



**STATEMENT OF DEB COTTIER
ON BEHALF OF NEBRASKA NORTHWEST DEVELOPMENT CORPORATION
A MEMBER OF THE HEARTLAND EXPRESSWAY ASSOCIATION
AND THE PORTS-TO-PLAINS ALLIANCE**

**AT SCOTTSBLUFF, NE, FIELD HEARING OF
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION
SUBCOMMITTEE ON SURFACE TRANSPORTATION AND
MERCHANT MARINE INFRASTRUCTURE, SAFETY, AND SECURITY**

**KEEPING GOODS MOVING IN AMERICA'S HEARTLAND
MAY 2, 2016**

Chairwoman Fischer--- Honored members of the Senate Committee on Commerce, Science and Transportation, thank you for allowing me to testify on an issue as important to Nebraska, the Heartland Expressway and the states included in the Ports-to-Plains Alliance as rural transportation and intermodal freight policy.

For the record, my name is Deb Cottier, Executive Director of Nebraska Northwest Development Corporation and a member of the Board of Directors for the Heartland Expressway Association, a member of the Ports-to-Plains Alliance.

The Ports-to-Plains Alliance is a grassroots alliance of over 275 communities and businesses, including alliance partners Heartland Expressway, Theodore Roosevelt Expressway and Eastern Alberta Trade Corridor Coalition, whose mission is to advocate for a robust international transportation infrastructure to promote economic security and prosperity throughout North America's energy and agricultural heartland including Mexico to Canada. In the United States the primarily rural Alliance includes four congressionally designated High Priority Corridors on the National Highway System. The Ports-to-Plains Corridor connects the Texas/Mexico border to Denver, CO via Interstate



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STATEMENT OF DEB COTTIER
KEEPING GOODS MOVING IN AMERICA'S HEARTLAND
MAY 2, 2016
Page 2

27 in Lubbock and Amarillo, TX. The Heartland Expressway, which includes my home community of Chadron, NE, connects Denver, CO to Rapid City, SD and to the Camino Real (Interstate 25) in Wyoming via Scottsbluff, NE. The Theodore Roosevelt Expressway connects Rapid City, SD to the Montana/Canada border at the Port of Raymond via Williston, ND. The Camino Real Corridor from its connection with the Heartland Expressway at Interstate 25 west of Torrington, WY continues north the Montana/Alberta Canada border at the port of Sweetgrass.

This entire nationally significant rural freight corridor provides an uncongested alternative to Interstate 35 with its chokepoints at San Antonio, TX, Austin, TX, Dallas/Fort Worth, TX, Oklahoma City, TX and Kansas City, MI and to Interstate 25 through the Colorado Front Range and Cheyenne, WY for the movement of critical natural resources from rural areas to domestic and international markets.

My statement today focuses on three items:

1. Importance of Transportation System to Rural Economic Development
2. Strong Federal Role Required in Improve Movement of Freight
3. Building Rural Economies Together through the FAST Act

Freight movement across rural North America is critical to connecting the natural resources of agriculture and energy to the urban populations and the economy of the United States. The interstate system provided significant impacts serving an economy that primarily moved freight east and west. Growing population centers along that interstate system are now creating significant chokepoints along the system and continuing the same transportation policies, adding to the congestion, results in increased transportation costs and environmental impacts.

Importance of Transportation System to Rural Economic Development

Chadron, NE is an excellent example of a rural community currently served by only two-lane highways. Chadron is located 102 miles south of Interstate 90 at Rapid City, SD and 148 miles north of Interstate 80 at Kimball, NE. Research shows that economic strength of communities is strongly affected by proximity to an interstate highway or at minimum a four-lane highway.

POLICOM Corporation is an independent economic research firm which specializes in analyzing local and state economies. From its research, it determines if an economy is growing or declining, what is causing this to happen, and offers ideas and solutions to improve the situation. A recent evaluation of the role of highway infrastructure on economic strengths of the top 50 Strongest and Weakest Micropolitan areas was made by POLICOM and presented to the Ports-to-Plains Alliance. Micropolitan Statistical Areas are typically quasi rural areas. A Micro must have an urbanized area (city) with a population of at least 10,000 but less than 50,000 population and must be at least one county and most are.

STATEMENT OF DEB COTTIER
KEEPING GOODS MOVING IN AMERICA'S HEARTLAND
MAY 2, 2016
Page 3

| TOP 50 MICROPOLITAN AREA | Strong | Weak |
|--|--------|------|
| Located on an Interstate | 31 | 7 |
| Located on a four-lane limited access | 10 | 5 |
| Located near a four-lane within the area | 0 | 11 |
| Not Located on a four-lane roadway | 9 | 27 |

Forty-one of the Top 50 Strongest Micropolitan Areas in the United States are located on an interstate or four-lane divided highway. Twenty-seven of the Top 50 Weakest Micropolitan Areas in the United States are not located on an interstate or four-lane highway.

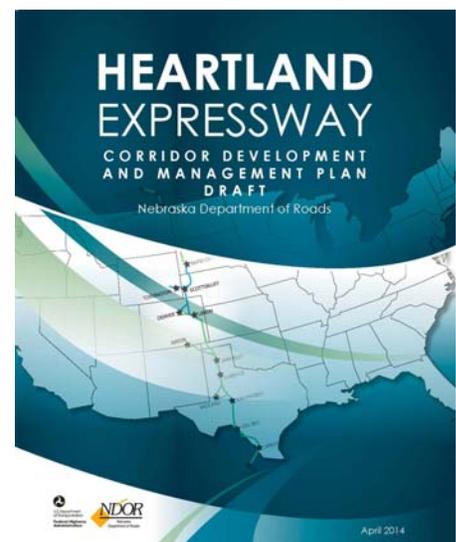
In case the nine strong Micropolitan Areas that are not located on a four-lane roadway, there is a unique reason for their success that is not available to most rural communities. Two are in Alaska - Ice Roads; one is an island; one is a wealthy tourist destination, two are related to energy (Williston and Dickinson, ND); one is a town with livestock slaughter facilities as its main economic driver (Garden City, KS) and one is a military base.

The development of four-lane rural freight corridors is a positive economic impact to communities like Chadron, Alliance and Scottsbluff, NE as well as rural communities from Texas to North Dakota and Montana along the Ports-to-Plains Alliance corridor. This conclusion is further supported by recent studies that evaluate economic benefits within the ten-state region.

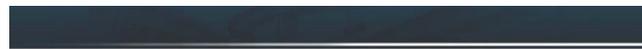
Beginning with Nebraska, the Heartland Expressway Corridor Development and Management Plan, Final Report (2014), published by the Nebraska Department of Roads summarized significant economic national benefits from the development of this primarily rural corridor to a four-lane profile. It stated:

“The Heartland Expressway Corridor will provide many national, regional, and local benefits. Some of the most noteworthy national benefits include:

- *Connection of metropolitan cities and regional trade centers*
- *Develops a significant North American Free Trade Act(NAFTA) corridor*
- *Provides an alternative to avoid urban congestion and delay along Interstate 25*
- *Completes an integral segment of the PTP Alliance Corridor, a trans-national corridor*
- *Enhances the national freight network and freight movements*
- *Provides safer travel*
- *Provides a north/south high speed corridor*
- *Enhances delivery capacity and efficiency to Great Plains markets*
- *Provides essential economic development infrastructure to the Great Plains*
- *Develops a significant tourism corridor”*



In 2004, the Ports-to-Plains Corridor Development and Management Plan, evaluating the rural corridor in Texas, Oklahoma, New Mexico and Colorado, found similar results.



In November 2015, the Texas Department of Transportation published the *Initial Assessment Report for the Extension of I-27/Ports to Plains Corridor*. The Assessment was an initial look at the opportunities presented by the expansion of the existing corridor in Texas to an interstate profile. The report stated:



Initial Assessment Report

Extension of I-27/Ports to Plains Corridor

November 2015

“The I-27/P2P corridor is viewed as a gateway for commerce with the potential to redirect traffic from congested corridor across Texas. Planned and programmed projects aim to:

- *Increase corridor capacity and enhance safety;*
- *Reduce congestion at ports of entry along the Texas-Mexico border by dispersing freight to multiple border crossings (in addition to the heavily-used Laredo crossings);*
- *Provide travel alternatives to the state's most congested corridors located through major metropolitan areas (e.g. I-35);*
- *Provide alternatives to other congested north-south corridors that run through major metropolitan areas (e.g. I-25);*



- *Help to facilitate trade between the U.S., Mexico and Canada; and*
- *Provide facilities that can effectively meet the traffic volumes and vehicle types that are traversing the corridor.”*

Strong Federal Role Required in Improve Movement of Freight

Our rural communities support modernizing our Nation's surface transportation network, including the upgrading of multi-state rural highway corridors, to meet the challenges of the 21st century.

Given the urgency and magnitude of this undertaking, it is imperative that the Federal Government be the strong partner that it has been in the past. From the First Congress' support of lighthouses, buoys and public piers to make navigation "easy and safe;" to Henry Clay's support for internal improvements; to President Lincoln's support for the transcontinental railroad; to President Teddy Roosevelt's support of the Panama Canal; to President Franklin Roosevelt's support for a cross-country, high-level road system; to President Eisenhower's support of the Interstate Highway System and the Federal Highway

STATEMENT OF DEB COTTIER
KEEPING GOODS MOVING IN AMERICA'S HEARTLAND
MAY 2, 2016
Page 5

Trust Fund; and to President Reagan's support for increased motor fuel user fees to preserve and modernize the Federal-aid highway network; the Federal Government has been instrumental in the development of our Nation's surface transportation system.

This system unifies our country by providing for the easy movement of people and goods. As President Eisenhower noted, without it, "we would be a mere alliance of many separate parts." The Federal Government must provide the leadership and resources to help preserve and modernize the national surface transportation network for the 21st century.

With a few minor exceptions, the federal-aid highway program targets federal highway investment on the network of roads most important to regional and interstate travel. There are four million miles of roads in the United States. Only 25 percent of these roads are eligible for federal-aid highway funding. This network of roads is known as the federal-aid highway system. It carries 85 percent of the total vehicle-miles travelled in the United States annually. The remaining seventy-five percent of the Nation's roads (roughly 3 million miles) are the responsibility of state and local governments.

Even more importantly, the vast majority of federal-aid highway investment (about 75 percent) is dedicated to the National Highway System (NHS), a portion of the federal-aid highway system.

The NHS, which includes the Interstate Highway System, makes up only 5 percent (about 220,000 miles) of the Nation's road mileage but carries 55 percent of total vehicle-miles traveled and over 90 percent of truck miles. It is the backbone of the federal-aid highway system as well as America's intermodal transportation network. The Ports-to-Plains Corridor, the Heartland Expressway, the Camilo Real and the Theodore Roosevelt Expressway are part of the NHS.

By fostering an interconnected network of roads in uniformly-sound condition, the federal-aid highway program serves an important national purpose. This purpose can only be achieved by a certain amount of redistribution, which the federal-aid highway program achieves through its structure and formulas.

Without redistribution, certain states--typically large, sparsely-populated states--would not be able to develop and maintain their portion of the network. A network is only as strong as its weakest links.

It is also important to note that modernizing the federal-aid highway system, especially the major highways that make up the National Highway System, will require significant, sustained investment over a considerable period of time. The investment level needed is considerably higher than current levels of funding.

Multi-state Rural Freight Corridors Are a Federal Interest

A critical part of the national network is the multi-state rural highway corridors that are essential to the development of America's energy and agricultural resources. The antiquated two-lane highways that currently serve most of these corridors were not designed to carry the number of trucks, especially heavy trucks, currently being experienced up and down these corridors.

STATEMENT OF DEB COTTIER
KEEPING GOODS MOVING IN AMERICA'S HEARTLAND
MAY 2, 2016
Page 6

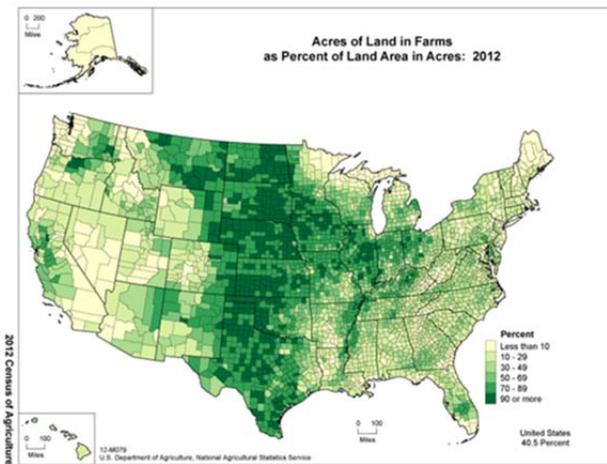
Moreover, these roads are not geometrically designed to accommodate the large trucks being used today by the energy and agricultural industries.

Nowhere is this more evident than in the Ports-to-Plains Alliance Corridor. The north-south movement of goods and persons through this ten-state economic region relies on an existing 3,088-mile network of two-lane highways. The good news is that almost 54% of this corridor has been upgraded to four-lane or better.

To promote economic security and prosperity throughout America's energy and agricultural heartland, the Ports-to-Plains Alliance Corridor must be upgraded and modernized. Other multi-state rural highway corridors important to energy and agricultural production must also be improved.

Only in this way will the United States be able to realize the full potential of its energy and agricultural resources. By doing so, it will take an important step toward energy self-sufficiency and increased international competitiveness of U.S. agriculture.

Overview of the Agriculture Regional Economy



As indicated in the Texas Freight Mobility Plan agriculture is the largest user of freight transportation in the United States. Nebraska agriculture reflects the importance of agriculture to the economy of the ten-state Ports-to-Plains region. The Nebraska Agriculture Fact Card, a cooperative effort of the Nebraska Department of Agriculture, USDA, NASS, Nebraska Field Office, and the Nebraska Bankers

| Agricultural Production | 2012 \$billion |
|-------------------------|-------------------|
| U.S. | 394.644 |
| Colorado | 7.781 |
| Kansas | 18.461 |
| Montana | 4.230 |
| Nebraska | 23.069 |
| New Mexico | 2.550 |
| North Dakota | 10.951 |
| Oklahoma | 7.130 |
| South Dakota | 10.170 |
| Texas | 25.357 |
| Wyoming | 1.689 |
| PTP Total | 111.388 |
| PTP Percentage | 28.22% |

2012 Census of Agriculture

Association highlights Nebraska's Top National Rankings. The state ranks first in the nation in beef and veal exports, 2014 (\$1,128,700,000); cash receipts from meat animals, 2014 (\$13,885,411); commercial red meat production, 2015 (7,470,600,000 lbs.); commercial cattle slaughter, 2015 (6,575,100 head); all cattle on feed, January 1, 2016 (2,520,000 head); Great Northern bean production, 2015 (763,000 cwt.); popcorn production, 2012 53,711,118 lbs.); and irrigated acres of cropland, 2012 (8,225,973 acres).

Nebraska ranks as the second state in the nation for All cattle and calves, January 1, 2016 (6,450,000 head); Pinto bean production, 2015 (1,878,000 cwt.); Proso millet production, 2015 (3,298,000

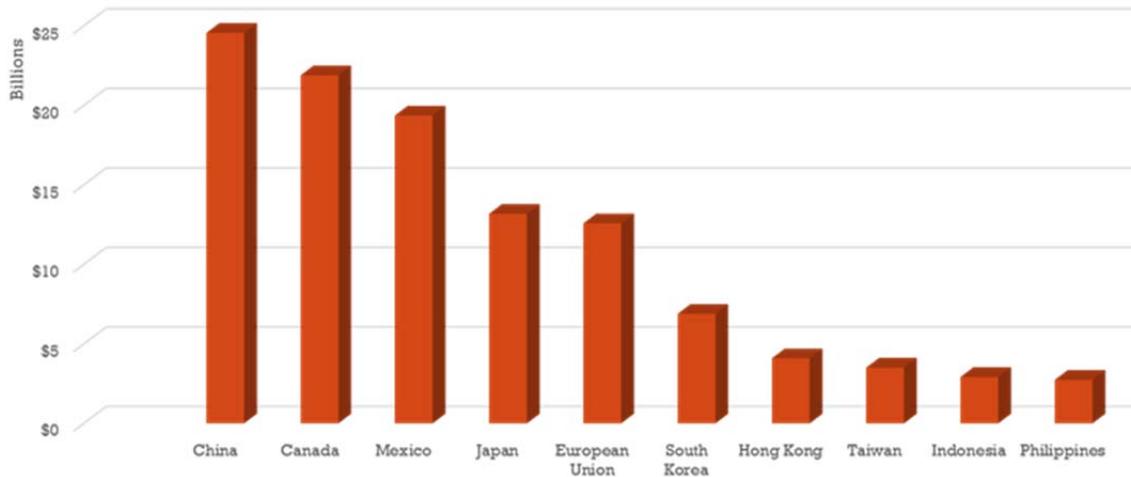
STATEMENT OF DEB COTTIER
KEEPING GOODS MOVING IN AMERICA'S HEARTLAND
MAY 2, 2016
Page 7

bushels); Light red kidney bean production, 2015 (298,000 cwt.); and Bison, December 31, 2012 (23,152 head).

For corn for grain production, 2015 (1,692,750,000 bushels); cash receipts from all farm commodities, 2014 (\$24,942,122,000); and corn exports, 2014 (\$1,212,400,000), Nebraska ranks as the third state in the nation.

Nebraska agriculture relies on the nationwide transportation system for both inputs and outputs of its agriculture production. Interstate and international commerce is critical to Nebraska agriculture and that is a reflection of the entire Ports-to-Plains Region. This ten-state region produces over \$111 billion of agricultural goods, or 28.22% of the U.S. total. The region boasts three of the top ten farm states: Texas, Nebraska and Kansas.

2014 Top 10 US Ag Export Markets



Movement of agriculture products from the primarily rural areas across the Ports-to-Plains region to urban domestic markets and to export markets on the coasts requires infrastructure investments that connect production to consumers. Canada and Mexico are the second and third top export markets for U.S. farm products. The agriculture production regions in the U.S. often are not located near major urban areas or coastal export facilities. A strong Federal interest is required to ensure the agriculture resources can safely and efficiently reach domestic and global markets.

Overview of the Energy Regional Economy

While agriculture has been and will continue to be the economic base for Nebraska and the entire ten-state Ports-to-Plains region, energy has emerged as a significant economic driver across the region. Energy production, including conventional resources like oil and natural gas, combined with strong renewable energy including wind development, use resources in rural areas to meet the growing needs of urban areas and a global market.

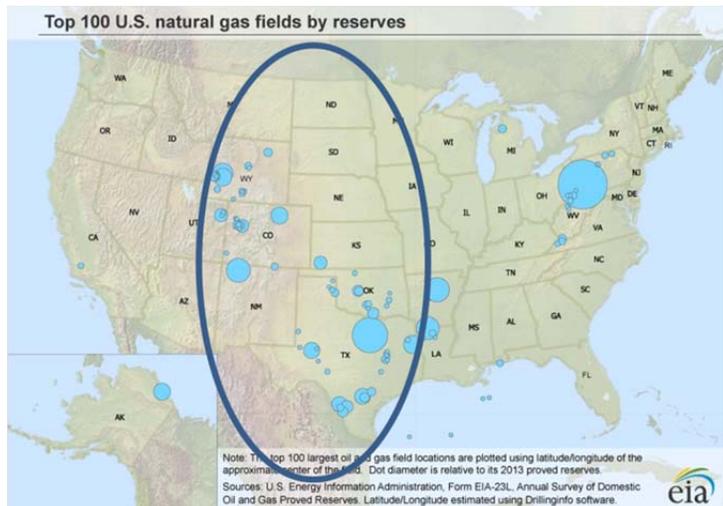
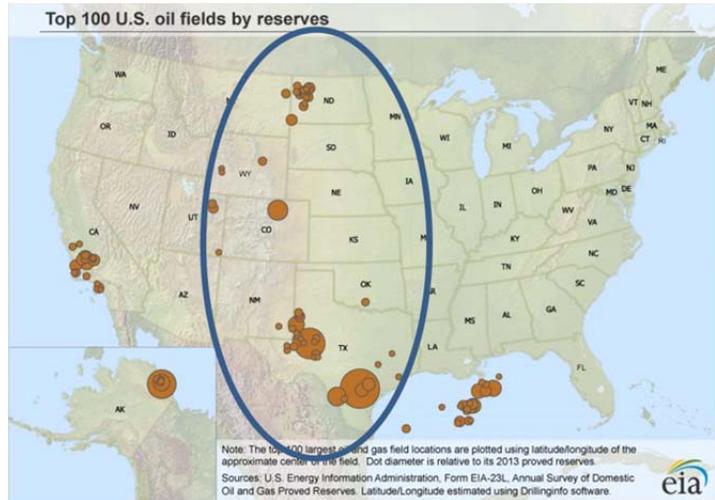
STATEMENT OF DEB COTTIER
KEEPING GOODS MOVING IN AMERICA'S HEARTLAND
MAY 2, 2016
Page 8

The Ports-to-Plains Alliance tagline says “*Securing the Benefits of Commerce to North America’s Energy & Agricultural Heartland.*” The highway system connects a region that includes significant conventional and renewable resources. Energy security is provided by North America’s energy development and the Ports-to-Plains region provides the connections needed to develop those resources including world class oil, gas and wind resources.

Oil and Natural Gas

From an oil and gas viewpoint the corridor connects Alberta, Canada and Texas, both the production and reserve leaders in the world. The highway system moves the people and equipment needed to develop these resources. The Bakken in North Dakota, Montana, Saskatchewan and South Dakota; the Niobrara in Wyoming, Colorado and Nebraska; and the Barnett and Permian in Texas; and the Eagle Ford in Texas are connected by the Ports-to-Plains Corridor. The Corridor provides the connection between the Houston, Denver and Billings. To summarize the oil and gas role of the region:

- Seven of top ten and eight of the top fifteen oil producing states, producing over 1.667 billion barrels annually in 2013
- Alberta ranks third, after Venezuela and Saudi Arabia, in terms of proven recoverable global crude oil reserves
- Five of the top eight and seven of the top fifteen natural gas producing states that produced over 57.5% or 13,966,836 million cubic feet in 2012
- Oil and natural gas accounts for three million jobs or 35.8% of the nation in the region, generating incomes of over \$208.5 billion or 40.5% of the entire nation's oil and gas jobs and income

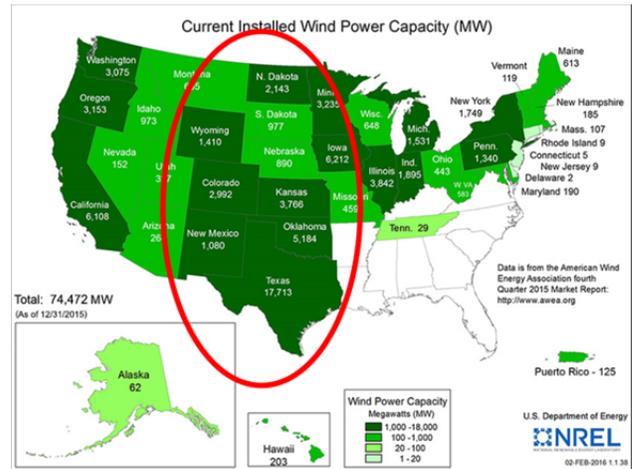


There are those who will point to a bust in the U.S. energy boom. They cannot wait to share stories of job losses and bankruptcies, but while the boom has stopped, the reality is that the production continues. The following from North Dakota shows that energy will be returning to its boom days. “North Dakota's top oil regulator had a message for Williston leaders this week: Get ready... When – not if – oil prices increase, drilling crews will be back in the Bakken eager to make up for lost time,” said Director of Mineral Resources Lynn Helms. “The industry is preparing for the world's oil supply to come

STATEMENT OF DEB COTTIER
KEEPING GOODS MOVING IN AMERICA'S HEARTLAND
MAY 2, 2016
Page 9

into balance by the end of 2016 or the first half of 2017,” Helms said. “He anticipates that once that happens, the price could double ‘virtually overnight.’”

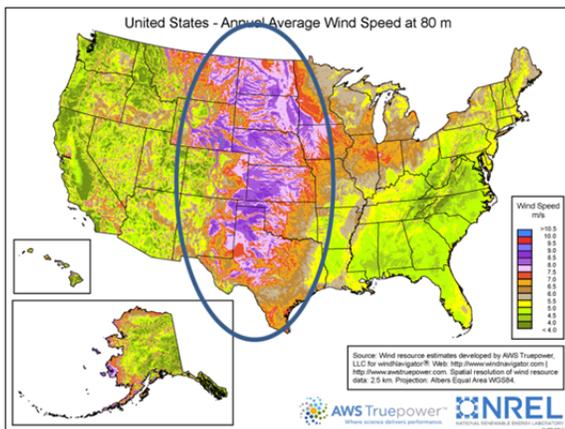
Energy development is reliant upon moving employees and large equipment across the north-south region, often on narrow two lane highways and bridges. As an example, U.S. Highway 85 of the Theodore Roosevelt Expressway saw 72,000 permits for oversize and overweight trucks in 2014. Energy security for the United States is dependent upon a transportation system that again connected rural America where the resources are located and the labor force, the technology and ultimate markets for U.S. energy. A strong Federal role is required to provide the resources needed to build and maintain infrastructure from lower population areas to urban areas.



Renewable Energy/Wind

Renewable wind resources are also abundant throughout the region.

- Four of the top ten and seven of the top twenty U.S. States for Installed Wind Capacity
- The region accounts for 48.9% of the total current wind generation in the U.S.
- Top six nationwide, eight of the top 10 U.S. states for Potential Wind Energy Generation, nearly 76.9% of the U.S. potential



These wind resources are resulting in the addition of manufacturing facilities for nacelles (turbines), blades and towers in Texas, Colorado, Kansas, Wyoming and North Dakota. Production and manufacturing creates jobs and tax base for many of our communities.

The electricity being generating is being transmitted to urban areas for primary use of urban populations. Once again a strong Federal interest will be required to support the needed infrastructure across the rural production areas.

STATEMENT OF DEB COTTIER
KEEPING GOODS MOVING IN AMERICA'S HEARTLAND
MAY 2, 2016
Page 10

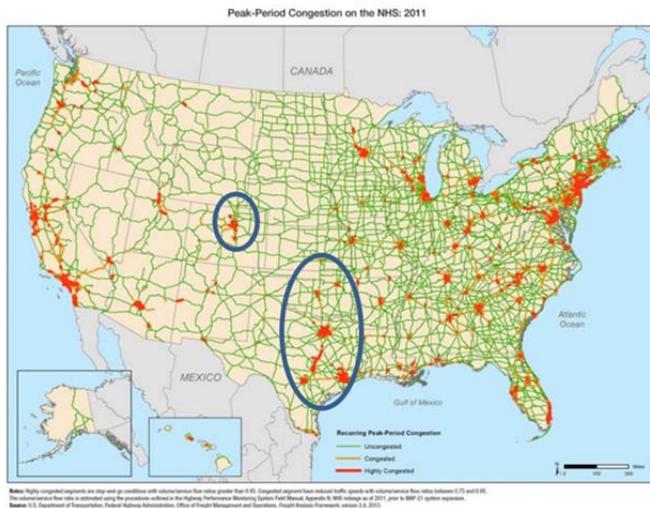
Rural Corridors: An Alternative to Freight Chokepoints

One largely unexplored role of rural freight corridors requiring a strong Federal interest is the opportunity presented by multi-state rural corridors like the Heartland Expressway and its partners in the Ports-to-Plains Alliance to address congestion and its accompanied environmental impacts in urban areas. State departments of transportation are often forced to look only at the expensive solutions of expanding already congested urban highway corridors. Historically, these expansions have only provided temporary relief.

The National Strategic Freight Plan indicates that this trend will continue.

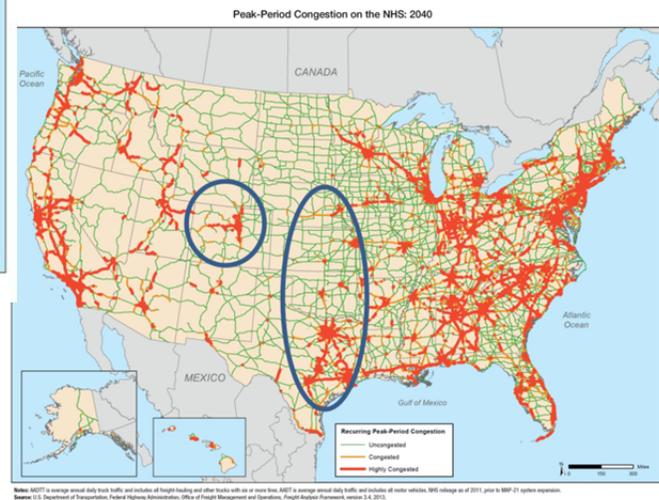
The U.S. economy is expected to double in size over the next 30 years. By 2045, the nation's population is projected to increase to 389 million people, compared to 321 million in 2015. Americans will increasingly live in congested urban and suburban areas, with fewer than 10 percent living in rural areas by 2040 (compared to 16 percent in 2010 and 23 percent in 1980).

The question looking for an answer is: can primarily rural multi-state freight corridors provide a safe, cost-effective opportunity to address growing congestion in urban areas? The maps below reflect the current peak period congestion using 2011 data and then projected to 2040.

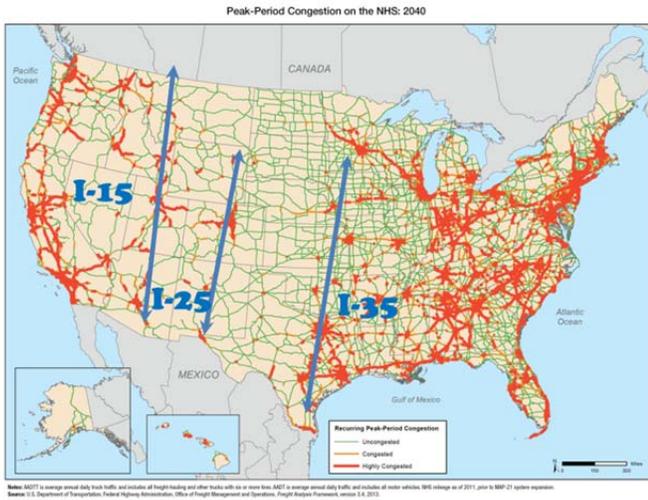


The peak period congestion, and thus freight choke points, grows significantly by 2040 based on current policy and investments combined with doubling the economy, significant population increase and shifts from rural to urban areas.

Within the Ports-to-Plains region, peak period congestion, creating freight choke points, existed in 2011 along Interstate 25 along the Colorado Front Range and along Interstate 35 including San Antonio, Austin and Dallas/Fort Worth in Texas, Oklahoma City, OK and Kansas City, MI.

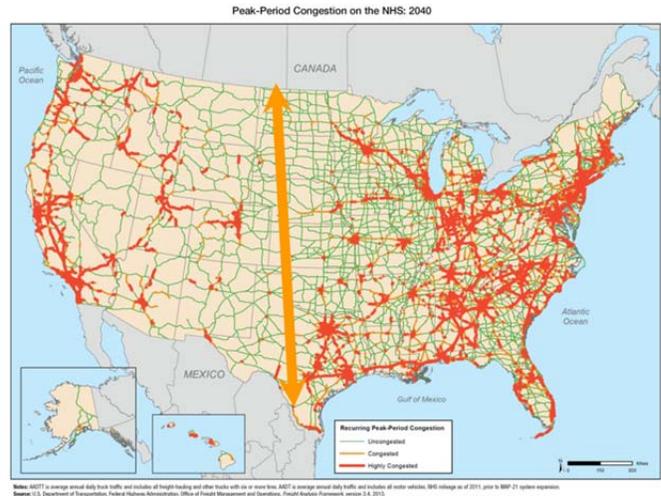


STATEMENT OF DEB COTTIER
KEEPING GOODS MOVING IN AMERICA'S HEARTLAND
MAY 2, 2016
Page 11



The Interstate Highway System, especially in the west addressed east-west movement of people and goods. It was an economic driver of great proportion. In the West the interstate system included Interstates 15, 25 and 35. As you can see, each of these corridors is growing significant congestion.

The Ports-to-Plains Corridor, with its target of a minimum development of four-lane divided highway can assist rural communities becoming more economically competitive and reducing the number of trucks creating freight choke points on the congested existing interstates.



Agriculture, energy and alternative corridors will require a strong Federal interest to guide a future that does not result in those shown in the 2040 projections.

Building Rural Economies Together through the FAST Act

As a rural economic developer and advocate for improved rural freight infrastructure, I would like to join the Heartland Expressway Association and the Ports-to-Plains Alliance in appreciation of the National Freight Policy included in the Fixing America's Surface Transportation Act. It provides an opportunity for an improved future in both rural and urban communities. The question that remains is how the FAST Act is implemented.

I and my partners in the Ports-to-Plains Alliance believe that the implementation of Critical Rural Freight Corridors under the FAST Act is a key to the opportunity for an improved future. USDOT/FHWA posted the guidance on designating and certifying Critical Rural Freight Corridors on April 27, 2016. USDOT/FHWA guidance now moves the implementation to state department of transportation. The USDOT/FHWA guidance did result in one concern about how USDOT/FHWA will view Critical Rural Freight Corridors for eligibility for both freight planning and funding opportunities offered by the FAST Act. The guidance includes the following statement:

First and last mile connectivity is essential to an efficiently functioning freight system. These public roads provide immediate links between such freight

STATEMENT OF DEB COTTIER
KEEPING GOODS MOVING IN AMERICA'S HEARTLAND
MAY 2, 2016
Page 12

generators as manufacturers, distribution points, rail intermodal and port facilities and a distribution pathway. FHWA encourages States, when making CRFC designations, to consider first or last mile connector routes from high-volume freight corridors to key rural freight facilities, including manufacturing centers, agricultural processing centers, farms, intermodal, and military facilities.

As our partners review the FAST Act, the emphasis on “first and last mile connectivity” seems to be a priority of USDOT/FHWA and not Congress. Our review of the FAST Act results in the only place that “first and last mile” appears in the legislation is as a portion of one twelve items to be considered by the Secretary in designating or re-designating the National Multimodal Freight Network. Even that consideration was described as “major distribution centers, inland intermodal facilities, and first- and last-mile facilities. “First and last mile connectivity” is not mentioned in relationship to Critical Rural Freight Corridors in the FAST Act. We wish to be sure that “first and last mile” is not prioritized above corridors in future decisions under the FAST Act.

Below, I will outline the relationship of Critical Rural Freight Corridors to two planning networks and two funding programs.

Congress had the foresight to finalize the National Highway Freight Network including 41,518-mile Primary Highway Freight System identified during the designation process under MAP-21, Critical Rural Freight Corridors, Critical Urban Freight Corridors, and the portions of the Interstate System were not designated as part of the primary highway freight system. Once a Critical Rural Freight Corridor is designated and certified it is added to the National Highway Freight Network.

In addition to the National Highway Freight Network, Congress also required the designation of the National Multimodal Freight Network. The stated purposes of the National Multimodal Freight Network includes assisting States in strategically directing resources toward improved system performance for the efficient movement of freight on the Network; to inform freight transportation planning; to assist in the prioritization of Federal investment; and to assess and support Federal investments to achieve the national multimodal freight policy goals and the national highway freight program goals.

Included in the goals of this program are to strengthen the contribution of the National Multimodal Freight Network to the economic competitiveness of the United States; reduce congestion and eliminate bottlenecks on the National Multimodal Freight Network; to improve the short- and long-distance movement of goods that travel across rural areas between population centers; travel between rural areas and population centers; and to improve the flexibility of States to support multi-State corridor planning and the creation of multi-State organizations to increase the ability of States to address multimodal freight connectivity. These are clear goals that certainly address the rural freight opportunities and importance described earlier in the statement above.

The FAST Act requires the Interim National Multimodal Freight Network to be established by June 1, 2016 and a Final Network of the National Multimodal Freight Network to be designated by December 4, 2016. The Under Secretary of Transportation for Policy is responsible to establish an Interim National Multimodal Freight Network not later than 180 days after the passage of the FAST Act. The second deadline, within the FAST Act, states that the Final Network of the National Multimodal Freight Network

STATEMENT OF DEB COTTIER
KEEPING GOODS MOVING IN AMERICA'S HEARTLAND
MAY 2, 2016
Page 13

be established by the Undersecretary not later than one (1) year after passage of the Act. This Final Network is established after soliciting input from stakeholders, including multimodal freight system users, transportation providers, metropolitan planning organizations, local governments, ports, airports, railroads, and States, through a public process to identify critical freight facilities and corridors, including critical commerce corridors, that are vital to achieve the national multimodal freight policy goals. Critical Rural Freight Corridors need to be considered throughout this process. This National Multimodal Freight Network will not be re-designated for up to five (5) years after the establishment of the Final Network. Once again, designated Critical Rural Freight Corridors are eligible components of this Network.

With the guidance provided by USDOT /FHWA for the designation and certification of Critical Rural Freight Corridors, the process of state departments of transportation is able to move forward. If state departments of transportation act quickly, Critical Rural Freight Corridors may be considered by the Undersecretary for the Interim National Multimodal Freight Network. As of this date, that window of opportunity is very narrow. After June 1, 2016, Critical Rural Freight Corridors will have up to six months to engage in the stakeholder process for the establishment of the Final Network of the National Multimodal Freight Network. The opportunity to include Critical Rural Freight Corridors as a component of the National Multimodal Freight Network now rests with the state departments of transportation.

Critical Rural Freight Corridors within the FAST Act seem designed to address the need to connect the importance of agricultural production to the domestic and global markets requiring food and fiber. Congress recognizes the Critical Rural Freight Corridors provide access or service to grain elevators; agricultural facilities; and intermodal facilities including connections to international ports of entry.

Critical Rural Freight Corridors within the FAST Act also seem designed to address the importance of access or service to energy exploration, development, installation, or production areas to the domestic and global markets requiring energy resources. The Heartland Expressway in Nebraska is one link in the infrastructure required to safely make those connections. Implementation of Critical Rural Freight Corridors by state departments of transportation will be a major factor in the region remaining competitive economically.

The National Highway Freight Program provides for the first-time formula funds to states to improve the efficient movement of freight on the National Highway Freight Network. Nebraska is authorized for \$58.8 million over the five years of the FAST Act. This amount is above what has already been distributed to Metropolitan Planning Organizations for the same purposes. States are allowed to obligate these formula funds to Critical Rural Freight Corridors. The April 27, 2016 guidance on designating and certifying Critical Rural Freight Corridors indicates that National Highway Freight Program can be authorized once the FHWA Division Office verifies that the certification from the state department of transportation is valid.

Additionally, the FAST Act established a Nationally Significant Freight and Highway Projects program as a competitive grant process (FASTLANE) with dedicated funding specifically for freight projects. The competitive grant program includes \$4.5 billion nationally from 2016 through 2020, an annual average of \$900 million. Each fiscal year, at least 25 percent of all Nationally Significant Freight and Highway Projects funds are reserved for projects – either large or small projects – in rural areas,

STATEMENT OF DEB COTTIER
KEEPING GOODS MOVING IN AMERICA'S HEARTLAND
MAY 2, 2016
Page 14

defined as an area outside a U.S. Census Bureau designated urbanized area with populations over 200,000. Eligible projects include a highway freight project carried out on the National Highway Freight Network. In relationship to Critical Rural Freight Corridors, the April 27, 2016 guidance indicates that designated and certified Critical Rural Freight Corridors will be eligible for funding under the Nationally Significant Freight and Highway Projects program (FASTLANE).

Congress through the FAST Act provided a framework and funding to assist with improved freight movement and especially rural freight movement in the United States. Congressional oversight, however, will be important as individual state departments of transportation like Nebraska Department of Roads, and the administration of USDOT/FHWA have been given major decision-making authorities on how the funding of freight programs are allocated.

Conclusions

As I conclude, let me summarize. There is significant importance of the transportation system to rural economic development. Research shows that economic strength of communities is strongly affected by proximity to an interstate highway or at minimum a four-lane highway. Significant economic national benefits from the development of primarily rural corridors to a four-lane profile is demonstrated through benefit/cost analysis in the Corridor Development and Management Plans for the Heartland Expressway in Nebraska and the Ports-to-Plains Corridor in Texas, Oklahoma, New Mexico and Colorado.

Second, if improvements are to be made in the rural movement of freight, it will require a strong Federal role. Historically, that has been the case. A critical part of the national network is the multi-state rural highway corridors that are essential to the development of America's energy and agricultural resources. A strong Federal interest will be required to improve existing corridors but also to implement programs which look to alternatives to the already congested interstate system.

Finally, the FAST Act has provided a policy and funding framework for Building Rural Economies Together. At the very core of that framework for multi-state rural corridors is the role of Critical Rural Freight Corridors. State departments of transportation hold the reins to the timing and priority of Critical Rural Freight Corridors.

Thank you, Chairwoman Fisher. I ask that a copy of this statement be included in the hearing record.

