

PUBLIC SAFETY AND TRANSPORTATION COMMITTEE**June 2, 2010****1 p.m.****Centennial Alumni Center, Thatcher Hall, Dakota College—Bottineau****North Dakota Department of Transportation
Francis G. Ziegler, P.E., Director**

Good afternoon, Mr. Chairman and members of the committee. I'm Francis Ziegler, Director of the North Dakota Department of Transportation (NDDOT). Today we will discuss the following as requested by the committee:

1. Temporary license permits, including the number of permits issued
2. Staffing challenges in western North Dakota
3. Commercial driver's license requirements
4. Update on federal REAL ID and PASS ID
5. Sales of fuel in the state, including the amount of ethanol sold
6. A report on the transfer of funds between the capital assets and operations line items to Section 13 of 2009, Senate Bill 2012
7. Update on the distribution of grants to political subdivisions from the highway-rail grade crossing safety projects fund.

Temporary Vehicle Registrations

Working with the ND Highway Patrol, we have created an online registration process for temporary vehicle registrations. This system went live May 21, 2010. NDDOT is working with other state agencies to identify out of state companies working in North Dakota. Once identified, we send the company a letter from the NDDOT Director and State Highway Patrol Superintendent explaining both the law and how to register. We also ask the company to inform their workers of the need to have temporary registrations on their personal vehicles. We will also be preparing legislation next session to define and clarify time periods, fee schedules, and other issues regarding these registrations.

In 2009 we had a total of 2,446 registrations totaling \$355,699, which is an average of 203 transactions per month. As of May 1 this year we have had 1,294 registrations totaling \$203,760.

Staffing Challenges in Western North Dakota

The NDDOT is experiencing significant staffing difficulties in the western part of the state. Due to the energy production in the area, over the past two months we have lost three transportation technicians in the Williston District and have experienced challenges in hiring new employees to replace them. We have an employee who wants to transfer out of the area because the rent for his apartment has been raised from \$300

a month to \$800 a month. We are concerned about keeping experienced staff due to higher salaries offered by other companies and increased costs in housing in western North Dakota. This is not only true with transportation technicians, but it has also affected Drivers License offices. In the month of May, we learned that five Drivers License staff are leaving. Two of them are going to better paying jobs in the oil patch and one relocating with her husband because of a move within the oil patch. This has placed severe pressure on an already strained commercial drivers license (CDL) testing environment.

Commercial Drivers License Requirements

The Federal Motor Carrier Safety Administration dictates how commercial drivers license (CDL) tests are administered to provide a consistent road test experience from one driver to the next.

Another issue that exasperates the problem is that we currently experience about a 15 percent CDL road test no show and incomplete rate. An incomplete occurs when the vehicle equipment does not meet inspection safety standards. It is not practical to fill these with another CDL test given the time constraints. CDL skill testing takes approximately 1.5 to 2 hours and must be rescheduled, taking away another spot down the road. Our examiners work with the existing CDL schools to test their graduates as quickly as possible after graduation.

The requirements to become a CDL licensed driver vary depending on the vehicle to be licensed in. However, the basics are to pass a General Knowledge Test, specific knowledge tests for the vehicle type, such as a combination test for a Class A, as well as tests for specific items, such as air brakes, hazardous material, and tanker/passenger vehicles. Additionally, drivers must pass practical road/inspection tests for all areas.

A new requirement will require the Drivers License examiners to track CDL driver medical certifications. The medical information will be merged to the CDL driver's record, requiring the examiner to enter the information into the system and monitor the status. This is in addition to the standard Problem Driver Pointer System/Commercial Drivers License Information System that checks to validate whether drivers have had issues in other states.

Enhanced Drivers License and REAL ID/PASS ID

The NDDOT has studied the Enhanced Drivers License (EDL), which is a voluntary license that contains an RFID chip and can be used as a border crossing document when returning from Canada and Mexico by land.

While we were researching the EDL, the federal state department came out with a passport card. The passport card is purchased from the state department just like the passport; however it could be used as a border crossing document when returning from

Canada or Mexico by land, just like the EDL. Since we already have around 50 sites in the state where one can purchase a passport or a passport card, we decided the best service we could provide our citizens was to encourage them to purchase the passport card. A North Dakota issued EDL would simply be duplication to what the passport card is already doing and from our studies, the cost of a North Dakota supplied EDL would cost more than the passport card.

In addition, the Department had no way of recouping costs for developing EDL within current law. The NDDOT is certainly open to addressing this issue further legislatively.

PASS ID and REAL ID

- PASS ID legislation is dead. Secretary Janet Napolitano is working with the American Association of Motor Vehicle Administrators (AAMVA), the National Governor's Association (NGA), and the National Council on State Legislatures (NCSL) to examine what changes can be made to the REAL ID legislation administratively. AAMVA has asked states to comment on the changes and offer feedback. It is anticipated that sometime this summer states will hear from DHS on administrative rule changes to the REAL ID legislation.
- A May 11, 2010, letter from Juliette Kayyem, Assistant Secretary, Office of Intergovernmental Affairs Department of Homeland Security (DHS) states the federal government plans to continue granting states federal dollars for security upgrades to their Driver's License sites. On December 31, 2009, DHS gave all states a stay regarding REAL ID. The implementation date of May 11, 2011, still stands. Ten states are currently fully compliant. North Dakota has met 15, of the 18 guidelines. The three remaining guidelines are: 1) Commit to marking fully compliant drivers license and identification cards with a DHS approved security marking, 2) Commit to be in full compliance by May 11, 2011, and 3) Clearly state on the face of non-compliant drivers license and identification cards that the card is not acceptable for official purposes, except for license renewal.

Sales of Fuel in the State

The sale of fuel in the state for 2009 is as follows:

Gallons (millions) consumed regular gas	143.6	41 percent
Gallons (millions) consumed gasohol	<u>210.9</u>	59 percent
Total gas/gasohol gallons	354.5	

We have been asked to report on gallons of ethanol consumed in North Dakota. We regret that we have no way of answering this question based on the following reasons:

Ethanol consumption is reported to the Tax Department. Much of the ethanol production in North Dakota, however, is exported to eastern United States, so production has little relationship to what is used in the state.

Ethanol production and subsidies are covered in the state Century Code by Chapter 17, 39, and 57. Ethanol that finds its way into gasohol or E-85 is not reported to any entity primarily because there is no difference in taxation between gasoline and gasohol, although there was at one time a difference in taxation between gasohol and E-85. Gasohol consumption presented in reports includes gallons of E-85 with no differentiation between the gallons of gasohol and E-85. To complicate matters, Century Code provides the allowance for gasohol to contain from 10 to 20 percent ethanol and the allowance for E-85 to contain from 60 to 85 percent ethanol. This makes it basically impossible for back calculation of ethanol used in gasohol gallons reported as used in North Dakota.

Transfer of Funds between Capital Assets and Operations

In accordance with Section 13 of Senate Bill 2012, the Department utilized a line item transfer of approximately \$8.4 million from the capital assets line to operating. This transfer was necessary because the entire additional appropriation related to the NDDOT's share of the Motor Vehicle Excise Tax (approximately \$30.5 million) was placed in the Capital Assets Appropriation Line. While much of that amount will be spent on capital asset expenditures, a considerable portion will be spent on routine highway maintenance items, such as pavement patching, that are charged to the operating expense appropriation line.

Update on Highway Rail Grade Crossing Grants

The following cities have submitted Notice of Intent and applications for funds with cost estimates for establishing quiet zones at rail crossings:

- Casselton—\$1,280,436—state funds obligated \$225,000
- Medora—\$196,461—state funds obligated \$134,391
- Beach—\$131,707—of which \$118,536.48 will be state funded.*
- Jamestown—\$475,540—of which \$225,000 will be state funded.*

* Beach and Jamestown are pending and funds have not yet been obligated.

The following cities are conducting crossing diagnostics on potential quiet zones in their cities:

- New Salem
- New Rockford
- South Heart
- Dickinson
- Grand Forks
- Minot
- Bismarck

All cities interested in establishing a quiet zone must submit a final assessment and notice of intent for a 60 day comment period. After the comment period, the cities can apply for the state grant funds made available through SB 2338.

Conclusion

The Department hopes this addresses the topics the committee requested. Thank you for the opportunity to appear before the committee today. I would be pleased to respond to any questions.