

**HOW INFRASTRUCTURE INVESTMENTS CAN
BOLSTER NORTH DAKOTA'S ENERGY AND
AGRICULTURE ECONOMIES: THE U.S. 85
CORRIDOR**

THURSDAY, MAY 28, 2009

U.S. SENATE,
COMMITTEE ON THE BUDGET
Dickinson, N.D.

The Committee met, pursuant to notice, at 1:02 p.m. in the Student Center Ballroom, Dickinson State University, 900 Campus Drive, Dickinson, ND, 58601, Hon. Kent Conrad, Chairman of the Committee, presiding.

Present: Senator Conrad [presiding].

OPENING STATEMENT OF SENATOR CONRAD

The Chairman. Welcome, everyone, to this hearing of the Senate Budget Committee. This is an official hearing of the committee, so we will be operating under the rules of the U.S. Senate, and an official record of this hearing is being kept.

I especially want to thank our distinguished witnesses today. They include Dickinson Mayor Dennis Johnson and our Director of North Dakota's Department of Transportation, Francis Ziegler. They will be on our first panel, followed by a panel that will include the Executive Director of the Stark Development Corporation, Gaylon Baker; the Missouri Basin Well Service COO Chuck Steffan; and TMI President Dean Rummel. I look forward very much to hearing from this distinguished group of witnesses and taking their concerns and ideas back to Washington to share with my colleagues.

This hearing will focus on how infrastructure investment in Highway 85 can foster the energy, agricultural, and manufacturing economies in this part of the State. We need to ensure that Highway 85 has the capacity to handle the increased activity in this region.

The energy development in this part of the State, particularly with the oil boom associated with the development of the Bakken Formation, is crucial not only to our economy, but is important to the national effort to reduce our dependence on foreign energy.

Our State is already one of the leading energy producers in the nation, and the expansion of energy production in this region will play an increasingly important role in the national effort to become less dependent on foreign sources. Highway 85 represents a critical lifeline for this energy development, and in that context, it is not just a regional issue or a State issue; it becomes a national concern.

This map shows why Highway 85 is so important to the energy production in our State. We have major gas plants and oilfields scattered up and down this road. Specifically, 400,000 barrels of oil a day are now produced in the corridor, and a large percentage of it is hauled over Highway 85 to tank farms for transport via pipeline.

The highway connects six major east-west highway systems that service these energy developments, and the highway serves as a major route for the transport of oil, pipe, steel, and other supplies. We also have significant and growing manufacturing and agricultural businesses in this area that rely on Highway 85 to transport their products.

Unfortunately, Highway 85 was not designed to handle the increasing number of trucks and oversized loads currently traveling on it. The highway needs repairs to foster continued growth in these industries, to ensure a safe travel route, and to better serve the communities in the area.

Let me just say—and I'm intimately familiar with this because one of the key reasons I'm holding this hearing is because I was on Highway 85 last fall, and it was not a happy experience. And I think anybody who's traveled that road knows what I'm talking about. I'm talking about the wash-boarding, talking about the extremely heavy truck traffic, talking about the delays in movement in some parts of that roadway, talking about safety concerns that are raised.

We certainly heard this at the hearing in Williston this morning, in what was really an outstanding hearing, I thought. Director Ziegler was there, and we had excellent witnesses there, and I think we are going to hear much the same in Dickinson.

Improvements to Highway 85 will also pay dividends for agriculture in the region. It will enhance the transportation of crops and livestock. It will increase export opportunities with enhanced access to Canada and will help further diversify western North Dakota agriculture with the ability to attract more value-added agriculture to the region.

The manufacturing businesses in the region will also benefit from improvements to Highway 85. Let me indicate that the North Dakota Department of Transportation's ongoing study of the corridor will form the basis for determining the necessary investments that must be made. We are not prejudging this process. In fact, we are relying on the North Dakota Department of Transportation's analysis to determine what direction should be taken for the future. That's the only—as I see it, the only reliable, objective way to determine what needs to be done for the future.

North Dakota has benefited greatly from the last highway bill, which was completed in 2005. As Chairman of the Budget Committee and as a senior member of the Finance Committee, I was included in the final group that negotiated the differences between the House and the Senate on that transportation bill, and I worked hard in that conference committee to make certain that North Dakota received significant funding for our highways and transit systems.

Specifically, I worked to secure \$1.5 billion for North Dakota, a 31 percent increase over the previous bill. Annually, that averages

out to over \$230 million a year for our highways and bridges, with additional funding provided for transit programs across the State, as well.

We did very well overall by securing two dollars for every dollar in gas tax money collected in our State, ranking us among the top four States in the Nation for return on our tax dollars. And I'm proud of that, and I don't think we have anything to apologize for. We have a very large State, relatively sparsely populated.

We are critical to the national infrastructure because of our agricultural production, our energy production, and tourism, all of those components. North Dakota has got to receive more than we send in if we're going to maintain a national network of roads.

I also worked to have Highway 85 designated as a high-priority corridor. That makes us eligible for special corridor funding from the Federal Highway Administration to help expand the area into an even greater trade corridor.

Here are some of the priorities I will focus on as we begin consideration of the next highway bill. The new legislation must identify sufficient funding. This is something that Director Ziegler, our distinguished administrator of the Transportation Department in North Dakota, has brought to our attention repeatedly. There has got to be a reliable source of funding for highway and bridge work all across the country.

The current trust fund is insufficient. In fact, we know we're going to run out of money this year. We're going to have to have an injection of \$5 to \$7 billion this year to prevent withholding from States of the ability to go forward with contracts that have already been entered into. States and communities must be able to rely on their Federal partners.

Next, any new highway bill must maintain recognition that rural transportation needs are vital to the nation. And finally, I will fight to secure funding for long-term investments for our nationally important corridors, like Highway 85.

I am particularly interested in hearing from our witnesses today on the immediate investments that are needed for Highway 85 and what future investments should be. Agriculture, manufacturing, energy, all of them will benefit by wise investments in our infrastructure. I'm also interested in learning whether any of the \$170 million in Federal stimulus funds provided to the State for roads have reached the corridor or if they will.

I want to again just indicate that I have enjoyed the working relationship we've had with the State. Mr. Ziegler, in my judgment, has been an absolute professional. He enjoys credibility, not only here in the State, but he certainly does with the congressional delegation. And I am happy to report with the people that we are trying to persuade in Washington of the special needs that attach to a State like ours, the special needs that surround Highway 85.

With that, I want to turn to Mr. Ziegler for his testimony, and then we'll go to Mayor Johnson. I again just want to thank Mr. Ziegler for his leadership and for his partnership as we've worked to provide the kind of important funding that's necessary to move the economy forward.

**STATEMENT OF MR. FRANCIS G. ZIEGLER, P.E., DIRECTOR,
NORTH DAKOTA DEPARTMENT OF TRANSPORTATION, BIS-
MARCK, NORTH**

DAKOTA Mr. Ziegler. Thank you, Senator. I'm Francis Ziegler, Director of the North Dakota Department of Transportation, and I want to thank you for the opportunity to appear before the Budget Committee today. Today, I'd like to address the following: Federal transportation legislative issues; how infrastructure investments can bolster North Dakota's economy, especially along U.S. Highway 85 corridor.

The Federal investment in North Dakota's highways is in the national interest, and it's imperative that the reauthorization of the Federal Highway Program continue to serve the needs of the rural States, allowing us to continue to meet the demands being placed on our highway network, including Highway 85.

That said, this year, for the first time ever, the State of North Dakota was able to commit an unprecedented sum of non-matching State general fund dollars to help build North Dakota's transportation infrastructure. This year, we passed a \$1.35 billion landmark transportation funding in North Dakota, which included about \$750 million of Federal aid.

This money will be used to fund maintenance and enhancements of the State's infrastructure, as well as grants for immediate assistance to cities, counties, and townships, in working to address weather- and flood-related damage to their roads.

The highway account, Senator, as you indicated, of the Highway Trust Fund is projected to have a zero balance this summer. It will be highly disruptive to States if FHWA begins to delay payment to the State claims as we ask for reimbursement of costs. As a zero balance gets closer, States will begin to curtail bid openings and work to avoid the risk of not having funds to pay for the work.

Furthermore, North Dakota already has contracts in place for which the Federal Highway Administration may not be able to provide this reimbursement of funds. The public may not be able to provide—the public at large, the jobs and transportation benefits of the program, would be denied, or at least delayed, if the program is disrupted. We hope that Congress can pass appropriate legislation soon so the trust fund will have those resources, as you indicated, Senator.

A multiyear highway and surface transportation authorization bill is also needed. This bill would recognize the benefits the entire nation receives from strong Federal investment in surface transportation. Under this legislation, it's important for rural States like ours to receive at least its current overall share formula in other funds. Certainly, that result would be in the national interest.

In support of the result, we'd like to emphasize a few reasons why investment in transportation infrastructure in rural States such as ours serve important national trends. First, North Dakota serves as a bridge for truck and personal traffic between other States. We need to enable agricultural exports and serve the nation's ethanol production and energy extraction industries, which are located largely in rural States.

They're a lifeline for remotely located and economically challenged citizens; enable people in businesses to traverse the vast

tracts of sparsely populated land that are major characteristics of the western United States; to provide access to scenic wonders, and to facilitate tourism. Also, to enable to enhanced investment to address safety needs in rural routes.

Highway transportation between our country's major metropolitan areas is simply not possible without excellent roads that bridge those vast distances. The 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 have a destination in North Dakota. A significant portion of the economy in our State is based upon agricultural and energy production, and that—

THE CHAIRMAN. Francis, could I stop you on that point? Excuse me for interrupting, but you just made a point that I think we should highlight. What is the percentage of traffic going through here that does not originate in North Dakota?

MR. ZIEGLER. Fifty-nine percent.

THE CHAIRMAN. So almost 60 percent of the traffic here does not originate here. So when we're talking about a national transportation bill, if we're going to have a national system, we've got to have national support. And, you know, I get hit with this all the time, that North Dakota is getting a bigger share of the Federal Treasury than our population justifies, and we plead guilty to that. We get \$1.80 back for every dollar we send Washington. I'm talking overall. On highways, we get two dollars back for every dollar we send. But there's a reason for that.

If we're going to have a national system, we've got to have national support. And given our population density, and given the size of our State, if we don't get a disproportionate benefit with respect to roads and bridges, we would have a very bad system. Isn't that the case, Francis?

MR. ZIEGLER. That is correct, Senator.

THE CHAIRMAN. In your judgment, is the current formula sufficient? We know that there will be people coming after the formula, and they won't be looking to give us more. They'll be looking to take money that has traditionally come here. And in your judgment, is the current formula, is it critically important to maintain that?

MR. ZIEGLER. Senator, in my judgment, it's very critical that North Dakota maintain the current formula.

THE CHAIRMAN. Well, one of the things we're going to have to do soon after this hearing concludes is get together and work on our strategy for this next transportation bill, because we face, as I indicated at the outset, a shortfall of \$5 to \$7 billion this year. That's going to have to be addressed.

In the budget that I just wrote and my colleagues passed, we provided for that funding, and we provided for funding for the next transportation bill that is significantly in excess of what the trust fund will provide, because the hard reality is, the trust fund, if we just rely on the revenues of the current trust fund, we will not be able to come anywhere near matching the need that exists. Is not that the case, Director Ziegler?

MR. ZIEGLER. Senator Conrad, that is very much the case. In fact, our National Association has told us that the trust fund cur-

rently brings in approximately \$32 billion, and the spend is approximately \$40 to \$41.5 billion, so there's a significant shortfall there.

THE CHAIRMAN. Well, let me just say that the budget that I wrote that my colleagues have agreed to is designed to meet that need at that higher level, understanding that that gap is going to have to be filled, and it requires the committees of jurisdiction to come up with the money to make up the difference so we're not just adding to the deficit.

And I took a significant amount of heat for that insistence, but I think with our current financial situation as it is, we've got to insist that the next highway bill be paid for, and there is that gap. So the trust fund revenues are not going to be adequate.

MR. ZIEGLER. OK. I'll continue. A significant portion of the economy in our State is based on agricultural, energy production, and natural resource extraction. In fact, the government's economic strategy plan has identified Ag, 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. Ag is one sector of the economy where the United States has consistently run an international trade surplus, not a deficit. Over the past two decades, roughly 30 percent of all U.S. Ag crops were exported. North Dakota is a major contributor of energy production in the nation. Our State is currently fifth in the Nation in all oil production and contains a large amount of coal reserves.

Good roads throughout the State are paramount to the Nation becoming energy independent and providing Ag products to feed a hungry world. It's also worth noting that over the past three decades, tens of thousands of miles of rural branch lines have been abandoned nationwide. The reduced reach of the rail network means that in many areas, particularly rural areas, must rely more heavily on trucks to move goods.

With increased truck traffic in North Dakota, much of the upper Midwest, we're challenged with our ability to continue the products. This challenge is really compounded by the necessity to pose spring load restrictions. Like congestion, load restrictions slow down commerce and add greatly to the cost of doing business.

We moved the chart this afternoon to your left, Senator, so you can read it a little bit better, but if you will look at those lines on that chart, one, you'll see where we have load restrictions in our State, and it's pretty significant—

THE CHAIRMAN. Director Ziegler, I noticed immediately upon entering the room how you cleverly moved the charts to this side. I told them, we've got to get these charts blown up, because when they're over on that side, I couldn't read them, but here, I can see them clearly.

MR. ZIEGLER. Well, we want you to see them.

THE CHAIRMAN. You know I like charts.

MR. ZIEGLER. We've heard that. OK. Rural States like North Dakota face a number of serious obstacles in preserving and improving the Federal-aid highway system within our borders. We're very

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

Our large road network has few people to support it. 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. These factors make it very challenging for rural States to provide, maintain, and preserve a modern transportation system that connects the rest of the nation.

Our budget to maintain—just to maintain, plow snow, seal cracks, and do some pothole patching, takes the transportation system about \$9,200 per year per mile. It takes about 2,000 vehicles a mile per day to generate that amount of revenue from the current motor fuel taxes. In fact, very few of our roads actually hit the 2,000 per day. In summary, our ability to address highway needs throughout the State depends in part on the resolution of some broader transportation legislative initiatives. We set forth today some of the many reasons why it's in the national interest for the Federal Government to continue to make substantial investments in transportation in a State like ours. A continued strong Federal funding role is appropriate.

More specifically, on the Highway U.S. 85 corridor, transportation provides a vital link to our State's economic growth and is critical to almost all freight movements, connecting manufacturing to retailers, farms to markets, shippers to pipelines, railroads, airports, and seaports. For this reason, the State has proceeded with a number of improvements on the Teddy Roosevelt Expressway, U.S. 85 Highway corridor, that are part of the Statewide Transportation Improvement Program, or STIP, and that's on Chart 2. It shows all the improvements that we're looking to make on it.

The Teddy Roosevelt Expressway is vital to serving the needs of western North Dakota and beyond our borders. The State of North Dakota and the Teddy Roosevelt Expressway Coalition are sponsoring a corridor study on 197 miles of the TRE located in North Dakota. The overall general objective is to prepare the TRE corridor master plan. It's scheduled to be conducted in three phases.

The first phase is to identify the current and projected needs within the border or within the corridor. Phase two is to develop primarily corridor improvement alternatives to get ready to see what we need to do on it. And then third, to refine preferred alternatives and prepare required environmental documents.

Kadrmaz, Lee, Jackson, and Ulteig engineers have been selected to conduct the study, and phase one is underway. We've had some public hearings in Bowman, Belfield, Watford City, and in Williston, and some of the main topics that have been brought up at the meetings, there's an interest in making improvements, definitely, and safety is a big factor, that everybody talks about widening shoulders, lowering hills, addressing turning lanes, and so on.

Concern about to changes to U.S. 85, though, that there's some concern about that it could result in communities being bypassed. Residents living along the roadway are concerned about losing land to the right-of-way. So on and on, but we're getting good input on those public hearings in addressing the corridor needs.

Phase one of the study is scheduled to be completed in May of 2010. Senator, I know you've always worked with us, with the Department of Transportation, with our State, and with our Governor to develop a list of priorities as the Department of Transportation sees the needs, and we hope that you would do that again on this corridor and work with us to develop the priorities as they come out of the study.

In conclusion, Senator, we consider it essential that Congress, through the reauthorization process, recognize that significantly 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 just residents of rural America, benefit from a good transportation network in and across rural states like North Dakota.

With such legislation, we'll be better equipped to address our statewide needs, which includes the U.S. 85 corridor. This concludes my testimony. I'm certainly willing to answer any questions that you might have.

[The prepared statement of Mr. Ziegler follows:]

The CHAIRMAN. Thank you, Director Ziegler. I want to take just a moment and recognize Lance Gabe, the Governor's Deputy Chief of Staff who is with us. We appreciate Lance very much for being here. In Williston, I introduced him as the Governor's Chief of Staff. On my trip down here from Williston, I was contacted by the Governor's Chief of Staff, who asked me if I knew something that he did not. He wanted to know if he'd lost his job and Lance was taking over, and I assured him that, as far as I knew, he was secure at his job, but I was happy to promote Lance, at least for the morning. Thank you very much, Lance, for being here.

Next, we'll turn to Mayor Johnson, Dennis Johnson, our good mayor. We very much appreciate the leadership he provides in this community. Mayor Johnson, why don't you proceed?

**STATEMENT OF HON. DENNIS W. JOHNSON, MAYOR, CITY OF
DICKINSON, NORTH DAKOTA**

MR. JOHNSON. My name is Dennis Johnson. I presently serve as President of the Dickinson City Commission. This is my ninth year in that capacity. I am a western North Dakota native and have lived in Dickinson the past 35 years. On behalf of the citizens of Dickinson and southwest North Dakota, it is my honor to extend to Senator Conrad a warm welcome to our community. We are pleased that you are here to hold this hearing regarding the U.S. 85 corridor.

Dickinson is home to about 18,000 people. It is the largest city in the southwest quadrant of North Dakota. Dickinson, of the larger North Dakota cities has the most diversified economy and may be the most entrepreneurial city in North Dakota. Dickinson's economy is not overly dependent upon one economic sector. It participates in multiple economic sectors. There is a solid agricultural economy in southwest North Dakota consisting of both production agricultural and ranching. There is a robust energy economy in western North Dakota. Western North Dakota has oil, natural gas, lignite coal, and ethanol production. Currently, the Bakken Forma-

tion is one of the largest oil plays in the lower 48 States. The formation covers portion of western North Dakota, eastern Montana, and southern Saskatchewan.

While much of our commerce historically travels east and west, the oil industry in western North Dakota travels predominately north and south, connecting the cities of Houston, Denver, Gillette, Dickinson, Sydney, and Williston. In addition to the oil and coal industry, this region also has electrical generation capacity that includes coal and natural gas-fired plants and wind generation.

Dickinson has a growing manufacturing economy. There are in excess of 1,300 manufacturing jobs in our community. This is a high concentration, considering the size of our city. The manufacturing companies are a diverse group producing institutional furniture, food products, gravel handling equipment, electric thermal storage heaters, oil storage tanks, aircraft, electrical harnesses and circuit boards, and solar-powered water mixing equipment.

A very large majority of their manufactured products are marketed outside of North Dakota. Dickinson has a vibrant service economy. It serves a regional area that extends into Montana and South Dakota, providing education, retail, financial, medical, recreation, and other professional services.

Dickinson State University's 2,800 students come from a large geographical area. The tourism economy is a significant contributor to the area's economy. Dickinson is the gateway community to the Theodore Roosevelt National Park and the historic town of Medora. Both are located within the scenic North Dakota Badlands, about 30 miles west of Dickinson. About 500,000 people annually travel to the national park to enjoy sightseeing, camping, hiking, biking, and horseback riding in the Badlands. About 100,000 people during the summer attend the Medora musical in its outdoor amphitheater.

People visit Medora and the Badlands because of its historical connection with Theodore Roosevelt. This area also attracts those who hunt and fish. Western North Dakota is well-known for its world-class pheasant, water fowl, and mule deer hunting. Lake Sacagawea, located north of Dickinson, has excellent walleye fishing, boating, and other water recreation.

Dickinson has a solid construction economy that services the local building needs of the region. Last year, the city issued 285 building permits totally just over \$45 million in value. Housing values continue to rise within the city. While the Dickinson area economy consists of many diverse segments, an important common need for each segment is truck transportation. We are fortunate to be serviced by the Burlington Northern Santa Fe Railroad for inbound and outbound transportation for major commodities. However, most of the area's inbound and outbound transportation needs are met by trucks.

A sparsely populated rural area such as western North Dakota is highly dependent upon the trucking industry. We are fortunate to be located on Interstate 94. I-94 provides area businesses with a safe and efficient outbound east-west corridor to markets. The I-94 corridor also provides Dickinson with quality inbound transportation service for goods and materials consumed by area businesses and citizens.

It would be a great economic boost to this area if we had a highway similar to I-94 that would provide equally safe and efficient transportation in a north-south direction. In my opinion, it would make markets north and south of us more accessible. It would also be easier for our area to import goods from the north-south direction into our area. I also believe it would be safer for motorists moving in a north-south direction.

I would encourage developing U.S. Highway 85 into either a super two or four-lane format. That concludes my testimony.

[The prepared statement of Mr. Johnson follows:]

THE CHAIRMAN. Thank you very much, Mayor Johnson. I hope you'll let me call you Mayor. I know that you're really the President of the City Council, but let me ask you—turn to you first and ask you, how would you describe the condition of Highway 85? And remember, if you will, that we're trying to persuade people 1,500 miles away in Washington, colleagues, staffers, that there is a need for greater Federal funding for this corridor, as well as the highway needs of the entire State.

I mean, if we're trying to describe so that a staff person on the EPW Committee in Washington can kind of get a sense of what we're dealing with if you drive up and down 85, how would you describe it?

MR. JOHNSON. Well, I'd be most familiar with the section from Belfield, North Dakota to Williston, North Dakota. I would describe it as being busy, with lots of truck traffic. You'll see a lot of trucks relates to the energy industry, of course, but it's not just industry. You'll see a lot of dry vans that are moving up and down that highway.

I would describe it very similar to the way you described it from your trip last fall. It's rough and the shoulders are narrow. If you're traveling—and we travel at speeds of—right at 65 miles an hour—

THE CHAIRMAN. Right at 65?

MR. JOHNSON. Yeah, not above it. When I'm sitting next to the DOT Director, I'm right at 65. But at those speeds, with a two-lane highway with lots of truck traffic, the director noted that there's hills and curves, and so you'd have visibility issues. There are real safety issues there, and so I'd be very concerned about the safety aspect of it. And it's—when you're out traveling on the highway in a sedan and you have that much truck traffic there, it's I think a dangerous condition.

THE CHAIRMAN. You know, I described my grandfather going through the State of Wisconsin when I was a kid, and he'd call it a hill truck curve, and I added expletive deleted. And that was sort of my experience last fall on 85, hill truck curve—I won't say the expletive deleted. But, you know, it was very clear to me that we've got serious work that's got to be done there.

MR. JOHNSON. Let me add one thing, too. People who aren't familiar with North Dakota, most of what they've perhaps seen in the media about us is they viewed eastern North Dakota, which is very flat, has tremendously rich farmland. But out here in western North Dakota, we have buttes and hills, and we don't have that same flatness. And so there is a real safety element here in the west.

THE CHAIRMAN. Yeah, I'll tell you, it's one of the things that I experienced, that people get behind trucks. And we were in the situation where there were trucks going maybe 40, 45 miles an hour, and people get impatient. And then you've got a hill, you've got a curve, and people take—they get impatient and they start to do risky things. And we certainly saw that last fall.

MR. JOHNSON. Well, and living in the Northern Great Plains, we do experience winter from time to time.

THE CHAIRMAN. We've been denying that, Dennis.

MR. JOHNSON. But when you're on a two-lane highway and you meet an oncoming truck and there is some snow on the highway or snow on the shoulder, you get a tremendous amount of snow fog also, which is a very dangerous condition.

THE CHAIRMAN. Let me ask you this. When you described, Dennis, a super two—those are the words I heard you use, as options and alternatives for the future, a super two or a four-lane, what do you mean by that? What comes to your mind's eye when you describe a super two?

MR. JOHNSON. Well, when I think of a super two highway, I would perhaps think of one where there's say some controlled access to the highway. I would think of a two-lane highway that has wider shoulders. I would—there would be areas where there would be passing lanes, some of those hills or curves that we've talked about. But something that is certainly a noticeable step up from an ordinary two-lane highway.

THE CHAIRMAN. OK. Director Ziegler, what terminology do you apply? Obviously, that's a two-lane road now. How do you term it within the department in describing that road facility now? Do you just call it a two-lane? Is it a certain type of two-lane? Do you have this super two terminology that the mayor is using, or how would you describe the options?

MR. ZIEGLER. Senator, currently, Highway 85 is a two-lane facility. It has some control access in the newer areas where—what we consider control access on a corridor like this or a roadway like this is that we have no more than five approaches per mile. That's the control we've used. We've actually bought that when we buy right-of-way.

As it relates to a super two concept, the mayor described it very well. Fundamentally, it's a wider segment of roadway. It provides passing, it provides climbing lanes where necessary, and it addresses those safety needs that we need to address on this corridor. I've personally—

THE CHAIRMAN. Is there any rule of thumb to how much cost that adds to go to that kind of improved road?

MR. ZIEGLER. Senator, to go to a super two on this corridor—I'd have to do some mathematic. We'll have our engineers do some mathematical efforts. But typically, we would need to add some shoulders, six, eight, ten-foot wide shoulders, and then an additional lane in the middle where necessary. It doesn't have to be a third lane or a passing lane continuously. You provide that at intervals.

I have had the opportunity to drive on what is called a super two in Nevada between Laughlin and Vegas, and it's a very comfortable feeling, and what it allows is when cars get bunched up

or trucks get bunched up, you can do passing at regular intervals. So that's the super two concept that the Mayor talked about.

THE CHAIRMAN. Could you provide for the committee kind of a rule of thumb—I'm not asking for it here, but could you give us some idea what cost that would add?

MR. ZIEGLER. To add to the shoulders and an additional lane, passing lane, at intervals, would in all likelihood be in the neighborhood of a million dollars for every mile that you would do that on.

THE CHAIRMAN. And so as a percentage, would we be talking about 120 percent of a typical two-lane, or can you give us some rough rule of thumb?

MR. ZIEGLER. If a typical two-lane is 24 feet plus 6-foot shoulders, which would bring that to a 36-foot roadway, this one would have to be at least 50-plus feet, and so you could just proportion of those costs. A typical two-lane—and the most current we have is the highway two-four laning. That cost us over a million dollars a mile, and we had owned the right-of-way.

And so if you took a million dollars a mile for a typical roadway if we started all over from scratch on this, I'm going to estimate that it would be \$1.5 to \$1.75 million dollars per mile.

THE CHAIRMAN. OK. That's very helpful. Let me ask you this. I asked you this question in Williston—I get asked, not infrequently, stimulus, we had \$170 million of stimulus funds for highways in North Dakota that were allocated by Congress earlier this year. What's been the disposition of those funds? Are any of those funds flowing to this corridor, or will they? What can you tell us about that?

MR. ZIEGLER. Senator, first of all, we appreciate the stimulus funding. It came at a perfect time, when we had a tough winter, we have had a tough spring, a very wet spring, and our roadways have certainly shown a lot of damage. And it was good that our legislative body was able to help us out with that.

But the stimulus money that we've put into place statewide has been to address a lot of the load-carrying capacity issues that would relate to that map with all the red roads. So we're doing overlays to help us with the spring activities, to keep that flowing.

We believe that—Grant is going to be checking this afternoon with staff—that we have a micro-surfacing job coming onto this corridor to help with the redding and some of the loading issues.

THE CHAIRMAN. Let me just indicate that I was called yesterday actually by a former state legislator, and he was concerned that I was holding these hearings, putting a focus on Highway 85, when there are so many other road issues around the State, especially as a result of the extraordinary flooding we've experienced.

And my staff shared with them that it's important to understand that those roads that have been affected by flooding are covered by FEMA funding under public assistance. So that's a separate pot of money. What we're talking about here in this hearing is a future transportation bill and the need to address key corridors as well as the road and bridge network across the State of North Dakota.

But we need to put a focus on all of the priorities of this State, and very frankly, Highway 85 is a key priority, not only for this State, but for the country, because of the energy and agricultural

production that moves on this highway. And as a gentleman said this morning in Williston, you've got to remember that a lot of this traffic that used to move on the rails is no longer moving on rails because many of these rail lines have been abandoned that has pushed a substantial additional load onto the road networks.

So we've got kind of a triple whammy going on here with 85. We've got, No. 1, the dramatically increased energy traffic that is on this road, and these are 50-ton trucks. Then we've got the agricultural loads. We had testimony this morning that since 1990, a million and a half acres have been added to the crop base just in the North Dakota part of this region. A million and a half crop acres added. All of that production is being put on this road network.

And then, No. 3, because of the removal of certain rail assets, an additional burden has been put on this road network. So you put that all together, it is like a triple whammy, and we've got to respond to it.

And Director Ziegler, who I have high regard for, I think we have to put ourselves in his shoes as well. He faced dramatic increases in all the input costs to road and bridge construction in this State last year. You think of what happened when oil went to \$145 a barrel. What happened to asphalt costs? What happened to all of the other inputs? What happened to diesel costs? What happened to the cost of steel?

In fact, I'd ask you, Director Ziegler, for the record, maybe you could just give us some examples of the kind of input cost increases that you were faced with last year.

MR. ZIEGLER. Senator, they were significant. Asphalt prices were in the neighborhood of \$300 to \$400 per ton just before 2005. From 2005 to 2008 and now again in 2009, we're seeing \$700 to \$900 a ton, but in that average of \$800 a ton. So that—

THE CHAIRMAN. So more than a doubling just there.

MR. ZIEGLER. It's more than doubling just in that commodity. The steel prices have leveled off. We're currently building a bridge at Drayton, North Dakota, and we've got some good steel prices on that project, and so we're happy about that.

Cement prices have leveled off, and actually dropped some. But it's the asphalt commodity that we use so much on these types of roads that has really driven up our costs.

THE CHAIRMAN. And, actually, last year, before this leveling off in cement and a leveling off in steel, you faced big run-ups in those input costs, as well, did you not?

MR. ZIEGLER. Yes, we did. Cement had gone well over \$100 a ton when it had been about \$80, and steel prices had gone up at least 25 to 30 percent, but they've leveled off and actually come down.

THE CHAIRMAN. So we've got to understand if we're going to maintain the same road network and improve upon it, and the input cost for every mile go up dramatically, we've got to put more resources into the system if we're going to do just the same job that we've been doing. And if we want to make improvements and enhancements, the money's going to have to come from somewhere.

I would just say to you, it's very clear that the revenue base of the trust fund is not going to be adequate to meet the needs. Isn't that the case, Director Ziegler?

MR. ZIEGLER. That is correct, Senator. In our National Association discussion, we're really concerned about that very point, is the fact that the 18-cent gas tax or 18.4-cent gas tax is only generating \$32 billion, and we're spending at more than that, and we need more than that, Senator.

THE CHAIRMAN. Do you have any assessment from your National Association of what kind of expenditure will be required in the next transportation bill? Would you expect somewhere in the range of \$42 billion to be required to meet the needs nationally?

MR. ZIEGLER. Senator, our association has done a neat study, and we're looking at in the neighborhood of \$450 billion for a 6-year program.

THE CHAIRMAN. For a 6-year program?

MR. ZIEGLER. That's correct.

THE CHAIRMAN. Well, Director Ziegler, you've just given me a very sobering number.

MR. ZIEGLER. Those are the needs as our States see them. They're significant. Senator, as you recognize the fact that when the stimulus was addressed, the fact that infrastructure was valued in this country, and that's how we get people to jobs. That's how we get jobs for people.

And so the infrastructure—like I always say, the infrastructure is the engine that drives the economy. And a good economy cannot be sustained without a good transportation system.

THE CHAIRMAN. No, and that's absolutely true. And it's, No. 1, building these roads and bridges and maintaining them creates jobs, and they're jobs right here in America. No. 2, it also has the added benefit of proving the economic efficiency of America up against the competition we face internationally.

So I argued in the stimulus package for far more for infrastructure. I argued for \$200 billion of the package to be for infrastructure, because to me, it makes the most sense. You really get a big bang for the buck, not only in jobs, but in increased economic efficiency.

Let me go back over these numbers, if I could. I heard you say for a 6-year bill, your National Association has now calculated that we would require somewhere in the range of \$470 billion?

MR. ZIEGLER. Senator, \$450 billion.

THE CHAIRMAN. Four fifty. So that would be \$75 billion a year on average. Seventy-five billion a year, and the trust fund is throwing off on about \$32 billion a year, if I'm right.

MR. ZIEGLER. So that is a gap of \$43 billion a year. Now, is your National Association—honestly, this is the first time I've heard these numbers, and honestly, it almost takes my breath away, I have to tell you honestly. So we're talking about a \$43 billion gap. Has your National Association come up with options on how to close that gap?

MR. ZIEGLER. We have. In fact, our association did testify to the Policy Commission and the Infrastructure Funding Commission. In fact, there have been two of those types of commissions. Of course, one of the things that is almost taboo is to keep talking about gas tax, so there's public-private partnerships that are being talked about. There's bond banks that are being talked about. VMT is being talked about, as well as—

THE CHAIRMAN. What is that?

MR. ZIEGLER. It's basically a user fee, vehicle miles traveled user fee. And that is to say—

THE CHAIRMAN. What do you call that?

MR. ZIEGLER. Vehicle miles traveled user fee, a VMT fee.

THE CHAIRMAN. V—I see, it's V for Victor, VMT.

MR. ZIEGLER. VMT.

THE CHAIRMAN. Oy, oy, oy. This is worse than I thought. OK. Now I'm sorry I held this hearing. Well, I personally don't believe that gas tax is going to do it. I don't see the support for increasing the gas tax, with gas prices where they are and with gas prices where they've been, to the level that would close that gap, and so I think we're going to have to be thinking very, very seriously about other options.

Do you have any good news that you could give me? Forty-three billion, 6 years. That's a \$258 billion hole that we've got to fill. Two hundred and fifty—that's real money, even in Washington. And what is—can you help us understand, that amount of money is to achieve what result?

MR. ZIEGLER. Senator, that amount of money is to achieve the result to take care of the needs that the States are seeing in the infrastructure condition of today. There are thousands of bridges out there that are structurally deficient. I'm talking about the entire country now.

THE CHAIRMAN. Yeah, yeah.

MR. ZIEGLER. Thousands of bridges that are deficient, roads that are in bad shape, and there's an infrastructure that has tremendous needs. And as you travel around the country—which I don't do all that much of, but had an opportunity last week to be in Pennsylvania for one of our spring meetings with our association, there's a lot of work that needs to be done.

You know, our interstate system is just over 50 years old, and it was designed for 20 to 30 years. And so it's right there. It needs to be basically reconstructed. And obviously, the capacities have to be increased. The pavement thicknesses have to be increased because of the heavier loads that we carry today. I hated to ruin your day here, but I guess that's really—those are some of the realities.

THE CHAIRMAN. You know, honestly, this is the first that I've heard these numbers. I've been working on a gap, but it was a gap much smaller than this one. Let me ask you this. Do you believe that in any way, these numbers are gilding a lily or gold plating? Do you believe that there are savings we could achieve out of that amount and still have a responsible program?

MR. ZIEGLER. Senator, in every study and every needs and wants assessment, one has to take a look at the priorities and have to go back and reprioritize what it takes to really keep this economic engine going. And certainly, as an association, they've looked at that. But I couldn't say today what kind of a cutback we could make in order to still meet the needs and wants of some of the States that have put those dollars together.

THE CHAIRMAN. Well, let me just say this to you. And, again, I'm coming at this cold, because this is the first I've heard these numbers. But I've got to tell you, it is going to be extraordinarily difficult to meet those numbers. And I think we're going to have to

look at cutting back. We're clearly going to have to look for additional revenue sources. But, honestly, we're going to have to cut, because I don't think there's an appetite for filling that big a hole, not with the economy in the situation that it's in.

MR. ZIEGLER. We certainly recognize that as an association and are working toward providing options how these things could be funded.

THE CHAIRMAN. OK. Mayor Johnson, any last thoughts or observations on what you've heard here today or anything that you'd want to make certain is included in the record?

MR. JOHNSON. No, sir.

THE CHAIRMAN. All right. Thank you. I want to thank you both for, again, excellent testimony. I've certainly heard some things here that are new to me, but important for me to know.

MR. ZIEGLER. If I could, Senator, make some closing comments.

THE CHAIRMAN. Yes.

MR. ZIEGLER. Highway 85 corridor is very important to us, as you can see from the chart. We are moving forward with quite a number of projects in the next few years, and so most of those are safety-type projects to make sure that we have a safe corridor. And I look forward to working with you and your staff to work together to help create the basis for the next highway bill. I know that you've worked very closely with us and the Governor's office, and we certainly appreciate that and thank you for it.

THE CHAIRMAN. Well, I have appreciated very much our working relationship, and I think very soon after these hearings have concluded, we need to get together and put together our strategy for this next transportation bill, because, especially after what I've heard here today, we've got—I knew we faced tough challenges, but I must say, after hearing your testimony and what the National Association has determined as what the needs are, we've got a much bigger problem than I had previously heard in testimony. All right. Thank you. Thank you so much, Mayor Johnson. Thank you, Director Ziegler. We appreciate it.

Our next panel is made up of Gaylon Baker. Mr. Baker is the Executive Director for the Stark Development Corporation. He also serves on the Board of Directors for the Theodore Roosevelt Expressway. Chuck Steffan of Belfield, North Dakota. Mr. Steffan is the COO of Missouri Basin Well Service, which is a trucking operation for oil and gas field services. And Dean Rummel of Dickinson, North Dakota. Mr. Rummel is the President of TMI in Dickinson, which is a leading manufacturer of laminate casework products for schools, laboratories, and healthcare facilities.

Welcome. It's good to have you here. I appreciate very much your participation in this hearing. Please know that your entire statements will be made part of the official record of this hearing, and we'd ask you to proceed and give us your thoughts on the opportunities that exist in the Highway 85 corridor. Gaylon, welcome.

**STATEMENT OF GAYLON BAKER, EXECUTIVE DIRECTOR,
STARK DEVELOPMENT CORPORATION, DICKINSON, NORTH
DAKOTA**

MR. BAKER. Thank you, Senator Conrad. My name is Gaylon Baker. I am Executive Vice President of Stark Development Cor-

poration, the economic development office serving Stark County and its surrounding market area.

I've been in this position for 14 years, having prior experience and training in metro area redevelopment, marketing, land use planning, business planning, housing rehabilitation, and regional planning. I'm a member of the Theodore Roosevelt Expressway Association Board of Directors. The Theodore Roosevelt Expressway Association is a part of the Ports-to-Plains Alliance. The goal of a safer, more efficient corridor highway that spans our nation from north to south is shared by all of the alliance.

Such a corridor highway will improve the future of North Dakota and its neighbors on several fronts. Our association could cite an impressive list of statistics that support the economic impact of north-south trade.

North Dakota alone trades over \$2 billion domestically with the other eight States in the Ports-to-Plains Alliance. Our State also realized \$1.8 billion in exports by truck to Canada and \$15 million in exports by truck to Mexico in 2008. Both of these export numbers are up over 200 percent since 2004. North Dakota's leading manufactured export is machinery, followed by transportation equipment, processed foods, and chemical products.

North Dakota's exports of goods has risen sharply in recent years as more and more companies are finding markets across our country's borders, and as they have more grown more sophisticated in their marketing.

Many of our local companies rely on U.S. Highway 85 for moving the equipment and goods that tie us to the large markets in the southwestern United States, in addition to Canada and Mexico. However, this movement is currently hampered by the condition and design of this critical roadway. Pavement conditions, lack of lane separations in critical locations, access points, lack of turning lanes, pathways through residential and commercial areas, and other concerns effectively restrict the potential of this roadway to meet the growing demand we are seeing.

Western North Dakota is fortunate to be home to a number of businesses with the capability to sell extensively into out-of-state markets. As a State located in the middle of the continent, our strength as an essential manufacturing and distribution point increases when we are connected to our free market partners to the north and south.

Our area businesses, including agricultural, energy, and manufacturing, are leaders in research and development of methods and processes that add value and bring new money into North Dakota. They have studied potential markets thoroughly and subsequently focused on the specific segments to achieve success, in spite of what most of the country regards as a remote location.

Adding value in specialization, I believe, are the future of American manufacturing, but we will see mass volume, repetitive production often go overseas. In mass volume production, other transportation methods are more efficient. Conversely, in specialized manufacturing done in smaller quantities, trucks are the most appropriate transportation choice. U.S. Highway 85 is a major trucking corridor for us.

Several years ago, in 2001, Dickinson was chosen to host a population symposium, largely because at that time, we were recognized as an epicenter of out-migration, particularly among our young people. Key experts were hosted in an academic assessment of this problem, and many potential solutions were put forth.

For local leaders, this was an opportunity to take stock of their situations in their communities. Fortunately, they did not just listen and walk away. They asked themselves, what can we do to become the place people want to live? The answer is multifaceted and includes recognition of cultural diversity, community recreation improvements, development of new housing, adding shopping opportunities, good-paying jobs, and improving our connections to the world around us.

The diagram that you can't see below illustrates some of the many investments communities have connected to the U.S. Highway 85 corridor that they have made in themselves to become more attractive. Allow me to verbalize what's in the diagram, and my apologies for not having charts. The diagram illustrates the relative layout of Watford City, Belfield, Bowman, Dickinson, Richardson, Medora, and flags those many improvements that these communities have invested in for themselves. It's things like the Rough Rider Motel, the amphitheater, and the golf course out in Medora; the visitor center and the main street project in Watford City; the pavilion, the fire station, the veterans memorial, and the recreation area in Belfield; the library, the Dakota Winds Arena, and the Four Seasons Pavilion in Bowman; the West River Community Center, the Theodore Roosevelt Presidential Library, the downtown library remodel, and the Badlands Activity Center in Dickinson; the retro energy project, the highway incubator that's being planned, and the Cenex expansion, and the healthcare facility—thank you, by the way—in Richardson.

And those are just some of the top-of-the-mind things that came to me as I wrote this. These investments have produced results. The net out-migration has either slowed or reversed for a number of communities. Today, Dickinson's population is climbing, not because the town has become a retirement haven, but because young families are choosing to stay or relocate here.

The birth rates at St. Joseph's Hospital and at other hospitals in our area have been on the rise. Students are finding Dickinson State University and its proud host city to be attractive. Dickinson State University brings young people to the area for a period of their life, and they are staying because they like the upbeat tone and the social and cultural offerings.

In turn, the economic development momentum of our area businesses has provided them with opportunity to visualize a prosperous future here. I have a couple more charts on paper, one of Dickinson State University fall enrollment, which has grown from around 1,800 in 1998 to 2,730 in 2008. Dickinson area total employment has climbed from about 9,700 in 1998 to 12,200 in 2007, the last number I have available. That's about 2,500 in about 9 years.

So while our baby rate has improved, challenges do remain. Young families need to be confident that they themselves and the businesses they work for are connected to urban centers and mar-

kets. Any sense of remoteness and isolation on either of those fronts is frightening to them. Good connections, which are what we see as the future of U.S. Highway 85, are critical to sustaining our youthful population. That concludes my testimony.

[The prepared statement of Mr. Baker follows:]

The CHAIRMAN. Thank you very much, Gaylon. Next, we'll hear from Chuck Steffan, the COO of Missouri Basin Well Service. Welcome. Good to have you here.

MR. STEFFAN. Thank you.

THE CHAIRMAN. Please proceed.

STATEMENT OF CHUCK STEFFAN, COO, MISSOURI BASIN WELL SERVICE

MR. STEFFAN. Good afternoon. My name is Chuck Steffan. I'm actually the Chief Operating Officer for Missouri Basin Well Service, but I accept your generous promotion, Senator, at least for the afternoon.

THE CHAIRMAN. I'm not sure pay will follow, but—

MR. STEFFAN. We have locations at Belfield, North Dakota and also Ross, North Dakota. We're primarily a transporter of production water, crude oil, and drilling mud in western North Dakota. We've been in existence since 1979. We have over 300 employees, of which 270 of those are full-time drivers. We operate 175 tractor-trailers, which consist of double bottoms, bobtails, A trains, fifth wheels on the water side, and mostly tractor tank and pup trailers hauling oil.

Our trucks will run 68 to 95 feet in length and could potentially haul payloads of 40 to 50 tons. The proposed Theodore Roosevelt Expressway is the primary corridor for our day-to-day business, as it is for most of the oil production in North Dakota.

Most recently, the Bakken oil discovery is conservatively estimated at 3.65 billion barrels of oil and could be the largest oil deposit found in the U.S. next to the Alaskan oilfields. The T.R. Expressway lies in the heart of what the U.S. Geological Survey calls the largest continuous oil accumulation it has ever assessed.

Most recently, the Sanish/Three Forks Formation, which lies directly under the Bakken, could potentially add additional barrels of production in the shadow of the T.R. Expressway. With time and technology, more of the estimated 167 billion barrels of Bakken oil in place could be recovered.

THE CHAIRMAN. Is that 167, that just in North Dakota? 21MR. STEFFAN. I believe it is.

THE CHAIRMAN. Because we've got—I have a much bigger number in my head for the entire Bakken, but that includes Montana and Canada.

MR. STEFFAN. Exactly. Best estimates given normal rates of exploration say this play will be in place for several decades, and production curves will obviously continue beyond exploration. We are currently hauling oil and production fluids from wells that have been in place since the 1950's. Given the lack of pipeline infrastructure and the infeasibility of pipelining all the products of oil production to their final destination, trucking fluids will continue to be an ongoing use for Highway 85.

Our primary concern for Highway 85 is safety. Given the nature of the current oil exploration industry, and specifically, the Bakken, including the normal traffic generated by production, Highway 85 is the host to rigs bringing heavy equipment, drilling units, oilfield pipe, tankage, frac tanks, and fracing equipment to oil well sites throughout the Williston basin.

Unlike North Dakota geological discoveries of the past, fracing has been used extensively to improve the recovery of oil and gas in the Bakken. It's typical to have 26 to 46 frac tanks in transit to each frac job. In order to fill one of those tanks, it usually takes two loads of a truck to fill those frac tanks, so there's a lot of activities going on when you have a fracing going on.

In addition, fracing crews create their own convoy in transit to frac jobs, adding to existing traffic generated by the North Dakota oil industry. This traffic, added to the normal tourism traffic, Ag traffic, and other commerce, presents a safety concern that could be reduced by an expanded highway.

Our second reason for support of the expansion of Highway 85 is the efficiencies it would create in traffic flow, many of which were talked about earlier today, including turnout lanes and passing lanes that would be beneficial to all who travel this corridor.

Finally, oil and gas revenues provide significant support to the current and rare budget surplus in the State of North Dakota. It seems logical that the State would consider it a sound investment to provide a thoroughfare to enhance future revenue production from the oil industry and to better holster commerce that would continue to support the State's budget.

Just to give you an idea, since 2007, our company has grown 250 percent in terms of our fleet and 400 percent in terms of the number of drivers that we employ. We project that if the current oil prices would happen to increase, we would see a continued growth in both our fleet and the number of drivers that we have.

[The prepared statement of Mr. Steffan follows:]

THE CHAIRMAN. Chuck, could I ask you—I sat up in Williston and I was talking to a colleague before coming out, and I was talking about this hearing and what's happening in the oil play out here. He was kind of intrigued about the Bakken, and he'd seen some of the news reports about it.

And what really surprised him—and it was interesting, his reaction—was that this oil is trucked so far, because in his head, you've got existing oilfields, so that would mean to him you'd have existing gathering systems going to existing pipelines.

How would you explain it to somebody who thinks that's what's out here, that you have existing production, existing gathering lines going to existing pipelines? How long would your average run be with one of your trucks to haul oil?

MR. STEFFAN. Our average run would probably be about 70 miles, but we do have one run where we were actually taking oil out of the Monmouth area up to Alexander, which about a 170-mile haul. What's happening in some cases is that we're mixing oil of lower quality with oil of higher quality, creating a blend that's worth more money, so the economics are driving that situation.

THE CHAIRMAN. And how would you explain to people like my colleague, who was very surprised by this notion that we don't have

existing gathering lines and pipelines to move this oil? How would you explain it to—

MR. STEFFAN. Well, we have a play that's really in an area that's different than what we've previously had before, when you talk about what's going on in the Kildeer area and heading north. We have, of course, in Montreal County, a very—one of the discovery fields in North Dakota, but some of that infrastructure has also seen the value of its time and it's had its usefulness.

But a lot of that production is coming out of a new area, and it has to be pipelined or trucked to facilities actually that were just created. And the other thing is we've had enhancements in technology, so some of the existing infrastructure is not as efficient and productive as it once was.

THE CHAIRMAN. And what percentage of the oil, in your estimation, would be being trucked, versus moved through gathering lines and existing pipelines?

MR. STEFFAN. You know, off the top of my head, I would say about 50 percent of it's being trucked.

THE CHAIRMAN. So a very large percentage of the oil that needs to be moved is not moving through pipelines and gathering lines, it's moving on the road network?

MR. STEFFAN. Basically, what we're doing is taking it from the source of origination to a lack unit or a unit that's going to pump it out of State or to another destination. So you will never have a pipeline system from every well to a lack unit because of the cost of it. It's just more efficiently handled through trucks.

THE CHAIRMAN. Through trucks. OK. Very good. Thank you very much. Next we'll hear from Dean Rummel, the President of TMI in Dickinson. Dean, I hope you really are the President. I mean, I've been getting these—I've been inflating people's positions all day here.

MR. RUMMEL. You could certainly name me the CEO, if you'd like, Senator Conrad.

THE CHAIRMAN. That may come with certain resistance from other circles here.

MR. RUMMEL. Exactly.

THE CHAIRMAN. I don't want to get crosswise with the mayor.

STATEMENT OF DEAN RUMMEL, PRESIDENT, TMI, DICKINSON, NORTH DAKOTA

MR. RUMMEL. Thank you, Mr. Chairman. Good afternoon. My name is Dean Rummel, President of TMI Systems Design Corporation and TMI Transport Corporation. TMI is the nation's largest manufacturer of institutional-grade laminated cabinets, countertops, and architectural woodwork, with consolidated sales exceeding \$52 million in 2008. We've been providing products for education, healthcare, laboratory, and other commercial projects throughout North America for over 40 years.

In addition to schools, hospitals, and laboratory projects across the United States, TMI's products are being utilized on projects, including the J. Paul Getty Museum in Los Angeles, the Bank One Ballpark in Phoenix, the Denver International Airport, the Cleveland Browns Stadium, and the Georgia Dome.

TMI products are produced in modern state-of-the-art factories on our campus right here in Dickinson, consisting of over 150,000 square feet of manufacturing space. TMI Transport is a company-owned trucking company with 25 semi tractors and 44, 53-foot trailers that deliver our products to each project site, and we haul other products back into this region for a number of different customers. We currently employ 360 full-time, year-round employees and 45 seasonal college interns.

TMI would strongly support, and we believe the area would benefit greatly, from the investment in the U.S. 85 corridor. As a manufacturer, we need to move our products to the various markets in the U.S. and western Canada. On the average, TMI Transport travels 1,300 miles to our first delivery in each truck. Our growth and success is dependent on roads, such as Interstate 94 that has provided easy access to the markets in the east and southeast United States.

The U.S. 85 corridor would benefit the movement of product to Texas, Arizona, California, Colorado, New Mexico, Nevada, Oklahoma, and Wyoming. In 2008, TMI averaged about 1,000 outbound loads, and nearly a third of our deliveries were to those eight States. There is no comparable infrastructure like Interstate 94 going north and south, and that can be, at times, a detriment to our success.

Just last week, TMI Transport had a major accident en route to a delivery to two school projects in the state of Wyoming. Our driver took North Dakota Highway 22 South to Highway 79, and we rolled the truck—he rolled the truck while navigating a curve in the road just south of Reeder, North Dakota, just ten miles into the State of South Dakota.

The road is narrow and it's unforgiving, and the driver wandered too close to the edge of the road. The conditions were good. The road was dry. It was during daylight hours. But the shoulder was soft and the damage to the truck, the trailer, and the cargo was extensive. We're thankful that our driver had but minor injuries and was released from the hospital the same day. If the U.S. 85 corridor were to become a reality, we probably could avoid an accident like that, because our trucks would utilize a more truck-friendly route.

TMI has to rely on truck deliveries because it's not feasible to deliver to school and hospital job sites utilizing other modes of transportation, like rail. Institutional building contractors and construction managers operate under very compacted time schedules and they require deliveries on specific phases of the projects, along with special deliveries for breakages and shortages.

Rail does work well for transportation of TMI's major raw materials, primarily particle board and plywood panels. That material is high-volume, heavy in weight, and is produced, of course, in forested areas of the country. We receive five to six carloads per week, and the freight costs are slightly less than by truck. Rail would not work for our outbound deliveries.

On behalf of TMI, I would like to encourage the Senate Budget Committee to support this investment in the U.S. 85 corridor. That concludes my testimony, Mr. Chairman.

[The prepared statement of Mr. Rummel follows:]

The CHAIRMAN. Thank you very much, Dean. Dean, do you believe TMI would be even more successful if you were the CEO? You don't have to answer that. In fact, it's probably better if you don't answer that.

MR. RUMMEL. Thank you.

THE CHAIRMAN. Well, we've got to have a little laugh along the way. Let me ask you this. Dennis, would you like to come back to the witness table?

MR. JOHNSON.—I was just commenting on what I might do—Dean was the CEO.

THE CHAIRMAN. Oh, I get it. I get it. Let me ask you this. If you were to describe to my colleagues and their staffs the condition of Highway 85 now, how would you describe it, Dean? If we're just in conversation with them, as I am with my colleagues, trying to persuade them of something, what words would you use to describe Highway 85 and what's happening there?

MR. RUMMEL. Senator Conrad, I did talk to one of our drivers who drove a whole lot and kind of asked him that question because I kind of anticipated that you'd be asking me some tough things that I couldn't answer, because I don't drive U.S. 85 as much as, of course, they would.

Usually, they actually try to avoid it. That's why our truck was going south on Highway 22. And it's just because of the amount of traffic that is on it. They choose to try and avoid that road. It is no better than all the other two-lane roads, and actually, they can cutoff 15 miles getting to I-90 by going straight south on 22 and cutting across on 79. And so for 15 miles, they say it really does not make any difference. They would prefer, of course, to have a four-lane U.S. Highway 85, because they would definitely use it. But they actually try and avoid it right now.

THE CHAIRMAN. OK. Chuck, how would you describe it? If you were visiting with my colleagues in Washington, trying to help them understand what conditions are like there, how would you try to describe it?

MR. STEFFAN. I believe there's segments of the highway that are definitely in need of improvement. We've got heavy loads going up and down that road. We've got many loads that are wider than normal. Even if you take a look at what's happened in agriculture, the economies of scale, we've got bigger equipment all the time. So one of the primary concerns we deal with is traveling down that road with heavy loads and working with the existing traffic that's out there, be it big Ag equipment or even big oilfield equipment and the visibility issues that are there.

And we understand too that we create some traffic hazards ourselves from the standpoint of the size of our rigs and the number of rigs going down the road. And actually, a wider road with turnout lanes would be beneficial from the standpoint that we know that if we travel slower, we actually create efficiencies from fuel economy. And so turnout lanes and passing lanes would be beneficial for everyone on that highway.

The Chairman. You know, this isn't particularly relevant to this hearing, but I'd just be interested, what is the optimum speed from a fuel usage perspective? Do you do studies on that kind of thing?

MR. STEFFAN. For most of our trucks, it's about 60 miles an hour.

THE CHAIRMAN. Sixty miles an hour. Gaylon, how would you describe it? If you were trying to persuade one of my colleagues that Highway 85 needs more investment and specifically here, we're talking about Federal investment, how would you describe it?

MR. BAKER. Well, in a word, I would describe it as unsafe, and that is because of the—not just because of Chuck's trucks or Dean's trucks, it's unsafe because of the visibility problems, the length of view you have on curves, that sort of thing, the rutting of the roadway, the narrow shoulders, where—and part of—we're fortunate to have part of Highway 85 go through some pretty scenic areas. The problem is that people pull off and want to look, and you can come upon something like that pretty suddenly. Sadly, there have been some tragic accidents on Highway 85 in recent years. We don't like losing especially our young people that way, and that has happened, and we—the safety of that roadway I think is our primary concern. Certainly for tourism-type traffic, they too choose to avoid it because of the amount of traffic and especially heavy trucks.

THE CHAIRMAN. You know, I've got to tell you, after—I drove on it quite a bit last fall, and it made a very strong impression on me. I thought it was the worst road in the State, and I mean from every standpoint. The amount of traffic, I find really striking. When I was on it, the volume of trucks—and I don't know if that was just the couple of days I was on it were unusual, but it was really striking, the truck traffic, and the very heavy truck traffic, both energy and agriculture.

The other thing that struck me is the rutting. I mean, there were places where you were in like grooves in the road, it was so worn down. And that is not safe. The other issue is the hills and the curves, because you—I remember very well going around a curve and running into one of these—I don't know if it was a convoy, but it was a series of trucks moving closely together, and they were moving at quite a slow speed, for whatever reason. You know, it was just an unsafe situation.

Absent going to a four-lane, which I think has to be an option on the table here, especially if we're looking down the road to the additional development in the Bakken Formation, it seems to me four-laning, at least in parts of it, have to be on the table for consideration.

Mayor Johnson talked about what he termed a super two. Well, I can see where that would be tremendously helpful in places in that road too. Passing lanes, wider turnoffs, broader shoulders, all of those things would certainly help. I think passing lanes would be enormously helpful and beneficial.

I remember going up one of the hills as we were going up to Williston on 85 and again getting caught behind a whole series of trucks. You couldn't get past them. And there was just—there were too many blind spots. You couldn't get past them. And they were going I'd say 45 miles an hour. At least it seemed like 45 to me.

Actually, we wound up getting late to our next appointment because we spent so much time—and we had, we thought, plenty of time—on 85. But people that were in our group all wound up being late because of the conditions on 85.

Anything else this panel—anything else you'd want to say for the record?

MR. BAKER. Senator, as far as you were asking how do you fund something like this, and how do you refund the Highway Trust Fund, certainly, our transportation methods are moving somewhat away from pure gasoline and, of course, diesel fuel, which generates all the taxes. And, of course, the efficiencies in automobiles has helped us a lot in that way.

There are other things that vehicles consume on a regular basis—tires or something like that—that a person could, I suppose, tack a small tax on. Certainly, it sounds to me like the solution will have to be multifaceted more so than just the reliance on a single source.

THE CHAIRMAN. I believe that, Gaylon, and I'll tell you, the numbers that our Director delivered today that the National Association sees as the need for the next highway bill if it's a 6-year bill, I mean, that's a really striking number. And if we have a gap anywhere close to that, we're going to have to think outside the box on where the money is going to come from.

And there's no question in my mind the trust fund revenue is grossly inefficient to meeting the need that's out there. I have no doubt about that. So we've got a lot of work to do.

I thank the three of you very much. I want to open it up now to those who are in the audience, if there's anybody here that would like to make a statement for the record. If you'd give your name and spell it so our transcriptionist is able to capture that for the record, and you tell us who you're representing, if you're representing an interest or an organization, and if not, just say that you're here as an interested, concerned citizen. Yes, sir?

MR. BRACKEL. Lynn Brackel, Bowman County Commissioner. One thing to consider on this corridor, we have received wind propeller—wind generators—the propellers coming down—85, the way I understand it, they cannot drive on an interstate system like 25 or 29. They have to get off on these side roads.

Please consider trying to pass one of these trucks with this propeller out the back. We need to have something on this Highway 85, because we're seeing a lot of propellers coming through here, because they're manufactured in North Dakota.

THE CHAIRMAN. Yeah. Well, that's a very good point.

MR. BRACKEL. One thing to consider is the way the—in to corridor 85.

THE CHAIRMAN. Yeah. No, that's a very good point. Yes, sir. Other—yeah?

MR. ROLFSTAD. Senator, thank you for coming here to Williston. We appreciate it. Tom Rolfstad, Economic Development Director, Williston. Just a couple—

THE CHAIRMAN. Well, we're in Dickinson now though, Tom.

MR. ROLFSTAD. I know, but it's—town. But just a couple of things that I wanted to talk about. And he is the CEO. But a couple of things I wanted to mention was—one is as you look at the new highway bill, and I think particularly in these kind of tough times—and I'm sure you've seen some shocking numbers and a lot of—but it's not just DoT, and we appreciate your diligence on that. I think a lot of our folks are pretty excited about having you there on the Budget Committee and kind of adding the balance. So I applaud you for that.

THE CHAIRMAN. Not all of my colleagues have that view of me.
MR. ROLFSTAD. And that's why we appreciate it. You give it some balance.

THE CHAIRMAN. Well, thank you.

MR. ROLFSTAD. You give up—a lot of—you know, Will Rogers said the problem with common sense is that it's not so common. And we think you have common sense.

THE CHAIRMAN. **Thank you for that.**

MR. ROLFSTAD. But I did want to mention, as we look at the new highway bill, particularly in this environment, we've got to look at job creation. That is part of the highway package. But I guess I was actually surprised when the whole stimulus came out maybe how little of it was really infrastructure-related. And there's other things, too. There's need for transportation lines and pipelines and various things if you look at our future, but so I think that's something we need to think about in terms of this highway bill. It certainly could be a way of helping to get the economy back on track.

And as we restructure the country, our highway system and our railroads and our transportation runs east west and part of it is to make these more solid connections. And I guess I was quite intrigued when I heard Bill Dickinson speak at Senator Dorgan's energy conference last year. But it makes a lot of sense, and I don't know if it's getting traction in Washington or not, but I do see a lot of wind development in North Dakota, and as you look at the maps, this corridor is a wind corridor all the way to Texas, and we're all kind of oil and gas country, so natural gas for the off cycle kind of a solution.

But we need to also have those transmission lines, just like we're not getting oil out of here by pipelines. That's probably our handicap with developing this kind of thing. But it might be better to put some of those wind towers through the middle section of the country than trying to go outside of Martha's Vineyard, put it out there where people don't want to look at them.

But so anyway, I just feel like this is kind of an energy corridor, and we could be a big part—you know in terms of solving U.S. energy economies, but also start to diversify into greener ones.

THE CHAIRMAN. Well, thank you for those observations. I think many of us have this view that we can be an energy hub for the country, that we really have got it all. We've got the oil and gas. We've got the coal resource, we've got the wind energy potential, got the biofuels, all of it here. So North Dakota really is going to play I think an increasingly important role in this country's energy future.

With that said, you reference in the stimulus package somewhat disappointed that there wasn't more for infrastructure. Let me just say, as somebody who argued for dramatically more infrastructure expenditure within the amount of the stimulus package—I argued strenuously for \$200 billion of infrastructure, and the argument that was used against us was the delay, that it takes longer to do infrastructure projects and to get the money moving in the economy.

My answer was, wait a minute. When they built the Pentagon, they built it in 9 months. And the answer that came back, well, you've got all these rules and regulations now that prevent you

from moving as quickly. I said, "Waive them." That's exactly what was done when we dealt with the flooding in Grand Forks, North Dakota. The one reason James Lee Witt is a hero in northeastern North Dakota is because he came in and he waived the things that prevented us from moving quickly, just waived them.

They now say we didn't have the authority to do it. Well, too late. It's done. And I urge the administration and I urge my colleagues, put somebody in charge who has the ability to override rules and regulations that, yes, in normal circumstances, make perfect sense, but when you're in an emergency, just don't make any sense.

Well, that wasn't very well-received, but that was my own view, is we would have been better off putting more money into infrastructure—roads, bridges, highway, rail, airports, movement of goods on our rivers, and even through our ports—that all of that creates jobs right here at home, and in addition to that, improves our economic efficiency as a nation.

You know, when you start racking up the cost to our country of all the delays because you've got these truck fleets, you've got Dennis's truck sitting out on the beltway in Washington, DC, you go out there during rush hour, everything is stopped dead. You know? There is an economic cost to that. It reduces our efficiency as a nation. It reduces our competitiveness as a country. So those are considerations as well.

Any other comments? Yes, ma'am?

MS. THIEL. I'm Terri Thiel. I'm the Director of the Convention and Visitors Bureau here in Dickinson, and I want to address two—

THE CHAIRMAN. Terri, could you just spell your last name for the record?

MS. THIEL. T-H-I-E-L.

THE CHAIRMAN. All right. Thank you.

MS. THIEL. And I want to address the economic impact that you're going to have, but also some of the safety issues. The economic impact is that we have two national parks within this corridor system, and the park that is directly to the west of us is actually 100 miles between that north and south unit. Looking at the people that are traveling up and down this whole corridor, up and down, the majority of our visitors are from out of State, and that's how our State markets, is to bring these people from out of State. Well, we have in-State visitors as well.

The amount of money that brings in is astronomical, and just reviewing that national park, is over 500,000 visitors a year. So that corridor also feeds all of these smaller communities. When you're starting up in Williston, Fort Buford, going down through Arnegard, down to Watford City, and down to Bowman or to Fort Hills[ph] and to the park and on, that all brings in those dollars. I21And when you're talking tourism, you're not talking just people who go see these attractions. You're also talking about people that are traveling for the visitor industry and the support systems that travel. Those are the trucks that are going to support that tourism industry, the ones that are going to the hotels or to these places that feed on them just for that industry alone.

So it's a whole web of different things that go into tourism. This is why I often say we should really refer more to it as our industry. The tourism division markets heavily out of State and they also market internationally. We have people coming in from Norway, Germany, all of those on our road systems, where they're accustomed to—typically when you're taking vacations a much safer, more prudent system for visiting.

So all that comes into that part of it, leading us, and then we're also looking at that safety factor. Part of the safety factor that has become very important is with the motor coach industry. You know, a few years ago, about 4 years ago, we had the Family Motor Coach Association come in to Minot for their State convention. During that time, we had these other clubs that are associated with that going into pockets of our State.

These motor coaches are large, very large, and they're typically at an age that's probably a little bit more advanced, and they're a lot of times having also—

THE CHAIRMAN. What age would that be, that more advanced—

MS. THIEL. —at a very wise age, but at a—

THE CHAIRMAN. Is this—

MS. THIEL. Larger—

THE CHAIRMAN. IS THIS A SHOT AT DIRECTOR ZIEGLER?

[Laughter.] Ms. Thiel. But at the same time, we've also got vehicles behind them. So if you're looking at these things going down the road—and some of it's like a motor coach, a vehicle, and a boat. They're long. Now here comes the oil industry. They've got their large vehicles going, and that really does become a concern with that. And I know we've talked about safety with that.

THE CHAIRMAN. Yeah. No, I'll tell you, it is a point that bears repeating, because it really—it does matter. You know, we had testimony this morning up in Williston, a gentleman that runs transportation for the oil sector, and he said—he went through the safety rating system that companies who are their customers apply to them, and it was a very stringent comparison that they apply to their potential suppliers, those who provide services to them, on what their safety record is, what their training is for safety, and what the steps they've taken to make improvements. And they make a decision on who they're going to hire based in part on their safety record.

And he was very clear. He said, "Look, this is very important to our competitive position and our continuing success as a company." Thank you. Yes, ma'am?

MS. STEINER. Vicki Steiner. I'm Executive Director for the North Dakota Association of Oil and Gas Producing Counties, and our counties support this project. On a personal note, I took a trip at the end of April, and I'd like to underscore the comments about unsafe. I know that my vehicle hydroplaned a few times, and I watched an oil tanker truck ahead of me. The water was coming down the ruts because of the hills, and it was pooling at the bottom. And when he was ahead of me, when he hit that water, the water shot up both sides, higher than his vehicle, and hit two oncoming vehicles, passenger cars, and for a split second, they couldn't see, and I was behind them. At that point, I thought—I was about—I thought, "Maybe I should just go back." Then I

thought, "But, no, where do I turn around in this heavy rain? Maybe I should just go slower." So I took—put one wheel on the shoulder, one on the high part of the road, and I tried to take that as best I could, but when you would hit those pools, then you would find your vehicle kind of skidding.

So it's definitely unsafe, and I think the path—a super two would be great, and in some places, I think a four-lane would be great.

THE CHAIRMAN. Yeah. I'll tell you, I had some of that same experience, hydroplaning. One of the days that we were on 85, it was raining heavily, and I also experienced this—I don't know what you'd describe it as, the water coming off those trucks, blinding cars coming the other way. I found that the most kind of concerning. OK. Yes, sir?

MR. KLEWIN. Senator Conrad, we do appreciate your interest in this project, and we've been out to your office in Washington, DC a couple of different times. I just wanted to explain—

THE CHAIRMAN. If you'll give your name for the record?

MR. KLEWIN. Excuse me. It's Cal Klewin, K-L-E-W-I-N, Executive Director of Theodore Roosevelt Expressway. We've been in your office several different times talking about our project, and one of the things that I think, and you're aware of, is we have a partnership, a nine-state partnership, and now including possibly two Canadian provinces.

And one of the things that we've noticed all the way through the corridor in the center of the United States is we have energy in common, renewable fuels in common, and also agriculture. And we kind of are growing ourselves on those particular assets that they have going through the corridor of our country.

And I think it's proven very positive that we have some strengths, and I think it's going to drive particularly real development in those strengths. And that's what our corridor partnership is about, and we do appreciate your interest.

THE CHAIRMAN. You bet. Thank you so much. Yes, ma'am?

MS. KOUBA. I'm Marlene Kouba, from Regent. Farmer.

THE CHAIRMAN. Could you spell your name, too?

MS. KOUBA. K-O-U-B-A.

THE CHAIRMAN. Thank you.

MS. KOUBA. I represent North Dakota Women Involved in Farm Economics.

THE CHAIRMAN. Oh, very good.

MS. KOUBA. And I'm wondering about the eminent domain and the easements involved in expanding this road. I know it's a bad road. I've been on it the last couple of years. And I'm also wondering if this could be another corridor between Mexico and Canada to make us another North American Union.

THE CHAIRMAN. Well, I don't think we're talking about any North American Union here. That's not really what we're talking about here. We're talking about specifically the needs on this road. And I tell you, the public input we've received is just overwhelming on the need to address the concerns on 85, and from really every element of the North Dakota community.

I've heard it from the business community. We had testimony both here and in Williston. From the agriculture community, strong testimony on that in Williston. I've heard it from governmental offi-

cials up and down Highway 85. With the questions of eminent domain, those are really questions we should direct to Director Ziegler in the scoping process and the development of their plans, because they are best positioned to answer those questions. And I'm sure those are part of your considerations, are they not, Director?

MR. ZIEGLER. Yes, they are.

THE CHAIRMAN. Yes, we had—yes, this woman, and then the gentleman—first of all, I want to thank you for your patience, sir.

MR. KOPPINGER. No problem.

THE CHAIRMAN. OK.

MS. JAMES. I'm Lyn James, and I'm the Mayor of Bowman—

THE CHAIRMAN. Yes. Good to see you, again.

MS. JAMES.—here in the southwestern corner. Thank you. Good to see you. And I wanted to just piggyback onto Terri Thiel's testimony regarding tourism. Not only do we see North Dakota tourism, but being in the southwestern corner, we also see that there are a lot of tourists from Canada, as well as eastern Montana and North Dakota. We're kind of the funnel that takes people to the Black Hills. And there's a great economic impact there, too, just with them stopping in the different communities.

And so there's not only North Dakotans using this road, but other people, and it's very important that we see an improvement. So we appreciate your support.

THE CHAIRMAN. You bet. Thank you very much. Yes, sir? Again, thanks for your patience.

MR. KOPPINGER. My name's Mike Koppinger. I'm here on behalf of SolarBee and SolarBee Transportation. We, as a training company, we know that probably the most dangerous aspect of our job is our travel. We spend about 60,000 miles a year traveling. And as the manager of transport, where we kind of MapQuest everything out and find what the best route to go for the highway.

The Colorado market is probably our biggest market, along with Texas, Arizona, Nevada, California. So I would say 75 percent of the time, when we leave Dickinson, we turn south at Belfield, and we head up 85. So on behalf of Solarbee, I just want to say that we totally support this corridor to that market area for so long.

THE CHAIRMAN. OK. Thank you very much. Anyone else, final words? Brock?

MR. LANDBLOOM. Brock Landbloom, Director of Roosevelt Custer Regional Council. I think we should also note that when we developed this country, railroads went east and west. There was no connection to carry goods north and south. And the other thing is that it's only a partial interstate system on the front range by interstate 25, that goes from north to south. I think those are two items that I probably should throw out there are well.

The Chairman. That's a very good point, very good point. We had a gentleman that came that was in the audience in Williston that stood up, and he'd been on the railroad for 40 years, and he described how abandonment of certain rail lines had moved a staggering amount of traffic onto the road networks. And so we've had really good contributions, not only from our formal witnesses, but people in our audience, as well, and we certainly appreciate that very much. Tom?

MR. ROLFSTAD. Yes. Senator, just one more comment, that—but I think, as you—negotiate with urban states, and how we justify expenses in the rural areas, I kind of read back at all as my state commissioner, and I substituted for time to time, and I just happened to be at one of the meetings that this corridor had in Colorado. And it was early on in my learning of this thing, but talk about that I-25 corridor in Denver, that's—really, initially, that's where we want to run this through.

Colorado kind of went through a paradigm shift when they recently expanded the I-25 highway from four lanes to six lanes, \$100 million a mile to build that stretch. And their philosophy is now, "We don't want traffic through I-25. We want it around the city." And Colorado looked at this alignment about the time I got involved in looking at eastern, central, and I-25 corridors. And they said, "We're going to go 60 miles east of Denver alignment, and that's going to be our alignment heading up to Scott's Bluff, Nebraska.

And similar to the area up here, we can build four-lane highways for \$2 million a mile to go to Denver just to expand for \$100 million a mile. And I think somewhere I've heard about our counterparts have to get thinking about how do they get—and that's just the traffic congestion, but there's a lot of other—every Federal agency had more complicated budgets when you congest the situation.

THE CHAIRMAN. It is a very good point, and I'm glad you made it, because, you know, I hear a lot, "Well, North Dakota, North Dakota, North Dakota. You guys are getting a disproportionate share of Federal money for your population." And I hear it a lot.

You know, the reality is there are reasons for it. We're going to be part of a national system. We've got a lot of territory to cover here with a relatively sparse population. So the Federal Government is going to have to have a disproportionate share. And that extends to many other parts of life here.

And, you know, they've got to also look on the other side of the ledger. What are they getting from this State? Vast agricultural production, critically important energy production, oil, natural gas, coal, and, increasingly, renewable types of energy.

So this country, we're the fifth largest oil producer in the United States. Most people don't think of North Dakota that way. Most people don't think of North Dakota as a State that produces electricity for nine States, but we do. Most people don't think of North Dakota as the place that's got the greatest wind energy potential of any State in the nation, but we do, and I think, as we go forward, it's going to be increasingly apparent that North Dakota has an awful lot of the things that America needs, and to get it, and to get it efficiently, is going to require some additional investment. And I don't think we can shrink from that. I think we have to be very direct about it, and we have to make the case, and that's what this hearing is about.

And I especially want to thank the witnesses here today, the formal witnesses and those in the audience who stood up to provide their observations as well. With that, we'll declare the hearing adjourned, and thank you very much. The hearing is adjourned.

[Whereupon, at 2:54 p.m., the hearing was adjourned.]