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FRIESEN: OK, welcome to this morning's public hearing, a confirmation hearing, Transportation and Telecommunications company [SIC]. I'm Curt Friesen, from Henderson, representing District 34. Just a few procedural items-- public safety of our committee members, staff, pages, and the public, we ask those attending our hearings to abide by the following procedures. Social distancing requirements: Seating in the hearing room is limited. We ask that you enter only the hearing when it is necessary to attend the bill hearing in progress. Bills will be taken up in-- in the order posted. We don't need to go through that. You may wear a face mask if you want to. A lot of this we don't need. Silence all cell phones, please. If you'll be testifying, I'd ask that you legibly complete one of the green testifier sheets located on the table just inside the entrance. Give the completed testifier sheet to the page when you sit down to testify. Handouts are not required but, if you do have a handout, we need 12 copies. I don't know if we have a page today or not, but we can help you with that. When you begin your testimony, it's very important you state and spell your first and last names. Think we've got it covered. Have Andrew Vinton, my legal counsel; Sally Schultz is the committee clerk, and everybody can introduce themselves starting on my right.

HUGHES: Dan Hughes, District 44, which is ten counties in southwest Nebraska.

BOSTELMAN: Bruce Bostelman, District 23, Saunders, Butler, and the best part of Colfax County.

GEIST: Suzanne Geist, District 25, which is the east side of Lincoln and Lancaster County.

MOSER: I'm it?

GEIST: It's you.

MOSER: Mike Moser, Platte County, a little bit of Stanton County, and the part of Clarkson-- the part of Colfax County that has Clarkson Czech Days, so that would be the best part of Colfax County.

FRIESEN: Oh, we have a competition going here. With that, we will open the gubernatorial appointment on confirmation hearing for John Selmer for our Department of Transportation, so welcome, Mr. Selmer.

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JOHN SELMER: Good morning, Chairman Friesen and fellow members of the Transportation and Telecommunications Committee. I'm John Selmer, spelled J-o-h-n S-e-l-m-e-r. I'm appearing before you and the public seeking confirmation of my appointment by Governor Ricketts as the director of the Nebraska Department of Transportation. I want to give a little bit of my background. First, I'll start with a little personal information. I, too, which was interesting, have a similar background as the former director of the DOT. I am an Air Force brat also and, before the age of 14, I've lived around the world. I have lived in places such as Berlin, Germany, the Azores, the Philippines. My final landing point ended up being at Offutt Air Force Base, as my father was in the military. And his joke was that once you get Offutt, you never get off it, so-- which is probably true. They kept track of you. I'm a high school graduate of the last senior class of Bellevue High School that-- when it was just one high school. And I obtained my civil engineering degree from the University of Nebraska at Omaha. I have five children, two boys, three girls, ages that range from 23 to 43, and I gauge my success on them. Even though they live in Iowa, they're all Big Red fans, so I think I did something right there. The reason why I share my personal background is that as an early child, I experienced change and unfamiliar cultures, different ways of decision making, how people approach problem solving, which I think will serve me well within this position. Those unfamiliar areas were-- even though they were uncomfortable at times, they exposed me to situations and opportunities that I might not have ever seen, so I feel there was a-- of high value to me. For my professional career, I've been a licensed professional engineer for 33 years. I'm licensed both in Iowa and Nebraska. I worked most of my career with the Iowa Department of Transportation for 32 years. And I joke with Moe and Khalil, who are here with me, that after school I tried to get hired by the Nebraska Department of Roads at that time, but they didn't hire me, so now I'm back, so-- hopefully, and we'll-- we'll see what happens with that. The 32 years with-- with Iowa, I'll just talk about the last 20 years, which is really the focus of lean-- senior leadership. In 2000 to 2010, I was the district engineer for southwest Iowa and worked on several high-profile projects there, some of which you might have driven through, such as the Council Bluffs Urban Interstate Reconstruction Project, which is still going on, so my role in that was the design, the concept of that, the public input meetings, working with all the-- the different various agencies and industries and community in-- in which to get that project started. And about

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2007 was the first project, and if you've been through there, it's still going on. But it's a tremendous change for the community; also, as part of that, worked with a project that got a national award, the BNSF Railroad Realignment, where really took an opportunity in looking at transportation as not only an opportunity to build roads and bridges, but really to, I think, enhance the community. There's a lot of resources that are going within the community, so how can we make it better? How can we make mobility better? Other ideas that we were looking at was instead of digging a big hole for more fill material, could we improve Lake Manawa and dredge material out of there? Unfortunately, we weren't able to get everything realized from that, but I think we have tremendous opportunity as an agency when we go within a community, again, to do more than just paint it gray or black with asphalt or concrete. Another project was the U.S. 34 Missouri River Bridge, and that project really gave me experience on the-- the environmental side and also exposed me actually to a lot of my partners in Nebraska at that time that I know today because of the coordination that we needed to have the build that new Missouri River crossing in between Bellevue and Plattsmouth. After being a district engineer-- and, you know, part I joke about, if you-- if you've been to Council Bluffs, you've seen the artwork. They decided to pull me into Ames. They needed to keep track of me on that. And I got a new position as the statewide operations director, and my responsibility there was to provide leadership for state construction operations, maintenance, construction materials, construction specifications, contracts and local assistance, working with local jurisdictions. And then in 2012, the department created a new division called the Strategic Performance Division, which I was a director of, really to look at big-sky issues that weren't really in-- in the domain of any functional area, so where should the organization be going in the future, how does the organization measure its performance, how do we look at strategic partnerships in the future in relationship to business analytics, data collection, research, where-- where should we be focusing there; also involved the communications, strategic communications, both organizational and external communication and a policy, internal policy and public policy, working with our elected officials both on the state level and the national level. So in comparison, I was not too dissimilar from-- from Nebraska DOT. Both states, kind of coincidentally, both have about 10,000 miles of highway that they're responsible for. Nebraska has 3,500 miles [SIC] of bridges; Iowa, 4,100 or-- yeah, 4,100, not miles but bridges. But

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Nebraska, which you should feel pretty good about, is-- Nebraska has 2,100 employees; Iowa has 2,700 employees. So the systems are somewhat similar, but I would say have been doing a pretty good job here work-- within the organization and this body also and-- and-- and the Governor's Office. So I look towards the future and look at my role, as I perceive it, within the Nebraska Department of Transportation. I look at it-- really, we're at a pivotal time now. Most DOTs started out basically as, I would say, a construction company. The system didn't exist. There weren't really the experts out there. The experts were within the department in terms of bridge building, road building, whereas today I would say a majority of the system is built out. There are still areas that need to be worked-- worked on or added to, but the focus now is mobility, sustainability, really looking at more holistic solutions to societal problems, and that requires different skill sets and-- and different partnerships. I believe our mission is becoming much more complex. We are change-- you know, dealing with changes at a pace that really we're experiencing it for the first times ourselves, individually, as to how quickly the world is changing. And this requires agility and flexibility and-- and understand the implications of these changes and also, how do we adjust our approaches and maybe even leverage these changes? In my experience, I find actually that the engineering is the easy part. If you just let us engineers go and everybody gets out of the way, we'll-- we'll do fine, but it doesn't usually work that way. And I realize that it's people and processes that need our attention. This leads me to the following areas that personally I will be focusing on in terms of leading the agency. And these areas are: enhancing partnerships and collaboration; improving customer experience; developing future leaders; engaging employees; and making safety personal. So enhancing partnerships and collaboration: DOTs are very proud organizations and really we almost believe, I think-- and I know myself at times-- that we can do anything and we're able to do it on our own. But again, the world is becoming much more complex and we're starting to realize more and more that it's the partnerships and the collaborations that will make us successful. We rely on partners in delivering a world-class transportation system, and-- and this includes the contracting industry, engineering companies, state and federal agencies, elected officials such as yourselves, citizens in Nebraska, academia. It's getting now to automobile manufacturers, communication companies, data providers. It's a different world in terms of how we are successful in delivering the services that people

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expect. Improving customer service: Many of us have experience at some point in our lives a performance evaluation, and there would typically be maybe three ratings, maybe more detailed than that. But what I'm familiar with is "does not meet expectation," "meets expectations," or "exceeds expectations." The Department of Transportation, the Nebraska, when we manage traffic flow, when we deliver projects on time, when we fight winter storms, in most cases, in my opinion, we're just meeting expectations. That's what the public expects out of us. I believe we need to strive to exceed expectations and figure out ways in providing services that, I might even use the word, delight the customer. We all-- when we got up today, we wanted a system that we didn't even think about. We wanted a system that we knew was going to get here-- us here on time. We didn't even want to think about-- that there was a system existing. And part of that is I think we can enhance, in terms of providing you better information in the future, different ways in-- in which to allow that system not only to be there but to be convenient for you. I believe the transportation system, again, is more than just bridges and highways. It's about opportunity, it's about choice, it's about freedom, and we really need to look at that in-- in-- in the whole perspective of what you as individuals deal with, as senators in terms of the whole needs of the state of Nebraska. One area where I think the department exceeded expectations was in the flood response. That was a heroic effort on many's part, a lot of time, in which to provide that mobility. A lot of people were significantly impacted by the lack of mobility, and there was a realization within the agency to really move as quickly as possible. Next, as development of future leaders, I believe one essential responsibility of mine is to strengthen the department's bench strength. One method is just to drive decision making deeper within the organization. I'm not one that believes that all the decisions need to rise to the top. I believe it paralyzes the organization; it slows down the organization; it makes the organization less resilient because it becomes too dependent on one individual. We need to expose our talent to situations to prepare them to take leadership roles sooner. We're finding there's a gap in the middle in terms of a lot of individuals retiring and-- and new individuals coming in that really desire to have an impact but yet they're not maybe prepared because of traditional ways of training or thinking of allocating authority and resources to those individuals. That's one area that I'm very interested in, in terms of how can we provide meaningful experience. I don't believe leaders are necessarily trained or born-- or born into

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leadership. I believe they're exposed. I think you create the right situations and you will see the leaders then come out, and some individuals don't realize that they have that talent within them. Engaging employees is the fourth. It's a popular phrase used today by many management and leadership circles, but why is this important? Historians talk of various revolutions of humankind, such as Agricultural Revolution, the Industrial Revolution. Some would say we're in the Digital Revolution, but it's actually changing now to the Knowledge Revolution. And for organizations to succeed, we need to tap the unused potential and talent of our employees; we need to really see if the frameworks of how we do work and how we identify our roles are really utilizing that talent that we have. We need to view people more than just as cogs in a process, whereas in the Industrial Revolution, it was basically-- the important component of that was the machine and people were meant-- were there to keep the machine efficient and operating because the machine was making the money and making the value. That's shifting today. We achieve viewing our people more than cogs by creating work environments that encourage dialogue, creativity, and even respectful debate of ideas. I'm a believer in conflict, and that kind of goes against our culture here in the Midwest. Also, my mom used to say, if you don't have anything good to say, don't say anything at all. So it's like a lot of times we like to sweep it under the-- under the rug. But really, conflict, tension that's respectful, has a lot of value in organizations. The last one I'll talk about is making safety personal. And we all have a safety desire. The Nebraska Department of Transportation definitely views it as an essential value and purpose for the agency. But at times, seeing the number of crashes and number of fatalities, we can become a little desensitized or a little jaded in terms of not really understanding the impact that that has on individuals. Myself, raising my kids and teaching them to drive, I get it only takes a split second of-- of a poor judgment or-- or an error to make a bad day into a-- or a good day into a really bad day, and we need to think about that. We need to look at ourselves. Engineering can only do so much. We need to look at education, partnering with other agencies in terms of the behavioral side, and really get an understanding of how we can improve safety. And-- and there's promise now with automated vehicles, as long as you're not sleeping in your Tesla or-- or things like that, that look like it has promise. And that's something we need to look at in terms of future design of highways. Right now, we're designing them for people. In the future, they'll be designed for computers. And so what

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does that mean in terms of how we look at highways and-- and future investment? Highlighting these areas of emphasis is not to construe that the department lacks these areas or in these areas. The department has been left in really great shape. I have been here a little over a month and a half and I'm delightfully pleased with the efforts that are in there, that are going on within the agency. Prior leadership, prior director, yourselves should be commended in terms of where this agency is today. So last thing I'll leave you with, and probably some of you are asking, why are you coming to Nebraska, you had 32 years. I wasn't kicked out of Iowa. I-- I thought I would stay there and-- and finish my career there. But I see that the Nebraska Department of Transportation is on a course of transparency, engagement, and innovation, and again, this is due to the vision of the prior director, Governor Ricketts, and this legislative body. It is encouraging to see the amount of attention paid to transportation issues within this state. This is an environment that I'm comfortable with and desire to be a part of and improve. Nebraska Department of Transportation has a track record of innovation and forward thinking and has excelled in finding solutions to problems, including the County Bridge Match Program, which I'm sure many of you are aware of is part of the Transportation Innovation Act, that has really looked at innovating and facilitating, encouraging the counties, and different ways in which to address their bridge needs out there. How can we be innovative in terms of packaging multiple bridges together? How can we look at maybe more sustainable structures that meet the needs of the equipment of agriculture that are being utilized today? That has been a very successful program and I would say probably over two thirds of the counties have participated within that program. Another is the Economic Opportunity Program which helps finance business growth and new businesses, working with municipalities and trying to provide that last mile of connection. Iowa has a similar program, which is called the RISE Program, that has been around since the 1980s, that, again, is just as popular as this program, and in terms of trying to bring in industries that exceed the prevailing wage rate of the area and also looking at leveraging other industries within that area, again, to strengthen the economies within that area. We've also participated in the Federal Fund Purchase Program. As we received federal funds, some go to local jurisdictions and, with federal funds, there's always requirements tied to federal funding. And many local jurisdictions honestly don't have the resources or the talents in which to go through that maze of requirements, so we offer

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to relieve them of that money and take that burden on and give them state dollars which have less requirements. And so it helps them on that aspect, and it also gets the funding in the economy quicker instead of studies and trying to look at meeting those federal requirements. The last area I'll talk about as NEPA assignment. So I don't know if you're familiar with NEPA, but that's the National Environmental Policy Act, which was an act of 1969 and actually started on January 1 of 1970, and that's where you get the EISs, environmental impact statements; and wonder why a project takes so long to complete, it is because of this. Well, the agency is taking on one aspect of that called 326, which is categorical exclusions and-- and looking at-- and the majority of our work would be in those categorical exclusions that we take the responsibility, we take the liability, but in a sense we're in control, at least a little bit better control, of our destiny and trying to deliver projects. Another area we're looking at is 327, which is the full-blown NEPA process, the EIS. That's a lot more complex, a lot more players in that, and-- and we're still evaluating how best to look at trying to take on that assignment. There's excellent leadership and talent within the department. It's very efficient, utilizes the resources allocated to it with care and respect. And geographically, what I'm interested in is that Nebraska does and will have an important role nationally as we partner with other states in looking at freight, connected and automated vehicles, and smart infrastructure, that those are going to be regional issues in which we need to partner with our surrounding states. I desire to build upon and prepare the department for the challenges that lie ahead, have worked on many complex and innovative projects in my career, but I don't only gauge my success on project completion. I'm equally concerned with, if not more, did the department become better prepared in addressing future challenges; did our employees become more knowledgeable and confident; were our partners are successful; ultimately, were the citizens not only satisfied but happy with the results. Coming back to Nebraska to me is a homecoming for me. You will have a dedicated servant that wants to improve the quality of life for all Nebraskans. It is an honor for me to have been chosen by Governor Ricketts to lead the Nebraska Department of Transportation. I view this not as a status to obtain, but as a trust with great responsibility. I thank you for this opportunity to appear before you today and I'm happy to answer any questions you may have.

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FRIESEN: Thank you, Mr. Selmer. Any questions? Senator Moser.

MOSER: Good morning and welcome to Transportation.

JOHN SELMER: Morning.

MOSER: A few-- we're a few members short. I don't know-- they must
have had trouble getting up early this morning.

JOHN SELMER: Hopefully wasn't a traffic issue.

MOSER: No, they were-- they should all be good drivers, should be able
to see where they're going, not so much as you get to be some of our
ages, without impugning anybody. One of the discussions that we've
been having, and it's going to come up again in the Legislature, one
of the discussions that's important to me, is the expressway
completion. And we've talked about this a little bit, and I'm just
curious, in your short time here, if you have some ideas how we can
move that along. I mean, is there something that the Legislature could
do to make the Department of Transportation more efficient or how
could we help you in moving that expressway system along?

JOHN SELMER: You know, I'm aware of some of the discussion that's
occurring and-- and maybe accelerating funding and whether that would
help. As you're aware through some of the discussion, there's a lot of
factors that are occurring right now. One thing, increased funding
at-- at a sooner pace doesn't necessarily accelerate other aspects of
project delivery that we really don't have control of, such as a Corps
of Engineers or other resource agencies, federal highway. They all
have their other processes. Another issue for us and-- and what we
have seen is that there's a lot of moving pieces occurring today in
terms of what's going to happen on the national level, where-- is
there going to be funding there? Do-- do we need to do it as this body
to increase funding, accelerate that? We're concerned about contractor
capacity, material shortages, material supply. But what I have done is
that I have asked Khalil, and he's here, to really look at how can we
really expedite, what-- what can we look at in terms of scheduling
and-- and what's our best estimate and can we be prepared for that?
So, you know, my point for a legislative body, I-- I don't know if I
can really answer that. I-- I would say I got into engineering. I like
building things and you can give me money and I will build whatever I
can on there but--

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MOSER: Well, get with it.

JOHN SELMER: That's [INAUDIBLE]

MOSER: That'd be our advice.

JOHN SELMER: But part of it, I think you also want to realize, are you getting the highest value for that? And I also realize that you have other challenges with-- as being legislative leaders within the Unicameral as to that, and I'm going to do everything in my power to look at how can we develop the system that we need and as quickly as we need it. And part of my role back in Iowa was looking at asset management. Now asset management people believe that's just looking at an infrastructure condition. That's really looking at what is the value you're deriving from your-- from your system and how is it helping you with economic development. But the other concern that I have is we want to look at economic development, but I also want to look at economic sustainability. There are people dependent upon the system that we have now. So we had attention in Iowa in terms of enhancing capacity, but do we start underfunding or not funding as much in existing infrastructure, and what is the cost of that and balancing that? I don't have an answer today. I'm not going to say that the Legislature should or the Unicameral should pass a bonding bill and give it to us and-- and we'll give you your projects within so many years. I think it's much more complex than that.

MOSER: You say not-- would-- was there a "not" in there that I caught?

JOHN SELMER: I think it's more complex than that. I really want to give you the greatest value for the resources you give the agency. And I see that's what the agency's been trying to do, is really balance those needs, but definitely just this one meeting shouldn't be the only time we talk about this and look at how we can collaborate on what type of system you want or--

MOSER: OK, well, I appreciate that. Thank you. I've got a bunch of school kids coming in, so I'm going to sneak out. I'll be back in a little bit.

FRIESEN: OK. Thank you, Senator Moser.

MOSER: Gotta say hi to the kids.

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FRIESEN: Other questions? Senator Geist.

GEIST: Welcome to Nebraska again.

JOHN SELMER: Thank you.

GEIST: I'm just curious about the intersection of what you do and the Department of Aeronautics. I know that recently, in the past couple of years, we enfolded that into the Department of Transportation, not something that as a committee we've spent much time discussing, but I'm just curious. I mean, since that decision was made, we haven't spent a lot of time on that issue, but I'm curious, for your position, how that intersects and how you see that moving forward.

JOHN SELMER: You know, I don't have a-- a clear picture yet. I had been working with Ann on that. And I know there are some protections and it wasn't-- maybe not controversial on merging the two-- two agencies together. And so it appears that there were some checks and balances placed into that in terms of funding and other things. I-- you know, my role, I think, is to hopefully develop trust and really look at how can we help as an agency with our resources in terms of, I think, some of the strategic planning efforts. NDOT doesn't want to take over aviation and swallow it. It has an important role and, as I shared with the commissioners, my first 14 years, I lived on an airport, in a sense, so I love the sound of jet engines or I-- I could sleep in-- in that area, so I desire them to be successful. So I've had several meetings with Ann. I'll actually-- I-- we have a meeting with her this afternoon in terms of how we can best do that. She's expressed some concerns because of COVID and-- and their-- their revenue and what's happening with the industry out there and how they can be successful. Iowa's done a little bit differently. Iowa does not have an aviation commission. There's just one commission that looks at that and does look at vertical infrastructure, working with local airports and trying to enhance and making sure that they have quality infrastructure in terms of runway and pavement quality out there. So for me, I don't think I'm answering your question, but I'm definitely interested in-- in-- in trying to take that to the next level, and I think, at this point, really work on the trust and see what-- what needs they have that we as a larger agency can help with on that.

GEIST: OK, thank you.

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FRIESEN: Thank you, Senator Geist. Other questions from the committee?
Senator Bostelman.

BOSTELMAN: Thank you, Chairman Friesen. Thank you for being here this
morning. I do have a couple of questions or comments, and I'm kind of
curious where your-- what information might be able to share.
Obviously, you did the comparison between Nebraska and Iowa. Nebraska
[SIC] population is significant, greater than what we have, more
vehicles, more things; industry and that is greater than Nebraska. So
in Iowa, did you-- on construction projects, did you bond or do you
pay as you go? Nebraska, we pay as--

JOHN SELMER: We do not bond and we do not do design-build. We're
probably one of the most conservative states, Iowa, in terms of how we
do construction. So it's pay as you go, you know, but I think you need
to be careful there. And I think Nebraska has been very good in-- in
making sure you address the existing system and main-- maintain it,
because you can say you're not bonding, but then you can underinvest
in-- in your infrastructure. So in a sense, you are bonding off your
infrastructure without-- and you're going to pay in a different way.
But I think in-- in-- in the definition that you're using, no, Iowa
never did.

BOSTELMAN: I know a few-- couple of years ago, you did a study. Maybe
it's been updated. I did read the study on moving from taxes on-- to
your-- to electric vehicles and that, how that affects, you know,
future revenue coming in, what those impacts would be to Iowa. We've
started to kind of look at-- at that, scratch that a little bit here
in Nebraska. We're really trying to get a better feel for that. Were
you involved with that study at all? Could you--

JOHN SELMER: Just slightly. I've talked with Chairman Friesen a little
bit about that. There's been a study done within Nebraska Department
of Transportation which we're taking different sources and looking at
how quickly electric vehicles will come into the mix. So we've done
that study in Iowa. I-- I think we're up to like \$150 per vehicle now
at this point. I-- I believe Nebraska's at \$75, but I-- I think it's
still a crystal ball. I think, you know, the issue is going to be
infrastructure rollout, where people are going to feel comfortable,
then it's going to be that battery technology and where's that going.
So it's always a moving target out there, but it's a concern for all
DOTs. And, you know, and part of that then gets even on the national

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level. We get out of a fuel charge or a registration but really look
at usage, which there's a lot of implications involved with that,
especially privacy for individuals.

BOSTELMAN: Sure. You mentioned the-- the County Bridge Match Program,
which I'm a very strong proponent, and Mr. Mika, who recently passed
away, was a member on that. He's-- was our county highway
superintendent, but I encourage that involvement to continue there
because Saunders County has the most county bridges in the state of
Nebraska and the most that are, I think, maybe the ones most
delinquent, need repair and that. So I think that's a very important
thing that we continue to work on in the state. The last part is, is I
think we've talked-- I know I've talked with department, I think
Director Schneweis, is moving in some good directions with the
department, but I think we've got a lot of concerns on highway
construction, on safety. We have intersections where people are-- are
being killed. We have safety concerns coming from communities and that
on speeds, on warning lights, those type of things, and I think we
need to see some-- some work in that area to where we can-- we can
start addressing those issues, because I think it is-- it does impact
rural Nebraska and it does impact us, a lot of areas across the state,
and I would really being interested in talking with you about more of
those when you have time.

JOHN SELMER: I would be glad to.

BOSTELMAN: Yeah. Thank you.

FRIESEN: Thank you, Senator Bostelman. Senator Hughes, any questions?

HUGHES: No.

FRIESEN: Any other questions from the committee? Do you do any
consulting work on the side or anything like that?

JOHN SELMER: On the side, no.

FRIESEN: OK. Just a good question here, I thought I'd check a little
bit. And you said you don't use any design-build; you've always-- no
bonding in Iowa. Have you used any other types of innovative funding
ideas?

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JOHN SELMER: You know, I would say, you know, that's kind of surprising for Iowa. We-- but I would say we're probably one of the most conservative when it comes to financing highway projects. We pay as you go. We look at cash flowing in that way, so.

FRIESEN: Are your roads, are you pretty well funded just with gas tax and vehicle registrations, that type of--

JOHN SELMER: Yeah, I-- I would think so. We're-- we're not losing ground. There's a ratio called the sustainability ratio, which you want it to be at one, and that's-- what are the needs each year and how much are you investing. Typically, what research would say is that you should be between 85, 90 percent. But I would say Iowa is funded adequately. We use more. There's always more need, demand than-- than we have funding for. We've got large projects that are going on. But in terms of maintaining the system, I would say yes. In Iowa, we didn't really get hit that hard during COVID because-- I would say we're about 50/50 in terms of registration fees versus fuel tax, in terms of how our revenue--

FRIESEN: Do you have a variable component to your gas tax also?

JOHN SELMER: No, we don't.

FRIESEN: It's-- it's fixed. So how does-- how do the revenues, as-- as gas tax-- gas use has gone down, how did you maintain revenues?

JOHN SELMER: Well, we don't.

FRIESEN: OK. So we've-- we've talked a little bit about some of the infrastructure dollars that could be coming from the federal government. So if-- if today, if the Legislature gave you \$200 million, what kind of ramp-up time do you need before you could actually spend that money? It's not as though you could just build a road tomorrow. I mean, do you need a lead time of two years, three years, or what is that? What is that number if-- if-- if-- if we expect you to do more and give you more money, I know it just can't happen tomorrow. What is the lead time you need to actually do a good job of spending that money?

JOHN SELMER: You know, that-- that depends on the type of projects. There are some projects that we could spend that money on today, and that is-- they're far enough along that we could do that. There's

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others that, if you're looking at new corridors, you're-- you're probably more than several years out before you would spend that. Now the-- the money wouldn't go to necessarily tangible things. It would be going to engineering and-- and studies, corridor studies, the environmental studies, so, you know, to me, a lot of it you wouldn't see right away out there.

FRIESEN: So a lot of times those studies, those are only good for so-and-so long before you have to either be building or you have to do them again. Is that correct?

JOHN SELMER: Once you have a record of a decision, you have so much, so I-- I would say if you're in an area where you have high needs, there's development, those areas are probably changing rapidly, so the shelf life of that document is going to be less. Now if I'm out in the middle of nowhere and we study, there's probably a very quick evaluation that can be done because probably the land use and other things haven't occurred. But, yes, there is a shelf life because the document is based on the situation as it exists today or what they predict might occur in the near future in terms of the impact of that infrastructure investment.

FRIESEN: OK. So what-- I know you haven't been there very long and it probably isn't a fair question, but what changes do you see that you might bring down the road? And this might be when we meet further down the road that you might want to answer, just from your perspective of how you'd like to see the department change.

JOHN SELMER: Well, as I shared with the Governor, basically, I-- I gauge my success on does-- you know, on-- on a broad. I-- I don't necessarily look at tangible things. I think they come. It's working on the strength within the organization. How do I create frameworks where I have a broader collaboration within the different respective disciplines such as they-- but understand what we're trying to achieve? I think from there is where you find better creative solutions; you find your future leaders. And the other area that I want to work on really strongly on, and I think what really is dictating a lot of our time frames and our efficiencies, is our partnerships externally. I-- I believe we're pretty good internally in terms of delivering a project, but it's working with our external partners and really trying to figure out a way in partnering, I feel that there isn't maybe team objectives. We're kind of different groups

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externally doing our roles, but we're not really in sync as a team realizing why we exist in terms, I believe, enhancing the quality of life in Nebraska. I don't believe that we're just rule readers, rule enforcers, those types of things. We're hired for our creativity and how can we solve these challenging problems and ultimately expedite the delivery of projects at a great cost.

FRIESEN: So we've-- DOT, at least, and-- and I have had numerous discussions on fiber in right-of-ways and how the DOT has needs for some broadband out there and how we might partner with the public-private partnership in order to get more done. And so have you-- in Iowa, did they-- did they work there together with the private industry or did Iowa build its own fiber network for its roads?

JOHN SELMER: We've done both. So we partner. But about 20 years ago, Iowa put in its Iowa Communication Network throughout the state to link basically all school districts and use it for that, and we're able to use that for our technology. But when we got in areas like Council Bluffs or Sioux City on urban reconstruction, we do partner with a communications company. So we kind of have a mutual benefit agreement in terms of placing conduit within their-- they're allowing that. They're giving us some strands in which to be able to communicate or hook up our video. And I understand there are some difficulties here in terms of existing legislation, whether that can be happening within Nebraska.

FRIESEN: OK. Senator Geist.

GEIST: Have one more question for you.

JOHN SELMER: OK.

GEIST: And it's going back to the NEPA 327 that you referenced. This committee and I was involved in the 326 process, so I'm curious about the full assignment that you were talking about. Are there any other states that have that 327 that they're enacting currently?

JOHN SELMER: There are. I don't know [INAUDIBLE] about five? About five states.

GEIST: Some of the ones that were ahead of us on the 326, are they the ones that have gone ahead and done the full assignment currently?

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That's interesting. I'd be very interested to talk to you about that
later.

JOHN SELMER: Sure. Yeah, there's a lot of complexity to that. Even
though they're all reading the same book, it's not all being
interpreted the same, so.

GEIST: Well, as federal things often are, but I'm sure that that,
again, saves additional time in building.

JOHN SELMER: It can.

GEIST: What are the other benefits that-- that you know of that come
with-- with that process?

JOHN SELMER: Well, you know, I-- I think it's-- it's basically that
because we can resource it. I-- I know we tried actually helping
resource other external agencies to expedite some of our work. You
know, the issue here is we don't-- we're not necessarily trying to
shortcut anything; we're just trying to prioritize it. If it's within
our shop, our agency, then we can prioritize the work, whereas once it
goes to an outside agency, and-- and I'm not trying to badmouth the
Corps or anything. They're-- they're working with public, private,
and-- and all this proposed legislation. I don't see the Corps getting
more people. And so the reason we're trying to do this is that we can
chart our own destiny in here and hopefully we will find some
efficiencies by doing that.

GEIST: OK. Thank you. I'm very interested in that process.

JOHN SELMER: OK.

FRIESEN: Thank you, Senator Geist. Any other questions from the
committee? Seeing none, thank you for coming in and visiting with
the-- the committee, and I'll look forward to working with you in the
future. And we'll either have an Exec Session and deal with your
confirmation at some point in the near future. Look forward to seeing
you again.

JOHN SELMER: All right. Thank you.

FRIESEN: Thank you very much. Anyone wish to testify in favor of the
confirmation? Anyone wish to testify in opposition? Anyone wish to

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testify in a neutral capacity? Seeing none, with that, we will close
the hearing and thank you.