

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

Transportation and Telecommunications Committee
March 26, 2008

[CONFIRMATION]

The Committee on Transportation and Telecommunications met at 8:45 a.m. on Wednesday, March 26, 2008, in Room 1113 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting gubernatorial appointments. Senators present: Deb Fischer, Chairperson; Arnie Stuthman, Vice Chairperson; Ray Aguilar; Carol Hudkins; LeRoy Loudon; Scott Lautenbaugh; and Dwite Pedersen. Senators absent: DiAnna Schimek.
[CONFIRMATION]

SENATOR FISCHER: Good morning and welcome to the Transportation and Telecommunications Committee. My name is Deb Fischer. I am Chair of the committee. At this time I would like to introduce the senators on the committee. On my far left is Senator Carol Hudkins from Malcolm; to my immediate left is Mrs. Pauline Bulgrin, she is the committee clerk; to my immediate right is Mr. Dustin Vaughan and he is committee counsel; next is Senator Ray Aguilar from Grand Island; next to him is our Vice Chair, Senator Arnie Stuthman from Platte Center; and on the end is Senator Dwite Pedersen from Elkhorn. Our page today is Charles Burns and if you need anything, just be sure and ask him. With that, I will open the hearing. We have a confirmation hearing this morning for Mr. Ralph Holzfafter for the Nebraska Railway Council. So Mr. Holzfafter, welcome. Would you like to step forward, please?
[CONFIRMATION]

RALPH HOLZFASTER: (Exhibit 1) Okay. Thank you. I had my hip replaced about five weeks ago so I'm still kind of gimping around but it really works. It was a good deal. It's kind of like going to the dentist, you know, once you leave, you're really glad you went.
[CONFIRMATION]

SENATOR FISCHER: You're doing very well. Welcome. If you would like to just tell us a little bit about yourself and why you would like to be on the Railway Council.
[CONFIRMATION]

RALPH HOLZFASTER: Okay. My name is Ralph Holzfafter. I live at Paxton, Nebraska.
[CONFIRMATION]

SENATOR FISCHER: Would you spell your last name, please? [CONFIRMATION]

RALPH HOLZFASTER: H-o-l-z-f-a-s-t-e-r, and I've lived in Nebraska all my life and I went to school in Denver and I see there's a little thing you've got here, but I was on the NPPD board for 25 years and have served on the ethanol authority board. And I, we've been...we farm and I have an irrigation business since 1969 and so live on the farm and after I got off the NPPD board I got pretty active in ethanol development so we have an involvement in a couple of plants, one at Madrid and one at Cambridge. And so we know the importance of short lines and I always, I just hated to see short lines be taken

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out of the state because it's awful difficult to get them back. And I know that were on a short line at Madrid and then on the mainline at Cambridge. But Loran Schmit, who you probably all know, said there was going to be an opening on the rail council. I didn't know much about it but it has to do something with short lines and so I really don't know that much about it. I did talk Peggy King and she called me and then the Governor made an appointment for a gentleman who lived in Chadron that decided he was not going to stay on that board any longer so. I really don't know that much about it. I'm learning. I just want to help any way I can to develop rail because I know how important short lines are to an ethanol plant as far as the roads department and then traffic, and so forth so. I guess that's about it. I don't know a lot about the appointment or what the job will be. [CONFIRMATION]

SENATOR FISCHER: Thank you very much. Thank you. I really appreciate you driving all the way in today. It's important that the committee members get to meet you and see who you are, so thank you for coming in. Are there questions? Senator Stuthman. [CONFIRMATION]

SENATOR STUTHMAN: Thank you, Senator Fischer. Ralph, no Frank, I realize your real interest in the rail, railroad and the short lines. Do you think that in the future there's going to be a need for additional rail lines because of the fact, you know, that the highways are getting filled and you can really move a lot of product on the rail? Do you think there may be a possibility of expanding short lines? [CONFIRMATION]

RALPH HOLZFASTER: Well, my involvement with short lines, I realize there were two short lines in my lifetime that were up for abandonment. One of them was the one that ran from Sterling to Gerald Gentleman Station and Gerald Gentleman Station came in and they got the coal coming there. They were going to abandon that and they threatened to abandon that up to 25 years ago. And then the other line was the line that runs from Sutherland up to the Powder River Basin and that line was going to be abandoned, the one through Scottsbluff, that was. And so it just...things change and evolve and, I guess, I think rail really helps keep traffic off the roads, and trucks and so forth, and so I think it has a purpose and so we see a lot of shipment with the UP and the Burlington out there and I think it's really important. [CONFIRMATION]

SENATOR STUTHMAN: Well, thank you, Ralph, and I apologize for calling you Frank, but the wrong page turned and that was your father then, wasn't it. Yeah. But I really think there is a need, you know, that we ought to make sure that the short lines that we have now do not get abandoned. I think that's very important because of hopefully what we can expand out there in rural Nebraska so that we can get more population out there to the rural area. I think that's very important and I really appreciate your interest in the rail. Thank you. [CONFIRMATION]

RALPH HOLZFASTER: Yeah. My only interest is to try to help the state of Nebraska

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with economic development or anything I can do. [CONFIRMATION]

SENATOR STUTHMAN: Thank you. [CONFIRMATION]

SENATOR FISCHER: Thank you, Senator Stuthman. At this time I would like to announce for the record, we've been joined by Senator Scott Lautenbaugh from Omaha and Senator LeRoy Loudon from Ellsworth. Other questions? Senator Aguilar. [CONFIRMATION]

SENATOR AGUILAR: Thank you. Ralph, thanks for coming down today. I know that's a long drive. My question's kind on the same vein as what Senator Stuthman's was. When I first come to the Legislature years ago, there was a lot of discussion centered around the possibility of the rail line to run adjacent on Interstate 80 all across the state to help move traffic out, help ease the traffic congestion along that (inaudible) Do you foresee that as some kind of a possibility down the road or... [CONFIRMATION]

RALPH HOLZFASTER: Well, the Union Pacific really runs parallel to I-80 and, but I think there's a train runs through Paxton every nine minutes on a year round basis, 24 hours a day. [CONFIRMATION]

SENATOR AGUILAR: This is specifically for passenger transportation rather than... [CONFIRMATION]

RALPH HOLZFASTER: Oh, passenger trains. I don't know. I always like trains now. It was fun to ride on a train but it seems like here we just, freight is the big thing [CONFIRMATION]

SENATOR AGUILAR: That's where the dollars are, yeah. [CONFIRMATION]

RALPH HOLZFASTER: Yeah. Then nobody wants to run a passenger train because there's not the money in it I think as there is in freight. [CONFIRMATION]

SENATOR AGUILAR: Thank you. And by the way we promise not to hold it against you that your accompanied by Senator Erdman regardless of what you've heard about him down the road. (Laughter) [CONFIRMATION]

RALPH HOLZFASTER: Thank you. [CONFIRMATION]

SENATOR FISCHER: Other questions? Senator Hudkins. [CONFIRMATION]

SENATOR HUDKINS: Mr. Holzfafter, thank you. It is a long way from Paxton. We do appreciate your coming down. In the papers that we've been given, your areas of interest, among other things, include roads. Now obviously you're going to be on the

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Railway Council but we do have lots and lots of roads in Nebraska. Do you have any suggestions on how we could increase funding for roads? [CONFIRMATION]

RALPH HOLZFASTER: I...roads are really important and I think Senator Erdman realizes that more than I do because he has a lot, a third more distance to travel than I do. But I always thought that even a tax on the roads somehow you get it back and to take a penny tax off of gas tax to save a little bit of taxes when gas is \$3.30 a gallon or diesel is \$4.00 a gallon, really doesn't make much difference. and good roads will help save that penny a lot more than, I think. And, I think, roads need to be funded because it's really important in rural areas and it helps towns. [CONFIRMATION]

SENATOR HUDKINS: Thank you. [CONFIRMATION]

SENATOR FISCHER: Other questions? Senator Louden. [CONFIRMATION]

SENATOR LOUDEN: Yeah, thank you for being here today. Thank you, Senator Fischer. On the railway commission, nowadays you have a problem if I wanted to get a carload of something set off some place, are they going to go to, if you want to get something on the Union Pacific you'd have to have it set off at North Platte and haul it, truck it from there. I mean, will the Union Pacific set off a carload of feed in Paxton? [CONFIRMATION]

RALPH HOLZFASTER: Well, we have an elevator in Paxton and they'll load four or five cars, is all the room they have to load. But it's difficult and I know that a lot of people say that they would, you know, the railroads would like to abandon that, those small shippers and they like the train load shippers and... [CONFIRMATION]

SENATOR LOUDEN: Now will they even, will they even set cars off at, you might say, where they have major yards, you know, like on the Burlington Northern of the Alliance yards or perhaps Grand Island or places like that? Can you still get them to, you know if you want to get in a carload or two carload of commodities of some kind, can you get them to set that off or do you, does your agency here, will this commission council address those problems? [CONFIRMATION]

RALPH HOLZFASTER: Well, I guess I'm not real sure of the job that this council is supposed to do. I think it was created from the federal government to disburse and to help put some money out for short lines. As an example, at Ewing, there's a rail line goes to Ewing, and there's an ethanol plant going into Atkinson and I think it's about 25 miles. And they'd like to get a short line from Ewing to Atkinson to take a lot of the traffic off the roads. And this really doesn't have a lot to do other than to help facilitate the extension of short lines using the federal government's money. The state of Nebraska really doesn't have much to do with this except different states have, from my understanding, have taken part in this to use the federal government's money and then

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they loan it and then it's supposed to be paid back and then reloaned again to help develop. And the Department of Transportation oversees and, I think, one of their members is an executive director of this council, so I guess I really don't know that much about it. Loran Schmit wanted to know if I could get on, if I would try for it because there was an opening and so Peggy King called me and we visited a little bit, and so I really don't know that much about the job. And I'm not sure but I just thought if...I know they don't have any money or much money, and your not paid so that's a... (Laughter) Most of us work for very, very little and, but you have to get by on the accomplishments that you could. [CONFIRMATION]

SENATOR LOUDEN: I, I, yeah, and I thank you for... [CONFIRMATION]

RALPH HOLZFASTER: And as far as the railroads, I know, being on NPPD board for 25 years, we had to build a second line into Gerald Gentleman Station with the UP and it cost \$26 million and we paid for it in four years in freight. And then the Burlington Northern was going to abandon that little line over there that they had come in with, but railroads are sometimes, it's hard to tell exactly what their thoughts are, but... [CONFIRMATION]

SENATOR LOUDEN: Well, I guess what I'm wondering is up there in the north end of Sheridan County, you see, they're rolling up some more railroad track. We had that short line that went as far as Merriman. They rolled that up to Gordon. Now that's all taken out until, I don't even know if it reaches Hay Springs now. And now you have the Gordon area that has a lot of...a big feed mill in there. A lot of feed goes in and out of there. Every bit of that has to go out of there on rubber tires and that, you know, the state of Nebraska has got to furnish that highway for it. And I'm wondering why that has been let to happen. Why we've let that road bed be rolled up when it would have saved the highway considerable amount of work or wear on the highways and that's kind of where I'm going from, you know, if...what can we do and what can you do as council member to either, I'm sure we can't change it back to the way it was, but what can we do to stop things like that from happening and that was kind of my question. [CONFIRMATION]

RALPH HOLZFASTER: Well, I think once they've abandoned the rail line, then you lose the right to put a line down and to get an easement is really difficult because, I know, just even putting a, building a power line is almost impossible. [CONFIRMATION]

SENATOR LOUDEN: The line, the easement's there because they're trying to make a cowboy trail out of it so the easement is still there but anyway thank you for your answers and thank you for sitting on it. [CONFIRMATION]

RALPH HOLZFASTER: Well, yeah, I wished a little more but I ought to come next year and I can you really fill you in on the... [CONFIRMATION]

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SENATOR LOUDEN: Good, we'll look forward to a visit. [CONFIRMATION]

RALPH HOLZFASTER: Okay. [CONFIRMATION]

SENATOR FISCHER: Thank you, Senator Louden. Senator Lautenbaugh.
[CONFIRMATION]

SENATOR LAUTENBAUGH: Thank you, Madam Chair. Mr. Holzfaster, I'm sorry to come in in the middle of your hearing and I appreciate your being willing to do this. I believe you have a son who lives in Omaha and his wife, Amy? [CONFIRMATION]

RALPH HOLZFASTER: Right. [CONFIRMATION]

SENATOR LAUTENBAUGH: I know of them and they're good people and I appreciate you being willing to do this and I'm sorry if any of us put you on the spot asking you how to fund roads but I think we were hoping you had better ideas than we've had to date. (Laughter) [CONFIRMATION]

RALPH HOLZFASTER: Well, I think roads are important and it's important a rural area to have good roads. [CONFIRMATION]

SENATOR LAUTENBAUGH: I think we're just going to start asking everyone who comes in here if they've got a better idea so. I appreciate you being willing to do this and good luck to you. [CONFIRMATION]

RALPH HOLZFASTER: Thank you. [CONFIRMATION.]

SENATOR FISCHER: Thank you. Other questions? I see none. I think you know more than you give yourself credit for about this council, sir, because when you answered the questions on the light rail density and things, you do know what you're talking about even though you haven't served on the council so it's been a pleasure having you here. And again, thank you for coming. Appreciate it. [CONFIRMATION]

RALPH HOLZFASTER: Thank you very much, I appreciate that. Thanks.
[CONFIRMATION]

SENATOR FISCHER: Thank you. Is there anyone here to speak in favor of the appointment? Good morning. [CONFIRMATION]

SENATOR ERDMAN: There is. Madam Chair, Philip Erdman representing the 47th District and I'm proud to have Ralph as one of my constituents. I've known Ralph for a third of my life which isn't that very long actually, but... [CONFIRMATION]

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SENATOR FISCHER: Don't...now please, now please don't make us feel badly this early in the morning. (Laughter) [CONFIRMATION]

SENATOR LAUTENBAUGH: Seven years, eight years, okay. [CONFIRMATION]

SENATOR ERDMAN: About ten...about ten, thanks. I've known of him a lot longer than that and I know that Ralph's commitment, I think, to public services is well established here today. His willingness, as he said, to be a part of this process and to do whatever he can to help this state is admirable. And I think that's a reflection of not only of his character and his interest but I think of his family and the number of things that they are involved in in the Paxton community. And since I'm here, I thought I would add my two cents, thank him for coming down. It is a lot closer from Paxton to come to Lincoln than Bayard but it's still a trip and so he made that sacrifice to be here, and I think that's a reflection of the importance that he feels that he can provide for the state. [CONFIRMATION]

SENATOR FISCHER: Thank you, Senator Erdman. Are there questions? Thank you very much. Are there other proponents for the nomination? Are there any opponents for the nomination? Anyone wishing to testify in the neutral capacity? I see none. With that, I will close the hearing. And thank you. [CONFIRMATION]

Chairperson

Committee Clerk