

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1805 (formerly PCB TR 03-04) Strategic Intermodal System
SPONSOR(S): Russell
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Transportation	19 Y, 0 N	PUGH	MILLER
2) _____	_____	_____	_____
3) _____	_____	_____	_____
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

The need for better connectivity of roads, seaports, airports, rail, and mass transit is an impetus for the Florida Department of Transportation's "Strategic Intermodal System" (SIS) project. In February 2002, a 41-member SIS Steering Committee was formed to oversee development of a SIS program. The Steering Committee included 31 stakeholders representing a variety of statewide interests, plus 10 Florida Department of Transportation (FDOT) staff. In its December 2002 report, the Steering Committee listed criteria and thresholds it developed to define Florida's first "Strategic Intermodal System." The SIS includes Florida's major highways, airports, seaports, and rail lines used in inter-regional and interstate transportation, as well as transportation facilities that are in "emerging" areas of Florida that could have a significant future impact.

HB 1805 (formerly PCB TR 03-04) amends chapter 339, F.S., to establish the "Florida Strategic Intermodal System (SIS)." The legislation:

- o Establishes the various components of the system.
- o Provides that the initial system shall include facilities recommended by the Steering Committee.
- o Specifies that subsequent additions or deletions to the system shall be made by the FDOT Secretary based upon adopted criteria.
- o Provides for a five-year update of the system components and plan.
- o Specifies that the SIS program may be financed from the State Transportation Trust Fund.
- o Creates the Strategic Intermodal Transportation Advisory Council, a 10-member board appointed by the Governor, the Senate President, and the Speaker of the House of Representatives to make recommendations on SIS projects to the Legislature.

HB 1805 does not dedicate a revenue source for the SIS program. At this point, FDOT will address project funding within existing revenues.

The bill raises no apparent constitutional issues. It will take effect upon becoming law.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h1805.tr.doc
DATE: April 2, 2003

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|------------------------------|--|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

HB 1805 does not reduce government, because it creates a new program within FDOT, the Strategic Intermodal System, and because it establishes a new board – the Strategic Intermodal Transportation Advisory Council – to review FDOT project proposals and to make funding recommendations to the Legislature.

B. EFFECT OF PROPOSED CHANGES:

Background

The Florida Department of Transportation (FDOT) is responsible for overseeing the planning, design, construction, and maintenance of the state's transportation systems. Its FY 02-03 budget is \$5.2 billion, funded largely by state and federal fuel taxes and state vehicle registration fees. Most of the money is programmed into project development, construction and maintenance. By law, FDOT schedules transportation projects in a Five-Year Work Program developed in concert with local and regional needs. Besides roads and bridges, FDOT also funds public transportation systems, such as bus and rail transit, airports, and seaports. It also is responsible for developing intermodal projects, which connect different types of transportation options for improved mobility of travelers and commerce.

During the 2002 legislative session, two proposals to create a "strategic intermodal system" were considered – HB 1839 and draft legislation developed by FDOT. Both sought the use of revenues statutorily dedicated to the Transportation Outreach Program (TOP), in s. 339.137, F.S. TOP is designed to fund local or regional projects of significant economic impact but which aren't in the Five-Year Work Program. HB 1839 would have replaced TOP and other local incentive transportation programs with regional and local transportation grants that keyed on strategic intermodal improvements. It passed the House, but the Senate passed it only after stripping the bill of most of its key provisions. As amended, HB 1839 died when the House refused to hear it. Meanwhile, the FDOT proposal never found a sponsor, but it evolved over the interim into the language that is HB 1805.

FDOT and other transportation experts say design and construction of roads, bridges, seaports, airports, rail lines, and other transportation facilities should be considered comprehensively as "systems" that move people and commerce across regions, even states. FDOT's recently updated 2020 Long-Range Transportation Plan identified dynamic changes that will occur over the next 20 years. Florida's future economic growth will depend on a system that can successfully move growing numbers of residents and tourists, and transport goods within Florida, as well as to and from the United States and international markets. According to the 2020 Plan, Florida will add about 5 million new residents in the next two decades; imports and exports are expected to double, and the number of tourists is expected to reach nearly 85 million annually. To meet the needs generated by such dynamic growth will require investments of statewide funds in a well-planned transportation system that efficiently connects the various forms of travel.

In February 2002, a 41-member Steering Committee was formed to oversee development of a SIS designation process. The Steering Committee represented FDOT and 31 statewide stakeholders from a

wide variety of interests, including tourism, agriculture, development, growth management, environment, and commerce. The Steering Committee held workshops throughout the state during the summer of 2002, and spent the fall incorporating citizen recommendations into its report, and fine-tuning the SIS criteria.

As part of the criteria development process, the SIS Steering Committee utilized a number of steps:

- o Members analyzed the interregional, interstate and international transportation needs of Florida's key industries. The committee determined that the eight economic regions defined in Florida's Strategic Plan for Economic Development, developed by Enterprise Florida, Inc., should be used as a benchmark for measures of "regional" accessibility and connectivity.
- o The committee then studied various attributes of the "hubs" (such as airports, seaports and other terminals) and "corridors" (highways, rail lines, waterways and other exclusive-use facilities) that are candidates for designation on the SIS.
- o The committee concluded that "intermodal connectors" – the highways, rail lines, transit lines and waterways that link hubs and corridors – also must be designated during the SIS implementation process.
- o Finally, the committee developed criteria and thresholds that were used to define a proposed SIS.

The recommended SIS designation process uses objective criteria and thresholds, based on established national and industry standards, to identify transportation facilities and services of statewide or interregional significance. The Steering Committee used those criteria and thresholds to identify hubs, corridors and connectors in the context of economic goals. Transportation facilities and services that meet all other SIS criteria will then be screened for community and environmental impacts before final designation as part of the SIS.

In a December report to the FDOT Secretary, the Steering Committee recommended that Florida's transportation system should be planned and managed as two major elements:

- o **SIS facilities and services** are transportation system elements of statewide or interregional significance. These elements include the facilities and services that play a critical role in moving people and goods to and from other states and nations. The criteria and thresholds recommended for designating the SIS are indicators of the strategic importance each element has to Florida's overall transportation system and economy.
- o **Supporting facilities and services** are those transportation system elements that are not designated as part of the SIS. These facilities and services can be further divided into "Emerging" and "Other" facilities and services. "Emerging" facilities and services are of statewide or interregional significance but do not currently meet the criteria and thresholds for SIS designation. These facilities and services are candidates for future SIS designation. Facilities can be designated as "Emerging" based on their size (using the same measures of activity as SIS facilities, but with lower thresholds) or based on measures of economic connectivity to emerging economic regions and rural areas (such as a location in or adjacent to a fast-growing county, and service to clusters of transportation-dependent industries not served by SIS facilities).

The facilities recommended for initial designation in the SIS:

- o More than 3,700 miles of highways accounting for 70 percent of all truck traffic on the State Highway System and 32 percent of all traffic in Florida;
- o Seven commercial service airports that account for 93 percent of Florida's commercial enplanements and 98 percent of Florida's air freight and air mail tonnage;
- o Spaceport Florida, which accounts for all commercial and military space launch activity;
- o Seven deepwater seaports serving virtually all cruise passengers and over 98 percent of all waterborne freight;
- o The Atlantic and Gulf Intracoastal Waterways and shipping lanes;
- o More than 1,600 miles of railroads carrying 62 percent of all rail freight, along with 16 passenger rail stations serving all rail passengers in Florida and 4 freight rail terminals serving 85 percent of rail freight passing through intermodal terminals;

- The constitutionally mandated high-speed rail system; and
- Five intercity bus stations, and five existing or planned intermodal passenger terminals.

Meanwhile, the emerging facilities include five commercial service airports; three deepwater seaports; over 300 miles of inland waterways; five intercity bus stations; approximately 340 miles of railroads; two freight rail terminals; and approximately 500 miles of highways.

The Steering Committee's final report can be accessed through the Internet at this address:

<http://www11.myflorida.com/planning/sis.htm>.

Effect of HB 1805

HB 1805 implements the Steering Committee's framework. It creates a Part II in chapter 339, F.S., for the "Florida Strategic Intermodal System," and specifies the original system's components:

- The Florida Intrastate Highway System established pursuant to s. 338.001, F.S.;
- The National Highway System;
- Certain airport, seaport and spaceport facilities that meet the criteria referenced in the report;
- Rail facilities that meet the specified criteria;
- Terminals, intermodal facilities, roads, and transit facilities that link the above-mentioned facilities; and
- Existing or planned corridors that serve a statewide or inter-regional purpose.

The legislation incorporates by reference the Steering Committee's December 2002 final report, and specifies the criteria listed in it are to be used to determine initial SIS facilities. It also empowers the FDOT Secretary to amend the SIS facilities list, either deleting facilities or adding them, based on the adopted criteria. HB 1805 does not address how often the SIS can be amended, creating a great deal of flexibility for the FDOT Secretary.

FDOT also is directed to develop, in coordination with metropolitan planning organizations, regional planning councils, local governments, and other transportation providers, a "Strategic Intermodal System Plan." The SIS Plan must be consistent with the Florida Transportation Plan and updated every five years. Included in the SIS Plan will be a needs assessment; a project prioritization process; a map that shows the SIS facilities and the emerging facilities; and a finance plan based on revenue projections that can reasonably be expected to occur, and which is computed over a 10-year period and a 20-year period.

HB 1805 makes a distinction between who's responsible for designating and updating the system (FDOT) and who is responsible for making the funding decisions about which individual projects to improve the system (the Legislature).

Assisting the Legislature is the Strategic Intermodal Transportation Advisory Council (SITAC), which will review SIS project proposals from FDOT's district offices, beginning December 1, 2003, and evaluate them based on the system criteria. SITAC is directed to develop a methodology for scoring and ranking the projects. SITAC will submit an unranked list of recommended projects to the Legislature at least 30 days before the start of regular session.

SITAC is comprised of:

- Two airport representatives who work for different companies, one representative representing a fixed-route, local-government transit system, and one representative of an intercity bus company, to be appointed by the Governor.
- One representative each of short line railroads, an Atlantic Coast seaport, and the intermodal trucking industry, to be appointed by the Senate President.

- One representative each of major line railroads, a Gulf Coast seaport, and the intermodal trucking industry, to be appointed by the Speaker of the House of Representatives.

The two intermodal trucking representatives must work for different companies.

The first SITAC members must be appointed within 30 days after the effective date of HB 1805. The terms of those members appointed by the Speaker and the Senate President shall be concurrent with those of the two legislative leaders. Beginning January 15, 2005, and for all subsequent appointments by the Speaker and the Senate President, the terms shall be two years and shall run concurrently with those of the legislative leadership.

The Governor's initial and subsequent appointees serve two-year terms.

SITAC members shall select their own chairperson, and shall meet at the call of the chair, but no less than quarterly. The members shall serve without pay, but are eligible for per diem and travel expenses pursuant to s. 112.061, F.S.,

The SITAC must maintain recordings and other records of their meetings pursuant chapters 119 and 257, F.S.

Finally, HB 1805 amends s. 339.08, F.S., to allow FDOT to spend State Transportation Trust Fund monies on SIS projects.

The bill takes effect upon becoming a law.

C. SECTION DIRECTORY:

Section 1: Designates ss. 339.61, 339.62, 339.63, 339.64, and 339.65, F.S., as "Part I" of chapter 339., F.S. Designates the SIS provisions as "Part II." Creates s. 339.61, F.S., expressing legislative intent about the SIS. Creates s.339.62, F.S., listing the components of the SIS. Creates s. 339.63, F.S., specifying the initial system designation as the transportation facilities listed in the Strategic Intermodal Steering Committee's final report, entitled "Recommendations for Designating Florida's Strategic Intermodal System," dated December 2002. Authorizes the FDOT Secretary to periodically add to or delete facilities from the initial system, based on adopted criteria. Creates s. 339.64, F.S., directing FDOT, in cooperation with other appropriate entities, to develop a Strategic Intermodal System Plan. Specifies the plan shall be consistent with the Florida Transportation Plan, and shall be updated at least once every five years. Directs FDOT to provide adequate opportunity for agency and public involvement in the plan's updates. Specifies that the plan shall include a needs assessment; a project prioritization process; a map of SIS facilities and of emerging facilities; and a finance plan with 10-year and 20-year cost-feasible components. Creates s. 339.65, F.S., establishing the SITAC and creating definitions related to the SIS. Expresses SITAC's membership and duties. Requiring SITAC to annually submit a list of recommended projects to the Legislature for funding.

Section 2: Amends s. 339.08, F.S., to allow FDOT to spend State Transportation Trust Fund revenues on SIS projects.

Section 3: Specifies this act shall take effect upon becoming a law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None. See "D. FISCAL COMMENTS" below.

2. Expenditures:

None. See "D. FISCAL COMMENTS" below.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None. See "D. FISCAL COMMENTS" below.

2. Expenditures:

None. See "D. FISCAL COMMENTS" below.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None. See "D. FISCAL COMMENTS" below.

D. FISCAL COMMENTS:

FDOT has not requested additional state funding or the creation or diversion of a dedicated funding source to implement the SIS program. Nor has FDOT estimated the cost of the program. However, in conversations with committee staff, FDOT staff have said they do not intend to ask for funding, since that is a decision to be made by the Legislature. In the meantime, SIS projects -- all of which are receiving Work Program funds -- will be paid for by using existing funds earmarked for them.

If the SIS program attracts a new or rededicated source of funding which FDOT currently does not receive, then FDOT, local governments and other local entities, transportation contractors, and related private-sector businesses will benefit directly. Also benefiting will be motorists and travelers using other modes of transportation, the business community, and state and local government.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This mandates provision is not applicable to HB 18-5 because the draft legislation does not: require municipalities and counties to spend funds; reduce their authority to raise revenues in the aggregate; or reduce the percentage of a state tax shared with them.

2. Other:

HB 1805 does not raise any apparent constitutional issues.

B. RULE-MAKING AUTHORITY:

FDOT has sufficient rulemaking authority to implement the provisions of HB 1805.

C. DRAFTING ISSUES OR OTHER COMMENTS:

As passed by the Transportation Committee, HB 1805 (then PCB TR 03-04) was in chapter 340, F.S. House Bill Drafting relocated the bill's provisions into chapter 339, F.S., because chapter 340 many years ago was the location of state laws governing the former Florida Turnpike Office that were repealed many years ago by the Legislature. By policy, repealed chapters of Florida Statutes can not be recycled.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

At its March 26, 2003, meeting the Transportation Committee adopted one amendment creating the 10-member "Strategic Intermodal Transportation Advisory Council" to review recommended projects for the SIS. The council will make recommendations to the Legislature, which will select the projects to be funded.

The Committee then voted 19-0 in favor of PCB TR 03-04, now designated as HB 1805.