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Transportation and Telecommunications Committee
October 05, 2015

[LR313 LR318]

The Committee on Transportation and Telecommunications met at 1:30 p.m. on Monday, October 5, 2015, at Lied Scottsbluff Public Library, Scottsbluff, Nebraska, for the purpose of conducting a public hearing on LR313, and LR318. Senators present: Jim Smith, Chairperson; Lydia Brasch, Vice Chairperson; Al Davis; and Curt Friesen. Senators absent: Tommy Garrett; Beau McCoy; John Murante; and Les Seiler. Also present: John Stinner.

SENATOR SMITH: Well, good afternoon and welcome, everyone, to the interim study hearing on LR318 and LR313 by the Transportation and Telecommunications Committee of the Nebraska Unicameral. We are grateful for the hospitality of the citizens and businesses of the Scottsbluff community and want to especially thank the Lied Public Library--the Lied Scottsbluff Public Library--for opening their doors to this beautiful facility. So we appreciate their generosity as well. And I also want to thank Senator Stinner for hosting us in his great district. I don't think there's a more beautiful landscape than the drive in from the eastern part of the state into Scottsbluff, so what a great area that you have. And although Senator Stinner is not a member of the Transportation and Telecommunications Committee, he is a champion of the expressway system and has shown great leadership in the Unicameral on the important issue of infrastructure in our state. So we are thankful that he is joining us up on the panel today, and he is going to have some opening remarks for us just in a few minutes. I am Jim Smith and I represent the 14th Legislative District in Sarpy County, I'm also the Chairman of the Transportation and Telecommunications Committee. And I am joined here today by several colleagues and I'm going to ask them to introduce themselves at this time. And I'm going to begin with our Vice Chair, Senator Lydia Brasch.

SENATOR BRASCH: Thank you, Chairman. I represent District 16 and that's Cuming County, Burt County, and Washington County. It's in the northeastern part of the state and I drove in along (Nebraska Highway) 91 yesterday and it was just breathtaking so everyone that gets to enjoy it everyday, lucky you.

SENATOR STINNER: Thank you. My name is John Stinner, 48th District, that's Scotts Bluff County.

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SENATOR SMITH: That's your favorite son there.

SENATOR STINNER: Hope so.

SENATOR FRIESEN: Senator Curt Friesen, District 34, from Henderson; Hamilton, Merrick, Nance, and part of Hall County.

SENATOR DAVIS: Al Davis from Hyannis, District 43, which is northwestern--north central and western Nebraska, just north of here. Beautiful part of the state, just like this.

SENATOR SMITH: And let me introduce a couple members of the Transportation and Telecommunications staff. Sitting next to me is Mike Hybl, Mike is our legal counsel. And at the end of the table is Paul Henderson, and actually Paul is a native of Scottsbluff, so we're glad to have Paul in our office, and so this is kind of a return home for Paul. And Paul is going to be helping direct you a little bit later. As you come forward to testify, you have a green sheet, turn that in to Paul before you provide your testimony. And Paul will also be helping out with some instructions on time of testimony a little bit later. LR318 is a resolution that I introduced last session for a comprehensive study of Nebraska's state and local road system, including current and potential future funding sources dedicated to our highways, roads, and bridges, and the allocation and use of such dedicated funds. Since we are in the Scottsbluff area today, home to one of the higher-profile expressways in our state, I wanted to provide a little historical perspective on this issue and why it's important to both your community and to the state. Throughout history, the Nebraska Legislature and the executive branch have shared a common vision of a strong and interconnected state economy that benefits from a well-developed and maintained highway and express system. The underlying blueprint for this system was forged under the bold leadership of the late-Senator Jerry Warner and former-Governor Kay Orr. LB632, passed in 1988, laid out specific goals for NDOR, that's the Nebraska Department of Roads, to pursue with respect to the development and prioritization of Nebraska's expressway system and also provided for greater transparency and accountability. In addition, LB632 recognized that no plan, no matter how well-conceived, would move forward without funding and the Nebraska Highway Bond Act was adopted at that same time, allowing the State Highway Commission to issue up to \$50 million in highway bonds exclusively for the construction and

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maintenance of our highways. That was 27 years ago and things seemed to have stalled until 2011 when Senator Deb Fisher helped refocus our efforts on the expressway system with LB84 and the Build Nebraska Act. And last year, we took yet another step in reaching our state highway system goals with the attainment of a reliable funding source and passed LB610. Of course we have a long road ahead of us, and that's no pun intended, we have...but we do have to continue to push forward to complete the promised expressway system with a sense of purpose and with a sense of urgency. We're going to start the hearings today with invited testimony and the invited testimony is going to be from the League of Municipalities, the Nebraska Association of County Officials, Nebraska Department of Roads, Associated General Contractors, the American Council of Engineering Companies, the Heartland Expressway Association, and the 4 Lanes 4 Nebraska group. And once we complete...are completed with the invited testimony then we are going to open up to public testimony. I've asked Senator Stinner to provide us some opening remarks this morning and he would like to go to the testimony table and open up our hearing today with a testimony on this resolution. So with that, welcome, Senator Stinner.
[LR313 LR318]

SENATOR STINNER: (Exhibit 1) Good afternoon, Chairman Smith and members of the Transportation and Telecommunications Committee. On behalf of the people in the 48th District, it is my honor to welcome you to Scotts Bluff County and to western Nebraska. For the record, my name is spelled J-o-h-n S-t-i-n-n-e-r. Thank you for considering the input of western Nebraska as you conduct a comprehensive study of Nebraska's state highway system. An aspect of this study is to receive facts about the need for a divided four-lane highway system for western Nebraska called the Heartland Expressway. The Heartland Expressway is located between Limon, Colorado, and Rapid City, South Dakota, and connects I-25 in Wyoming. You will find a map of the proposed byway on the handout that has been distributed. What makes the Heartland Expressway a high priority is that it is an investment in a vital piece of the much-needed north-south trade corridor. The Heartland Expressway is in the middle section of a larger Great Plains International Trade Corridor that extends from Mexico to Canada. Approximately 200 miles or 40 percent of the Heartland Expressway's 498 miles is located within the Nebraska borders. The Heartland Expressway is a member of a multi-state international route alliance with the Theodore Roosevelt Expressway in the north in South Dakota to Canada, and Ports-to-Plains Corridor that extends from Limon, Colorado, to Mexico. Congress, in the Federal Transportation

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Equity Act for the 21st Century, designated the entire route of these three organizations as 1 of 45 high-priority corridors in the national highway systems in 1998. A copy of that route of the Ports-to-Plains Alliance Corridor is also found in the handout. It's been nearly 30 years since the Heartland Expressway discussion started. Nebraska has been slow to get funding and much needs to be done. The unfinished two-lane portion of the Heartland Expressway in Nebraska is primarily between Minatare at just east of Scottsbluff and Gering to the Nebraska-South Dakota border, a distance of 115 miles. The second unfinished two-lane portion is 15 miles between Kimball and the Colorado state line. Tier two construction is scheduled to begin in 2016 to ultimately complete two sections of this four-lane highway. And you have also on the back side of that map or the handout, is a map of where this two-lane...or four-lane is going. It's going between Minatare and the Bayard cutoff and then from Alliance down south of Angora. This would leave 84 miles of the project to be completed at an estimated cost of \$125 million. These additional 84 miles are currently unscheduled. Thirty years has been a long time to wait. I believe it's time for the state to take a more aggressive approach to our expressway needs. Recently, our new Director of Roads met with the committee in Norfolk and outlined four points of emphasis; one, which was entitled: Innovation and improved business practices. The main theme was to deliver projects faster and more efficiently. One of these options was to explore innovative funding which may include the launching of a state infrastructure bank to front load projects that may have to wait. I would propose and support the creation of a state infrastructure bank to accelerate tier two and three projects in our state. The funding source would be from the current rainy day fund and the repayment source would be from LB84 and LB610 funds. In essence, we would be borrowing from ourselves to fund these projects. Recently, Governor Ricketts visited our Heartland Expressway group. He encouraged us to seek out other innovative ways to fund additional expressway. My proposal would be to once again to utilize the rainy day fund as a mechanism to fund a state infrastructure bank. We would then form a western Nebraska compact made up of cities and counties in western Nebraska to fund up to 50 percent of the project using excess LB840 (sic: LB84 funds and/or a dedicated sales tax as a repayment source. The state's repayment portion would be funded by a portion of LB610 funds. This cooperative/state program could be called Accelerate Nebraska, as it would be stimulative to our region and to the state economy and position our rural towns in a state for future economic growth. The increase in tax receipts could go a long way in solving our noncompetitive tax posture and give hope to our rural towns in their quest to stem out-migration and attracting and

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retaining our best and brightest. There are many additional reasons the final 84 miles of Heartland Expressway should be a priority in the byway construction project. It provides a direct trade route from Canada to Mexico. It also connects metropolitan cities, the rapidly growing Colorado front range, and regional trade centers. It provides an alternative truck route to the congested I-25. It provides enhanced freight corridor for oil and gas and wind energy businesses in the United States. It provides enhanced freight corridor for agricultural products. It provides safer travel. It will develop a significant tourism corridor. And lastly, it will promote economic development in a region of the country that has the highest rate of population loss over the last decade. Lastly, the economic study for the entire Heartland Expressway system shows a return of \$2 for every \$1 invested. Western Nebraska would urge the Nebraska Department of Roads to include the planning and construction of the remainder of the Heartland Expressway as a high-priority project in its next ten-year surface transportation plan. This is a vital project, not only to western Nebraska, but to all of Nebraska. Thank you and let's accelerate Nebraska. [LR313 LR318]

SENATOR SMITH: Thank you, Senator Stinner. Any of my colleagues have questions for Senator Stinner about his testimony? I see none. Thank you. [LR313 LR318]

SENATOR STINNER: Thank you. [LR313 LR318]

SENATOR SMITH: And we now would like to welcome Mayor Randy Meininger of Scottsbluff. So welcome and thank you again for hosting us today. [LR313 LR318]

RANDY MEININGER: You bet. Thank you. First of all, I would like to thank Chairman Smith and members of the Transportation and Telecommunications Committee for coming out to beautiful Scottsbluff and having the hearing out here. Have you noticed the...I know you flew in today, or some of you did, I would love to have you come over and go across the roads so that you can see what some of the infrastructure problems that you're dealing with. But you're going to hear about them today. My name is Randy Meininger, that's R-a-n-d-y, Meininger, M-e-i-n-i-n-g-e-r, I reside at 3401 Avenue H, Scottsbluff, Nebraska, and I am the Mayor of Scottsbluff. I'm also the president of Valley Ambulance Services Incorporated, and president of the Rural Nebraska Regional Ambulance Network, all of which require and need great roads and

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infrastructure to deliver healthcare and infrastructure to the city and to our taxpayers. Of the...first, I'd like to thank Senator Smith for introducing LB610. You know, I look at LB610 and then I go back in history and look at Senator Fischer and look at LB84. And it would appear to me that there actually is a methodology or a staircase approach that's being taken of which the funding sources have been brought to the table. And now we're looking at these hearings to look at, now we have some funds available, now where do we get the best bang for our buck? How do we increase our infrastructure, which we know if we increase and improve our infrastructure, economic development goes right along with that. I concur with what Senator Stinner said, in that as we increase...we have an outflow of migration out of this area and this is one of the things our road infrastructure is so important for us. You know, not only are we talking about our local roads and infrastructure, but we're also talking about the expressways in those priority corridors that we've been working for for many, many years. The city of Scottsbluff last year spent about \$5 million in infrastructure just repairs within the city. Now there's several things that we have done, one is replant Nebraska, ReTree Nebraska. If you look at history and the amount of trees that we've lost from the years and if you actually look at the importance of the trees and how that helps shade our streets and keep them, you know. Scottsbluff has been involved with that and I know our sister cities have too. The other thing that we've looked at is how do we keep what we have and maintain that, and we were able this year...now we had to bond this, but \$1.2 million in bonding to be able to chip seal the entire city of Scottsbluff. Now that seems like, if you've got a \$5 million budget there that we spent last year, about \$2 million of that came from the Scottsbluff taxpayers, the other \$3 million came out of state and federal matching funds to get some of our major projects done. And that's in addition to the \$1.2 million we spent or bonded for the chip seal. Now timing was right for us to do that, we haven't been able to chip seal, to take care of our infrastructure since 1994, so that was a good project for us to do these things to work on our infrastructure. It would seem, when you look at those numbers, that Scottsbluff's got it together and things are going okay. But when I look at our one- and six-year plan, I see on the books about \$8.5 million worth of infrastructure repairs that need to be done. And we've got them spread out over the one- and six-year plan. And what a boost it would be to add to the moneys that we already have allocated for street improvements, to be able to put more money into that so that we could enhance the infrastructure and maintain that again for economic development and for safety. That \$8.5 million in and of itself again I want to reiterate that that is just the repairs of what it's going to take within the city. See, we're talking about 320 lane miles

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that we maintain in Scottsbluff. That does not include the money that it's going to take as we grow, and Scottsbluff sees about a 2 percent growth per year, and we're seeing some decline from the partnership communities and we're working on that. But as we enhance that, we need to have infrastructure out to the other businesses that want to come into the area, out to other housing development areas. And all of that infrastructure, that's new infrastructure that's going to have to be put in. So our \$8.5 million is probably a chip shot compared to what it's going to take for future growth. I think working as partners has helped a little bit. I'm sure you're all aware as when you look at different bids and everything that are coming in for road projects, the money that is spent in mobilization and having companies come in and bring their equipment in, you start looking at that line item, it's pretty large. The problem is, is when we look at mobilization fees, we don't have the money to say okay, we need to do all of this street so we're having to break it up in sections. Well as a business person, that doesn't really make good sense. So it's forcing us in a good way to make sure that we have good partnerships with our partnership communities to try and get our projects as in close proximity as possible so that we don't have to pay those large mobilization fees. And that way we can get better prices from the contractors. And you know, I got to compliment Kyle, he's done a wonderful job in looking at how do we leverage our federal funds coming back in. You know, 10 percent, that's a lot of money just in one area, and he's done a wonderful job with that. So I commend you, Senators, for working in a step approach in putting funds together and looking at these hearings now to see how are we going to reallocate those funds. It's important to get the expressway done, but the cities can absolutely use some additional help to what is already being established and what already has been put in to make sure that our infrastructure is strong, especially in western Nebraska, so that we don't...so we can stop the out-migration of our population. And that's how we grow a better Nebraska. Thank you for your time in listening to us, and again thank you for coming to Scottsbluff. Is there any questions? [LR313 LR318]

SENATOR SMITH: Questions from the committee? I see no questions. Thank you, Mayor... [LR313 LR318]

RANDY MEININGER: Thank you, Senator Smith. [LR313 LR318]

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SENATOR SMITH: ...for sharing from a city's perspective. And we now invite Tony Kaufman, Mayor of Gering. And I got the...a lesson on the correct pronunciation of Gering. [LR313 LR318]

TONY KAUFMAN: That's right. [LR313 LR318]

SENATOR SMITH: So welcome. [LR313 LR318]

TONY KAUFMAN: Thank you, appreciate. And normally I'm used to being in the front so I don't know if I have a target on my back or not. [LR313 LR318]

SENATOR SMITH: Yes, and again we don't have any way to project in the room, so if you're having problems hearing, please don't hesitate to, you know, wave your hand and let us know so we can speak up for you. [LR313 LR318]

TONY KAUFMAN: Well, like Senator Stinner and Mayor Meininger, I definitely wanted to say thank you for the opportunity for the committee to recognize the importance of traveling around the state and letting folks around the state have an opportunity to get in front of the committee, shake a few hands, and let you see what our communities are about, and what's going on in our neck of the woods. Definitely want to say again thank you to Senator Smith and Senator Friesen for championing and getting behind LB610. You know, a fantastic bill and really should provide an opportunity for many municipalities, counties, and even the state to leverage some potential dollars to get an aging infrastructure some help. In Gering, much like many communities, as I've heard...I'm sure you've heard across the state, the need is tremendous. On an annual basis, I mean, we work with about a \$39 million budget. Of that, we have about \$1.5 million allocated for our streets and roads within our community. What does that do? I mean, that's a big number gap, and you're right. And what that basically does is allow us to do repair and fix-it jobs and not really tackle the major projects that really need to be done to propel our community forward and concentrate on economic development and other needs in our community. What we see with the opportunity with LB610 is to take those added resources and potentially leverage that. I'm also a banker like Senator Stinner--so we like that leveraging opportunity when we can--and use those funds and look at some bigger projects. We are working on a regional concept out in western

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Nebraska, and that is working on an interlocal agreement between the communities to leverage our resources so that we can have one, a bigger voice, but also share our resources so that we can tackle larger projects and bid more competitively, as Mayor Meininger mentioned earlier. And so what we think, you know, with this, we think there's a huge opportunity. Look forward to doing it and, you know, as we move forward hope that through the vision of the legislative arm that there's other opportunities that you see through taxing or freeing up some other funds to get the folks in the trenches, which is our communities, give them the resources they need, because as you guys are...see when you travel around the state, those folks know how to spend the money well and will leverage it and get it as far as we can. And so again, thank you for the opportunity and thanks for your work in Lincoln. We greatly appreciate it. [LR313 LR318]

SENATOR SMITH: Thank you, Mayor Kaufman. I have questions from the committee? I see none. Thank you. We would now like to invite Bob Post, Banner County Commissioner. Is Bob with us at this point? Okay. Bob is Banner County Commissioner and he is also Vice President of NACO, and he is here to represent Nebraska Association of County Officials. Welcome. [LR313 LR318]

ROBERT POST: Yes, my name is Robert Post, R-o-b-e-r-t P-o-s-t. And I apologize I wasn't as well prepared for LR318 as I was LR313, but I do want to say that NACO would support the efforts to speed along the Heartland Expressway and the expressways of the state of Nebraska for the economic benefits that it would come to for the counties. I think that the funding is going to be a challenge, as it is with everything we do, but I think that Senator Stinner and you folks all have an idea where you could gather up the money to do that and work towards that direction. Once again, I apologize, I wasn't really prepared for LR318, but I will testify on LR313. [LR313 LR318]

SENATOR SMITH: And Commissioner Post, go ahead and testify if you would like to go ahead and do that on LR313, that would be fine. [LR313 LR318]

ROBERT POST: I can get my papers then. [LR313 LR318]

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SENATOR SMITH: Okay. And again, Commissioner, LR313 (sic) we're having the hearing tomorrow, but you're here... [LR313 LR318]

ROBERT POST: LR317. [LR313 LR318]

SENATOR SMITH: I'm sorry, LR317. [LR313 LR318]

ROBERT POST: Do you want me to go ahead and wait to do that for later? [LR313 LR318]

SENATOR SMITH: I'm sorry, go ahead. Go ahead then. [LR313 LR318]

ROBERT POST: (Exhibit 2) Good afternoon, Chairman Smith and the committee. For the record, my name is Robert Post and I serve as the Banner County Commissioner and Vice President of NACO. I want to start off by thanking Mr. Smith and the committee for holding the hearing here in Scottsbluff. As you are aware, funding in rural counties can be a challenge and so I want to express our gratitude for the work already done. The increase in gas taxes was a move in the right direction to spread out some of the expenses for the counties and the state over a broader base. The challenges in the federal...the changes in the federal buyback funds will also be of great benefit, so thanks to Governor Ricketts for that help. Banner County has approximately 425 miles of road and 11 bridges over 20 feet. We also have several box culverts under 20 feet. I am happy to say that our bridges are in good shape, but have a great need to install and upgrade many culverts. The recent downpours of storms approaching six inches revealed to us just how inadequate many culverts are. Many need replaced and many need added. There was much discussion on sources of funding. One idea is to extend the taxes on vehicles older than 14 years. On our ranch we have seven vehicles in that category and four that are newer than that. This may put a burden on agriculture but does spread out the base. One interesting observation I made involves toll roads, I know there's not been much discussion about that but I'll continue with this. Now, I tell you that I'm not a fan of toll roads, but this observation is interesting. I make several trips to Lincoln each year on I-80 and I'm always amazed at how many trucks travel that road. We recently made a trip to Missouri and I wanted to drive home a different route so I chose I-70. They have the east section as a toll road, and I've said I'm not a fan of toll roads, but we were on our way so we pay the toll. As we headed west, I noticed very

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few trucks. The rest of the story is it looks like Kansas clips the coupons and Nebraska gets the trucks. Once again, welcome to western Nebraska and thanks for coming. Are there any questions I can answer for you? [LR313 LR318]

SENATOR SMITH: Do we have questions from the committee? Senator Davis. [LR313 LR318]

SENATOR DAVIS: Thank you, Bob, for coming. Good to see you. I have a tendency to agree with you in terms of the old pickups on ranches. I know all about that because that's what we had at our place, too. Do you have any other suggested alternative funding sources? That was what Senator Campbell, I think, introduced that last year. [LR313 LR318]

ROBERT POST: Oh, there's always thoughts bouncing around. Like I said, I guess I'm not really adamantly opposed to lengthening this tax. Like I said, I do think the majority of the people that are going to feel the impact of that are probably agriculture. I don't know, but I'm sure there's some statistics that would show who would be affected by that. But I do think that, you know, a lot of the more independent truckers and the agriculture people tend to have the older vehicles, just don't use them that much. You know, they don't have that many miles on them, it's just that they're old. As far as other sources, like I said this toll road thing, it just...the light bulb came on to me that when you travel I-80, it's just a fight. When you get past Grand Island, it's a fight for the trucks and the cars. And when we were on I-70, there's no trucks there. And like I said I'm not really an advocate of toll roads but I think I'm sure there's some studies that could have to be done, but I think we're paying the penalty for Kansas having a toll road. I know if I was the owner of a trucking company and I could route my trucks on I-80 and not pay the toll on I-70, because I'm going to end up in Denver the same way, that's probably what I'm going to do. Like I said, there's probably some people in here that will shoot me because I'm not an advocate of toll roads, but it's a user tax, those that use it pay it. And had I not discovered that in Kansas, I probably would have never even considered this, but I just felt as I was driving down that road that we were at a disadvantage because we were getting trucks which cause more damage to the roads and they're getting the coupons, so. [LR313 LR318]

SENATOR DAVIS: Thank you. [LR313 LR318]

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SENATOR SMITH: I see no additional questions. Thank you, Commissioner, I appreciate your time with us today. [LR313 LR318]

ROBERT POST: Thank you. [LR313 LR318]

SENATOR SMITH: We now would like to invite Kyle Schneweis, Director and State Engineer for the Nebraska Department of Roads. Welcome, Director. [LR313 LR318]

KYLE SCHNEWEIS: (Exhibits 3, 4, 5) Thank you, Mr. Chairman, members of the committee. Senator Stinner, good to see you again. Kyle Schneweis, Director of the Department of Roads, K-y-l-e S-c-h-n-e-w-e-i-s. I should just point quickly before I start, with me from the department we have our Highway Commissioner from the district, Doug Leafgreen, is here; District 5 Construction Engineer Drew Parks is here with me; Deputy Director of Engineering Khalil Jaber is here; also the State Bridge Engineer Mark Traynowicz; and our Government Affairs Manager Andy Cunningham. First, let me say it's great to be back in Scottsbluff. You know, when I started in June, my first order of business was to hit the roads and meet as many people as I could. And I talked to quite a few folks and I have a few just sort of broad observations I'd like to share and then get into some of the details. First, I would just say it's a large state with a lot of infrastructure. And we kind of have two challenges before us. One, we have to maintain this infrastructure; and two, we want to plan for the future. And as we think about our resources, we have to try and balance both of those needs. You know, I think the system is pretty well maintained today, but we have room to grow there and we also have some opportunities to grow the economy and plan for the future. So on the maintenance side, I'm going to focus on the economy mostly, but I want to just touch on maintenance quick. You know, it is a massive system and it is a challenge to maintain it. Our pavement performance, just for example, if you look back five, six years ago, it had been in a slow and steady decline in terms of the condition of the pavement on the state highways. And it was decided we have to put a stop to it and so it was sort of all hands on deck and all resources towards maintenance and preservation. And now here we are five years later, you see that line has leveled off, we're expecting even an uptick this year, so we're excited about that. And then we still have a long ways to go, our targets aren't quite being achieved but I think we are maintaining the system and we need to maintain a commitment to that. On the economic side though, we do have to plan for the future. There is

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very...transportation really can support our local and regional and state economies if we're smart about how we invest. And the best example from the state perspective is the Build Nebraska Act. And I think there's no larger impact on the economy than those projects, those capital improvement kinds of projects. We just cut the ribbon on the Wahoo bypass, a great project that's going to boost the economy in that region. We're resuming construction on the original expressway and on the Heartland. We've got four projects completed, we've got four more under construction today, and nine more scheduled for construction before 2023. The...and there's good news beyond that, in 2024 we have more funding available and it's time to start selecting those projects. I've asked the Department of Roads to review the selection criteria for how those projects are selected, I think it's critical that we account for economic impacts. When we look at those projects it's critical that we understand there's a difference between an economic impact say in Scottsbluff and in Omaha. We have to understand those differences and make sure we're making decisions that affect the regional economies appropriately. Some people have said that 2024 is too long to wait, we should go faster. And I want you to know that we're looking into...we're trying to research some ways to do just that. I think first I should say, you know, just in terms of delivering projects, we're trying everyday to figure out how to deliver our projects faster just internally, looking at our processes. I think we also need to look externally, however, and there are things that other states are doing that we need to study. I put these into two categories. First is project delivery methods, so how we deliver our projects. We currently under statute are required to do design, bid, and build; that's the process by which we do our projects. And some states have had success using a design-build alternative and they're finding that they're saving time and in some cases saving money. I think we should explore that. I think we should explore pooling of projects. Other states have had some success pooling projects together and letting them under larger contracts. You see economies of scale that way and again, several states have seen benefits, especially on the local bridge side. I testified in Grand Island to some of those specific examples. So that's the project delivery side, there's also this sort of funding and finance side and I think there's a couple options. Senator Stinner, I appreciate your ideas today, the state infrastructure bank I think is something to explore. It's a way to advance projects sooner than we would normally have to wait and some states have used an infrastructure bank as sort of a targeted place for innovation. I think that's a good idea. Other states are using what's called public-private partnerships, I think these are worthy of exploration. Many people hear that and they think tolls, they think selling of a roadway to a corporation in Europe or something. It does

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not have to mean that. There is a whole spectrum of public-private partnerships that I think are worth exploring. One of the benefits that some states have seen in the public-private partnerships is sort of a shared risk in the project, so we build the project and then we share the risk afterwards instead of the state taking on the entire...all of the risk. Again, I want to just stress both of the...all of these ideas, we have to do what's right for Nebraska. I'm not proposing we take something from another state and pigeonhole it here. We have to figure...we need to...but we should look at those ideas, see what's right, and see if we can learn from them. And then the last thing, you know, I think it's important that we talk about partnerships because all of these ideas don't happen alone at the state level, they don't happen at NDOR. We have to work together, whether it's on the maintenance side, you know, those local bridge challenge that we've talked quite a bit about is not something that we can solve without partnering. We need a strategic, statewide solution and I think the state has a role to play in how we solve this problem and so we've got to partner. On the economy side, when we look at the Build Nebraska Act and how to select those projects it's critical I think that we go out and visit our communities and talk about what's important in the regions and get that input as we select those. We will be looking to partner as we go through that process. And whether it's Build Nebraska Act or any economic opportunity, we can't do it alone, we need to be looking at local, regional, state coalitions to solve these problems and recruit businesses and grow our economy. On the project delivery side, these ideas they affect our communities, they affect our industry, our consultants, our contractors; we need to partner with them if we're going to make these viable here. You know, contractors, the ability to work that they have is limited, we can't just expect them to take on an unrealistic, sizable amount of funding. We need to ramp up slowly and with them as a partner so that they can be with us in the long-term as we move forward. I want to point out just before I leave I'm not able to attend tomorrow at the truck weight LR317 bill. Governor asked me to tell you that he's directed me to work with our stakeholders on that bill and we're very aware of it and very interested...sorry, not that bill, but that issue. And I want you to know that we're paying attention to it and just because we're not here yesterday or tomorrow, doesn't mean we're not interested. And last thing I would just say is, having been in a lot of states and done a lot of work on transportation around the country, we are in a good place here in Nebraska. The fact that we're out here having these hearings is such a good sign. To move here and see this is really wonderful. And there's a lot of support, I want you know that myself and the Department of Roads is ready to partner with you and our stakeholders as we try to solve these problems. It

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really is an honor to be here, Senator Smith, thank you for the opportunity. I'd be happy to try and answer any questions you have. [LR313 LR318]

SENATOR SMITH: Thank you. Senator Brasch. [LR313 LR318]

SENATOR BRASCH: Thank you. And it's good to see you again, Director. At the Grand Island hearing you had mentioned the model, just an idea of the model Pennsylvania had... [LR313 LR318]

KYLE SCHNEWEIS: Sure, sure. [LR313 LR318]

SENATOR BRASCH: ...where there would be a bid letting for statewide projects. Was that just for the bridges or was the encompassing...? [LR313 LR318]

KYLE SCHNEWEIS: So there's a couple angles on that. I think there I was referencing an opportunity to maybe find a bridge solution. [LR313 LR318]

SENATOR BRASCH: A bridge solution. [LR313 LR318]

KYLE SCHNEWEIS: But I do think that we at Department of Roads need to follow that model and look to make sure we are getting economies a scale on our kinds of projects if we can too, so we're looking to learn from that just even on the NDOR side. [LR313 LR318]

SENATOR BRASCH: Okay. And for me, I do understand that concept because immediately I got an e-mail at my office of a company wanting me...or entity to sit down with me face to face and go over every detail, which I would just as soon wait until we see if there's a bill. But I do, it's basically bid letting, the person would have a 28-year company, would have a 25-year contract and they would be responsible for subletting and time lines and insurance bonding, etcetera. [LR313 LR318]

KYLE SCHNEWEIS: Sure. I think there's a couple...and this is where, when it comes to these sorts of proposals, there really is a lot of variety and we can find something that would work

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here. And so if we decided that we didn't want to do the 25-year nature of the project, that would be some...a lot of times you do it that way because you can't afford to pay for it, so you do it for 25 years or because you want to see the benefit of the shared risk of maintenance. Some states have found better construction practices when the contractor is on the hook for maintenance. Again, I'm not proposing that that's what we do, I'm proposing we look at those sorts of things. And you can mix and match from all kinds of ideas and come up with something that would work here. [LR313 LR318]

SENATOR BRASCH: Okay. And I did understand the explanation, I just...I have no other questions on that. The second question is when Robert Post brought up his conspiracy theory about Kansas and the tolls, you're from Kansas, is that so? Are we...? [LR313 LR318]

KYLE SCHNEWEIS: Kansas is a great place to be from. [LR313 LR318]

SENATOR BRASCH: So they're not, deliberately then? [LR313 LR318]

KYLE SCHNEWEIS: Here's what I would say: I would not want to speculate why the trucks are so more prevalent in Nebraska than they are. Obviously, if you were a long haul trucker, you're going to look costs and tolls are an additional cost. So, you know, that toll road was put in place before the interstate system was built and that's how it came about. You know, tolling is something we shouldn't...it's something we shouldn't be afraid to talk about. I wonder how viable it is here in Nebraska, but I certainly understand the sentiment having driven that road for forever. Yeah. [LR313 LR318]

SENATOR BRASCH: Forever. Okay, very good. I have no other questions, thank you again. [LR313 LR318]

SENATOR SMITH: Senator Stinner. [LR313 LR318]

SENATOR STINNER: Yes, I'm looking at your tier 2, tier 3 projects and you were talking about 2024, and that is a long way to wait. [LR313 LR318]

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KYLE SCHNEWEIS: Yeah. [LR313 LR318]

SENATOR STINNER: Let me pose a hypothetical to you. If we were to put \$200 million into an infrastructure bank and say, let's get these projects done, how fast can we accelerate that construction schedule? [LR313 LR318]

KYLE SCHNEWEIS: Sure. Well, again, as a hypothetical... [LR313 LR318]

SENATOR STINNER: Absolutely. [LR313 LR318]

KYLE SCHNEWEIS: ...you know, when we look out at 2024 we think from our project development cycle that's not that far away. Our projects can take that long: seven, eight, nine years sometimes. And so we're already feeling like we need to get some of those projects identified, otherwise we won't be able to get there. However, I do think there are models out there that can help us accelerate. If we were to explore, for example, a design-build process, you know, we expect we might be able to get to 2021, 2020. You know, again, I don't want to go on record saying that we can deliver any project upon any date, but I do think that some states are seeing that sort of advancement in terms of time. So if that gives you a ballpark sense. [LR313 LR318]

SENATOR STINNER: The second question is how do we get on your high-priority list for this 84 miles? What would be your suggestion? [LR313 LR318]

KYLE SCHNEWEIS: On this...could you ask me again? [LR313 LR318]

SENATOR STINNER: To make sure that I'm on the next cycle of high-priority projects. [LR313 LR318]

KYLE SCHNEWEIS: Oh, sure. Sure, so that's the process we're looking at. Again, I have reviewed it, the process that was used for the first three tiers. I found it to be very sound and very well designed. I do think that as time goes on, opportunities to look at new things happen. Real time traffic data is now available, economic impacts are now being evaluated in different ways,

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and so I think it's time to look again. We will put together a criteria for how those will be evaluated and then I think the other important part is that we'll be out visiting with communities about that criteria and about how to prioritize within that group of criteria. So, we're going to make sure we have plenty of opportunities for communities and leaders to weigh in on that process. I think it's important that it be grounded in technical information, that's how we make good, sound judgments. But I don't expect that there's...it doesn't have to be only technical, it can also be prioritized in terms of what's important in the regions and in the communities. Folks on the ground understand what's important just as well as we do with our engineering data, so it's got to be a combination of both in my experience. [LR313 LR318]

SENATOR SMITH: Senator Davis. [LR313 LR318]

SENATOR DAVIS: Thank you, Senator Smith. Good to see you again. You talked a little bit about public-private partnerships and I just wonder if you can elaborate on some that you're aware of, how they're done? [LR313 LR318]

KYLE SCHNEWEIS: Sure. Well, that's something...first, I should say we're working hard to get up to speed on at the Department of Roads so. And in part because there is no one partnership that's the same, they all vary depending on the circumstances and what you're trying to accomplish. And so the Pennsylvania project that we talked about last week, that would be an example of a public-private partnership. Other examples, there's a toll facility in Colorado that's an example. There are even some states that are using public-private partnerships to manage programs and projects. And so I think there are a lot of advancements just in the area of public-private partnerships and that's why we're trying to get our hands on it. And again, what's going to work here, we have to see. [LR313 LR318]

SENATOR DAVIS: And then are there other examples of I'll call them local and state partnerships? [LR313 LR318]

KYLE SCHNEWEIS: Sure. [LR313 LR318]

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SENATOR DAVIS: And you heard Senator Stinner talk a little bit about funding sources. Can you talk about that a little bit? [LR313 LR318]

KYLE SCHNEWEIS: Sure, that was great. I was pleased to hear that. I think any time you can pool your resources you can come up with a better project. When more people have an interest I think you get a better project. So I am very much in favor of that, I think there are things happening across the country to allow locals and regional communities to find ways to invest in projects. You know, I've seen sort of state and regional transportation development district kinds of things around other parts of the state. And I don't want to speculate on what works here and what other communities are already doing, but I know there are...we should be exploring options to make sure local communities have options available to them to participate in these kinds of projects. You know, I think any time communities can partner we'll have a better project. [LR313 LR318]

SENATOR DAVIS: Thank you. [LR313 LR318]

SENATOR SMITH: Thank you, Director Schneweis. And I think one of the things you touched on was the need for cooperation and partnership and I think you are well on your way to seeing that developed. Again, we have three jurisdictions, right. We have the cities, we have the state, and we have the counties, and they all have great needs and we need to figure out a way in which we can all accomplish our needs with the...I think we still have a limited pool of dollars to work with. And then to make certain the Legislature is on board with you and the cities and the counties working to make certain statutes align with what the goals are. And again, we all need to work together and I appreciate your efforts on that. [LR313 LR318]

KYLE SCHNEWEIS: Thank you, I couldn't agree more. Thanks. [LR313 LR318]

SENATOR SMITH: Thank you. And we now invite Mark Madsen from Simon Constructors. And Mr. Madsen is here representing the Associated General Contractors. Welcome. [LR313 LR318]

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MARK MADSEN: (Exhibits 6, 7) Well, good afternoon, Senator Smith and members of the Transportation and Telecommunications Committee. I'm Mark Madsen, M-a-r-k M-a-d-s-e-n, and as you mentioned, here on behalf of the AGC of Nebraska. My association is...unfortunately, I'm sneaking across the state border, so Simon Contractors works in Colorado, Nebraska, South Dakota, and Wyoming. Our headquarters were in North Platte. I don't know why Tim Simon moved it, but I'm thankful because it's in Cheyenne, Wyoming, where I live. But we operate heavily here, have an asphalt plant, concrete plants, construction services all around this region, but Scottsbluff for sure a city, Ogallala, North Platte. And I'm here to support continuing LR318 and I think there's some very interesting things. First of all, you know, the importance of the infrastructure, we could beat this to...every single person in this room is a stakeholder. Anybody who has a child that needs to get to school on time has reason to be concerned with even the Mayor's comment about chip seals. That's a friction surface, that's ice. You know, we need these kids safe. We also have this tremendous opportunity to get our goods and services to market. I really feel for anybody in your position, it's the only infrastructure funding scenarios when you think about this amazing amount of weight that is going down I-80. And, you know, it's not very often brought up. We're talking, you know, large part Chinese freight through San Francisco, Portland, and Seattle. And it all comes down I-80. That's tremendous. We also obviously have this tremendous amount of bridge work that has to happen. I don't know if you've seen the statistics on our bridges, they're absolutely disastrous in terms of where they are. So I guess we all agree with the infrastructure importance and there's been so many great things that have happened here with LB84 and the Build Nebraska Act. As stakeholders though, let's just briefly talk about this amazing opportunity we also have with recruitment. And you guys are I'm sure quite familiar with your own unemployment rate, this region in general is employing people who by standard definitions normally wouldn't even have a job. We're SUB 3, all of us are SUB 3. Can you imagine? So recruitment is another piece of a great transportation system, so I think I was very excited to hear about this Mexico to Canada. And of course we have that phenomenal I-80 that connects us all, too. So there's certain things just haven't been mentioned, but I can tell you from an employer, recruitment is critical, and it is not an easy job. It's not an easy job for anybody. If we think about when we pay...say we build this road system just in this location, just in Scottsbluff. So we spend \$5 million, \$10 million on a particular project. A huge part of that is labor cost and that we all get the benefit on, three to five times it rolls through the community. So it is phenomenal just in terms of what happens when those things are spent locally. So I want to

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congratulate you on the great work that you've done. And I also want to say, holy smokes, it looks like you've got a great person in charge with the Nebraska Department of Roads. Kyle Schneweis--by the way, I wrote that out phonetically so I wouldn't mess it up--you can tell you've definitely got somebody phenomenal in charge. And what a large burden that he gets to try to figure out. The breakdown of your revenue from Build Nebraska Act is also critical because, you know, the counties also have this tremendous bridge burden. So that was interesting and I definitely wanted to bring that up. So I can just tell you from an employer I'm very excited to hear what you all are doing. I did drop off the data for the Build Nebraska Act. It sounds like you're all familiar with the phenomenal tier 1, but to see these awesome things that are going through 1, 2, and 3. And also, I guess we could discuss this very briefly. Transportation increases are happening...or are needed everywhere and a lot of us are seeing some of these things happen. I can tell you, I'm the head of the Legislative Committee for Wyoming so I've been through ten years of trying to deal with these revenue increases. And of course we had this beautiful problem with mineral severance tax and we had a lot of it, so we had money. Those things are not true and they're not true for most of the states, but there is some interesting things going on on who is building them. And I guess I'll end with one thought that doesn't seem to ever get any traction, which is, you know, especially if we deal with gas taxes in general. I know you guys have been beat up on this that it's typically thought of as sort of a recessive tax, meaning that the guy who's driving the 1984 Blazer and the guy who's driving the BMW, who may have very disparate incomes, are still paying the same. So that's the conversation on recessive gas tax, meaning that regardless of who you are, you are hit exactly the same. I don't know as that that's insurmountable, because we look at it as a user tax. But if we base it on weight--and this was the conversation I think never shows up--and I can't tell you if it has merit, but if the consumer is paying for their own freight bill by weight, meaning everybody who's hit with that tax puts it onto the consumer that's using it; if I'm delivering couches, you know, by weight, the consumer of the couch actually takes it. We know that the breakdown within the highway is based upon weight so what makes more sense than the person that does the damage pays for it? I don't know if it has any legs and I certainly don't relish changing positions with you but it's something that I think just makes sense maybe on the national level, maybe not just on a local level. And I thank you profusely for giving me the opportunity to speak to you. [LR313 LR318]

SENATOR SMITH: Thank you, Mr. Madsen. Senator Brasch. [LR313 LR318]

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SENATOR BRASCH: Thank you, Chairman Smith. And thank you for your testimony. You just gave me a question to ask you because you were talking about the consumer, there's the cost, rather than the shipper. Or the shipper passes it down. [LR313 LR318]

MARK MADSEN: Right. [LR313 LR318]

SENATOR BRASCH: Earlier when you testified you talked about the numerous containers of Chinese goods that come in and come across I-80. I'm hearing from different individuals in the trucking industry that they come here full but we never have a container going back with anything in it, it's a one-way trip. So do you have any ideas on how to get China to pay for our infrastructure perhaps? [LR313 LR318]

MARK MADSEN: Well, in one sense I guess the Chinese freight would be paying for it but it's hard to envision that it go international, especially if we're looking at the economy in general. You know, I think it's amazing how international finances really mess...I say finances, international economies have really impacted what's happening here. We all...anybody that was close to the Niobrara oil and gas play, and I have to tell you that's part of my function is forecasting and I'm watching this. Who'd of "thunk" that OPEC could do one thing and dramatically alter the employment cycle in this region, and it did and it happened overnight. And Thomas Friedman told us the world is flat, boy is it flat. I'm a believer now. [LR313 LR318]

SENATOR BRASCH: And then just one other, since you seem to be on a committee with a little broader scope is, as I did drive in for seven-and-a-half hours, most of it along (Highway) 91, I noticed a significant amount of rail traffic. How does that compare I guess to, you know...? [LR313 LR318]

MARK MADSEN: That is a wonderful question, Senator Brasch. The reality is if we could get it all on heavy container and build to hold that, and then we're just dealing with distribution, that would be phenomenal. And maybe that has legs. I apologize we're dealing a hypotheticals, but with the death of the coal market. So, just to back up, natural gas has to be above \$7 per 1,000 cubic feet to make coal fire generation make sense at this point. So it's very likely that those rail systems that were largely built on distribution of coal to electrical generative power plants, that

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that freight corridor may be an option that we didn't have before. It was so expensive that it didn't make sense. That's... [LR313 LR318]

SENATOR BRASCH: So that would relieve the burden on concrete basically or whatever materials we're using that... [LR313 LR318]

MARK MADSEN: Right, right. Right and the other thing about, you know, the system we were talking...the director wisely brought up the pavement maintenance. We've been dealing with the surface for so long and the damage starts at the bottom. And, you know, if you could magically see what's going on, then that would make our life a lot easier. But the roads fall apart from the bottom and that's why we're really worried that we may have a bigger transportation problem in that we've been dealing with the top. Holy smokes, what's going on down below? We could be close to a disaster. But if we could offload that to the rail, I could tell you as the former pipe salesman that put the pipe in the rail, these things are designed for heavy weight and that would be a beautiful thing. [LR313 LR318]

SENATOR BRASCH: Very good, I have no other questions. I enjoyed your testimony, thank you. Thank you, Chairman. [LR313 LR318]

SENATOR SMITH: Other questions from the committee? Senator Friesen. [LR313 LR318]

SENATOR FRIESEN: Thank you, Chairman Smith. How would from a contractor's point of view have this design-build if we want to enter into that? How would...how do you envision that saving a lot of money or how would you approach it? [LR313 LR318]

MARK MADSEN: This is a great question. So the first thing that us as contractors have to get used to is the liability. There's a liability portion that we haven't had to deal with. The second thing we need to get comfortable with is partnering with an engineering firm. I was in a meeting with AGC of Utah and they were telling us about how theirs had worked and why it became a better thing. Number one, they started small, meaning that they didn't really preclude anybody in the market from playing in this. But once they partnered with an engineering firm and they were all the way through the design what they found was that there was minimal surprises. If we were

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to ask Kyle Schneweis if he'd ever seen a change order, he would probably say, yes. But this is the problem with construction is it's an inexact science. We know what the surface looks like, very often we don't know what's underneath. And the things that we find on construction projects that we did not foresee is a very huge part of contracts. And if you were to look at this was the design-bid-build number, I mean the bid-build number and where it ended up, there's always a disparity. You know, there's all sorts of things that we run into. And the Utah contingent was claiming that by and large those went away, and that as a contractor you were scared to death frankly of trying to understand owning the liability. But because you were involved all the way through the design, you got very, very comfortable with it. The other wise thing that I thought they said is they had a DOT engineer that moved from design at the DOT into the designers...the private shop designers, and they were there all the way through the process, so it became transparent. And transparency is another thing that they suggested. Now I can't claim that I have any familiarity because we have not done alternate delivery methods yet, with the exception of the Nova Scotia ice airport because the company is good at that--ice airports. [LR313 LR318]

SENATOR FRIESEN: Thank you. [LR313 LR318]

SENATOR SMITH: All right, Senator Brasch. [LR313 LR318]

SENATOR BRASCH: And I have just one final question for you. You had mentioned that the company that you work with, the headquarters moved from North Platte into Wyoming. Is there a reason for the...I know you're happy because you live there, but was it the roads here were not satisfactory or...? [LR313 LR318]

MARK MADSEN: You know...no, we never left the market. [LR313 LR318]

SENATOR BRASCH: Okay. [LR313 LR318]

MARK MADSEN: He just moved his headquarters and he's what...Jim Simon is almost 90, he lives on a ranch outside of Laramie. Maybe it was just because he liked it, I haven't the slightest idea. [LR313 LR318]

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SENATOR BRASCH: It wasn't a tax? Considering we just lost ConAgra, I'm wondering why the shift of...other than a preference. [LR313 LR318]

MARK MADSEN: Yeah, I could only speculate. [LR313 LR318]

SENATOR BRASCH: And you have a preference towards Wyoming as well as a resident there, correct? Or are you (inaudible)? [LR313 LR318]

MARK MADSEN: Well, I was raised in Montana. I kind of like the whole region. [LR313 LR318]

SENATOR BRASCH: All right. Okay, you're...thank you very much. [LR313 LR318]

MARK MADSEN: You bet. [LR313 LR318]

SENATOR SMITH: Thank you, Mr. Madsen, appreciate your testimony. [LR313 LR318]

MARK MADSEN: Thank you. You bet. [LR313 LR318]

SENATOR SMITH: And thanks to the AGC industry, the construction industry. I know, whether it's the large companies or the small companies, they put it on the line with risk and adding jobs in our market. So we appreciate what they do to help build Nebraska. We're going to go out of order just a little bit. We do want to hear from Mark Masterton, vice chair of the Heartland Expressway Association. And I understand he has another meeting to attend so we want to get you up here, we want to hear from you. And welcome, thank you for being here today. [LR313 LR318]

MARK MASTERTON: (Exhibit 8) Appreciate it. Yes, thank you for your consideration. We do have a county board meeting and I am chairman of the Scotts Bluff County Board of Commissioners so it's kind of important that I get there. But thank you very much, members of the Transportation Committee, for holding this hearing in Scottsbluff, Senator, your home district. My name is Mark Masterton, it's spelled M-a-r-k M-a-s-t-e-r-t-o-n, as I said before

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Scotts Bluff County Commissioner and vice chairman of the Heartland Expressway Association and the board of directors. And I'm here testifying on behalf of the Heartland. The Heartland Expressway, HEA, is a voluntary not-for-profit corporation whose sole purpose is to advocate for the funding and the construction of a four-lane divided highway through Nebraska Panhandle and the connecting states. The Heartland Expressway is a federally-designated high-priority corridor, one of three such corridors collectively known as the Ports-to-Plains Alliance. This corridor runs north and south from Mexico to Canada and comes through parts of eight states. The Heartland Expressway is the middle piece that connects the flow of the goods and services from north to south and of course south to north. Simply stated, for commerce, for safety, and efficiency, the Heartland Expressway through Nebraska needs to be finished. This is clearly stated in the Heartland Expressway Corridor Development and Management Plan, a study completed by the Nebraska Department of Roads, and signed off by the Federal Highway Administration. It is basically a road map of our economic success in the western part of the state. There's currently about 73 miles of four-laned Heartland Expressway in Nebraska, with approximately 195 miles remaining as addressed by NDOR's Heartland Expressway Corridor Development and Management Plan. By 2017, we will have about 99 miles of four-lane on the route currently scheduled for construction from Alliance to the L62A junction on Highway 385. It will add approximately 22 miles. The connecting piece of Minatare, US385, approximately 20 more miles, and Chadron to the South Dakota line, where the highway is currently four lanes, approximately 20 miles, seems like a logical next step for the future. Due to high-volume traffic, we also believe the expansion to four lanes of Highway 26 and a spur...the Expressway for the 22 miles from Mitchell to Torrington, Wyoming, it is important for future economic development opportunities and safety. When the roughly 20-mile piece from Minatare to Highway 385 is programmed and finished and the current construction is completed we will have four-lane highway all the way from I-80 in Kimball to Alliance, Nebraska, which is about 130 miles. Included on the list of considered projects that will continue to languish unfinished and not realize their potential for economic development and safety in western Nebraska. We are in favor of implementing additional ways to have input in that process and setting priorities. The CDMP shows a two-to-one benefit cost analysis ratio for economics and safety. Investing in the finishing of the Heartland Expressway will pay back twice what is spent in future economic gains. The safety issue outlined by the Corridor of Development and Management Plan involve the mixing of commercial, agriculture, and recreational vehicles on the same two-lane, ever increasing

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amounts and sizes. During the sugar beet harvest season, like we are involved right now, there is a beet truck pulling a pup and leaving the Alliance to Scottsbluff route trip at the rate of one every three minutes, and harvest goes on for four months. The Heartland Expressway is the preferred route for the visitors from the north...or excuse me, from the south. The number one visitation site is Texas and to get to the Black Hills and Mount Rushmore, more than two million visitors a year. Over 100,000 visitors stop at the Museum of the Fur Trade near Chadron; 410,000 at Fort Robinson; and 480,000 at Chadron State Park. The summer traffic reaches a dangerous volume by mid-July to mid-August, just about the time 100...or hundreds of thousands of motorcyclists are making their way to Sturgis, South Dakota, on the same two-lane roads. The route is also the preferred route for the Bakken oil fields in North Dakota. That area is seeing an energy-related building boom that includes thousands of truckloads of supplies, such as fracking tanks, pipe, and wind turbine parts coming from western Nebraska. The Heartland Expressway board realizes that the discussion at some point will boil down to, how do we pay for the project? Heartland Expressway's position remains committed to funding the four-lane plan already in place in the CDMP. We support utilizing future Build Nebraska Act and other modern well-tested means of funding sources as bonding and design-build partnerships, efficiencies in federal processes such as streamlined environmental activities and other innovative funding streams. These funding mechanisms are working in all other states, and it's time to look at their potential for Nebraska. As a recently-added member of the board of directors of the 4 Lanes 4 Nebraska, we join those across the state to find a permanent, sustainable funding stream to allow NDOR to speed up the long-awaited finish of the statewide expressway system and ultimately the Heartland Expressway. We will mobilize our network and our members and supporters who have experience and educated elected officials to help tell the story and to make an impact on policy discussions. Referring to Senator Stinner's proposal, let's all work together to accelerate Nebraska. Thank you for your time, appreciation of putting me at the head of the schedule. Thank you very much. Are there any other questions? [LR313 LR318]

SENATOR SMITH: Thank you, Mr. Masterton. Questions from the committee? See none. And Mr. Masterton, I know that we've heard a lot about the movement of freight and people from border states across Nebraska through the expressway systems. What's your experience with the impact that the lack of completion of the Heartland Expressway...what impact has that had on the

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addition of jobs and the location of companies or the expansion of companies in the western part of the state. Have any thoughts on that? [LR313 LR318]

MARK MASTERTON: Well, about the best thing I could do is make a comparison to the Appalachian area on the East Coast during the '60s and '70s where...and I mentioned this at our meeting exactly a week ago today, Senator Davis, but that was probably one of the poorest areas in the whole country until we built the interstate system through there. And now it's probably one of the most profitable places in the United States. But it was hugely poor and I think that we can probably attest to the fact that, just from Scotts Bluff County's point of view, we're the poorest county in the state on a per capita basis. We really need to develop something and a four-lane highway has been at it since 1983 or 1984 I think it was. That's when I first heard about it, I was a commissioner in 1984 and a couple of fellows came to me: Travis Hiner--is the founder of Heartland Expressway here--as commissioners. We recognized then that we needed to do something to the economic development. And quite frankly, if Lincoln, refer to the eastern part of the state, expects the western part of the state to contribute economically, this highway is essential for what we need to do for economic development. I mean, it's absolutely imperative. If we have the opportunity, we can get the return on the dollars. We just need to finish it out so that we can realize some of the benefit. And the maps that you've been given before show the wind energy, the trucking, the agricultural areas, and it's all right here in this corridor where we're proposing to put the Heartland Expressway. [LR313 LR318]

SENATOR SMITH: Okay. Senator Brasch. [LR313 LR318]

SENATOR BRASCH: Thank you, Chairman Smith. And thank you for your testimony here as well. I'm just wondering demographically, the area I represent, we have a lot of jobs but not enough people. Do you have a lot of people but not enough jobs? Or when we talk about economic development... [LR313 LR318]

MARK MASTERTON: No. [LR313 LR318]

SENATOR BRASCH: ...are you hoping the people will come and then the jobs will fill and more jobs will be created? How is this...? [LR313 LR318]

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MARK MASTERTON: Actually, Senator, we do have the jobs right now. [LR313 LR318]

SENATOR BRASCH: You do have jobs, okay. [LR313 LR318]

MARK MASTERTON: We've got quite a few. Well, there's one larger industry I can think of, SWDC, they've got 250 jobs that are kind of going begging right now. [LR313 LR318]

SENATOR BRASCH: Right, that's...you know we're (inaudible). [LR313 LR318]

MARK MASTERTON: There's several other companies that are looking for employees right now, probably our biggest problem is the transportation certainly, and then housing would probably be a close second. [LR313 LR318]

SENATOR BRASCH: And how's telecommunications here? [LR313 LR318]

MARK MASTERTON: Telecommunications is absolutely wonderful. [LR313 LR318]

SENATOR BRASCH: Wonderful. [LR313 LR318]

MARK MASTERTON: Probably we have the best connectivity of any place in the state. In fact, we're one of the... [LR313 LR318]

SENATOR BRASCH: I heard your...I noticed that...okay. [LR313 LR318]

MARK MASTERTON: I work for the company that provides that service. [LR313 LR318]

SENATOR BRASCH: All right. I did see that you did have better communications or telecommunications broadband signal going once I got here. There was an area in there where my phone quit telling me where to go. [LR313 LR318]

MARK MASTERTON: Allo Communications provides fiber optics to this area, it's probably one of the...well, I'd say the top 90 percent. [LR313 LR318]

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SENATOR BRASCH: So roads is your final horizon and then you're set? [LR313 LR318]

MARK MASTERTON: It truly is. [LR313 LR318]

SENATOR BRASCH: Very good. [LR313 LR318]

MARK MASTERTON: I mean, really, this highway is essential for our well-being in the western part of the state. [LR313 LR318]

SENATOR BRASCH: Well done, thank you. [LR313 LR318]

MARK MASTERTON: Thank you. [LR313 LR318]

SENATOR SMITH: Senator Davis. [LR313 LR318]

SENATOR DAVIS: Thank you, Senator Smith. Couple questions and good to see you again. So we have the completion from Kimball to Scottsbluff. [LR313 LR318]

MARK MASTERTON: Correct. [LR313 LR318]

SENATOR DAVIS: What kind of economic impact did that have on the Scottsbluff community when that was finally finished? [LR313 LR318]

MARK MASTERTON: Well, you know, Senator, I don't think I can give you exact numbers right now. But I know certainly it has had an impact, but I can't give you an exact number. But I know that our economic development arm, Twin Cities Development, will attest the fact that there is a lot of companies that have located here and in Scotts Bluff County simply because they did have that four-lane access to the interstate, which is a huge development for us. [LR313 LR318]

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SENATOR DAVIS: So we often hear that economic development documents list all these criteria that you need to meet and one of them is a four-lane expressway. If you don't meet that you're just...you're taking out of the basket. Is that true? [LR313 LR318]

MARK MASTERTON: Would you say that again, please? [LR313 LR318]

SENATOR DAVIS: I said, so if you don't have a four-lane expressway, as an example, on that sheet that you're essentially just removed from consideration. [LR313 LR318]

MARK MASTERTON: We are, absolutely. Absolutely. I mean, and again, I can't give you an exact number but I do know in talking to our executive director of Twin Cities Development that that was huge in terms of attracting businesses, just that 40 miles or so--45 miles coming from the interstate up to Scottsbluff. It was huge in terms of...I mean, if you look at the big picture where Nebraska sits in the country, we're smack in the middle and there's a lot of companies that need distribution areas that are going, you know, east and west and north and south. And we're perfectly positioned to do that but highways are an essential part of making that happen. [LR313 LR318]

SENATOR DAVIS: And you've been involved with the expressway for how many years? [LR313 LR318]

MARK MASTERTON: Since 1984 I guess, 1983. [LR313 LR318]

SENATOR DAVIS: What happened to the federal money that was earmarked for this project? [LR313 LR318]

MARK MASTERTON: I think that's the key word, is earmarked. You know, they don't do much of that earmarking anymore. [LR313 LR318]

SENATOR DAVIS: But there was funding that was earmarked at that point and it didn't come to Nebraska as I understand. [LR313 LR318]

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MARK MASTERTON: There was. And we did use part of that for the original four-lane from Kimball to Scottsbluff, it was used partly for that. But, you know, you know as well as I do that it's very difficult to come by money. And although you can earmark money, you know, sometimes there's a priority comes up and it gets shifted elsewhere. A little disappointed to hear the Department of Roads saying, well, we can do this by 2024. That means it's close to 40 years I've been working on this and it's sorely needed. [LR313 LR318]

SENATOR DAVIS: When we talked last week, you talked a little bit about local/state partnerships and Senator Stinner made some reference to that. You want to flesh that out at all or do you want to...we need to work on that a little. [LR313 LR318]

MARK MASTERTON: Well, you know, Senator Stinner and I did talk about that a little bit earlier this week. And I think we both agreed that that's a pretty good methodology of doing that because I know you're kind of betting on the come when something like that happens, where we borrow from the rainy day fund or something like that, and we say okay, well, if we borrow from that money...I mean, if anybody is in the banking business they would have to say well, how do you intend to pay it back? And so in betting on what's going to happen, I'm going to say, you know, go out on a limb here, that the economic development that we generate from having a four-lane highway will more than pay for to service that bit. And if we can borrow from like the rainy day...we got to fine tune that a little bit, John. But we are working on that, so I think that's a tremendous idea of the senator to come up with that. And we're going to be working together developing that. [LR313 LR318]

SENATOR DAVIS: Thank you. [LR313 LR318]

SENATOR SMITH: Additional questions? I see none, thank you, Mr. Masterton. [LR313 LR318]

MARK MASTERTON: Thank you very much. [LR313 LR318]

SENATOR SMITH: Appreciate your time. Thanks for your comments and your testimony. We now would like to invite Jack Baker with Baker and Associates. He is here to represent the

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American Council of Engineering Companies. ACEC is another stakeholder in the infrastructure of Nebraska. Welcome. [LR313 LR318]

JACK BAKER: Thank you. Chairman Smith and members of the committee, thank you for inviting me here today. I'm the president of Baker and Associates, a local engineering and architecture firm here in Scottsbluff and I've been a board member of ACEC for the past eight years, assuming the position of president and national director. And I'm here today to speak on behalf of ACEC. What I'm going to talk about today is primarily about project delivery and you've heard some of that discussion earlier from earlier testimony about alternative methods of project delivery systems. I'm just going to dive into that a little bit deeper, just in terms of better understanding those delivery systems, what their intent is, and how they can affect the overall project delivery. Really, project delivery is the way in which we define the roles of the engineer, the contractor, and the contractual relationship between those entities and the owner during a project, and those change depending on the delivery method. As you know, design-bid-build is the most traditional method, the most common method, and currently the only method used for Nebraska roads projects. Under this system, the owner first selects the engineer early on in the process and then works with the engineer to develop the scope of the project, to develop the project budget, to work through the design, and find the design elements that they want to see in the project through completion of design. Once the design is final then they work with the engineer to solicit bids and bids are competitively selected and then the most...I should the lowest qualified bid is then taken from a contractor. Oftentimes then the engineer is involved throughout construction on behalf of the owner, working to oversee construction, assisting with inspections, assisting with contract administration, and so on. Typically, design-bid-build will result in the lowest prices, the most bang for your buck. That's what we've seen in our industry anyway and, however, it can at times take a little longer than other alternative methods. The next alternative method, basically I'll talk about three total: design-bid-build, design-build, and construction manager at risk so. Design-build, being the first alternative method, has been used to some success through other states throughout the country on transportation projects. Not currently allowed in Nebraska, but basically what happens is there's more work up-front by the owner to develop a program of what's needed for the project and then a contractor and engineering team is selected, either based on qualifications or at times based on price, early on in the project. And in that instance typically the engineer is working underneath the contractor and

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not directly for the owner, so there's a little bit of a change in the traditional role. And so you don't see the benefit of an unbiased opinion from the engineer directly to the owner because they're working technically for the contractor in this type of contractual relationship. You can see some acceleration in the time line because there is some overlap between the design process and when construction starts, so you're actually starting construction before design is complete oftentimes. And so that's where you see some savings in the overall time gap of the project. However, that being said, something that's important to remember is any highway project that's funded with federal funds, the Federal Highway Administration still has to comply with the National American Environmental Policy Act. What we've seen oftentimes that is the controlling factor in terms of time of the design process. And so that often will go well beyond what a normal design process will take and that doesn't change with the design-build or an alternative project method. It still requires the same steps and still requires the same amount of time. That being said, again, design-build typically will add a little bit of cost to the project and you've heard some testimony earlier from the gentleman from Simon Construction about there being less change orders. I don't know that that's necessarily the case in our experience that we've seen that you still will see in most cases the same amount of increases over the life of the project, it's just that you're seeing them more early on during the design phase as that cost increases. And there's a little more transparency as you're seeing the numbers develop by the contractor during the process. Again, not that it can't be used and not that it hasn't been successful, it has. I think that it's just careful in knowing the facts and being cautious before jumping into something that hasn't been used here before that many entities may not be familiar with. The third one is a construction manager at risk. It goes...under a construction manager at risk the design team is hired separately from the contractor and typically hired first, but then the contractor is brought on board early in the process and does have some input in the design. This is not typically used for transportation projects, you see it more in vertical construction, for school projects and things like that. But, basically, at a preliminary design level, say 60 percent of a design for example, then the project will be priced by that contractor that's been selected. So it's not competitively good but they're setting their price where they feel it should be, and then from that point on they're given much more control of the project in terms of making changes as needed to get under that number. So you have a guaranteed maximum price at that point but at the same time giving up quite a bit of control to the contractor moving forward to then have the ability to make changes that they see fit to get under that maximum price guarantee. So I just again wanted to

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take the time to talk a little bit about it from the engineering industry and that's all I have at this time. But I'd be glad to answer any questions. [LR313 LR318]

SENATOR SMITH: Senator Brasch. [LR313 LR318]

SENATOR BRASCH: Thank you, Chairman Smith, and thank you for your testimony. I'm curious on the design-build model. Has that been done in any of our surrounding states, can you tell me who is using that? [LR313 LR318]

JACK BAKER: It has been done in a number of states, I can't say exactly how many. I read a study several years ago that showed about I would say half to...about half of the states have used it. I worked on a project in Arizona back in the early 2000s, in an early part of my career on a design-build project and at that time it was really new or new to the state. And so there's been...I know Florida's used it quite a bit, Colorado has used it some. Other than that, I couldn't speak specifically about... [LR313 LR318]

SENATOR BRASCH: And is it on state roads or county roads? How is the...you're skipping the bidding process, it's just basically being awarded is how I see it. [LR313 LR318]

JACK BAKER: Well, basically, yes. What you're doing is you're selecting a contractor engineer team together. So it's one entity, like a joint venture, or one working for the other. And you're either selecting at the beginning of the project based on price or you're selecting at the beginning of the project based on qualifications and then pricing it as you go along. [LR313 LR318]

SENATOR BRASCH: And you're saying the cost could be a little higher? [LR313 LR318]

JACK BAKER: Typically it is. [LR313 LR318]

SENATOR BRASCH: And then what is the advantage, the time line? [LR313 LR318]

JACK BAKER: The time line is typically the advantage that's been seen. And from the research I've done, the projects that seem to be more beneficial to design-build are very, very large or

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very, very complex projects. When you get into projects \$100 million or more or projects that are very difficult like...or complex in nature. [LR313 LR318]

SENATOR BRASCH: They must go through some sort of a verification as a vendor or builder. [LR313 LR318]

JACK BAKER: Correct. [LR313 LR318]

SENATOR BRASCH: Correct. So that's pretty much the bid is to see who is the most qualified, the best record, etcetera? [LR313 LR318]

JACK BAKER: Well, and oftentimes, the selection process is more involved and to the point to where some states will give a stipend to anyone who's submitting a proposal as part of a design-build team, because there's so much time and effort that can go into that. So if there are five teams they'll sometimes pay a stipend to each team, regardless of whether they're selected. So it's a more involved upfront process because you're getting...you have to make sure the contractor's qualified and so on and so forth. And especially if you're doing pricing up front, there's quite a bit of effort that can go into that initial selection process. [LR313 LR318]

SENATOR BRASCH: So, basically, the selection comes from the MOU or some...everyone sends in, I'm the best and this is why and then you pick? [LR313 LR318]

JACK BAKER: Right. [LR313 LR318]

SENATOR BRASCH: Okay. [LR313 LR318]

JACK BAKER: Whoever the governing agency would be, whether it be the state or whatever, would have to come up with a program and a scope more defined up-front because you don't have that involvement of the engineer in the beginning, so you'd have to come up with it. [LR313 LR318]

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SENATOR BRASCH: Okay. All right, very good. I have no other questions, thank you. [LR313 LR318]

JACK BAKER: Thank you. [LR313 LR318]

SENATOR SMITH: Other questions from the committee? I see none. Thank you for your testimony. [LR313 LR318]

JACK BAKER: You bet. Thank you. [LR313 LR318]

SENATOR SMITH: And wrapping up the invited testimony is Josh Moenning from 4 Lanes 4 Nebraska. Welcome, Mr. Moenning. [LR313 LR318]

JOSH MOENNING: Thank you, Jim. [LR313 LR318]

SENATOR SMITH: Nice tie. [LR313 LR318]

JOSH MOENNING: (Exhibit 9) Oh, yes. I was thinking the same thing. Chairman Smith, Senator Stinner, members of the committee, thank you again for this opportunity to be before you. My name is Josh Moenning, J-o-s-h M-o-e-n-n-i-n-g. I'm executive director of the group 4 Lanes 4 Nebraska. Some of you have heard me a couple times already in Grand Island and in Norfolk, so I'll try to be brief and not terribly redundant. 4 Lanes 4 Nebraska is a business and industry association focused on finishing Nebraska's expressway system. Our board is made up of steelmakers, manufacturers, cattle feeders, farmers, community bankers, and small business owners. Since we formed in January, we have worked to build partnerships and coalitions across the state for the sole purpose of improving and modernizing our entire state's infrastructure systems. We are very pleased to announce that Deb Cottier, director of the Nebraska Northwest Development Corporation, and a member of the board of the Heartland Expressway Association, has joined us in these efforts as a member of our board of directors. Nebraska is a large and diverse state. The Nebraska expressway system was designed to better connect our communities and distinct regions. It was a sound, progressive plan to help Nebraska families and businesses more safely and efficiently traverse long distances. The only problem is, it never got done.

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Enacted in 1988, the policy is today nearly 30 years old. Of its original 600 miles, nearly 170 miles are left unfinished and unprioritized. Significant portions left unfinished are critical corridors, those with high levels of heavy truck traffic and large numbers of passenger vehicles. The entire system was supposed to be finalized by 2003. The unfinished work has stalled progress on important regional and interstate projects like the Heartland Expressway. We think it's time to finish the job. Finishing the expressway system would not only fulfill a long-overdue state obligation that has the potential of being one of the largest jobs and economic development programs the state has ever seen, it would also vastly improve the safety of Nebraska's motorists. Earlier this year, Dr. Ernie Goss of Creighton University examined the benefits of expanding Highway 275 in northeast Nebraska, which at 48 miles long is the longest undone portion of the system. In a nutshell, just for that project alone, it is estimated that 1,300 new jobs would be created, \$145 million would be added annually to the state's GDP, and accidents would be reduced by 40 to 60 percent. In another example of regional cooperation, we are very pleased that York, Polk, and Platte Counties have joined us in commissioning an additional study with Dr. Goss in the economic safety impacts of completing Highway 81. Under our current funding framework for roads, unfinished expressway projects would wait another ten years just for prioritization. Projects like the Lincoln Beltway and the Highway 30 and 81 bypass near Grand Island, even within the Build Nebraska Act would wait another five years before any dirt is moved. Fortunately, federal funding has helped continue some work on the Heartland Expressway. Once those funds are used up however, things as they are, efforts to do more will be stymied. We need a new funding framework. Our state's transportation policies are as outdated as some of our oldest roads and bridges. Other states, as we've talked about already today, have adopted innovative approaches to getting large projects done, we think these are worthy of exploring. For comparison sake, the majority of states--33 of them--use basic forms of public-private partnerships such as design-build agreements to help more efficiently build roads. A majority of state--34 of them--use creative finance mechanisms like state infrastructure banks to fund large road projects. And a majority of states, a vast majority of states--48 of them--allow the use of bonding to finance roads. Again, 48 states bond to build roads, just like our cities, counties, and schools do regularly to build infrastructure. Nebraska though, uses none of these strategies. Finishing the expressway system and long-overdue highway expansions will not only fulfill a state obligation made to taxpayers decades ago, it will save lives and create jobs. If we are in fact serious when we talk about growing Nebraska, we need to be serious about investing

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in sustainable and lasting growth opportunities. None, we think, are more tangible than building our well-laid plans for transportation infrastructure. Safe, modern, efficient roadways can't pull up roots on a whim and move elsewhere, taking thousands of jobs with them. What they can do is help the many Nebraskans who make, build, and grow things all across our state do it even better, improving their access to markets, enhancing their safety, and strengthening quality of life in both urban and rural Nebraska. As an organization we have had many conversations over the last year and a half about innovative ways to complete the expressway system and modernize our infrastructure and transportation policies. We want to find solutions, we want to be a partner. We look forward to continue working with you and our coalition partners across the state in exploring creative, responsible policy options to finishing the job. Thank you. [LR313 LR318]

SENATOR SMITH: Thank you, Mr. Moenning. Questions from the committee? Senator Stinner. [LR313 LR318]

SENATOR STINNER: I'm just trying to do a little bit of math. You're at 45 miles, we're at 84, that's 129, 130 miles of unfinished expressway to get done. If we put \$2 million on that number that gets us to--I got to do the math, I'm better at that--\$260 million that we need to generate. So is that pretty close? [LR313 LR318]

JOSH MOENNING: It's a big job. I've seen estimates anywhere on construction of a four-lane highway from \$1.5 million to \$3 million, \$4 million. [LR313 LR318]

SENATOR STINNER: We already got two of them, I mean, we got a two-lane already done, so it's just a matter of adding another two lanes. [LR313 LR318]

JOSH MOENNING: There you go. [LR313 LR318]

SENATOR STINNER: The fact of Deb joining your association, does that mean politically we come together and create a critical mass? [LR313 LR318]

JOSH MOENNING: I sure hope so. Yes, sir. [LR313 LR318]

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SENATOR STINNER: I do too. [LR313 LR318]

JOSH MOENNING: We very much appreciate the opportunity to work with Heartland Expressway. We see the same benefit in completing this project as we see in the eastern part of the state. By leaving the work undone we're costing ourselves opportunities to grow as a state and we're risking lives, frankly. [LR313 LR318]

SENATOR SMITH: Senator Brasch. [LR313 LR318]

SENATOR BRASCH: Thank you, Chairman Smith, and thank you, Josh, for your testimony. I'm curious, when this group...every community they want to be first. Do you believe that these projects can take place simultaneously or will someone be before the other. You know, will there be a sequence? [LR313 LR318]

JOSH MOENNING: I think we have to think big enough to say this is a nearly 30-year-old program that was supposed to be done at least a dozen years ago. And so we need to... [LR313 LR318]

SENATOR BRASCH: But it does take equipment... [LR313 LR318]

JOSH MOENNING: Sure. [LR313 LR318]

SENATOR BRASCH: ...and engineering, and the money. And so I just don't see how we will be doing four or even two major projects, you know? Has that been determined that the state could handle all of these...or not the state, but the engineers, the companies, the contractors? They could be here in Scottsbluff and they could also be right there in Norfolk and they can also be, you know, at the other...? [LR313 LR318]

JOSH MOENNING: Yeah. I think the opportunity is now to fully explore that and we appreciate what the director is doing with the Department of Roads to explore new ways to deliver projects. [LR313 LR318]

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SENATOR BRASCH: So the time line of enacting everyone at the same time has not been completed? The time line...right now we're looking at trying to make it quicker but still waiting your turn in line versus everyone at the same time. Is that...how are you planning on having this done, I guess? [LR313 LR318]

JOSH MOENNING: Well, I think that's part of the conversation on alternative project delivery methods. [LR313 LR318]

SENATOR BRASCH: Is the delivery? [LR313 LR318]

JOSH MOENNING: Yes, yeah. I think as a state, we are behind. The reason how they tackle a number of large projects at once and so that definitely needs to be part of the discussion. [LR313 LR318]

SENATOR BRASCH: And we have a lot of geography also compared, you know, if you want to look at other states. We're a good-sized state to try to do. And then the other is when you're talking about fatalities and saving lives, has there been a review of the fatality rates in different...because I know at one point there on Highway 2 down in Lincoln, that was the highest on record, and that is what's nearly done now. And have we determined where the four-lane is on...? [LR313 LR318]

JOSH MOENNING: Yeah, that's part of the reason we've commissioned these studies. Not only is the economic impact scrutinized, the safety impact. [LR313 LR318]

SENATOR BRASCH: So your group... [LR313 LR318]

JOSH MOENNING: For example, the (Highway) 275 study found that along the Highway 275 corridor those counties have a 62 percent higher traffic fatality rate than the rest of the state. [LR313 LR318]

SENATOR BRASCH: Okay, all right. [LR313 LR318]

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JOSH MOENNING: And the two-lane portion of that highway has 152 percent higher accident rate than the four-lane portion so we think clearly there is a safety benefit in converting a two-lane roadway into four-lane. [LR313 LR318]

SENATOR BRASCH: Because I think that is what the Department of Roads traditionally uses is the fatality rate plus the car rate, the vehicles, so perhaps just the methodology of how we pick projects could be something that we need to review. [LR313 LR318]

JOSH MOENNING: Right. And again, we're encouraged by what we hear from the director about a reevaluation of how that criteria is determined, including economic impact, for example. I believe right now that a semi truck is counted the same as a Ford Escort in terms of strict traffic count numbers. [LR313 LR318]

SENATOR BRASCH: They do break down their...I've seen the maps and they do show heavy equipment versus vehicles. They're very clear on what the count is. [LR313 LR318]

JOSH MOENNING: Yeah, right. When you're talking about the specific direct traffic counts you can go to a certain level there (inaudible). [LR313 LR318]

SENATOR BRASCH: And I am very familiar with, as you know, the four lanes in that area and an advocate of getting that prioritized differently. And I believe that what you're doing here is going across the state communicating the lack of a good time line perhaps. [LR313 LR318]

JOSH MOENNING: Yeah. Well, we think the need reaches across the entire state and that's why we've focused and again are glad for the opportunity to join networks with other regions and communities. [LR313 LR318]

SENATOR BRASCH: And is the four-lane...are they shovel-ready at this point or close to...is their permitting... [LR313 LR318]

JOSH MOENNING: Which project? [LR313 LR318]

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SENATOR BRASCH: Well, say on the...by West Point. Is the permitting...? [LR313 LR318]

JOSH MOENNING: There has been design work completed but it is dated at this point. And so I imagine much of that work would need to be reevaluated. [LR313 LR318]

SENATOR BRASCH: Will need redone again? Okay, very good. No other question, thank you. [LR313 LR318]

SENATOR SMITH: Seeing no other questions, Mr. Moenning. You know, I think the exchange is good. We hear that the importance of completing our expressway system in Nebraska, expediting the completion of it, is important for commerce, our economy is dependent upon moving a freight. We're a farm-to-market state but I think something you're touching on here too is the safety to our citizens, the people that use those roads. I know when we when we were in Norfolk, you know, I forget the number of semi trucks that are on that two-lane highway every day, and it was in the hundreds, and they're competing for that roadway with citizens, parents taking their children back and forth to school, to soccer practice, or whatever that is. And we need to be mindful of that and not look at the fatalities, but look to prevent the fatalities. The work force for multiple projects--a good point that Senator Brasch brought up--and I remember having that discussion in some past meetings, so if there's anyone out in the audience that plans on testifying, if you would like to comment on if you have any expertise in what does our work force look like to be able to run multiple projects or complete multiple projects in a shorter period of time, I think that would be worthwhile. So you're...so I'm hearing talk about (Highway) 275, I'm hearing talk about Heartland Expressway, but your organization represents expressway systems across Nebraska, is that right? Not just those two? [LR313 LR318]

JOSH MOENNING: Yes, sir. Yeah, right. With a focus of finishing the entire system. [LR313 LR318]

SENATOR SMITH: And you also...you talked about bonding and we've heard about infrastructure banks. Do you believe that infrastructure banks is a replacement for bonding or do you still see that it may take a multiple, a variety, of financing? [LR313 LR318]

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JOSH MOENNING: You know, we're encouraged to hear that both options are being talked about on the table. They're intrigued by the state infrastructure bank idea. We do want to continue talking about why we're one of two states along with Wyoming that doesn't allow for bonding of highway construction. We think bonding--just as our cities, counties, and schools use it regularly for construction improvements--can be implemented reasonably and smartly on the state level and take advantage of historically low interest rates that may not stay this low forever; that a bond can be limited to a specific project, that it's not open-ended; and that you can bond against revenue that's already collected and designated for transportation funding. [LR313 LR318]

SENATOR SMITH: And so you answered my last question was, which was the other state other than Nebraska that does not allow for state highway bonding and that's Wyoming? [LR313 LR318]

JOSH MOENNING: Right. We're not too far from (inaudible). [LR313 LR318]

SENATOR SMITH: All right, thank you for your testimony today. [LR313 LR318]

JOSH MOENNING: Thank you very much. [LR313 LR318]

SENATOR SMITH: We're now going to move to the portion of the hearing for public testimony and I'm going to, just to make certain that we get as much testimony as we possibly can get in today, we want to be here as long as people want to provide testimony, I'm going to ask Paul at the end of the table, I'm going to ask you to hold your remarks to about five minutes. It's not hard and fast, but about five minutes. And when you've completed about four minutes, Paul will hold up the one-minute card to let you know to try to wrap up your testimony in that next minute or so. So we're not hard and fast, we want to hear from everyone here. So with that, welcome. [LR313 LR318]

LORAN SCHMIT: (Exhibit 10) Thank you, Senator. Senator Smith, members of the Transportation Committee, and Senator Stinner, my name is Loran Schmit, I'm appearing here today on behalf of the Association of Nebraska Ethanol Producers. I want to thank the senators

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for bringing this committee to western Nebraska. I can tell you very frankly that when LB632 was introduced and eventually passed, there was not much enthusiasm. [LR313 LR318]

SENATOR SMITH: And they're raising their hand in the back. Can you speak up just a little bit for them? [LR313 LR318]

LORAN SCHMIT: Yes. There was not much enthusiasm for including the Heartland Expressway in the expressway plan. There were many people from the Legislature who had never gotten west of 10th Street in Lincoln and were not actually enamored with the idea that there needed to be roads built in western Nebraska. I just want to say this, that we've talked a lot about the highway safety factor. A member of the rescue squad in Shelby, Nebraska, told me and testified at a hearing such as this, and in 1988, that he personally assisted in removing 22 dead persons from the wrecks on Highway 81 between Columbus and Shelby in the 13 years he was on the rescue squad. That reinforces what Mr. Josh Moenning has said about the safety factor that has improved with the construction of the four-lane highways. I just want to point out also I think Mr. Ted Free is here today, he is the manager of the ethanol plant in Bridgeport, he drastically needs a turning lane at his plant. There are 200 trucks per day that go in and out of there, it's complicated by the presence of a railroad track. And I might add also that the manager of the plant of Siouxland in western...in eastern Nebraska said the same thing. We had the same problem in Minden, Nebraska. For a number of years, we repeatedly asked for a turning lane. We could not get in until, unfortunately, a person died. Then we got the turning lane. So you pay for these roads whether you have them or not, one way or another, the cost of human lives, other things that complicate the system. I want to say that LB632 was addressed and introduced after several years and thousands of hours of discussion between legislators, staff, Department of Roads personnel, and thousands of citizens who were convinced that Nebraska needed an improved highway system, which mandated a four-lane expressway which would provide interstate access to many communities which at that time did not have adequate interstate access. The original plan was to have been completed, as was indicated earlier, by 2003, and was to have cost a total of approximately \$200 million. The members of the '88 Legislature knew that if the expressway was to be completed that the cost had to be within reason, and that the impact upon the affected communities had to be positive, and it might be necessary and desirable to use bonding authority. J. O. Peck, a banker in Columbus, Nebraska--not exactly a wild liberal--was

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one of those individuals who told me, Loran, there may be a time to use bonding authority and we should make sure that the Department of Roads has the authority to do that. He was a former state senator also. The Legislature did not just arbitrarily choose which highways should become a part of the expressway. Discussions with Mr. David Coolidge, highway engineer, Department of Roads officials, and interested persons developed the system and designated that Highway 81 would be the principal north-south corridor. Other highways designated for improvement were Highway 77, Highway 2, Highway 275, and Highway 30 in eastern Nebraska, and at the insistence, I might add, of Senator Bill Nichols, Highway 71 in western Nebraska. He sort of explained it like this: If you don't put Highway 71 in the proposal, I'm not going to support the bill. And as you fellows and ladies know, that it's a matter of arithmetic when you have to get 25 votes. We saw the wisdom of adding the Heartland Expressway into the bill. And it's a very good part of the system today. And I appreciate the committee coming out here and having that hearing in this area. Mr. Jim Gerhold, contractor from Columbus, Nebraska, was the individual who introduced me to a number of other members of the AGC, and it was their idea that we do not need to build a complete four-lane expressway throughout the state. He said, you've got many times two good lanes, why don't you just add two lanes and accelerate the construction costs and drop the price down to a reasonable manner. There have not been very many of those proposals completed and I would like to have the committee find out why we have not followed that proposal. I see my time is about up. The rest of my testimony has been subjected to the committee. I'm glad to answer any questions. [LR313 LR318]

SENATOR SMITH: Thank you, Senator Schmit. Any questions? I see none. Thank you for your testimony. Appreciate it very much. Loran Schmit is a former state senator and he was actually one of the original supporters of the Nebraska Expressway system back in 1988, whenever LB632 was introduced by Senator Jerry Warner and passed into law by Governor Kay Orr. So thanks for your work on the expressway systems back in 1988. Our next person wishing to testify before the committee. [LR313 LR318]

DEB COTTIER: (Exhibits 11, 12, 13, 14, 15) Good afternoon and welcome to western Nebraska, we appreciate you coming out. My name is Deb Cottier, D-e-b C-o-t-t-i-e-r. I live in Chadron, Nebraska, and I'm here actually for two reasons. I've asked Paul to hand out to you information that I'm hand-delivering on behalf of Joe Kiely. He is a staff person with the Ports-

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to-Plains Alliance and provided a lot of background information at the Heartland Expressway Association's request and some testimony itself. So I hope you take an opportunity to consider his prepared remarks and research. I'm not here to comment about that but just to hand-deliver that to you and tell you that he apologizes for not being here but their annual meeting is in Williston, North Dakota; as Senator Stinner knows, who's going to be speaking at that meeting, and was unable to be with you today. I'm also here to share with you a prospective or two about transportation needs as the economic development director for Chadron and Dawes County. I've been living in Dawes County for about 35 years now and can personally attest to the assumption that if you have better roads you have better business. There are hundreds of businesses, including those businesses that operate on farms and ranches in the northwest corner of the state, that depend almost entirely on surface transportation. They depend on it to stock their shelves, to transport crops and livestock to market, and to provide safe transportation for their regional customers to get to town to shop with them. We also depend on a safe, modern road system to transport visitors to the northwest corner of the state: to Chadron State Park, to the Museum of the Fur Trade, to Fort Robinson, and the Nebraska National Forest. Hundreds of thousands of visitors travel through northwest Nebraska on their way to the Black Hills each year. And when they get to the Nebraska-South Dakota state line they are met with four lanes of divided highway all the rest of the way to Mount Rushmore. And we are patiently waiting and advocating for that portion of the Heartland Expressway to be four-laned in Nebraska from Chadron to the state line. Because of the rural, isolated nature of our location, more than just about any other community in western Nebraska, we need the Heartland Expressway in northwest Nebraska in order to continue to thrive. We have two US highways intersecting in Chadron but we are isolated from interstates. I've heard many people talk today and refer to the original expressway system and a town of a certain size was then connected to an interstate. Now we're 100 miles from the closes interstate in Chadron, Nebraska, and that's I-90 in South Dakota. The majority of our growth that we see a potential for in terms of visitors coming into our tourism industry and the opportunity to create more business for our existing businesses comes out of the front range of Colorado. So we think the corridor known as the Ports-to-Plains Alliance or system hooking businesses from Mexico to Canada would be able to take advantage of much more of the commerce that's already headed to the north, fast-growing oil regions in North Dakota. We have...when we have a system of four-lane highways, from one end of the Panhandle to the other, we would not only be able to connect that purchasing base out of the front range of Colorado but we would be able to help

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supply some of that work that needs to be done in the northern reaches of South and North Dakota. We, meaning the Chadron area, my organization, and the Heartland Expressway in general, we support finding a way to fund the needed expansion of the highway system in western Nebraska and we're willing to help sell that idea to constituents who will benefit from its completion. We have supported LB84, the Build Nebraska Act, and LB610, the increase in gas tax, in order to provide the funding for those...that needed completion. Whether it's bonding, creating an infrastructure bank, a public-private partnership, our organization, the Heartland Expressway, as well as Nebraska Northwest Development Corporation is willing to have that discussion and talk with our constituents to support finding a way to permanently fix, if you will, the funding situation in order to finish the Heartland Expressway. And with that, I would be happy to answer any questions you might have again on my testimony, and hope that you'll take the time to read through Joe's remarks. [LR313 LR318]

SENATOR SMITH: I see no questions from the committee. Thank you, Ms. Cottier, for your testimony. [LR313 LR318]

DEB COTTIER: Thank you so much. [LR313 LR318]

SENATOR SMITH: (Exhibit 16) I also want to mention, as our next person coming forward, that we had a letter submitted for the record from Kathy McKillip with the Nebraska Tourism Commission as well. Welcome. [LR313 LR318]

JASON STRATMAN: Hi. Well, thank you for your time today. My name is Jason Stratman, for the record J-a-s-o-n S-t-r-a-t-m-a-n. I'm a resident here, I moved here in 1983, 1984, somewhere around there. I don't remember that year hearing much about the Heartland Expressway because I was in the second grade, but I do remember hearing a lot about the Heartland Expressway when I used to wrestle the senator's son in middle school and high school. So it's nice to be a part of this, it's nice to see that some traction is back with this because it did go away for quite some time. And it's nice to see it starting to surface again. In my professional career I'm the dean for work force development at Western Nebraska Community College and I'm again very, very grateful to see the conversation happening here. And a couple of things that jumped out to me as I was listening to testimonies and some of the gaps. And one of the gaps that was brought up

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was, you know, what type of local support might there be for this particular venture. And one nice thing--and you might find it odd that community colleges know quite a bit about roadways--as you drive back look at all the distribution centers and the job training that happens in Lexington, around the North Platte area, the Walmart distributions, the Tyson distribution. One of the largest environmental firms, in fact, the biggest North American environmental firm, Clean Harbors, is located right in Kimball, five miles off of I-80. The largest warehouse in their company--bear in mind they are a corporate headquartered out of Braintree, Massachusetts--is in Kimball, Nebraska, that has one stoplight. So a little bit of impactful thought as you're driving, what kind of development can you have simply because you have a road. Cabela's is an obvious worldwide example. But community colleges are very in-tune with the fact that roadways also lead to economic growth as well as student population. When you look at the counties that have grown in Nebraska you'll see generally a community college is one of the common elements in those equations. Is there a community college nearby with either a four-lane interstate or a four-lane highway. So we're very in-tune with that simply because that's where you also decide to put centers. If you look at Northeast, Southeast, Mid-Plains, they're growing a number of their learning centers. And one of the key factors that they put into those, and maybe you could touch base with your local community college districts, but how easy is it to access those areas? We have three centers: Alliance, Sidney, and Scottsbluff. And it's quite difficult to say, yes, we're going to put up another center or do more things in one place or another if the population, let alone the faculty, staff, and population makes sense to help with getting there. So from a local support standpoint, one thing that I can attest to is the fact that the educational models, the investments, the things that need to happen...in fact, the Department of Roads director and one of his staff came to visit us. We're investing in some new technologies to basically impact how we bring a trades work force more up front center here in the valley. In addition to work force development, I also oversee, I'm the division chair for the applied technologies division, which includes commercial driving, welding, automotive; and I'm also in charge of high school dual-credit. And so we've got a nice pipeline of high school academies, particularly right here in Scottsbluff, more being built in other areas, that want their students to look at trades. We have the avenues; we're actually...after speaking with the folks from the Department of Roads, we're actually changing some of our investment strategies into mobile learning capabilities, into things like simulated road graders from CAT simulators because you can't have a 16-year-old on a grader...well, I suppose you can, but realistically you probably wouldn't want to do that as a

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college course but you can put them on a simulator. You can get them into a classroom, get them excited about these things at a much earlier age. So when these things all come to fruition here in the next two years--I'm on the record saying two years, that's what we're hoping for--hopefully, we'll have a nice, steady stream of young people wanting to get into the industry filling some of those work force gaps. We do have a low unemployment and that's something that's been discussed. The thing is, which you're not looking at, is the number of underemployed. You're looking at a population 70 percent, 65-70 percent is probably at poverty level. So if you can offer a lot of good jobs, good-paying jobs...and I used to be an American Concrete Institute field test (level) 1, I used to be truckster certified. I used to be on roads, testing these roads. These are good jobs, they're solid jobs, and they're well-paying jobs. I'm pretty sure we could certainly manage a work force, a steady work force, and the college can step forward and help with much of the education and training needs to support that. So it's not something that's a venture that doesn't have the local support that it needs, at least from the college's standpoint. So on behalf of the college, very excited to see that this is moving forward, very excited to be able to help, as well as a citizen. I live on Cheyenne Drive, right about three blocks from the college, and it's nice to see traction after 30 years of this argument. And that's not to point blame, it's just, you know, it is what it is. It's time to move this forward so. Yes, ma'am. [LR313 LR318]

SENATOR SMITH: Senator Brasch. [LR313 LR318]

SENATOR BRASCH: Thank you, Chairman Smith. Thank you for your testimony. As the dean of work force development, where do you see out-migration of your students going? Or are they staying here, just not being able to find the jobs, or are they being attracted to...? [LR313 LR318]

JASON STRATMAN: We see a lot of interest in the front range. That's where we see a lot of our students coming out of the high schools. Now Scotts Bluff County is kind of the anomaly, as well as Cheyenne County, their populations are doing quite well. It's really in our rural areas where you have difficulty accessing, the amenities and the different things that you have. When you have just population, population creates demand, demand creates jobs. So with a lot of those it's going to be your rural areas, particularly if you do have access to Rapid City, you possible have access to Cheyenne, you possibly have a little closer access maybe in our southern tier to

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Fort Collins and the front range. Those are the things that we see a lot of our students going to. [LR313 LR318]

SENATOR BRASCH: And front range is local here? [LR313 LR318]

JASON STRATMAN: Well, front range being like your eastern Wyoming, northern Colorado, your Fort Collins area. [LR313 LR318]

SENATOR BRASCH: Okay. [LR313 LR318]

JASON STRATMAN: When you think of the state, when you think of the college and you think of the community college system, many of them have ties to UNL. And we certainly do, but we see a majority of our local students either go to Chadron State or they go to UW. We have a much stronger contingent I would say of UW students than we do UNL students simply because Laramie you get much of the same experience, you get much of the slightly bigger city, but then also you're 45 minutes from downtown Fort Collins, another college city right there. [LR313 LR318]

SENATOR BRASCH: And the better infrastructure would retain the... [LR313 LR318]

JASON STRATMAN: Better infrastructure, the amenities, the things...particularly young families. I have a three-year-old and a six-year-old and it would be nice to take my kids to Chuck E. Cheese's. You know, just the simple things, the things you take for granted. And I really didn't take them for granted until I moved away. One of the biggest eye-opening things for me was moving away for about five years, I moved back in 2011. And, you know, I never...roads never really rose to the top until...and bear in mind I moved to Minneapolis for about eight, nine months, didn't like being downtown so I moved about an hour-and-a-half away. The town I lived in was about 1,000 people. Nice surface blacktops, nice striping, everything had reflectors, it was quite an infrastructure. I never thought that something as simple as a road would make me a little bit more comfortable to live outside of town. And I lived, you know, a good hour away from the metro and it didn't bother me, simply because I felt safe going to and from. Bear in mind Minnesota winters is an interesting thing to try to bear. So when you leave and then come back

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you see things in a very different light. It's, quite honestly, it's scary to see that a project like this has taken three decades to move forward. It's scary. Growing up on these roads you really don't think about it, but now having two small kids I think about how safe is it for me to get from point A to point B a whole lot more now than I ever did. [LR313 LR318]

SENATOR BRASCH: And you think about Chuck E. Cheese's, too. [LR313 LR318]

JASON STRATMAN: I do, I do. And the little bowl of fajitas. [LR313 LR318]

SENATOR BRASCH: As a grandparent and a parent I will tell you, watch what you wish for. Thank you for your testimony. [LR313 LR318]

JASON STRATMAN: Thank you. [LR313 LR318]

SENATOR SMITH: I see no additional questions. [LR313 LR318]

JASON STRATMAN: All right, thank you. [LR313 LR318]

SENATOR SMITH: Thank you for your testimony, appreciate it. Next person wishing to testify. Welcome. [LR313 LR318]

JESSICA KOLTERMAN: Senators, for the record, my name is Jessica Kolterman, J-e-s-s-i-c-a K-o-l-t-e-r-m-a-n. I am the director of state governmental relations for Nebraska Farm Bureau Federation, I come before you today on their behalf. I will keep my remarks brief, I don't have a lot of exciting things to contribute to the discussion. There's some great things that were brought up by many people today and I think you have a lot of ideas moving forward. I will just share with you that our members continue to be engaged in this issue, it's important to them. They feel that we need to have a safe way to get our products to market and anything we can do to support you in that effort, as you reported in your discussions, we're happy to do so. So with that, I will take questions. [LR313 LR318]

SENATOR SMITH: Any questions? Senator Davis. [LR313 LR318]

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SENATOR DAVIS: Thank you, Senator Smith. Welcome to the western part of the state, Jessica. Does Farm Bureau have a position on bonding or infrastructure banking or any of these things? [LR313 LR318]

JESSICA KOLTERMAN: I will tell you we, at one point, we had that we did not support bonding but there was some changes early...I want to say, I don't know if it was a year ago or two years ago, but I will...I'm not sure where we are today so it kind of went back and forth for a little while. So I will find out for sure on that and let you know. [LR313 LR318]

SENATOR DAVIS: So you'll have your conference coming up, is there a way that this could be a topic of discussion at that? [LR313 LR318]

JESSICA KOLTERMAN: It will most likely be a topic of discussion. Those policies are put forward by our members themselves and we know there's some already on roads funding. For example, we have long opposed the gas tax. And then right before the session last year the members changed their position on the gas tax, so we ended up supporting it. So we will continue to have those discussions as an organization. And I will find out exactly where we are on bonding today. I'm sorry I don't have it in front of me. [LR313 LR318]

SENATOR DAVIS: Thank you. [LR313 LR318]

SENATOR SMITH: Thank you, Ms. Kolterman, for your testimony. And again, I appreciate the exchange you had with Senator Davis. And, you know, the Farm Bureau and your members are very, very important to us and to the state. Your input is greatly welcome so we hope that maybe you can have that conversation and let us know what your members are saying because we really do respect their input. And we appreciate their engagement on this issue, for building up the infrastructure in Nebraska. [LR313 LR318]

JESSICA KOLTERMAN: And on behalf of the members, I know we have some that wanted to make sure that I thanked you for being here in this part of the state. They really appreciate you coming out. [LR313 LR318]

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SENATOR SMITH: Great. Thank you. [LR313 LR318]

SENATOR DAVIS: We should have more things out here. [LR313 LR318]

SENATOR SMITH: Next person wishing to testify. Welcome. [LR313 LR318]

JERRY RADKE: Thank you. Glad to see you guys out here in the Panhandle. [LR313 LR318]

SENATOR SMITH: Good to be here. [LR313 LR318]

JERRY RADKE: (Exhibit 17) My name is Jerry Radke, I'm a Deuel County Commissioner. I'm here because, I mean, in support of the expressway. I...besides liked farming we raise certified seed and I commercially clean seed, so we travel all over the country. [LR313 LR318]

SENATOR SMITH: And, Commissioner, could you spell your last name for us, please? [LR313 LR318]

JERRY RADKE: Oh, excuse me. Radke, R-a-d-k-e. And so I do travel (Highway) 71 up to Alliance now and then. And when they're hauling beets in the winter and the fall and you're going down the road and I think they're trying to pull up and move a beet puller down the road, there will be miles of traffic behind it and there's no place for them to go. But anyway, Deuel County needs additional funds to pay for some of our road expenses. We are already at our cap and, have no place to go for additional revenue. There're no lids on expenses when there's no...we're a small county, there's not a lot of options to raise money. The only discretionary area is to cut road maintenance. We need to buy a new mower tractor but can't fit it in our budget. We are fortunately blessed that we only have 15 bridges, but we are also cursed with having a section of paved road between Highway 30 and Highway 26 that is used like a state highway. Heavy commercial and recreational traffic, not necessarily local traffic, has killed our roads. Highway 26 was rebuilt, the batch plant was at Big Springs and all the product hauled across our county road to rebuild it. And periodically now, that was a few years back, periodically now trucks are hauling road millings back south from a conveniently placed pile at the end of our road to the tune of something over 7,000 tons. If we weight limit our road like we do in the

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spring then they'd just go about a mile west coming down our gravel road. So we've got guys go out there every day with a maintainer to try and fix the damage. Though we don't have any money to...we don't get to other roads because we're trying to fix their damage. Currently, the state shop in Big Springs--and I don't know all the details about this--but currently, the state shop in Big Springs maintains a portion of Highway 26 in the wintertime and they're either driving our gravel road or they're going across our paved road. But if they're going over across our paved road then they go with their blade in the air, regardless how much those are. And to me, it should be...it shouldn't be a part of an extenuation to Highway 138. But we haven't jumped that hurdle yet. So that's my question, who's going to help us pay for road repair on that road just to Big Springs to Lake McConaughy? The huge volume of Colorado traffic gets off the interstate at Big Springs on the way to the lake. I understand why they do, it's by far the shortest route to the lake. The state gets the majority of the gas tax but the county gets the road repair bill. In our last fiscal year we retrieved \$342,000 in highway allocation funds to support all the roads in the county. That doesn't do much to fix the road. And I did come to Lincoln and testify this spring on the gas tax. And since that point I did approach the Game Commission about possibly getting that road redesignated as a recreation road, because I think that would be a way to fund it. But we got to do something. The north end...the south end they started rebuilding that thing when they first built it in the '60s. The south end was built and they gradually got north, got it all built, and later on they started reoverlapping it. The north three miles of that road isn't...has nothing more than two inches of asphalt right. It was never meant for heavy traffic. And we have started doing traffic pool, we got our own traffic counter now and we did set it up right at the north end of that road. There's no...so it pretty much take all...it eliminates local traffic going into Big Springs. And up till five years ago, there was a grain elevator in Lewellen, Nebraska. It closed. Now all the grain off the North Platte Valley now it goes to Big Springs. I mean, where's it got to go? Down our roads. So anyway, but thank you for your time and letting me come to speak. And I'm glad that you guys can come see the west end of the state. And I'm very impressed with Kyle, I think he could maybe do some wonders for us. I mean, I know it's a big pie we've got to serve out of. [LR313 LR318]

SENATOR SMITH: I think so too. And, unfortunately, Kyle is outside of the room, so he didn't get a chance to appreciate that compliment. Do we have any questions for Commissioner Radke from...Senator Davis. [LR313 LR318]

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SENATOR DAVIS: Yes, thank you. So the road you're talking about goes from Big Springs up to Highway 26? And it's a paved road? [LR313 LR318]

JERRY RADKE: Yeah, yeah. And if any of you are driving--if you want to go back that way just so you understand the road I'm talking about--when you go through Lewellen and go up the Ash Hollow Hill, but then there's a sign that says, a link to Big Springs. There's a one...the first mile is Garden County, the next nine miles are Deuel County. And we call the thing the Day road because on the...just as a historical perspective, when you get about four miles south on the west side of the road there's two Quonsets and five bins. On the east side of the road is the last surviving structure of the town of Day on the Oregon Trail. It's a stuccoed sod house and the Historical Society has tried to keep the thing maintained. But was named Daykin because it was...they had to (inaudible) backwater one day from the South Platte River to that point and then the next day they made it to the North Platte River for water again. So it's a little kind of a history drive, too. [LR313 LR318]

SENATOR SMITH: We may have our route home. [LR313 LR318]

SENATOR DAVIS: So I'd like to just explore a little bit more of this recreational road. How does that work, because I'm not familiar with that? [LR313 LR318]

JERRY RADKE: I'm in the process of learning too. I did approach the (inaudible) up-front at a Game Commission meeting. I did ask them about it and I got some contact information from Jim Swenson about people in the department. They wrote...our Games Commission has money, a certain amount for roads, but it's...the control is at the Roads Department. So this guy's got to figure out how to get everybody to play together. Maybe if we had them all at the same table and if the right thing pointed out at them, they would all cooperate. [LR313 LR318]

SENATOR DAVIS: I think there are probably quite a few roads in this part of the state that would be considered that kind of a recreational road. So if you get any more information on it let me know that, if you would. Thank you. [LR313 LR318]

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SENATOR SMITH: I see no further questions. Thank you for your testimony today. [LR313 LR318]

JERRY RADKE: You bet. Thank you. [LR313 LR318]

SENATOR SMITH: Next person wishing to testify. Anyone else wishing to testify? Please come on up. Welcome, sir. [LR313 LR318]

KENT GREENWALT: Thank you. Senators, it is really nice to have you here today. I appreciate you listening to our comments. And my name is Kent Greenwalt, G-r-e-e-n-w-a-l-t. I'm the Mayor of the city of Terrytown. I just want to make a comment how important this is to get this finished. I'm glad to hear that it's going to be finished at Alliance and that's great, and I'd like to see it go to the state line. The reason I say that, we're going to very likely have a packing plant in Minatare, Nebraska, and they're going to have a tremendous amount of semis going in and out of there--live cattle in, beef out. They can get onto the four-lane and they can go to Kimball and get on the interstate and they can go where they need to go. The other direction, a lot of these cattle will be coming out of the Dakotas. We're talking about a narrow road. We're talking about a tremendous amount of truck traffic on a road that's already got a lot of truck traffic on it. And that's very important to us. I'm glad to hear apparently it is on the plan to make it a four-lane now from Minatare to the top of the hill at Angora. That's good to hear. And I just wanted you to know that we are concerned about that, the number of trucks that will be added onto what's already on there. [LR313 LR318]

SENATOR SMITH: Thank you. Any questions for the Mayor? See none. Now, Terrytown is between Scottsbluff and Gering? [LR313 LR318]

KENT GREENWALT: Yes, and you can't when you're in Scottsbluff, Terrytown, or Gering. They're all joined together. And that's fine, I get along good with both of the mayors there. So it's fine. [LR313 LR318]

SENATOR SMITH: That's good. [LR313 LR318]

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KEN GREENWALT: Thank you. [LR313 LR318]

SENATOR SMITH: Thank you for being here today. Appreciate it. [LR313 LR318]

KEN GREENWALT: You betcha. [LR313 LR318]

SENATOR SMITH: Welcome. [LR313 LR318]

J.D. COX: Hello and good afternoon. Thank you for being here today. My name is J.D. Cox, initials J.-D. C-o-x, Cox, I'm the city manager in Alliance and I just wanted to offer a few thoughts for you. First of all, we're thrilled that this is happening here today and in our area. Thrilled to have the fact that this whole conversation is occurring, especially regarding LB318. You know, we heard a few comments earlier today about partnerships. And I just wanted to I guess kind of throw the first bone out there, and that is that Alliance is about to enter into a big partnership on this project 385. Heartland Expressway actually goes right by our city limits, considered in our city limits, so Alliance is in fact on our agenda for tomorrow night. We have an item to approve an agreement with the state and our contribution will be \$440,000 toward the Heartland Expressway. So we are investing in a big way into the project. With that being said, I just wanted to offer I guess a big ditto to all of the previous conversation that has been offered earlier today. And I might just share with you a couple more comments. You know, we didn't hear anybody today say, no, don't go build this. We didn't hear anybody today say, no to economic development. No one said, no to safety. So everyone from what I can understand seems to support this idea, this concept. The question becomes, why is it not built? Now I want to be real careful not to like go back in the past and pass judgment on the past, I don't think that does us any good. But looking forward, what do we do and why is not being constructed today. Very clearly we have limited resources. And how do we expend those limited resources, how do we deal with that rationing of resources? And so we have this concept of pay as you go and, you know, I might liken highways to the state as similar to house to a person, to a resident. It's just very big, it's expensive, it's complex. And so if we had, as citizens...if most of us had to wait until we had enough money to go build a house, how many houses would we see as we drove around the beautiful Scottsbluff area or Alliance or Chadron? Probably not a whole lot. So, too, I might take this to the state level. We did hear testimony earlier that a lot of states, all but two it

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sounds like, do some type of bonding type of solution for building their highway infrastructure. And I do understand and acknowledge that you don't want to get carried away with it, but where is the happy medium? And I might just leave you with the thought, is zero the happy medium, where we maybe ought to be at? And I would maybe suggest it might not be, but maybe we look at some happy medium. And I would leave that to others to offer ideas to you what that happy medium might be. But I do think it's pretty clear, based from what we heard today, what we feel...the impact we feel, that we do need to accelerate transportation, we need to accelerate commerce, and accelerate safety, and I think as the Senator said, accelerate Nebraska all together. I think it makes sense. [LR313 LR318]

SENATOR SMITH: Thank you, Mr. Cox, for your testimony. Questions from the committee? Senator Davis. [LR313 LR318]

SENATOR DAVIS: I'm just going to ask you, J.D., to reiterate things you've told me before about the synergy of the three transportation modes that could be there if this highway is complete. [LR313 LR318]

J.D. COX: Thank you. We are very fortunate in Alliance to have a former air base was converted into our municipal airport, AIA. We like to call it "Alliance International Airport", just from (inaudible) it to the world through Denver. But we have a massive airport and the third largest runway in the state so we have the...we just had it rehabilitated too, by the way, our 12/30 runway. So we have the capability of landing large aircraft at our airport. So add to that BNSF, our largest--by far largest--employer. Our population is around 9,000 plus or minus and BNSF employs approximately...I'm looking back at some of the folks here, around 2,000 people. So it's a major player. They're a major player...or excuse me, Alliance is a major player is the BNSF system. We just paid them a corporate visit not very long ago and said hey, we would like to be a big player on your network and they said to us, you are the big player on our network. So it was really nice to hear that. So we have...we've talked about air through our airport, we've talked about rail through BNSF, and so the final piece in that three-legged stool is highway transportation, so getting goods. So it makes a lot of sense and we'd really like, and are starting to pursue, some sort of intermodal type of transportation solution in Alliance and this becomes the last leg of that stool. [LR313 LR318]

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SENATOR DAVIS: Thank you. [LR313 LR318]

J.D. COX: Kind of a long-winded answer, sorry about that. [LR313 LR318]

SENATOR SMITH: Senator Brasch. [LR313 LR318]

SENATOR BRASCH: Thank you and I would encourage you to build a four-legged stool that has telecommunication in that as well. [LR313 LR318]

J.D. COX: Point well taken. [LR313 LR318]

SENATOR BRASCH: That's critical I believe as we look more towards commerce that's global. And that was my only comment. [LR313 LR318]

J.D. COX: And I think we're actually in pretty good shape on telecommunications, that's a great point. Point well taken. [LR313 LR318]

SENATOR BRASCH: I have no other. [LR313 LR318]

SENATOR SMITH: Mr. Cox, so if...with the completion of the Heartland Expressway, and greater access to four lanes for moving freight, have you heard any potential for increasing air freight as a result of that? [LR313 LR318]

J.D. COX: That's what we...we think we're kind of an undiscovered gem at the moment and so that's what we want to market and to be able to go to others with this idea and concept that they would be able to accomplish that. Because we have been told that it's cheaper at times to send goods, fly goods into a central location and ship it out via truck. And so, you know, we kind of have some barriers there on truck shipping. We can do some more rail shipping, but the truck I think is a key part of that. [LR313 LR318]

SENATOR SMITH: All right. Thank you for testifying today. [LR313 LR318]

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SENATOR DAVIS: And the completion of this highway will fill that gap? [LR313 LR318]

J.D. COX: That's correct. [LR313 LR318]

SENATOR SMITH: Thank you. [LR313 LR318]

J.D. COX: Thank you very much. [LR313 LR318]

SENATOR SMITH: Appreciate your testimony. Next person wishing to testify. Welcome.
[LR313 LR318]

DOUG LEAFGREEN: Thank you. Doug Leafgreen, District 5 Highway Commissioner, Leafgreen. I wanted to answer Senator Davis' question about economic impact of the completion of the four-lane. Being a resident of Gering, I know Gering was being considered for a major distribution center a number of years ago. I can't remember the number of trucks that they were going to have accessing the distribution center a day, but it was a large number. And having to come through Kimball, where they have a very limited access underpass, a one-lane road, and the time it was going to take, that distribution center decided to locate somewhere else. So it truly is an impact out in this area as far as companies looking to locate. I was a former mayor of Gering. I know in talking to companies about locating a major restaurant or whatever if you were not located on an interstate or a four-lane expressway many of the companies would not even talk to you. So there is a major impact in this area. By the way, Nebraska does allow for bonding, only through the Highway Commission and up to \$50,000. [LR313 LR318]

SENATOR SMITH: I think even \$50 million. [LR313 LR318]

DOUG LEAFGREEN: What's that? [LR313 LR318]

SENATOR SMITH: \$50 million. [LR313 LR318]

DOUG LEAFGREEN: Fifty million (dollars), I'm sorry. And we have done that I believe one time so it's not a common practice. But I have been on the Highway Commission 15 years and

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have been allocating, or advocating, the use of bonding. I agree with what's been said. When you look at cities, counties, and schools, and I've been involved in all of them, they all bond. It's a practice and you have to be careful with it. But I think it's a good practice if used wisely. So the other thing I'd like to comment about is I think the Legislature in general and the Transportation Committee has to be looking at future funding, not just for expressways, I mean for all of our road systems. If you look at, you know, the gas tax and what's happening with more fuel-efficient cars and hybrids, it's a declining income. Our expenses are increasing. I know, serving on the Highway Commission for a period of time, we weren't even approving any projects; all of our funding was really going to maintenance or growth. And because of your leadership in the Legislature passing some new funding we've been able to build some projects, but we're still about to fall off a cliff at some point in time if we don't look at other alternative funding. So thank you and thanks for coming. [LR313 LR318]

SENATOR SMITH: Questions from the...Senator Davis. [LR313 LR318]

SENATOR DAVIS: Thank you, Senator Smith. And thank you, Mr. Greenleaf (sic), I appreciate... [LR313 LR318]

DOUG LEAFGREEN: Leafgreen. [LR313 LR318]

SENATOR DAVIS: Sorry about that. [LR313 LR318]

DOUG LEAFGREEN: That's all right. [LR313 LR318]

SENATOR DAVIS: I appreciate your support and your enthusiasm for this project in particular. So you've been on 15 years, can you talk a little bit about the costs that have...how those costs have increased? I mean, do you have an estimate as to how much they're going up per year to do any one particular project? [LR313 LR318]

DOUG LEAFGREEN: Well, you're...I don't want to get too technical because I can't, that's these people over here. But I can remember when I first got on, to build a lane mile was about \$1 million and I don't think we can even come close to that now. And had we been doing bonding of

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those projects over say, a 10- or 12- or 15-year period, I know there had to be a savings. Now the bonding rate now is probably as good as we've seen in a lot of years so I don't think you just go out and bond projects willy nilly. I think they've got to be specific projects, they've got to be a funding source attached to it, but just like a county or a city or a school when they build a project. Scottsbluff just did a big project and it's bonded so. [LR313 LR318]

SENATOR DAVIS: What is the sense of the other commissioners as to bonding, do you have a gut feeling for that? [LR313 LR318]

DOUG LEAFGREEN: It's changing. When I first got on there, I'd bring it up and there was very little interest. But I think over time more and more of the commissioners are interested at least, you know, looking at all types of alternative funding. [LR313 LR318]

SENATOR DAVIS: Thank you. [LR313 LR318]

SENATOR SMITH: Senator Brasch. [LR313 LR318]

SENATOR BRASCH: Thank you, Chairman Smith, and thank you, Mr. Greenleaf (sic). [LR313 LR318]

DOUG LEAFGREEN: Leafgreen. [LR313 LR318]

SENATOR BRASCH: Leafgreen. Okay, my glasses are on now. [LR313 LR318]

DOUG LEAFGREEN: I get called a lot worse so don't worry about it. [LR313 LR318]

SENATOR BRASCH: Leafgreen. I've often had questions about the Highway Commission. [LR313 LR318]

DOUG LEAFGREEN: Me, too. [LR313 LR318]

SENATOR BRASCH: You too? Are you one of the longest-serving individuals? [LR313 LR318]

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DOUG LEAFGREEN: I would be the second-longest. [LR313 LR318]

SENATOR BRASCH: The second-longest. [LR313 LR318]

DOUG LEAFGREEN: Ron Books from North Platte is the longest-serving now. [LR313 LR318]

SENATOR BRASCH: And typically when constituents say, you know, they're critical of the 20-year plan or, you know, that it always comes back to the Highway Commission. Are you some of the final decisions on getting people in line for roads projects? How many are on the commission and...? [LR313 LR318]

DOUG LEAFGREEN: There's eight of us and you got to understand we are simply an advisory board. [LR313 LR318]

SENATOR BRASCH: Okay. [LR313 LR318]

DOUG LEAFGREEN: We have no authority whatsoever. We just advise to the Department of Roads and they do make the ultimate decision with the approval of the Governor. So really I don't get that, but I get more comments that they are unhappy with the Department of Roads. But my opinion is our Department of Roads has been very progressive in trying to build roads. It's not like they don't want to. Our main focus has been in the last few years is maintenance. If we had more money they'd build more projects. I will tell you another problem is working with federal highways and the regulatory compliance is almost insane anymore. And that's another real issue and I know Kyle is working on trying to cement some relationships there that we've had problems with so. [LR313 LR318]

SENATOR BRASCH: So as far as the time lines on road construction, it's based on the Department of Roads and the Governor but also the economy and federal government. So the slowness has other factors, including... [LR313 LR318]

DOUG LEAFGREEN: Very much so, yeah. [LR313 LR318]

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SENATOR BRASCH: And we had been in a recession in part of your ten years, correct? [LR313 LR318]

DOUG LEAFGREEN: Not so much the recession, a lot of it has been the funding from federal highways. The Federal (Highway) Trust Fund basically is running out of money and the amount of money that was coming from federal highways was significantly less, and our funds were increasing. So to do projects just didn't make a lot of sense, we had to really look at that maintenance of the system. [LR313 LR318]

SENATOR BRASCH: And they are 45 percent of our roads funding, correct? The federal dollars? [LR313 LR318]

DOUG LEAFGREEN: That's pretty close. [LR313 LR318]

SENATOR BRASCH: Okay. And so the other 60-something...? [LR313 LR318]

DOUG LEAFGREEN: Comes from our gas tax and our sales tax and our allocations. [LR313 LR318]

SENATOR BRASCH: As we talk about accelerating Nebraska, I think we need to look at the total picture on where this fee is determined. Is the Highway Commission ready to act as fast as the dollars? [LR313 LR318]

DOUG LEAFGREEN: You know, we are. We're never going to hold back projects, I mean, remember we are not authoritative so we cannot say yes or no or build it here. We advise, that's our role. I would make another comment, if you have any influence, Nebraska is the only Department of Roads in the United States. We need to be a department of transportation. It's a bigger picture than just roads so. [LR313 LR318]

SENATOR BRASCH: And I've heard that comment before as well. We need to take a look at... [LR313 LR318]

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DOUG LEAFGREEN: And it's going to cost some money but I think it changes... [LR313 LR318]

SENATOR BRASCH: And that includes rails. [LR313 LR318]

DOUG LEAFGREEN: ...changes our view. [LR313 LR318]

SENATOR BRASCH: That would include rail if we're a department of transportation. [LR313 LR318]

DOUG LEAFGREEN: We're a department of transportation anyway, it involves rail and air and everything, and yet we still call ourselves the Department of Roads. So if you can help with that, fix that. [LR313 LR318]

SENATOR BRASCH: Very good. But thank you for your service on the Highway Commission. [LR313 LR318]

DOUG LEAFGREEN: Thank you, it's been a pleasure. [LR313 LR318]

SENATOR BRASCH: Thank you. [LR313 LR318]

SENATOR SMITH: Yes, Mr. Leafgreen, thank you for your testifying today. Appreciate it. [LR313 LR318]

DOUG LEAFGREEN: Yeah, thanks for coming out here. [LR313 LR318]

SENATOR SMITH: The Highway Commission plays a very important role in Nebraska and we appreciate your involvement. [LR313 LR318]

DOUG LEAFGREEN: Thank you. [LR313 LR318]

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SENATOR SMITH: Next person wishing to testify. Any additional people wishing to testify?
[LR313 LR318]

DAVE HOTTELL: Can we testify on LB610, make a comment on it. [LR313 LR318]

SENATOR SMITH: You can sure make a comment, that's perfectly fine. If you can kind of work it in to where it's relevant to the hearing for today we'd appreciate that, but if you'd like to speak on that that would be fine. Come on forward. [LR313 LR318]

DAVE HOTTELL: Just to comment on it. Dave Hottell, Kimball County Highway Superintendent, that's spelled H-o-t-t-e-l-l. It's my understanding that on LB610 that's mainly earmarked for bridges. [LR313 LR318]

SENATOR SMITH: I can explain that a little bit. Go ahead and make your comments about it and I'll speak. [LR313 LR318]

DAVE HOTTELL: On...I think I can speak for quite a few counties in the state of Nebraska that some of them have relatively good bridges. There's a lot that don't, but for the ones that have relatively good bridges, and some of the asphalt desperately needs overlaid, it's kind of hard to utilize that LB610 if we can't use it for a little more than just bridges. [LR313 LR318]

SENATOR SMITH: And the moneys for LB610, what was being asked, flow in the same way that the previous existing gas tax flowed. All it does is increase the original funds. So what would normally go to the counties or to the cities or the Department of Roads through the previous fuel tax, the increase is going to flow the same way. So those moneys going into the counties can be used for things infrastructure-related beyond bridges. [LR313 LR318]

DAVE HOTTELL: Okay. That was explained to us a little bit different at the district NACO meeting. That was the only thing that I... [LR313 LR318]

SENATOR SMITH: And we'll certainly be around after the meeting to answer any questions you may have if we can do so. Thank you for coming today, thank you. Any additional comments

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related to LR318? Please come forward. If there's anyone else wishing to testify kind of move on forward and we'll be able to conclude the hearing. Oh, yes, and fill out a green sheet if you would, please. [LR313 LR318]

JAMES HILL: My name is James Hill, J-a-m-e-s H-i-l-l, I'm the superintendent of Agate Fossil Beds National Monument. Senator Smith, thank you, thank you to the committee. Thank you, Senator Stinner, for all that you do to bring improvement and growth to western Nebraska. I'll keep my comments very short and they're simply in an informational vein. We've already heard from people today about the importance of tourism and of course transportation infrastructure is key to that. I'll simply say that Scotts Bluff National Monument and Agate Fossil Beds National Monument about 130,000 visitors in 2014. According to our calculations that brought in, those visitors brought in \$7.5 million to the local communities here. The total, if you take into account the 111 jobs that were created in the local areas, not just National Park Service jobs, but in the food and gas and beverage, lodging industries, the total was \$8.5 million. Of that, the figures that we usually use, 30 percent of that goes to lodging; 20 percent goes to food and beverage; 12 percent actually goes to gas and oil, automotive services; another 10 percent in fees. Now in this particular case, 120,000 of those visitors would have paid a fee at Scotts Bluff, Agate Fossil Beds currently is a fee-free monument. And then about 10 percent go to (inaudible) cooperating association for things that they would buy in the local communities. So I just wanted to provide that perspective. Nebraska is a very favored state I think, at least from my perspective. We have five national park units here in the state, three national monuments--the two here and then, of course, Homestead; Lewis and Clark National Historic Trail there, and they have a visitor presence there on the river in Omaha; and then of course the Niobrara (National) Scenic Riverway. Those of us here in the Panhandle I think feel very fortunate that we're sort of in the larger loop of the Black Hills parks: Badlands, Mount Rushmore, even Devil's Tower. And we're four hours from Mount Rushmore...I mean, excuse me, from Rocky Mountain National Park. So we like to say it's a miniature grand tour of America's national parks if you come out here. I just wanted to provide that context, thank you for the opportunity. [LR313 LR318]

SENATOR SMITH: Thank you, Mr. Hill. Any questions from the committee? I see none. We appreciate that perspective from tourism and those are some fantastic formations we have in our area we're seeing. Any additional testimony. [LR313 LR318]

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JERRY RADKE: I'm Jerry Radke, and I was just going to make a comment on tomorrow. I'd like to be here but our commission's board is going to meet in the morning. When it comes to the weights...I live in a unique position. I'm up north of Big Springs but I can look south into Colorado. And to me it's not really fair that what they can haul in Colorado we can't haul, you know? You know, when you go into Colorado their secondary roads are 86,000 (pounds), you can't get on the interstate, but if you can't stay on a secondary road, you're legal at 86,000 (pounds). And we have a lot of commodities come out of Nebraska at night to get on the interstate so the less chance of finding a DOT, especially if they can get the Colorado load with a legal load. [LR313 LR318]

SENATOR SMITH: So are you advocating for... [LR313 LR318]

JERRY RADKE: Higher weight limits. [LR313 LR318]

SENATOR SMITH: Higher weight limits, okay. [LR313 LR318]

JERRY RADKE: I mean, within reason. That's really my only comment so. [LR313 LR318]

SENATOR SMITH: Senator Davis. [LR313 LR318]

SENATOR DAVIS: Thank you, Senator Smith. I understand where you're coming from. If you were here tomorrow, you'd hear people talk about the incredible amount of extra damage that takes place from adding to those weight limits. You talked earlier about the damage to your roads already. [LR313 LR318]

JERRY RADKE: Right, right. [LR313 LR318]

SENATOR DAVIS: So how do you reconcile that? [LR313 LR318]

JERRY RADKE: Well, I'm just saying, to me there should be some uniformity. Any place you're at, you know. You go from one state to the next state all those rules change. And some day we got to figure out how to uniformly make it across the border. You know, I bought a car trailer in

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North Platte and went to Kansas and had to spend \$1,500 working on a brand new car trailer because it didn't have it set up according to Kansas laws. And the thing was built from like 10 miles from the Kansas line. It's just little things like that frustrate us (inaudible). [LR313 LR318]

SENATOR DAVIS: Thank you. [LR313 LR318]

SENATOR SMITH: Thank you. And as you mentioned, we will be dealing with that subject tomorrow at that hearing. [LR313 LR318]

JERRY RADKE: Okay, thank you. [LR313 LR318]

SENATOR SMITH: All right, I think we're ready to conclude the hearings for today. Again, we will be dealing with the weight limits tomorrow. I guess in closing I just wanted to say I like the term accelerate Nebraska. I think Senator Stinner missed his calling, maybe you should have gone into advertising. And then from here we're going to be...we have three more hearings on the topic of LR318. We will be in Crete, Nebraska, where I believe the subject of bridge repair will be probably front and center. We'll be then to Bellevue, Nebraska, and then we'll be wrapping up the hearings on LR318 in Lincoln. And again, appreciate all of you being here today, appreciate your testimony. And with that, we conclude our hearings. [LR313 LR318]