

**Joint Legislative Review
Committee on
Transportation between
Sonora, Mexico and
Arizona**

Annual Report

December 1, 1999

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Arizona Legislature
Joint Legislative Review Committee
on Transportation between Sonora,
Mexico and Arizona



Annual Report
December 1, 1999

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Committee Members:

STATE DOCUMENTS

Representative Jerry Overton, Cochair
Senator Keith A. Bee, Cochair
Senator Victor Soltero
Seantor Ann Day
Representative Carmine Cardamone
Representative Jim Carruthers
Honorable Cecil F. Antone

Joe Albo
George Bays
A. Wayne Collins
Carol Colombo
Russell Jones
James Soto
Dorothy Bigg

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between Sonora, Mexico and Arizona Enabling
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JOINT LEGISLATIVE REVIEW COMMITTEE ON TRANSPORTATION BETWEEN SONORA, MEXICO AND ARIZONA

Annual Report 1999

Laws 1997, Chapter 1 [Appendix A] established the Joint Legislative Review Committee on Transportation Between Sonora, Mexico and Arizona to study issues and problems concerning transportation between Sonora, Mexico and Arizona. Membership consists of two Senators, two members of the House of Representatives, the chairpersons of the House and Senate committees that consider transportation issues, the Director of the Department of Commerce or designee, the Director of the Department of Public Safety (DPS) or designee, one member who represents the Department of Transportation (ADOT), one member who represents the Motor Vehicle Division (MVD) of ADOT, three public members and one member who represents an Arizona Indian tribe with a reservation located within or adjacent to the canamex corridor.

Since the publication of the annual report in 1998, the Committee met once, on November 23, 1999. At that meeting, the Committee recommended that the sum of \$1,540,000 be appropriated in FY 2000-2001 from the safety enforcement and transportation infrastructure fund established by section 28-6547, Arizona Revised Statutes, to the Department of Transportation for the following:

1. Yuma MPO-San Luis port city road improvements - \$500,000
 2. Yuma MPO-San Luis consultancy services - \$180,000
 3. Santa Cruz county truck circulation consultancy study - \$117,000
 4. City of Douglas South Chino road truck bypass - \$550,000
 5. City of Douglas city, state and federal parking lot - \$75,000
- Department of Transportation motor vehicle division modular trailer operating expenses - \$118,100

NOTE: All documents submitted to the Committee are on file in the Chief Clerk's Office of the Arizona House of Representatives and the Secretary of the Senate's Office of the Arizona State Senate.

APPENDIX A:

**Joint Legislative Review Committee on Transportation between Sonora,
Mexico and Arizona Enabling Legislation**

41-1292.03. Joint legislative review committee on transportation between Sonora, Mexico and Arizona

(Rpld. 1/1/04)

A. The joint legislative review committee on transportation between Sonora, Mexico and Arizona is established. The committee consists of:

1. Two members of the senate who are appointed by the president of the senate, one from each political party.
2. Two members of the house of representatives who are appointed by the speaker of the house of representatives, one from each political party.
3. The chairperson of the committee in the house of representatives that considers transportation issues who serves as cochairperson.
4. The chairperson of the committee in the senate that considers transportation issues who serves as cochairperson.
5. The director of the department of commerce or the director's designee.
6. The director of the department of public safety or the director's designee.
7. One member who represents the department of transportation, who has expertise in transportation and who is appointed by the director of the department of transportation.
8. One member who represents the motor vehicle division of the department of transportation, who has expertise in transportation and who is appointed by the assistant director of the motor vehicle division of the department of transportation.
9. Three members of the public, one of whom has expertise in transportation, who are appointed by the governor.
10. One member who represents a federally recognized Arizona Indian tribe with a reservation located within or adjacent to the canamex high priority corridor as defined in section 332 of the national highway system designation act of 1995 (P.L. 104-59; 109 Stat. 596-597), who has expertise in transportation and who is appointed by the governor.

B. The committee shall:

1. Coordinate efforts of the committee as reasonably practicable with a like committee established by Sonora, Mexico.
2. Study issues and problems concerning transportation between Sonora, Mexico and this state, including the following:
 - (a) The need to modify and improve border crossing procedures and facilities.
 - (b) The advantages and disadvantages of issuing temporary travel permits to Mexican commercial vehicles entering this state.

(c) The commercial impact of a deep sea port in Guaymas, Mexico.

(d) The potential impact of transporting hazardous materials between Sonora, Mexico and this state.

(e) The current and any anticipated changes in the type and volume of traffic on highways that carry commercial vehicles to the border between Sonora, Mexico and this state.

(f) Environmental and safety problems caused by the type and volume of traffic on highways that carry commercial vehicles to the border between Sonora, Mexico and this state.

(g) Potential financing of any highway construction or planning, or both, that may be recommended by the committee.

(h) The impact of foreign commercial vehicles on the transportation infrastructure of this state.

(i) The balance between revenues collected at ports of entry on the border between Sonora, Mexico and this state and the costs associated with maintaining the transportation infrastructure within twenty-five miles of the border between Sonora, Mexico and this state.

3. Annually make recommendations to the legislature regarding appropriations made pursuant to section 28-6547.

4. Make recommendations to the legislature that will help alleviate the current environmental, transportation infrastructure and safety problems caused by the type and volume of traffic on highways that carry commercial vehicles to the border between Sonora, Mexico and this state and transportation problems experienced by businesses located on both sides of the border between Sonora, Mexico and this state, that will improve road, air and rail transportation between Sonora, Mexico and this state and regarding highway construction and planning of highways that carry commercial vehicles to the border between Sonora, Mexico and this state.

5. Submit a report with its recommendations on or before December 1 of each year to the president of the senate, the speaker of the house of representatives, the governor, the chairman of the state transportation board and the committee established by Sonora, Mexico.

C. The members of the committee who are appointed pursuant to subsection A, paragraphs 9 and 10 serve two year terms.

D. The members of the committee are not eligible to receive compensation, but the members who are appointed pursuant to subsection A, paragraphs 9 and 10 are eligible to receive reimbursement for expenses pursuant to title 38, chapter 4, article 2.

E. An Arizona Mexico commission in the governor's office shall facilitate the meetings of the committee. The committee shall use the services of the Arizona Mexico commission, legislative staff and the staff of the department of transportation.

APPENDIX B:

Meeting Notice & Minutes of Proceedings

ARIZONA STATE LEGISLATURE

my clerk

Interim Meeting Notice

Open to the Public

MINUTES RECEIVED
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12-21-99

Joint Legislative Review Committee on Transportation between
Sonora, Mexico and Arizona

DATE: Tuesday, November 23, 1999
TIME: 2:00 P.M.
PLACE: Senate Hearing Room # 3
SUBJECT: Transportation between Sonora, Mexico and Arizona

1. Roll Call
2. Opening Remarks
3. Update of the Safety Enforcement Transportation Fund Balance
4. Discussion of ADOT & DPS reports (agency response to Overton letter)
5. Discussion of Funding Recommendations to include San Luis, Nogales and Douglas needs
6. Adoption of Funding Recommendation
7. Call to Public
8. Adjourn

MEMBERS:

Representative Jerry Overton, Co-Chair
Representative Carmine Cardamone
Representative Jim Carruthers
Senator Keith A. Bee, Co-Chair
Senator Ann Day
Senator Victor Soltero
Mr. Joe Albo, Dept of Public Safety

Mr. George Bays, Div of Motor Vehicles
Ms. Dorothy Bigg, IT&I, Dept of Commerce
Mr. A. Wayne Collins, ADOT
Ms. Carol Colombo, Colombo & Bonacci
Mr. Russell Jones, R. Jones Custom Brokers
Mr. James Soto, Soto, Martin, Coogan Law Off.
Honorable Cecil F. Antone, Gila River Indian
Community

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ARIZONA STATE LEGISLATURE

JOINT LEGISLATIVE REVIEW COMMITTEE ON TRANSPORTATION BETWEEN SONORA, MEXICO AND ARIZONA

Minutes of the Meeting
Tuesday, November 23, 1999
2:00 p.m., Senate Hearing Room 3

Members Present:

Senator Keith A. Bee, Cochair
Senator Victor Soltero
George Bays
A. Wayne Collins
Carol Colombo

Representative Jerry Overton, Cochair
Russell Jones
James Soto
Sally Spray for Dorothy Bigg

Members Absent:

Senator Ann Day
Representative Jim Carruthers
Joe Albo

Representative Carmine Cardamone
Honorable Cecil F. Antone

Staff:

Jim Keane, Senatè GES Research Analyst
Nadine Berrett, Senate Transportation Research Analyst
John Halikowski, House Transportation Research Analyst

Representative Overton called the meeting to order at 2:11 p.m. and attendance was noted. See attached list for other attendees (Attachment A). Since the Committee only meets once a year, Representative Overton asked each of the members to identify themselves and explain why they feel they were elected to participate on this Committee.

Representative Overton asked George Bays to identify the House Bill that commissioned this Committee. George Bays replied that it is HB 2498.

Representative Overton explained that he and Senator Bee sponsored HB 2498 which originally dealt with the concern Arizona had regarding Mexican trucks entering the United States under the North American Free Trade Agreement (NAFTA) of 1994. There was some apprehension that these trucks would be unsafe, uninsured, and the drivers would not have the necessary commercial driver's license customarily used in the United States. Thus the law required that each driver have the necessary insurance and proper commercial driver's license to operate a vehicle in Arizona, as well as ensure the trucks were safe according to U.S. regulations. The Motor Vehicle Division (MVD) was given the responsibility of enforcing these rules at the border, checking each

truck, and furthermore, issuing a trip permit. Representative Overton stated that this law also stipulated that the monies from these trip permits would be used for law enforcement and infrastructure development along the border. This fund has generated a great deal of money and was used to establish, in a joint effort with the federal government, a new border facility at Nogales. He indicated that this Committee was reestablished and given authority to recommend to the Joint Legislative Budget Committee (JLBC) how to spend the Safety Enforcement Transportation Infrastructure Funds (SETIF). He said that it appears there will not be a budget this year and requests for supplemental budgets have been turned down. Therefore, Representative Overton said that he and Senator Bee decided to introduce a bill to appropriate monies that this Committee recommends.

PRESENTATIONS

John Halikowski, Transportation Research Analyst for the House of Representatives, distributed a spreadsheet (Attachment B) for the Arizona Department of Transportation (ADOT) that shows the latest balance of funds. He asked the Committee to note the MVD's expenditures for this year and the \$750,000 transferred to DPS, as well as the land purchases and capital construction costs for the facility in Nogales. He said that for Committee discussion he would like to draw their attention to the projected ending cash balance of \$2.3M, which is the amount available for appropriation in fiscal year 2001. He said that in discussions with JLBC and ADOT there is a recommendation for this Committee to consider withholding \$500,000 in cash reserve for the next fiscal year which represents three months of operating expenses for MVD; leaving \$1.8 M for appropriation.

Representative Overton asked for an explanation of "Note I" shown on the spreadsheet. Mr. Bay explained that at the top of the schedule, under the first column, there is an item identified as "Other - Transferred to DPS (Note I)" for \$750,000. At the bottom of the page, under "Projection Assumptions Note I," it reads "\$750,000 transfer to DPS per HB 2498 not appropriated for fiscal year 2000." He noted, however, that is an error because the money was appropriated under a different budget bill.

Representative Overton said that he was under the impression that next year's operating expenses of \$750,000 for MVD and \$750,000 for DPS was already in the budget and that the Committee did not need to consider those expenditures.

Mr. Jones asked if the balance sheet reflected that those monies were appropriated and will be used. Mr. Halikowski answered yes and explained that the fiscal year 2000 amount is set; the year the Committee is reviewing is 2001. He referred to the middle of the page under "cash flow analysis" and explained that there is a "beginning cash balance" and a "projected annual expenses" with an "ending cash balance" of \$2.3M for fiscal year 2001.

Representative Overton emphasized that the bottom line is that JLBC has suggested that \$500,000 be kept in reserve and the Committee has \$1.8M for recommendations.

Senator Bee asked if there are any other proposed projects where the state can obtain matching federal funds which would seem to be a priority in terms of maximizing what can be achieved through these available funds.

Mr. Halikowski said that there are funds available for San Luis, Douglas, and Nogales and that Mr. Bates has prepared a matrix and there are some matching grants available.

Representative Overton provided some background on the next agenda item by saying that when HB 2498 was enacted there was considerable discussion about how enforcement on the border would occur. He indicated that the primary responsibility was given to MVD; however, DPS requested that they too have some responsibility because of the truck safety enforcement portion of the law. It was determined that the politically expedient thing to do was to give each agency an equal amount of the budget and for three consecutive years, each agency received \$750,000. Representative Overton said that he sent a letter to ADOT and DPS asking for an explanation of funds expenditure because he feels it is important to ensure the money is used according to the law which states the funds are to be used for the purpose of enforcing HB 2498. He indicated that the Committee received a reply from ADOT.

Mr. Phil Case, Controller for the Department of Public Safety (DPS) apologized for the department's late reply and explained that there was some confusion as to how the Committee wanted the response. He said the DPS response (Attachment C) is a two-page document; the first page is a cover letter and the second page is a brief spreadsheet showing the expenditures from the SETIF funds for fiscal year 1999. He explained that the SETIF monies were first appropriated to the department in fiscal year 1997, and in that year, the full \$750,000 was spent establishing a new squad to enforce vehicle safety provisions on the Southern border. However, approximately \$200,000 of the first year expenditure was essentially a one-time start-up cost for the squad. For fiscal year 1998, the JLBC staff recommended that the \$200,000 be used as an offset to the DPS general fund budget, reducing the general fund budget by \$200,000 and the \$200,000 start-up cost from SETIF was retained in our budget to offset those costs. The rationale was that the Highway Patrol already was engaging in vehicle safety inspection within 25 miles of the border and it was determined that these monies could be used as a savings to the general fund; therefore, the Legislature adopted that recommendation from JLBC. Mr. Case said that the 9-member squad comprised of 1 sergeant and 8 officers that was originally funded from the \$750,000 remains in force today.

Representative Overton asked if nine new hires were added to staff and if their duties were 100% at the border area for truck safety. Mr. Case said that it was nine new authorized positions which expanded the workforce.

Mr. Case continued discussing the spreadsheet referring to the second page which outlines the expenditures for the most recent fiscal year. The direct expenditures for the squad was about \$560,100. Taking into consideration a couple of indirect cost factors

such as overhead to support the squad and depreciation of the assets acquired in the first year, the estimated cost for the squad on an annual basis is \$717,000.

Representative Overton asked where these officers were located. Mr. Case explained that he is not an operational member of DPS and his expertise is on the budget side; however, he did speak to the Lieutenant who oversees this area who said that the officers are based out of Nogales.

Mr. Jones said that he understands that there is a full-time staff at the San Luis port of entry and wondered what budget covers those officers. Mr. Case said that the San Luis officers are paid out of the general operating budget of DPS or federal monies. He also indicated that there are many other staff engaged in vehicle inspections throughout the state and along the border.

Mr. Jones asked if that included Nogales and Douglas and are there any ports of entry that do not have safety officers inspecting vehicles. Mr. Case said that he did not have the information readily handy but his recollection is that there are a minimal number of safety officers stationed at all port of entry facilities; typically it might be one full-time person. And he explained that DPS operates details at all of the ports on an as-needed basis.

Senator Soltero asked if these officers interchange duties with other DPS people, how are the officers and budget isolated. Mr. Case suggested that in practice it is difficult and obviously if an emergency arose outside the vehicle inspection business and these officers were available to respond, they would do so. That would be the exception but they are tasked exclusively to work on vehicle inspections. Likewise the general highway patrol officers and those in the larger commercial vehicle inspection program engage in vehicle inspections. It is somewhat of a gray area.

Senator Soltero said that if an opening became available elsewhere in DPS that these officers could apply for it because they are basically DPS but funded by SETIF monies. Mr. Case said that is correct; however, they do receive special training to perform the vehicle inspection and yet are able to move to other positions in the state.

Ms. Colombo said that she did not entirely understand the accounting and asked for clarification specifically that the \$560,000 would be sufficient to carry these additional officers and what the general fund had to do with it. Mr. Case said that the spreadsheet identifies that the direct cost incurred by the squad for fiscal year 1999 was \$560,100. He said he feels it is helpful to discuss that the addition of these nine officers imposed workload increases in other areas of the department which is considered overhead or support cost. For the purpose of illustration or to look at the total cost of these nine members, the spreadsheet includes an indirect cost figure which bears a relationship to the indirect cost figure that the federal government approves for the department on an annual basis. In addition, it is useful to review a depreciated schedule for the equipment purchased in the first year to more evenly spread the cost over a period of years rather than focus on an initial year.

Ms. Colombo said that was some clarification but wondered if they could do with a few hundred thousand dollars less next year. Mr. Case referred to the cover letter, which essentially says that the Legislature on the recommendation of the JLBC reduced the DPS general fund by \$200,000 in fiscal year 1998 and replaced it with \$200,000 from SETIF. Mr. Case said that the rationale for doing that was because SETIF-approved services were already being provided along the border and the staff believed that would be an acceptable use of fund monies and the Legislature approved it. Mr. Case said that if the \$200,000 SETIF dollars were removed, general funds or other dollars would be needed to make the department's budget whole.

Mr. Jones asked if the budget covers nine positions and all the related costs associated with it and also questioned if there are other officers over and above these nine that are manning other stations. He said that it appears that the estimated depreciation and indirect cost is approximately 7% and 15% respectively and asked if those percentages were consistent with the other officers covered under the general budget. Mr. Case indicated that they are consistent and the indirect cost calculation is approximately 20% which is a figure that the federal government approves for a grant purpose on an annual basis.

Ms. Spray asked if the monies received for this squad is \$750,000 less the \$200,000 the Legislature offset into the general fund. Mr. Case said that in clarification, DPS still receives \$750,000. Ms. Spray asked if \$200,000 was received from the general fund. Mr. Case answered that DPS still receives \$750,000 SETIF on an annual basis and the general fund is reduced by \$200,000 and replaced with the difference between the \$750,000 and the \$560,000.

Representative Overton asked if that was only for the first year. Mr. Case said no that has continued in theory. Essentially, the Legislature has continued to fund DPS the \$750,000 from the SETIF fund and has not reimbursed the \$200,000 from the general fund.

Representative Overton said that if his calculations are correct, it is costing approximately \$80,000 annually for each officer.

Lieutenant Rick Knight, Legislative Liaison for DPS indicated that the Representative is correct.

Representative Overton then explained that he and Director Albo visited California to review their Alta Mesa facility and learned that the California Highway Patrol had two levels of employees working at the ports. One was a sworn officer with a lesser-paid employee performing the truck safety inspections. He said that he discussed this with Director Albo and they both felt that this was a good idea to pursue and Representative Overton wondered if the department had considered implementing something like that.

Lieutenant Knight said that as an agency they continually partner ADOT, MVD, and DPS in order to make the operation more efficient. He indicated that he is aware that there have been discussions with the Governor's Office regarding how to make

operations better in the enforcement of the truck safety area. Lieutenant Knight said that he was not aware of any discussions referring to using limited certified officers; however, within MVD there are officers that do not have the full peace officer authority.

Senator Soltero said that he did not feel the Committee would be going in the right direction if a fully sworn DPS officer was not stationed at the border because if he was needed to perform other types of duty, he would not be certified. Mr. Case said that is correct. He indicated that when the Corporation Commission officers were brought into DPS that through attrition and retirement, the positions were replaced with a fully sworn officer that could perform all the tasks required of a law enforcement officer within the state.

Mr. Jones asked if the chairman could explain why the budget was reduced by \$200,000 when \$750,000 was authorized to be used for nine new officers at the border, and is it going to be an ongoing practice.

Representative Overton said that he thinks that only occurred in the first year and explained that the DPS budget is very fluid and the \$200,000 was probably recouped in the second year by budget requests.

Mr. Bays referred to the handouts from ADOT (Attachment D) regarding the two budget issues requested by Representative Overton and explained that the first document is very definitive in outlining an accounting for 13 SETIF positions by location and position number. This information provides an insight for anyone who would make an inquiry as to how many personnel are utilized at the six border ports. Also provided is an accounting for the seven non-SETIF positions assigned to the border ports highway funds. With 13 SETIF positions plus the seven highway funded positions, there are a total of 20 personnel operating all six border ports with the majority of them ADOT/ MVD personnel assigned to the Nogales border which processes the most trucks on an annual basis. Attachment two gives a complete breakdown of expenditures since fiscal year 1997 and with projections through fiscal year 2001. Fiscal year 1999 expenditures were about \$747,900 coming close to the \$750,000. Also commencing with fiscal year 1997, there is a breakdown of capital expenditures for construction for the Nogales project through 2001. In fiscal 2000, the projection is to increase the border coverage by an additional five members, giving a complement of 18 and will require an increase of appropriations and expenditures in excess of \$1M. In fiscal year 2001 based on anticipated increase in border traffic, growth, and other operational requirements, it is projected to increase to 20 personnel to cover future border trade requirements.

Mr. Collins mentioned that he attended a public hearing of the National Transportation Safety Board in Los Angeles last month on the subject of truck and bus safety related to NAFTA and part of the presentation was from the federal office of the Inspector General who complained about the readiness of states to accept Mexican trucks. He said that the figures quoted as to staffing available at the Arizona borders were significantly lower than those reported in this presentation today.

Mr. Bays said that what Mr. Collins is referring to is an outgrowth of a report published by the U.S. Department of Transportation Inspector General's staff. He explained that the staff had examined the port operations for preparedness and readiness in anticipation of a final implementation of all phases of NAFTA. Mr. Bays stated that this inspection was to determine if federal and state motor carrier safety inspectors were properly inspecting inbound Mexican commercial vehicles with particular emphasis within the commercial border zones, which in the case of Nogales, the border zone extends four miles beyond the corporate city limits. There was extensive criticism leveled at both Arizona and Texas and California received kudos and accolades because of their efficient border port operations. He said he believes that is what the Inspector General's report is alluding to and feels the criticism is not leveled at ADOT. He stated that as a result of HB 2003, ADOT is properly maintaining a workforce at all six border stations and performing the tasks mandated by state legislation.

Mr. Jones said that the report shows 13 positions and on the supplement there are seven positions which represents the five plus the two anticipated through growth. Mr. Bays said that the seven additional positions are non-SETIF positions that are normally staffed with highway-related funds.

Mr. Jones said that he noticed that on the report next to Douglas and Nogales regarding days of operation, it shows "Monday" and no other day and other ports show "Monday through Friday," he questioned if inspections were done all week long. He said that the report does show San Luis operating on Saturday as a regular workday because of produce. Mr. Jones asked if there is coverage on Saturdays as well. Mr. Bays said that each of the border ports is unique because of traffic volumes; Nogales of course because it is the busiest port would naturally operate on Saturdays as well as Monday through Friday. Based on volume and types of truck traffic, there has been some discussion regarding opening ports such as Nogales and San Luis for inspections on Sunday. For example, at Douglas most of the local truck traffic is dual registered in Mexico and Arizona so those vehicles would not need to go through permitting processes that are customarily required at Nogales or San Luis.

Mr. Jones said that it is his understanding that the Douglas port was open on Saturdays, and that most ports operate on a 6-day workweek where there are commercial crossings. Mr. Bay said that ADOT is a tenant of the United States Customer Service and defers to their schedule of operation.

Representative Overton said that the Committee will review the recommendations for San Luis, Nogales, and Douglas and said that he visited these ports in the last few months and to review their requests.

Mr. John Gross, Yuma Metropolitan Planning Organization (YMPO) said that on behalf of all the local governments in Yuma County he thanked the Committee for the opportunity to explain their request for the use of SETIF funds. He said that the first request for SETIF funds is for \$180,000 for consultant services to assist in establishing a new crossing point for commercial vehicles approximately five miles east of the present port of entry in San Luis where there has been an exceptional increase in

vehicle crossings. Mr. Gross indicated that the new location will provide sufficient land to accommodate a larger port of entry and future growth. The consultant services are to obtain the necessary presidential permits to establish a new border crossing. He stated that a considerable amount of YMPO money has been spent in consultant services to complete a design concept report for the new port both on the United States and the Mexican side and to complete an environmental assessment of the properties for the new port of entry. He said that the new consultant will engage in coordinating the application process for the United States and Mexico.

Mr. Gross said that the second request is for a truck route. He referred to a map (Attachment E) that shows the present port of entry at San Luis and a dotted red line indicating the current truck route leading from the port of entry. He explained that there is an "S" shaped curve and then the road follows into the main street of San Luis which is First Street (state route US95T) and continues north. He said that there are a couple of problems with this route mainly because it directs a fairly heavy traffic flow through the downtown area. The other problem is the "S" shaped curve where trucks have a very difficult time negotiating the curve. He indicated that there also is a visual problem with trucks traveling in both directions and it really needs to be remedied. YMPO is proposing constructing a new truck access road that would travel down "A" Street to Tenth Street and then to County 23rd Street. This road will also be known as the Area Service Highway which will be a truck bypass route consistent with the YMPO plans and the San Luis Circulation Study that identifies the potential truck route. Mr. Gross said that these are some improvements that are needed in the near future but explained that it is not a long-term solution because YMPO feels that in five to ten years it will be necessary to move the commercial traffic out of San Luis city area. He said that they are requesting \$500,000 from SETIF to assist in construction. He emphasized that the total cost is approximately \$1.5M and YMPO has requested \$1M from Section 1119 funds to assist in the improvements.

Representative Overton asked if Mr. Gross would indicate on the map where the new facility would be located and Mr. Gross said that it was off the map, approximately five miles east of the location designated on the overhead map. Representative Overton asked how far the East/West road was; Mr. Gross answered about 8 blocks. Some of the roads are partially constructed; some are not. The city of San Luis has been acquiring some of the needed right of way to construct that route.

Senator Soltero asked if there are existing roads that would connect with the proposed new port. Mr. Gross said that there will be a need to construct a port access road approximately two miles in alignment with Avenue "E" in Yuma. Avenue "E" exists at this point; however, it is a low-grade gravel roadway.

Senator Soltero asked how many miles of highway will need to be constructed and Mr. Gross said approximately two miles.

Ms. Spray asked when the new port would be opened for operation. Mr. Gross said that realistically if everything goes smoothly in acquiring the necessary permits to develop a funding plan, obtain funding, and construction, it will take a minimum of five years to

complete. Ms. Spray said that in the meantime this route would continue for at least five years.

Mr. Soto said that he understands there is also a Section 1119 grant application in the process. Mr. Gross said that the Section 1119 application is for an additional \$1M needed for the project and YMPO had hoped to use SETIF money for the match. Mr. Soto reinforced that the entire project would cost \$1.5M and that YMPO is requesting \$1M through Section 1119 and \$500,000 through SETIF. Mr. Gross indicated that is correct.

Mr. Soto asked if the engineering and any right-of-way acquisitions are completed. Mr. Gross said that a planning study has been completed and the City of San Luis has acquired most of the right-of-way acquisitions.

Mr. Jones said that any improvements on federal property will come out of General Services Administration (GSA) funds and Mr. Gross agreed. Mr. Jones clarified that the proposed new facility to the East of the existing port is a commercial annex not a pedestrian or civilian vehicular crossing. He also asked if the purpose to build this new facility is that San Luis is the fifth busiest port on the U.S./Mexico border in terms of automobiles and currently it cannot expand any additional lanes. Mr. Gross suggested that what is envisioned is that when the commercial annex is constructed, the present commercial area could be converted to additional automobile and pedestrian crossings. He said that the city of San Luis has been growing consistently at approximately 20% to 25% in the last ten years. He explained that the current truck route has been there for a long time and now has numerous school crossings and other types of activities not consistent with good safety practices. Diverting the truck route would provide an alternate road for automobiles traveling to Yuma and would eliminate the heavy traffic flow through the central part of the community.

Mr. Collins said that another comment regarding the mixing of the Section 1119 and SETIF monies, if YMPO is successful in obtaining the Section 1119 money, it will be similar to the Nogales money received last year for \$2.5M matched with SETIF money to finish the Nogales port.

Representative Overton said that if there is not enough money to fund everything on the list; is the funding for the road more important than the consulting services. Mr. Gross said that it is difficult to prioritize the requests; however, the consultant services are very important. Representative Overton said that if both are not in reach, which one is needed more. Mr. Gross said that they would prefer a little of both. Representative Overton said that assuming the consulting services can be reduced, but if the \$500,000 is eliminated, the project could not be completed. Mr. Gross said that is correct or YMPO would need to look to other sources to fill the gap because the need for improvements on the truck access route are immediate.

Mr. Soto asked about the phasing of the project and whether the entire \$500,000 will be spent this year or is it possible to spend part of it this year and then ask for more later to fund the remainder of it. Or is all of it needed to match the Section 1119 funds.

Mr. Gross said that at least half of the \$500,000 will be used this next fiscal year for design and other work but it is unclear whether construction will begin during this fiscal year.

Mr. Collins commented that the Federal TEA-21 funds have some flexibility because the Feds can usually move those dollars to various areas throughout the country. He explained that the consultant services are not for the design of the highway but for assisting YMPO and the state in facilitating an exchange of agreement between countries for the new port location and that is critical. He stated that he attended a meeting in El Paso with the Binational Bridge and Border Crossing agencies and the discussion was focused on the entire border and specific to Arizona was the issue of the new facility at the San Luis/Rio Colorado crossing. The two state department representatives were anxious to leave approval for this as a legacy of their administration but the application needs to be completed and processed through the Washington office. He said that the purpose of the consulting service is to expedite the completion of the agreement for the new port on behalf on both countries.

Mr. Bays referred to a matrix (Attachment F) that shows figures and comments and said that some budget projections have been completed on the basis of the various requests. He said that he feels the Committee could comfortably facilitate YMPO's San Luis request for the additional \$180,000 in addition to the \$500,000 for San Luis port city road improvements. He said he feels the Committee could support these requests and still have a reserve of \$500,000 as requested by JLBC.

Representative Overton said that Representative Gail Griffith wanted to visit with the Committee about Santa Cruz and Douglas but had another meeting to attend in Wilcox. Mr. Bays said he would be able to discuss the Santa Cruz and Douglas concerns. He explained that the Santa Cruz County Board of Supervisors enacted a resolution requesting \$117,000 from the SETIF account to fund a traffic management consultancy study. This study would review Nogales and areas outside the corporate city limits with reference to better management control of the heavy commercial vehicles that use anterior roads and side streets that merge with the thoroughfare like the old U.S. Tucson/Nogales highway and Interstate 19. He said that this is a very nominal request and certainly endorses it because of his familiarity with the traffic issues there.

Mr. Soto said that he talked to Ron Morris, the chairman of the Board of Supervisors, and Mr. Morris indicated that this project was ready to go forward immediately.

Mr. Bays next discussed the City of Douglas projects that require funding. The first one on the matrix is realignment of the North Chino Road where it will intersect on the south end of U.S. 191, State Route 80 junction. This in direct proximity to the proposed weigh inspection station being developed together with the City of Douglas. An application for \$1M in TEA-21 grant monies will be submitted for that particular project. Mr. Bays said that he visited with the assistant public works director and he indicated that the realignment of the North Chino Road would be the last phase of improvements to Chino Road in its entirety. Mr. Bays said that he did not think that it would be appropriate to request funding at this time and it is a significant amount \$1.4M.

Representative Overton asked when the new weigh port facility would be completed. Mr. Bays said that he anticipates that facility would be completed within two years because it will be constructed jointly with a brand new MVD service center that will occupy a portion of 13 acres at that location which Arizona owns. Mr. Bays indicated that these infrastructure, utilities, and other construction costs will be shared. The inspection station could still be used even prior to the realignment of Chino Road because there is heavy truck traffic on the existing corridor of Chino Road which merges with State Route 80. Mr. Bays stated that the other request submitted was for construction of the South Chino Road truck bypass where it merges or bisects Fifth Street in Douglas just north of the existing U.S. Customs port of entry. He said that most of the traffic is heavy commercial vehicles presently using that access way to deliver goods to commercial warehouses and large stores that are part of a major industrial plant in that area. The request is for \$550,000 to improve and complete the south part of Chino Road. In addition, there is a request for a joint project in concert with the state and federal government to build a new parking lot within the immediate vicinity of the U.S. Customs port. This parking lot would be used by the federal and state employees working at the Customs port to park both government and private vehicles and also could be used for parking the vehicles taken into custody. This request is also a very nominal cost of \$75,000.

Representative Overton asked if the \$75,000 is just the state's portion of the parking lot. Mr. Bays said that the \$75,000 would be the funding mechanism to get it started and the City of Douglas would provide matching funds with labor and materials.

Representative Overton said that having visited Douglas he realizes this parking lot is not a convenience issue but a safety issue because the employees park on the streets and their cars are often stolen and damaged.

Senator Soltero said that it is his understanding that the request for \$1.4M and the \$500,000 could wait. Mr. Bays indicated that the \$1.4M for realignment for North Chino Road would be the last phase of improving Chino Road. He said that in his conversation with the assistant public works director of Douglas that the construction of that last phase is approximately three years away and it is not as urgent as the construction of the South Chino Road which is the closest to the international border.

Senator Soltero said that the Committee could recommend funding \$550,000 and \$75,000 and postpone the other issue. Mr. Bays said that is correct.

Representative Overton asked for an explanation of the ADOT/MVD request.

Mr. Bays said that he included a request (Attachment G) for ADOT/MVD because as the chairman referenced in 1995 HB 2003 was passed which mandated that MVD staff all six border ports. Since that time, MVD essentially has been utilizing the accommodations of the federal government. Approximately \$500,000 has been used from an additional fund for site design and to purchase modulars that will provide MVD with their own office space. He said that this office space may be used by any state

agency inspection service plus there would be accommodations in those modulars for our federal counterparts if they have need for some temporary office space. Mr. Bays said that the operational cost and utilities, maintenance, security and things of that nature were unbudgeted costs that MVD was not prepared to absorb. He stated that he is requesting \$118,675 to defray the cost of the first year and thereafter approximately \$80,000 would be needed to maintain these six modular offices that are very strategically located. He said that lease agreements have been implemented with the Federal General Services Administration to locate these offices on the federal properties throughout the southern border region.

Representative Overton asked if the six modulars were already constructed. Mr. Bays said that six modulars are already in place at all the U.S. Customs ports. He indicated that they are new and still have some punch list repairs to do by the vendor but it is projected that MVD will be occupying these modulars within a month to two months.

Mr. Collins said that the Legislature directed or authorized the Arizona Port Efficiency Study in Nogales to find a way to coordinate multiple activity and that became the plan of integrating the Nogales port which is now being completed. He said that the Transportation Planning Division is doing a similar study in Douglas and asked if the proposals for Douglas are in concert with those being discussed in Nogales. Mr. Bays said that everything being done in Douglas and joining areas is consistent and the elements of the proposed ongoing Douglas port efficiency study is collaborative.

Ms. Spray asked if it is normal for SETIF monies to be used for funding operation expenses for a building as opposed to staffing personnel. Mr. Bays replied that the language is very specific that SETIF does fund facilities within 25 miles of the border.

Mr. Jones said that the situation with parking in Douglas exists in San Luis as well where officers have to park offsite and their cars are stolen. However, it appears to be in the planning to build additional parking when the curve is realigned and space is available.

Senator Bee motioned that the Committee recommend full funding for the SETIF fund in the amounts in the first column with the deletion of project A which is the realignment of North Chino Road. The motion CARRIED with a vote of 8 ayes, zero nays, and six not voting (Attachment 1).

Representative Overton said the Committee has recommended spending \$1.4M of the \$2M which is what JLBC recommended.

Senator Bee said that the recommendation is for \$1.5M which will leave an ending balance of \$460,00 which is slightly under the \$500,000 but it is discretionary funds so he said he thinks it will be appropriate.

Representative Overton asked for any public testimony; there being none, the Committee continued.

Ms. Colombo said that she was somewhat underwhelmed with the need of DPS which might be because their response was not as in-depth as MVD. Based on that presentation and given the needs in some of the other communities, she said she wonders whether the original thought of ensuring half went to MVD and half to DPS might appropriately be reviewed; not necessarily changed but be reviewed to determine if that is a good assumption

Representative Overton said that is why he had asked for this presentation and because of the two-year budget cycle, this Committee will meet again in a year to recommend for the next two-year budget. He said that at that point the Committee can make some changes if necessary.

Senator Bee said that the departments will have an opportunity to continue their track record for a year and ensure those numbers are acceptable. He said it is possible that the DPS numbers just were not in-depth enough; the report was not nearly as comprehensive as the MVD report. In a year, the Committee will be able to tell if the departments are really using the funds to full benefit and at that time either reallocate those monies or there will be sufficient data to clearly demonstrate an appropriate use.

There being no further business, the meeting was adjourned at 3:47 p.m.

Respectfully submitted,



Carol Dager
Committee Secretary

(Tapes and attachments on file in the Office of the Secretary of the Senate.)

