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Transportation and Telecommunications Committee and Appropriations Committee
November 04, 2009

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The Committee on Transportation and Telecommunications and Committee on Appropriations met at 9:00 a.m. on Wednesday, November 4, 2009, in Room 1113 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on Department of Roads Needs Assessment. Senators present: Deb Fischer, Chairperson; Arnie Stuthman, Vice Chairperson; Kathy Campbell; Tim Gay; Galen Hadley; Charlie Janssen; Scott Lautenbaugh; and LeRoy Louden. Senators absent: None. Appropriations Committee Senators present: Lavon Heidemann; Danielle Conrad; Tony Fulton; Thomas Hansen; John Harms; Heath Mello; John Nelson; and John Wightman. Senators absent: Jeremy Nordquist. []

SENATOR FISCHER: Good morning, I would like to welcome everyone to the joint hearing by the Appropriations Committee and the Transportation and Telecommunications Committee. This hearing is on the Needs Assessment and we will only be hearing from Director Fredrickson at this hearing. There is no public comment. At this time I would like to introduce the members of my committee that are present. My name is Deb Fischer, I am from District 43, I am Chair of the Transportation and Telecommunications Committee. The members of my committee are Senator Kathy Campbell from Lincoln; Senator Tim Gay from Papillion; my Vice Chair is Senator Arnie Stuthman from Platte Center; on my immediate right is our committee counsel, Dusty Vaughan; on my immediate left is our committee clerk, Laurie Vollertsen; next to Ms. Vollertsen, we have Senator Galen Hadley from Kearney, Nebraska; next we have Senator LeRoy Louden from Ellsworth, Nebraska. I expect that we will be having two more senators join us shortly. And at this time I would like to welcome Senator Lavon Heidemann from Elk Creek and his members of the Appropriations Committee and if...Senator Heidemann, if you would like to introduce your members please. []

SENATOR HEIDEMANN: We have the Vice Chair, Senator Tom Harms from Scottsbluff; Senator John Nelson from Omaha; moving over to my right, Senator Tom

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Hansen from North Platte; Senator Heath Mello from Omaha; and Senator Danielle Conrad, I'm still getting used to that name, (laughter) from Lincoln. []

SENATOR FISCHER: Thank you, Senator Heidemann. And at this time, I would like to welcome Director Fredrickson, and if you would like to begin with your report I would appreciate it. So welcome. []

MONTY FREDRICKSON: (Exhibits 1 and 2) Thank you and good morning Senator Fischer and members of the Transportation and Telecommunications Committee and good morning Senator Heidemann and members of the Appropriations Committee. I am Monty Fredrickson, director-state engineer of the Department of Roads. I am honored to come before you today and am proud to represent the Governor and the department staff. I will do my best to present you the facts, the state highway needs, and to answer your questions with assistance from our expert staff. Please take a look at page 1 of the needs report that you have in front of you. This chart shows the 2009 state highway system inflated needs. This chart identifies the current needs for the next 20 years at \$9.1 billion in today's dollars. However, with inflation applied at 5 percent for 2011 and 2012, and at 3 percent for the remaining years, over the next 20 years the total cost of today's needs are estimated at \$13 billion. The inflation percentages used are based upon Nebraska Highway Construction Price Index. Presuming an average highway construction program of \$320 million for the next 20 years, we would be able to meet \$6.4 billion of the \$13 billion inflated needs. The Department of Roads categorizes the needs of the state highway system into six categories which I will discuss in more depth shortly. However, I believe it's important to discuss how the Department of Roads prioritizes meeting the needs. Simply stated, our highway construction program has four priorities. First, high priority bridges; second, preservation of the existing highway system; third, completing the six-lane interstate from Lincoln to Omaha; and if resources remain, fourth, the addition of other capital improvements to the highway system throughout the state. The first two priorities currently consume the vast majority of our highway construction budget, but the department believes that this is a wise strategy as

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it protects the multibillion dollar investment taxpayers have made in the existing state highway system. Now if you would turn back to page 2 of the report, we will go through the individual needs categories very briefly, those being pavement preservation, rural geometrics, urban, railroad crossing, Missouri River bridges, and miscellaneous. These needs are then reviewed and prioritized by our staff and placed into the highway construction program based upon our four priorities and the available resources. Let's start with the first category, pavement preservation. These needs include the cost of maintaining the state highway system at a specified pavement condition level. The system is evaluated each year using factors such as extent and severity of pavement deterioration, and ride quality. The data gathered from the pavement evaluations is used to calculate pavement condition indices. These indices, along with the annual pavement deterioration and a benefit/cost analysis are used to compile the pavement preservation needs. Next are rural geometrics. And these are identified by using the criteria used on page 4 of this report. These standards are based on estimated future traffic volumes, meaning 20 years in the future. The standards are divided into six categories ranging from a low of 750 vehicles to a high of 36,000 vehicles per day and greater. These criteria include such items as pavement width, shoulder width, and number of lanes. Once a segment of roadway is found not meeting these standards, it is identified as deficient, and a cost is assigned to the segment for correcting its deficiencies. Bridge needs are also included in the rural geometric category. The costs of additional capital improvements needs such as new lanes of traffic outside of urban areas are also included in this need category. The next category is urban back on page 3. These needs include the widening or reconstruction of state highways that extend through corporate limits of cities with populations of 5,000 or greater. Next is railroad crossings. These needs include the cost of building new viaducts resulting in closing at-grade crossings. These needs also include the costs of upgrading or placing new railroad crossing signals on the state highway system. The Missouri River bridge category includes the costs to repair existing Missouri River bridges as well as build new ones. Two major bridge projects that contribute to these needs are the replacement of the existing bridge at Rulo, and the new U.S.34 bridge near Bellevue. The last

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category is miscellaneous which includes such items as planning, research, lighting, and traffic signals. If you would turn to page 7, at the table at the top, you can see the summary of the needs for 2009 in today's dollars are \$9.1 billion compared to \$8.2 billion last year. The pie chart below shows that the pavement preservation needs comprise 61 percent of the 20-year needs, and rural geometrics account for 31 percent. Now, I would like to take a few minutes to just reiterate how the Department of Roads plans to prioritize the needs of the state transportation system. And in your handout you have a couple more charts. The first one, again, is just the chart out of the needs report, and to talk about it in just a little more detail, it again shows the rising cost of the state highway needs based on inflation. And given our current local and national economic situation, it is probably not realistic for the department to expect this level of funding. If you would turn to figure 2, which is the next page, again, this is graphically our priority of needs, and these were developed by the Department of Roads in conjunction with the Highway Commission in establishing where we should spend our money and what the priorities should be. We believe that it is good business practice to maintain our existing assets before planning to build new facilities. In our last chart is figure 3, it is important to note that if the current budget stays static, maintaining the existing system at its current condition will not be possible. As an example, this figure shows how the condition of noninterstate highways would deteriorate if the department's budget remains static for the next 20 years. The blue line shows the decrease in percent of miles in good condition, generally showing that today we have about 83 percent of our miles in good condition and you can project out however many years you want at a static level of funding and you can see what inflation does to the buying power of those revenues. And the red line, of course, is just the corollary showing those miles that are in fair to poor condition would increase under that scenario. This concludes my presentation of the 2009 highway needs. I would now be happy to answer any questions. []

SENATOR FISCHER: Thank you, Director. Are there questions? Senator Loudon. []

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SENATOR LOUDEN: Yes, thank you, Senator Fischer. And thank you, Monty, for this presentation. As you look up this figure three when your lines are coming to a point there and our funding isn't, then you got to have some increase in funding, is that correct? []

MONTY FREDRICKSON: It's a choice between increase in funding or roads that aren't as good as we have them right now. []

SENATOR LOUDEN: Okay. And then your major source of income would be fuel tax, or has the department come up with any other suggestions for an increase in funding? []

MONTY FREDRICKSON: No, we haven't had any suggestions. There's been a number of ideas thrown out as Senator Fischer has held hearings and, I think, has a list of a lot of ideas, and other states are looking at everything they can possibly think of. So it doesn't matter to us where the funding comes from. It's just we're trying to present what the situation is today and what the future could look like. []

SENATOR LOUDEN: Yes, and as you say, in the next 20 years there's \$13 billion and you can only...at the present rate, you only come up with about half of that amount, so there has to be some increase. How much of an increase in funding do you need to kind of main...kind of turn that red line, I guess, or to make the line start going parallel for a while? []

MONTY FREDRICKSON: Well, the...last year our estimate to just maintain the system, not building any new facilities, was \$286 million a year. And so you inflate that one more year at 5 percent, which is now, that's \$300 million. Well, that's about what our program will probably be in 2011. So what we would do to maintain the system at the current level is that revenues would have to stay pace with inflation. []

SENATOR LOUDEN: Okay. Now, how much...with your projections have you done

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anything to, if you had a 5 cent fuel tax increase or something like that, how much would 1 cent fuel tax raise now with your lower...I presume there's a lower usage in fuel than there has been in previous years? []

MONTY FREDRICKSON: A little bit lower but it's still brings in...1 cent still brings in about \$12 million. []

SENATOR LOUDEN: A year. []

MONTY FREDRICKSON: Yes. []

SENATOR LOUDEN: I see. Then 5 cent would be like \$60 million a year. Now, is that sufficient to tied you over or will it take more than that, or...? []

MONTY FREDRICKSON: Well, it would probably get you five or six years to keep pace with inflation, depending on what our construction prices did. []

SENATOR LOUDEN: Well, four or five years from now, let somebody else worry about that. (Laughter) I'm just talking about here...yeah, I'm going to be here for three years, I'm worried about three years, and that's what I'm wondering if that much would tied you over for a short period of time. []

MONTY FREDRICKSON: It would help us maintain the existing system. However, it would not be sufficient to build any new facilities. []

SENATOR LOUDEN: Okay. And then when you talk about new facilities, you're talking about some expressway systems, or something like that, or...? []

MONTY FREDRICKSON: Finishing the expressway system or other nonexpressway expansion projects that need to go from two- to four-lanes, building new interchanges. []

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SENATOR LOUDEN: Okay. Now in some of these counties that have over a billion dollar valuations, have you approached them on helping you out on some...around some of these towns when they have to go from two- to four-lane? Has there ever been any discussion with any of those counties on any of that? []

MONTY FREDRICKSON: Not the counties. We have a policy that requires cities over 5,000 to put 20 percent of the project costs into an improvement like that. But I do not believe we are able to do that by statute with the counties. It would have to be voluntary. []

SENATOR LOUDEN: Well, that's what I was wondering if you had any discussion to see if anybody wanted to pony up. []

MONTY FREDRICKSON: We have had those discussions. []

SENATOR LOUDEN: Okay. Thank you, Director. []

SENATOR FISCHER: Thank you, Senator Louden. Senator Hadley. []

SENATOR HADLEY: Thank you, Senator Fischer. Mr. Fredrickson, I guess I just have a quick question. We talk a lot about reserves and such as that. How would the department handle, you know, basically a catastrophe? You know, you have a...I see the Oakland Bay bridges have problems and, you know, those kinds of things. Just, you know, kind of a summary of how you would...these are ongoing projects, how would you handle it if for some reason a bridge over the Platte River or something like that went out? []

MONTY FREDRICKSON: There's a couple of ways. One, we'd just have to steal the money from preservation and put it on the catastrophe. Two, either this body or the

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Governor or somebody in the state would have to appropriate special money from some other source to help with that catastrophe. Or, as was the case with the Minnesota bridge collapse, there was special money from Congress appropriated to rebuild that structure, so a federal aid assistance could be possible. []

SENATOR HADLEY: Thank you. []

SENATOR FISCHER: Senator Fulton. []

SENATOR FULTON: Thank you, Madam Chair. Thank you, Director. There was, I think it was two years ago, the Legislature appropriated \$15 million out of the cash reserve to go to some specific projects. Can you give an update as to how that money has been spent, if it's being spent, or if it's planned to be spent? []

MONTY FREDRICKSON: Yes. As you recall, that was to come to the department in three installments. We have received the first installment. We have not spent any of the money at this point. The three major projects that...three or four major projects that most of that money was to go to are not ready to go to construction. We are hung up with either an environmental process or a glitch in the earmark that was to pay 80 percent of the money. So we're still a couple years away from putting those projects on the street. []

SENATOR FULTON: And is that planned, is there a date specific when that can be expected when those expenditures can be made or are we truly hung up on bureaucracy right now? []

MONTY FREDRICKSON: I can't give you a specific date because it depends on the approval process of the environmental document for three of those projects, and that's out of our hands. It's in the hands of the federal agencies that review that document. []

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SENATOR FULTON: Okay. Thank you. []

SENATOR FISCHER: Senator Conrad, did you have a question? []

SENATOR CONRAD: Yes. Yes, thank you. Thank you, Director. It's really more of a follow-up I guess to Senator Fulton's question. I know that we've discussed (inaudible) million dollar allocation and (inaudible). We see that on the Appropriations Committee perspective. I think the greatest danger would be not utilizing funds that we may have available for the short term. But we want to be ever mindful that we're not endangering critical projects as they come to fruition. And so would it be your opinion that in the short term over the next two years those dollars will not be utilized? []

MONTY FREDRICKSON: That would be my best guess that we would be hard pressed to utilize those dollars in the next two year. []

SENATOR CONRAD: Okay. Thank you. []

SENATOR FISCHER: Senator Gay. []

SENATOR GAY: Thank you, Senator Fischer. Director, you talked about preservation of existing highways and bridges is really going to consume all our dollars at this point, but this is a question I asked earlier and I'm still not comfortable with an answer. On page 3, pavement preservation, you say there's these indices that you use, and they look along annual pavement deterioration and benefit/cost analysis are used to compile these needs. And I asked this before, is our method, is this like a standardized method around the country and then how do are our extreme weather conditions...I mean, are we different in this region than they would be in, say, Georgia, or some warm weather state? But are we top of the list on that? Are we in the middle? Are we on the low end or is...? How do you decide that? []

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MONTY FREDRICKSON: Well, the weather question is, that hurts us a lot compared to a Florida or an Arizona with the extreme temperatures. Extreme temperature changes and moisture are the worst thing for our pavements. Now, our system that analyzes the condition of all these pavements and receives all this data, and then predicts how long they will last and how much money we should spend on each of them, is a pretty sophisticated system. I would have to ask Dan, where does our system rank with the rest of the states? []

DAN NICHOLAS: Well, we really don't have a system where we compare ourselves with other states. []

SENATOR FISCHER: Excuse me, if you'd like to come forward so we can get you on the recording equipment that would be helpful, and state your name, please. []

DAN NICHOLAS: My name is Dan Nicholas. I'm the roadway asset management engineer for the Department of Roads. And as far as our...we have what we call a pavement management system. We go out and raid our pavements or we inspect them every year. We have been doing that since 1984. We have a lot of history as to how our pavements behave and we use that data to anticipate deterioration rates and of high values to correct whatever deterioration we're trying to work with. But it's pretty much based on our deterioration. We really don't compare it to any other state as to how their system deteriorates or anything of that nature. []

SENATOR GAY: So how do we know that Nebraska is...I mean, I've driven on some of these roads with not a lot of traffic and they're in very good shape. And I just came on the interstate and it's...you know, I know it's under construction but there were pretty major potholes coming along through that construction zone now just because of traffic. But I guess, how do we know then that we're comfortable, we're spending \$300 million on existing only and we say we can't do new construction projects, how do I know that the top priority roads are getting well taken care of versus a road that may not get any

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traffic? I mean, is that factored into it? Because before I heard...I asked that question and someone answered that we do it like the other states. And what you're saying now is, well, we don't, we do our own thing. So I'm just kind of concerned how we're spending our money. It's \$300 million, are we preserving to the 100 percent level, 80 percent? Because if that's where all our money is going, I'm just kind of concerned how we're spending the money. []

MONTY FREDRICKSON: I might try to answer that. We set our goal to have 84 percent of our roads in good or excellent condition and so that's what you're driving on today is what we feel like we should be driving on for the next 20 years. So that's our goal. And this computer system along with the data allocates the money to the right roads because it predicts their deterioration rate. And your road with not much traffic is probably going to last 15 years, whereas a road with considerable traffic like the interstate, an asphalt overlay there, may only last eight years. So it takes that into account and does allocate the money to the most needed roads statewide. []

SENATOR GAY: So 84 percent is our goal then? []

MONTY FREDRICKSON: Yes. []

SENATOR GAY: Okay. Thank you. []

SENATOR FISCHER: Thank you. Senator Campbell. []

SENATOR CAMPBELL: Thank you, Senator Fischer. Director, we don't have a figure here but I've sure you do have. What is the figure in today's dollars of the total projects that you're keeping in the construction that we don't even get to at this point? Because that's a figure...I mean, your charts give us where we are in terms of all of that, but where are we in terms of that construction list? []

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MONTY FREDRICKSON: If you're talking about capital improvement type projects? []

SENATOR CAMPBELL: Yes. []

MONTY FREDRICKSON: They would be contained on page 7 in that \$2.8 billion figure. I'm going to guess, \$2 billion would be those capital improvement projects. The other \$800,000 would be more of the shoulder-widening type projects that aren't quite a high profile. And then I would also note that much of the expressway system is not in that figure, because it does not meet the 10,000 cars per day warrant, which is the criteria that we established here to determine the needs. And that's all this is, is determining what the needs are based on that specific criteria. []

SENATOR CAMPBELL: So there would be additional...an additional amount of money for those projects not reaching the 10,000, because when we traveled on the hearings we heard a lot about those roads that don't meet that criteria. []

MONTY FREDRICKSON: Yes. []

SENATOR CAMPBELL: Do you have any idea what those needs would be? []

MONTY FREDRICKSON: I do. (Laughter) []

SENATOR CAMPBELL: I'm sure you do. []

MONTY FREDRICKSON: About \$600 million, you would have to add... []

SENATOR CAMPBELL: In addition? []

MONTY FREDRICKSON: Yes. Just as another figure to throw out, completing the entire expressway system in today's dollars, some of it's warranted, some of it isn't, is \$850

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million, today's dollars. []

SENATOR CAMPBELL: I think...the reason why I'm asking the questions is I think it's important for all of us to keep in mind the broad picture here of a great, a great number of needs and some that aren't even in your figures here. []

MONTY FREDRICKSON: Exactly. []

SENATOR CAMPBELL: And we heard a lot about those roads. Could I just have one other question? []

SENATOR FISCHER: Of course. []

SENATOR CAMPBELL: Thank you, Senator Fischer. Director, you and I had occasion to visit a couple of weeks ago and I think it's worthwhile looking at that, my question to you was, how much have we used of the stimulus dollars that we've gotten, and the second part of my question was, how much of the stimulus dollars have been used by cities and counties? Because we need to remember that roads here are tied to what happens in cities and counties, not just for the state (inaudible). []

MONTY FREDRICKSON: The state highway stimulus dollars, 90 percent of them have been obligated, which means, they have been approved by federal highway administration and I'm going to say, there's 34 projects under way at this time spending those dollars. On the local system, I should back up and say, our stimulus dollars were about \$158 million on the highway system. And all of those will be under contract by January or February. I think we'll meet that goal without any trouble. The local projects between the cities, the counties, and Lincoln and Omaha, they got \$70 million and there's only a couple of projects under way so far. We had a harder time getting those projects out the door, so to speak. We had to back up and redo some environmental documents and put them in a shape that was acceptable for the scrutiny that the

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stimulus projects are going to get. But we've been working very hard with the League of Municipalities and NACO and all the individual entities and we've held a lot of workshops to get these environmental documents approved. And we think we can meet the goal of getting those on the street by March 1 and that's the deadline, so that most of those local projects will be constructed next year. []

SENATOR CAMPBELL: This is my last question. Director, of the stimulus money if we've looked at that \$158 million, was that taken from one of these lists, so would other projects that are on your list now move up in line? I think that's a question that I've been asked in the last couple of weeks. Is...then do we move other shovel ready projects up or did...are these projects that were on a separate list or...? []

MONTY FREDRICKSON: We spent the stimulus money on two kinds of projects. I don't know the percent because we've never calculated it. But let's just say, half of it went to preservation projects that we would not have been able to afford to build this year. They would have had to been delayed. So that helped keep our 84 percent of our roads in good condition. The other half of the money, if that's the right number, was spent on expansion projects that we would not have been able to afford. Now, you would think that something else could move up on the list but because our budget now is right at what it takes for system preservation, you can't move any capital improvements up because of stimulus, because there's not enough money in next year's program. The stimulus is just one spike. []

SENATOR FISCHER: Thank you, Senator Campbell. Senator Stuthman. []

SENATOR STUTHMAN: Thank you, Senator Fischer. Director, I have a concern of the possibility in years to come when the money generated right now is primarily used for preservation of the roads, just to preserve what we have. And every year that our roads get older and older and older, it's going to take more preservation. And if we ever plan to grow Nebraska, we need infrastructure. And that means new infrastructure and new

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roads throughout the state of Nebraska. So I think we have to be very serious about finding some type of method of generating revenue so that we can grow Nebraska and build these new roads, so that we can grow Nebraska even more. Otherwise, we're going to have a state with a possibility of bad roads, getting worse every year, because we just don't have the money. And we're going to come to a point, in my opinion, where, you know, the mileage is going to be increased in these vehicles, less revenue is going to be coming in. And the other issue that I have is, when we do build, you know, new infrastructure, make four-lanes and stuff like that that, you know, it seems like within six months they're in the preservation model or repairing what was screwed up when they built the roads. If we could, you know...and they're roads in the community that have hardly ever been touched, you know, since the '80s when they were built. Maybe there needs to be something, in my opinion, of the contractors, what we're doing with the roads. Maybe it's too heavy of vehicles, I don't know. []

MONTY FREDRICKSON: Well, we do have pretty strict quality standards in our construction and hopefully, the work you have seen on roads that aren't very old has been one of two types. It's the contractor out there fulfilling a warranty type issue, which shouldn't cost the taxpayer any money. Or number two, we've already started the system preservation on that road because if you spend just a little bit of money on a road, especially an asphalt road about every four years, you will prolong it's life considerably. And you need to keep the moisture out of roads, so a lot of this crack sealing and fog sealing and thin oil coatings are just for that purpose to keep the moisture out of the road because it just tends to dry up over time. []

SENATOR STUTHMAN: But you will agree then that the fact that as these roads continually get older and older and older, it's going to continue to take more to preserve them. []

MONTY FREDRICKSON: Well, what we're saying is, if you didn't have inflation, we could keep the roads in the condition they are today forever with \$300 million a year,

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because that's the way our system works. That's the way the computer system works. It rehabilitates a road when it gets to a certain age and brings it back to good condition. And then over time, 12, 14, 16 years, whatever the traffic, we do the necessary maintenance on it and then bring it back to condition again. And so that's just a continuous cycle. So if we had \$300 million, no inflation, we could keep exactly what we had today. Unfortunately, that doesn't solve completing the expressways or building some of the other expansion projects that people want to see built. []

SENATOR STUTHMAN: And in my opinion if we're serious about it, we need to find some other revenue. []

MONTY FREDRICKSON: Yes, and... []

SENATOR STUTHMAN: Or more revenue. []

MONTY FREDRICKSON: Many other states are in this same boat. []

SENATOR STUTHMAN: Okay. Thank you. []

SENATOR FISCHER: Thank you, Senator Stuthman. Senator Mello. []

SENATOR MELLO: Thank you, Senator Fischer. Director Fredrickson, kind of dovetailing off what Senator Stuthman just asked. Does the department have any planning or long-term planning to deal with the increase we will see starting probably next year in regards to the movement to electric vehicles and how that will impact the highway cash fund, so to speak, probably starting, like I say, maybe 2011, 2012? []

MONTY FREDRICKSON: No, we haven't done any specific studies but, as I'm sure you know, the gas tax structure in Nebraska is such that whatever our appropriation is set then the variable for the Department of Roads adjusts to meet that. So if there's less

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gas purchased, then the tax would go up to meet the appropriation. So that's a short-term...I won't call it a fix, but it's a short-term way to keep our revenue stream level and that was the whole purpose behind that structure. Long-term, who knows. It is a serious concern that the gas tax mechanism cannot be the only funding source over the next 30 years. []

SENATOR MELLO: Has there been any conversations with public power at all to discuss as more consumers move to electric vehicles defining some way to look at recouping funding that would traditionally go to the Highway Trust Fund, so to speak, from public power...the electricity? []

MONTY FREDRICKSON: We haven't had specific meetings with them. Nationwide, the idea that's being proposed, is the vehicle mile tax. So you don't tax the energy part of the vehicle but you drive 100 miles and you pay \$1 or whatever, whatever it is. So that seems like a reasonable system. It's been tested in Oregon and it will work. There are some people issues with the entire system, so we'll see how that one goes. []

SENATOR MELLO: Thank you. []

SENATOR FISCHER: Thank you, Senator Mello. Senator Lautenbaugh. []

SENATOR LAUTENBAUGH: Thank you, Madam Chair. Thank you for coming today, sir. I hope this is a simple question and I don't have an opinion that it should be otherwise. Why 84 percent? []

MONTY FREDRICKSON: (Laughter) I don't know. I guess, I'll try to answer that the best I can. Our team that works on pavement deterioration and evaluation and rehabilitation, I mean, they spend every day with this and they're out looking at roads every day, based on all the data that they've looked at and we've got 20 years of data on pavements, it was their opinion and the computer model's opinion that that is as close

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as we can get to the optimum number whereby this cycle of every 15 years you let a road deteriorate and then you bring it back, that trying to keep the average at 84 was the least cost over a long period of time for the Department of Roads. So it's just kind of like paint your house every seven years, you're probably going to save money in the long run unless, you know, if you just let it deteriorate for so long then pretty soon you've got to replace the siding because you can't even paint it. []

SENATOR LAUTENBAUGH: Now, if I heard you correctly, I don't think this is new information. You're not out building the new construction that meets the 10,000 car count threshold currently, are you? []

MONTY FREDRICKSON: What do you mean by out building? []

SENATOR LAUTENBAUGH: I mean, there are plenty of projects on the list that meet the 10,000 threshold that aren't being built. []

MONTY FREDRICKSON: Exactly. []

SENATOR LAUTENBAUGH: So if we set the threshold at 5,000, we'd just have a longer list of things we're not building? []

MONTY FREDRICKSON: Yes. []

SENATOR LAUTENBAUGH: Okay. Thank you. []

SENATOR FISCHER: Thank you, Senator Lautenbaugh. Senator Harms. []

SENATOR HARMS: Thank you, Senator Fischer. Mr. Fredrickson, thank you for what you do for this great state. []

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MONTY FREDRICKSON: Thank you. []

SENATOR HARMS: I just have a couple of questions I'd like to ask you. Some time ago \$20 million was set aside earmarked by the federal government for the project in western Nebraska, Scottsbluff to maybe Alliance or Chadron or however that fits out. Where are we with that \$20 million and that project? []

MONTY FREDRICKSON: The \$20 million is still allocated to Nebraska so nobody's stolen it and I don't think they will. We have recently met with the federal highway people and I think we're on the road to putting the money to work, that we have found a way to write an environmental document that federal highway will approve from Alliance to Angora. []

SENATOR HARMS: Okay. Now the \$15 million that was set aside or taken from reserve for, I think, four or five projects, \$5 million of that was set aside for a matching of that \$20 million, is that correct? []

MONTY FREDRICKSON: Yes. []

SENATOR HARMS: How close are we to drawing down on that, because what my concern on that is this. The Ports-to-Plains highway which comes from Alaska to Mexico is going to come right through where I live. And I know that's a major boon for economic development. South Dakota, North Dakota, already made all the commitments. Colorado has made commitments. The longer Nebraska sits on this and doesn't make the move, I think they could very well move to Wyoming. Wyoming has got all the money in the world to match up what they want. That would be a great loss for revenue for this great state and to me would be an embarrassment to us in general. So I just wanted to make sure that we're on target and we don't lose, at least the \$5 million for the matching, because if that goes away then this project is going to stop dead. Now, our communities have already raised \$20,000 to contribute to this project. I mean,

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they're committed. During tough economic times, they've come up with \$20,000 out of their own pockets and probably will be more to help match this thing out. So I just want to make sure that we're all together and we're staying focused on the completion of this project, because I think it's the key infrastructure for rural America, and particularly our rural Nebraska. It's very, very important to us because in this next decade if we don't have that, we simply will not be able to be competitive in a whole changing world of global economy. So I just wanted to make sure that I understood where you are at and that... []

MONTY FREDRICKSON: Yes, we are trying very hard to put that earmark money to work. It's doing nobody any good just sitting there and especially in today's times, if we could get the project going we'd create jobs. []

SENATOR HARMS: Thank you very much. Thank you, Madam Chairman. []

SENATOR FISCHER: Thank you, Senator Harms. Senator Wightman. []

SENATOR WIGHTMAN: Thank you, Senator Fischer. Director Fredrickson, in response to your discussion with Senator Stuthman a few minutes ago, you talked about sometimes...and he mentioned the fact that sometimes we see work done and then very shortly after that, six months or a year, they're back in there redoing it. He said that sometimes that's done on contractor's liability. How often do we see contractor's liability invoked and how long after the contract is completed can you still invoke that? And I assume that depends on the contract itself but typically, how long would that be? []

MONTY FREDRICKSON: There's no set date for most of our quality requirements. It's purely based on, did they put the right materials in it according to the specification. So take a concrete pavement that they put down and three years later, all of a sudden it starts cracking everywhere, we would go out and core that concrete pavement and retest that the right materials were in there and if we found that they didn't meet

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specifications, then we could still go back to the contractor at that point and say, you did not meet the specification for this stretch of highway. []

SENATOR WIGHTMAN: Is that frequently done? []

MONTY FREDRICKSON: No, because we don't have that many quality issues. But when it is a specification problem, then we always go back to the contractor. []

SENATOR WIGHTMAN: I know that out on the interstate frequently there will be areas particularly on the right-hand lane, main traffic lane, that there will be dips in all the (inaudible) that become very rough and I don't know whether they go in and jack some of that up or what they do, but they do something to it. Is that covered under contractor's liability? Because sometimes it seems it's not very long after a particular portion of the interstate is laid that you see that occur. []

MONTY FREDRICKSON: Well, I hope it's a long time after the original pavement was put down because I think what you're describing is the problem at the joints. And ten or more years ago we realized that we had a reaction problem between some of our cements and ingredients and the aggregates we were using and so we've solved that problem now. But some of those old pavements are still in place and that's where you see the joints failing and we have to go in and cut the whole joint out and then put a new little piece of concrete on there. So it's a little rougher and not always at the same elevation. Sometimes we mill it with a machine and then sometimes we just cover it up with four or five inches of asphalt. []

SENATOR WIGHTMAN: And I agree that I haven't seen as much in the last several years as I did previously. []

MONTY FREDRICKSON: Good. []

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SENATOR WIGHTMAN: Thank you. []

SENATOR FISCHER: Thank you, Senator Wightman. Senator Hansen. []

SENATOR HANSEN: Thank you, Senator Fischer. Director Fredrickson, I have two questions. I'll ask this one first. In the spring of '09 did you notice a decrease in your inputs, cost of concrete, cost of overlays? It seemed like in western Nebraska there was a shortage of construction jobs started so there was a decrease in the prices. Did you notice that at Department of Roads? []

MONTY FREDRICKSON: Yes, we did. As a matter of fact, a lot of the stimulus jobs, which are being tracked by a lot of people across the country, came in with very good bids. No question, and that helped. []

SENATOR HANSEN: And I appreciate that because of driving from North Platte to Lincoln fairly regularly, we see those projects in force, and then they are going on. And it really has helped my fuel mileage because of the slow downs in through the construction area. (Laughter) My second question would be on oversize permits and overweight permits on the interstate. What are the charges for those and is that a...I mean we have cattle trucks with four axles, trailers, we have some oversized trucks that have, I don't know how many, at least 26 wheels, I've counted. What is the permit rate for that and does that compare in other states along I-80? []

MONTY FREDRICKSON: I can't give you the exact dollars for each of those types of permits but I can tell you that we're on the low side compared to other states. I don't know if anybody's got the number...\$10 for overweight and overwidth. Ten dollars for one of those permits, so that's not very much money. []

SENATOR HANSEN: That's not very much money and I would assume that the cars that Senator Mello's talking about, the electric cars that weigh, you know, less than

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2,000 pounds are not going to tear up that interstate compared to the...especially the ones that have the overwidth and the overweight. If they have an overwidth, I'm sure that they're close to overweight but it's just an assumption on my part. []

SENATOR FISCHER: Be careful, Senator. []

SENATOR HANSEN: Pardon me? []

SENATOR FISCHER: Be careful. (Laughter) []

SENATOR HANSEN: The overweight permits, I think, really need addressed. The overweight. []

MONTY FREDRICKSON: Could be something to look at. []

SENATOR HANSEN: Yes. Thank you. []

SENATOR FISCHER: Thank you, Senator Hansen. Senator Fulton. []

SENATOR FULTON: Thank you, Madam Chair. I'm sorry to come back to the well again here. I'll go quickly, though. I've been thinking about what you're saying, that we have...some between appropriated monies from the state and federal monies are in waiting, we have tens of millions of dollars out there, and we simultaneously in the private sector, I know, in the road building industry they're suffering right now. It's because of a bureaucracy at the federal level. Is there anything that we in the Legislature can do? I mean, what could I do? What could we as a Legislature do? There's money set aside, supposed to be used for road building and it's not, and I'm hearing that it's because of a bureaucratic logjam at the federal level and so what...and if there's anything at the state level, then what can we do? []

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MONTY FREDRICKSON: Well, I would say that things are improving a little, so that's a little bit of good news from what we'll call the logjam. I think part of this was created by stimulus and all the oversight that was put on those programs is radiating to other projects. And I know the locals are frustrated. Our U.S. Congressmen and Senators have weighed in and tried to help with the federal agencies so any contacts you have there would be appreciated. We continue to partner with all the federal agencies and try to reach some common ground between their mission in life and getting projects on the street and putting that money to work. So I wouldn't have any other advice. []

SENATOR FULTON: Thank you. []

SENATOR FISCHER: Thank you, Senator Fulton. Senator Lautenbaugh. []

SENATOR LAUTENBAUGH: Thank you, Madam Chair. And briefly, sir...and thank you by the way for cautioning Senator Hansen, but Senator Hadley already asked me... []

SENATOR FISCHER: I'm just doing my job. []

SENATOR LAUTENBAUGH: ...he already asked me if I needed one of those special permits personally, (laughter) which I thought was ironic. Very briefly, sir, is your department doing the project at West Maple Road between 132nd and 180th currently, if you know? []

MONTY FREDRICKSON: I don't know. Is that city? A city job. []

SENATOR LAUTENBAUGH: Okay. Good. (Laughter) []

SENATOR FISCHER: Lucky you. Senator Nelson. []

SENATOR NELSON: Thank you, Madam Chairman. Director Fredrickson, I'm looking at

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page 3 here under rural geometrics. You're saying the cost associated with the geometric needs of the interstate include all of the six-lane work from Omaha to Minden. Is that over the next 20 years anticipated if you could get the money that you're going to go beyond Lincoln out to Minden with six-lanes? []

MONTY FREDRICKSON: That's what the criteria tell us. And that's purely based on traffic, mostly from a historical perspective that there's a 2 or 3 percent growth in traffic on the interstate. And so if you project that over 20 years and then you look at our criteria number that says once you reach 36,000 vehicles, 20 years in the future from the time you would do an improvement, then that would warrant six-laning. So you put that criteria together and it says, in the year 2028, which would be the 19th year of the 20-year needs, the computer says now much traffic is going to be at Grand Island. And it will predict 38,000 vehicles and so that will trigger the need for six-lane. Whether we can actually get it built is a whole different question. []

SENATOR NELSON: That's using both federal and state funds, is it for the interstate highway? []

MONTY FREDRICKSON: Yes. []

SENATOR NELSON: What part of the cost does Nebraska have to bear? []

MONTY FREDRICKSON: It varies because we put both state funds and federal funds in a big pot and then we build what we need to build. So there are certain interstate projects that might be 80 percent federal funds and 20 percent state. We might go out and build another one with 50 percent of state funds and 50 percent federal. []

SENATOR NELSON: When do you anticipate that the work between Omaha and Lincoln will be done? I mean, with present financing. []

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MONTY FREDRICKSON: If we can find funding for the last job. There's one more project that needs to go under contract, so if we can find funding for that, we're probably looking at four years. []

SENATOR NELSON: And who makes the decision to go beyond Lincoln then? Is that a state decision once the traffic gets to that point? []

MONTY FREDRICKSON: It would be our decision and that will be a tough one given the system preservation needs that we have. We may have to live with a higher level of traffic density west of Lincoln than would be ideal. []

SENATOR NELSON: Thank you very much. []

SENATOR FISCHER: Thank you, Senator Nelson. Senator Janssen. []

SENATOR JANSSEN: Thank you, Senator Fischer. Director Fredrickson, I was looking through...I apologize, I got here late but I read through your testimony. I see that number one priority is high priority bridges. I wonder if you could give me just a quick recap. First, with high priority bridges I think of Minnesota and the tragedy up there and also feel like I take my life into my own hands every day when I cross the Platte River bridge joining my district and Senator Langemeier's. So could you kind of give me a state of the state's bridges in your assessment and also, in particular, the Platte River bridge in my district that I think is scheduled to be...it's scheduled, kind of bring me up to speed on that. I think there are some environmental concerns there that's holding up that project that I'd like to shed some light on. []

MONTY FREDRICKSON: Yeah. In general, our bridges rank, on the state highway system, probably in the top ten of all the nation in condition. We've spent a lot of time over the last 20 years replacing a lot of old bridges on the highway system. There's a few left and the Fremont South bridge probably is close to falling into the high priority

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bridge category and we... []

SENATOR JANSSEN: It's close to falling in, I think. (Laughter) []

MONTY FREDRICKSON: Bad choice of words there. You know, we would have liked to had it under construction last year. It was in our book last year and we just couldn't get through all the requirements of how to build a bridge on the Platte River now that environmental concerns have a heightened scrutiny. So our goal is to put that under contract next summer. We just have to do it no matter...I won't say, no matter what. But it's a matter of cost. How much money do you have to spend to stay out of the river, so to speak, while you're building a bridge that's 1,800 feet long or 3,000 feet long, whatever that one is. It will cost a little more money but as you and I know, it's a long ways around if that bridge is not open, and it's narrow and it's old, so we're going to do it. []

SENATOR JANSSEN: That way I will be able to get Senator Hansen into my district with the width of that bridge, so appreciate it. (Laughter) []

MONTY FREDRICKSON: Good. []

SENATOR FISCHER: Thank you, Senator Janssen. Senator Hadley. []

SENATOR HADLEY: Yes, thank you, Senator Fischer. Director, couple quick questions. The overweight permits, do I have to get one every time I come or can I get a yearly kind of pack. No, I'm kidding. (Laughter) Couple of things have been brought up. Senator Harms talked about the federal match out there and Senator Louden talked about cities and counties pitching in. And I have to ask about the interchange in Kearney because many years ago we got...it seems like many years ago now, we got \$19-20 million from a federal earmark. The city and county had both talked about and pledged to help doing it. We're on our fifth mayor now who has made it part of their

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platform to get it done. Just a quick update of where we stand on the second interchange for Kearney. []

MONTY FREDRICKSON: Well, that's one of the three just like Senator Harms's project that have not got approval of the final environmental document. And we're working on it. We're trying to get it written so that it's acceptable to the agencies, but it's just a struggle. And I can't give you a time frame on that one either because it's totally in their hands and I know all the stimulus money in getting those projects on the street hasn't helped the situation just from a manpower standpoint. But again, it's one of our top projects. There's some of the match money that was reserved, so to speak, for that project as well as Senator Harms's. And we would have liked to build that yesterday. That's another one of those projects that it's got the money, the matches secured at this point, so it's just get through the regulations. []

SENATOR HADLEY: And this is...we used to talk about agencies. You're talking about federal agencies at this point in time. []

MONTY FREDRICKSON: Yes. []

SENATOR HADLEY: I just would agree, you know, when we're in a recession and we're having, you know, contractors hurting and such as that, to sit there with a \$20-30 million project where the funding is there, it isn't a matter of getting the money, the funding is there that we could put people to work in the state of Nebraska. And it's sad that somehow we get governmental agencies that just almost make that impossible. And I agree that Department of Roads has worked with us, the Nebraska agencies, but it is...I have sat in on the meetings and it is just a monumental task the times to get through the federal bureaucracy, and it is just sad when we have the money and we could put people to work in Nebraska with that money. Thank you. []

SENATOR FISCHER: Thank you, Senator Hadley. Senator Wightman. []

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SENATOR WIGHTMAN: Thank you, Senator Fischer. Director, one of the things that I always think of and as I travel other places in the nation, it seems to me that Interstate 80 has an inordinate number of trucks, percentagewise, truck traffic, compared to other interstate segments. I think it has one of the highest in the United States, but I don't know that to be true, certainly higher than Interstate 70. Does the amount of truck traffic, when you figure 36,000 in response to Senator Nelson's question, does the amount of truck traffic enter into that figure at all? Does it have any impact upon when you might need to look at six-lanes? []

MONTY FREDRICKSON: Most definitely. That 36,000 is a guideline and once we see that the traffic is going to reach that number, then we'll go into greater detail with what kind of traffic is it. And, you know, in western Nebraska there's 55 percent of the traffic is trucks. And that's a lot and I'm sure you've noticed that. So generally speaking, a truck accounts for like two or two and a half vehicles because of it's length and what it takes to maneuver. []

SENATOR WIGHTMAN: So whether you're talking about number or wear and tear on highways, it's got to be factored in, percentage of truck drivers. []

MONTY FREDRICKSON: Yes, the trucks have an effect on the longevity of the road as well as the capacity of the road and how congested does it feel. []

SENATOR WIGHTMAN: And that percentage, apparently from what your saying, differs in different areas of the state. It would be lower probably in Omaha and Lincoln and higher as you move out state. []

MONTY FREDRICKSON: Yes, we're in the 30 percent range as you get to the eastern part of the state. []

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SENATOR WIGHTMAN: Does the department ever do any calculation on whether the truck traffic is bearing it's share of the percentage as far as the wear and tear on the highway? Is that a issue? []

MONTY FREDRICKSON: I don't think that's an issue for us. I mean, they...as far as an agency requirement. We design all of our pavements for the amount of truck traffic that's currently on the road and what is predicted to go into the future, so we try to take that into account. Now the fact that our...how you would judge, are they paying their fair share is probably not in our realm. []

SENATOR WIGHTMAN: That's more legislation function, I gather. Thank you. []

SENATOR FISCHER: Thank you, Senator Wightman. Senator Louden. []

SENATOR LOUDEN: Thank you, Senator Fischer. Director Fredrickson, you mentioned that the expressways would be about \$850 million dollars to finish the expressway system. And you were in Gering when we had this meeting last summer there and the question came up on building the expressway system and it was questioned whether or not what the engineer at that time had recommended and what could be done was two different things. In other words, did we have to rebuild the one highway there that was already in place. When you talk about this \$850,000 million expressway, are you talking about two brand new four-lanes or are you talking about using some of the existing lanes that are there, and are you also...wherein, does some of this fit that's already been built? In other words, some of the grading and bridges that have been built. []

MONTY FREDRICKSON: Knowing what's left of our 179 miles of the expressway system, and the age of it, I would say that \$850 million figure is all new pavement. []

SENATOR LOUDEN: All new pavement. In other words, such as out in western Nebraska on that Heartland Expressway where they were going to use one of the

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highways as one of it, you would rebuild that whole highway irregardless? And would that be the best use of our revenue or of our sources of money to do that? Is there anything wrong with that highway that's there when you're using...if it's safe enough for two-lanes, is it safe enough for one northbound lane, or whatever? []

MONTY FREDRICKSON: In the situation of Highway 385 that we looked at, it is probably a good decision to leave the existing road alone. Given the condition of it and the traffic that's there, adding a lane can be done a lot cheaper than rebuilding the whole four-lanes and moving it one way or another. So that philosophy fits that road very well. If you look at Highway 275 between West Point and Scribner, you may not be able to use that philosophy because of the traffic and the number of bridges and the flood plain that's there and the condition of the existing road. []

SENATOR LOUDEN: In other words, the existing road isn't up to specifications to be used for one-bound lane? []

MONTY FREDRICKSON: Oh, it is up to specifications, yes. It's just the condition of the pavement. Can you rehabilitate it rather than replace it, and I would submit that we would look at each project individually and make those decisions on a benefit cost basis. And there may be stretches where we could do that. I'm just suggesting so that we didn't underestimate the needs of completing the expressway system that that \$850 million probably reflects mostly new pavement. []

SENATOR LOUDEN: Okay. And for instance, like at Grand Island if you turn off at the Locust Interchange, you know, and head to the east side of Grand Island, as you drive into there why you're on just the one-lanes, I guess, but yet there's construction been done for the other lanes and the bridges have been built. Who is supposed to finish that or how come that was never finished or how come somebody walked off and left all that money laying out there on the ground? []

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MONTY FREDRICKSON: That was a two-phase project and it is responsibility of the county to finish it. However, they are using part of their allocation of stimulus money to pave the other two-lanes next year. That is a stimulus project, so the project will get completed. []

SENATOR LOUDEN: Now, south from St. Paul is that part of the expressway system? []

MONTY FREDRICKSON: No. []

SENATOR LOUDEN: Okay. But there was some plans to make a four-lane highway down through there and I mean, you drive along and here's this nice grade out there with bromegrass hip high on it. I mean, where is that project ever going to go or will anything happen to it or why did we spend money on that? []

MONTY FREDRICKSON: Well, we had a plan to four-lane from Grand Island to St. Paul many years ago and, of course, the higher traffic was on the southern portion of that. And we got up to St. Libory and funds got tighter and so we rebuilt the road from St. Libory to St. Paul but only paved two-lanes because the traffic wasn't there yet. But we bought the right of way in case we have the money to come back and finish it. Well, we haven't had the money to come back and finish it, so that project's sitting on the list somewhere down the line. []

SENATOR LOUDEN: Okay. Thank you. []

SENATOR FISCHER: Thank you, Senator Louden. Senator Mello. []

SENATOR MELLO: Thank you, Senator Fischer. Director Fredrickson, I momentarily stepped out and was just asking my colleague, Senator Fulton, and he asked a question regarding the relationship between the state and the federal highway administration. I

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think he cleared up a lot of things I was going to ask, but I would like to know, is there anything internally we've done that would cause any riff, so to speak, between the slowdown happening with the federal highway administration of some of our projects? []

MONTY FREDRICKSON: Internally, in the Department of Roads? []

SENATOR MELLO: Yeah, within the state and the department that would cause this friction to occur, so to speak. []

MONTY FREDRICKSON: And I don't know if I'd call it friction. And yes, there were probably some things that we did. On the local federal aid projects, for example, for the last...well, not this last year, but prior to that, four or five years, we pretty much took a hands-off approach on those local federal aid projects. We still have to process the federal money, but we didn't scrutinize them tremendously, let's say it that way. Nationwide there was study done that said a lot of states aren't overseeing their local federal aid projects well enough. And we were cited as one of those states that wasn't doing a very good job, and maybe we weren't in some areas. So that created some of the additional scrutiny on those projects and we had to back up and do some things over that weren't according to the right way to do it now. So we can lay some of it on us. Federal highway has been as accommodating as they can in many areas. And, for instance, on the stimulus projects, they have partnered with us and the locals to hold workshops to get these environmental statements approved and written. And instead of passing them back and forth on e-mails or through the U.S. mail, let's get face to face, tell me what's wrong here, tell me what I need to correct. And they go over in a corner and retype it on their computer and bring it back and okay, that's the way it needs to be, I'll sign it and we can move on. So I think we're making progress. I think we're over the worst part of the hump, but it's still dragging us a little bit. []

SENATOR MELLO: Okay. One other...one last question is, when was the last time that the department went through a performance audit by the Legislature? []

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MONTY FREDRICKSON: Oh, Steve, do you remember? []

_____: It's probably been, I want to just guess, ten years ago. (inaudible)
[]

SENATOR FISCHER: Other questions from the committees? Senator Heidemann. []

SENATOR HEIDEMANN: We seem to keep going back to this, but one of the frustrations that I've had in my local districts and the counties have had and the NRDs, is working with the U.S. Army Corps of Engineers in the permitting process and how things have slowed down. One of the things that caught my ear when Senator Janssen was talking about the bridge by Fremont and I had caught wind of this a little bit before that they no longer are going to allow you to be in the river as you build the bridge. What has changed to cause that? Has there been federal legislation or are they reading the legislation that was there different? []

MONTY FREDRICKSON: I don't know if I can answer that one. No quick answer to that one. I don't think there's much that's changed. I think it's the interpretation with current staff. []

SENATOR HEIDEMANN: And when you look at that, and I don't want to ask you questions to feel uneasy to answer, but when you look at that and you look at the cost that will be associated with that, do you think it's justified? []

MONTY FREDRICKSON: No, I don't. I think we should be able to build the Platte River bridge like we built the interstate Platte River bridge by using work platforms from dredge sand from the river itself. That apparently is not an acceptable method any more because they won't give us a permit to do it. And I know other states have had similar situations where they've had to build new bridges off of temporary bridges. So it is a

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cost issue. It does keep you out of the river for whatever disturbances that are perceived from those operations, but it does cost more. []

SENATOR HEIDEMANN: Unless we don't get to do as many projects as we would like because we're spending more money on doing things like that or dealing with environmental concerns more than we have in the past. []

MONTY FREDRICKSON: Yes. []

SENATOR FISCHER: Thank you, Senator Heidemann. Other questions? I have just a few for you. When you talk about working with federal agencies and the time constraints that those have put on a lot of projects, what comes to my mind always is the EPA and how long it takes to get that environmental impact statement which can be, what, three to four years or longer? []

MONTY FREDRICKSON: Yes. Yep. []

SENATOR FISCHER: Specifically what agencies do you have to work the most with on these projects? []

MONTY FREDRICKSON: Well, there's both state and federal on an environmental document but you have historic issues, you have threatened endangered species issues from the Fish and Wildlife Service. You have the federal highway who is the overall approver of the document. You have the Corps of Engineers. Those are main ones. Am I forgetting...Game and Parks Commission. EPA is involved and DEQ from a state standpoint. All those agencies weigh in on an environmental document. []

SENATOR FISCHER: But just building either the highway or, I suppose, the bridge too, what other agencies? Are those the main ones you work with? []

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MONTY FREDRICKSON: Those are the main ones, yes. []

SENATOR FISCHER: And even with stimulus funds those would be the ones that you're working through or are there new agencies that you have to work through with stimulus funds? []

MONTY FREDRICKSON: No, there's no new agencies. The stimulus projects have to follow the same protocol as a regular federal aid project. []

SENATOR FISCHER: Can you tell us what percentage of your budget goes for construction and maintenance? When we're talking about needs, the needs assessment, that's what this hearing is about, what percentage goes for construction and maintenance to meet those needs? []

MONTY FREDRICKSON: If you combine those two together, 94 percent of our budget goes to construction and maintenance activities. []

SENATOR FISCHER: Has the department ever taken any steps, any measures, to somehow shift even more money into construction and maintenance? Has it always been about 94 percent or is that a larger amount now? []

MONTY FREDRICKSON: No, I think it's stayed pretty consistent. We're always looking for opportunities, but, as you can imagine, even the maintenance part of our operation takes people and salt and sand and trucks and snowplow blades, and on and on, so it...our 10,000 miles is still 10,000. []

SENATOR FISCHER: Sometimes in your maintenance, Director, it...I think for most of us just traveling down the highways, it looks like new construction, would you agree with that? []

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MONTY FREDRICKSON: Yes, what we call pavement preservation projects to most of the public, I think, look like new projects. We were down in Superior for a meeting a week or so ago and our district engineer was showing before and after slides of reconstruction projects, resurfacing projects. We might call them resurfacing, but when you look at the road before we did the project, it's an old tired worn out piece of asphalt. And then the picture when it's done, we widened it from 24 feet to 28 feet to give it a little more shoulder and it's a brand new surface. I'm sure most of the people that use that road for their commerce believe that is a brand new project, and it is. []

SENATOR FISCHER: But it's classified as maintenance. []

MONTY FREDRICKSON: Well, preservation. []

SENATOR FISCHER: Preservation. When you just mentioned the width of the shoulders, classification and standards just changed that a couple of years ago. Could you go into detail on the changes that were made and why they were made? []

MONTY FREDRICKSON: Yeah, we looked mostly at, could we afford to have the standard as high as we've had for the past 15 years? And we looked at other states and we said, no. We have too ideal a standard. It's not realistic with the revenues that we're looking at in the future. So in comparing to other states and looking at congestion, as well as safety issue, we decided that the warrant for four-lane should be moved from 6,000 to 10,000. That was more consistent across the country. And then some of the roads that we had identified to go from 24 to 28, we said we can't do that on as many roads. So we said, unless you have more than 2,000 cars a day projected traffic, we shouldn't...we couldn't afford to do the lower volume ones. Those are the two major changes. []

SENATOR FISCHER: But the changes on the width of the shoulders didn't affect the safety of the road at all, did it? You're still meeting the ASHTO standards? []

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MONTY FREDRICKSON: Yes. []

SENATOR FISCHER: You mentioned on figure 3 on the chart, I guess I look at that chart and I have concerns for the safety of our travelers. When you see a decrease from 84 percent of the roads in a good condition down to 50 percent by 2030, I see that as a concern. Can you tell me where Nebraska currently ranks nationally? Are those figures available that where we have 84 percent in good condition? I know you mentioned with the bridges, we're ranked very high. Where are we ranked with our roads? []

MONTY FREDRICKSON: Yeah, we...I think sent that to your committee a couple of weeks ago. What was it, 13th or 16th? []

SENATOR FISCHER: I just want you to tell us publicly though. []

MONTY FREDRICKSON: I think it was 16th nationally, somewhere in that. []

SENATOR FISCHER: And realizing that almost every state in the country are facing the same challenges we are, where would, just guessing, where would we rank once we got to that 50 percent, taking into account that probably most states are going to be going down too? Probably the same? []

MONTY FREDRICKSON: I would guess. []

SENATOR FISCHER: Everybody is going to have roads that are in poor condition and not necessarily safe to travel on? []

MONTY FREDRICKSON: Yes. I'd say they would be worse than us. []

SENATOR FISCHER: I realize your job isn't funding. It's to put those funds to good use.

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On the interstate you mentioned we had a 2 to 3 percent growth in traffic, was that correct? Did I hear you correct? []

MONTY FREDRICKSON: That's an average number. []

SENATOR FISCHER: Across the entire... []

MONTY FREDRICKSON: Historically. []

SENATOR FISCHER: Okay. What percentage growth do you see in heavy truck traffic on the interstate? You mentioned it's 55 percent now in western Nebraska, 30-some percent in the eastern part of the state. My understanding is the heavy truck traffic will continue to grow. []

MONTY FREDRICKSON: I believe it will. And all indications are...do we know the percent of increase in truck? No, we don't have that number, but... []

SENATOR FISCHER: Can you tell me the...that's a major lifeline across the state of Nebraska. It's the heaviest travelled road in the state of Nebraska. Can you tell me what shape the interstate is in. It's 50 years old. We have parts in Omaha that have been redone. That was done on the 20-year plan and that was one part that got done, I'm happy to say. But across the state now, what's the shape of the interstate? What's the roadbed like? []

MONTY FREDRICKSON: From Lincoln to Omaha, good, because of what you just said. From Lincoln to the Wyoming line it's getting very old and there are some pavements out there... []

SENATOR FISCHER: Not that 50 is really old, but with roads it would be. (Laughter) []

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MONTY FREDRICKSON: Exactly. There's some pavements out there with the deterioration I talked about earlier that we've covered up with asphalt, sometimes three times already. And we can't do that forever, so over the next 20 years segments of that interstate west of Lincoln will need full depth replacement like we're doing around Kearney right now on the westbound side and soon to do out by Paxton. There will be more and more of those coming on line in the needs and, of course, those are...nearly double and sometimes triple the cost of just an overlay where you have to tear out all the old pavement and redo the base. So it is a major concern for us that ideally over the next 20-25 years, we would need to replace all the pavement going west of Lincoln. []

SENATOR FISCHER: A couple more questions. On the need assessment report, railroad crossings are a priority. About how many crossings do you take care of each year that need either the grades or the viaducts? How many are we able to work on? []

MONTY FREDRICKSON: If it's a reasonable cost project, we can probably get two a year with the funding we have available. Some of them get very expensive and we can only do one. Actually there was one we had to fund over two years because it was so huge. []

SENATOR FISCHER: I think it was four sessions ago where we changed the law that crossings could be closed and we tinkered with that a little bit a couple of years ago, again. How many crossings have been closed? []

MONTY FREDRICKSON: From that law, I don't know. We keep track of our own crossing closures with the... []

SENATOR FISCHER: Are you seeing more closures, though, with crossings? []

MONTY FREDRICKSON: Well, with our viaduct projects, yes. We try to get at least three, not just the one we're replacing and the railroads and the communities have been

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fairly receptive to that. I don't know how many crossings have been closed because of the change in that law. []

SENATOR FISCHER: On the bridges, in the Missouri River bridges, I know we had a contractual agreement with Iowa on one that I...is it completed yet, or just about? []

MONTY FREDRICKSON: No, it hasn't even started yet. Oh, you're talking about the Interstate 80 bridge. I'm sorry. []

SENATOR FISCHER: Yeah. (Laugh) Wait a minute. Okay. []

MONTY FREDRICKSON: We actually have two bridges there that we're working with Iowa, but, yes, the I-80 bridge expansion project is ongoing and we have set aside those funds to pay for our share of it because they're right in the middle of the project. There's another bridge that both Iowa and us would like to get built and that's the one between Bellevue and Plattsmouth, which resulted in many years of study and that's where everybody said that the future bridge should be to serve the connection between I-29 and U.S. 75. []

SENATOR FISCHER: How many bridges do you have in that category of the Missouri River bridges that are going to have to see work done on them? []

MONTY FREDRICKSON: There's just two more. []

SENATOR FISCHER: Just two more. []

MONTY FREDRICKSON: Rulo and this Bellevue bridge. So that's good news. We've accomplished quite a few. Just finishing Yankton and South Omaha is going to get finished pretty soon and I-80, and we've been up to Niobrara and Newcastle. []

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SENATOR FISCHER: Okay. Thank you. Other questions? Senator Nelson. []

SENATOR NELSON: Just for information. Thank you, Senator. And when you see signs confining truck traffic to one-lane, maybe the outside lane, is that for safety reasons or are you trying to equalize the wear and tear across the interstate? Could you just kind of... []

MONTY FREDRICKSON: It's more for safety and flow of traffic. And we did some research on that before we put the signs up between the Platte River and Omaha. Usually, you'll see it when you have at least a three-lane section and you'll give the trucks the right two-lanes and kind of reserve the outside lane for cars and pickups. There are some states that will do it with just a two-lane road, but you've still got to let a truck get over in that left lane to pass. So it works the best on a three-lane or a four-lane section. []

SENATOR NELSON: Thank you. []

SENATOR FISCHER: Other questions? I see none. Thank you, Director. I always enjoy when the department comes and gives us an update. And with that, I will thank you once again and adjourn the hearing for today. []