

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1408

2001 HOUSE TRANSPORTATION

HB 1408

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1408

House Transportation Committee

Conference Committee

Hearing Date February 1, 2001

Tape Number	Side A	Side B	Meter #
2	x		2
Committee Clerk Signature <i>Laurence J. First</i>			

Minutes: Rep. Weisz - Chairman opened the hearing on HB 1408; A BILL for an Act to provide for adoption of the midwest interstate passenger rail compact; and to provide for an expiration date.

Rep. Koppelman: I represent District 13. I have prepared written testimony for you. A copy is attached.

Rep. Kelsch; (248) You say we wouldn't pay anything for this but it says here that you would need enough money to carry out the duties, responsibilities and powers of the commission as appropriated by the commission of the compacting states -- so in other words we will have to contribute? So that they would have to have travel money, etc.?

Rep. Koppelman: What I did say was that we wouldn't need to have any money unless it was specifically appropriated by the legislature. This bill does not have a fiscal note. It authorizes the compact but not costing money. You are right there is a commission in place. I think that their

estimated cost of operation for the first year is about \$55,000. That cost is to be shared by the states in the compact.

Rep. Kelsch: (338) Is there a line item for this ?

Rep. Koppelman: Not that I am aware of. Also I did not mean to mislead you , that \$65,000 is not this state's cost but for the whole commission.

Rep. Weisz - Chairman (390) Based on the rual nature of small population state does it even make sense for us to be a part of the compact? Are we going gain in what this compact is going to do?

Rep. Koppelman: If you question is the state going gain -- the answer is clearly a 'yes' for a number of reasons; one is that we have the opportunity have a place a the table and to be part of the planning of this; and, our options are very simple either we do not become part of this and we continue to become more isolated in the upper midwest while the rest of the midwest is doing something rather visionary and exciting and the decisions are made. The other decision before us is to say that we are not sure about this but we want a seat at the table to see how this going to play out. We want to play a role. That is all this bill is about. It would give us the opportunity. I don't know if rapid rail will ever become a reality in North Dakota. The good news is that this bill doesn't obligated spend money for rapid rail. Rep. Kelsch is right that we will probably have to spend some money for dues. There is a rapid rail system in the northeast. Congress has taken look at this and decided that the midwest is the next logical place to do this. The original plan calls for Chicago to be the hub and for connection to many of the larger midwest cities like St. Louis, Detroit and so on. They would target the trains to travel to cities within 500 miles with populations of 250 thousand. We fall a little blt short on both scores. However, if you look at a

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city like Fargo or Souix Falls they are a little over 500 miles --- like 600 . If you look at population, Fargo - Moorhead - Cass and Clay counties are about 180 thousand. So if you look at the entire Red River Valley.

Rep. Dorsch: (609) Not so much a question but rather a comment; being in the hospitality industry and looking at bringing conventions and groups for a state --- I can tell you the lack of transportation in this state is the cause of many conventions not even considering our area. We may question it. Is this viable for this area, I can't tell you. I do know that we can not allow ourselves to be totally isolated from it. When you are only served by one airline -- how that hampers you until you experience it in the hospitality business.

Rep. Carlson: (727) Is this meant to upgrade our existing rail system and use them for high speed or is this meant for entirely new lines?

Rep. Koppelman: My understanding is that would be the former -- upgrade the existing system.

Rep. Carlson: We already have Amtrak already as a passenger train. Obviously the rails are not suited to high speed.

Rep. Ruby: (811) Is this commission authority taking place and is it in the final process and just asking us to join what has already been done?

Rep. Koppelman: This is just the process of forming.

Rep. Thorpe: (885) I think it would be advisable for us to join in on the ground floor.

Rep. Koppelman: I think we have to be somewhat visionary and see the glass as half full instead of half empty.

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Mike McCabe: (1030) I am the manager of the office for the Midwestern Council of State Governments. I am generally not in role of an advocate as the council of state Governments does play the role of advocate on specific pieces of legislation. The reason this is an exception is that this proposal came out of the work of one of the task forces of the Council. Upon the conclusion of the work of the task force on rail, it was recommended to and endorsed by the entire Midwestern conference in the summer of 1999. The concept of the compact was approved by three states last year -- Indiana, Minnesota and Missouri.

By the terms of the agreement it becomes effective upon adoption by three states -- so the compact exists. Those three states were asked to appoint commissioners which they did. The commission just held its first meeting a couple of weeks ago in Chicago. Because there are only three states so far the commission set its priority to get passage of this legislation in more states. That is why I am here is to pass along information. Including here in North Dakota. The compact is proposed to be an advocacy partnership. What it does in a nut shell is to commit the member states to work together with other states in the midwest to work for an advocacy for higher speed rail. To digress for a moment -- Rep. Koppelman mentioned the 110 miles per hour -- you will be hearing definitions of high speed rail. As you all know high speed rail in the purest sense is 150 mile per hour and above. One hundred and ten mile per hour is the 'higher' speed .

During the development of this compact, the participating legislators from the midwestern states agreed that it was not a good idea to focus only on the higher speed rail category. I want to emphasize another point that the focus was broadened to include all passenger rail service in the midwest. They arrived at an understanding that purely high speed rail was several years down the road. Also that federal funding is to be had if the midwest states work together and go get to

study rail in the region. Rail improvements may only be the upgrading of existing in the region.

Also there is a coalition of state departments of transportation representing 12 midwestern states working together to promote passenger rail improvements. So for all those reasons the mission and purpose of this compact broadened a little bit. To give a concrete example of how this compact might work in the first year and one of its priorities for 2001 the commission will be lobbying for passage of the High Speed Rail Investment Act in Congress which was introduced last year and will be heard this year. It calls for an allocation of a 10 billion dollar bonding authority for Amtrak. No more than one third of which may be spent in any one of the designated higher speed rail corridors in the U.S. So if this legislation passes and a third of that 10 billion dollars could be coming to the midwest. And 10% of that total money is also available for use in corridors which are not designated as high speed corridors. That is one opportunity which is out there for states like North Dakota. Even though you are not included in the existing federally designated higher speed rail corridor, you do, as mentioned, have the Amtrak lines through the northern part of your state. Funds from this bill could possibly be used in your state. There is a lot to be gained by having a lot of states working together. I will share with two handouts - first is a snapshot of the proposed compact and how it works and the other is an update of the status.

Rep. Carlson: (1640) This would be a privately owned system?

Mike McCabe: There are several visions out there. Amtrak is currently operating under a mandate which was the Amtrak Reform and Accountability Act of 1997 to become operationally self sufficient by 2003 or it maybe no more and what it will be --- there is some determinations

on the part of state departments of transportation throughout the region -- to bring higher speed rail into service whether public or private remains to be seen.

Rep. Carlson: (1708) The reason for my point is Rep. Koppelman brought is up in his testimony Is that the original intent to be within so many miles of the hub and to have so many people who could ride the system. Now if we don't have the riders and we are a little farther from the hub than they anticipated -- if its a federal system -- something that we would end up subsidizing as tax payers to keep it running or if its a private system will they come here because there will no be enough riders to justify the process? That's the real side of it, obviously anything that connects us to other areas faster is good. On other side -- the reality side is like the problem that Amtrak is having is that you need the riders.

Mike Mc

Cabe: That is a good point and one that you will find being debated and discussed throughout the country -- people are starting to look at higher speed rail service. Even improvements in speed and frequency of service improves ridership. It is beating airline service between cities now. The midwest rail initiative which is the vision being pushed by the states departments of transportation -- envisions a ten year program of upgrading of passenger rail service in the midwest.

Rep. Carlson: (1902) If you will notice, three of the states in your compact are facing the same problems we do and that is not a lot of people. Is Nebraska in there? Nebraska, South and North Dakota all would benefit by more means of transportation but we all have limiting factors in the number of people. We have tried subsidizing railroads. It hasn't worked real well. This isn't

doom and gloom, its just that have to be looking at realities of who is going own this system and who is going to pay for the system when it is all done.

Mike McCabe: I guess that they are but I am trying to avoid the crystal ball business. I don't know how it going to play out. I can assure you that Amtrak is under a great deal of pressure already to find a way to operate on a break even basis. I can't imagine that pressure changing. The other point is that in terms of where funds are going to come from -- clearly the opportunity is available to the midwestern states right now is to go and get their fair share of the regions funds. There is no question of where they are going to go.

John Risch: I am with the United Transportation Union representing railroad workers. We are interest in highs speed rail and we support this bill and we think the concept is a good one.

There being no other person wishing to testify either in favor or against HB 1408, Rep. Weisz - Chairman closed the hearing on further testimony on HB 1408. (2159).

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1408 B

House Transportation Committee

Conference Committee

Hearing Date February 2, 2001

Tape Number	Side A	Side B	Meter #
2		x	2,646
			End 3671
Committee Clerk Signature <i>Laurie J. Fink</i>			

Minutes: Rep. Weisz - Chairman opened the discussion for action on HB 1408.

Rep. Hawken: (2722) I move a "Do Pass" for HB 1408.

Rep. Thorpe: I second.

On a roll vote motion carried: 11 yeas 2 nays 1 absent.

END (3671)

FISCAL NOTE
 Requested by Legislative Council
 03/16/2001

Bill/Resolution No.: HB 1408

Amendment to:

1A. 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.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

Unable to determine fiscal impact.

Because the expenses of the commission are unknown and the number of states that actually join the compact is also unknown, we are unable to determine the fiscal impact.

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.*

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.*

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Pam sharp	Agency:	OMB
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Phone Number: 328-4606

Date Prepared: 03/20/2001

Date: 2/01/01
 Roll Call Vote #:

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1408

House Transportation Committee

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Rep. Hawken Seconded By Rep. Thorpe

Representatives	Yes	No	Representatives	Yes	No
Robin Weisz - Chairman	✓		Howard Grumbo	✓	
Chet Pollert - Vice Chairman	✓		John Mahoney	✓	
Al Carlson		✓	Arlo E. Schmidt	✓	
Mark A. Dosch	✓		Elwood Thorpe	✓	
Kathy Hawken	✓				
Roxanne Jensen	✓				
RaeAnn G. Kelsch	✓				
Clara Sue Price	✓				
Dan Ruby		✓			
Laurel Thoreson	A				

Total (Yes) 11 No 2

Absent 1

Floor Assignment Rep. Grumbo

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

