

1 And again, could we try to keep it to five
2 minutes?

3 MR. KRAUSE: I can. Thank you. Excuse me,
4 Mr. Chairman. Thank you very much.

5 And I am not even going to turn on the
6 computer. I am just going to talk to you. I am
7 going to keep the big picture. I would like to take
8 just a second to give you a little explanation. I am
9 the Executive Director of the Regional Transportation
10 Commission for Reno/Sparks, the other part of Nevada.

11 And we, too, have been growing very rapidly
12 and face many of the challenges. Not as severe as
13 Tina and Curtis do down at the south, but it has been
14 very challenging. I think if you look at Northern
15 Nevada, we're the third fastest growing state, if you
16 separated us from Clark County. So we do have our
17 challenges.

18 The Regional Transportation Commission is a
19 unique structure, I believe, and perhaps a little
20 different than you've heard from other regional
21 agencies that have testified before you. Someone
22 very bright many years ago structured our agency to
23 combine the street and highway function, the public
24 transportation function, and the NPO function all in
25 one agency. We have that opportunity and that

1 challenge, but we found it very helpful, I think.

2 And in talking to Senator Raggio, who I
3 think was the main force in this idea many years ago,
4 he said he wanted to keep it simple. He didn't want
5 competing agencies. He wanted to keep it local and
6 keep it responsive. And I think that we have worked
7 very hard to do that and face a lot of challenges,
8 but I think that was a key thing for you to perhaps
9 understand.

10 The comments about long-range planning are
11 absolutely critical. As the NPO, we require -- are
12 required, I should say, to do the minimum 20-year
13 long-range planning that has been said. That's not
14 long enough for a rapidly growing area.

15 We are going to get very creative in our
16 meeting, have long, long-range planning to try to
17 make sure that we get out 50 years and identify the
18 key transportation corridors, protect them ahead of
19 time, and frankly, do enough planning to put them in
20 the right place. Make sure that we aren't damaging
21 the wetlands or other resources in our, frankly,
22 still available wide-open spaces.

23 But if I could talk briefly about the
24 recognition we have. We can't rely upon the state of
25 the federal government. We have tried to do a number

1 of things locally and we've been somewhat successful.

2 But just briefly, recognizing the fuel taxes
3 are not adjusting for inflation, they are not
4 adjusting for the fleet economy. We asked our
5 community, and we collect about 16 cents in gas taxes
6 locally in Washoe County. That is over and above the
7 state and federal increment.

8 We asked the public to support indexing, and
9 they approved that. And we have done it for four
10 years. We have collected only, though, however,
11 about 12 percent in additional rates while, of
12 course, inflation has been 30, 40 percent, depending
13 on which construction index indicator you look at.

14 We do have sales taxes locally applied for
15 both streets and public transit. And obviously, that
16 works very well, response both for growth and
17 population and inflationary pass.

18 We have gotten our board, and I think it's
19 so important, again, with the philosophy of trying to
20 insure that we keep our revenue stream and the
21 contributions of the uses of the transportation
22 system to respond appropriately. And on an annual
23 basis three years running now, increase in fares of
24 public transit. And I am very proud of that and
25 appreciate the warm support of that.

1 And I think that finally, in any rapidly
2 growing area, we need a take on a local level and
3 assign to redevelopment a cost, or the portion of
4 that cost, in building additional infrastructure.

5 And in our community, we have impact fees.
6 And just to put them in perspective, we are charging
7 \$2,000 per residential dwelling unit. They are
8 commensurate rates based on ITE trip generation rates
9 for all of the other uses.

10 And we are about to propose, and we'll see
11 how far we get, to increase those fees to \$10,000 per
12 dwelling unit. It's going to be tough, but that's
13 what the numbers say has to occur.

14 Now, even with all of that, we still need
15 help. And this does not address the interstate
16 freeway system needs in our community. We've been
17 living off of the capacity that was created 40 years
18 ago when it was first constructed.

19 But as of today, it's -- it's at capacity at
20 the core, and it's only going to get worse and we are
21 going to frankly suffer without additional
22 investments in those core freeways.

23 So kind of quickly moving forward, you've
24 heard a lot about process and improvements to the way
25 the current federal dollars are allocated and what we

1 have to do to make sure they are implemented.

2 I am going to kind of not address that,
3 because I think you've heard it. But I am going to
4 have some other suggestions or approaches, perhaps.
5 And if I can focus specifically on one aspect of what
6 I think the final rules or approached rules on the
7 Small Starts that have just been released. Can I
8 suggest to keep it that simple? It's a great
9 opportunity for communities that will never, or at
10 least in my lifetime, be able to justify a fixed
11 guideway investments.

12 But for bus rapid transit, as Tina just
13 suggested, in certain corridors, in smaller
14 communities, are a great solution. And we have one.
15 We are generating 70 peak hour trips per hour. We
16 run 24-hour service every ten minutes. It's a very
17 high quality corridor that has high ridership.

18 And I just hope that the proposed rules can
19 be reflective and let us invest when -- in bus rapid
20 transit when we do it at one-tenth the cost per mile
21 on fixed guideway. Don't use this tiny little
22 opportunity of funds to extend existing railways.

23 A lot of us don't take credit for those
24 investments we've already made in those corridors.
25 Because I think that's really where you are going to

1 get the greatest return and have already had
2 situations where it's been proven you could do a lot
3 with transit. And then we have the dedicated
4 right-of-way and the higher offerings that comes with
5 it. I think we really look at a low cost, high rate
6 of return investment.

7 Okay. So what are some other ideas for the
8 future? I am going to be so bold as to propose that
9 we need to make some major changes, and it's not just
10 a process. I'd like to preface this by stating that
11 our board, Senator Reed, and the Nevada Congressional
12 Delegation don't approve this. I am just going to
13 throw it out there for your consideration.

14 MR. SCHENENDORF: That's what we like the
15 best.

16 MR. KRAUSE: My hope is that the new federal
17 paradigm is going to recognize that there needs to be
18 some serious changes. I guess first and foremost, I
19 also want to say there absolutely has to be
20 recognition in the future of service transportation
21 investments. And I think we have to recognize also
22 that, and I think it's probably been discussed ad
23 nauseam, perhaps, before you, that the 50-year-old
24 mechanism of fuel tax is not going to work for our
25 future. And this new paradigm has to recognize that.

1 So with those preparatory comments, I would
2 suggest to you a pilot program in Nevada that looks
3 to the year 2010 to 15 that could convert. And it's
4 not a new idea. And you've heard the de-evolution,
5 if you will, many years ago.

6 And I think the Nevada Legislature,
7 surprisingly -- I don't know how many years back this
8 occurred, when that was being discussed at the
9 federal level, a state law was passed. And I believe
10 it says, If there is in fact a elimination of federal
11 fuel taxes, they would become Nevada fuel taxes if
12 the inflation in recognition of the needing of the
13 funds.

14 But I would suggest to you that if we
15 convert 95 percent, and obviously that number is
16 going to be negotiable depending upon how legitimate
17 federal interest, interstate commerce and commerce
18 and environmental concerns and other issues that
19 again have to be addressed and recognized.

20 Converting 95 percent, or about \$300 million
21 per year from federal to Nevada gas taxes can frankly
22 bypass all of the process changes that you have heard
23 about, our problems, and possibly could be modified
24 and ameliorated.

25 I think that it's very important that we

1 recognize that this eliminates -- and again,
2 congressional folks have not in any way blessed
3 this -- the old discretionary funding issue and all
4 the problems, and frankly, from our perspective, the
5 opportunities that that creates. And obviously, the
6 state would have to make sure that the interstate
7 system is maintained. And I think it's going to be
8 very possible given all of the efficiencies, if you
9 will, of not going through the federal process. This
10 money could then create the opportunity to get that
11 done.

12 And similarly, on the transit side, a
13 similar kind of defederalization could occur. And
14 again, we think we can do a lot. And it's with no
15 disrespect to the very important protections and I
16 think assurances of quality that the current federal
17 process recommend and have been reflected in the
18 regulations from many years ago.

19 But I would just suggest to you, at the
20 local level, we have great concern about those very
21 same issues, that we protect the resources in our
22 community, that we do the projects cost effectively,
23 that we are responsible for the concerns of the
24 citizens. And it may not be necessary to have the
25 federal process imposed upon us to ensure that all

1 those objectives and considerations are addressed.

2 I think it's also important to recognize
3 that we are not going to, from fuel taxes or perhaps
4 other traditional taxation mechanisms, or even our
5 impact fees, probably address all of the needs given
6 how we are growing. And many of you have talked
7 about the integration of lack of use of
8 transportation.

9 What we see, despite our best efforts to
10 create development corridors, to try to be more
11 efficient in every square foot of paper that we have,
12 we're never going to have enough money. One of the
13 problems, and it's probably been discussed before you
14 also, is: We need a pricing mechanism that addresses
15 efficient use of the system that we have.

16 And I would suggest that what we need to do
17 in Nevada, perhaps somewhat similar to what's being
18 tried in Oregon, is to go to a VMT fee system and
19 recognize we are going to have to have peak and
20 off-peak pricing to really get efficient.

21 So with that, I am hearing the gavel. And
22 I've talked about a lot of very general concepts, but
23 I'll conclude my remarks.

24 And again, thank you. And also invite you
25 to come up to Reno. It was snowing. It's not as

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15 nice as down here, but I think the skiing is going to
16 be very good this weekend.

17 Thank you.

18 MR. SCHENENDORF: Thank you very much. And
19 don't forget, your statements are in the record. And
20 if you want to amplify anything, if a witness in the
21 audience wants to amplify anything, you can do that.
22 Just send it into the commission and it will all
23 become part of our record.

24 MR. KRAUSE: Thank you very much.

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