

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Transportation and Telecommunications Committee
February 19, 2008

[LB1129 LR232]

The Committee on Transportation and Telecommunications met at 1:30 p.m. on Tuesday, February 19, 2008, in Room 1113 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB1129 and LR232. Senators present: Deb Fischer, Chairperson; Arnie Stuthman, Vice Chairperson; Ray Aguilar; Carol Hudkins; LeRoy Louden, Scott Lautenbaugh; Dwite Pedersen; and DiAnna Schimek. Senators absent: None. []

SENATOR FISCHER: Good afternoon and welcome to the Transportation and Telecommunications Committee. For the record, my name is Deb Fischer. I am from District 43, Valentine, Nebraska, and I'm Chair of the committee and I would like to start with committee introductions. On my far right is Senator Arnie Stuthman, who is Vice Chair of the committee, Senator Stuthman is from Platte Center; next to Senator Stuthman is Senator Ray Aguilar from Grand Island; on my immediate right is Mr. Dustin Vaughan, who is the legal counsel for the committee; on my immediate left is Mrs. Pauline Bulgrin and she is the committee clerk; next to Mrs. Bulgrin is Senator Scott Lautenbaugh, he is from Omaha; next to Senator Lautenbaugh is Senator Carol Hudkins from Malcolm, Nebraska; and we are just being joined by Senator LeRoy Louden from Ellsworth. We will have senators coming and going. Please do not take offense at that. We have a number of bills that are still being introduced so senators on this committee have bill introductions in other rooms, so please do not take offense if senators are coming and going. I'd like to introduce our pages. We have Matt Pederson from North Platte and Rhianna Needham from Bellevue. We will be hearing the two bills, like we have one resolution and one bill from Senator Flood today and we will be hearing those together, not separately. Senator Flood agreed to that so we will be hearing those together today. Those wishing to testify on either the resolution or the bill or both, should come to the front of the room, which means these first chairs, and be ready to testify as soon as someone finishes testifying in order to keep this hearing moving. Please complete the yellow sign-in sheet at the on-deck table so it is ready to hand in when you testify. We are using a computerized transcription program this year so it is very important that the directions on the sign-in sheet are followed. You will need to hand the sign-in sheet to the clerk, Mrs. Bulgrin, before you testify, please. For the record, at the beginning of your testimony, please spell your last name and also your first name, if it can be spelled several different ways. Please keep your testimony concise and try not to repeat what someone else has covered. I see we do have large numbers here today and I would like to make note that we have an overflow room, room 1023, and I believe we have a number of people there too. Because of the numbers involved today, we will be limiting your testimony to three minutes and we will be using the light system to do that. If you do not want to testify but you want to voice your support or opposition to a bill, we are passing around or available in each room are sign-in sheets that you can sign your name and either check your opposition or support on the resolution or the bill. That sheet will be included in the exhibits on the official

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record for both the resolution and the bill so it will be part of the official record of the hearing. If you want to be listed on the committee statement though as a testifier at this hearing, you must complete a yellow sign-in sheet and actually testify even if you just state your name and your position on the bill. You have to come forward and testify to be listed on that committee statement. If you do not choose to testify, you can submit your comments in writing and those will be read into the record and be a part of the official hearing. I ask that you relax. Please don't be nervous. If you need anything, please signal for one of the pages and they will help you with making copies or a glass water, whatever you would need. I would also ask that you turn off your cell phones at this time. In this committee, we do not allow cell phones on even in mute and, of course, there is no text messaging in the Transportation and Telecommunications Committee. (Laughter) I love technology but it's not appropriate in here, so thank you. At least that part of technology is not appropriate in here. With that, I will open the hearing for the day on LR232 and LB1129 and welcome, Mr. Speaker, it's wonderful to see you here before the committee today. []

SENATOR FLOOD: (Exhibits 1-8) I brought a few of my friends, Madam Chairman. (Laughter) Good afternoon, members of the Transportation and Telecommunications Committee. For the record, my name is Mike Flood, F-l-o-o-d, and I represent District 19 which includes the city of Norfolk and all of Madison County. I'm here to introduce two related measures, LR232 and LB1129. The resolution would mandate this committee to look at the impact and particularly the economic impact of unfinished expressway systems in Nebraska, having an impact that it has on the local communities in our state. LB1129 is similar in its purpose and would require the Department of Roads to consider the state's incomplete 1988 expressway system in developing its annual specific and long-range highway system plan. Specifically, LB1129 would add the following two factors to be, that the department must consider and prioritize this state's highway needs. Number 1, the ability of residents of cities of 15,000 inhabitants or more to access the interstate highway system through a completed expressway. And number 2, the impact of uncompleted portions of the expressway system on the economic development of cities along the expressway system. In other words, in addition to the factors the department considers currently such as traffic volume and safety, the department would be required to address the cost of not completing the 1988 expressway plan. The first question a perspective employer looking to locate a business in Norfolk or Columbus has for the economic development community, is whether the community they are considering is linked by four-lane expressway to an interstate. Unfortunately, due to the fact that critical links remain in that 1988 plan, the answer is still no. The reality is that if we want to grow our communities, recruit employers, create jobs, our communities need four-lane expressways. Three miles from the interstate bypassing Kimball at a cost of \$20 million is all that remains to link Scottsbluff, Gering to an interstate. Schuyler to Fremont just over 30 miles. That would link Norfolk, Columbus, Fremont and Omaha. Norfolk to Winslow would link Norfolk, Wisner, Beemer, West Point, Scribner, Hooper and Fremont to Omaha. In 1987 the Legislature

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had the political will. The Legislature had the political will to spend the money to build these expressways. We have completed 420 of the 600 miles embarked upon back in 1988. What we're asking for today is not something different or special. It is simply following through on the great promise of the expressway system championed by former State Senator, Jerry Warner, and Department of Roads director, Jerry Strobel. There are no easy answers to this complex long-term problem. Systemic solutions are required if we want to see real change. Please note that the other expressway senators identified as cosponsors and I are not interested in earmarking funds for a specific purpose. Nor are we interested in pushing our roads above the already established priorities set by the department. We understand that to see these critical links completed, the system needs money but it also needs focus. There must be a commitment to understanding the true needs of the communities along the expressway route. For over 100 years, Nebraskans have watched communities off the interstate grow in northeast Nebraska. Norfolk, Columbus, West Point and Wayne had continued to grow despite a general depopulation in rural areas of our state. My biggest fear is that a failure to act and complete the four-lane expressways will reverse this positive trend and these communities off the interstate will begin to wither up. For growth in rural Nebraska this is the issue of the decade. If we are not going to follow through on the promise of the 1988 expressway plan, then we should at least make that decision after understanding the full cost of inaction. Early this morning, people boarded buses in Scottsbluff and Kimball and in the Panhandle. They boarded buses in Norfolk, in Columbus and Fremont. They got in their cars in York. They drove from Plattsmouth and Nebraska City. People from across the state have traveled to their Capitol today not to ask for their road over somebody else's, not to fight an urban versus rural battle but to say, we still want this expressway and we want our senators to have the political will to find a way to do what we can over time to complete it. We are patient but right now we're not even on the list and we need to see these remaining 180 miles finished so that projects like the Heartland Expressway and Highway 35, Norfolk to South Sioux, an infrastructure in Omaha and Cass County, Washington County can continue. That is my opening, Madam Chairman, and I waive my closing to give everybody the opportunity to say what they can at this hearing. Thank you. [LB1129 LR232]

SENATOR FISCHER: Thank you, Senator Flood. At this time I would like to note for the record that we have been joined by Senator DiAnna Schimek from Lincoln. Are there questions for the speaker? Senator Louden. [LB1129 LR232]

SENATOR LOUDEN: Yeah, Senator Flood, I'm glad you brought this forwards because I think everything the Legislature does to focus on the expressway system is very important. Have you done any work to know that how much of this is in the planning stage at the present time on the expressway system? Has anyone said anything about it or anything? [LB1129 LR232]

SENATOR FLOOD: Well, there are expressways planned across the state but the

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programmed expressways are those from the 1988 plan with some exceptions but at the present time given the funding challenges we have in Nebraska, not one of these expressway projects will be completed in the future unless we, as Legislators act, to find a systemic funding solution. [LB1129 LR232]

SENATOR LOUDEN: Okay. Then you're telling me that like this Lincoln south beltway and all of those are all on hold? [LB1129 LR232]

SENATOR FLOOD: It's my understanding. [LB1129 LR232]

SENATOR LOUDEN: Yeah, okay. Do you think that we need to have that in statute about what the expressway system is because we've noticed where the Department of Roads as they come out with their needs, they forgot to add it in here in the last year so is there something that needs to be directed that way to describe what we're talking about for future senators? [LB1129 LR232]

SENATOR FLOOD: Senator, I appreciate your question. I'm not interested in changing our systems so that we suddenly have political roads. I recognize that the expressways are fourth out of four on a priority list following system preservation, the primary highway system and the interstate. Expressways are fourth and when you're fourth out of four and there's no money, you're the first to lose your projects. And I guess, I want the department to recognize the economic development impact that it has on the uncompleted portions of the expressway system. But I also want to find a long-term systemic funding solution that tries to address how we pay for roads to get some more money to those fourth of four priorities. So the answer is, I don't think that amending the statute and putting, and changing the priorities at the state level is maybe the most responsible right now. [LB1129 LR232]

SENATOR LOUDEN: Okay. I didn't mention to change the priorities, I just was questioning whether it should be described in statute so that in about eight years or six or eight years from now that senators are come along here if it would be still on the table on what the expressway system means, without having to go back into the other statutes. That's what I was, I... [LB1129 LR232]

SENATOR FLOOD: Okay. Well, this bill does that. LB1129 does put into the statute the interest of communities to get their expressway finished and it makes the department say, or answer the question, what's the economic development cost to Columbus by not finishing the expressway from Schuyler to Fremont, so this would do that. I'm sorry, I misunderstood your question. [LB1129 LR232]

SENATOR LOUDEN: Okay. That's what I was wanting that, I was thinking we should have some place in there so everybody knows what we're talking about, especially in the future. [LB1129 LR232]

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SENATOR FLOOD: Sure. [LB1129 LR232]

SENATOR LOUDEN: Okay. Thank you, Senator. [LB1129 LR232]

SENATOR FISCHER: Other questions? Senator Hudkins. [LB1129 LR232]

SENATOR HUDKINS: Senator Flood, thank you for being here and bringing all of your 400 closest friends with you. (Laughter) I'm aware that there is an overflow room, so we have a lot of good minds in the two rooms and you said that we need to find a way of funding the expressways. I couldn't agree with you more. Can you give us your idea, and anyone else who comes up to speak, I'm probably going to ask you the same question. What is the best way to fund these roads and there's no wrong answer? [LB1129 LR232]

SENATOR FLOOD: Well, thank you, Senator Hudkins and for the short time that I've been a state senator, every year you've introduced bills to try and remedy the funding situation. [LB1129 LR232]

SENATOR HUDKINS: And the Revenue Committee kills them. (Laughter) [LB1129 LR232]

SENATOR FLOOD: I've noticed that. (Laughter) I think that Senator Fischer has a bill that's on the floor that is going to provide us a vehicle to have the discussion. Unfortunately, tough problems don't have easy solutions. Tough problems have tough solutions and complicated solutions. And looking at the way that our gas tax works, is something that I think reluctantly I have to be interested in if we want to find a long-term systemic solution. A number of my constituents have asked me about the idea of taxing trucks differently than we do passenger vehicles. I know that's been in discussion. Others also have given the idea of toll roads. Really, I, my focus is on Senator Fischer's bill and I want to, and I want to fully understand the promise of what could happen when, if her bill was adopted. And so that's where I'm going to be looking. Now you've looked at creative ideas like cigarette tax and different places that, different monies that could be used. I don't think we're in a position to shoot down anybody's ideas when it comes to how to pay for it. Because we're going to have to find a way to arrive at a solution that guarantees continued growth. [LB1129 LR232]

SENATOR HUDKINS: Thank you. [LB1129 LR232]

SENATOR FISCHER: Other questions? Senator Flood, I have, I just have a question. In your bill and in your resolution you talk about economic impact that roads have and you and I have had this discussion at other times. And you know, in my heart, I subscribe to the belief that build it and they will come. However, our dilemma on this, is that we have

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been unable to find any studies showing that economic growth happens as a direct result of highway construction in an area. Do you have any information to bring forward or do you know if any other people who will be following you know of direct studies that the department can use as a factor in determining where roads will be built? [LB1129 LR232]

SENATOR FLOOD: Thanks, Senator Fischer. In answer to the question, I have two responses to that. One is, the three people in my legislative district that are going to answer that question for you, our city administrator, Mike Nolan, our economic development director, R. J. Baker, and a Norfolk Chamber of Commerce president, Dan Mauk. Those three individuals will tell you what the real cost to the community in my home town have been because we aren't linked to Heartland Expressway. And they don't have studies, they have numbers of jobs that have been lost. And the second thing I would say, and I thought about this last night, when I was in high school I could go out to the airport in Norfolk and watch United Express fly in. I could drive to Neligh and take a train parallel to (inaudible) [LB1129 LR232]

SENATOR FISCHER: And that wasn't that long ago. [LB1129 LR232]

SENATOR FLOOD: They ripped up the track. (Laughter) They made a cowboy trail. [LB1129 LR232]

SENATOR FISCHER: You and I had that discussion too. We want a railroad through our district. [LB1129 LR232]

SENATOR FLOOD: And the plane doesn't...so we no longer have a railroad and quite honestly we no longer have United Express. We have less infrastructure transportation options in Norfolk today than we did when I was in high school and these expressways provide the promise for us for continued growth. And I just cannot state how strongly I feel that this is the right direction not just for Norfolk but for Kimball and Nebraska City and Bellevue and everywhere else. [LB1129 LR232]

SENATOR FISCHER: I think your statement would apply to over half of the state of Nebraska. Everything north of the interstate, there's no expressway, there's no railroad, there's no interstate until you get half way up in South Dakota. So it's a problem not only for Norfolk but for over half of the state of Nebraska. Any other questions? I see none. Thank you, Mr. Speaker. [LB1129 LR232]

SENATOR FLOOD: May I be excused? [LB1129 LR232]

SENATOR FISCHER: And you have waived closing? Or would you like to wait. [LB1129 LR232]

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SENATOR FLOOD: I will waive closing and I will go visit the folks in the overflow room and be watching. [LB1129 LR232]

SENATOR FISCHER: Are you going to be ready the troops in the other room then? [LB1129 LR232]

SENATOR FLOOD: Just a start, Senator Fischer. [LB1129 LR232]

SENATOR FISCHER: Okay. Thank you, Mr. Speaker. [LB1129 LR232]

SENATOR FLOOD: Thank you. [LB1129 LR232]

SENATOR FISCHER: At this time I would ask the first proponent to step forward please. Good afternoon, Mr. Thone, nice to see you. [LB1129 LR232]

GOV. THONE: Senator Fischer, it's nice to be with you. Chairman Deb Fischer and the members of the Transportation and Telecommunications Committee. I'm Charlie Thone, (inaudible) South 13th, here in Lincoln. I've been a longtime attorney for the Pan American Highway Association. That is U. S. Highway 81 in Nebraska which runs from the Kansas border on the south, Chester and Hebron, and then through York, Stromsburg, Osceola, Shelby, Columbus, Madison to the north and then Norfolk, up to the new Discovery Bridge on the Missouri River and Yankton, South Dakota. I'm here today as their attorney consultant, not as a lobbyist, and I'll confine my government regulations and activities on this hearing matter to an appearance only before this committee. I've been a firm and true believer in better and safer Nebraska roads for a long, long time. As a matter of fact, some years ago, former Governor Bob Crosby and I joined to actively lobby for needed and adequate funding for the Nebraska State Highway Department. I think all of you have heard about that old battlefield refrain, you know, old soldiers never die, they just fade away. Well, Bob Crosby and I, I guess, are perfect examples that old Governors don't fade away until they die. (Laughter) It was George Bernard Shaw, some of you probably remember that British iconoclast, who once wisely opined that no remarks from an ex-Governor are all that bad if they're short enough. So in lieu of any attempt today at brilliance or profundity, I'm going to kind of confine myself to some brevity with your committee. The Pan American organizations, specifically the Nebraska Highway 81 group, strongly supports LB1129 requiring the roads department to make expressways a part of the roads planning process each year, and to consider, Madam Chairman, the economic development potential by safer and better roads. Frankly, I thought both of these conditions were understood to be mandated by the legislation some 20 years ago when Nebraska's expressway system was conceived and accepted by the Unicameral. Our organization also strongly supports Chairman Flood's LR232, which recites our better Nebraska road's position. First let me make it very clear, kind of like Speaker Flood did, that Pan American supports completion of the entire designated expressway system. As he indicated, it's

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two-thirds done, we've got 180 miles to go. Pan American in Nebraska here, also supports a directive that the roads department must again actively consider economic development factors. Now on a more parochial note. Some years back, after my government service, I had a very active hand in establishing the Nebraska highway expressway system which culminated in the passage of LB1041 in 1988. It was based then on comprehensive needs studies. Highway 81 from the Nebraska-Kansas line to Norfolk at that time was selected on competitive merit to be the priority north-south expressway for Nebraska. For some time, pretty good progress was made and 115 miles of the designated four-lane expressway from the Kansas line through York and then north and south at York was completed, and Columbus to Norfolk and part of I-80 to Columbus corridor was done south of Columbus. Almost unbelievably now a terrible 42 mile gap remains. It's the I-80 by York connection there on Highway 81 north through Osceola and Shelby east to the Nebraska 92 junction. Now you asked, Senator Loudon, about whether or not these segments are programmed. Yes, they're programmed but on a couple of them, environmental studies are still in process. The estimated cost of this 42 mile gap is about \$90 million. Now the first question comes up, is this project, this gap worthy of construction. Let's look only at the traffic count. From the Kansas state line to I-80 York, the average daily traffic ranges from 2,000 to 3,000 vehicles. While the daily traffic range is 3,000 to 6,000 vehicles from I-80 York to Norfolk, double on the two-lane gap compared to the completed four-lane expressway from the Kansas line to York. Well, what's the basic problem? Well, I've been watching this very carefully all these years. It's not the Highway Department. We believe the department is very heads up and efficiently administered and under good leadership. It's purely and simply been a lack of funding over which the department has no final control. Without any doubt and as this committee, of course, knows very, very well, it's currently structured to delay all of the expressways, well, not delay, I guess they don't even mention them as the Senator mentioned before, and frankly, this is, should be unacceptable. A real revenue crisis though threatens badly needed Nebraska highway construction. In closing, we urge this committee to approve Speaker Flood's LB1129 and LR232 and we enthusiastically applaud the recent, almost unanimous vote of Senator Deb Fischer's LB846 by the Revenue Committee. This is real progress in my opinion. It's imperative that Nebraska road users and Nebraska policy makers fully understand the dire funding fix we're in. The roads budget was around \$390 million a couple of years ago in '06. It was around \$350 million last year and this year, it could possibly be as low as \$270 million and that's the worse case scenario. This sharp decrease with escalating construction cost of around 11 percent a year on construction materials. Of this money, it takes \$170 million a year to just maintain our current state highway and interstate systems. So now it's really pretty much maintenance and preservation which I would hope is just unacceptable. Without a doubt, an increase in taxing Nebraska highway users, Nebraska highway users, user fees is what I've always called them. This is a very, very fair tax and it's essential that they be increased to avoid a looming Nebraska roads catastrophe. LB846 is realistic and an important part of a long-term solution. In my opinion, that 40 or 50 million dollar appropriation out of the reserve or whatever you

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call it, a general fund appropriation, is a short-term Band-Aid fix. That won't cut it. And there's been some suggestions about a toll road or bonded funding and frankly I think both of them are about as realistic as moving the state fair to the cultural center of the state, my hometown of Hartington. (Laughter) In closing again, Nebraska needs and will benefit tremendously from better and safer roads. I'd respond to any questions with some trepidation, I suppose. [LB1129 LR232]

SENATOR FISCHER: Thank you, Governor Thone. It's a pleasure. Questions? Senator Stuthman. [LB1129 LR232]

SENATOR STUTHMAN: Thank you, Senator Fischer. Governor Thone, I realize, you know, the people want to see these expressways complete. We've done a piece meal so far, we need to get them complete. How do you think the population is going to be? Are they going to be very receptive to a tax increase on fuel? This is what we hear, you know, don't raise my tax but build my road better. How can we overcome that? [LB1129 LR232]

GOVERNOR THONE: (Laugh) Well, I've heard that song for a long, long time. As an ex-Governor, it's easier to answer your question than if I were a sitting Governor, and I've tried to cover that in my presentation. I think it's shortsighted not to have these better and safer roads. I mentioned economic development and I also think that if you don't, Senator Fischer, include economic development, greater Nebraska is going to get the short shrift in this whole deal and I just don't think that's fair at all. I understand the political implications of raising gas tax. You bet, I do, Senator, but I, every once in a while, public officials have got to bite the bullet for what's needed and necessary. I did it when I was Governor. [LB1129 LR232]

SENATOR STUTHMAN: Thank you, Governor Thone. And you took the words right out of my mouth. I said, you know, maybe we have got to, as a legislative body, bite the bullet, do what we think was right and then hopefully we can move ahead. [LB1129 LR232]

GOVERNOR THONE: You bet. I don't think frankly you have a choice as I see what's down the line here, unless Senator Fischer's bill passes or unless you would get in there and raise the variable tax extraordinarily high, 8 or 9 cents a gallon. And with the price at the pump gyrating like it is nowadays, I go down here and from day to day it's 10 or 15 cents variation. I think maybe now is the time to move ahead. [LB1129 LR232]

SENATOR STUTHMAN: Thank you. [LB1129 LR232]

SENATOR FISCHER: Other questions? Senator Louden. [LB1129 LR232]

SENATOR LOUDEN: Yeah, thank you for being here, Governor Thone. I wasn't around

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this part of the state when you were Governor. I was out at the western end of the state trying to make a living back in those days. Anyway, I was looking at when you talk about that York to Kansas expressway, and I used that when I first came down here six years ago to indicate to the Department of Roads that their traffic count was about the same on that as what it was in there south of Alliance. And after I pointed that out to them, the next year why the traffic count was less on that road south of Alliance for some reason so. (Laughter) This is what we're up against most of the time. I mean, you know, you try to do something and then what do they say in computers, there's a fire wall built up all of a sudden. But what I'm wondering is, I agree there's lack of funding and something has to be done. What's your position on continuing this construction on this six-lane interstate between Lincoln and Omaha because you're building an expressway, since you're building lanes on each side of the thing and it's terribly expensive. Should that be reevaluated on what we're doing there and use more of that funding towards trying to complete some expressway systems? [LB1129 LR232]

GOVERNOR THONE: Well, that's a tough one to answer. It'd be awful nice to have that six-lane from Lincoln to Omaha but I guess, to be honest in answering your question, I would think that the department should very well review the historic allocation of funds. I think they were giving 25 percent to the interstate, 25 percent to the expressway system and 50 percent to road maintenance and preservation statewide. It's a big system, 10,000 miles that we have in our huge geographical state. But you raise a good point. I don't know that there's any rush now to six-lane that entire interstate system from Lincoln to Omaha. They've done an excellent job from the Platte River on into Omaha. It's an excellent road now but maybe they ought to look at that again and go back to their 25-25-50 formula. [LB1129 LR232]

SENATOR LOUDEN: Okay. Thank you, Governor. [LB1129 LR232]

GOVERNOR THONE: You betcha. [LB1129 LR232]

SENATOR FISCHER: Other questions? I see none. Thank you again, Governor Thone for being here today. [LB1129 LR232]

GOVERNOR THONE: Thank you, Senator Fischer. I worked for some years with your father and Nebraska never had a better, more dedicated public official than your dad. [LB1129 LR232]

SENATOR FISCHER: Thank you. That's so nice to hear. Our committee counsel forgot to turn on the timer. (Laughter) After that wonderful compliment, so now we will get the timer turned on. We'll do two minutes on a green light, a minute with the amber light and when it hits red, hopefully, you will wrap up your testimony. So thank you, and welcome. [LB1129 LR232]

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DEBORAH CRAGO: Thank you. My name is Deb Crago, C-r-a-g-o. I'm the former economic development director for the city of Kimball. I'm also a founding member for the Heartland Coalition and there's four of our five original members that are in the room. And so I want to talk about our three miles of uncompleted expressway. It's become a bottleneck but it's also part of a bigger picture and this three miles, because it was already on the Nebraska expressway system, also became part of a process to be the route designation for federally designated high priority corridor, which is called the Heartland Expressway. The Heartland Expressway is also part of a larger coalition that is the Great Plains International Trade Corridor and this joins nine states with two countries, Canada and Mexico. It's comprised of the Heartland Expressway, the Teddy Roosevelt Expressway, which is north of us, and the Ports-to-Plains Trade Corridor, which is south of us. The Heartland Expressway route designation was based partially on the Nebraska expressway system and what was already on it when Colorado, South Dakota, Wyoming and Nebraska agreed on that route designation. We have a number of people to testify and we do have some studies to present to you that show the economic impact, and also show the economic impact when things are not completed. So I'm going to go ahead and step down but I do believe that 20 years later, we need to complete what was started. We have held communities and property owners hostage. They have property that they know that there's a proposed expressway there. It may be worth more, it may be worth less. They can only invest so much in that property in order to improve it and they've basically been held hostage by the system for a number of years. And in Kimball's situation, we have based a number of former, or new developments, based on that expressway that have not been able to come to fruition because of it. Thank you so much. [LB1129 LR232]

SENATOR FISCHER: Thank you, Ms. Crago. Oh, don't leave yet. (Laughter) Are there questions? Senator Louden. [LB1129 LR232]

SENATOR LOUDEN: Yes, thank you for coming down here, Deb. Then what year, I guess my question is, when was that bypass around Kimball first put into the five-year plan of the roads department? [LB1129 LR232]

DEBORAH CRAGO: Actually, I believe it was on the five-year plan when I moved here in 1999. I think it's bounced forward and backwards several times. I do know that it was bumped up after a meeting of the Department of Road commissioners and we had a completion date. And at that point in time, right-of-way was started to be acquired, infrastructure was trying to be connected and I think it's been basically put on hold, and I think the completion date on that was 2009, the last one that we had. [LB1129 LR232]

SENATOR LOUDEN: Okay. Then it would be safe to say that they've been somewhat lackadaisical about doing anything on that. [LB1129 LR232]

DEBORAH CRAGO: Well, I think they haven't been lackadaisical about doing anything

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on it because I think they've been very active in trying to pursue the completion. I think where the shortfall has been is in the funding. [LB1129 LR232]

SENATOR LOUDEN: Okay. Thank you. [LB1129 LR232]

DEBORAH CRAGO: Um-hum. [LB1129 LR232]

SENATOR FISCHER: Other questions? Could you maybe clarify something for me here. On the Kimball bypass, is there an underpass connected with that that is too narrow, not high enough where trucks are not able to use that any more, is that true? [LB1129 LR232]

DEBORAH CRAGO: We do have an underpass that runs underneath the UP railroad that goes through town that is on 71. It is rather short. Any number of days of the week you'll notice the trucks will come to a screeching halt there and then they have to circle around the town to go to the truck route which is about 2 miles out of town and it's all on gravel highways then to circle around that and get back on to 71. And in just about a mile and a half north of that, they hit the four-lane expressway again. So it is a true bottleneck. [LB1129 LR232]

SENATOR FISCHER: Thank you. Other questions? I see none. Thank you very much. [LB1129 LR232]

DEBORAH CRAGO: Thank you. [LB1129 LR232]

SENATOR FISCHER: Next testifier, please, proponent. Good afternoon. [LB1129 LR232]

DOUG LEAFGREEN: Thank you, Senator, committee members. My name is Doug Leafgreen, I am a Scottsbluff county commissioner. I also serve on the Heartland Express Committee and have served for the last ten years on the State Highway Commission, so I've kind of seen it from all different perspectives. I'm definitely here in support of it. You know, in my perception of the issue is exactly as Senator Flood has pointed out. It's all about the money. In 1988, when the Legislature and the Governors looked at this issue, there was as part of that enactment of the needs study, an additional gas tax that was apportioned. That stayed there for two years and then went away. Over the next, however many, twenty years, I guess, we're out, I believe that the Department of Roads has done an excellent job in completing the 420 miles given that there was no additional funding. As was indicated, it was, at 50 percent for two-lane, 25 percent for interstate and 25 percent for the expressway and when funding came up short, we always said the expressway was the bill payer. Now with the highway transportation funds being depleted, people using less gas, the inflationary factor, it is all about the money. I do have to disagree a little bit with Governor Thone. I think maybe

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there is an opportunity if the Legislature does come up with additional funding, to look at bonding. When we're looking at 11 percent inflation or more, and if you take that out over a 10 or 15 year period of time on these projects and you look at the cost, and we have some of the lowest interest rates that we have available right now. I think the completion of these projects and the return on investment to these communities would more than pay for that bonding. So that would be the one thing I would like us to consider. I have always talked to the department about it. We've been somewhat hesitant to use bonding, so I would encourage you to also look at alternative types of funding. I know Oregon is looking at a per mile tax billing people based on that. I think we really have to look outside the box for funding and I would support a gas tax increase also. Any questions? [LB1129 LR232]

SENATOR FISCHER: Thank you, Mr. Leafgreen. Are there questions? Senator Schimek. [LB1129 LR232]

SENATOR SCHIMEK: Thank you. Thank you, Mr. Leafgreen for being with us today. You came a long way. [LB1129 LR232]

DOUG LEAFGREEN: Yes, we did. [LB1129 LR232]

SENATOR SCHIMEK: When you say based on a per mile usage, how would that work? [LB1129 LR232]

DOUG LEAFGREEN: Actually, I believe the cars are fitted with some kind of electronic device where they can actually measure how many roads, miles that you've driven in a month and then you actually get a bill. So Oregon is actually looking at this type of technology. Not that I'm saying that that's...but you've got to understand, people are using less gas. They're buying more fuel efficient vehicles so our source of income is going to dry up. I mean, it's...we're in a box now. You know, as the Governor talked about, when you look at the Missouri River bridges, six-laning the interstate and maintenance, we're pretty much done right now. [LB1129 LR232]

SENATOR SCHIMEK: So if I understand you correctly, there isn't any state that's doing that right now, but Oregon is considering. [LB1129 LR232]

DOUG LEAFGREEN: Oregon is, I think, testing it right now so. [LB1129 LR232]

SENATOR SCHIMEK: I see. Well, I think all the ideas that can be laid on the table are useful and helpful, so thank you. [LB1129 LR232]

SENATOR FISCHER: Other questions? Senator Louden. [LB1129 LR232]

SENATOR LOUDEN: Thanks for being here today, Doug. When you mentioned a

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bonding of some sort, then would there have to be like a gas tax set aside to service that bond? [LB1129 LR232]

DOUG LEAFGREEN: I think like any other indebtedness. I mean, if you go out as a business and you look at a cost of buying a piece of equipment, you know, do you, you have to set aside in your budget that allocation to pay for it, so yes. I mean, I don't agree with some of the states around us that went out and did huge bonding projects and tried to complete everything but if we're really going to try to complete this expressway program, I think put into place a way to pay for it and I think bonding has a place in certain projects. [LB1129 LR232]

SENATOR LOUDEN: What would be the difference of bonding or just plainly raise the gas tax or whatever, because you're going to have to raise the taxes anyway to service the bonds so what would be the difference if you sold bonds or you just plainly raised the tax and then set that aside that much money each year to do expressway work? [LB1129 LR232]

DOUG LEAFGREEN: Well, the advantage of bonding to me is if you look at the cost of inflation in construction, and this is the highest, I've been on 10 years, and this is the highest inflation rate in construction costs I've seen in that time. So all I'm saying is, that somebody, I think, needs to study the economic return on bonding as opposed to paying as we go. Because if you look at 10 years down the road what it's going to do a project, if you can bond it and get it completed now, there's got to be some economic return in that. [LB1129 LR232]

SENATOR LOUDEN: Okay. My next question would be then, what about the engineering on it? There's always a certain length of time from the time you start and the engineering's completed and you're right-of-way acquisition all time is what, takes five years or so to do that? Would that, I mean, you know, if we sold the bonds now where would we be at with that money in a fund or what? [LB1129 LR232]

DOUG LEAFGREEN: You know, I guess, the Department of Roads would have to work that out but, you know, most of the projects on the expressway program are planned, many of them like the Kimball is already in design stage, right-of-way. So there...a lot of these projects are in a stage where they could be completed fairly quickly. It's just the lack of funds. [LB1129 LR232]

SENATOR LOUDEN: But we wouldn't have to bond for the whole works? You would want to just bond for a little bit at a time? [LB1129 LR232]

DOUG LEAFGREEN: No, I don't...I think you have to look at each project. Look at the bids and see what kind of potential there is for a savings. I'm not saving to go out en masse and try to do the whole program but I believe there's got to be some savings

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there. [LB1129 LR232]

SENATOR LOUDEN: Then if you do a piece of it at a time, inflation would still be a factor is that correct, because it would be... [LB1129 LR232]

DOUG LEAFGREEN: That's what I'm saying. Yeah, we're agreeing. [LB1129 LR232]

SENATOR LOUDEN: But I mean, if you bond it, you're not going to do anything about inflation, construction cost inflation because you're going to be out there five years away and you're going to have that inflation whether you just levy a tax or whether you levy bonds. [LB1129 LR232]

DOUG LEAFGREEN: What I'm saying is, that there are projects that, I believe, are ready to go now that if you come up with the money, you being the Legislature, the Governor, however we come up with it, I think there's an opportunity to look at the cost of what that inflation impact will be over a five or a ten year period of time as opposed to building it now. [LB1129 LR232]

SENATOR LOUDEN: Thank you. [LB1129 LR232]

SENATOR FISCHER: Other questions? I have just a couple, commissioner. When you talked about the expressway system and the gas tax that was needed to complete the expressway system, do you know how much the gas tax would have risen? [LB1129 LR232]

DOUG LEAFGREEN: I think it was 12 cents. [LB1129 LR232]

SENATOR FISCHER: I've been told that the gas tax would have peaked at 36 cents and we'd be at 30 cents right now and the 20-year plan would be completed. [LB1129 LR232]

DOUG LEAFGREEN: It would have been completed, I believe, in 2005 had the funding been there. [LB1129 LR232]

SENATOR FISCHER: Correct. [LB1129 LR232]

DOUG LEAFGREEN: ...even with inflation. [LB1129 LR232]

SENATOR FISCHER: When you brought up different ideas on how to fund roads, where we're going to get the revenue fund and you brought up bonding, our legal counsel, Mr. Vaughan, did a study for the committee this summer and it's available to all the senators. In fact, they all have a copy in their office but when we looked at bonding, we looked at what happened in other states and it seems that once you start to bond,

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then you have to bond to pay off bonds. [LB1129 LR232]

DOUG LEAFGREEN: That's true. [LB1129 LR232]

SENATOR FISCHER: And so the first project is great and the first project will be the big winner with bonds but after that, there are no more projects because you're bonding to pay off bonds, or you're...there didn't seem to be the support for it later on. Do you have a comment on that? [LB1129 LR232]

DOUG LEAFGREEN: I do. You know, I know Kansas did a huge bond but you've got to realize that when Kansas did it, it was an all encompassing, they sold that to the residents of the state that we were going to do all of these projects. Inflation cost was very low at that time so I question whether, I believe they did kind of mortgage their future. But I believe today with inflation costs and I don't think they're going to get less, I think with the cost of fuel and construction costs that I'm seeing could even be greater. All I'm saying is, just keep that as part of this piece. [LB1129 LR232]

SENATOR FISCHER: Already in statute the state can bond. [LB1129 LR232]

DOUG LEAFGREEN: It is available, right. Right. [LB1129 LR232]

SENATOR FISCHER: Yes, it is available. It just, it's only happened once is my understanding. [LB1129 LR232]

DOUG LEAFGREEN: Once or twice, I think, yeah. [LB1129 LR232]

SENATOR FISCHER: Also you brought up the vehicle mileage tax which is the per mile traveled and Oregon is the state that they're doing a pilot program right now. I believe it's on less than 1,000 vehicles and there is, or there has been, I guess, a good response by my counterpart in Oregon. I have visited with Senator Starr on that. The problem is, getting that box into all the vehicles and having it read and it's something that would have to be implemented over time but I know of no other state that even has a pilot program on it. Do you? [LB1129 LR232]

DOUG LEAFGREEN: I don't either. But I guess, I applaud Oregon because if you look out in the future, I don't think we're going to see more revenues coming from sales of vehicle and utilization of our gas tax the way we're doing it now. It's going to be a declining revenue, so what's the answer. [LB1129 LR232]

SENATOR FISCHER: Right. We have to... [LB1129 LR232]

DOUG LEAFGREEN: We've got to look at alternative types of funding. I don't have a crystal ball that I can look in but I would encourage you to look at all sources, because it

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is going to be problematic. [LB1129 LR232]

SENATOR FISCHER: Well, I certainly appreciate your input and just to let you know, yes, we're looking at a number of sources because we realize that our roads are long-term investment for this state and for the people in this state and the funding needs to be long-term too. [LB1129 LR232]

DOUG LEAFGREEN: I agree. [LB1129 LR232]

SENATOR FISCHER: So thank you very much for being here. [LB1129 LR232]

DOUG LEAFGREEN: Thank you. [LB1129 LR232]

SENATOR FISCHER: Next proponent, please. Good afternoon. [LB1129 LR232]

SUSAN WIEDEMAN: Good afternoon. My name is Mayor Susan Wiedeman. I'm the Mayor of the city of Gering and I want to thank Senator Fischer and the committee for this hearing and hearing what we have to say. I would also like to acknowledge in the audience from our city just to the north of us, Scottsbluff council member Linda Redfern, is also here. Okay. I am here representing the cities of Gering, Scottsbluff and Terrytown and within our group today you see delegates from Alliance, Kimball and Ogallala. We were on the bus at 5:00 a.m. this morning. The first point that I would like to make in the importance of completing the expressway system, in our area in far western Nebraska is the point of tourism. Tourism is increasingly important in our economy in the western part of the state. Attractions that are along this expressway are Scotts Bluff National Monument, the Farm and Ranch Museum, the Gering Civic Center, the North Platte Valley Museum, Wildlife World, Riverside Zoo, just in Scottsbluff, Gering and Terrytown alone. When you travel north you have Fort Robinson, you have the Fossil Freeway, including Agate Fossil Beds and Toadstool Park. Alliance has Carhenge, the Knight Museum and the future home of the High Plains Veterans Cemetery as well as agritourism of the 3-Strike Ranch. Chadron has the Museum of Fur Trade, Mari Sandoz Center and Chadron State Park. All of these attractions are right off the Heartland Expressway of this system. Travelers bring dollars to our communities and there is a significant multiplier effect with the hotels, the retail industries and the restaurants within those communities. My second point is, before moving back to Gering seven and a half years ago, I resided in the Denver suburb of Arvada, Colorado. I decided I wanted to move back to western Nebraska and I wanted to get away from the congestion of Denver and the Front Range. Western Nebraska is uniquely positioned to take advantage of the growth of the Front Range. Even with the recession, it continues to grow. Completion of the expressway system will make that advantage even bigger and will happen more quickly. The mayors of our communities, of Gering, Scottsbluff and Terrytown, would appreciate your support. The big picture, however, is the completion of the entire expressway system which was promised in

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1988. Are there any questions? [LB1129 LR232]

SENATOR FISCHER: Thank you, mayor. Are there any questions? I would like to point out at this time we've been joined by Senator Dwite Pedersen from Elkhorn. Senator Louden, you had a question? [LB1129 LR232]

SENATOR LOUDEN: Yes, thank you for coming here mayor. If you're on the bus at 5:00 in the morning you were up long before 5:00. As you mentioned, the tourism and that sort of thing it's for western Nebraska. If, as we promote more tourism that should increase our tax dollars, gasoline tax wouldn't it? Because, I mean, if people are going to come, they're going to have to go home so they're going to have to buy some gas. [LB1129 LR232]

SUSAN WIEDEMAN: That's right. And one of the spots that I failed to mention also was that in the city of Gering we have our Rubidoux RV Park which has been written up in Good Sam Magazine and there are travelers that come from all over the nation that go through there to go to Scotts Bluff National Monument. And you're right, Senator Louden, the more we can get, the easier accessibility to those attractions, the more cars we will have, the more travelers we will have, the more lodging tax we will have and the more gallons of gasoline we will sell when they are there. [LB1129 LR232]

SENATOR LOUDEN: Okay. One other question then. Do you know how much you're lodging taxes increased per year for the last couple, three years, or anything like that? Do you have any figures on that yourself? [LB1129 LR232]

SUSAN WIEDEMAN: I personally don't have any figures on that but I think we have someone in the audience that's going to testify that does. [LB1129 LR232]

SENATOR LOUDEN: That would be a, more or less a barometer of how much increase you have on tourism, is that correct, by the lodging tax? [LB1129 LR232]

SUSAN WIEDEMAN: Definitely. [LB1129 LR232]

SENATOR LOUDEN: Not just necessarily the people that sign a book at your caboose or something. [LB1129 LR232]

SUSAN WIEDEMAN: Correct. [LB1129 LR232]

SENATOR LOUDEN: Yeah, okay, thank you. [LB1129 LR232]

SENATOR FISCHER: Other questions for the mayor? I see none. Thank you very much for making the trip today. [LB1129 LR232]

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SUSAN WIEDEMAN: Thank you. [LB1129 LR232]

SENATOR FISCHER: Next proponent, please. Good afternoon. [LB1129 LR232]

RAWNDA PIERCE: Thank you. My name is Rawnda Pierce, P-i-e-r-c-e, and my first name is spelled very differently, R-a-w-n-d-a. I am the director of Twin Cities Development, the economic development group that represents Scottsbluff, Gering, Mitchell, Morrill, Bayard, Bridgeport, so about five other communities in addition to Scottsbluff and Gering. And I just want to point out a couple of things that we've experienced in the time I've been the director of the development group. We had a distribution center about six years ago that was looking at our area and very strongly we were selected down to the final few sites that they were going to look at. Three hundred fifty to four hundred jobs is what they were looking at and we got down to the final, final, final selections and basically they told us, we can't run 400 trucks a day through Kimball, downtown Kimball. They had a, set up to a degree of how much it would cost them, how much time savings they had, a start time, a finish time. Their trucks had to be on and off the docks at certain times and they said, we still are very interested in your community. And so they said, we'll call you back in a couple of years, we're still in the planing stages, we still like your facility, it would easily facilitate a region that we'd like to serve. They called us in two years, said, where's your project? And we kept in touch over that time period. I said, I hate to report there's been no progress. We did get it moved up a little but, you know, it still hasn't been constructed. And I will tell you that today this center is operating in outstate Cheyenne, Wyoming, and employing about 400 people, so that's one case that we felt. Just this last year we had another situation where we were dealing with a Fortune 500 company that was, they only was supplying supplies to the gas pipeline that is being built between Colorado and Wyoming, so a large substantial energy project and they were looking at a pretty substantial project and employing people, you know, in the range of 45,000 to 50,000 a year. And these were engineering jobs, these were very good jobs, and we were down again to the final few participants, and one of their factors again was the transportation issue of the expressway not being completed. And they said, you know, if you were further along and we saw the construction, it'd be different. These are just two companies we know about. With all the on-line traffic and the internet, there's a lot of companies we never see. That they may look at the system, find out that we're not on the four-lane at this time, and so they don't even look any further. We're a very progressive community out in our area. We have a great airport. We have great rail service. What we're lacking is that last three miles of the interstate. We think we have the opportunity to grow and contribute to the state's economy in huge amounts if we can capture that Colorado growth. So we think, we are strong proponents of this. We'd like to see some sort of taxing ability and I agree with the build it and they will come. We've seen it in other areas and the Appalachian Mountain region is an area that there is a study that was done. So we just ask that we be able to contribute by helping ourselves but we have to have the tools to do that. So we just ask that it, hopefully, be completed not just in our

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area but the entire statewide. Any questions? [LB1129 LR232]

SENATOR FISCHER: Thank you, Ms. Pierce. Are there questions? Senator Stuthman. [LB1129 LR232]

SENATOR STUTHMAN: Thank you, Senator Fischer. Thank you for coming here today, traveling that long distance. [LB1129 LR232]

RAWNDA PIERCE: Sure. [LB1129 LR232]

SENATOR STUTHMAN: I have a real concern of the fact that there's three miles left to build and companies are willing to come there. People would be willing to come there to work in these companies of, you said like 400 people working there, the economic development for your area is just tremendous because those people are going to own homes, have kids for the schools, and I think, I think it's a lot more important than just the fact of getting those three miles built. We need to get that built but to our rural Nebraska, it's very important. We need population in our areas and I think that's, to me, is very important. And I guess this is just a comment but, you know, you just need that one more click to just really make your community expand. [LB1129 LR232]

RAWNDA PIERCE: Well, and that's what we feel like we're a shining star. Those two companies alone, the payroll was combined, the two companies would have been \$9.2 million. You know, that can pay for a road pretty dang quickly and then they're buying houses and paying property tax, and we need to increase the employment. We're one of the few communities that started an employee recruitment division within our economic development and we're recruiting people. They love the community. It's just, we've got to get that tool for businesses to want to come to. [LB1129 LR232]

SENATOR STUTHMAN: Thank you. [LB1129 LR232]

RAWNDA PIERCE: Thank you. [LB1129 LR232]

SENATOR FISCHER: Other questions? Ms. Pierce, I have a question for you. Don't run away. (Laughter) You mentioned the study in Appalachia. Do you have that? [LB1129 LR232]

RAWNDA PIERCE: Jerry Haberman, he's with our Panhandle Area Development District and, I think, he can speak to that and probably get you copies of that study so. [LB1129 LR232]

SENATOR FISCHER: That would be great if could find a copy and get it to me. That would be wonderful. Thank you very much. [LB1129 LR232]

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RAWNDA PIERCE: Sure. [LB1129 LR232]

SENATOR FISCHER: Next proponent, please. Good afternoon. [LB1129 LR232]

RICHARD HOUCK: (Exhibit 9) Good afternoon. Senator Fischer and members of the Transportation and Telecommunications Committee. My name is Richard Houck, H-o-u-c-k. Basically I have been asked to present a statement prepared by Dan Kusek, Mayor of the city of Alliance. Given only three minutes, I've had to summarize it and cut out a lot of it. There was a full copy of the letter in the, with your clerk. Dear Senators: The city of Alliance strongly urges you to support LB1129, LR232 and LB1035. The completion of the 1988 expressway plan and the Heartland Expressway through Nebraska Panhandle are vital to the economic growth and the vitality of much of Nebraska. LB1129 and LR232 specifically add economic development as a consideration when developing, completing and upgrading the highways of Nebraska. LB1035 will provide the funding mechanism for matching funds needed for many of our highway projects. The task facing this Transportation and Telecommunications Committee and the Unicameral in general, is enormous. As gasoline tax, gasoline prices have risen, people are driving less, thus buying less fuel and reducing revenue from the gas tax. As more fuel efficient vehicles are produced, gas usage could go down adding to the problem. We must recognize that our highways are one of the highest, if not our highest priority. The expressways identified in the 1988 plan need to be completed. Other projects like the Heartland Expressway must be identified and added to the list and prioritized. Fundings outside the old user fees must be found. Economic development must be used as a criterion for highway improvement. The Legislature must ensure that the Department of Roads works for all of us with a fairness and without a secret agenda. We are one Nebraska from Harrison to Rulo, from South Sioux City to Harrisburg and all points in between. Our ribbon of highways unite us all. In the first half of the 21st century as a nation grows from 300 towards 400 million people, Alliance and other places in America's Heartland will provide a critical outlet for restless energies and entrepreneurial passions of those people. Low electrical costs, access to I-80, and excellent telecommunications make Alliance a desirable places for several growing businesses. So too do the reliable, literate and highly trainable workforce. Unemployment barely exists and the biggest problem, as in many other places in the Heartland, is finding new workers. Good highways can help bring this to happen. We thank your committee for the public service to Nebraska. The citizens of Alliance appreciate your hard work on their behalf. We ask you to support LB1129, LR232, and when it comes before you, LB1035. Respectful, Dan Kusek, Mayor of Alliance. Do you have any questions of me? [LB1129 LR232]

SENATOR FISCHER: Thank you, Mr. Houck. Are there any questions? Senator Louden. [LB1129 LR232]

SENATOR LOUDEN: (Exhibits 9-A and 9-B) Yes, Richard, do you want those from the

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Alliance Chamber of Commerce, the Box Butte Development Corporation listed, read into the record or listed in the record? [LB1129 LR232]

RICHARD HOUCK: Yes, I would, please. [LB1129 LR232]

SENATOR LOUDEN: Okay. Thank you, that's what I was wondering. Thank you for coming and testifying today and I agree, this is an economic development for the western part of Nebraska and few people realize what it could mean out there. So whatever the testimony you people have today is very appreciative. [LB1129 LR232]

RICHARD HOUCK: The one thing I might mention is Alliance has one thing that a lot of the other communities don't have, is that the major rail line running through there. That is really a major economic boon for Alliance and hopefully it will remain that way and increasing it's using the city. [LB1129 LR232]

SENATOR LOUDEN: Has there been any studying done to see if container trains could be brought into Alliance and unloaded if we had some type of rail express or highway expressway system out of there? [LB1129 LR232]

RICHARD HOUCK: You've got to excuse me, Senator Louden. I've only been in Alliance about six weeks. I just came out for the first of the year. [LB1129 LR232]

SENATOR LOUDEN: I see. Okay. Thank you. [LB1129 LR232]

RICHARD HOUCK: Thank you. [LB1129 LR232]

SENATOR FISCHER: Other questions? I see none. Thank you very much for being here. [LB1129 LR232]

RICHARD HOUCK: Thank you very much. [LB1129 LR232]

SENATOR FISCHER: Next proponent, please. Good afternoon. [LB1129 LR232]

ROBERT HOUSTON: Good afternoon, Madam Chairman. My name is Robert Houston. I'm the logistics manager at Nebraska Transport Company with corporate headquarters in Scottsbluff, Nebraska. We, at NTC, feel that the ability to travel safely is crucial for us as a carrier and the general public. With this in mind, we've experienced a significant amount of growth over the past five years and now have fifteen terminals, seven in Nebraska and eight outside on bordering states. Included in these are Denver, Sidney, Scottsbluff, Alliance, Rapid City, Sioux Falls. Some of this growth can be attributed to the increasing freight flow between the booming Front Range of Colorado, the Panhandle of Nebraska and points north. The increase of traffic northward out of Denver on I-25 though has resulted us in avoiding I-25 and using I-26 and to the

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two-lane highway of Highway 71 north. The completion of the Kimball connection, part of the expressway as programmed, will bring us closer to the reality of creating a direct freight lane north to I-90 in which we can service markets such as Minneapolis. This will give us more efficient access towards those markets. This will lead also to the opportunities of growth for our customers which in turn will benefit NTC, a Nebraska based carrier with around 250 Nebraska employees, in looking forward to growth in the state. So NTC would strongly, and we strongly support LR232 and LB1129. Thank you for your time. [LB1129 LR232]

SENATOR FISCHER: Thank you, Mr. Houston. Are there questions? Senator Louden. [LB1129 LR232]

SENATOR LOUDEN: Yes, you're with Nebraska Transport Corporation? [LB1129 LR232]

ROBERT HOUSTON: Company, yes. [LB1129 LR232]

SENATOR LOUDEN: And, tell me how do you guys drive through Kimball with your semis? Do you go under the underpass or do you go around or... [LB1129 LR232]

ROBERT HOUSTON: The drive hands will go underneath the underpass. It's not what we recommend to our drivers but we do have drivers that do do that because they do fit and it's allowed by law there to go underneath that underpass. Most of the flatbed, depending on their loads, will go around which adds much time and mileage to the routes. Our LTL freight which is nightly, we service the Denver area out of Alliance and out of Sidney and out of Scottsbluff and we use the bypass around Kimball. [LB1129 LR232]

SENATOR LOUDEN: How much time would that save you if there was a nice bypass around Kimball? I mean... [LB1129 LR232]

ROBERT HOUSTON: A four-lane directly to the interstate? [LB1129 LR232]

SENATOR LOUDEN: Yeah. [LB1129 LR232]

ROBERT HOUSTON: Oh, it'd save an immense, you know, on an approximately, maybe five to ten minutes for every pass through. Overall as a company though, we have ten to twelve trucks daily rolling through that area so you compound that, it would be quite significant. [LB1129 LR232]

SENATOR LOUDEN: Then those ten or twelve trucks drive right through downtown Kimball? [LB1129 LR232]

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ROBERT HOUSTON: Yeah. Sometimes, yeah. (Laugh) [LB1129 LR232]

SENATOR LOUDEN: Okay. Thank you. [LB1129 LR232]

ROBERT HOUSTON: Thank you. [LB1129 LR232]

SENATOR FISCHER: Any other questions? I see none. Thank you, Mr. Houston for being here. [LB1129 LR232]

ROBERT HOUSTON: Thank you. [LB1129 LR232]

SENATOR FISCHER: Next proponent, please. Good afternoon. [LB1129 LR232]

ROBERT BUSCH: Good afternoon. I apologize for my voice, I've got Lincoln stuff up. (Laughter) My name is Robert Busch. I come from Mitchell, Nebraska, Mitchell Valley. I am a farmer. I come today to support LB1129 and LR232. As a farmer, and I'm one of the owners of Western Sugar farmer owned cooperative, we ship a lot of sugar. I am a dry edible bean producer. We ship a lot of dry edible beans. I'm a corn producer. We ship a lot of corn. I don't raise livestock but I see hundreds and hundreds of semis on the road. I'm going to refer to both the sugar company and the dry edible bean companies. Those semis, on many occasions, are delivering commodities or consumer goods to box stores in the Twin Cities. When they finish, they'll go over and load either sugar or dry edible beans so they have a full rehaul. Well, when they go south, of course, they hit that bottleneck at Kimball. They have two options. They can go west on 26 into 22 Wyoming or go the back route on an inferior oil road and we do not encourage that of course. Or go east to Bridgeport and connect up with 385. It's imperative that we get this piece done in Kimball. Let's talk about going north. Today the expressway stops just west of Frank Implement and just east of our sugar factory. And I look at that, that corridor stops and the mayor from Alliance just spoke. My goodness, what an economic development boon that would be for the northern counties in our state and South Dakota has been on the ball and pretty much got their expressway finished. And so I can't emphasize enough that we need to finish this project. We need to support LB1129 and LR232. I would talk briefly on funding. You know, I'm just a newly retired farmer, ha, ha, and when we talk about fuel taxes, the last I knew, semis still got 4 to 6 miles per gallon. Our pickups, our pickups, and you realize this, you can't go out with a little thing running around on a ranch, so our pickups aren't the most fuel efficient. So I'm kind of dragging my feet on raising gas taxes, maybe a penny. (Laughter) Maybe a penny. So I'm done. Thank you and I appreciate the opportunity...I haven't done this for eight years. [LB1129 LR232]

SENATOR FISCHER: Well, thank you, Mr. Busch, for coming today then. I'm curious if you want expressway construction to move forward, correct? [LB1129 LR232]

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ROBERT BUSCH: Oh, yes. Absolutely. [LB1129 LR232]

SENATOR FISCHER: How do you want to pay for it then if you're thinking maybe gas taxes just a penny. So how do you want to pay for it because a penny is only going to bring in \$11 million and that's maybe, 11 miles. [LB1129 LR232]

ROBERT BUSCH: I guess I need to side with my good friend, Mr. Leafgreen, and look at the bonding. [LB1129 LR232]

SENATOR FISCHER: But it takes gas tax to pay for the bonding too. [LB1129 LR232]

ROBERT BUSCH: The bonding. I know that. Well, let's work out a way. You know, you folks are very sharp. [LB1129 LR232]

SENATOR FISCHER: Oh, bless your heart. (Laughter) [LB1129 LR232]

ROBERT BUSCH: Very sharp. (Laughter) [LB1129 LR232]

SENATOR FISCHER: But that's the problem we face. [LB1129 LR232]

ROBERT BUSCH: I recognize it. [LB1129 LR232]

SENATOR FISCHER: I don't think anyone, I know nobody on this committee and I doubt if anyone in the Legislature is going to argue about the need. [LB1129 LR232]

ROBERT BUSCH: Yes. [LB1129 LR232]

SENATOR FISCHER: And about the needs we face across the state when it comes to highway construction and maintenance and preservation. The problem we face is, how are we going to pay it. [LB1129 LR232]

ROBERT BUSCH: I recognize that. It's no different than my business. [LB1129 LR232]

SENATOR FISCHER: So it...I find it disturbing that you come and you want, you want this and you want it completed... [LB1129 LR232]

ROBERT BUSCH: But I don't want to pay for it. [LB1129 LR232]

SENATOR FISCHER: But you're not...yeah, you don't want to pay for it. (Laughter) Come on, come on. Whose going to pay for it? [LB1129 LR232]

ROBERT BUSCH: Well you have to know me. I'm rather Scotch. I'm conservative. [LB1129 LR232]

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SENATOR FISCHER: Oh, I happen to be one of the most conservative people in the body so...but I'm looking at paying for this. How are we going to pay for it? [LB1129 LR232]

ROBERT BUSCH: I have to be honest, you know, that's...the gas tax is probably about the only route and I visited with my senator the other day, you know, and he and I had a heart-to-heart about this and I have to be realistic. You know, I...just like this suit, this is a facade because I'm a farmer. I wanted this suit and I had to spend money to buy it. (Laughter) So, you know, same thing. [LB1129 LR232]

SENATOR FISCHER: I'm a rancher. I'm usually in jeans and a sweatshirt. [LB1129 LR232]

ROBERT BUSCH: I know. I've seen you. (Laughter) [LB1129 LR232]

SENATOR FISCHER: You've seen me. (Laughter) Senator Stuthman, did you have a question? [LB1129 LR232]

SENATOR STUTHMAN: Yes, thank you, Senator Fischer. Mr. Busch, I appreciate the fact, you know, that you're very conservative. I'm also a farmer and cattle feeder. But the thing that concerns me, would you sooner see additional gas tax or would you sooner see another method that would bring in dollars to solve the problem in the same way and would you sooner see, like that mileage tax or wheel tax or something like that but something like that will cost money to administer. [LB1129 LR232]

ROBERT BUSCH: I agree. [LB1129 LR232]

SENATOR STUTHMAN: Where what we have right now, we have a system. [LB1129 LR232]

ROBERT BUSCH: Yeah, with the putting...and I don't remember what Mr. Leafgreen alluded to on an automobile bill for recording miles and it can happen also on paved roads. But on rural roads, now we, of course, we in Scotts Bluff County don't have a whole lot of gravel. You have to go up to Senator Louden's area but I would be concerned about having mechanisms on vehicles. I would, you know, gravel would break them or whatever. So I guess I can't give you an answer. I would have to look at the picture. You know, there have been some excellent suggestions made. I think we need to look at the big picture. And then another thing is, efficiency in our highway department. We bite our tongues many times on some of the things that are happening that should not be happening. And vehicle purchases and what have you, you know. I need a different pickup but I need to get taxed to a government entity to buy one and so...but no, there's avenues and, you know if I...I'm going to go home late tomorrow

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afternoon. My meetings will be done and if I tell my neighbors, you know, that I sat here today and said I'd like to raise gas taxes, my funeral would be about Saturday. (Laughter) Monday for sure. [LB1129 LR232]

SENATOR FISCHER: I think you need to work on how you would phrase that to your neighbors. You should probably say, we have a great need for highways in this state and especially in the Panhandle when you're dealing with the expressway system and Nebraska's always been a state of user fees and this is how we pay for our roads. [LB1129 LR232]

ROBERT BUSCH: Yeah, like I say I'd give... [LB1129 LR232]

SENATOR FISCHER: Because I wouldn't raise my hand if somebody looked at me and said, hey Deb, do you support an increase in gas tax? My hand wouldn't go up. But if I had it explained to me about how we pay for roads and the benefits and the need, then my hand would go up. [LB1129 LR232]

ROBERT BUSCH: Yeah. A phrase that my father taught me is that a wise man's mind can be changed but a fool's can't so. [LB1129 LR232]

SENATOR FISCHER: Oh, oh. (Laughter) Thank you. Other questions? Senator Louden. [LB1129 LR232]

SENATOR LOUDEN: Yeah. Well, thanks for coming, Bob. I thought you were a water man. I didn't know you were a highway man. [LB1129 LR232]

ROBERT BUSCH: Well, sir. I've been around the block a few times. (Laugh) [LB1129 LR232]

SENATOR LOUDEN: Anyway I want to thank you for your testimony to point the commodities that go out of western Nebraska on trucks, you're dry edible beans, and your, some of the corn and of course, the cattle and beef. There's a lot of cattle. A lot of those pods all go through Kimball to Fort Morgan, a lot of them. Too bad, we still don't have a packing house in Scottbluff but nonetheless that's the way it works. And I agree that that bypass around Kimball is a real situation that needs to be remedied and I've been appalled. I've been down here six years and the Department of Roads has dug their heels in every time without wanting to do anything about it. I think Governor Johanns put it on the five-year plan about the year or so I came down here and a soon as he went to be Secretary of Agriculture, it got pushed back off the five-year program. So I have a problem with things like that happening but yet we went ahead and did a lot of work on this six-lane interstate between Lincoln and Omaha and expressways and that. Not that I'm denying that but I think somewhere along the line there could have been ways to pick up the...at one time when I first came down here six years ago, it was

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\$20 million. Now it's up to \$24 million to do that so I think there's something to be said for that. But as far as you're, as how we're going to fund it, I think, why don't we come up with the idea that out in our end of the state, gas is about 10 cents a gallon higher than it is down here so it looks like to me if we just put 10 cents all over the state and made them charge all about the same, we would be about the, we'd maybe make everybody happy. (Laughter) What do you think of that? [LB1129 LR232]

ROBERT BUSCH: Oh, I don't know. I talked to a farmer last night at dinner and he paid \$2.68 for diesel fuel. We're paying \$3.20, a little over \$3.20, so you're right about the price. [LB1129 LR232]

SENATOR LOUDEN: And if it's delivered to the ranch, it was \$3.48 what we we're paying at the ranch out there for gasoline. [LB1129 LR232]

ROBERT BUSCH: Oh, my stars. Oh, my stars. And you can pass that on, you know. [LB1129 LR232]

SENATOR LOUDEN: Yeah. Thank you, for your testimony. [LB1129 LR232]

ROBERT BUSCH: Oh, you bet. Thank you. [LB1129 LR232]

SENATOR FISCHER: Thank you, Mr. Busch. Other questions? [LB1129 LR232]

ROBERT BUSCH: Yeah, we'll see you a little later. [LB1129 LR232]

SENATOR FISCHER: Thank you so much. Next proponent, please. Good afternoon. [LB1129 LR232]

KIM BALIMAN: Hi, thank you. My name is Kim Baliman, B-a-l-i-m-a-n. I've the executive director for the Kimball and Banner County Chamber of Commerce. My office overlooks right where that bottleneck comes out every day, 24 hours a day on that...from the underpass coming down Highway 71. Those trucks come through there at full force and a lot of them do hit a screeching halt because they're not sure they can clear that clearance on the Union Pacific viaduct. I think it is definitely a safety issue in that bottleneck what it is creating. I think also little kids crossing the street, getting out of school right there where that comes out and older people in our communities. I am in full support of these bills. I'd like to thank you for allowing us to be here today. These are good for the entire state as whole not just for Kimball and for anyone specific area in the state. It's critical to the economic development of the state as a whole. This project is not going to cost less in the future. It's going to cost more. A great deal of funds have already been spent in bypass roadway signage where people have had to sell their lands and take down signs and different things where they have done the land condemnations thinking that we were going to be driving on this in 2009, 2011 and now

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we don't know when. I think we've heard it's on again, off again for so many years that we're just ready to have a firm hard grasp around what's going to happen. We also believe that, as somebody had referenced, our landowners and communities are kind of held hostage right now not knowing where to grow, when to grow, when this is going to happen. As more people can come to our state by keeping us competitive, that helps fund this tax and gets more gasoline dollars in and more people will be buying housing, spending money in our schools and in these small communities all over every little part of Nebraska. That is one way that could help to fund this. Also maybe some other reallocation has some funds or some shared services by the Department of Roads on some new expenses that maybe they could be used within the county. I don't know the whole bylaws on how that works but I think there could be some looking into reallocation of shared services. This is about a stronger Nebraska and keeping Nebraska strong in the nation as it's a dog-eat-dog world in economic development out there. In our end of the state, we need to be competitive with Wyoming. They've got so much money to give away. We border up to Wyoming and a lot of that and that's where a lot of those jobs are going right now and they're booming and growing in that area. And the Front Range is tired of that sprawl. They want to come to our part of the state and they'll spend a lot of money in our state and help this thing grow. Thank you. [LB1129 LR232]

SENATOR FISCHER: Thank you, Ms. Baliman. Are there any questions? I see none. Thank you very much. Next proponent, please. Could I ask for a show of hands of how many people still plan to testify? We have quite a few in here in case you're in the other room listening so. (Laughter) I will give people in the other room a heads up when we get down in numbers here on testifiers in case some of you may want to come in and testify also on these. So good afternoon. [LB1129 LR232]

JOE KIELY: Good afternoon. Thank you, Senator. My name is Joe Kiely. I am the vice president of the Ports-to-Plains Trade Corridor Coalition. [LB1129 LR232]

SENATOR FISCHER: Could you spell your last name? [LB1129 LR232]

JOE KIELY: K-i-e-l-y. [LB1129 LR232]

SENATOR FISCHER: Thank you. [LB1129 LR232]

JOE KIELY: I'm from Limon, Colorado, and I work with communities all along the Great Plains Corridor and the three corridors that we've talked about previously and I won't describe that. I'm also a city manager in a town of 2,000 that's on the Ports-to-Plains and Heartland Express route and I-70, so very much like the communities that you are hearing from. I salute you for considering both the bill and the resolution. In the last transportation reauthorization and SAFETEA-LU, one of the new requirements of statewide planning and MPO planning is consideration of economic development impacts of that planning system and so I think that's an important piece in your decision.

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What I'm going to do is try to address a few of the earlier questions about economic impacts. We touched on Appalachia. The federal government for many years has invested in the Appalachian Highway Commission. It's about 75 percent built out and you can see the improvement in the economy of the Appalachian area. In fact, when you compare it to the Great Plains area, including Nebraska, their economy is now better than our economy is and so there is some really strong data there. With Ports-to-Plains, which is a portion of this corridor that includes Texas, Oklahoma, New Mexico and Colorado, in 2004, the four state DOT's did a quarter development and management plan. Part of that plan was looking at the very specific economic opportunities that would be created by four-laning and putting in reliever routes in various places along that route. It indicated the creation of 43,000 jobs in the four states. For Colorado alone it was 17,000 new jobs with an earnings of \$2.3 million. By the way, the cost for the entire piece from Laredo to Denver was \$2.4 million and it's a \$4.3 million worth of earnings that took place. That study not only looked at that job creation but it also looked at the tax implications, county by county, and state by state. And so that kind of a study is available. I'm pleased to say that your federal congressional delegation are all supporting the same kind of a study to be done for the Heartland Expressway and so hopefully that can move forward with this. Nebraska is a strong economic exporter of goods. We deal with Mexico and \$400 million of trade with Mexico takes place. The good news is that a third of that is imports and two-thirds of it is exports to Mexico. You trade \$1.3 million with Colorado. You trade \$1.8 million with Texas so you have a large ability to keep that happening and that's a statewide number so. I'll stop there and if you've got questions. [LB1129 LR232]

SENATOR FISCHER: Thank you, Mr. Kiely. Are there questions? Senator Louden. [LB1129 LR232]

SENATOR LOUDEN: Well, welcome to Nebraska, Joe. Glad to see you up here. Thank you for your testimony because I think this is important to find out what the impact, the economic impact will be on it and as I've stated before, we do have a lot of product to sell in western Nebraska. In fact that's what we do in western Nebraska is produce food and we don't have enough people to eat it so it has to be exported. So thank you for your testimony. [LB1129 LR232]

SENATOR FISCHER: Other questions? Senator Schimek. [LB1129 LR232]

SENATOR SCHIMEK: Thank you, Madam Chair. Mr. Kiely. This is a personal observation not really pertaining to the subject, but I had my first teaching job in Limon, Colorado, and I found it to be a delightful community and I know it's changed since then but I just want you to know that I have real pleasant thoughts about Limon. [LB1129 LR232]

JOE KIELY: Glad. Come visit us. (Laugh) [LB1129 LR232]

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SENATOR SCHIMEK: Yeah, might do that. Thank you. [LB1129 LR232]

SENATOR FISCHER: Other questions? I see none. Thank you for making the trip and I hope you've enjoyed your time in Nebraska. [LB1129 LR232]

JOE KIELY: I do. [LB1129 LR232]

SENATOR FISCHER: Thank you. Next proponent, please. Good afternoon. [LB1129 LR232]

JERROD HABERMAN: (Exhibit 10) Hi. My name is Jerrod Haberman, J-e-r-r-o-d H-a-b-e-r-m-a-n. I'm with the Panhandle Area Development District in Gering, Nebraska, when that covers 11 counties of the Panhandle. Also work with the Heartland Expressway and communicate a lot with the Ports-to-Plains and the Theodore Roosevelt Expressways. The Panhandle Area Development District wishes to express its support for LB1129 and LR232. PADD believes LB1129 and LR232 have two very important elements which will assist in the completion of several expressway projects across the state. They're 20 years in the making. These bills clarify and renew the Legislature's interest and intent to have the Nebraska Department of Roads complete the statewide expressway system and they emphasize the importance of factoring the economic development dividends four-lane highway investments provide Nebraska's economy. While maintaining mobility and safety on our high volume roadways is of considerable importance, highway planning involves much more than simply moving traffic from originations to destinations. The historic record demonstrates that transportation investments and land use development are mutually dependent and hence follow hand in hand. You cannot separate the two. Thus, transportation development decisions largely determine how economic development is distributed throughout the state and thus, if you concentrate a lot of your investment in a small part of the state, you're going to see a lot of your economic development concentrated there because a lot of the development will be induced and developed and also redistributed to those areas because of the increase in accessibility. This is very important to consider because the Department of Roads surface transportation plan is by far and away the largest economic development program in the state. You look at, like the Community Development Block Grant program, that's \$12 million for the whole state not including the entitlement communities, Omaha and Lincoln. That's a project in the surface transportation program. So there's, I mean, there's not even a close second in economic development programs in the state so it's important to consider that and we need more communication when working with transportation economic development. I did provide a handout that provides some additional references to the links between transportation and economic development as well as some information on the Heartland Expressway and its important role in the Great Plains International Trade Corridor. I'll let you look over most of it on your own. There are a few things I'd like to point out. One is

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on the lodging tax revenues and we hear a lot about promoting more tourism in Nebraska. As you see, the areas with the greatest lodging tax revenues, which are travelers, are right along the interstate. There are two exceptions to this, Scottsbluff and Norfolk. It's really showing that traveling is a bigger part of traveling and tourism than the tourism aspect, not to say that tourism isn't important but it also shows there is already a lot of travelers going through Scottsbluff and Norfolk. A second thing that's been noted a few times, is the amount of growth in the Colorado Front Range and we do need to diversify our economy. On one of the graphs I have in here shows that even though our region lost almost 5 percent of its population between 1970 and 2000, our labor force grew by 23 percent. But as economists say, things that can't go on forever eventually stop and this is stopping right now throughout rural Nebraska. We need to transition our economies into more new economy industries but to do that, and especially in the Panhandle, we need that access to the Colorado Front Range. And to give you an idea of how much growth they have down there, Nebraska has 1.7 million people approximately. From 2000 to 2020, Colorado is going to grow, increase their population by more than Nebraska has people. By 2035, they'll grow by more than two Nebraska's and that's right at our doorstep. We need that important connection to transition our economy and if...I have some population pyramids. Then basically, if things continue the way they are, it's not going to be a pretty picture (laugh) in rural Nebraska. So it's important we have these economic development tools to do that. So knowing that multi-lane highways play a significant and variable in the distribution and manifestation of economic growth, PADD strongly urges the state Legislature to support the completion of the expressway system, to promote economic development throughout our state. And I know you guys have a lot of decisions to make but another graph I have in here, it shows that Nebraska has on a per capita tax burden, Nebraska has a ninth highest burden in the country. Wyoming has the ninth lowest. If we lower our taxes to Wyoming's level, we're still thirteenth. If we increase our incomes to Wyoming's level, we drop to 39th. So really the message is, aspiring to greatness. And I mean, you can really look at, if we want to hold our taxes or even decline them a little bit, it will make life maybe slightly better in the present or alternatively, you can look and see how that investment will grow to greater benefits in the future. And our forefathers, when they developed interstate 80, they could have very well just saved a little bit of money, made life very, very slightly better in the present but then they would have lost all that long-term prosperity because they...but they made the investment and I hope our state Legislature realizes that and from your comments today, I believe you all understand that so. [LB1129 LR232]

SENATOR FISCHER: Thank you, Mr. Haberman. [LB1129 LR232]

JERROD HABERMAN: You're welcome. [LB1129 LR232]

SENATOR FISCHER: We don't have Wyoming's coal. That's one thing there. [LB1129 LR232]

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JERROD HABERMAN: Yeah, that helps. That helps. (Laugh) [LB1129 LR232]

SENATOR FISCHER: That gives them a little boost, doesn't it. [LB1129 LR232]

JERROD HABERMAN: And the natural gas too helps, but... [LB1129 LR232]

SENATOR FISCHER: Yes. Any questions? [LB1129 LR232]

JERROD HABERMAN: Doesn't mean we can't still can't increase our incomes to that level though in other ways. [LB1129 LR232]

SENATOR FISCHER: I hope we can do that, yes. Thank you very much for being here. [LB1129 LR232]

JERROD HABERMAN: Thanks. [LB1129 LR232]

SENATOR FISCHER: Next proponent, please. [LB1129 LR232]

KAREN ANDERSON: Good afternoon and thank you for allowing us to testify. I'm Karen Anderson, K-a-r-e-n A-n-d-e-r-s-o-n, and I represent Scottsbluff-Gering Chamber of Commerce and also the Heartland Expressway Committee. I'm the clean up from the bus delegation so you'll move on to other expressways. We fully support the LB1129 and LR232. Our organization represents 483 members. We have supported the expressway for the past 20 years. The biggest change we've seen in the past 20 years is the congestion from I-29, and you've heard testimony how we can benefit from that here in Nebraska. This legislation is refreshing because it's making us look at Nebraska as a whole and rather than worrying about our slice of the pie and making it bigger, we're looking at making the entire pie bigger. We can capitalize on the Front Range and we have partnerships with Colorado, South Dakota and the Ports-to-Plains. We know it will take a team effort to find the funding mechanism and we would like you to help us fulfill the promise. Thank you. [LB1129 LR232]

SENATOR STUTHMAN: Thank you, Karen. Are there any questions from the committee? Senator Louden. [LB1129 LR232]

SENATOR LOUDEN: Yeah, Karen, thanks for being here today so. You've been, how many years did you say you've been on this Heartland... [LB1129 LR232]

KAREN ANDERSON: I've been on the Heartland ten years. [LB1129 LR232]

SENATOR LOUDEN: Ten years. You've seen about everything then except completion then, is that... [LB1129 LR232]

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KAREN ANDERSON: Right. [LB1129 LR232]

SENATOR LOUDEN: Okay. Thank you for your testimony today. Appreciate it. [LB1129 LR232]

KAREN ANDERSON: Yes. Thank you so much for your time. [LB1129 LR232]

SENATOR STUTHMAN: Any other questions from the committee? Seeing none, thank you. Thank you for your testimony. [LB1129 LR232]

KAREN ANDERSON: Thank you. [LB1129 LR232]

SENATOR STUTHMAN: Next testifier in the proponent. Good afternoon. [LB1129 LR232]

R. J. BAKER: (Exhibit 11) Good afternoon, Senator, and committee. I am R. J. Baker, B-a-k-e-r. I'm executive director of the Elkhorn Valley Economic Development Council based in Norfolk. We serve four counties and sixteen communities, Antelope, Madison, Pierce, and Stanton Counties. The importance of high quality highway transportation cannot be overstated. It's important obviously, for industry attraction and I can tell you that 100 percent of requests for proposals we get from both the state or NPPD or directly from a site consultant ask us how close are you to an expressway or an interstate highway, we would prefer that you be within 15 minutes. Business retention is also important. We have a lot of transportation and distribution out of Norfolk. They have been doing it for years over slightly improved roads and certainly not the efficient kind of transportation that they would like to have that an expressway would offer. Without building out the expressway system, and I'm talking about the entire state not just northeast Nebraska, we have lost opportunity. Ms. Pierce talked about that as far as Scottsbluff is concerned and I can tell you that, we lose opportunities several times a year in Norfolk and northeast Nebraska because we are 90 miles from an interstate in almost any direction you want to drive, except west and then it's 400 miles so. What I've handed out to you is a 2007 survey by Area Development magazine of site selection consultants and corporate real estate executives. What you have is the consolidation of the survey questions that they asked and the final tally. Over 96 percent of both groups cited transportation accessibility as the number one site location issue for them, either them, or their clients. Norfolk has, were about 120 miles from Omaha. We have some of our expressway has been finished ten miles to the east but when a site consultant calls me and says, well, R. J., how close are you to an interstate? And I say, well, we can take our expressway all the way out to Tony's Steakhouse. (Laughter) That's not very impressive. It is an issue in every proposal we make and as you all know, Norfolk is a hub city. We have about 5,000 people a day drive into Norfolk to work. We have Affiliated Foods as a...a large food distributor. Norfolk Iron and Metal is a large steel

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distributor. We just added another steel distributor to our community this year and Dan Mauk, president of the chamber, will speak to these issues and the amount of trucking that's done out of Norfolk. With that, I would just close by saying, on the behalf of the board of directors of Elkhorn Valley Economic development, I'm here in support of both LB1129 and LR232. Thank you. [LB1129 LR232]

SENATOR STUTHMAN: Thank you, R. J. Any questions from the committee? R. J., do you feel that there are rewarding opportunities for communities that they would get economic development, manufacturers would come to our area to outstate Nebraska if we just could finish some of the expressways? [LB1129 LR232]

R. J. BAKER: Well, I think that opens up the opportunity but to answer an earlier question. If you build it, will they come? Certainly we can see miles of interstates in this country where there isn't development right along them and that depends on the commitment of the community in economic development, the amount of marketing they want to do, the amount of local effort they want to put in it. I can tell you that we mail 1500 postcards a month to site selectors and corporate real estate people with photographs of our sites and buildings that are available and the hits on our web site spike after each of those mailings. So we know that those site selectors and companies are willing to look at our community but after that, we have to sell our community. And we have to have the infrastructure that serves their need. We will be eliminated if we don't have it and not ever get to the final five. [LB1129 LR232]

SENATOR STUTHMAN: Yes, Mr. Baker, I think that's very important, the community involvement. And we've heard a lot of testimony so far today where the communities are very involved in western Nebraska. They're very involved and if they could just get one more little link done in the expressway, I mean, I just think those communities could flourish. [LB1129 LR232]

R. J. BAKER: Well, I think that Norfolk has a lot of advantages. We have a big retail sector. We have a large manufacturing and employment sector. We have a lot to offer community or businesses and Scottsbluff mentioned that they do people recruiting and we do too. We have Norfolk area recruiters that has a very extensive recruiting program that they do and we support that program both financially and with staff to help their staff do what they do. So our community is committed. Northeast Community College is committed to economic development in the northeast and the counties they serve so, I think, it's just especially important that we complete the infrastructure. Economic development is built on infrastructure. If you don't have it, you don't get it. [LB1129 LR232]

SENATOR STUTHMAN: Thank you. Thank you, Mr. Baker. [LB1129 LR232]

R. J. BAKER: Thank you. [LB1129 LR232]

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SENATOR STUTHMAN: Any other questions from the committee? Seeing none, thank you for your testimony. [LB1129 LR232]

R. J. BAKER: Thank you. [LB1129 LR232]

SENATOR STUTHMAN: Next testifier. [LB1129 LR232]

ROGER WEHRBEIN: (Exhibit 12) Good afternoon. Roger Wehrbein, R-o-g-e-r W-e-h-r-b-e-i-n, here representing Cass County Economic Development Council and the Plattsmouth Chamber of Commerce. I've submitted my testimony and I'm not going to go into any detail for the sake of time except to say, we are supportive of both of these bills, however you approach it. The one serious thing for us is the extension of Kennedy Freeway south from Omaha to Plattsmouth to Nebraska City. I've heard some of the counts here today. Our counts about 15,000 cars a day on a two-lane highway and much of it. So we're very interested in moving forward on this and I voted for the bill in 1988. I voted for some tax increases. The gasoline tax, speaking personally for myself, I think you need to look at that in spite of the heat that you get. [LB1129 LR232]

SENATOR STUTHMAN: Thank you. I apologize... [LB1129 LR232]

ROGER WEHRBEIN: Easy to say now. (Laughter) [LB1129 LR232]

SENATOR STUTHMAN: I apologize for not getting the words in to welcome you back or anything like that but you've been with the system, you like to keep things moving so you just started right in. [LB1129 LR232]

ROGER WEHRBEIN: Yes, there's a lot of people who want to testify and I want to be sure we were supporting. [LB1129 LR232]

SENATOR STUTHMAN: Yes. The thing that I am concerned about is, is also, you know, if these areas could see something getting done on the expressways as far as maybe get one of them done and then have a plan to get the next one done, next one, next one, you could plan for it. This way we're at a standstill and it's just piecemealed. [LB1129 LR232]

ROGER WEHRBEIN: I think your legislative resolution is a good idea to focus and make a commitment and do it because piecemeal over the long run has helped a lot but it's also become not integrated at all, and it's been frustrating too. And probably dangerous running from a four-lane to a two-lane back to a four-lane. [LB1129 LR232]

SENATOR STUTHMAN: Yes, that's for sure, especially when it's on both ends. [LB1129 LR232]

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ROGER WEHRBEIN: Right. [LB1129 LR232]

SENATOR STUTHMAN: Yes. Any other questions from the committee? Senator Louden. [LB1129 LR232]

SENATOR LOUDEN: Yeah, Senator Wehrbein, were you, are you familiar with this expressway (inaudible) [LB1129 LR232]

ROGER WEHRBEIN: Pretty well. [LB1129 LR232]

SENATOR LOUDEN: Now that part that it shows around Omaha, is that, you know, this was done in 1988, is that still relevant? Has some of that been completed or is some of that urban area now or what would be the status on that? [LB1129 LR232]

ROGER WEHRBEIN: I don't know about what that (inaudible) meant. The part of it is, some of it has been done from Omaha south to possibly Bellevue and the part that we're concerned about is from Bellevue south across the Platte River bridge on to Plattsmouth and on south where it goes to two-lane. Now I'm in a district that had, with the Omaha district and part of that, a lot of that money went to the West Dodge Expressway back two years ago, which is now finished. I mean, we're in an area where you have to fight for the money just like everybody else but our area is a very high traffic area from Plattsmouth north. [LB1129 LR232]

SENATOR LOUDEN: From Plattsmouth to Nebraska City is what you're talking about? [LB1129 LR232]

ROGER WEHRBEIN: Yes, and I'm particularly now, it's been in the...we're five years delayed now. It supposed to have been completed by now. [LB1129 LR232]

SENATOR LOUDEN: Well, there's some on this map that shows from that, what is that highway, seventy... [LB1129 LR232]

ROGER WEHRBEIN: Five. [LB1129 LR232]

SENATOR LOUDEN: Whatever. From across Bellevue to the interstate, is a four-lane... [LB1129 LR232]

ROGER WEHRBEIN: 370. [LB1129 LR232]

SENATOR LOUDEN: ...a four-lane expressway going west across there. [LB1129 LR232]

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ROGER WEHRBEIN: Some of that is, yes. [LB1129 LR232]

SENATOR LOUDEN: Is that completed or... [LB1129 LR232]

ROGER WEHRBEIN: Well, I think so, 370 is, yes. [LB1129 LR232]

SENATOR LOUDEN: Okay. And is that part of the city now or is that still a rural area out there? [LB1129 LR232]

ROGER WEHRBEIN: Well, Bellevue's annexed quite a ways and Papillion and La Vista have. I don't know exactly where the marks are but it's heavily urbanized. Heavily urbanized, that's we're in a, you know, high growth area in the state and that's one of the reasons we're knocking on the door for more funding for roads because we do have traffic jams, so to speak. Not as bad as Houston perhaps, but. [LB1129 LR232]

SENATOR LOUDEN: Well, I was wondering because part of the expressway system is this beltway around Lincoln and, of course, that has some federal earmark funding and I'm wondering there's three different places on that expressway system has federal earmarked funding and I question why that hasn't been used and done. And of course, that was a bill I introduced, LB1034, to leverage some of that funding. So I'm wondering how much of the, when they say 170 miles, is that mostly up north of Omaha and, you know, in the Norfolk area and what you're speaking of that needs to be redone? [LB1129 LR232]

ROGER WEHRBEIN: Well, I think that's the expressway that I'm speaking of. I'm intensely familiar with it like I used to be, Senator Louden, but I don't, I would doubt that this beltway is on it, around Lincoln is on this expressway. I don't think it is. [LB1129 LR232]

SENATOR LOUDEN: Yeah, that's part of the expressway system. [LB1129 LR232]

ROGER WEHRBEIN: Okay. Then it is. Do you have... [LB1129 LR232]

SENATOR LOUDEN: And at ten miles of it and they figured, we got the little deal here, ten miles of it \$145 million. [LB1129 LR232]

ROGER WEHRBEIN: Well, that can't be because it would seem like it would be more than ten miles. [LB1129 LR232]

SENATOR LOUDEN: So but it's out around there and that's what I'm wondering, you know. I think what are you talking about, 30 miles between Bellevue and Nebraska City is where... [LB1129 LR232]

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ROGER WEHRBEIN: Yes. [LB1129 LR232]

SENATOR LOUDEN: And that's what they have on the world maps floating around here. [LB1129 LR232]

ROGER WEHRBEIN: We're particularly interested in about five miles from this Kennedy Expressway south to Plattsmouth. That's where the intense traffic is to just south of Plattsmouth. That's where the 15,000 cars a day are. [LB1129 LR232]

SENATOR LOUDEN: Yeah, because when they put this map out and shoot these big figures, actually not all of that has to be built at a time. There could be segments built five or ten miles there and sort of like in south of Alliance, ten miles would take care of a lot of traffic for a few years. And this is the situation down there where you are? [LB1129 LR232]

ROGER WEHRBEIN: Yes. Once again, I think you need to have the priorities set. That would be the helpful thing which is part of your LR232 as I understand it. [LB1129 LR232]

SENATOR LOUDEN: Okay. Rather than the whole 30 miles, a piece of it would be quite sufficient. [LB1129 LR232]

ROGER WEHRBEIN: Well, the north, that's right. Because that part of it, the houses are there, removed, all of those things and now it's stalled. And going on south, they're not that far along yet. So yes, it can be segmentized. [LB1129 LR232]

SENATOR LOUDEN: Okay. Thank you, Roger. [LB1129 LR232]

SENATOR STUTHMAN: Thank you, Senator Louden, Senator Wehrbein. Any other questions? Seeing none, thank you for your testimony. [LB1129 LR232]

SENATOR WEHRBEIN: Thank you. [LB1129 LR232]

SENATOR STUTHMAN: Next testifier. Good afternoon. [LB1129 LR232]

ERVIN L. PORTIS: (Exhibit 13) Roger voted for a tax increase at one time? I'm Ervin Portis, the city administrator for Plattsmouth. I've handed out a letter that states Plattsmouth's official position which is, certainly we support both LB1129 and LR232. I'd like to take a couple of minutes here to just address some of the things that I've heard coming, as questions or concerns from you folks to the people testifying. I heard Senator Flood say, what's the economic development cost to, and then fill in the blank by not finishing, and I'm going to come to that point. And as Senator Fischer asked the question, build it, will they come, are there direct studies. I don't have direct but I

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certainly have very clear anecdotal. I'm a realist and I think this anecdotal is very real. What's the economic development cost by not finishing? And then the issue of property owners held hostage. All along Highway 75 through Plattsmouth, we have people owning property waiting, and waiting, and waiting, to develop and are waiting on the highway infrastructure. They're waiting on the city to time other infrastructure, water, sewer, fiber, electricity utilities, along with that highway construction. We have, right now, a very real possibility of 90 plus acre, \$80 million economic development. The developer is sitting in the room behind me, Annette Wiles. If that project proceeds as we hope it will, someone's going to have to assume the cost for some very immediate infrastructure developments. The county, Cass County, has offered to kick in a substantial amount of money. The city of Plattsmouth will, we're going to have to continue negotiating with the developer but somebody's going to have to assume the cost for Highway 75 improvements. Wouldn't it be wonderful if we could improve to that future design standard but on our own, we cannot afford to do so. NDOR is certainly unable at this point to cost-share with us but the ideal scenario would be that NDOR does cost-share, we improve to that future standard so that we don't lose the cost that we're going to invest with infrastructure development today. That to me is an economic development cost opportunity and a cost loss. Senator Fischer asked, build it, will they come. I have two very clear examples. Sixteen years ago I moved from Lincoln to Papillion. I would get off on I-80 and go down 370, which at the time was a two-lane highway. Today it's a four-lane, very modern, very well developed highway. Look at the economic development activity occurring on 370 today. It is a very clear case of build it, they will come. Senator Pedersen, I think there's another wonderful example out your way. I've driven many, many times out the West Dodge Expressway 275 up to Fremont. Look at the economic development activity occurring there. Build it, they will come. Thank you. [LB1129 LR232]

SENATOR STUTHMAN: Thank you, Mr. Portis. Any questions from the committee? Seeing none, thank you for your testimony. [LB1129 LR232]

ERVIN L. PORTIS: Thank you. [LB1129 LR232]

SENATOR STUTHMAN: Next testifier, please. Good afternoon again. [LB1129 LR232]

DAN MAUK: Senator Stuthman, members of the committee. My name is Dan Mauk, M-a-u-k. I'm the president of the Norfolk Area Chamber of Commerce and I'm a registered lobbyist for that organization. We have a number of businesses in Norfolk that rely on trucking to deliver their product to their marketplace and to rely on the raw materials to build their products. I've got somebody from the Nucor Corporation following me to give you a little synopsis of what Nucor means to northeast Nebraska. They don't have very many customers in Norfolk. They're not near their market. Affiliated Foods, former Senator Doug Cunningham had to leave, but I wanted to mention that Affiliated Foods has over 1,000 trucks a week moving in and out of the

Norfolk location. They drive 14 million miles a year and they serve 800 stores in 12 upper Midwestern states. Being able to connect to their market place is critical to their reason to be in Norfolk. Norfolk Iron and Metal is another Norfolk business with over 100 trucks on the road each day. The reason that they're as successful as they are, is they're able to deliver overnight the product that their customers request so it's a just-in-time delivery system. They've been very successful. Most of their customers aren't in Norfolk. They need to be able to connect. But what we're really talking about here today, I think, each day in rural Nebraska, young men and women leave their rural homes to seek economic opportunity elsewhere. They're looking for jobs. They're looking for opportunity. As we look at the demographics in rural Nebraska, we see two things. We're fewer in number and more of us have gray hair. Every 18 seconds, two people from my generation retire from the work force. Only one person replaces us from the emerging work force. The demographics in rural Nebraska are extremely serious. What we're really talking about is survival. Let me give an example of a project that we lost in Norfolk because of transportation. It happened just a few years ago. They needed a pretty good sized building. We had the wear-with-all in Norfolk from the private sector to come up with enough money to make it happen. We were able to identify enough land. It was only a couple hundred jobs but they were extremely high paying jobs. We had the work force that we could prove was there to go to work. The one thing that...another thing they needed, an immense amount of water and the city of Norfolk had the capacity to handle that. What we didn't have, was the connectivity and the proximity to an expressway system and we lost that opportunity and that's an opportunity that was lost for people in Senator Fischer's district, Senator Stuthman's district, all the people around Norfolk. Would appreciate if you would advance this bill. I'm open for questions. [LB1129 LR232]

SENATOR STUTHMAN: Thank you, Mr. Mauk. Any questions from the committee? Mr. Mauk, I think...I appreciate your testimony and we hear continually all the time, you know, we could get companies in if there would just be an expressway. The problem that I see is, because this thing has been such a piecemeal thing, that nobody has got anything. There's a little patch out west. There's a little patch down here east and there's a little strip between Schuyler and Fremont, you know, that would really connect people and could really help. But we've got to, we're to the point now, where nobody has benefited from the expressways that have been complete to a certain point and I think, you know, just a little fixing of that would really help. And I think, you know, in our community, Norfolk, Columbus, in that area there, you know, we've got such good community involvement and I think we're kind of a hub in that area. [LB1129 LR232]

DAN MAUK: We are. [LB1129 LR232]

SENATOR STUTHMAN.: We could really expand and we need people to help pay the taxes. [LB1129 LR232]

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DAN MAUK: We're supporting Senator Fischer's LB846 as a beginner to finding a systematic solution but we really need to make this a priority and that's why we brought so many people down here today to get it on the radar screen. It's not going to get fixed overnight. The problem didn't come as serious as it is overnight and the federal government certainly has a role to play and we're exploring that area as well. But we're really talking about survival in out state Nebraska. [LB1129 LR232]

SENATOR STUTHMAN: Thank you, Mr. Mauk. Any other questions from the committee? Seeing none, thank you. I'll turn it back over to Deb. [LB1129 LR232]

SENATOR FISCHER: Thank you, Vice Chair, Stuthman. Next proponent, please. Good afternoon. [LB1129 LR232]

J. PAUL McINTOSH: (Exhibit 14) Good afternoon, Senator. My name is J. Paul McIntosh. I'm from Norfolk and I would like to give you a little bit of a different view. You've heard convincing and passionate rationale for not only maintaining and improving our highway infrastructure but also to complete the proposed expressway system. In the final analysis however, the question eventually comes down to money. What does it cost? Can we afford it and who will pay for it? You've all seen various projections and scenarios. I believe that LB846 is conceptually the beginning of a solution for Nebraska's ongoing highway finance problem. However, I believe it needs to be modified to do the job right. I will present an idea that I believe has merit, fits a unique window of opportunity, is realistic and viable and it dovetails very well with Senator Fischer's LB846. First of all, we are not going to solve a long-term highway funding problem that clearly calls for at least an additional \$120 million per year by merely adding \$30 million or \$40 million Band-Aids. Second, the users of highway fuel have seen the price of that fuel swing more than one dollar a gallon both ways in the last several years but they didn't stop buying fuel and the economy didn't collapse. Just this morning, gas prices in Norfolk rose ten cents a gallon, just this morning. If business and the general public can accept daily 10 cent price changes and multiple one dollar per year price swings without suffering a stroke, I suspect that they would accept a ten cents per gallon surcharge to solve our perennial highway dilemma. It is a fair tax in that it distributes the costs to the users in proportion to use and wear and tear of the roads. Years ago I raised pigs, lots of pigs, as some of you know. (Laughter) Senator Stuthman. Because baby pigs sometimes start chewing on each others tails, we clip off their tails shortly after birth. When my youngest daughter found out about this procedure she said, Daddy, doesn't that hurt? And I said, yes, I'm sure it does but it doesn't last very long. My daughter says, why don't you just cut off a little bit at a time so it doesn't hurt so much? And then suddenly her eyes opened wide as she recognized what she had just said. Building a successful highway system, like raising hogs, presents problems that need to be solved. Bold, decisive action needs to be taken, not timid, partial solutions to an ongoing financial dilemma. For most of my 83 years, Nebraskans have agonized over raising the gas tax by one-half or three-quarters of a cent a gallon.

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We have assumed that civilization as we know it would stop and the economy would fall out of bed if we raised the tax on fuel a whole one cent a gallon. And yet in the last several years, we hardly blink when the price at the pump swings twenty cents in two weeks and more than a dollar in less than a year. A ten cent a gallon increase in fuel tax would solve our problem and hardly be a blip on our radar screens. Please consider amending LB846 to the reality of today's highway infrastructure costs so that Nebraska communities don't end up in the backwater of tomorrow's economic development. Thank you for letting me put a little different perspective on a perennial problem. Are there questions? [LB1129 LR232]

SENATOR FISCHER: Thank you, Mr. McIntosh. It's always a pleasure to see you and welcome here again. [LB1129 LR232]

J. PAUL McINTOSH: Thank you. [LB1129 LR232]

SENATOR FISCHER: Any questions? Senator Stuthman. [LB1129 LR232]

SENATOR STUTHMAN: Thank you, Senator Fischer, and thank you for your testimony, Mr. McIntosh. Do you remember the time they put 4 cents a gallon federal tax on gas to pay for World II? [LB1129 LR232]

J. PAUL McINTOSH: Yes, I do. [LB1129 LR232]

SENATOR STUTHMAN: And they were going to take it off as soon as it was paid for. [LB1129 LR232]

J. PAUL McINTOSH: Yes. [LB1129 LR232]

SENATOR STUTHMAN: But that never happened, did it? (Laughter) [LB1129 LR232]

J. PAUL McINTOSH: Inflation has never quit, has it? [LB1129 LR232]

SENATOR STUTHMAN: That's right. That's right. [LB1129 LR232]

J. PAUL McINTOSH: And I don't think it will. [LB1129 LR232]

SENATOR STUTHMAN: But I respect your comments. I think you kind of hit the nail right on the head. People are always concerned about taxes but I think they're more concerned about getting roads built and having good roads also. [LB1129 LR232]

J. PAUL McINTOSH: I believe so and I think we have to quit finding somebody else to pay for our roads. Who should pay for roads? Those who use them and who, if I'm driving a Prius, I get 40 miles to the gallon, I don't buy much gas and it doesn't do much

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wear and tear. On the other hand, if I'm driving a 40-ton truck, I don't get much mileage, I use a lot of gas and I ought to pay for the roads. [LB1129 LR232]

SENATOR STUTHMAN: Thank you. [LB1129 LR232]

SENATOR FISCHER: Other questions? Thank you very much. [LB1129 LR232]

J. PAUL McINTOSH: Thank you. [LB1129 LR232]

SENATOR FISCHER: Next proponent, please. Could I have a show of hands of those who still plan to testify? Hold them high, please. Two, four, six, eight, ten, twelve, fourteen, about fifteen or sixteen. Okay, thank you. Good afternoon. [LB1129 LR232]

VAYDEN ANDERSON: Thank you. I'll try not to repeat anything that's been said. [LB1129 LR232]

SENATOR FISCHER: Well, we appreciate that all of you have taken the time to come down here and we certainly don't want to cut short anybody's testimony though either. Thank you. [LB1129 LR232]

VAYDEN ANDERSON: Chairman Fischer, members of the Transportation and Telecommunications Committee, my name is Vayden Anderson, A-n-d-e-r-s-o-n, V-a-y-d-e-n. I'm from Stromsburg, Nebraska, which is my home town. I left Lincoln in 1959 where I worked on the interstate highway. Before that I had worked on the engineering down in Kansas for the turnpike. I've always been concerned with highway work. I was a classmate of Jerry Strobel who was state engineer when the expressway system was authorized. As a matter of fact, I was one of the small group that met with Governor Kay Orr and Jerry Strobel and we proposed members of the Highway 81 Committee which became the Pan American Highway Committee Association, we met and said that we needed an expressway in Nebraska. And we had gone through and exhausted everything that we could to get this thing going and they finally said, and between the two of them, between Governor Orr and the state engineer, Jerry Strobel, they said, we have decided that we will go ahead and instruct the Legislature to make a study which developed into the needs study of 1988 if that will include the whole state. Now we had promoted this as a badly needed north-south expressway which connected north of us on up to Winnipeg, Canada, and south to I-35 and it made sense to us. They said, we're going to have to have hearings. The Legislature had hearings, a number...all over the state really, so everybody had a chance to input. And the way it turned out, they came up with the recommendation that the main north-south would be, north-south expressway, would be on Highway 81. Now I just want people to understand that historically the whole expressway system originated there. That's where it started as far as becoming one. And we were all elated when this happened. Then it came down to the thing, well, it's going to be done in 2003. It wasn't. It still isn't done and time is flying.

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I want you to know as an engineer, that we have deterioration on the highways and catch-up costs are horrendous. And I think, we have to fund this. We have to set the goal of what needs to be done so that we don't go further and further back. And it's a question, it's going to have to be paid for sooner or later. What's the cost if we do? It's been mentioned here several times. What's the cost if we don't do this? The costs if we don't do it are much, much more. So I think the financing which has been mentioned, we have confidence in the Legislature. As an engineer, I know whenever you've got to make investments in something, and this is truly an investment in the future of Nebraska, you look at the alternatives and pick the best one and I think that's all we can ask the Legislature to do. Basically, that's what I have to say. I note that an interesting thing happened at the hearings when we did this in 1987, was that there was more traffic on Highway 80 through Nebraska than I-70 through Kansas and I-90 in South Dakota. More than those two combined. I thought that was interesting. Okay. That's all I had to say that's, I think, different. Thank you. [LB1129 LR232]

SENATOR FISCHER: Thank you, Mr. Anderson. Are there questions? Thank you for coming down and thank you for your kind words about my dad. I appreciate it. [LB1129 LR232]

VAYDEN ANDERSON: Thank you. [LB1129 LR232]

SENATOR FISCHER: Next proponent, please. Good afternoon. [LB1129 LR232]

J. J. SNODGRASS: Good afternoon. Thank you for your time, Senator Fischer, and committee. My name is J. J. Snodgrass, S-n-o-d-g-r-a-s-s. I'm here today representing the four divisions of Nucor Steel in Norfolk, Nebraska. Like many people before me have said, Norfolk is kind of a hub. We have several transportation companies in Norfolk. Nucor alone has over 220 trucks shipping finished steel goods out from the city at any given day. I'm not going to take a whole lot of your time. I'm just here to support LB1129 and LR232 and to let you know how important that is to us, not only in shipping but also in recruiting. [LB1129 LR232]

SENATOR FISCHER: Thank you very much. Are there questions? Senator Stuthman. [LB1129 LR232]

SENATOR STUTHMAN: Thank you, Senator Fischer. Mr. Snodgrass, thank you for your testimony. Do you feel that if some of the expressways could get complete, say the one from Schuyler to Fremont or Columbus to York, would your business expand? Has your company ever thought of that? [LB1129 LR232]

J. J. SNODGRASS: Yes, definitely, I do. I definitely think it would. It is kind of a build it and we will come type of a thing. A lot of what I deal with, I work at the detailing center there in town and we are looking for up to 200 to 400 detailers or drafters, so we have to

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pull from a very wide area, not just northeast Nebraska. So for us in order to recruit, it's a little easier for me to go into a school and say, we're only an hour and a half from Omaha or an hour from the nearest interstate rather than saying they have to take a two-lane highway. It gives us a few more avenues. It may not solve all the issues that we have come across our desk but it's definitely a start. [LB1129 LR232]

SENATOR STUTHMAN: And it definitely would help the community. [LB1129 LR232]

J. J. SNODGRASS: Definitely. [LB1129 LR232]

SENATOR STUTHMAN: Okay. Thank you. [LB1129 LR232]

SENATOR FISCHER: Other questions? I see none. Thank you very much. [LB1129 LR232]

J. J. SNODGRASS: You bet. Thank you for your time. [LB1129 LR232]

SENATOR FISCHER: Next proponent, please. Good afternoon. [LB1129 LR232]

GRACE GERRARD: Good afternoon, Madam Chairman and committee. Thank you for letting me come today. [LB1129 LR232]

SENATOR FISCHER: Thank you for coming. [LB1129 LR232]

GRACE GERRARD: My name is Grace Gerrard, G-r-a-c-e G-e-r-r-a-r-d, and I'm the mayor of Stromsburg. Stromsburg is a small town, 1200 population. It's located between York and Columbus on Highway 81. You've heard many times this afternoon of the importance of the expressways for economic development and I cannot agree with that more. What I would like to stress is the economic survival of small towns that are dependent on these expressways. It is very difficult and it is an on-going task for small towns to try to get industry to move in. We have developed a countywide economic development corporation which I believe will be very helpful for that. We do need tools to work with that and the expressway would be a wonderful tool for that. We are fortunate enough to be right on Highway 81. I'd also like to touch on the safety factors. Highway 81 runs right through downtown Stromsburg. We have several children crossing that highway twice a day going back and forth to school. There is increased traffic on that highway, with the four-lanes stopping at York and Columbus bottlenecking down to the two-lane going through town. Another important thing to note is, I'm also an MT on a Stromsburg ambulance squad. I see firsthand the results of bottleneck traffic and also the importance of getting to a hospital. We do not have a hospital in Stromsburg. The closest is seven miles away. I see the importance of getting there, of course, as soon as possible. We need to work on this as a whole for the state. It's not just the small towns. It's the whole state. We need to keep our young families here in

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the state. We can't afford to lose them. We need to keep them in the small towns, in the big towns. The survival of the small towns is either to attract industry or to become a very good, bedroom community, both. Both of those need a good highway system and it would be very beneficial to have this expressway for that. Thank you for your time. [LB1129 LR232]

SENATOR FISCHER: Thank you, Mayor Gerrard. Are there questions? Senator Stuthman. [LB1129 LR232]

SENATOR STUTHMAN: Thank you, Senator Fischer. Just a personal question. Are you from Columbus? [LB1129 LR232]

GRACE GERRARD: Yes, I am. [LB1129 LR232]

SENATOR STUTHMAN: That's what I thought. [LB1129 LR232]

GRACE GERRARD: Yes, I am. [LB1129 LR232]

SENATOR STUTHMAN: Grace Drinnan. [LB1129 LR232]

GRACE GERRARD: Yes, yes, that's correct. (Laughter) [LB1129 LR232]

SENATOR STUTHMAN: Because... [LB1129 LR232]

SENATOR FISCHER: So happy we could do reconnecting here. (Laughter) [LB1129 LR232]

SENATOR STUTHMAN: Yeah. Well you came up here and I thought, my gosh, she looks familiar but that's been a few years ago since I visited with you. [LB1129 LR232]

GRACE GERRARD: That's quite a few years ago. [LB1129 LR232]

SENATOR STUTHMAN: Thank you for your comments, you bet. [LB1129 LR232]

GRACE GERRARD: Thank you. [LB1129 LR232]

SENATOR FISCHER: Thank you, mayor. [LB1129 LR232]

GRACE GERRARD: Yes. [LB1129 LR232]

SENATOR FISCHER: Next proponent, please. Good afternoon. [LB1129 LR232]

SCOTT McHENRY: Good afternoon, senators. My name is Scott McHenry,

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M-c-H-e-n-r-y. I am from Gering, Nebraska, and I'm currently enrolled at the University of Nebraska here in Lincoln and before I transferred here, I went to school at Western Nebraska Community College in Scottsbluff. And while I was there, I interned for Congressman Osborne's office and he was responsible for getting a lot of the funding for a lot of the expressway projects around the state. And a lot of them are completed already that he got earmarked funding for and I'm here just to talk about young people wanting to return to western Nebraska but me and a lot of my friends feel like there's not going to be enough opportunity for us out there. And I would love to go back and...I mean there's nothing better than western Nebraska. I just love the place and a lot of my friends feel the same way but we are just worried that there's not going to be the opportunity. And I know that the need is not the question. It's more how to pay for it and I think it's an investment in the future of Nebraska and I'm definitely against raising taxes but in this case, I would be for raising a gas tax. And so I'd just like to thank you for listening to me today. [LB1129 LR232]

SENATOR FISCHER: Thank you, Mr. McHenry. Are there questions? Appreciate you being here. [LB1129 LR232]

SCOTT McHENRY: Thank you. [LB1129 LR232]

SENATOR FISCHER: And you said you were a student at the University now? [LB1129 LR232]

SCOTT McHENRY: Yes. [LB1129 LR232]

SENATOR FISCHER: So are you just observing the hearing today or... [LB1129 LR232]

SCOTT McHENRY: Well, I am definitely a proponent. I mean, I'd like to go back and want to get into commercial lending maybe and so that would help the economic development of western Nebraska so. [LB1129 LR232]

SENATOR FISCHER: Rural Nebraska would benefit from young people coming back and building those opportunities too so... [LB1129 LR232]

SCOTT McHENRY: Yes, I think so. [LB1129 LR232]

SENATOR FISCHER: I hope, I hope you go back. [LB1129 LR232]

SCOTT McHENRY: I hope so too. [LB1129 LR232]

SENATOR FISCHER: I'd like to say, I hope you could leave the dark side and come home. (Laughter) [LB1129 LR232]

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SCOTT McHENRY: Thank you. [LB1129 LR232]

SENATOR FISCHER: I grew up in Lincoln. I had enough sense to leave the dark side. (Laughter) Or I met and fell in love with a rancher, that's probably it. Good afternoon. [LB1129 LR232]

MARLENE JOHNSON: Good afternoon. My name is Marlene Johnson. I'm the mayor of Westpoint, Nebraska, and that is spelled M-a-r-l-e-n-e J-o-h-n-s-o-n, and I'm here on behalf of the city of Westpoint and also on behalf of the League of Municipalities. I serve on the executive board of the League of Municipalities, so I am actually testifying on behalf of both entities. And I am here in support of LR232 and also LB1129. Those are both important and I also...in support of your bill LB846 because I think that is one way of financing some of this highway construction that is desperately needed for all of our communities. And I do not want to reiterate everything that's been said here this afternoon applies to Westpoint also. We're a community of 3700 people and we're located midway between Fremont and Norfolk on Highway 275. And one of the things that Westpoint does not have is rail. So every commodity that is manufactured in the city of Westpoint has to travel by a highway to, if they want to go rail, which we have some that use, they go to Fremont. And so there are a lot...there's the two-lane highway travel is what our people have to use in order to transport their commodities to other communities so the speeding up of the travel would be very important to them. It could allow them to move their commodities faster. We have a lot of cattle that move from our community. We're the cattle feeding center of the state and we have a lot of grain that moves out of our area and we also have a butter plant in town that moves butter to various parts of the country. So all of those entities need the fastest transportation possible to get their commodities on the move and down the road. Safety is another issue. The highway comes directly through Westpoint. We again have the school issue of children crossing the highway and that's always important. We have four-lanes going through town. We sometimes have six trucks, three abreast, going through town and it can cause a safety issue. Our main street is a block west of the highway. Everybody has to cross the highway to get down to our very valuable main street and so, that too, is a concern. Westpoint's a very progressive community. We have the support of the business people. Our local businesses expand. We've had them all expand in the last several years, some of them two and three and four times. So we are progressive. There again, I don't want to keep going on and on about this but it's very important to us that this at least move forward. It's important to the whole state of Nebraska. We don't want to be selfish and say, ours needs to be first. We just want to be on the list because at this point in time, we have no way of expanding. Property owners that own land around the corridor are not willing to give an eight to ten year option on a piece of ground so any business that wants to expand possibly out to the expressway, can't get an option on ground because of that. So there are just a lot of things that enter into this. I wish I had a magic formula for paying for this. If I did, Westpoint would be rolling in money and we wouldn't have any problems either. (Laughter) But I don't have that

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magic formula. I do think that if people understand the importance of this, that you can sell a gas tax. And one thing about a gas tax is the fact that everyone that travels on our highway from wherever they come and wherever they're going, they're helping us pay for highways in the state of Nebraska. It's the people passing through, the people coming to visit, everyone's helping us pay for the highways. And I think that's just another way of looking at the gas tax. I think that's probably all I have to say. I thank you very much for the opportunity to testify this afternoon. This is very important and thank you all for being so patient and listening to all of us rant on and on about our needs. [LB1129 LR232]

SENATOR FISCHER: Thank you, Ms. Johnson. Appreciate you coming here. [LB1129 LR232]

MARLENE JOHNSON: Thank you. [LB1129 LR232]

SENATOR FISCHER: Are there questions? Senator Stuthman. [LB1129 LR232]

SENATOR STUTHMAN: Thank you, Senator Fischer. Nice to see you again, Marlene. [LB1129 LR232]

MARLENE JOHNSON: Nice to see you. [LB1129 LR232]

SENATOR STUTHMAN: You thanked us for being patient listening to you. We feel that you people are the ones that are patient to stay here the, you know, the full afternoon to give your testimony and that is one thing that I really appreciate, you know, the fact that people are willing to stay and give their testimony and show the support for this and we're all in this together. [LB1129 LR232]

MARLENE JOHNSON: Well it's important. That's exactly right and it's important to our community to have this happen and we need to be on record that, you know, we're behind this and we're supportive of this and so that's why we're willing to spend our day here and testify. [LB1129 LR232]

SENATOR STUTHMAN: Thank you. [LB1129 LR232]

MARLENE JOHNSON: Thank you. [LB1129 LR232]

SENATOR FISCHER: Other questions? Thank you, Ms. Johnson, very much. [LB1129 LR232]

MARLENE JOHNSON: Thank you. Thank you. [LB1129 LR232]

SENATOR FISCHER: Next proponent, please. Good afternoon. [LB1129 LR232]

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ERIK HASH: Good afternoon. Thank you for having me. My name is Erik Hash, E-r-i-k H-a-s-h. I'm director of business development and general counsel for Behlen Manufacturing in Columbus, Nebraska. And I guess, I'll start by saying I'd like to echo a lot of the comments that Mr. Snodgrass from Nucor made. We have a...they're up the road at Norfolk but we have a lot of the same concerns. We feel lucky to be in Columbus at a crossroads of two historically great highways, 30 and 81. We have over a hundred trucks that are on the road at any one time. That's just our trucks, that's not suppliers, other suppliers trucks that are coming in or other ones that we get out. But those are going south to, south all the way to Texas and east to all different points. And there's two stretches of road, 40 some miles south, and 25 to 30 miles east, that constrain a lot of that travel, small towns that those trucks have to go through. Obviously, we are strong proponents of this bill. The other one that I'd like to echo that comes from Nucor, is our ability to draw. We have the same problems. We need more engineers than we have in the community. We need more detailers and having that direct connection to Omaha and to other points definitely makes it more valuable to recruit and retain the people that we have. Finally, even from the, you get beyond the engineering and just to our general labor, we pull in from all over our region. The ability of our employees to get to work over four-lane roads would pull in from other small towns and other towns from further away would be greatly enhanced and we would definitely appreciate that. That's all I have. Thank you. [LB1129 LR232]

SENATOR FISCHER: Thank you, Mr. Hash. Are there questions? Senator Stuthman. [LB1129 LR232]

SENATOR STUTHMAN: Thank you, Senator Fischer. Mr. Hash, thanks for coming and testifying. It just entered my mind when you said you have 100 trucks on the road, you know, at any one given time. Do your trucks find that they're on a nice four-lane expressway and all of a sudden they run into like just a little two-lane, almost a minimum maintenance road, and then 20 miles then they get back on the four-lane again. Does this happen in any other states? [LB1129 LR232]

ERIK HASH: I don't think it happens too often. From personal experience, I've lived everywhere from Texas to Ohio to all over and I haven't run into it very often. (Laugh) My travel's back and forth from coming back home to my hometown of Columbus. Obviously, we do have trucks that go out further. There's farm stores all throughout the country and a lot of those are in small towns that are on two-lane roads but it's typically a funneling aspect as opposed to, as you say, you're getting on, getting off on the same road so. [LB1129 LR232]

SENATOR STUTHMAN: Okay. Thank you. [LB1129 LR232]

ERIK HASH: Thanks. [LB1129 LR232]

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SENATOR FISCHER: Other questions? I see none. Thank you, Mr. Hash. [LB1129 LR232]

ERIK HASH: Thank you. [LB1129 LR232]

SENATOR FISCHER: Next proponent, please. Good afternoon, Senator. [LB1129 LR232]

LORAN SCHMIT: Good afternoon, Madam Chairman, members of the committee. My name is Loran Schmit, L-o-r-a-n S-c-h-m-i-t, and it's interesting to hear the comments here and I think the testimony it affects, the people of the state of Nebraska, support what you've been trying to do, Senator Fischer, and other members of the committee, and other members of the Legislature in completing the promise that was made that we would build an expressway system. I was here and voted for LB, I fail to remember what number it was, in 1969, when Senator Warner introduced the, along with Burbach and Carpenter, the original measure of comprehensive road system and was here when we voted for the variable gas tax. In the Nebraska Legislature in 1988 it decided to enact a freeway system and I would have to say this, as I recall, and I recall very vividly, the Department of Roads objected strenuously to that proposal. And they said, why don't you withdraw that bill and we'll do a study and then we'll see what happens. And I said, why don't we do this, why don't you do the study while the Legislature considers the bill and the Legislature identified Highway 81 as the major north-south corridor and the study that the Department of Roads did then miraculously concluded that was the same place that we said the road should be. We also included the roads to Nebraska City, Highway 30, the Western Heartland Freeway, and the improvements around Omaha and Lincoln. There was something in it for everyone and at that time, the project, as I recall, and I think you can check, it was not much over \$200 million for the entire proposal. It was supposed to have been completed by 2003. Ladies and gentlemen, the Department of Road employees can stand on their head for eight years while any of you complete your terms and nothing will happen. This Legislature has got to say, we're the boss. We appropriate the money and we appreciate your work. The commission runs the system but we'll give you the money but we want you to do the job and we don't want that piecemeal business of bumping along on a two-lane road and then going to a four-lane stretch and back and forth. One more thing I would suggest is that, you might take a look in this study at some way to review the manner in which the Department of Roads spends the money and concludes their contracts. Most states have an independent system of reviewing the work of the department. It's something which I think might be of interest to you and I commend you what you're doing. I think it's well overdue and we'll pay for the roads whether we have them or not. I concur 100 percent with what my friend, Paul McIntosh says, 10 cents a gallon, nuts. It doesn't amount to nothing on \$3.00 gasoline. When you have to put up with a bad road system, that 10 cents phases into obscurity. I don't have to worry about getting reelected but none of

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you do either so we all have an advantage there. Thank you very much. I'll answer any questions. [LB1129 LR232]

SENATOR FISCHER: Thank you, Senator Schmit. Are there questions? You brought up the aspect of the piecemeal on the expressway system and we've heard that from a number of other people who have stepped forward today. It's my understanding that a lot of that has occurred because of federal earmarks and where our congressional delegation has been persuaded by local people to build this segment and then build this segment and then build this segment and Department of Roads really hasn't has any input on where those segments are built or if they even connect to anything. Do you have a comment on that? [LB1129 LR232]

LORAN SCHMIT: I really don't know about that, Senator, but it's kind of ironic that the, I believe, about the first section of the freeway that was built was from Columbus, what we call the seven mile corner. It's right close to Behlen. [LB1129 LR232]

SENATOR FISCHER: Is that in your district, perhaps? [LB1129 LR232]

LORAN SCHMIT: When I got that finished, I thought the job was done and I kind of let the pressure up and then along comes Senator Stuthman, he's learned there's a lot of road that's not been finished yet. So I think it's a good example the roads... [LB1129 LR232]

SENATOR FISCHER: Is it his fault then? [LB1129 LR232]

LORAN SCHMIT: It's all his fault, yes. (Laughter) [LB1129 LR232]

SENATOR FISCHER: Well, that's what...hey, I'll go with that one. (Laughter) [LB1129 LR232]

LORAN SCHMIT: The roads go where you squeal the loudest, Senator, and I think there's something to that. But I would suggest that you might look into that and learn something but I think the Department of Roads generally decides what they're going to do. And the Nebraska Legislature in 1988 has some well defined suggestions as to how we ought to build the freeway, very few of which were followed, and which have increased the cost tremendously. Now maybe they had good reasons for it. I'm sure they did but it's something which they ought to be allowed to comment to this committee about as to why they didn't follow those suggestions that were laid down by the 1988 Legislature. Thank you, Senator. [LB1129 LR232]

SENATOR FISCHER: Thank you very much. Next proponent, please. Good afternoon. [LB1129 LR232]

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K. C. BELITZ: Good afternoon. I'm K. C. Belitz, B-e-l-i-t-z, and the president of the Columbus Area Chamber of Commerce, pleased to represent our organization and the city of Columbus this afternoon. And I would be wise in first saying, we don't think it's Senator Stuthman's fault at all. (Laughter) We don't believe it's his fault. You have heard, as one would expect by this time of the afternoon, most of the points that we would choose to make on behalf of both this resolution and this bill. So to briefly reiterate only a couple, we, as with many communities, certainly have literally thousands of trucks on the road every day from one of our employers. We're fortunate to be the most industrialized community in the state and that translates into a lot of commerce that goes in and out on these highways and certainly that has, over the last couple years, done nothing but increase and is projected to continue to do the same in the future. So it is certainly critical for us in terms of economic development. And infrastructure, in many forms, is critical for that to continue and certainly more so, the more rural you get. And the trends are pretty easy to see what's happening in most rural America let alone rural Nebraska and if we want that portion of our world to continue to be viable economically, then we certainly need to be about the business of providing as much infrastructure, in whatever form that is, and certainly roads are one of those. And so we very much appreciate the opportunity to at least put this back on the agenda of the body and it has been frustrating for us, as it has for many I am sure, to watch the on again, off again status of this as was described by our friends in western Nebraska but the fact of the matter is, it does need to be done for the entire state. We had our opportunity last week to advocate for our particular projects. We'll leave that to where that was. But the fact of the matter is, the cost is not going to go down on these projects. If we wait longer, the problem will not solve itself and it is our position that it is a question of creating the political will to come up with a solution now and make an investment in outstate Nebraska tying it to the metro areas, and continuing, we think, to provide the necessary infrastructure that will allow us to be a viable part of building that reserve fund and building those sales taxes and all those other things that make our state work. Again, our sincere appreciation certainly to Senator Flood for introducing the bill and the resolution but Senator Fischer for your bill and a number of others that are in front of the body this year to at least create the conversation about expressways and where we go from here. [LB1129 LR232]

SENATOR FISCHER: Thank you, Mr. Belitz. Are there questions? I would like to thank you for your support but I have a question. Do all of the communities along the proposed expressway routes support the, not just the concept of the expressways, but what the current plan is for the expressways? [LB1129 LR232]

K. C. BELITZ: I doubt you would find universal support for that anymore than other most other controversial issues and certainly this one no different. [LB1129 LR232]

SENATOR FISCHER: Are you saying the expressways are a controversial issue? Within the communities that would benefit? [LB1129 LR232]

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K. C. BELITZ: Certainly, certainly, the ability to fund to them is, yes. Is the need a controversial question. I don't believe it is. I've certainly not heard that from anyone that we interact with in our community nor those surrounding us. There seems to be almost universal support for the fact that they need to be done. [LB1129 LR232]

SENATOR FISCHER: Has the Department of Roads worked well with local communities in, in at least the planning stages of the expressway projects that you know of? [LB1129 LR232]

K. C. BELITZ: All, of course, I can speak to has been our experience and in that case, yes, we've had a good partnership, we think, with the Department of Roads in working on projects not only on expressways but certainly in our case some other things internally as well. [LB1129 LR232]

SENATOR FISCHER: Would you say the department listens and takes into consideration local concerns and maybe local input on where, not just the expressway should be built but other infrastructure needs within your community. Have you found that to be true? [LB1129 LR232]

K. C. BELITZ: That has been our experience, yes. [LB1129 LR232]

SENATOR FISCHER: Do you know, do you know of other communities that along the expressway route, anything about their working relationship and maybe delays in the expressway because of other communities and their concerns about the expressway plan? [LB1129 LR232]

K. C. BELITZ: Certainly, I wouldn't have any personal knowledge. Clearly there has been debate around, well, west of Fremont and the section of Highway 30 that isn't done yet, about where that route should be. And I understand, secondhand, the complexity of that debate which relates not only to Department of Roads but certainly other governmental agencies, certainly some differences of opinion among the residents in that area about where that route should be. [LB1129 LR232]

SENATOR FISCHER: Do you think that's been a factor in the delay in the completion of the segment from Columbus to Fremont to Omaha? [LB1129 LR232]

K. C. BELITZ: I don't think there's any doubt that that's been a factor and were that...had that been solved a number of years ago, could that have been done by now? It's certainly possible. Today, of course, even if that route were chosen, I don't think that changes the fact that there are no expressways in the immediate plan to be done. And it may be that just as with making the difficult decisions regard to funding, some difficult decisions are made by the Department of Roads and where those routes have to be.

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But again, I certainly can't speak to that first hand. That's not been our experience fortunately and I certainly am no expert on picking those routes somewhere else. [LB1129 LR232]

SENATOR FISCHER: I'm a proponent of limited government. Therefore, I think it's very positive that the Department of Roads considers local input in trying to work with people on where routes go. Am I incorrect in that? [LB1129 LR232]

K. C. BELITZ: Absolutely not. Fortunately... [LB1129 LR232]

SENATOR FISCHER: But if you want to get the expressway done, perhaps the state needs to step in and say, I'm sorry folks, this is where it's going. [LB1129 LR232]

K. C. BELITZ: Well, we think, as in our case... [LB1129 LR232]

SENATOR FISCHER: What do you want on this? Do you want it done or do you want individuals to be able to postpone it by not agreeing with where the plan is? [LB1129 LR232]

K. C. BELITZ: Certainly, that's exactly what has happened as you alluded to. There are certainly cases, and we have had our own internally with viaducts recently, not recently, for decades as a matter of fact, where you have to take into account personal opinion certainly. But sometimes there's personal opinion on both sides of that issue and a body, whatever the appropriate body is, has got to make the choice for the greater good. And having taken all of that into account, eventually there needs to be a point where the greater good has to supersede the needs of people when there are personal opinions and strong personal opinions on both sides of a given issue and it does happen. [LB1129 LR232]

SENATOR FISCHER: Thank you. [LB1129 LR232]

K. C. BELITZ: You bet. [LB1129 LR232]

SENATOR FISCHER: Other questions? Thank you very much. [LB1129 LR232]

K. C. BELITZ: You bet. Thank you. [LB1129 LR232]

SENATOR FISCHER: Next proponent, please. Could I have a show of hands again of whose waiting to testify yet? One, two, three, four, five, six. We have people in another room who are just dying to come in but they would like to see how many are here. Good afternoon. [LB1129 LR232]

KEM CAVANAH: (Exhibit 15) Good afternoon, Senator Fischer. Thank you very much.

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Thank you to the members of the committee. I want to commend your endurance. I don't know about yours but mine is a little achy right at this time but I think we're getting close to the end. I'd like to stay with you to the very end but I have to rush back to Schuyler for a city council meeting at 6:00. My name is Kem Cavanah, K-e-m C-a-v-a-n-a-h. I'm the economic development coordinator for Schuyler, Nebraska, and I just want to present a little bit of different information that may, hopefully, be pertinent and of value to you. The Highway 30 expressway corridor between Columbus, Schuyler and Fremont is favorably positioned for sustained growth in both employment and population over the next several years. This is a fact. As of this morning, February 19, the following employment opportunities within a 20 mile radius of the respective communities was posted on the Nebraska Workforce Development web page. In the Schuyler, Columbus area, as of this morning, there are 308 employment opportunities available at all skill levels as well as income levels. Fremont has 214 job postings as of this morning within a 20 mile radius. This does not include the 200 positions that are currently available at Cargill Meat Solutions in Schuyler, Nebraska. We have approximately a 50 mile stretch that has over 700 job opportunities available right now. Senators, this is economic development. It's not an opportunity. It's here now. But we must provide the support systems and the infrastructure not only to sustain this current level of employment opportunity but to grow it. Chuck Misek, an owner of GM Express, a trucking company located in Schuyler, contacted me last week emphasizing the additional hazards and unsafe conditions for all drivers traveling Highway 30 between Schuyler and Fremont. Highway 30 has soft shoulders. Current four-lane expressway funnels traffic into both ends of this 22 mile section of the two-lane highway. Unfortunately, driving habits, driving speeds, drivers attitudes and the impatience are still reflective of that of expressway driving. If you've not traveled that section of highway, I would caution you as I caution family members and neighbors and friends. Traveling on the two-way highway from Schuyler to Fremont is dangerous and those statistics are a matter of record. Daily traffic usage is estimated to increase over the next several years as the employment opportunities and employment and population continue to grow along this Highway 30 expressway corridor between Columbus, Schuyler and Fremont. Again, I appreciate the opportunity. I am, of course, here to support LB1129 and LR232. Thank you very, very much for your time and your patience. [LB1129 LR232]

SENATOR FISCHER: Thank you, Mr. Cavanah. Are there questions? Senator Stuthman. [LB1129 LR232]

SENATOR STUTHMAN: Thank you, Senator Fischer. Mr. Cavanah... [LB1129 LR232]

KEM CAVANAH: Yes, sir. [LB1129 LR232]

SENATOR STUTHMAN: With that number of job openings, if that expressway could be complete, do you think that would be more favorable for people to come back from the

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east to come and work in our communities with the four-lane... [LB1129 LR232]

KEM CAVANAH: Senator, I don't want to give you a cute rhetorical question. My biggest concern is, what if we don't provide the support systems and infrastructure. Business is in business to make money. If they can't get the people to fill the jobs, then they'll take their businesses to another part of the state or the country to do so. Support systems, be it housing or your highway infrastructure, is critical not only for maintaining and growing. That area of our state, each part of Nebraska is unique in its opportunities and challenges, but that part of the state is economically viable. There is a vibrancy right now and if we can continue to nurture that vibrancy, it will provide opportunities for not only that, those specific communities but the radius of those communities for 20 or 30 miles. It's an opportunity that's now. As we all know, opportunities come and they go. My concern as an economic development coordinator, is to fill what we have now but yes, I do believe by sustaining the positions that are currently available, that will be a springboard to future growth not only in employment but in population growth as well. And there are many numbers from many different reports and assessments to support that position. [LB1129 LR232]

SENATOR STUTHMAN: Thank you very much. [LB1129 LR232]

KEM CAVANAH: Thank you. [LB1129 LR232]

SENATOR FISCHER: Other questions? Mr. Cavanah, do you have access to any of those reports and studies? [LB1129 LR232]

KEM CAVANAH: Yes, ma'am. [LB1129 LR232]

SENATOR FISCHER: If you could give copies to me I'd appreciate it. [LB1129 LR232]

KEM CAVANAH: I will do that. [LB1129 LR232]

SENATOR FISCHER: Thank you very much. [LB1129 LR232]

KEM CAVANAH: Thank you very much. [LB1129 LR232]

SENATOR FISCHER: Next proponent, please. Good afternoon. [LB1129 LR232]

DARYL WILTON: Good afternoon, Senator Fischer. My name is Daryl Wilton, D-a-r-y-l W-i-l-t-o-n. I'm here today representing the York Economic Development organization from York, Nebraska. And we're a part of that missing link of expressway that...we got it all the way through our town and about a mile north and then we kind of fall back into a collapse and to a two-lane. Many things have been said today, very, very good things about all the expressways and as someone in the east central part of the state, I think

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all the expressways are important to future economic growth within Nebraska. Not just the York to Columbus, not just the, around Kimball, all those. There needs to be a plan to put those in place. One thing that has not come up so much today and just visiting with a manager of our local coop over this last week, he said, regardless, there's a lot of product moving out of the state, we have a tough time moving product within the state because of shifting down to a two-lane highway, and the safety issues of going on in the agricultural side of the state. So I know Arnie, probably, Senator Stuthman, up in the Columbus area, you face the same problems as do many of the other senators. So safety issues lend themselves to this expressway. The economic development will come with those expressways being completed. It's a very proven fact. Senator Fischer, I do have some studies that I received from the Department of Economic Development a couple of year ago that I will forward off to you that shows the economic impact of having access to an expressway in comparison to not. So I will forward those off to you. I don't have anything else to say. I'll save the rest of my voice so I can pretend to be a banker some day again. (Laughter) [LB1129 LR232]

SENATOR FISCHER: Thank you, Mr. Wilton. Are there questions? I appreciate that information. Thank you. [LB1129 LR232]

DARYL WILTON: Thank you. [LB1129 LR232]

SENATOR FISCHER: Next proponent, please. Could I have all the proponents step to the front. I see you're all leaving but hopefully you'll step to the front and fill the seats. Thank you. Good afternoon. [LB1129 LR232]

ROBERT GIESE: (Exhibit 16) Good afternoon, Madam Chairman, members of the committee. Robert Giese, mayor of South Sioux City, G-i-e-s-e. The city of South Sioux City is vitally interested in seeing the state of Nebraska to continue the construction of a well planned expressway system. When the expressway plan was developed in 1988, the Nebraska Department of Road plan noted that there were several options in northeast Nebraska for an expressway system. It is not until the late 1990's that the area communities and counties settled on following Highway 35. This route was further reviewed and shown to be a positive investment as it is a positive cost benefit ratio. The Nebraska Department of Roads Highway Commission recognized the importance of this route and added it to the expressway system as a planned expressway. Subsequently, an environmental review has been completed identifying the best corridor for proceeding with this project. The public hearing on February 12, 2008, showed support for this project while noting some landowners affected have concerns on taking of their property, typical questions for a project of this magnitude. The project has also garnered support from our congressional delegation as over \$24 million has been set aside to proceed with this vital link to other expressways feeding both commercial and noncommercial traffic into Nebraska. Our economic development growth is outstanding with over \$565 million in new private sector investments announced over the last two

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years and we expect another \$200 million to be announced in new projects this year. All of these industries rely on safe and efficient transportation of goods and services. These will place additional demands for the completion of the 35 Expressway including the planned interchange at milepost 1 on Interstate I-129. In regards to funding, we would suggest with the exception of missing links on the expressways, future expressways should be prioritized based on cost benefit ratio. Funding should also be consistent and be a long-term solution for Nebraska. To this end we feel the Streamlined Sales Tax Project should be pursued as it will be a new revenue stream for the state of Nebraska. That is one of the original members of the project. While persons are supposed to pay the state and local government sales tax on purchases they make through the internet, this does not include internet taxes on the internet itself. Most do not pay, both depriving the state and local government of properly due taxes but also create an undue hardship and clear disadvantage on main street businesses who do not collect and pay these taxes. The amount of internet sales is soaring and will continue to do so. The Uniform Sales and Use Tax Administration Act was approved in December, 2000. This project now includes 42 states plus the District of Columbia, as five states do not have sales taxes. The Streamlined Sales Tax Project has successfully developed uniform definitions within the state laws, developed a simplified rate process, provided for state level tax administration and developed a uniform audit procedure. The Center for Business and Economic Research at the University of Tennessee has estimated the national loss of revenue to state and local governments for 2008 to be \$21.5 billion to \$33.7 billion. The estimate for the state of Nebraska's share of lost revenue ranges from \$127.8 million to \$199.9 million. Congress must now pass enabling legislation. United States House Resolution 3396 is on the house version of the bill. [LB1129 LR232]

SENATOR FISCHER: Thank you, Robert. Appreciate your testimony. Any questions? I see none. Thank you very much for being here today. [LB1129 LR232]

ROBERT GIESE: Thank you. [LB1129 LR232]

SENATOR FISCHER: Next proponent, please. Good afternoon. [LB1129 LR232]

JACK VAVRA: Senator Fischer, members of the committee. My name is Jack Vavra, V-a-v-r-a. I'm city administrator in York, Nebraska. In York we've dealt with freeways and interstate systems over a number of years and we have both and we just completed a bypass around York just a few months ago, so I have some experience in a lot of these areas we're talking about. Last Thursday, I was on an airplane and was talking to a man from Columbus, Ohio, and I mentioned to him that we had 1.7 million people in the state of Nebraska. And he looked at me incredulously and he thought I was kidding him. And when I talk about 1.7 million and the things we're talking about here, you know, hundred, two hundred million dollars worth of road projects that we need, we are not just building these for ourselves. Although in York, we have some real examples of how the interstate system and freeway system helped us. A couple of years ago we had

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a trucking company, a small specialized trucking company, move to York because they had to be by the interstate, so they moved from an area that's well off the interstate system to York. Another thing that I notice after talking and listening here today, we are not building this just for people in Nebraska. We are a tourist stop in York and you don't think of York as a tourist stop. But we are not a destination but we are certainly a stop and these tourists are truckers and people who are exchanging commerce from the western coast to the eastern coast, from Mexico to Canada. And we have an obligation to other areas of the country. We are actually providing commerce and an infrastructure for people all over this country, and just like people pass through Nebraska on the Oregon trail, they are now passing through on Interstate 80. And a lot of what we do are for these people and for commerce. It really doesn't affect us with the exception of things like York as a tourist stop where we collect taxes and we import taxes, sales tax for the state of Nebraska, sales tax for us on the local level and also fuel tax for the state of Nebraska. And we are, of course, proponents of these bills and in my opinion, I think we need to take a very hard look at increasing the gasoline tax because these are the people from the other parts of the country that are using our trails, our roads through this state to have commerce, and I think the gasoline tax is a perfect way. And I think, if explained to the people of Nebraska how much of this tax is being paid by outsiders who use our facilities, and it's not free to use our facilities. There's wear and tear on the roads. You need to rebuild them occasionally. You need maintenance and this is a perfect way, in my opinion, to build roads through the gasoline tax. And I believe, if it were explained properly, I think people would understand that. Thank you. [LB1129 LR232]

SENATOR FISCHER: Thank you, Mr. Vavra. Are there questions? I have a question for you. Your from York, and we were informed by a number of people today that under the 88 Plan, Highway 81 was basically selected as the north-south route through Nebraska. During the first part of our testimony here today, we heard from our neighbors in the west and they were telling us in the Panhandle, that we need the north-south route which is the Heartland Expressway, and has been designated so a number of years ago by the federal government, first of all. We don't have the money to do both of these and I don't believe we have the money in the foreseeable future to do both of these. And I appreciate that everyone here today is saying, let's just get the money and get to work on the expressways. Are you going to be happy with the, it won't be decided by the Legislature on where these expressways are going to be built, I don't believe. I don't it should be, so are you going to be happy on where the executive branch and the Department of Roads decide where the expressway is going to be finished to begin with? That's what I keep hearing today. Everybody's just going to be really happy no matter where we start, where we finish, is that true? [LB1129 LR232]

JACK VAVRA: Highway 81 was selected as a route through Nebraska back when it was dirt and the first improvements were gravel on that highway and one of the advantages to 81 is it connects to an interstate system in Kansas and goes all the way to Mexico on

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four-lane, so south of York it's all the way to Mexico so it's kind of a major north-south just as interstate 80 is a major east-west. Personally, I trust my Roads Department and I trust the commission. We've dealt with them on the bypass and they have been very responsive not only the roads employees but also the roads commission. They've done, I think, a wonderful job. As an example, our district engineer, when we had people on the local level who had questions and concerns, he told us, give them my cell number. District engineer, one of seven in Nebraska, and we could give out his cell number. You know, I think that's kind of unheard of. So their response to not only elected officials but also individual citizens, I think, has been remarkable. And yes, these things change too. You know, what maybe, maybe made sense 10 or 20 years ago maybe because of development, things change priorities and, you know, we are not privy to all the information. They are. They have traffic counts. You know, and I do truly trust them and the Legislature as the oversight and the Governor as an oversight to make the right decisions, I truly do. [LB1129 LR232]

SENATOR FISCHER: Thank you so much. That's good to hear and I appreciate your comments. Thank you. [LB1129 LR232]

JACK VAVRA: Thank you. [LB1129 LR232]

SENATOR FISCHER: Next proponent, please. Good afternoon. [LB1129 LR232]

ARNIE OTTEN: Good afternoon, Senator Fischer, and commission members. My name is Arnie Otten, O-t-t-e-n. I'm a long-time member of the, and board member of the Pan American Highway Association, the 97-year-old organization that has been promoting the main street of the Americas, which is a Pan American Highway Association with the Pan American Highway, which stretches from Canada to Mexico. The point I wanted to bring up today is the fact that Nebraska is losing out on highway fuel tax dollars. The truck traffic and other traffic that travels from Canada to Mexico that now travels on I-29 to Sioux City, Council Bluffs, Kansas City, Wichita, connecting with I-35, and we could save 150 miles one way or 300 miles round trip if the 81 expressway was complete across Nebraska and South Dakota. Nebraska has no north-south expressway at the current time that is complete. Nebraska is losing out on those fuel dollars daily. Norfolk and Columbus should be connected to I-80 to the south and to I-29 to the north. The 81 expressway is the gateway both south, southwest and also to Canada. Mexico and Canada, our neighbors to the north and south, are very important for our export of our products. Many snowbirds would travel the expressway if it were complete. At York is a stopping point for many snowbirds as they go south for warmer weather in the wintertime and one of the most famous stopping points is Chances R. Not to mention the money that other vehicles that travel from Canada to Mexico would also be paying if this was complete. I think the tax free bonding would be an excellent tool for the completing of the expressway system. 81 expressway should receive top priority for completion which would increase fuel tax revenue from the north-south traffic. Safety

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and economic development are also very important. And I wish to thank you for letting me testify with you today. [LB1129 LR232]

SENATOR FISCHER: Thank you, Mr. Otten. Are there any questions? I see none. Appreciate you being here today. Thank you. [LB1129 LR232]

ARNIE OTTEN: Thank you. [LB1129 LR232]

SENATOR FISCHER: Next proponent, please. Don't be shy. Time's running out. Good afternoon. [LB1129 LR232]

JOEL HANSEN: (Exhibit 17) Good afternoon, Madam Chairperson, committee members. My name is Joel Hansen, J-o-e-l H-a-n-s-e-n. Thank you for the opportunity to comment before you today. I am testifying in support of both LB1129 and LR232. I am the street superintendent for the city of Wayne and I am presenting these remarks on behalf of Lois Shelton, Mayor of Wayne. The successful settlement and development of Nebraska was largely due to the equal sharing of the cost to extend railroads through the entire state, electricity to rural areas through the REA funding of a statewide power grid, telephone lines, natural gas distribution systems, and state highways. In the past 20 years, a new nationwide transportation standard for economic commerce has developed, four-lane highway access. The trend toward population growth and new business growth is clearly identifiable throughout the U.S. and Nebraska. The original 600 miles of the Nebraska expressway system was approved as a joint project of the Nebraska Department of Roads and the Nebraska Legislature. Over two-thirds of the original 600 miles have been built. In the last few years the Department of Roads budget has eliminated funding for the expressway system and is building new road projects on the basis of need which is determined by traffic count. The cumulative affect of using traffic count as the only basis for need is to eliminate almost all new highway construction outside of Douglas, Sarpy and Lancaster Counties for the foreseeable future. That will leave an unacceptable affect on the economic development of rural Nebraska. Economic development goes where the transportation is. We must bring rural Nebraska transportation along with the whole state as we have in the past infrastructure development. LB1129 and LR232 would provide a structure to help expand the Department of Roads needs beyond traffic count in the future allocation system of funding for rural Nebraska and the expressway system. New funding sources are needed for roads and we will support them. However, if the only Department of Roads criteria for determining need is traffic counts, then additional funding alone will not be the answer for rural Nebraska because traffic counts will still direct all of the funding to the urban areas. The additional funding criteria provided by LB1129 and LR232 is the other part of the answer for rural Nebraska and completing the expressway system. Thank you for your interest in rural Nebraska and your consideration of this bill. [LB1129 LR232]

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SENATOR FISCHER: Thank you very much, Mr. Hansen. Are there questions? Senator Louden. [LB1129 LR232]

SENATOR LOUDEN: Yes, thank you for your testimony, Mr. Hansen. I notice your talking about traffic count. You're aware that the Department of Roads raised the traffic count now, has to be what, 10,000 vehicles a day for four-lane expressway... [LB1129 LR232]

JOEL HANSEN: I believe so. [LB1129 LR232]

SENATOR LOUDEN: ...and what's your opinion on that? [LB1129 LR232]

JOEL HANSEN: That is a concern of the mayor, is the fact that those increased counts will basically eliminate the possibility for rural outreach to Nebraska and that is what we're concerned about. That there needs to be this emphasis on economic development and the impact it will have on rural Nebraska if we don't build these roads. [LB1129 LR232]

SENATOR LOUDEN: In other words, in your area you don't have that much roadway that's got 10,000 vehicles a day on it. [LB1129 LR232]

JOEL HANSEN: Correct. [LB1129 LR232]

SENATOR LOUDEN: Thank you. [LB1129 LR232]

SENATOR FISCHER: Any other questions? I see none. Thank you, Mr. Hansen, for your patience and sticking with us today. [LB1129 LR232]

JOEL HANSEN: Thank you. [LB1129 LR232]

SENATOR FISCHER: Next proponent, please. Any other proponents? Good afternoon. Welcome. [LB1129 LR232]

MICHAEL NOLAN: (Exhibit 18) Senator Fischer, members of the committee, my name is Michael Nolan, N-o-l-a-n. I'm the city administrator of Norfolk testifying as a proponent of the resolution and the bill. I'm handing out something to you and I can make it brief, not to belabor something that you're already aware of but just to remind you. It's really that this is an issue about sustainability and we have to continue to think counterintuitively wherever we can and to think futuristically and I'm not throwing those out there just to, as cliques, because in fact, we're losing critical mass. We go through these son of LB775's about every ten years because we exsanguinate population from the rural areas. I think what these colored graphics show you though, is really how the economy of Nebraska works, especially the last one shows you how the colored area

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on either side of the interstate is where the interstate has really had some significant impact. The blue area is where most of the industry is that's in rural Nebraska and, of course, the red area is the metropolitan area. The rest of these you've seen before in terms of who the winners and losers are at each decennial census but I want to show you the front one and just make a comment. The front one shows you that the population in 1930 was about 1,300,000 people and the population probably right now somewhere hovering around little less than 1.8 million. So that's the growth we've occurred, that we've experienced in that interval of time. I'm just suggesting to you that the reason why expressways are so important is because first it'd have some kind of an impact on that. We have to change it. How do we go about doing it so that everybody feels as though that they're being paid attention to. We set it up in some kind of prioritization. We figure out some combination of current value revenues and quite honestly, even though it doesn't have a lot of support right now, a lot of us have dealt with bond issues. We know how they work. There are a number of people in the state of Nebraska, including staff who work for the Legislature, have the talent to figure that out. Probably the final ingredient I really think that we got to have, is we have to have leadership. Somebody has to lead on this. We can't accomplish anything if we just stand still. I'm certainly willing to do my part. Quite frankly, if I was the Governor, I would be leading on it and I think leading is going out and telling people why we need to do this and putting a lot of effort into it. That's probably not happening right now but that's what needs to happen. So will answer any questions, if you have any. [LB1129 LR232]

SENATOR FISCHER: Thank you, Mr. Nolan. Are there questions? I see none. Thank you very much. Next proponent, please. And how many proponents do we have left? If you'd raise your hands. One. How many opponents? Are there any opponents to the bill that will be stepping forward? Okay. Thank you. Good afternoon. [LB1129 LR232]

CLARK BOSCHULT: Good afternoon. For the record, my name is Clark Boschult, B-o-s-c-h-u-l-t. I'm the public works director for the city of Fremont. I'm here on behalf of Mayor Donald Edwards. First, I'd like to thank the Transportation and Telecommunications Committee for letting us speak with you today. The city of Fremont, the pathfinder city, tries hard to maintain an excellent relations with our Legislature here in Lincoln. We really appreciate the support you've shown for us in the past. Many of you drive on the U.S. 275 freeway from Fremont to Omaha. That will be finally completed this summer. That road wouldn't exist if it hadn't been for your help. We'd also like to thank Speaker Flood's for sponsoring the two expressway items you're discussing today. First and foremost, we ask the Legislature to complete the 1988 expressway system. Four-lane highways have demonstrated their results. Completing the U.S. 30 and U.S. 275 expressways from Fremont to Columbus and Norfolk would be a great accomplishment. It links Norfolk, Columbus, Fremont, and Omaha together. U.S. 30 follows the route of our namesake, the Pathfinder, John C. Fremont's 1842 expedition across Nebraska, and the original Omaha to Fort Kearny Military Road. Visionaries at that time recognized the need for linking the new territory. During the Civil

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War, President Lincoln and General Dodge had the vision and leadership to propose along this same route, our nation's first transcontinental railroad which is now in Nebraska, the world's busiest railroad corridor. What is now U.S. 30, in 1913, was named in Lincoln's honor. Following the first world war, a young army lieutenant colonel from the state of Kansas traversed this very same route. Following the second world war, President Eisenhower had the vision and provided the leadership to see that our country was linked together with a 20th century interstate highway system. Members of the committee, today the time has come to follow the route of our past leaders, the pathfinders, generals and presidents, and complete the 1988 expressway system. After 20 years the Norfolk to Fremont expressway is less than one-third done. Columbus to Fremont is only half done. The time has come to complete this system and fulfill the promise. I won't take up a lot of your time but I knew it was important for you to hear that Fremont supports the efforts of our neighbors. If we all work together on these things, great things can happen. Thank you for your time. [LB1129 LR232]

SENATOR FISCHER: Thank you, Mr. Boschult. Are there questions? Thank you for coming in. We appreciate your support on this. [LB1129 LR232]

CLARK BOSCHULT: Thank you. [LB1129 LR232]

SENATOR FISCHER: Next proponent, please. Good afternoon. [LB1129 LR232]

E.A. SAM SCHROEDER: (Exhibit 19) Good afternoon, Madam Chairperson and committee members. My name is E. A. Sam Schroeder from Wayne, Nebraska, and I want to thank you for the opportunity to testify both, support of both LB1129 and LR232. I'm the current chairman of the Nebraska Highway 35 Expressway Association. This is an advocacy organization for the development of Nebraska highway 35 into an expressway in northeast Nebraska. The association is comprised of representatives of local city, village, county governments, educational institutions, businesses, commercial and civic organizations. Nebraska's diversified agricultural has allowed it to be sustainable in spite of natural disasters or dramatic market cycles. A diversified blend of agriculture, industry, service and education has provided economic stability for both urban and rural interests throughout Nebraska. Nebraska's economic developers have sought legislation support over the years for a diverse array of incentives to enhance and promote economic health for its metropolitan and rural communities. In 1988 expressway plan was, the 1988 expressway plan was envisioned as a means to network Nebraska's diverse economies and communities, both large and small, for the benefit of the state's citizens as a whole. The same values of diversity, including but not limited to intrastate and interstate economic impacts, traffic safety and average daily traffic count, need to be implemented in the prioritization process to carry the 1988 expressway plan and future planned expressway extensions, such as Nebraska highway 35 expressway to their completion. I want to thank you for your consideration of both LB1129 and LR232. [LB1129 LR232]

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SENATOR FISCHER: Thank you, Mr. Schroeder. Are there any questions? I see none. Thank you very much. [LB1129 LR232]

E. A. SAM SCHROEDER: Thank you. [LB1129 LR232]

SENATOR FISCHER: (Exhibits 20-26) Any other proponents wishing to step forward? I have a number of letters that I need to read into the record. The first is from the Shelby Chamber of Commerce signed by Darla Hopwood, the president. Next an e-mail from Pat Powell, the Stromsburg City Council President. Next a letter from the Affiliated Foods Midwest from Martin Arter, president, Doug Cunningham, government relations director. Next York County Development Corporation from Daryl Wilton, president. Next from Arnold Otten from York, Nebraska. Next Nebraska City, the City of Nebraska City from the Mayor Jo Dee Adelung, A-d-e-l-u-n-g. Next City of Wahoo. This is signed by the City of Wahoo Street Committee. Next City of Fremont which is signed by the Mayor Donald B. Edwards and the city administrator Robert Hartwig. Do I have others, Pauline, that need to be in, do these here? No. Just to be sure. I'll read more. From the Panhandle Area Development District from Scott Haun, the president. From David City, Joe Johnson, city administrator. From the City of Schuyler, David Reinecke, who is the mayor. From Norfolk Iron and Metal Company, Richard Robertson, president. From Nucor Steel, Mike Lee, vice president, general manager. From the Norfolk Area Chamber of Commerce. This is from Dan Mauk, president. And I did this one. Any opponents to the bill. I see none. Anyone coming forward in the neutral capacity? I see Director Craig here. Good afternoon. []

JOHN CRAIG: Good afternoon, Senator Fischer. Again, good afternoon, Senator Fischer, and members of the Transportation and Telecommunications Committee. My name is John Craig and I am the director of the Nebraska Department of Roads. My testimony on LR232 is in a neutral capacity. [LB1129 LR232]

SENATOR FISCHER: Could you spell your name, please? [LB1129 LR232]

JOHN CRAIG: My name is spelled John, J-o-h-n, last name is spelled C-r-a-i-g. [LB1129 LR232]

SENATOR FISCHER: Thank you. [LB1129 LR232]

JOHN CRAIG: Resulting from two pieces of legislation passed in 1988, the Department of Roads performed an extensive assessment of the needs of the state highway system. As a result of the 1988 legislative action, the department developed a 20-year long-range plan that included completing the interstate rehabilitation in Omaha in ten years, completing a 600 mile expressway system by physical year 2004 or let the contract by 2003, and eliminating nearly 5,000 miles of geometric highway deficiencies

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in 20 years. There were other goals in that '88 study as well. The department committed to these initiatives under the presumption that funding would be available to accomplish all these needs. It was clearly pointed out to the Legislature in 1989 that completion of the expressway system and all the other needs would depend upon funding. The original 600 mile expressway system was to be completed by physical year 2004 based on escalating fuel taxes up to 36.3 cents per gallon. Within five years, the political will was lost to generate the funding necessary to complete the expressway system. By then the fuel tax had only been increased by 6 cents to 24.4 cents per gallon. Despite the significantly lower revenue, the department has still constructed 421 miles of the 600 mile expressway system. Today it is estimated that approximately \$780 million, and that is in 2007 dollars, is needed to complete the remaining 179 miles of the remaining 600 mile expressway system. A joint state highway commission and Department of Roads policy was established in 1997 that prioritized our needs based on a funding split of 50 percent for the primary highways, 25 percent for the interstate and 25 percent for the expressway system. As revenues have declined and inflation increased, significantly diminishing our purchasing ability, the expressway system has literally become the bill payer. If the current revenue and inflation patterns hold, the number of all capital improvement projects will decrease as will their scope. Currently our number one priority is preservation of the existing 10,000 mile state highway system with a value of \$7.4 billion. The Department of Roads is working with the State Highway Commission to transition to a refined project prioritization system based on needs. Most of that based on safety, traffic and pavement condition. The expressway system has not been abandoned but it will have to compete with all of the needs. It is simply about priorities. I would like to take a quote from the 1988 needs report and it is as follows: "While there is no question that a modern safe highway system is absolutely essential for the timely movement of people in commerce, and that such a system is a vital factor in the economic climate of any state, research indicates that transportation alone is not the generator of broad economic development. A broad spectrum of other conditions also must exist for extensive economic growth to take place." And with that, I would be happy to respond to any questions you may have. [LB1129 LR232]

SENATOR FISCHER: Thank you, director. Are there questions? Senator Stuthman. [LB1129 LR232]

SENATOR STUTHMAN: Thank you, Senator Fischer. Director Craig, you had stated that the priority is going to be based on need and safety. Is there anything in there as far as, you know, economic development or anything like that? Is that criteria? Does that enter into it at all or is that something that's just overlooked? [LB1129 LR232]

JOHN CRAIG: Well, it does and I'm glad you asked that question because I made some notes relative to this over the weekend as I was hoping that very question would be asked. And there's two ways I would respond to it. The answer is yes. There's no question about it. It depends on in what light and what someone considers to be

economic development. How do you measure that? What is it? And there are two ways and as part of how we're refining this system that the methodology of how we set priorities. And I'm going to speak in terms of direct economic benefits and then I'm going to talk about indirect economic benefits. Direct economic benefits to the user, that is the driver. Whether it's a trucker, whether it's an automobile, it doesn't matter what it is. There is a tried and true methodology that exists. It has for a great number of years. You could talk to virtually any engineer and they would call that engineer economics. It is a direct economic benefit to the user. It doesn't matter if you're talking about a sewer system, talking about the water system, talking about an electric system. We're talking about roads. We could be talking about railroads for that matter. So direct economic benefit. Let me speak a little bit about that. We have not done routinely benefit cost analysis. It is likely, I will say, that we will do a benefit cost analysis and weigh that in our new methodology on every project. I won't go through all the details because the devil's in the details relative to that benefit cost analysis. Safety. There is a real economic value to safety. This last year, in the 2007, we enjoyed the lowest fatality rate in the history of the state. You'll never be able to read that on the front page of the newspaper. You just won't. It's fairly substantially below the national average but there is a cost. For the most part, it has to be estimated, whether it's property damage, whether it's injuries or whether it's deaths. And there are numbers that can be applied to all of that and as in terms for a state like Nebraska, it is still in terms of billions of dollars a year. There are 50,000 reportable crashes in the state of Nebraska every year and we get every one of those. While the Department of Roads contributes, our budget's more than a half a billion dollars and we contribute that directly to the economy of the state of Nebraska. Some of us through construction, some of us through our own payroll, some of us through a whole variety of others. [LB1129 LR232]

SENATOR FISCHER: How much did you... [LB1129 LR232]

JOHN CRAIG: Mechanisms, but that is money that is contributed to the economy of Nebraska. [LB1129 LR232]

SENATOR FISCHER: How much did you say that was again? [LB1129 LR232]

JOHN CRAIG: It's over a half a billion dollars a year. [LB1129 LR232]

SENATOR FISCHER: Thank you. [LB1129 LR232]

JOHN CRAIG: The U. S. Department of Transportation, and I don't know that I would hang my hat on this but since they use it, I'm going to use it. U. S. Department of Transportation has a factor that for every \$100 million that is invested in highway infrastructure, it creates 4,750 jobs. That's economic development. And I'll go back to the net asset value of the highway infrastructure alone. Our estimate is that it's worth about \$7.4 billion and it goes up as an asset for the state of Nebraska about \$100

million a year. Indirect economic benefits. And this is, this becomes more of a challenge because it's very subjective and it's unreliable. There is no tried and tested method for measuring indirect economic benefits. You might view that as, well, how much money is a business making? How many jobs are created? There are various measures that could be used but it's very subjective and unreliable and I would predict that any of us that was really proficient at calculating indirect economic benefits, we would in fact be wealthy people indeed. But this is how we handle those indirect economic benefits. First, and I'll just tick through three. We have quarterly meetings with the Department of Economic Development to talk about what is, what projects are out there, what's going on with business. We have daily contacts around the state with business and developers. There's an ongoing conversation back and forth. It doesn't mean that everybody gets what they want because I know that doesn't happen but there is a daily dialogue that goes on between business and developers. And then finally, we have literally dozens, depends on the year, depends on what projects are going on but dozens and dozens of meetings, public meetings, every year to select public input. Well, what is going on? Where should the corridor be? Whose land is likely going to be impacted? Whose isn't? Whose business is going to be impacted? Whose isn't? Some of that manifests itself and this is a little bit different than the indirect economic benefit. Two communities come to mind in terms of our efforts to especially work with those communities and limit the economic impact of road construction. There's no question about it. It has a negative impact when you build a road. The city of Wayne and the city of Ogallala and there are cases where businesses grew during construction downtown through an awful lot of effort. So that's a little bit different take on how we mitigate or assist economic growth but primarily I wanted to differentiate my response to the economic development question in terms of direct economic benefits which can be calculated and indirect economic benefits which are very subjective and not very reliable. [LB1129 LR232]

SENATOR FISCHER: Other questions? Senator Louden. [LB1129 LR232]

SENATOR LOUDEN: Yeah, thank you, Chairman Fischer. Thank you for being here to testify today, Director Craig. What was it, January 1 the gas tax dropped, what was it, 3 cents or something like that? [LB1129 LR232]

JOHN CRAIG: It went down 4 cents. It went down from 27 cents to 23 cents. [LB1129 LR232]

SENATOR LOUDEN: How come? [LB1129 LR232]

JOHN CRAIG: That's a very good question. [LB1129 LR232]

SENATOR LOUDEN: If we didn't, if we were short on money and everything... [LB1129 LR232]

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JOHN CRAIG: No, that's an excellent question. By state law, by state law when the Legislature sets the appropriation and that is the driver. When the Legislature sets the appropriation and it's approved by the Governor, that becomes the goal to meet then. And a variable fuel tax which has existed for many years was developed to meet the appropriation and so when less gallons of fuel are burned, it requires an adjustment in the variable fuel tax to generate the revenues to meet the appropriation as recommended by the Legislature and approved by the Governor. This last, the six-month period and it's impossible to project, if our crystal balls were that precise, you know, we'd know what we're going to have in the next six months or a year or two years but we don't. And so annually we have two opportunities to adjust the variable to meet the appropriation and it can be adjusted on July 1 or it can be adjusted on January 1 and so in the months, especially the month of November, we will begin to get our pencils out and say, all right, what gallons have been burned? How much revenue has been generated to meet the appropriation? And if it's less than the gallons that need to be burned to generate the revenues to meet the appropriation, now the fuel tax goes up. We charge more money in effect. If in fact, and that is what happened this January 1, right or wrong, it is by state law, the numbers of gallons burned went up. Price of fuel at the pump arguably went down. We all burned more gas and what we don't do, is generate more money than the Legislature appropriated and the Governor approved. And so that's the short and long of the reduction of 4 cents in the variable fuel tax. Having said that, and I would be somewhat inappropriate, but I would speculate that it's possible that this next July 1, in fact the variable fuel tax may well go up again, again to meet the appropriation but we'll see how this next few months evolves and how many gallons of fuel we all burn. [LB1129 LR232]

SENATOR LOUDEN: That leads me into my next question about everyone was so sure that as the price of gasoline would go up, we would burn less. Now, is anyone taking into account that there's perhaps more traffic across Nebraska and maybe the amount of gasoline burned wouldn't be as low as what was projected and is that the reason you missed the mark, you might say, on your appropriations for your money? Because, I mean, you come up with what, \$40 million shortfall or from 390 down to 350 or something like that from one year to the next? [LB1129 LR232]

JOHN CRAIG: Now, you're...we're talking about revenues. What you're trying to talk about is programs. They're two separate things. Cash flow is the way we work. [LB1129 LR232]

SENATOR LOUDEN: Well, I know but your revenues have to match your expenses. [LB1129 LR232]

JOHN CRAIG: Yes, and so there's an adjustment we match every year. Our best guess is, what is the program we can produce and what are the revenues that are going to be

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coming in. If any of us knew what the price of fuel at the pump nor how many gallons were going to be burned for the next few months is going to be, I'd probably be out hiring them. It's a difficult thing to do, which is why we don't know until within a month really of January 1 and July 1 until we get all the data in to then project out as best we can, what are the revenues we're going to have. And actually our staff is pretty darn close, pretty darn close. [LB1129 LR232]

SENATOR LOUDEN: When you dropped that 4 cents from January to July 1 or whenever, how much money, how much revenue do you figure that would have been brought in with that 4 cents? [LB1129 LR232]

JOHN CRAIG: It varies a little bit but generally a penny of the fuel tax generates about \$12 million a year. [LB1129 LR232]

SENATOR LOUDEN: In other words, you're talking about \$48 million? [LB1129 LR232]

JOHN CRAIG: Well, it's not quite that because the appropriation went up for a couple of reasons in the Legislature. I can't speak to that but it did. There was a lot of revenue generated this, that got us burned this last summer and fall that there was no way to anticipate. [LB1129 LR232]

SENATOR LOUDEN: But I guess what my line of thinking is that by missing the mark, there was probably enough money generated in that length of time there could have been a piece of expressway built with that, with that revenue. [LB1129 LR232]

JOHN CRAIG: Well, it would have generated additional revenue but it also would have exceeded the appropriation set by the Legislature and that would have been a violation of the law. [LB1129 LR232]

SENATOR LOUDEN: Right, but the appropriations... [LB1129 LR232]

JOHN CRAIG: And actually we had that discussion internal with the department. [LB1129 LR232]

SENATOR LOUDEN: The appropriations was set on your projection, is that correct? [LB1129 LR232]

JOHN CRAIG: No. It was...actually, I don't know what it was set on within the Appropriations Committee. I don't know the answer to that question to be direct. What it should have been based on and the information that we provided, was what are the needs of the state highway system over the next 20 years? Which again, by state law, by December 1 of every year, we must report to the state Legislature what are the needs of the state highway system over the next 20 years and what is our estimated

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cost to address them. And so I'm hopeful, without really knowing how the Appropriations Committee and the Legislature considered it, that they gave due consideration to that report which we do every year. [LB1129 LR232]

SENATOR LOUDEN: Okay. Thank you. [LB1129 LR232]

SENATOR FISCHER: Other questions? I think when Senator Louden said that you missed the mark, director, I would say that the Legislature missed the mark because as you said, the Legislature sets the appropriation for the Department of Roads. Somewhat based on the Governor's recommendation of what that will be. Would you agree that when the gas tax was set up with the fixed and variable sides to that tax, it was set up with the idea that there wouldn't be a discussion within this body on what the gas tax will be? The discussion would be on what the needs of the Department of Roads would be to complete the 20-year plan. [LB1129 LR232]

JOHN CRAIG: Absolutely. Absolutely. [LB1129 LR232]

SENATOR FISCHER: And would you say that, I know you hate to be critical of the Legislature, but would you say that the problem has been that it's become political and we're not addressing the needs of the infrastructure in this state? [LB1129 LR232]

JOHN CRAIG: I would agree. It is a tough issue. Otherwise, none of us would be sitting here. But it is a tough issue. [LB1129 LR232]

SENATOR FISCHER: As you said, the 20-year plan would have been completed by now, gas tax would have peaked at over 36 cents, we'd be at 36 or we'd be at 30 right now, I believe, and we wouldn't be having this hearing today on completing the expressway system, is that correct? [LB1129 LR232]

JOHN CRAIG: I agree with you. [LB1129 LR232]

SENATOR FISCHER: I won't ask you what you think we should do. (Laughter) [LB1129 LR232]

JOHN CRAIG: Thank you. [LB1129 LR232]

SENATOR FISCHER: Any other questions? I see none. I appreciate you being here today to offer information to us. [LB1129 LR232]

JOHN CRAIG: Thank you. And thank you all for your work. [LB1129 LR232]

SENATOR FISCHER: Anyone else here to testify in the neutral capacity? Senator Flood, I see your back. Senator Flood still waives closing. Bless your heart. (Laughter) I

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would like to thank all of you for coming today and staying. We do appreciate your input. It is important to us. Thank you very much. With that, I would entertain a motion to go into executive session. Moved and seconded. [LB1129 LR232]

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Disposition of Bills:

LB1129 - Advanced to General File.

LR232 - Held in committee.

Chairperson

Committee Clerk