

Statement of Francis Ziegler
Director, North Dakota Department of Transportation
before the
Committee on the Budget, United States Senate
on
Infrastructure Investments:
Promoting Economic Growth and Improving Safety Along the US 85 Corridor
Watford City, North Dakota, June 1, 2010

Mr. Chairman:

Good afternoon. I am Francis Ziegler, Director of the North Dakota Department of Transportation. Thanks for the opportunity to appear before the Committee today and thanks for your interest in improving transportation in North Dakota.

Today, I would like to address a number of broad transportation issues and the US 85 Corridor.

North Dakota is Working Hard to Improve Transportation

Transportation infrastructure investment results in many benefits. It creates jobs and strengthens the economy. It improves safety. It improves mobility for our citizens and businesses.

The North Dakota Department of Transportation and the Upper Great Plains Transportation Institute (UGPTI) recently held public input meetings across the state to discuss transportation. During the sessions UGPTI presented results of a study on Highway Service Levels and Investments in North Dakota and gathered input about prioritizing transportation funds and levels of service.

- Preliminary input illustrates the following:
 - Residents want more infrastructure across the state.
 - Residents are concerned about traffic increases, especially in western North Dakota due to the energy industry.
 - Public expectations are growing—for load carrying capacity and wide roads.

Recognizing the benefits of transportation, the state of North Dakota increased its financial commitment to transportation infrastructure with a \$1.35 billion transportation funding bill. This comprehensive transportation package for North Dakota funds maintenance and enhancement of the state's transportation system. It includes an unprecedented sum in non-matching State General Fund dollars. It also includes almost \$600 million more to rebuild our roads and help cities, counties, and townships recover from statewide flooding.

This year the NDDOT has the largest construction season in the history of the department underway, with approximately \$423 million in projects on nearly 2,000 miles of roadway statewide. The projects include regular construction, stimulus (ARRA), emergency relief, and state funding.

Energy area projects:

In the Energy Area or western part of the state there are many transportation investments planned to be completed from 2010-2013 as shown on the first map (see Attachment 1) including:

US 85

More than \$60 million will be contracted for improvements to US Highway 85 (Theodore Roosevelt Expressway) which includes a Super 2 highway concept from Watford City to Williston.

- A Super 2 highway concept includes turning lanes and passing lanes that will enhance safety and the ability to handle higher traffic volumes.
- Additional safety improvements include:
 - Adding a three-lane section that includes intermittent left and right turning lanes from Highway 2 to the Missouri River.
 - Adding several turn lanes at numerous intersections between the Missouri River and Highway 200.
 - Regrading a section south of the Long X Bridge located south of Watford City. A climbing lane will be part of this new regraded section.

ND 23

- Regrading and new asphalt surfacing—west of Four Bears Bridge.
- Overlay and rumble stripes east of New Town.
- Turn lanes will be added at a number of intersections east of New Town this year.
- Reconstruction in the city of New Town.

ND 8

- Widening and regrading north of Stanley.

Other Safety Projects:

- Lowered speed limits on highways—Highway 8, Highway 23, and on a four miles section of Highway 22 north of Dickinson.
- Installing rumble stripes in the Williston District in 2010 and on all highways across the state as funding becomes available. Research has found edgeline and centerline rumble stripes to be effective in reducing head-on crashes, opposite direction sideswipe crashes, and rollovers. The stripes provide a rumbling sound and a physical vibration to alert drivers that they are leaving the driving lane.
- The NDDOT is also working in partnership with the Petroleum Council to create educational programs to promote safety on roadways.

While the state of North Dakota is doing more than ever, federal investment in transportation is critically important. Federal aid accounts for 52 percent of the current biennial transportation

budget (without ARRA). So, federal dollars are important to our efforts to preserve and improve North Dakota highways. It is, therefore, critically important that legislation reauthorizing the federal highway program serve the needs of rural states like North Dakota.

Even though our state's large road network has few people to support it—North Dakota's pay more than the national average to support federal transportation programs. North Dakota's per capita contribution to the Federal Highway Trust Fund exceeds the national average by almost 48 percent. The per capita contribution to the Highway Account of the Highway Trust Fund attributed to North Dakota is \$161 compared to the national average of \$109 per person.

The state and our residents invest in transportation and we are asking you today to consider the importance of federal investments in transportation for our state.

Let me turn now to a discussion of why a strong Federal investment is not just in North Dakota's interest, but also very much in the national interest.

Benefits from Transportation Infrastructure Investment

First, let me briefly review benefits from transportation infrastructure investments. Job creation is one. Jobs are created on the site of projects. Jobs are created in supplier and support industries. There is also a boost to the general economy from the onsite and supplier jobs.

As you can see from the second map (See Attachment 2), many projects are completed and planned, with transportation investments covering the entire state. These projects create jobs and positively affect economic development throughout North Dakota.

Safety is another benefit. Preserving and improving roads in pursuit of smooth surfaces, appropriate roadway width, guardrails, signage, and pavement marking is essential to our mission of providing a safe transportation system. Better highways and the availability of public transit help us in our daily lives, ensuring good access to school, medical facilities, work, and other important destinations.

These investments are also important to the economic competitiveness of North Dakota and the nation. Businesses reviewing whether to stay or locate in North Dakota want to be sure that goods arriving at or leaving their facilities move safely and efficiently.

Federal Surface Transportation Issues

Clearly, our ability to continue to invest in surface transportation infrastructure in North Dakota will depend in part on federal surface transportation funding levels. The needs are there to justify increased investment. Various commissions and reports have called for increased surface transportation infrastructure investment. For example, the American Association of State Highway and Transportation Officials (AASHTO) has recommended, for the six-year period 2010-2015, proportional increases in the highway and transit programs over the prior six years—to \$375 billion and \$93 billion, respectively—plus funding for other programs.

Beyond the overall funding level, however, to achieve continued progress in North Dakota, it is essential that rural states like North Dakota participate at least proportionately in any growth of

the federal highway and transportation program, both as to formula and other funds. In the authorizing committee in the House of Representatives, a proposal has been outlined and partial legislation reported from a subcommittee to the full committee. This outline apparently calls for increases in federal highway program authorizations of about \$110 billion over the next six years compared to the last six years (\$337 billion compared to \$227 billion).

We are concerned about proposals with programs for metro areas with a population of 500,000 or more, large nationally significant projects, high speed rail, and infrastructure banks which are geared to other areas of the country. It does not appear that rural states like North Dakota would be able to utilize these funds. We do not support funding new large discretionary programs. We would prefer that increased funding be provided to highway formula programs.

We recognize that there are major needs in urban areas; however, rural needs are essential too.

The proposal also would increase the share of transportation investment for transit. North Dakota joins AASHTO in supporting, instead, proportional growth in the highway and transit programs.

In short, even though all details of this bill are not set, we are very concerned that the House legislation could provide North Dakota with a considerably reduced share of transportation program dollars compared to current law. We will appreciate your efforts, Mr. Chairman, to avoid any such adverse result in the final legislation.

The highway industry has been hit hard by inflation during the past decade. From 2001 through April of 2010, North Dakota's overall construction cost index increased by 87 percent. The purchasing power of highway dollars has been reduced significantly and program funding has not kept pace with these rising costs (Attachment 3). A transportation bill without significant growth for North Dakota will severely hurt our ability to invest in transportation infrastructure throughout the state.

The Nation Benefits from Federal Transportation Investment In and Across Rural States

Let me turn now to reasons why authorization legislation should provide rural states like ours at least their current share of the federal highway and surface transportation programs.

Federal-aid highways in our state, not just those on the National Highway System (NHS)

- serve as a bridge for truck and personal traffic between other states, advancing interstate commerce and mobility;
- enable agricultural exports and serve the nation's ethanol production and energy extraction industries, which are located largely in rural areas;
- are a lifeline for remotely located and economically challenged citizens;
- enable people and business to traverse the vast tracts of sparsely populated land that are a major characteristic of the western United States; and provide access to scenic wonders and facilitate tourism.

In addition, the scope of the federal-aid system, extending beyond the NHS, enables enhanced investment to address safety needs on rural routes.

Further, federal investment in rural transit helps ensure personal mobility, especially for senior citizens and people with disabilities, connecting them to necessary services. Federal public transportation programs must continue to include funding for rural states and not focus entirely on large metropolitan areas.

Bridge States Serve a National Connectivity Interest for People and Business

Let me amplify a few of these points. Highway transportation between major metropolitan areas is simply not possible without excellent roads that bridge those vast distances. This connectivity benefits the citizens of our nation's large metro areas because air or rail frequently will not be the best option for moving people or goods across the country. The many commercial trucks on our rural interstate highways demonstrate every day that people and businesses in major metropolitan areas benefit from the nation's investment in highways in rural states.

The most recent FHWA data on tonnage origins and destinations shows that just over 59 percent of the truck traffic using North Dakota's highways does not either originate or terminate within the state. This is well above the national average of about 45 percent, underscoring that North Dakota's highways help connect the nation in a way that benefits other states.

Essential Service to Agriculture, Natural Resources, and Energy

A significant portion of the economy in our state is based on agriculture, energy production, and natural resource extraction. Governor Hoeven's economic strategic plan has identified agriculture, energy, advanced manufacturing, technology-based businesses, and tourism as growth industries, because North Dakota holds a competitive advantage in those areas. These have been the focus of much of North Dakota's investments in economic development.

Agriculture is one sector of the economy where the United States has consistently run an international trade surplus, not a deficit. Over the last two decades roughly 30 percent of all U.S. agricultural crops were exported.

Apart from its value to the state, there is a strong national interest in ensuring that agricultural products and natural resources have the road network that is needed to deliver product to markets, particularly export markets. In 2009, North Dakota led the nation in the production of barley, durum wheat, spring wheat, navy beans, pinto beans, canola, flaxseed, honey, lentils, dry peas, sunflowers, and dry edible beans. Last year North Dakota was the fastest growing export state in the nation. A key part of the road network supporting the movement of agricultural products is roads below the National Highway System, where crops begin their journey from point of production to destination.

North Dakota is a major contributor of energy production in the nation. Our state is currently fourth in the nation in oil production and contains large coal reserves. Good roads throughout the state are important to our nation becoming energy independent and providing agricultural products to feed a hungry world.

Over the last three decades, tens of thousands of rural rail branch lines have been abandoned nationwide. In North Dakota since 1980, over 1,500 miles of railroad branch lines have been

abandoned. The reduced reach of the rail network means that many areas, particularly rural areas, must rely more heavily on trucks to move goods. This was noted by USDA in its April 2010 “Study of Rural Transportation Issues.”

With increased truck traffic in North Dakota and much of the upper Midwest, it is a challenge for us to continue to move these products. That challenge is compounded by the necessity of imposing spring load restrictions. The underlying reason for imposing spring load restrictions is inadequate roadway thickness. During the spring thaw, the ground is waterlogged and can’t support a fully loaded 18-wheeler on a highway of standard thickness. Many states, especially those in the north, have little choice given their current funding, but to limit the amount of weight on highways in the spring. Like congestion, load restrictions slow down commerce and add greatly to the cost of doing business.

Tourism Access

Without a strong road network in rural states, access to many scenic destinations would be limited. Tourism is vital to the economy of North Dakota.

Funding and Financing Considerations

Rural states like North Dakota face a number of serious obstacles in preserving and improving the federal-aid highway system within their borders. We:

- are very rural,
- are geographically large,
- have low population densities, and
- have extensive highway networks.

These factors make it very challenging for rural states to provide, maintain, and preserve a modern transportation system that connects to the rest of the nation. Our low population and traffic densities also mean that tolls are not an answer to funding transportation needs in rural areas. Our budget to maintain (plow snow, apply pavement marking, patch roads, seal cracks, repair signs, and guardrails) the state transportation system is approximately \$9,200 per mile each year. It takes approximately 2,700 vehicles per mile per day, using today’s Corporate Average Fuel Economy (CAFE) standards, to generate this amount of revenue from state motor fuel taxes. Very few state highways average 2,700 vehicles per mile per day in North Dakota.

Avoid Increases in Regulatory Requirements

The next authorization bill should not make federal highway program delivery more complicated. The current highway and transportation program is complex. We would like to see processes streamlined so we can deliver projects more efficiently. We see proposals for additional requirements as counterproductive. It takes three to four years in North Dakota to complete a project that requires full environmental process clearance. We support the Federal Highway Administrations initiative of “every day counts” to streamline the project development process. Additional rules and regulations will add time to program and project delivery and increase project costs.

One area where new regulation is being actively discussed concerns performance standards and targets. Performance measures are important, and we in North Dakota use them in our state. We believe, however, that national performance standards should be general in nature and that each state should be allowed to establish its own specific targets.

We are strong supporters of the approach to program delivery in current law—that most funds are apportioned to the states. We, like other states, conduct public outreach and then prioritize project selection. We are concerned that various proposals would give more emphasis to distribution of funds to projects based on decisions at USDOT, not in the states. Disproportionate growth in federal discretionary dollars inevitably would reduce the portion of the program distributed to states. While we do not expect a federal program without some discretionary funding decisions made by USDOT, we think rapid growth in discretionary federal programs should be avoided.

Transportation is a Good Investment

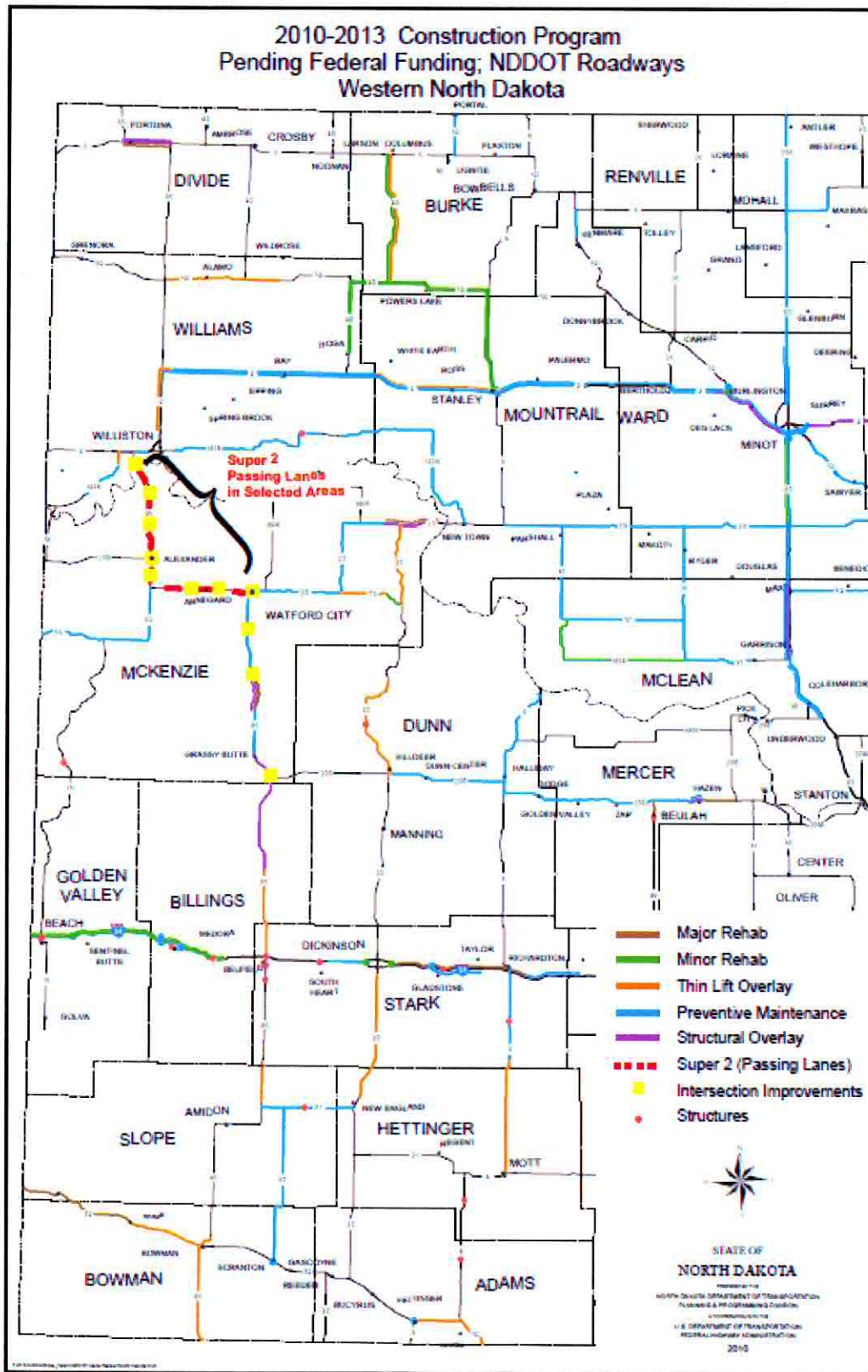
The transportation infrastructure was built by our forefathers as an investment in our country. Today that investment is taken for granted as everyone automatically expects a strong transportation network. Many people have invested in new forms of communication in their home, spending more than ever before on items such as cell phones and Internet. Today an individual consumer will spend up to \$500 a year on a cell phone bill, compared to the national average of \$109 a year for transportation, through the per capita contribution to the Highway Trust fund. This illustrates that transportation is a good buy.

Conclusion

In conclusion, it is essential that the Congress, through the reauthorization process, recognize that increased federal investment in highways and surface transportation in rural states is, and will remain, important to the national interest. The citizens and businesses of our nation's more populated areas, not only residents of rural America, benefit from a good transportation network in and across rural states like North Dakota. With such legislation, we will be better equipped to address transportation issues in the US 85 corridor as well as elsewhere in North Dakota.

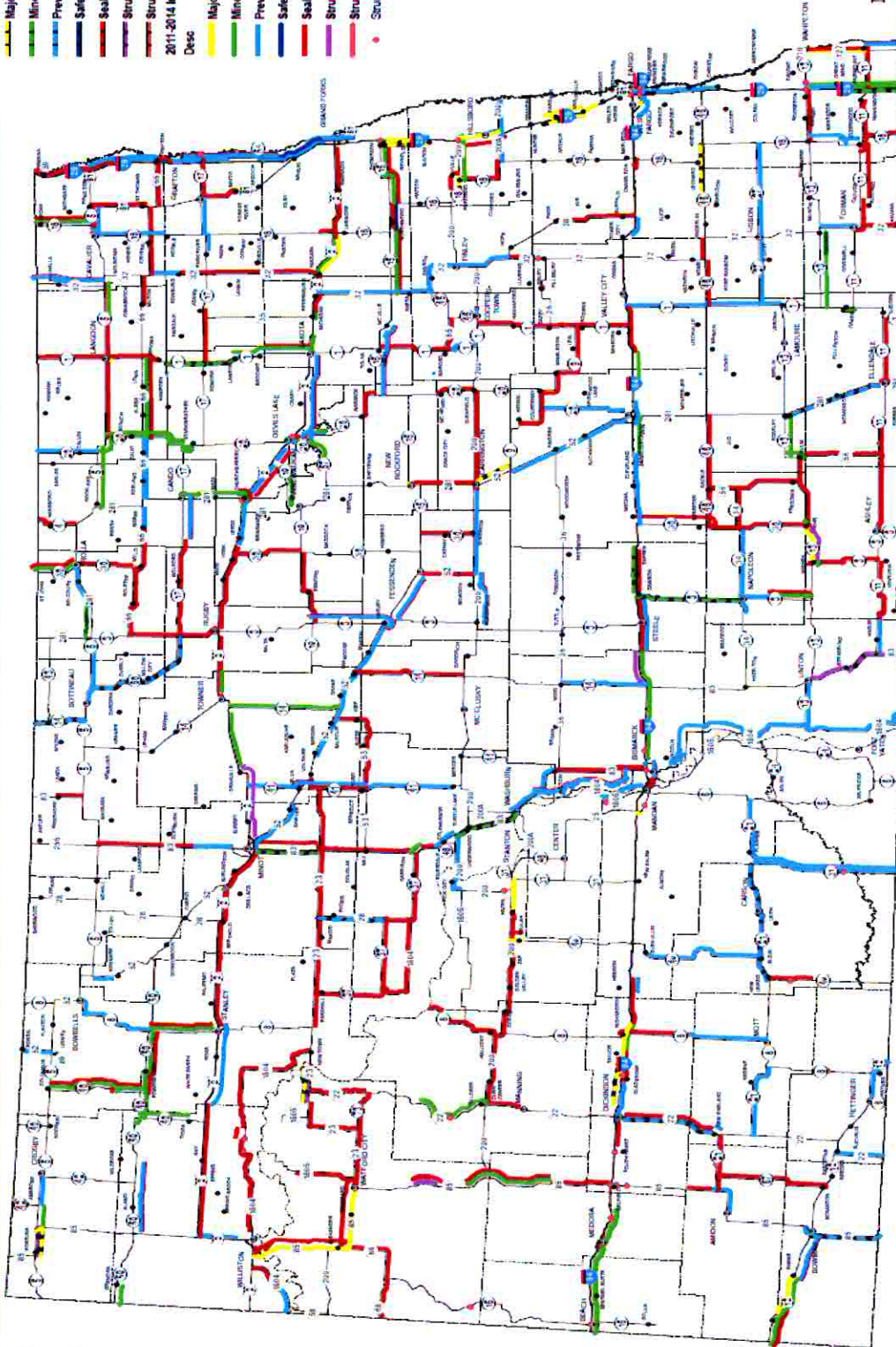
That concludes our statement. I'll be happy to respond to any questions you may have.

Attachment 1



Statewide Transportation Improvement Plan Projects 2011-2014

- 2010-2013 Pending Additional Funds
- Desc
- Major Rehab/New Construction
- Minor Rehab
- Preventive Maintenance
- Safety
- Seal Coats
- Structural Overlay
- Structure
- 2011-2014 Improvements
- Desc
- Major Rehab/New Construction
- Minor Rehab
- Preventive Maintenance
- Safety
- Seal Coats
- Structural Overlay
- Structure
- Structures



STATE OF NORTH DAKOTA
 NORTH DAKOTA DEPARTMENT OF TRANSPORTATION
 PLANNING & PROGRAMMING DIVISION
 U.S. DEPARTMENT OF TRANSPORTATION
 FEDERAL HIGHWAY ADMINISTRATION
 2010

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Attachment 3

