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HOUSE MEMORIAL 56

54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019

INTRODUCED BY

Rod Montoya and James R.J. Strickler and Anthony Allison and
Paul C. Bandy and Brian Egolf

A MEMORIAL

RECOGNIZING AN OPPORTUNITY FOR JOB GROWTH IN SAN JUAN COUNTY
AND REQUESTING THE ECONOMIC DEVELOPMENT DEPARTMENT TO CONVENE A
STUDY GROUP TO STUDY THE POTENTIAL BENEFITS OF FREIGHT HAULING
FROM SAN JUAN COUNTY TO THE MAJOR RAIL AND INTERSTATE CORRIDOR.

WHEREAS, San Juan county has a long history with energy
production, including natural gas, oil and coal; and

WHEREAS, the energy sector has been San Juan county's top
economic base industry, responsible for generating vital
taxable gross receipts for local governments and for providing
thousands of jobs and millions of dollars in wages for the
county; and

WHEREAS, due to changes in global markets, environmental
pressures, less expensive fuel stock and other factors, this
region has been adversely affected by industry dislocations,

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1 downsizing in production, job losses and potential future job
2 losses; and

3 WHEREAS, the San Juan generating station and San Juan coal
4 mine, which supplies fuel to the generating station, have
5 either laid off or lost by attrition over one-third of their
6 workers since the beginning of 2016 when the potential closure
7 of the generating station was proposed for 2022; and

8 WHEREAS, the San Juan generating station and San Juan coal
9 mine currently employ more than four hundred fifty people and
10 several hundred contractors and subcontractors and support
11 business employees both locally and throughout the state,
12 amounting to over one thousand five hundred employees,
13 providing over nine million dollars (\$9,000,000) in property
14 taxes per year and anchoring the economy of San Juan county;
15 and

16 WHEREAS, workers displaced as a result of the potential
17 closure of the San Juan generating station, San Juan coal mine
18 and associated contractor, subcontractor and support business
19 workforces will be seeking other career opportunities to
20 support their families; and

21 WHEREAS, the New Mexico energy policy and implementation
22 plan, finalized in 2015, recommends an energy approach that
23 encourages and prizes energy development of all kinds for New
24 Mexico, as a means to build from energy assets and to grow the
25 economy; and

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1 WHEREAS, the New Mexico energy roadmap, a consensus-based,
2 stakeholder-developed plan, finalized in 2018, defines a set of
3 goals and sequence of strategies required to diversify the New
4 Mexico energy economy more effectively and to efficiently move
5 energy and advance usage of alternative fuels for forms of
6 transportation; and

7 WHEREAS, the regional economic assessment and strategy for
8 the coal-impacted Four Corners region report, published
9 February 8, 2017, highlights the lack of rail service and
10 industrial freight services in the Four Corners region as a
11 roadblock to attracting new industry to the area; and

12 WHEREAS, the federal economic development administration
13 has made significant investments through its national
14 partnerships for opportunity and workforce and economic
15 revitalization initiatives in assisting the coal-impacted
16 communities of the northwest New Mexico region to develop a
17 plan to diversify their economies; and

18 WHEREAS, limited industrial transportation infrastructure
19 exists in San Juan county, with freight rail service over one
20 hundred twenty miles away, the nearest interstate highway over
21 one hundred miles away and a lack of commercial air service;
22 and

23 WHEREAS, Navajo agricultural products industry produces a
24 significant amount of agricultural goods on over seventy-two
25 thousand acres; and

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1 WHEREAS, increased manufacturing opportunities will help
2 diversify and support the tax base and workforce of San Juan
3 county; and

4 WHEREAS, increasing economic opportunities in the
5 northwest New Mexico region further benefits the economy of New
6 Mexico and adds to tax revenues contributing to the state
7 budget;

8 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF
9 REPRESENTATIVES OF THE STATE OF NEW MEXICO that the economic
10 development department be requested to convene a study group,
11 along with the workforce solutions department, the department
12 of transportation and the energy, minerals and natural
13 resources department, to conduct a study and develop a report
14 analyzing:

15 A. the economic impact of increased capability to
16 export natural resources and agricultural, industrial and
17 retail products;

18 B. the cost differential of the construction of a
19 railway and the construction of an industrial freight corridor;

20 C. the cost differential of the transportation of
21 goods on rail and an industrial freight corridor for shippers
22 and end users;

23 D. potential emissions and highway road maintenance
24 reductions as a result of fewer diesel trucks operating on
25 state highways; and

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