goal is reducing the vehicle miles traveled. But if it was a 31% of reduction miles that will lessen the impact for our safe highway system.

Senator Mathern: This might just move freight from the rail to the truck. The question I have is on the financing. Is there is any indication that the increased fees would pay for the degradation and the computer costs and all of that? Is there some correlations to your estimation that these fees that your industry would pay enough to offset the costs?

Mr. Spencer: I believe in the fiscal note the upgrade fees for the Highway Patrol is about \$15,000. The fees is going to incur another additional \$20,000 biennium-annually to do bridges inspections. The revenue generated from this will be beyond that level for those ongoing expenses. The intent of the permitting system is not to cover the costs of impacts to infrastructure. The goal of permitting is to manage movement of those loads, so DOT knows where they are going and can try to minimize damage. About a month ago there was a permanent vehicle that had too high of a load and it hit an overpass and caused about \$1m in damages. That vehicle was not on it's permanent route, that is really the intent of the

permitting process is to correct vehicles onto appropriate roads and and insure they stay off the roads that are not appropriate. A piece of this is enforcement. We are in favor of, there is a bill #SB 2045 which allows counties to retain the fines from violations on county roads. We are a strong component of enforcement of size and weight laws, otherwise the whole permitting process in our system is meaningless.

Senator Grabinger: Was there any consideration or discussion about the safety with this? We are using the same tractors, just pulling bigger and heavier weights with that tractor.

Mr. Spencer: UGPTI look at the safety aspect and they found no data to indicate that heavier trucks cause anymore safety risks to the general public. In our industry about 70% of commercial motor vehicle accidents are caused by passenger vehicles. So it's our assertion that if we can reduce the number of commercial motor vehicles on the road through an increase of weight will actually result in reduction in those types of accidents. When you are hauling, what we call long combination vehicles, when there is two trailers, you need an extra endorsement on your driver's license for the CDL drivers. So there is an extra level of training they have to have. We are not uncomfortable with moving this bill, it's just as safe if not safer than what's currently in place now. **(0.22.30)**

Cal Klewin, Executive Director of Theodore Roosevelt Expressway testified in favor of HB 1255 and provided written Testimony attached # 2 stating that the Theodore Roosevelt Expressway Association is in support of HB 1255.

Scott Rising, ND Soy Bean Growers Association testified in favor of HB 1255 and feel this is a wonderful opportunity to take advantage of the port of Minot and the potential intermobile things like that and to do it cost effectively right here where we live.

Senator Gary Lee: (0.24.58) It seems that the speeds of trucks on the highways now are at 65-68 range or most of them, would this affect the speed that we are seeing when the length is longer or heavier in terms of what they would expected to be traveling?

Mr. Rising: I think it would be better to ask Mr. Henke from DOT that question. As I recall during the interim study that was briefly discussed but I don't think that will be actually being different than what we are actually seeing. The real benefit here is that the fact, in the world of roads and bridges, in the road where it's easel sets in the axel equivalency and if these trucks had axels that are correct it reduces the consumption of the load. In other words, these easel numbers go down. The advantage to the extended length of the trailers and those kinds of things that fit the appropriate bridge formula is that it does less wear on the bridges as well. So overall, as far as the transportation system goes, there's less consumption. We think of it in years but it's really in easels and we use it up a little at a time. **(0.26.18)**

Senator Gary Lee: I agree with that. I think it's a good thing to be doing. The mix of traffic we put on our roads now, if they are going to be traveling a different speed, that makes a difference for those guys that like to go that extra mile per hour. They must have looked at that. I heard Senator Ruby say that safety wasn't an issue in this. When you change the speeds on the highways and the mix is different in terms of what's traveling, I think it does make a difference.

Deana Wiese, representing the ND Ag Coalition: Testified in favor of HB 1255 and we stand in support of this bill as well.

V. Chairman Krebsbach: Moved a do pass. 2nd by Senator Wanzek.

Chairman Holmberg: Would you call the roll on a Do Pass on HB 1255?

A Roll Call vote was taken. Yea: 14; Nay: 0; Absent: 0. This goes back to the Transportation Committee. Senator Campbell will carry the bill.

The hearing was closed on HB 1255.

Date: 3-24-17

Roll Call Vote #: 1

2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1255

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Krebsbach Seconded By Wanzek

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Mathern	✓	
Vice Chair Krebsbach	✓		Senator Grabinger	✓	
Vice Chair Bowman	✓		Senator Robinson	✓	
Senator Erbele	✓				
Senator Wanzek	✓				
Senator Kilzer	✓				
Senator Lee	✓				
Senator Dever	✓				
Senator Sorvaag	✓				
Senator Oehlke	✓				
Senator Hogue	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Transportation - Campbell

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1255, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)
recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).
Engrossed HB 1255 was placed on the Fourteenth order on the calendar.

2017 TESTIMONY

HB 1255

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Page 1

ND House Transportation Committee
Representative Dan Ruby, Chairman

HB 1255

Dean Gorder, Executive Director

North Dakota Trade Office

INTENT: The purpose for pursuing an increase in truck productivity on North Dakota's State, U.S., and Interstate highway system is to increase exports of North Dakota specialized agricultural commodities, bulk agricultural commodities, manufactured equipment and goods, processed agricultural products, and any other products produced in North Dakota that move by truck to export facilities and/or require containerization. This limited proposal would also allow for the gathering of agricultural products from across the region - including Northwestern MN, Eastern MT, North Central and Eastern SD and the prairie Canadian provinces to more efficiently access export locations in North Dakota including the Port of ND at Minot. Furthermore, this system will improve the logistical flow of manufacturing and other inputs increasing the global competitiveness of those economic sectors.

RATIONALE: North Dakota's economy has relied on trade and exports even prior to statehood. The state continues to rely on exports for its economic viability to this day and will continue to do so into the foreseeable future. It's small population relative to the extensive and boundless production of agriculture commodities makes it imperative that the transportation and logistical system are as efficient as possible to compete in national and international markets. A further justification is the vast distances most products and commodities must travel just to be put into position for export from the state. Additionally, because of North Dakota's geographical location at the center of the North American continent the state is at a locational disadvantage compared to its competitors.

TALKING POINTS

1. The purpose for pursuing an increase in truck weights/truck productivity on North Dakota's U.S. and Interstate System is to increase exports of ND and regional specialized agricultural commodities that require containerization. This limited proposal would allow for the gathering of agricultural products from across the region - including Northwestern MN, Eastern MT, North Central and Eastern SD and the prairie Canadian provinces in order to more efficiently access the rail facilities at the Port of ND at Minot.
2. A limited network within ND on the Interstate and major US Highways is envisioned (Figure 1) that will allow manufactured goods, pulses and other specialty crops to move more efficiently

into the Port of ND at Minot – increasing the efficiency of the transportation system and allowing for more productive movement of products to export markets.

3. Part of the proposed limited ND network is already part of a federally designated US freight highway network (Figure 2). These routes have been designated by the US Department of Transportation as key freight routes within the State.
4. ND and the Northern Great Plains Region is distinct from the Northeastern US and the intermountain region of the states of Washington and Oregon – and the transportation solutions in these areas must reflect these differences. ND and the Northern Great Plains Region have vast distances - with no mountains, and is sparsely populated in contrast to the smaller, but vastly more populated Northeastern United States (Figure 3).
5. Current container traffic must traverse up to an average 150 to 200 miles (with some traffic moving 300 miles) in order to reach an export facility (Figure 4).
6. North Dakota and the Northern Great Plains Region are landlocked with no river transportation alternative such as the states of Washington, Oregon, and Minnesota.
7. Improving the efficiency of goods movement will make agricultural products more competitively priced – thus improving the area’s export trade and therefore the US trade balance.
8. In addition to assisting the production agriculture economy, increasing truck weight/truck productivity will improve the region’s competitiveness in manufacturing by reducing container transportation costs on imported components.

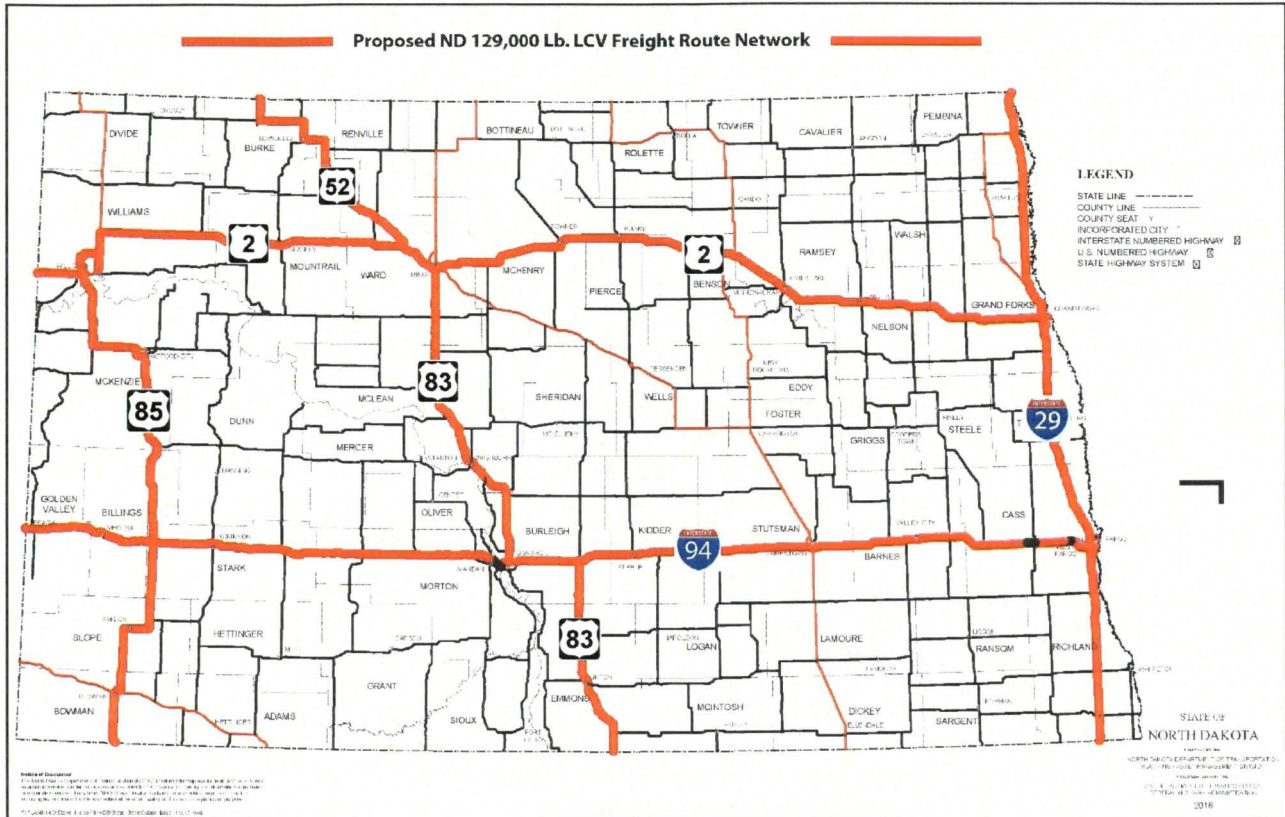


Figure 1. Proposed ND LCV 129,000 Lb. Freight Highway Network

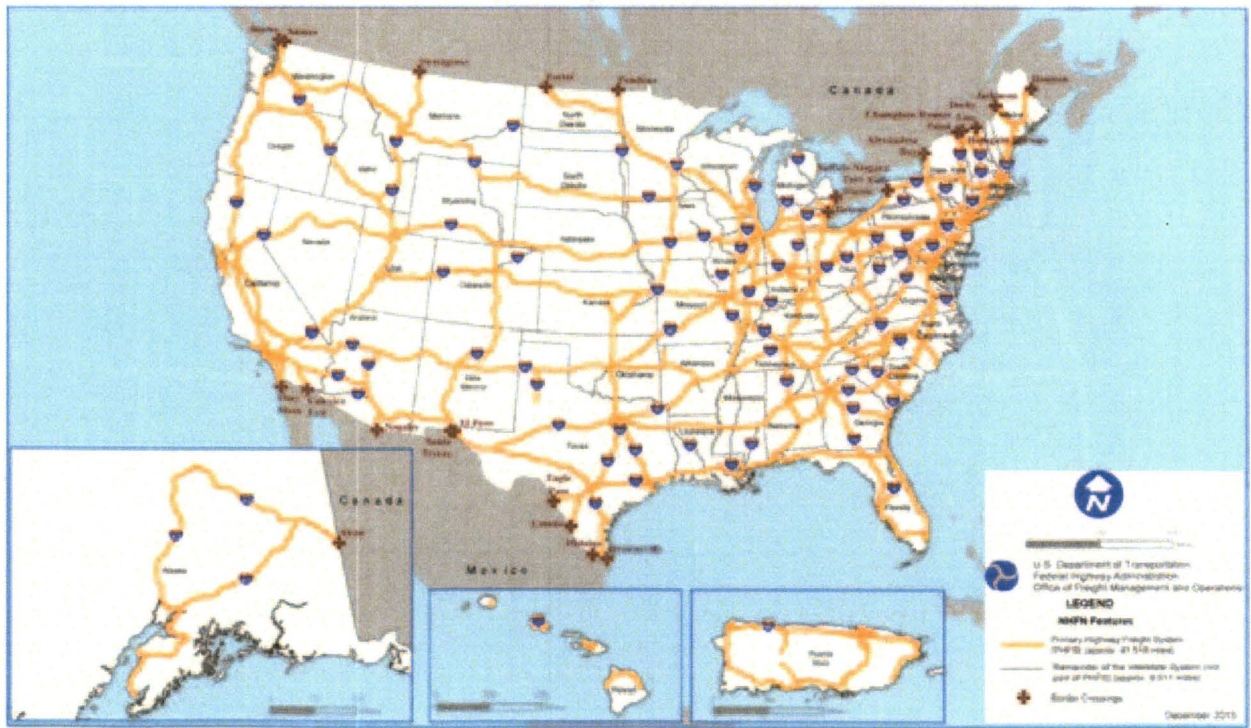


Figure 2. National Freight Highway Network

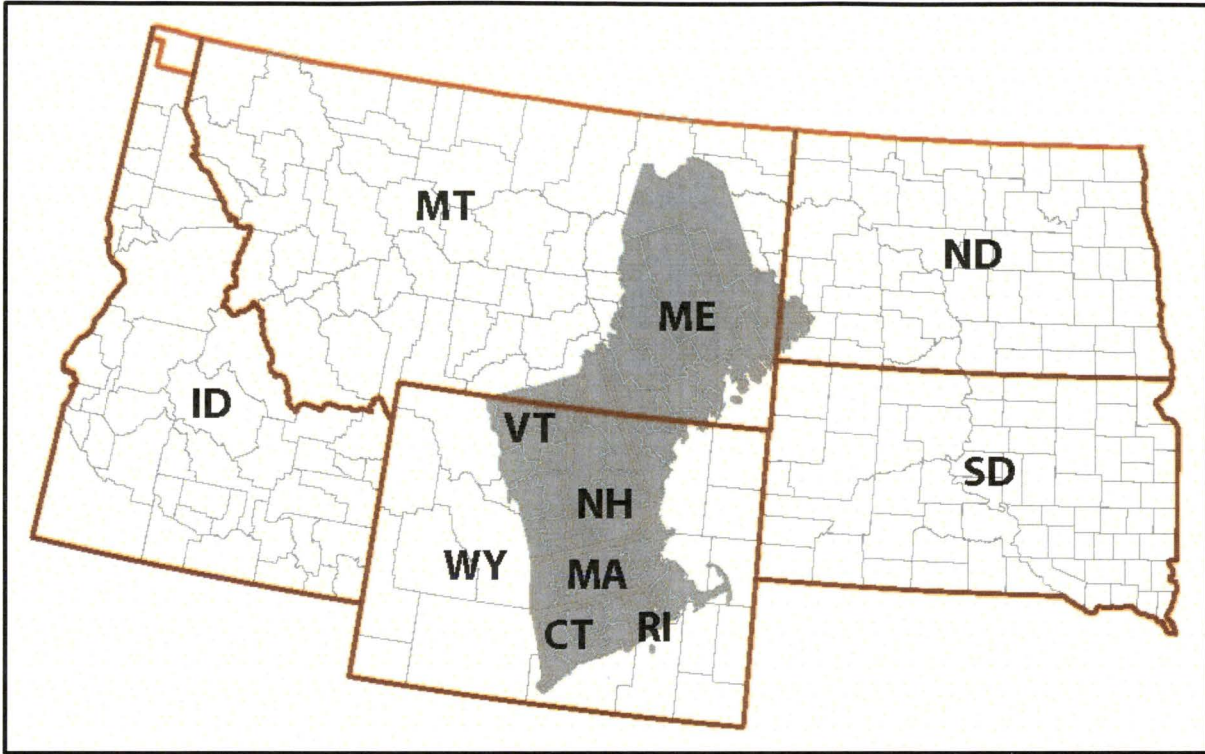


Figure 3. Geographic Comparison of Northern Great Plains and Northeastern United States



Figure 4. Port of North Dakota Container Freight Drawing Area

HB1255
1-27-17
#2

Testimony in Support of HB 1255 – Creation of a Large Truck Primary Highway Network.

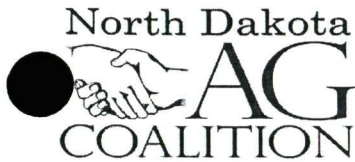
Clark Price, on behalf of the North Dakota Corn Growers Association

Good Morning Chairman Ruby and members of the House Transportation Committee. For the record my name is Clark Price. I am a farmer and rancher and small business owner from Hensler, ND. I currently serve as a board member on the Livestock and Ethanol Committee of the North Dakota Corn Growers Association. The North Dakota Corn Growers support HB1255 to create a large truck primary highway network.

The support of this bill is based on helping farmers and businesses enhancing their bottom line by increasing truck weights (up to 129,000 lbs from 105,500 lbs) on identified roadways in the state. The increased load sizes will result in 20 to 25% less trucks needed while reducing trucking fees and net gain income for users of these established truck axle configurations. Further, there appears to be sufficient oversight based on the Advisory Committee make up for approving the transportation network, or enhancing the transportation network.

As a farmer, rancher and small businessman, any movement to make my products more valuable and increasing the bottom line of my businesses and those of my fellow farmers and ranchers, is a win-win move.

Thank you and I would be happy to answer any questions.



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Bismarck, ND 58502
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VOTING MEMBERS

Ameriflax
Independent Beef Association
of ND
Milk Producers Association of ND
Minn-Dak Farmers Cooperative
ND Ag Aviation Association
ND Agricultural Assn.
ND Ag Consultants
ND Agri-Women
ND Barley Council
ND Corn Growers Association
ND Corn Utilization Council
ND Crop Improvement & Seed
Association
ND Dairy Coalition
ND Dry Bean Council
ND Dry Edible Bean Seed
Growers Association
ND Elk Growers
ND Ethanol Council
ND Farm Credit Council
ND Farmers Union
ND Grain Dealers Association
ND Grain Growers Association
ND Irrigation Association
ND Lamb & Wool Producers
ND Oilseed Council
ND Pork Producers Council
ND Soybean Growers Association
ND Stockmen's Association
ND Wheat Commission
Northern Canola Growers
Association
Northern Plains Potato Growers
Northern Pulse Growers
Association
Northwest Landowners
Association
Red River Valley Sugarbeet
Growers
U.S. Durum Growers Association

NON-VOTING MEMBERS

BNSF Railway Company
Ellingson Companies
Garrison Diversion Conservancy
District
ND Association of Ag Educators
ND Association of Soil
Conservation Districts
ND Beef Commission
ND Department of Ag
ND Soybean Council
ND State Seed Commission
NDSU Agricultural Affairs

**Testimony of Darrell Oswald
North Dakota Ag Coalition Vice-Chairman
In Support of HB 1255**

HB 1255
1-27-17
#3

Chairman Ruby and members of the committee, my name is Darrell Oswald, and I am here today as the vice-chairman of the North Dakota Ag Coalition. The Ag Coalition has provided a unified voice for North Dakota agricultural interests for over 30 years. Today, we represent more than 40 statewide organizations and associations that represent specific commodities or have a direct interest in agriculture. Through the Ag Coalition, our members seek to enhance the climate for North Dakota's agricultural producers.

The Ag Coalition takes a position on a limited number of issues, brought to us by our members, that have significant impact on North Dakota's producers and agriculture industry. Our members voted overwhelmingly to support HB 1255 because they recognize the efficiencies that can be achieved by increasing weight limits.

Whether it is fertilizer coming in from Canada and returning with a load of North Dakota corn; sugar beets being hauled to North Dakota factories; corn being hauled to one of our five ethanol plants; or ethanol processing co-products being sold and transported to farms in South Dakota for forage, all of these roads would realize a significant decrease in truck traffic, because of the increased load carrying capacity allowed by this bill. These efficiencies of decreased road wear and transportation time, as well as fuel savings, can be realized with the passage of this bill, therefore we encourage your support and passage of HB 1255.

TESTIMONY HB 1255
HOUSE TRANSPORTATION COMMITTEE
JANUARY 27, 2017

HB 1255
1-27-17
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Page 1

Mr. Chairman and members of the House Transportation Committee my name is Arik Spencer, Executive Vice President of the North Dakota Motor Carriers Association. NDMCA represents the trucking and transportation industry in North Dakota and has been in existence since 1937. I am here this morning to testify in Support of House Bill 1255.

HB 1255 is important because it increases the maximum allowable commercial motor vehicle (CMV) gross vehicle weight to 129,000 pounds on select highways, which are comparable to weights allowed in Montana, South Dakota and Canada. This harmonization of truck weights between states will increase the efficiency of freight movement in ND and save shippers, carriers and consumers money.

There are different maximum gross vehicle weights between states now because of the 1991 Federal Highway Bill, which limited the authority of a state to regulate what truck weights and lengths can operate on certain highways.

The impacts of the different state by state truck weights were examined in a 2007 North Dakota Department of Transportation (DOT) and Upper Great Plains Transportation Institute (UGPTI) study called "*Cross Border Regional Truck Transportation Commonalities and Differences*". The study concluded that the current patchwork of regulations:

- Reduces commerce
- Creates problems for seamless freight transportation
- Provides for an unfriendly business environment

The study also found that:

- Regional weight and length uniformity would reduce truck numbers and create efficiencies for businesses throughout the region.
- Larger trucks may reduce trips and congestion resulting in overall cost savings.
- Larger trucks, with the correct number and spacing of axles, may do less road damage than smaller trucks.

These issues were again studied in 2016 by DOT and UGPTI and the results of this study offered more detail. Key findings included:

- Commercial shippers would upgrade their fleets to take advantage of increases in allowable truck weights.
- Shipper costs would be reduced: Annual estimated savings range from \$140 to \$285 million/year.
- Overall truck Vehicle Miles Traveled are projected to be reduced from 31% to 36%.
- Pavement impacts are negligible so long as the proper axle configurations are used.

The 2016 DOT-UGPTI Truck Size & Weight Study looked at both length and weight uniformity, while this bill only addresses weight so the benefits may be somewhat less but still substantial.

One key point to expand upon is that pavement impacts are negligible so long as the proper axle configurations are used. Proper axle configurations are necessary to ensure a loaded truck spreads its weight better between axles so that no one part of a bridge, highway, or overpass is taking too much weight at one time. This is done by either increasing the number of axles or pushing the axles further apart. HB 1255 grants DOT the authority to adopt rules to establish the required axle configurations so that the integrity of our infrastructure is maintained.

We ask that you give HB 1255 a do pass recommendation.

Mr. Chairman, this concludes my testimony. I would be happy to answer any questions.

1/27/17

HB1255
1-27-17
#5

Chairman Ruby, members of the committee, my name is Dan Gowan. I am Director of Agriculture at ACSC and I am here to speak in favor of house bill 1255.

There are four main reasons to support HB 1255.

Safety

Reduced damage to infrastructure

Reduced congestion and air pollution

Lower freight costs for producers

The higher efficiency trucks are safe. They meet every state and federal standard for braking, stopping distance and tires. By permitting the high efficiency trucks we can reduce the number of loads hauled for ACSC by 19% per campaign. There is no single other alternative that can have this impact. I believe the safest vehicle on the road is the one that isn't there.

Infrastructure is the key to a successful North Dakota and ACSC. The high efficiency trucks will reduce highway damage by having lighter axle weights and fewer trips. Although it seems counter-intuitive, the heavier / longer trucks have more axles to spread the load over more tires and a greater length. These trucks will also meet the bridge regulations that prohibit concentrated loads on bridges.

There turning geometry is almost identical to truck and trailer combinations running on North Dakota roads.

We are grateful that we don't live in the big cities, but we still deal with congestion and air pollution. The higher efficiency trucks will reduce congestion caused by these vehicles by 19%. Greenhouse gases will also be reduced.

Finally, in an agricultural based economy the producer bears the burden of the cost of transportation of the goods the farm produces. He or she cannot adjust the price they receive for the crop by the cost of transportation. If freight costs go up the return on the farm goes down. With commodity prices at dangerously low levels, any reduction cost is a welcome sight to a producer. The higher efficiency trucks will reduce freight costs as soon as the trucks begin operation.

HB 1255
1-27-17
#6

January 26, 2017

House Transportation
HB 1255

Chairman Ruby and members of the committee, for the record I am Stephanie Dassinger, Deputy Director of the North Dakota League of Cities. I also serve as the staff attorney for the League.

HB 1255 starts the process of having a limited transportation network for large trucks in North Dakota. As part of that process, an advisory committee is created to consult with the North Dakota Department of Transportation on the network. As a number of cities are on the roads that are designated as the foundation for the system, we request that the bill be amended to add a position on the advisory committee for the North Dakota League of Cities. This would allow the cities to provide their input on the large truck primary highway network.

The League would support HB 1255 if the bill is amended to add a seat on the advisory committee for the North Dakota League of Cities.

THANK YOU FOR YOUR TIME AND CONSIDERATION. I will try to answer any questions.



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1-27-17
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Page 1

**TESTIMONY ON HB 1255
BEFORE THE
NORTH DAKOTA HOUSE TRANSPORTATION COMMITTEE
BY
THEODORE ROOSEVELT EXPRESSWAY ASSOCIATION
CAL KLEWIN, EXECUTIVE DIRECTOR
JANUARY 27, 2017**

Chairman, Ruby,

Members of the House Transportation Committee

Good morning. I am Cal Klewin, Executive Director of the **Theodore Roosevelt Expressway Association (TREA)**. I am present to express support for House Bill 1255 addressing the creation of a large truck primary highway network in North Dakota.

The **Theodore Roosevelt Expressway** (Highway 85) is a Federally-Designated High Priority Corridor on the National Highway System. It runs from Rapid City, SD, to Canada through western North Dakota to the Port of Raymond in Montana. On the southern end, it connects to the Heartland Expressway, which connects Rapid City, SD, to Denver, CO. The Heartland Expressway then links to the Ports-to-Plains Trade Corridor, which connects Denver, CO, to Laredo, TX. These three corridors are collectively known as the Ports-to-Plains Alliance.

The Association is appreciative that a study was initiated by the North Dakota Legislature in HB 1012 with the goal of studying the impacts and potential implications in North Dakota of harmonizing truck size and weight regulations with states in the Western States Transportation Alliance regarding standard commercial truck envelope.

U.S. Highway 85 and U.S Highway 2 are both portions of the Theodore Roosevelt Expressway and TREA is pleased that both those corridors are being considered for inclusion in the initial network of selected highways to serve as the foundation the Large Truck Primary Highway Network by HB 1255. TREA supports their inclusion in this network.

The U.S. Highway 85 corridor is already the most significant north-south corridor in North Dakota for the movement of permitted loads.

Year	U.S. 83	I-29	U.S. 85
2014	22,128	32,300	78,367
2015	15,438	25,460	57,637
2016	13,378	25,068	44,484

Testimony of Cal Klewin, Theodore Roosevelt Expressway Association on HB 1255

January 27, 2017

Page 2

Additionally, as the North Dakota Truck Harmonization Study found, this new network will

- Result in reduced shipper costs
- The number of semi- and long-combination trucks carrying divisible loads would be reduced by 31% to 36%.

From an economic impact viewpoint, the North Dakota Truck Harmonization Study evaluated the direct economic impacts to shippers in two ways: Evaluating all truck movements and alternatively the likely truck movements. The cost benefits to shippers are due to lower per ton-mile trucking costs as well as fewer total trips due to increased payloads. The decrease in ton-mile costs reduces the total cost of front haul shipments. The reduction in total trips also saves the cost of the return trip.

In the likely movement scenario the total truck trips were 3.4 million. With the increase to 129,000 lbs. total truck trips would be reduced by 1.1 million trips to a total of 2.3 million. Using trip length estimates, the truck mile reduction totals 63.2 million miles. The estimated cost savings to shippers under the all movements scenario is \$139.7 million annually.

Passage of HB 1255 is would be the first step of a thoughtful, cost effective process of establishing a long term development of the Large Truck Primary Highway Network.

The Theodore Roosevelt Expressway Association is in support of HB 1255.

That concludes my testimony; I will try to answer any questions you may have.

Thank you.

#8

Testimony of Brent Bogar
Greater North Dakota Chamber
HB 1255
January 27, 2017

Mr. Chairman and members of the committee, my name is Brent Bogar. I am here representing the Greater North Dakota Chamber (GNDC), the champions for business in North Dakota. GNDC is working on behalf of our more than 1,100 members to build the strongest business environment in North Dakota. GNDC stand today in support of HB 1255.

The Greater North Dakota Chamber supports the efforts of a transportation network that allows for efficient movement of freight within North Dakota and the region. HB 1255 creates a limited network of roads in the state that would allow for such a network that changes the weight limits to match those of neighboring states. This is important for our members so that they can take advantage of maximizing their shipments throughout the state and region.

GNDC recognizes that through proper planning, studying, and input from those effected by this change is important. HB 1255 does that through the formation of the advisory committee and we look forward to working with the department and other members to make the necessary adjustments and improvements as determined warranted and necessary to improve our transportation network.

Chairman, members of the committee GNDC supports the efforts NDDOT and the members of the harmonization committee and urges a Do Pass on HB 1255. I would stand for any questions that you may have.

HB 1255
2/3/17
#1

Prepared by Legislative Counsel Intern 7 for
Chairman Ruby
February 3, 2017

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1255

Page 1, Line 2, after “network” insert “and create a new subsection of section 39-12-05.3 of the North Dakota Century Code relating to permitting of increased vehicle weights.”

Page 2, after line 28, insert

“**SECTION 2. AMENDMENT.** Subsection 9 to 39-12-05.3 of the North Dakota Century Code is created and enacted as follows:

9. The Director shall have the authority to permit trucks greater than one hundred and five thousand pounds [47854.00 kilograms], up to one hundred and twenty nine thousand pounds [58513.41 kilograms] with a monthly permit fee of one hundred dollars per month or seven hundred dollars annually. Allowable vehicle weight will be determined according to the federal bridge formula under subsection 2 of section 39-12-05.

Renumber accordingly

Attachment #1 pg1
3-16-17 HB1255

ND Senate Transportation Committee

Senator Lonnie Laffen, Chairman

HB 1255

Dean Gorder, Executive Director

North Dakota Trade Office

INTENT: The purpose for pursuing an increase in truck productivity on North Dakota's State, U.S., and Interstate highway system is to increase exports of North Dakota specialized agricultural commodities, bulk agricultural commodities, manufactured equipment and goods, processed agricultural products, and any other products produced in North Dakota that move by truck to export facilities and/or require containerization. This limited proposal would also allow for the gathering of agricultural products from across the region - including Northwestern MN, Eastern MT, North Central and Eastern SD and the prairie Canadian provinces to more efficiently access export locations in North Dakota including the Port of ND at Minot. Furthermore, this system will improve the logistical flow of manufacturing and other inputs increasing the global competitiveness of those economic sectors.

RATIONALE: North Dakota's economy has relied on trade and exports even prior to statehood. The state continues to rely on exports for its economic viability to this day and will continue to do so into the foreseeable future. It's small population relative to the extensive and boundless production of agriculture commodities makes it imperative that the transportation and logistical system are as efficient as possible to compete in national and international markets. A further justification is the vast distances most products and commodities must travel just to be put into position for export from the state. Additionally, because of North Dakota's geographical location at the center of the North American continent the state is at a locational disadvantage compared to its competitors.

TALKING POINTS

1. The purpose for pursuing an increase in truck weights/truck productivity on North Dakota's U.S. and Interstate System is to increase exports of ND and regional specialized agricultural commodities that require containerization. This limited proposal would allow for the gathering of agricultural products from across the region - including Northwestern MN, Eastern MT, North Central and Eastern SD and the prairie Canadian provinces in order to more efficiently access the rail facilities at the Port of ND at Minot.
2. A limited network within ND on the Interstate and major US Highways is envisioned (Figure 1) that will allow manufactured goods, pulses and other specialty crops to move more efficiently

Attachment #, pg 2
HB 1255 3-16-17

into the Port of ND at Minot – increasing the efficiency of the transportation system and allowing for more productive movement of products to export markets.

3. Part of the proposed limited ND network is already part of a federally designated US freight highway network (Figure 2). These routes have been designated by the US Department of Transportation as key freight routes within the State.
4. ND and the Northern Great Plains Region is distinct from the Northeastern US and the intermountain region of the states of Washington and Oregon – and the transportation solutions in these areas must reflect these differences. ND and the Northern Great Plains Region have vast distances - with no mountains, and is sparsely populated in contrast to the smaller, but vastly more populated Northeastern United States (Figure 3).
5. Current container traffic must traverse up to an average 150 to 200 miles (with some traffic moving 300 miles) in order to reach an export facility (Figure 4).
6. North Dakota and the Northern Great Plains Region are landlocked with no river transportation alternative such as the states of Washington, Oregon, and Minnesota.
7. Improving the efficiency of goods movement will make agricultural products more competitively priced – thus improving the area’s export trade and therefore the US trade balance.
8. In addition to assisting the production agriculture economy, increasing truck weight/truck productivity will improve the region’s competitiveness in manufacturing by reducing container transportation costs on imported components.

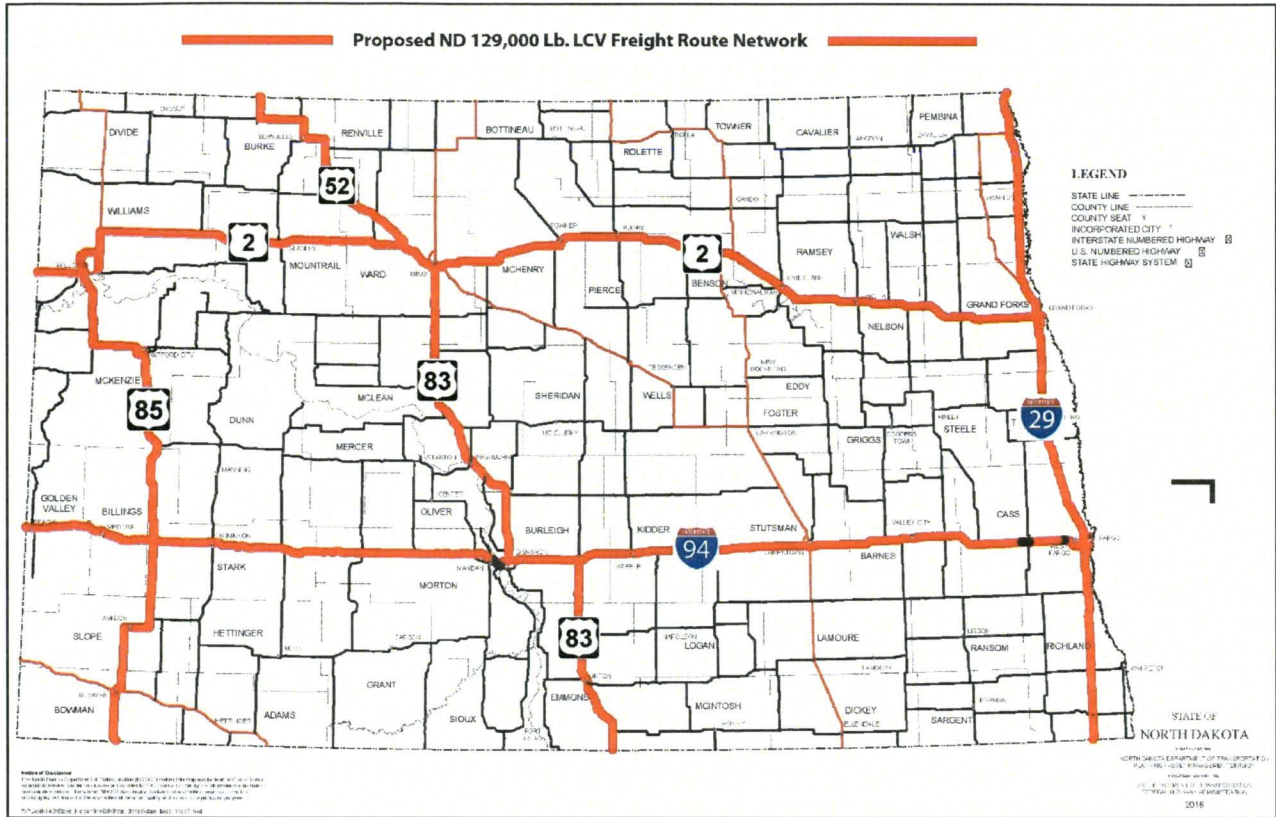


Figure 1. Proposed ND LCV 129,000 Lb. Freight Highway Network

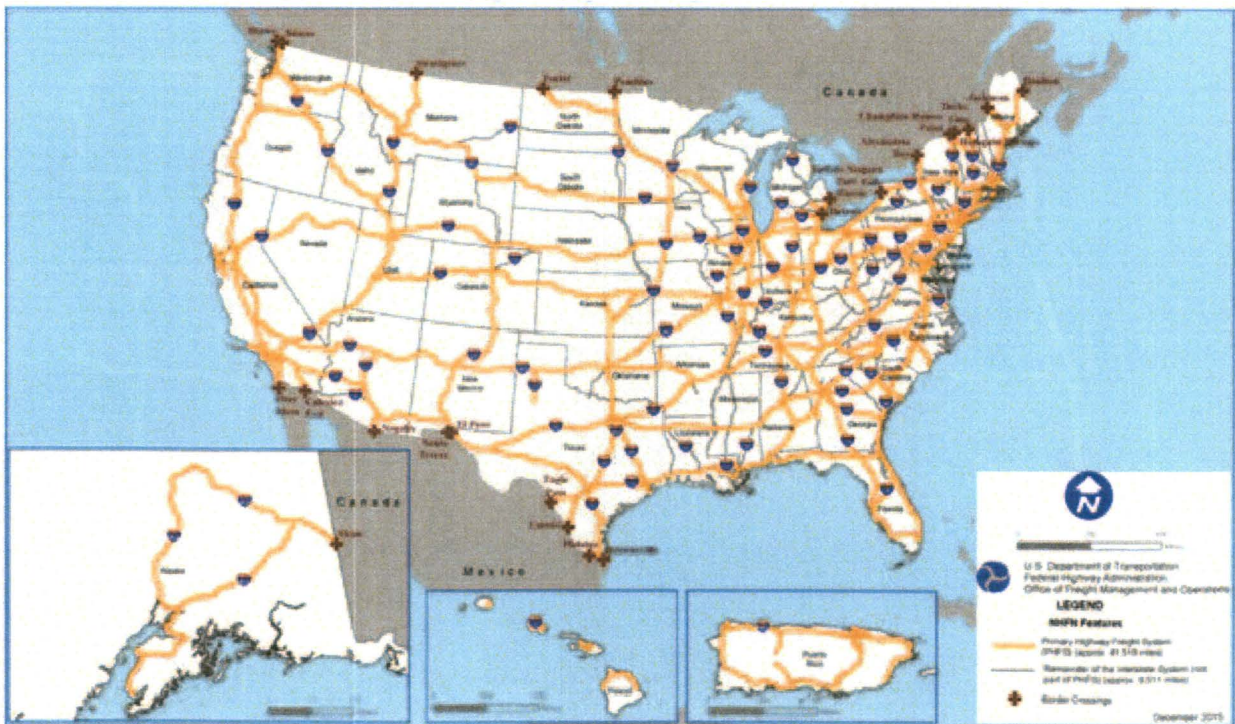


Figure 2. National Freight Highway Network

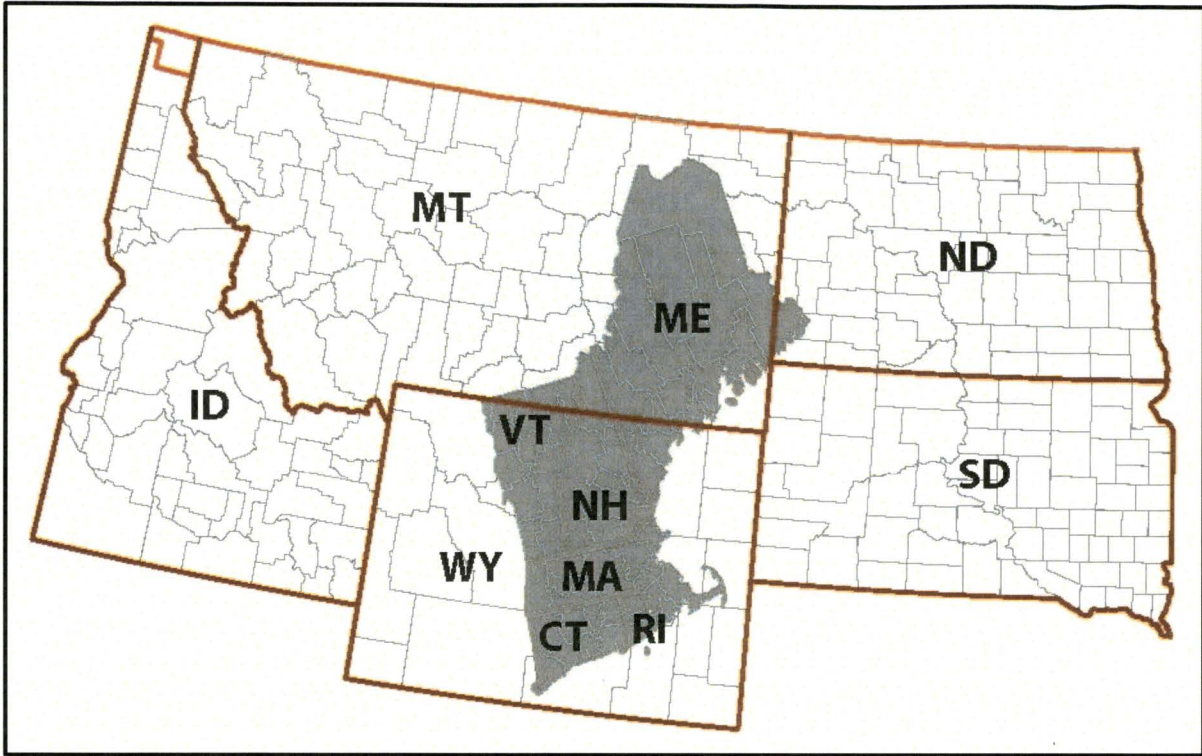


Figure 3. Geographic Comparison of Northern Great Plains and Northeastern United States

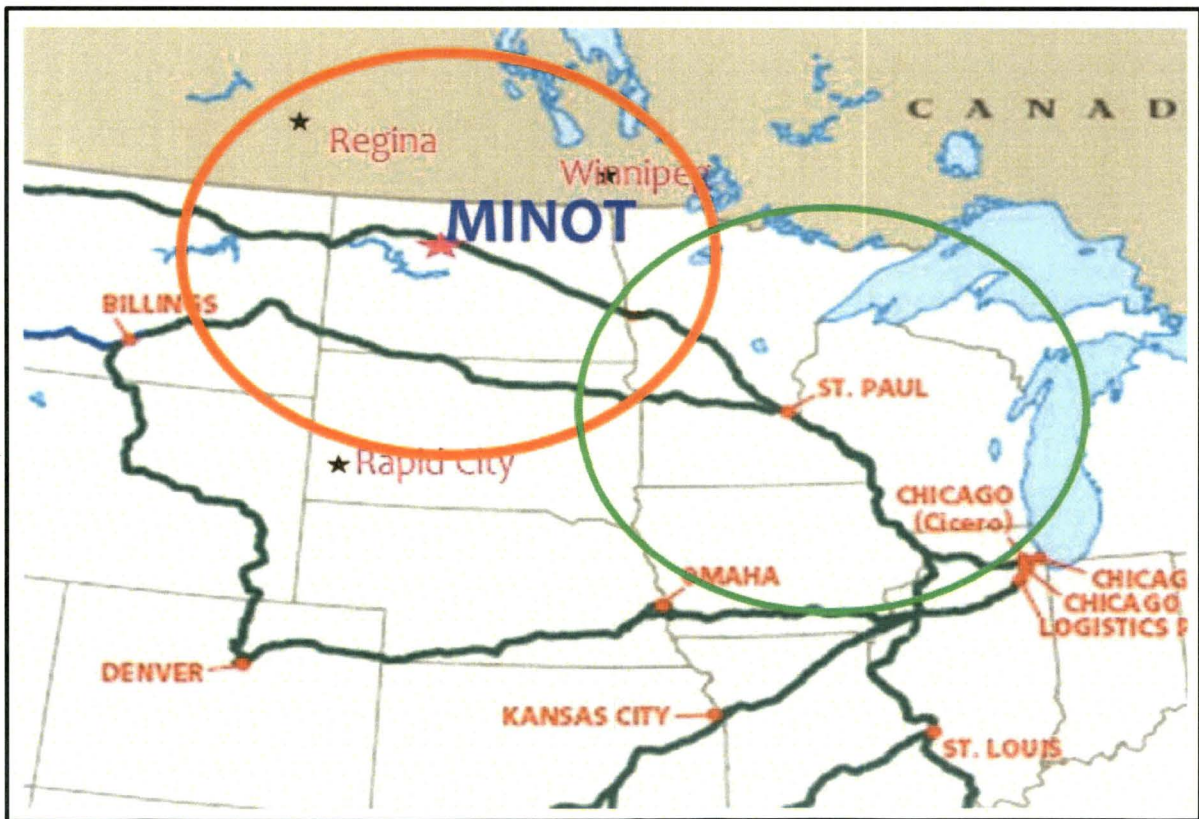


Figure 4. Port of North Dakota Container Freight Drawing Area



P.O. Box 1091
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(701) 355-4458
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VOTING MEMBERS

Ameriflax
Independent Beef Association
of ND
Milk Producers Association of ND
Minn-Dak Farmers Cooperative
ND Ag Aviation Association
ND Agricultural Assn.
ND Ag Consultants
ND Agri-Women
ND Barley Council
ND Corn Growers Association
ND Corn Utilization Council
ND Crop Improvement & Seed
Association
ND Dairy Coalition
ND Dry Bean Council
ND Dry Edible Bean Seed
Growers Association
ND Elk Growers
ND Ethanol Council
Farm Credit Council
Farmers Union
Grain Dealers Association
ND Grain Growers Association
ND Irrigation Association
ND Lamb & Wool Producers
ND Oilseed Council
ND Pork Producers Council
ND Soybean Growers Association
ND Stockmen's Association
ND Wheat Commission
Northern Canola Growers
Association
Northern Plains Potato Growers
Northern Pulse Growers
Association
Northwest Landowners
Association
Red River Valley Sugarbeet
Growers
U.S. Durum Growers Association

NON-VOTING MEMBERS

BNSF Railway Company
Ellingson Companies
Garrison Diversion Conservancy
District
ND Association of Ag Educators
ND Association of Soil
Conservation Districts
Beef Commission
Department of Ag
Soybean Council
ND State Seed Commission
NDSU Agricultural Affairs

*Attachment # 2 pg 1
3-16-17 HB 1255*

**Testimony of Paul Mathiason
North Dakota Ag Coalition Chairman
In Support of HB 1255
March 16, 2017**

Chairman Laffen and members of the committee, my name is Paul Mathiason, and I am here today as the chairman of the North Dakota Ag Coalition in support of HB 1255.

The Ag Coalition has provided a unified voice for North Dakota agricultural interests for over 30 years. Today, we represent more than 40 statewide organizations and associations that represent specific commodities or have a direct interest in agriculture. Through the Ag Coalition, our members seek to enhance the climate for North Dakota's agricultural producers.

The Ag Coalition takes a position on a limited number of issues, brought to us by our members, which have significant impact on North Dakota's producers and agriculture industry. Our members voted overwhelmingly to support HB 1255 as they recognize the efficiencies that can be achieved by creating a large truck primary highway network and increasing weight limits from 105,000 to 129,000 pounds within the network.

The Ag Coalition appreciated the opportunity provided by the North Dakota Department of Transportation (NDDOT) to participate on the NDDOT Truck Harmonization Steering Committee, which evaluated the study that led to this legislation. The process was comprehensive and inclusive of all stakeholders.

The members of the Ag Coalition realize the value in aligning ourselves with neighboring state and increasing the ease of commerce and transportation of the agricultural commodities produced in North Dakota. We are supportive of the efforts of the Truck Harmonization Steering Committee and would encourage your support as well.

I'd be happy to answer any questions.



**Theodore Roosevelt
EXPRESSWAY**

*Attachment # 3
3-16-17- pp1
HB1255*

**TESTIMONY BEFORE THE
NORTH DAKOTA SENATE TRANSPORTATION COMMITTEE
BY
THEODORE ROOSEVELT EXPRESSWAY ASSOCIATION
CAL KLEWIN, EXECUTIVE DIRECTOR
March 16, 2017**

Chairman, Laffen, Members of the Senate Transportation Committee

Good Afternoon, I am Cal Klewin, Executive Director of the **Theodore Roosevelt Expressway Association (TREA)**.

The **Theodore Roosevelt Expressway** (Highway 85) is a Federally-Designated High Priority Corridor on the National Highway System. It runs from Rapid City, SD, to Canada through western North Dakota to the Port of Raymond in Montana. On the southern end, it connects to the Heartland Expressway, which connects Rapid City, SD, to Denver, CO. The Heartland Expressway then links to the Ports-to-Plains Trade Corridor, which connects Denver, CO, to Laredo, TX. These three corridors are collectively known as the Ports-to-Plains Alliance.

In December, 2016 in the **State of Freight II: Implementing the FAST Act and Beyond**, published by American Association of State Highway and Transportation Officials (AASHTO) and the American Association of Port Authorities (AAPA), the Theodore Roosevelt Expressway was highlighted in a section titled: **Interior State Freight Connectivity: Connecting the Heartland with Our Ports and the World**.

While the data is a bit dated in that publication, it is important to note that U.S. 85 through 2016 still experiences significantly more truck permitted loads than alternative north-south corridors in North Dakota.

Year	U.S. 83	I-29	U.S. 85
2014	22,128	32,300	78,367
2015	15,438	25,460	57,637
2016	13,378	25,068	44,484

The **Theodore Roosevelt Expressway Association** is in support of HB 1255. That concludes my testimony, I will try to answer any questions you may have.

Thank you.

TESTIMONY HB 1255
SENATE TRANSPORTATION COMMITTEE
MARCH 16, 2017

Attachment # 4 pg 1
3-16-17 HB 1255

Mr. Chairman and members of the Senate Transportation Committee my name is Arik Spencer, Executive Vice President of the North Dakota Motor Carriers Association. NDMCA represents the trucking and transportation industry in North Dakota and has been in existence since 1937. I am here this morning to testify in Support of House Bill 1255.

HB 1255 is important because it increases the maximum allowable commercial motor vehicle (CMV) gross vehicle weight to 129,000 pounds on select highways, which are comparable to weights allowed in Montana, South Dakota and Canada. This harmonization of truck weights between states will increase the efficiency of freight movement in ND and save shippers, carriers and consumers money.

There are different maximum gross vehicle weights between states now because of the 1991 Federal Highway Bill, which limited the authority of a state to regulate what truck weights and lengths can operate on certain highways.

The impacts of the different state by state truck weights were examined in a 2007 North Dakota Department of Transportation (DOT) and Upper Great Plains Transportation Institute (UGPTI) study called "*Cross Border Regional Truck Transportation Commonalities and Differences.*" The study concluded that the current patchwork of regulations:

- Reduces commerce
- Creates problems for seamless freight transportation
- Provides for an unfriendly business environment

The study also found that:

- Regional weight and length uniformity would reduce truck numbers and create efficiencies for businesses throughout the region.
- Larger trucks may reduce trips and congestion resulting in overall cost savings.
- Larger trucks, with the correct number and spacing of axles, may do less road damage than smaller trucks.

These issues were again studied in 2016 by DOT and UGPTI, and the results of this study offered more detail. Key findings included:

- Commercial shippers would upgrade their fleets to take advantage of increases in allowable truck weights.
- Shipper costs would be reduced: Annual estimated savings range from \$140 to \$285 million/year.
- Overall truck Vehicle Miles Traveled are projected to be reduced from 31% to 36%.
- Pavement impacts are negligible so long as the proper axle configurations are used.

The 2016 DOT-UGPTI Truck Size & Weight Study looked at both length and weight uniformity, while this bill only addresses weight so the benefits may be somewhat less but still substantial.

One key point to expand upon is that pavement impacts are negligible so long as the proper axle configurations are used. Proper axle configurations are necessary to ensure a loaded truck spreads its weight better between axles so that no one part of a bridge, highway, or overpass is taking too much weight at one time. This is done by either increasing the number of axles or pushing the axles further apart. HB 1255 grants DOT the authority to adopt rules to establish the required axle configurations so that the integrity of our infrastructure is maintained.

I would also like to note that UGPTI Study looked at safety implications and found that there was not enough data to conclude that heavier trucks are any more unsafe than current allowable weights in ND. It is our assertion that approving this large truck network will actually improve highway safety. This is because passenger vehicles cause approximately 70% of CMV crashes and with fewer trucks operating, it can only reduce the likelihood of these types of accidents occurring.

Finally, the trucking industry has been experiencing a driver shortage, which impacts our ability to move freight as efficiently as needed. With trucks moving over 60% of the total manufactured tonnage in the state and 46% of North Dakota communities depending exclusively on trucks to move goods, a weight increase can only help lessen the burden of the driver shortage, while allowing more efficient movement of freight.

We ask that you give HB 1255 a do pass recommendation.

Mr. Chairman, this concludes my testimony. I would be happy to answer any questions.



North Dakota's *Short Line Railroads* – Providing Superior Rail Service to Rural ND Communities

March 16, 2017

To: Sen. Lonnie Laffen, Chair
Senate Transportation Committee
65th Legislative Assembly

From: ND Short Line Railroads

Re: HB 1255

*Attachment # 5
3.16.17 pg 1 HB 1255*

Mr. Chairman and Members of the Committee:

The Short Line Railroads of North Dakota submit the following comments regarding HB 1255 and its potential impact on ND's small railroads, our customers, and the communities we serve.

Short Line railroads are a relatively new phenomenon to the State, with 5 short lines established since 1987: the Dakota Missouri Valley & Western Railroad, the Northern Plains Railroad, the Yellowstone Valley Railroad, the Dakota Northern Railroad and the Red River Valley & Western Railroad. These companies currently operate about 40 percent of the total rail track miles that remain in the State of North Dakota, serving about 145 customers and 90 rural communities in nearly all parts of the State.

Essentially all of our service territory consists of the rural portions of North Dakota, and we operate over branch lines that the large railroads were unable to operate profitably.

Our comments are focused on two elements of the industry that are of particular importance when analyzing impacts of larger trucks: 1. the impact of larger trucks on local, intra-state rail shipments, such as to agricultural processors and large shuttle facilities, and 2. the issue of competitive fairness between competing transportation modes, whereby railroads pay entirely for maintenance of their right-of-way, and trucks are subsidized by a broader user base of vehicles and pay far less than 100% of the damage they do to highways.

Like other small railroad companies across the US, short line railroads in ND serve in a gathering and distribution role, often characterized as the "first mile/last mile" of a shipment which may involve movement of a carload of product thousands of miles to its final destination. The majority of that trip likely takes place via one of the Class 1 railroads, either the BNSF Railway or CP Railway from North Dakota. For example, a carload of corn or soybeans originating in ND might be travel 50 miles on a short line, then handed over to a Class 1 railroad for shipment to its final destination in Seattle, or to a wheat mill in Buffalo, New York. While short lines may cover a small part of the total shipment, the role of the short line is critical to that local grain elevator and the rural community it serves. Without the gathering role of the short line railroad, the rail transportation option would likely not be available in these rural communities, leading to higher transportation costs to ND businesses due to longer truck shipments to main line grain elevators.

A large portion of the short line railroad's business is in this origin gathering role, the "first mile" of a much longer total shipment. However, a second important function of ND short lines is their "local" traffic, whereby a rail carload both loaded and unloaded within the State of ND. Examples of local shipments include movement of corn into a local ethanol plant, or local shipments from a smaller grain elevator to a larger elevator for reloading into 110-car unit trains. In 2015 over 12,000 rail carloads of ND-produced grain and other products were shipped from local elevators, manufacturers, or producers to these in-state destinations. This is the equivalent of over 40,000 truckloads of grain on the highways. These local shipments are some of the most truck competitive of all rail traffic in ND, and would be the most seriously at risk for diversion to truck if weights are increased to the levels proposed in HB 1255. A change in truck weights may not significantly impact a 1500 mile shipment of grain by the BNSF Railway to distant export markets. However, the impact of heavier trucks on local or intra-state shipments by short lines could be substantial. As shown in the table below, these local shipments are a significant part of the short line railroads' business in ND, and are critical to maintain our viability. This is particularly the case for low density branch lines (which serve rural ND) that have low traffic volumes and need this volume to support high fixed costs of operation.

North Dakota Short Line Railroads - 2015

Short Line Railroad	Number of ND Communities Served	Number of ND Customers Served	Local Carloads (Originated and Terminated)
Dakota Missouri Valley & Western RR	29	55	1,015
Northern Plains Railroad	22	32	1,119
Red River Valley & Western Railroad	41	58	9,953

The second issue of concern is one of cost responsibility. It is widely accepted that the US trucking industry does not fully pay for the pavement and bridge damage attributable to operation of trucks (USDOT). Railroads, on the other hand, are completely responsible for on-going maintenance, capital investment, and property taxes for their right-of-way. This indirect subsidy to a direct competitor of the railroad industry distorts motor carrier operating costs, which in turn leads to an unfair competitive advantage in favor of motor carriers. It is believed that this indirect subsidy becomes even more pronounced as truck weights are increased without a concurrent adjustment in user fees. Also, the burden of trucks not paying the full cost of their use of public rights-of-way is carried by other users, as well as by State, County and municipal governments. An increase in truck weights should therefore not be considered without a parallel consideration of a change in user fees to compensate for the widening disparity in cost responsibility.

For these reasons, North Dakota's short line railroads are opposed to HB 1255 in its current form.

Daniel L. Zink
Red River Valley & Western Railroad Company
On behalf of ND Short Line Railroads

HB 1255
3-24-17 #1
P1

TESTIMONY HB 1255
SENATE APPROPRIATIONS COMMITTEE
MARCH 24, 2017

Mr. Chairman and members of the Senate Appropriations Committee my name is Arik Spencer, Executive Vice President of the North Dakota Motor Carriers Association. NDMCA represents the trucking and transportation industry in North Dakota and has been in existence since 1937. I am here today to testify in Support of House Bill 1255.

HB 1255 is important because it increases the maximum allowable commercial motor vehicle (CMV) gross vehicle weight to 129,000 pounds on select highways, which are comparable to weights allowed in Montana, South Dakota and Canada. This harmonization of truck weights between states will increase the efficiency of freight movement in ND and save shippers, carriers and consumers money.

There are different maximum gross vehicle weights between states now because of the 1991 Federal Highway Bill, which limited the authority of a state to regulate what truck weights and lengths can operate on certain highways.

The impacts of the different state by state truck weights were examined in a 2007 North Dakota Department of Transportation (DOT) and Upper Great Plains Transportation Institute (UGPTI) study called "*Cross Border Regional Truck Transportation Commonalities and Differences.*" The study concluded that the current patchwork of regulations:

- Reduces commerce
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The study also found that:

- Regional weight and length uniformity would reduce truck numbers and create efficiencies for businesses throughout the region.
- Larger trucks may reduce trips and congestion resulting in overall cost savings.
- Larger trucks, with the correct number and spacing of axles, may do less road damage than smaller trucks.

These issues were again studied in 2016 by DOT and UGPTI, and the results of this study offered more detail. Key findings included:

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- Shipper costs would be reduced: Annual estimated savings range from \$140 to \$285 million/year.
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One key point to expand upon is that pavement impacts are negligible so long as the proper axle configurations are used. Proper axle configurations are necessary to ensure a loaded truck spreads its weight better between axles so that no one part of a bridge, highway, or overpass is taking too much weight at one time. This is done by either increasing the number of axles or pushing the axles further apart. HB 1255 grants DOT the authority to adopt rules to establish the required axle configurations so that the integrity of our infrastructure is maintained.

I would also like to note that UGPTI Study looked at safety implications and found that there was not enough data to conclude that heavier trucks are any more unsafe than current allowable weights in ND. It is our assertion that approving this large truck network will actually improve highway safety. This is because passenger vehicles cause approximately 70% of CMV crashes and with fewer trucks operating, it can only reduce the likelihood of these types of accidents occurring.

Finally, the trucking industry has been experiencing a driver shortage, which impacts our ability to move freight as efficiently as needed. With trucks moving over 60% of the total manufactured tonnage in the state and 46% of North Dakota communities depending exclusively on trucks to move goods, a weight increase can only help lessen the burden of the driver shortage, while allowing more efficient movement of freight.

We ask that you give HB 1255 a do pass recommendation.

Mr. Chairman, this concludes my testimony. I would be happy to answer any questions.

#1
p2



HB 1255
3-24-17
#2
p1

TESTIMONY BEFORE THE
NORTH DAKOTA SENATE APPROPRIATIONS COMMITTEE
BY
THEODORE ROOSEVELT EXPRESSWAY ASSOCIATION
CAL KLEWIN, EXECUTIVE DIRECTOR
March 24, 2017

Chairman, Holmberg, Members of the Senate Appropriations Committee

Good Morning, I am Cal Klewin, Executive Director of the **Theodore Roosevelt Expressway Association (TREA)**.

The **Theodore Roosevelt Expressway** (Highway 85) is a Federally-Designated High Priority Corridor on the National Highway System. It runs from Rapid City, SD, to Canada through western North Dakota to the Port of Raymond in Montana. On the southern end, it connects to the Heartland Expressway, which connects Rapid City, SD, to Denver, CO. The Heartland Expressway then links to the Ports-to-Plains Trade Corridor, which connects Denver, CO, to Laredo, TX. These three corridors are collectively known as the Ports-to-Plains Alliance.

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2015	15,438	25,460	57,637
2016	13,378	25,068	44,484

Weight harmonization is very important for freight movements along the Theodore Roosevelt Expressway Corridor and the Ports to Plains Alliance states.

The **Theodore Roosevelt Expressway Association** is in support of HB 1255. That concludes my testimony, I will try to answer any questions you may have.

Thank you.