

A MEMORIAL

REQUESTING THE DEPARTMENT OF TRANSPORTATION TO CONDUCT A STUDY OF THE LONG-TERM OPERATIONAL AND MAINTENANCE COSTS OF THE RAIL RUNNER TO STATE AND LOCAL GOVERNMENTS AND THE BENEFITS AND FEASIBILITY OF SELLING THE STATE'S OWNERSHIP OF RAIL RUNNER INFRASTRUCTURE.

WHEREAS, the rail runner replaced a portion of the "purple line", a component of the department of transportation's "Park and Ride" commuter bus system that provided a similar service between Albuquerque and Santa Fe; and

WHEREAS, a one-way ticket from Albuquerque to Santa Fe on the park and ride bus cost three dollars (\$3.00) and took about one hour, while a similar trip on the rail runner now costs nine dollars (\$9.00) and takes about one and one-half hours; and

WHEREAS, from fiscal year 2006 through the end of fiscal year 2015, the state of New Mexico will have spent over two hundred twenty-five million dollars (\$225,000,000) to purchase the track, the train cars and other equipment and facilities for the rail runner; and

WHEREAS, the debt service payments for the remaining bond debt for the rail runner are currently costing between twenty-eight million dollars (\$28,000,000) and twenty-nine

million dollars (\$29,000,000) annually and equal approximately fifty-five percent of the department of transportation's construction budget; and

WHEREAS, the current rail runner bond debt is structured to require balloon payments of over one hundred ten million (\$110,000,000) dollars in fiscal year 2025 and in fiscal year 2026; and

WHEREAS, when the state of New Mexico completes payment on the rail runner bond debt in fiscal year 2027, it will have paid well over seven hundred million dollars (\$700,000,000) for the equipment and infrastructure for this commuter train; and

WHEREAS, the fiscal year 2015 operating budget for the rail runner is nearly twenty-seven million dollars (\$27,000,000), of which just under five million dollars (\$5,000,000) comes from ticket revenue and contributions from the Burlington Northern Santa Fe railway and Amtrak for use of the track; and

WHEREAS, the nearly twenty-two million dollars (\$22,000,000) in remaining annual operating costs are government subsidies, including over thirteen million five hundred thousand dollars (\$13,500,000) in local gross receipts taxes and over eight million two hundred fifty thousand dollars (\$8,250,000) in federal grant funds; and

WHEREAS, overall federal spending on transportation has

been stagnant in recent years; the United States congress is debating whether to turn more responsibility for transportation systems over to the states; and the federal subsidy for the rail runner, which amounts to over thirty percent of the operating budget, may go away; and

WHEREAS, neither the projection for the bond debt nor the annual operating budget for the rail runner includes the costs incurred by the department of transportation for the periodic replacement of rolling stock and other equipment; and

WHEREAS, the department of transportation has been challenged in recent years by a large gap between its budget and road construction and maintenance needs around New Mexico; and

WHEREAS, the department of transportation reported a fiscal year 2014 funding gap between available funding and maintenance and construction needs of over six hundred million dollars (\$600,000,000); and

WHEREAS, the department of transportation is anticipating a gap for fiscal year 2015 of nearly four hundred sixty million dollars (\$460,000,000); and

WHEREAS, the trend in the department of transportation's funding shortfalls can be expected to continue as the economic and population growth around the state place increasing demands on transportation infrastructure; and

WHEREAS, in recent years, the department of

transportation emphasized staffing its construction maintenance crews, has reduced its administrative and planning staff and is unlikely to find significant new budgetary methods to improve efficiency;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE STATE OF NEW MEXICO that the department of transportation be requested to study the costs to the state and to local governments of maintaining and operating the rail runner over the next twenty years; the feasibility of selling the track, rolling stock and other rail runner assets currently owned by the state; and the potential benefits of replacing the rail runner with a reestablished commuter bus service; and

BE IT FURTHER RESOLVED that the department of transportation be requested to provide a report on the study results to the appropriate interim legislative committee prior to November 15, 2015; and

BE IT FURTHER RESOLVED that copies of this memorial be transmitted to the secretary of transportation and the governor.