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Appropriations Committee and Transportation and Telecommunications Committee  
November 10, 2014

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[Roads Needs Briefing]

The Committee on Appropriations and the Committee on Transportation and Telecommunications met at 1:30 p.m. on Monday, November 10, 2014, in Room 1113 of the State Capitol, Lincoln, Nebraska, for the purpose of a briefing on roads needs. Appropriations Committee senators present: Heath Mello, Chairperson; John Harms, Vice Chairperson; Kate Bolz; Danielle Conrad; Bill Kintner; Jeremy Nordquist; and John Wightman. Senators absent: Tyson Larson. Transportation and Telecommunications Committee senators present: Annette Dubas, Chairperson; Jim Smith, Vice Chairperson; Galen Hadley; Charlie Janssen; John Murante; and Dan Watermeier. Senators absent: Lydia Brasch and Beau McCoy.

SENATOR DUBAS: Good afternoon. I think we'll go ahead and get started. Welcome this afternoon to the joint hearing/briefing of the Transportation and Telecommunications Committee and the Appropriations Committee. We do this annually to get an update on what's happening with our infrastructure in Nebraska, a report from the Nebraska Department of Roads, a good chance for the two committees that deal with these issues in particular to find out how things are going, where we've been, and maybe a little snapshot about where we need to go in the future. My name is Senator Annette Dubas. I am the Chair of the Transportation and Telecommunications Committee; my colleague, Senator Heath Mello, the Chair of the Appropriations Committee. I think in a minute we'll just go around and do self-introductions, but I want to do just a couple housekeeping things. First off, just a reminder to shut off or tone down your cell phones so we don't have any interruptions. That also tends to have an interrupting effect on our transcribing equipment. So if you could turn those down, please do. And if you have to have a conversation, please take those out into the hallway. We have a page with us today: Reid Jensen from Omaha. He is a junior studying anthropology and economics at UNL. We really appreciate our pages. They really help keep things moving smoothly in our committees as well as up on the floor. So if anyone needs any assistance today, please let Reid know and he can help take

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care of things. Since we won't be having testimonies today outside of the director, I don't need to tell you about filling out sheets and etcetera. But with that, if we can just begin to my far left and do self-introductions. [Roads Needs Briefing]

SENATOR NORDQUIST: Thank you, Senator. Jeremy Nordquist from District 7, downtown and south Omaha. [Roads Needs Briefing]

SENATOR CONRAD: Danielle Conrad, north Lincoln's "Fightin' 46th." [Roads Needs Briefing]

SENATOR BOLZ: Senator Kate Bolz, I represent south Lincoln and District 29. [Roads Needs Briefing]

SENATOR HARMS: Hi. John Harms, I represent the 48th District, Scotts Bluff County. [Roads Needs Briefing]

SENATOR DUBAS: To my immediate left is Anne Hajek; she is the committee clerk. And next to her is Rachel Meier. I always want to still call you by your other name. I'm sorry. Rachel is taking some notes about clerking duties. So she's helping out today as well. [Roads Needs Briefing]

SENATOR MELLO: Heath Mello, District 5, south Omaha. [Roads Needs Briefing]

SENATOR HADLEY: Galen Hadley, Kearney and part of Buffalo County. [Roads Needs Briefing]

SENATOR KINTNER: Bill Kintner, District 2, which is about half of Sarpy, all of Cass, and a little bit of Nebraska City. [Roads Needs Briefing]

SENATOR WIGHTMAN: John Wightman, District 36. I represent all of Dawson and

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Custer County and a small part of Buffalo County. [Roads Needs Briefing]

SENATOR SMITH: Jim Smith, District 14 in Sarpy County. [Roads Needs Briefing]

SENATOR WATERMEIER: Dan Watermeier, District 1. I'm from Syracuse. [Roads Needs Briefing]

SENATOR DUBAS: Thank you, Senators. With that, I think we'll begin with our briefing. And, Director Peters, welcome. [Roads Needs Briefing]

RANDY PETERS: (Exhibits 1 and 2) Thank you. Good afternoon, Chairman Dubas, Chairman Mello, members of the committee. I'm Randy Peters, R-a-n-d-y P-e-t-e-r-s, director-state engineer of the Nebraska Department of Roads. I'm honored to come before you today and I'm proud to represent the Nebraska Department of Roads. Today, I will present the State Highway Needs and answer your questions with assistance from my expert staff. Please take a look at page 1 of the 2014 State Highway Needs Assessment Report that you have in front of you. As you can see in the table, the total 20-year needs are \$10.2 billion. The pie chart shows that pavement restoration comprises 65 percent of the 20-year needs. Rural geometrics and bridges account for almost 31 percent. I'll detail those items further in a moment. I believe it is important to first review how the Department of Roads responded to the state's needs until fairly recently. Simply stated, NDOR's highway construction program had three priorities. In order: first, state bridges in need of immediate work; second, preservation of the existing highway system; and third, the addition of capital improvements to the highway system throughout the state. That approach worked reasonably well while state and federal motor revenues grew naturally and generally kept pace with our program. Then drivers became more concerned about fuel efficiency. And I would add, inflation eroded the buying power of the revenues that were coming in. And highway user revenues flattened. Nebraska, like most other states, reached the point where system preservation, just taking care of the existing network in place including the bridges,

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consumed virtually all of our construction funding. Planned major capital improvement projects languished year after year. Today, system preservation still accounts for the vast majority of NDOR's highway construction budget. The difference is we no longer have to stop there thanks to an essential new tool. Starting in July of 2013, the Build Nebraska Act began providing a 20-year stream of steady and reliable funding to address capital improvement needs. I will return to that point later. Let's take a closer look at the needs of the Nebraska state highway system. The department breaks those needs into four categories. Those categories are: (1) pavement restoration, (2) rural geometrics and bridges, (3) urban geometrics and bridges, and (4) railroad crossings. Geometrics improve upon the configuration of the highway through a variety of features. That's essentially making the roads flatter, wider, and straighter. It includes adding capacity by means of additional lanes or converting intersections into interchanges. The Needs Assessment Report does not include construction overhead, routine highway maintenance like snow plowing and mowing, administrative...administration and support services, nor does it include the department's buildings and related capital facilities, the department's carrier enforcement activities, or Nebraska's transit needs. After identifying the needs in each of the four categories, they are reviewed and prioritized by NDOR staff with input from the State Highway Commission and the public and then placed into the Highway Construction Program. That's how our process works. I will briefly go over each category. They are listed on page 3 of your Needs Assessment Report. Pavement restoration needs include the cost of maintaining the state highway system at a specified pavement condition level. Here, maintaining includes removing and replacing existing pavements and shoulders as they wear out. The highway system is evaluated each year using factors such as the extent and severity of pavement deterioration and ride quality. The data gathered from the pavement evaluations is used to calculate pavement condition indices. And these indices, along with the predicted annual rate of pavement deterioration and a benefit/cost analysis, are used to compile the pavement restoration needs. Rural geometrics and bridges: The geometric needs are identified using the criteria shown on page 4 of the Needs Assessment Report. These criteria include such items as pavement width, shoulder width, and number of lanes. These

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criteria are based on estimated future highway traffic volumes and are divided into six traffic categories ranging from a low of less than 750 vehicles per day to a high of 36,000 vehicles per day and greater. Once a segment of roadway is found not meeting these criteria, it is identified as deficient and a cost is assigned to that segment for correcting its deficiencies. The costs of major highway improvements such as new lanes of traffic outside of urban areas are included in this category. Bridge needs are also included in the rural geometrics category. The 2014 20-year needs includes the widening of Interstate 80 to six lanes from west of Lincoln to York, eventually reaching Grand Island. Urban geometrics and needs: Urban needs include the widening or reconstruction of state highways that extend through the corporate limits of cities with a population of 5,000 or greater. And finally, the railroad crossings: Railroad crossing needs include the cost of building new viaducts resulting in closing at-grade crossings. These needs also include the cost of upgrading or placing new railroad crossing signals on the state highway system. In closing, I would like to share two observations with regard to funding streams that affect Nebraska's highway construction program. First, approximately 50 percent of Nebraska's current construction funds are derived from federal sources. MAP-21, the federal transportation bill enacted in 2012 and originally set to expire this past September 30, has been extended only through May 30, 2015. Nebraska's chance of success in addressing our 20-year needs is critically dependent on Congress' success in authorizing a new, stable, and adequately funded federal transportation bill. Second, I want to return to the Build Nebraska Act. Since the enactment of that vital initiative, the department has been diligently preparing and delivering the first 10 years of projects in this 20-year program. I am happy today to report to you that most of our Tier 1 Build Nebraska projects are under construction. Tier 1 is comprised of our fiscal years '14 and '15 Build Nebraska Act projects and includes Highway 133 from Blair to Omaha; Highway 10, the Kearney east bypass; Highway 77, the Wahoo bypass; Interstate 80 in Omaha, 126th to 96th and 60th to 24th; and Interstate 680 in Omaha, Center to Pacific Street. Meanwhile, we are making great progress on Tier 2 scheduled for fiscal years '16-19. We were able to advance one of those projects, the widening of Interstate 80 on the west side of Lincoln to Northwest

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56th Street, and it, too, now is under construction. We are also working on our Tier 3 Build Nebraska Act package for fiscal years '20-23. I would now take any questions that you may have. Thank you. [Roads Needs Briefing]

SENATOR DUBAS: Thank you very much, Director Peters. Are there questions?  
Senator Bolz. [Roads Needs Briefing]

SENATOR BOLZ: If memory serves, we had some conversations in Appropriations last year about building maintenance and heavy equipment needs. And I was just curious to hear an update on those needs and if there's anything you'd like to share with us about how that is or is not contributing to your progress. [Roads Needs Briefing]

RANDY PETERS: Well, we appeared before the Appropriations Committee last year requesting, I believe the number was \$15 million annually for fleet. And I believe the Appropriations Committee approved \$13 million annually for the fleet. So we appreciate the number. And we are continuing to practice asset management on our fleet. And we have good records on the number of maintenance things and vehicles that need maintenance ahead of their scheduled service and those sorts of things. It's a...it continues to be a need for us, to invest at least that number in our fleet. And as we bring forth our new biennial budget request, we will be again appearing before the appropriations, asking for that to be restored. The buildings, you just draw the line. Going from memory now, I think the appropriations for buildings request last year was \$10 million. Okay. It was \$5 million annually, \$10 million for the biennium. And we didn't receive that full amount. I think we received \$3 million a year, \$6 million for the biennium. So you draw the line. You defer maintenance on some of the yards that we intended to and continue to hold them together. [Roads Needs Briefing]

SENATOR DUBAS: Senator Harms,...oh, sorry. Go ahead. [Roads Needs Briefing]

SENATOR BOLZ: I just have one more question and I'll be done. This is a much smaller

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part of your department and your work. But I know that you've been working with a consultant related to mobility management. And I was hoping you might be able to give the committee (inaudible). [Roads Needs Briefing]

RANDY PETERS: Mobility management has to do with examining the transit services and the transport in greater Nebraska. That study is still underway. The effort there is to try and identify and pair up transport providers with the underserved community throughout the state. [Roads Needs Briefing]

SENATOR BOLZ: Do you have a date when you expect that work to be completed? [Roads Needs Briefing]

RANDY PETERS: This is again where I call upon my expert staff in the audience. [Roads Needs Briefing]

SENATOR DUBAS: If someone wants to come forward and speak to that a little bit more. [Roads Needs Briefing]

RANDY PETERS: You could identify yourself. [Roads Needs Briefing]

KHALIL JABER: We don't have set dates but next year. [Roads Needs Briefing]

SENATOR DUBAS: Could you go ahead and identify yourself so that we can get it into the record. Thank you. [Roads Needs Briefing]

KHALIL JABER: Khalil Jaber, deputy director for engineering, Nebraska Department of Roads, K-h-a-l-i-l J-a-b-e-r. [Roads Needs Briefing]

SENATOR DUBAS: Thank you. [Roads Needs Briefing]

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SENATOR BOLZ: I would appreciate that update as it becomes available. [Roads Needs Briefing]

RANDY PETERS: Indeed, Senator. [Roads Needs Briefing]

SENATOR BOLZ: Maybe (inaudible). Thank you. [Roads Needs Briefing]

SENATOR DUBAS: Senator Harms. [Roads Needs Briefing]

SENATOR HARMS: Thank you, Senator Dubas. Just a couple questions. When do you have scheduled actually getting that six lane to Grand Island? [Roads Needs Briefing]

RANDY PETERS: It's... [Roads Needs Briefing]

SENATOR HARMS: The reason I ask that, I drive that more than I'd like to drive it. When you hit Grand Island, Grand Island on in is just terrible. There just seems to be more traffic, more trucks. The economy is getting better so you're running into more trucks. I hope that we can move that thing forward because I think that is critical to what happens back here. And I think it's dangerous the way it is today. [Roads Needs Briefing]

RANDY PETERS: It is currently in the planning stages. We're actively doing the planning and preparing to do the environmental work for that. It is not yet entered in our six-year construction program. So it's more than six years out, but it's included in the needs studies. So it's probably more in the 8- to 12-years-out range. [Roads Needs Briefing]

SENATOR HARMS: I'm hoping--and I don't live here in this area--but I'm hoping that you can move that forward quicker than that because I just foresee, with the growth that's happening here, that you're going to need that much quicker than what you



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probably are talking about. But I don't have control of that budget, so. The two other questions, where are we in regard to...I'm going to go down to western Nebraska. The Ports-to-Plains Highway that we have from a four lane that we want to build from the South Dakota border down to the Colorado border, that fits into the Ports-to-Plains Highway. What's the schedule on that because that's critical for western Nebraska and its growth? In fact, South Dakota is done and I'm not sure where Colorado is going to be. But that's pretty important to us as far as our future growth. [Roads Needs Briefing]

RANDY PETERS: Right. That whole corridor is known as the Heartland Expressway here. [Roads Needs Briefing]

SENATOR HARMS: Heartland Express (sic), that's correct. [Roads Needs Briefing]

RANDY PETERS: The segment from... [Roads Needs Briefing]

SENATOR HARMS: You're doing one segment up around the Alliance area and Angora, but I'm talking about the whole thing because that's not going to do much. The real issue is we've got to connect from South Dakota to Colorado. And my biggest fear is that once we move on that and become more aggressive towards that, they'll move that highway to Wyoming because they have the money to cover it. And that would be a phenomenal loss in revenue and growth in that part of rural Nebraska. [Roads Needs Briefing]

RANDY PETERS: Well, to answer your question, the part that's programmed for construction thanks to Build Nebraska Act, as you said, is in the Tier 2: fiscal years '16-19. And we just recently completed the draft environmental assessment for that. So that was a milestone we celebrated. We've published a Heartland Corridor study, which kind of prioritizes the desirability, the sequence of segments to do that. But the funding for that has not yet been identified. It's not in the one-and-six-year program. And the only segment that's been identified in Better Nebraska Act so far is the L-62 to Alliance.

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[Roads Needs Briefing]

SENATOR HARMS: Do we know what the cost to that is, what you're estimating the cost is to complete that? [Roads Needs Briefing]

RANDY PETERS: For the entire corridor? I don't have that number right with me, but I can provide that to you. [Roads Needs Briefing]

SENATOR HARMS: Okay. The other question, this is kind of a simple question but just curious about the deer that are hit along the interstate, do you pick those up? Or who actually takes care of that? [Roads Needs Briefing]

RANDY PETERS: Our maintenance people do... [Roads Needs Briefing]

SENATOR HARMS: Yeah. [Roads Needs Briefing]

RANDY PETERS: ...remove them from the highway. [Roads Needs Briefing]

SENATOR HARMS: I was just coming down here, west of North Platte to Kearney, unbelievable number of deer that have been hit. They must be coming up off that river bottom and crossing because of the harvest and people are probably hunting. But there's an awful lot of deer there and I was just in hopes you could pick them up. It's not very...I just don't think it's good to have them laying along the side of the road. Some of those, you go by and they're still there after a week, so that's why I was asking the question. [Roads Needs Briefing]

RANDY PETERS: Good to know. That is one of the other duties as assigned to our highway maintenance. [Roads Needs Briefing]

SENATOR HARMS: I hope you'll look into that and just take a look at where they're

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being hit. An awful lot, as I said, been coming down this weekend between just east of North Platte to almost Kearney. Then it doesn't seem to be as severe. There seems to be a stretch always in that area that's really heavy. Thank you. [Roads Needs Briefing]

SENATOR DUBAS: Other questions? Senator Mello. [Roads Needs Briefing]

SENATOR MELLO: Thank you, Chairwoman Dubas, and thank you, Director Peters. The MAP-21 was extended through May of 2015. And I guess one component that you maybe left out of your testimony is what's going to happen to the Department of Roads if they don't extend, if Congress doesn't extend MAP-21 any further and/or they don't provide a reliable, long-term funding mechanism to fund the Federal Transportation Bill, what's the department have, I guess, planned in regards to dealing with the potential aftermath of federal inaction? [Roads Needs Briefing]

RANDY PETERS: We, in terms of the immediate response to a failure of Congress to extend the highway bill beyond May, we would have to defer projects until cash flow would allow us to build them with the state revenue. We are in coordination with the directors of all 50 states, very much unified in our support of Congress passing an increase in a long-term highway bill. And we continue to coordinate our efforts in that regard. But as I say, our construction budget here is 50 percent derived from federal sources. The more likely scenario is there will be a shorter-term horizon. It won't be zero. And then we'll know what our planning number is for the federal share and we'll have to delay our project output accordingly. [Roads Needs Briefing]

SENATOR MELLO: Okay. [Roads Needs Briefing]

SENATOR DUBAS: Other questions? [Roads Needs Briefing]

SENATOR NORDQUIST: Senator Dubas. [Roads Needs Briefing]

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SENATOR DUBAS: Senator Nordquist. [Roads Needs Briefing]

SENATOR NORDQUIST: Thank you. First question, on the inflation needs estimate, can you just speak to why, projecting forward, why 5 percent for two years inflation growth and then 3 percent long term? Is 3 percent the historical average in construction costs? [Roads Needs Briefing]

RANDY PETERS: It is. That number comes from my chief financial officer. And it's been borne by experience. It's been the pattern that we've used for the last four or five needs studies. And it's borne out to be a pretty good indicator of what... [Roads Needs Briefing]

SENATOR NORDQUIST: Okay. The next two years being 5 percent though, is there any reason why we're projecting that to be above historical averages? I'm just curious. [Roads Needs Briefing]

RANDY PETERS: It's predicated on our experience over... [Roads Needs Briefing]

SENATOR NORDQUIST: What are you seeing in contracts now? Are we seeing growth? Are prices stabilized? [Roads Needs Briefing]

RANDY PETERS: Well, the...in terms of the last fiscal year, the prices have been coming in slightly over the engineers' estimates more frequently than they were the year before. If you remember in the fiscal year that ended the year before, we announced some savings in that regard that we put on the street for other cities to help us take care of state highways. [Roads Needs Briefing]

SENATOR NORDQUIST: Yeah, right. And I was going to ask about that again, so we're not projecting that for this coming fiscal year. [Roads Needs Briefing]

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RANDY PETERS: We are not. [Roads Needs Briefing]

SENATOR NORDQUIST: All right. [Roads Needs Briefing]

SENATOR DUBAS: Senator Wightman. [Roads Needs Briefing]

SENATOR WIGHTMAN: Thank you. Has truck traffic expanded at a greater rate on Interstate 80 as you would have thought so four or five years ago? We drive that from Lexington on down. But even to North Platte it seems like, in the eight years I've been in the Legislature, there's been a tremendous amount of truck traffic numbers. [Roads Needs Briefing]

RANDY PETERS: I think that--I can't recite the numbers--but the trend in truck traffic has been increasing. As a counter note, since 2006, the trend in passenger cars has remained pretty flat. You know, between...at the time there was \$4 gasoline and then there was a recession. And people, I think, are just for a variety of reasons are driving less. And historically, the traffic growth would have been 3 percent per year. And it's been relatively flat since then. [Roads Needs Briefing]

SENATOR WIGHTMAN: And you're talking traffic? [Roads Needs Briefing]

RANDY PETERS: But the trucks have continued to increase. You're right. [Roads Needs Briefing]

SENATOR WIGHTMAN: And they do a lot more damage over a period of years or months even to the interstate than car traffic does. [Roads Needs Briefing]

RANDY PETERS: They do indeed. They do indeed. [Roads Needs Briefing]

SENATOR DUBAS: Senator Janssen. [Roads Needs Briefing]

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SENATOR JANSSEN: Thank you, Chairman Dubas. Thank you, Director Peters. First off, I just want to commend you and your staff. Highway 30, not only Colfax County but also through Dodge County, has been a point of contention for a long time. But I think your staff has done a great job in reaching out and reaching back to the...at least the constituents in my particular district. So I want to commend you for that and please encourage you to continue that because I hear quite a bit about it. What are you seeing, and I don't want to get too localized here because I know there's a lot of this, but what would you anticipate for traffic flow on a new highway out there? And what is it now? I don't...kind of close. And you can get back to me later because I know that's kind of on the spot. [Roads Needs Briefing]

RANDY PETERS: Your question is the volume of traffic we anticipate on the new Schuyler to Fremont? [Roads Needs Briefing]

SENATOR JANSSEN: Right, the new, yeah, which will be made next year. I'm sure you'll be done with it by then, right? (Laughter). [Roads Needs Briefing]

RANDY PETERS: You're very optimistic. I think we'll have our hands full delivering it in Tier 2, as we say. If I may, I would like to research that and provide you the anticipated traffic numbers afterwards. [Roads Needs Briefing]

SENATOR JANSSEN: That's absolutely fine. Thank you. [Roads Needs Briefing]

SENATOR DUBAS: Senator Hadley. [Roads Needs Briefing]

SENATOR HADLEY: Mr. Peters, is there any truth that you call my office on Monday and find out where Galen is traveling then you put those orange cones (laughter) all over the highway that I happen to be traveling on that week? [Roads Needs Briefing]

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RANDY PETERS: Busted. [Roads Needs Briefing]

SENATOR HADLEY: I just wondered. It seems like every place I travel there's just orange cones. I'd like to have the concession on selling. After I get out of the Unicameral, I'll talk to you about selling you some of those. [Roads Needs Briefing]

SENATOR DUBAS: Other questions? I would like to kind of pick up on where Senator Mello left off with the federal reauthorization. And you kind of briefed me last spring when we were on the precipice and really wondering what could possibly happen. And you gave me some historical perspectives about where we've been in the past and really how close we were to having to go to plan B or C. I'd appreciate you, just for the record, getting that in. I know we'll continue to advocate on your behalf as well with the federal delegation as well as the Department of Transportation the importance of having a stable and long-term financial base there. So if you would just kind of want to go back and give us some of that historical perspective on that I think it would be helpful. [Roads Needs Briefing]

RANDY PETERS: Are you asking that I brief your successor as the Chair? Or are you just asking, right now for...? [Roads Needs Briefing]

SENATOR DUBAS: Right now, I think it would be helpful to get some of that into the record because I think it will be important down the road for next session, certainly. [Roads Needs Briefing]

RANDY PETERS: Okay, okay. Well, there's a couple of things going on there. One thing is the length of a federal highway act historically was five or six years. And it gave you, as a highway department, time to develop projects, develop a work force in response to that, do the planning that's necessary because a lot of times it takes at least that long to develop a project. But with SAFETEA-LU, the predecessor to MAP-21, it was extended something like six or seven times as a continuing resolution--months at a

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time and then a year at a time and months at a time. It didn't give highway departments a planning horizon that they could count on, and it's very inefficient if you're starting projects and then stopping or not having projects ready when the enactment comes through. So that's part of it: the time horizon. And MAP-21 itself, the current highway act, instead of being a five- or six-year bill, was a 27-month bill so almost a Band-Aid in itself. And it's now expired and we're operating on another continuing resolution that doesn't take us through the whole federal fiscal year. So it's a very hit-and-miss, jerky kind of a planning horizon that you're faced with. That's one part of it. The other part is that the bulk of the federal revenues are generated by a tax on gasoline, 18.4 cents, that hasn't been raised since 1993. And since 1993, the population has gone up 20 percent. The buying power of money has gone down 48 percent. So you're getting less and less for the same revenues that are coming in there. A third component of that that was leading up to this fiscal cliff we talked about if Congress didn't act by August of 2014, was that in doing cash flow at the federal level, not only is it about the revenues that come in, but it's about the expenditures that go out. Due to the cash flow situation, the Highway Trust Fund was underfunded by about \$8 billion to \$9 billion. So Congress needed to infuse \$8 billion to \$9 billion from the General Fund into the Highway Trust Fund just to be able to continue to pay the bills for the rest of the fiscal year. So when you looked at that from a planning perspective in a state DOT, it's a pretty chaotic environment to try and plan a highway program. [Roads Needs Briefing]

SENATOR DUBAS: And if we got into that position again, if they don't take action or if they wait until the last minute to take action, what that means for you is continuing to work on the projects that you have going. You know, does that jeopardize those projects? Would you be looking at possibly going back to where we were earlier with, we're in maintenance only, barely mode? Are those some of the real possibilities?  
[Roads Needs Briefing]

RANDY PETERS: Right. It's a cash flow decision where we have to make hard decision because a federal project doesn't pay out right now. You let it to contract. The contractor



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is going to be out there building it maybe two years, over two or three years. So you have to make an educated guess about how many projects you can launch against a horizon of, will you get reimbursed with the federal dollars if you start them? But our most likely tools would be to delay starting them until we got more certainty about what was going to happen. [Roads Needs Briefing]

SENATOR DUBAS: Thank you. I think that historical perspective is very important. As I said, we will be continuing our dialogue with the people at the federal level to let them know you need them to take serious action. [Roads Needs Briefing]

RANDY PETERS: And on our...we appreciate the advocacy from the Transportation Committee on our behalf with our U.S. Congressional delegation. That's been very helpful. Thank you for that. [Roads Needs Briefing]

SENATOR DUBAS: We will certainly do that. On another note, the Transportation Committee spent some time this fall looking at our local bridges at the county level and the challenges that our county officials are dealing with as far as taking care of those bridges. We didn't score very well when it comes as far as structurally deficient bridges out in the counties. Now I know you are addressing the bridges that you deal with at the state level in the rural and urban areas as well. How do we rank as far as the structural soundness of those bridges that you take care of? [Roads Needs Briefing]

RANDY PETERS: Well, I have some information. I kind of anticipated that question--not that exact question. In Nebraska, there are, in round numbers, 15,000 bridges that are greater than 20 feet. So a bridge 18 feet in length that, for all practical purposes, looks like a bridge isn't counted as a bridge. I'm talking the ones over 20 feet long. Of those, 3,500 are on the state-owned highway system. And the remaining 12,000 are on the county road system. The ones on the state system are generally in the 90...more than 90 percent structurally sufficient, structurally adequate, or functionally adequate. So on the state system, we're in pretty good shape. On the county-owned system, however,

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there are...for instance, on the county-owned system there are 7,700 bridges that are fair to excellent. So those are the good bridges. And then there are 3,094 bridges that are poor. And 307 bridges that are closed. So when you total up the cost to address all of those county bridges in those categories, that's over \$700 million to address those needs. So the situation is better on the state-owned system than it is on the county-owned, locally owned system. As you probably know, NDOR has no jurisdictional responsibility over county roads or ownership of the bridges on the county roads. [Roads Needs Briefing]

SENATOR DUBAS: Do you have some kind of a priority ranking system when it comes to bridge maintenance or replacement? Do you replace bridges on a schedule? Or how do you determine your bridge projects, I guess, is what I'm trying to get at? [Roads Needs Briefing]

RANDY PETERS: On the state-owned system? [Roads Needs Briefing]

SENATOR DUBAS: Yes. [Roads Needs Briefing]

RANDY PETERS: We have an annual inspection system and a bridge division that ranks the various components of a bridge: their substructure, the part that's rooted to the earth; and their superstructure, the part that you see. And they have deterioration models. And between the physical inspection and those models, that's how we...that's the information we use to rank them. Take care of the worst first and worst we manage it very well. So the worst would mean that it might be facing a load restriction to continue in safe use. [Roads Needs Briefing]

SENATOR DUBAS: We've heard in the past--and this is on road construction as well as bridge construction--the environmental issues that you have to deal with and the delays that that puts into the project, which in turn increases the cost. Is that still an issue? Have there been things that have eased up on some of those environmental

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requirements? [Roads Needs Briefing]

RANDY PETERS: We are in the middle of a 12-month process between NDOR and the Nebraska Office of Federal Highway Administration. It's a dispute resolution process. And its goal is to strengthen our partnership and enhance the project delivery. From our point of view, there are categories of projects, the resurfacing projects, that are a state of good repair. They're taking place all in the right-of-way that's already owned, that we think we could do with a lot less consultation and documentation on those. And we're working through a process to try and streamline it more. [Roads Needs Briefing]

SENATOR DUBAS: I know that would be helpful. Are there other questions? Well, I would just like...like you said, you don't have any financial authority over the locally owned bridges, but it is a real issue for rural Nebraska in particular in getting those bridges up to speed and safe to use. And those are the farm-to-market bridges and roads that really support the work that you do. So it's an issue that the upcoming Legislature is certainly going to have to pay attention to and anything you can do to support that effort would be greatly appreciated. [Roads Needs Briefing]

RANDY PETERS: Thank you. [Roads Needs Briefing]

SENATOR DUBAS: Any other questions for the director? Well, if not, we really appreciate you... [Roads Needs Briefing]

RANDY PETERS: If I may be permitted... [Roads Needs Briefing]

SENATOR DUBAS: Sure. [Roads Needs Briefing]

RANDY PETERS: ...a final word, I want to thank you for your leadership as the Chair. Your interest and your help on transportation issues for the department has been very much appreciated. [Roads Needs Briefing]

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SENATOR DUBAS: You're welcome. [Roads Needs Briefing]

RANDY PETERS: And I'd also like to thank you and the Senators Janssen, Conrad, Harms, Wightman, for your service in the Unicameral. We appreciate it very much. Thank you. [Roads Needs Briefing]

SENATOR DUBAS: Thank you. Anything else? Thank you very much. Appreciate it. [Roads Needs Briefing]

RANDY PETERS: You're welcome. [Roads Needs Briefing]

SENATOR DUBAS: That will conclude the briefing for today. Thank you. [Roads Needs Briefing]