

**Transportation and Telecommunications Committee September 20, 2019**

**FRIESEN:** So welcome, everybody, this afternoon to the Transportation and Telecommunications Committee. Well, we're going to, you know, try and be the fun committee today. I'm in competition with Senator Hughes and the Natural Resources. So game on. Welcome, everybody. What I'm going to do is start. We're going to-- we are going to use the light system today-- five minutes-- but I don't know if it will be that necessary. We'll see once there's-- not exactly a room full here. But I do ask everyone to silence their cell phones and things like that. And with that, I will basically let everybody introduce themselves, starting with Senator Hughes over there on the end.

**HUGHES:** Senator Dan Hughes, District 44: ten counties in southwest Nebraska.

**BOSTELMAN:** Bruce Bostelman, District 23: Saunders, Butler, and the majority of Colfax Counties.

**ALBRECHT:** And Senator Joni Albrecht, northeast Nebraska, District 17: Wayne, Thurston, and Dakota Counties.

**FRIESEN:** And I'm Curt Friesen from District 34: Hamilton, Merrick, Nance, part of Hall County. And we have Tip O'Neill here as the legislative counsel, and Sally over there is going to be the clerk.

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And I-- with that, I think we're going to be ready to go. And welcome, Senator Cavanaugh, on LR174.

**CAVANAUGH:** Thank you, Chairman Friesen and members of the Transportation Telecommunications Committee. My name is Machaela Cavanaugh, M-a-c-h-a-e-l-a C-a-v-a-n-a-u-g-h, and I represent District 6, west-central Omaha. I'm here to introduce LR174, an interim study to examine how we use the Highway Trust Fund and to improve transit infrastructure in underserved areas. I hope this will be a very fun hearing and we don't get into it on the ornate box turtle. Senator Hughes, please keep that in mind. Nebraska towns and cities are designed around the use of private cars but, if you don't have access to a car or simply want to use other methods of transportation, your options can be very limited, depending on where you live. Not only does this negatively impact public health and environmental quality, but it also makes it harder for working class Nebraskans to get jobs, make it to doctors' appointments, and even buy food from grocery stores. LR174 is an opportunity for the Transportation and Telecommunications Committee to learn more about the Highway Trust Fund, including how it is funded and how those funds are utilized. This is an opportunity to hear from those across the state that are facing challenges in creating access to food, healthcare, work, and education due to infrastructure constraints. So I just have a few testifiers today. We're going to hear from: the Department of

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Transportation; and from Mode Shift, which is an advocacy organization based in Omaha; Citizens for Improved Transportation; Nebraska Appleseed; Community Action of Nebraska; the YWCA of Lincoln; and we have a handout from Samuel Malson from the Fiscal Office which has just a Highway Trust Fund report for everyone and the-- Chris Funk from the Center For People In Need also submitted a letter in writing about public transit. So with that I will take my leave.

**FRIESEN:** Thank you, Senator Cavanaugh. And are there any questions from the committee to start with? Or everybody-- looks--

**CAVANAUGH:** Senator Hughes?

**FRIESEN:** Looks like we're, we're good for now. And are you going to be around for kind of a closing or a--

**CAVANAUGH:** I--

**FRIESEN:** Or are you going to have to run?

**CAVANAUGH:** I'm not sure if I'll stay for a closing or not, so.

**FRIESEN:** So basically you're-- so to look at all sorts of how we fund things, what we might do more in public transportation-- is that your--

**CAVANAUGH:** So really I just-- this morning I had an interim study on the Health Care Cash Fund, which is committee I sit on, and I thought,

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well, we have-- I have-- there's cash fund-- or trust fund-- for the two committees that I participate in. So I thought it was a good opportunity for us, as a committee, to just learn about the trust fund and, also, at the same time, have a conversation about infrastructure constraints that we, as a state, face. I mean we've talked a lot about access to care and education across Nebraska. And just thought it would be a good opportunity to see, learn a little bit more. And there's not really an end objective except for learning, so.

**FRIESEN:** OK, yeah. Appreciate that; thank you.

**CAVANAUGH:** Thank you.

**FRIESEN:** I will remind those that want to testify, they need to fill out a green sheet, I think, and hand it in and hand it to the clerk. So whoever wants to start off, come forward and make sure you state your name and spell it.

**RICHARD SCHMELING:** Thank you, Senator Friesen and members of the committee. My name is Richard Schmeling and I will live here in Lincoln at 4610. Van Dorn Street. I'm originally from Superior, Nebraska, which is located near Hastings.

**FRIESEN:** Spell it, please; spell your name.

**RICHARD SCHMELING:** Richard Schmeling, S-c-h-m-e-l-i-n-g. I grew up in Superior, Nebraska, which is in south-central Nebraska and right along

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the Kansas border; it's near Hastings. And Senator Bostelman, coincidentally, grew up in the same town but, as you can see, he was a lot younger than I am. I'm going to start with just a little bit of a story because I think it illustrates why we're all here. I called the transportation office in Superior. I said, if I want to go someplace from Superior, what can I do? The answer was they have a van, and the van goes five days a week from Superior to Hastings and return. However, if I want to come to Lincoln, I can only use that van for medical appointments. If I want to go to Omaha, I can only use that van for medical appointments, and there are certain days where they don't have a driver so the van may not run. You have to book your trip 24 hours in advance. Now when I was growing up in Superior, we had four railroads. Each of those four railroads offered passenger service. We also had Superior to Fairbury to Lincoln bus line daily. We had the Yellow Diamond Line that came from Hastings down to Superior. If you took Superior, Fairbury, and Lincoln stages, you could get off at Chester, Nebraska, on U.S. Highway 81, and you could catch a Santa Fe Trailways bus. There are-- we had good public transportation back then. Today we have little to none, and that's really a problem. Now one thing that I found real interesting is they've done a national survey of millennials and I'm going to go ahead and leave with the clerk--

**SALLY SCHULTZ:** Thank you.

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**RICHARD SCHMELING:** --a copy of that. What we found out is that millennials, when they choose where they want to live, they're different than the older generation. What they want to do is they want to go to cities that have good public transportation and good mobility. It's real interesting with the millennials because, about 20 years ago, about ninety-six percent of the people-- young people becoming of age-- bought automobiles and drove them. Today that percentage is down to 72 percent. I can tell you act, acted, just, just anecdotally, I ride StarTran here in Lincoln. We have a lot of young people riding the public bus system. We live in an auto-centric society. The car is, is so convenient. You know, you go out, you get in your car, you turn the key, and you go someplace. But there's a price to be paid and there's a hidden cost to that. And I'm going to next distribute a, a survey that essentially concludes we have killed more people in highway accidents since 2012 than the total American casualties for World War I and World War II combined. That's sobering. And there's an economic cost associated with all of those accidents.

**SALLY SCHULTZ:** So are there any others-- exhibits?

**RICHARD SCHMELING:** Yeah. You want it?

**SALLY SCHULTZ:** [INAUDIBLE].

**RICHARD SCHMELING:** There's a tremendous economic cost associated with those accidents. If we beef up public transportation, arguably we'll

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have more people using public transportation than, than currently do. We won't have as many cars on the road. A pamphlet that you're going to get is something I did that was specific to Lincoln about StarTran but the statistics carry through nationwide. You are ten times safer riding a StarTran bus, or any other form of public transportation, than you are driving-- ten times less likely to be killed or injured. Now there's, there's a lot of hidden costs with driving. And annually I get something from American Automobile Association, and it's a nice little pamphlet, and it's called "Your Driving Costs." I got the new one and I have, unfortunately, not enough for all the committee members. But perhaps we can duplicate it and give it to the people. I just got the new survey, and it's interesting that if you own and operate a small sedan, what you're going to end up paying is you're going to end up paying in the neighborhood of \$8,185 a year to operate that vehicle. OK? If you have a medium sedan, you're going to be in the neighborhood of \$9,800. If you're driving a large sedan, that brings it up to \$11,836. If you're doing a small SUV, then you're \$9,629. If you have a medium-sized, four-- SUV four-wheel drive, then you're in the neighborhood of \$11,819. That price has gone up during the past year. It's up considerably and it's not gasoline that did it. They tell me that what happened is we have a 24 percent increase in the cost of repairs from this year compared to last year. Similarly, there has been a, an increase in the cost of financing your vehicle. And that's what's ended up with these figures. I very much would like

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to see Nebraska get on board with public transportation. We are years behind. We're back in the horse and buggy era in terms of public transportation. We have a carryover bill, LB410, that would get us back in the Midwest Interstate Rail Passenger Compact [SIC]. We need to pass that bill. We need to be a part of that. And unfortunately, I feel that we may have a governor who is anti-public transit; and that's not going to serve the interests of Nebraskans. One final thing I will tell you, and this bears upon the mobility as far as jobs. May I just--

**FRIESEN:** Wrap up rather quickly.

**RICHARD SCHMELING:** OK. I checked with a, an employment service here in Lincoln that's partially financed by the city of Lincoln. They told me the single biggest barrier to placing people in jobs in Lincoln is transportation. They can't get applicants out to the plants for interviews, and then the people can't work there because the buses can't, can't get them there. Then the other component is a statewide survey done by Citizens Action of Nebraska. They listed six or seven categories of things that were barriers to people getting ahead in life, you know, improving their lot. And one of the factors was transportation. It was amazing to me, but transportation was rated in that survey as the number one barrier to people getting ahead in Nebraska. So if we're going to have a good state, we're going to

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attract those millennials, we're going to attract business, and so on  
and so forth, we need to get with it.

**FRIESEN:** Thank you, Mr. Schmeling. Any questions from the committee?  
One question-- do you think autonomous vehicles, down the road, will  
change how we view public transportation?

**RICHARD SCHMELING:** The futurists are looking at that. Actually there  
was a survey done in Lisbon, Portugal, about autonomous vehicles. What  
they found was that actually it increased, rather than lessening,  
congestion. Their theory was that, if you had a little vehicle at your  
command, you didn't economize your trips. What you did was you took  
one of them to go to a grocery store, later you went to the doctor,  
later you went and did this. So I think the autonomous vehicles are  
not going to be a solve-all for the problem, and I question the  
rightness of the technology of those things.

**FRIESEN:** OK.

**RICHARD SCHMELING:** I think they're, they're still very dangerous.

**FRIESEN:** OK, thank you. Seeing no other questions, thank you.

**RICHARD SCHMELING:** Thank you.

**FRIESEN:** Others that wish to testify? Welcome.

**CRYSTAL EDWARDS:** Thank you; thank you for having me. Is my time ready?

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**FRIESEN:** Yes.

**CRYSTAL EDWARDS:** My name is Crystal Edwards; that's C-r-y-s-t-a-l E-d-w-a-r-d-s. I have a Ph.D. in sociology from the University of Nebraska in Lincoln, and I'm here representing Mode Shift Omaha as a member of their board of directors. I'm here to advocate investing in alternative modes of transportation, improving urban centers, building affordable housing, and linking urban centers. Many times rural people travel great distances to Nebraska, to the Nebraska Medical Center where they find themselves overwhelmed by the 60,000 cars visiting each day, just to the Medical Center. What if, in their time of need, they could board a train in a more familiar location and arrive at the Med Center? This would eliminate the cars, parking, and pollution. Now imagine Omaha has a short and affordable train ride to the Capitol and flagship university. Alternative modes of transportation reduce the burdens on roads. We can eliminate food deserts with better walking, biking, and train infrastructure that runs throughout the city, invest in bicycle and e-bicycle with appropriate infrastructure, including dedicated lanes and connected trail systems, elevate the sidewalk to the status of roads and develop networks of walking and biking trails within and between cities, treat them as major public thoroughfares and demand ADA compliance. Communities will simultaneously produce less carbon emissions and invigorate microeconomies. Additionally, it is absolutely necessary to focus on beautification. All infrastructure

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projects should focus on removing barriers like empty lots, abandoned businesses, and fast moving traffic. You need trees and other landscaping throughout, and you need to make-- to create more parks. Additionally, we must build more affordable housing in the core urban areas. Denser areas allow for increased leisure spending per capita, creating new segments of the economy that are supportive of small businesses, the arts, and cultural and niche industries. Last we should, we must link urban centers, use buses to meet in-town and out-of-town travel needs, and build a commuter train between Council Bluffs, Omaha, and Lincoln. This will link the three major metro areas and alleviate the heaviest traffic areas of the state. In conclusion, if you want to alleviate concerns about food deserts, congestion, and pollution, you want to do that by investing in alternative modes of transportation, improving urban centers, building affordable housing, and linking urban centers. Thank you.

**FRIESEN:** Thank you, Ms. Edwards. Any questions from the committee?

**CRYSTAL EDWARDS:** Excuse me, it's Doctor.

**TIP O'NEILL:** Dr. Edwards.

**FRIESEN:** Doctor-- sorry.

**CRYSTAL EDWARDS:** That's all right.

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**FRIESEN:** Any questions from the committee? Have you any idea how the electric scooters are going over, as far as a short-term transportation fix?

**CRYSTAL EDWARDS:** I think this one scratches our head. We really have to have infrastructure in order to have extensive use for something like that. You're, you're caught in a terrible situation where they are parking them on the sidewalk, taking up public space. They're not supposed to use them on the sidewalk. They're driving in them, in the, you know, in the roads, which is also not a safe space. So I think, in terms of infrastructure, we need to be looking at nonmotor or, you know, like kind of lower-end motorized vehicle space like the scooter, the e-bike. Also, you're seeing a lot of people with advanced wheelchairs now that are-- they're wanting access to these kinds of trails, as well, so.

**FRIESEN:** OK. Thank you. Any questions? Any other questions? Thank you for your testimony.

**CRYSTAL EDWARDS:** Thank you, Senator Friesen.

**ASHLEY FREVERT:** Good afternoon. Members of the committee, my name is Ashley Frevert; that's A-s-h-l-e-y F-r-e-v-e-r-t, and I work for Community Action of Nebraska as the executive director. We are the statewide association for Nebraska's nine Community Action agencies. Community Action is the largest antipoverty movement in the nation,

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with over 1,000 agencies serving 99 percent of counties. All of Nebraska's 93 counties are served by our agencies and, in any given year, we serve between 83,000 and 86,000 low-income Nebraskans. If you take a look at what was given to you today, you're going to see the second page is a little bit about our numbers, and we'll talk a little bit more about the third page that was given to you. We are longstanding and established in communities, with just over 55 years of proven success in addressing the causes and conditions of poverty in Nebraska. From what I can see, there are seven main components to this legislative resolution. And while community action is in every community throughout the state and could touch on each of them, I'm going to focus on the effective use of transportation to alleviate food deserts and access to transportation for employment purposes. So food deserts-- a food desert paints the picture of a barren wasteland full of heat, dust, and sand. But actually we have food deserts closer than you realize. A food desert for rural areas relates to population living greater than 10 miles from a grocery store. And that's a grocery store, not convenience stores. They're located in the southeast corner of this county and just to the north of us, covering almost half of Saunders County. Look straight to the east where you'll find another, stretching from the southwest corner to the center of Cass County. These have populations where at least 500 people live in low-income areas and have limited access to a grocery store or even a healthy, affordable food retail outlet. That's from the USDA Web site.

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And right now I am looking at the last page of what I have given you; it's the map. And this resource is found in a-- something you've probably seen before-- it is a Nebraska Food Council resource that the Center for Rural Affairs, in partner with a couple other, other different agencies, put together. And I can provide that, too, if you'd like. So for urban areas, populations living greater than one mile away from a grocery store are considered living in a food desert. Members of the committee, in northwest Lincoln, you have a significant food desert. Move further west and north. Some counties are total food deserts. For example, Hitchcock County, Morrill County, Knox County, and Greeley County are complete food deserts. Switching gears, but showing correlation to healthy food access, transportation to work, both in rural and urban communities, is a particularly large stress for people in Nebraska. This interim study's push to investigating sidewalks, bicycle facilities, and public transit is great, and low-income travel goes much deeper. There are many reasons why people choose to live in Nebraska and, according to recent reports, about 34 percent of us live in rural areas. One of the stigmas of people experiencing poverty is that they don't want to work. But our agency has moved to nearly 700 adults into employment just last year. This is a voluntary program. What we see being studied is how we can help those who choose to live in those places where they feel most successful and comfortable, emotionally and physically, and also can maintain employment they enjoy. Transportation and employment are

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social determinants of health. That's what Community Action is all about. If a person doesn't have adequate and reliable transportation that meets basic needs like access to healthy and affordable food, they aren't able to perform well at work, maintaining their economic mobility and self-reliance. If they can't maintain, they cycle. This is ongoing, and one will always connect to the other. We see it at our agencies on a regular basis. Please support this study. LR174 is a great step in a direction that we'd like to head. Thank you, and I'm happy to answer any questions.

**FRIESEN:** Thank you, Ms. Frevert. Any questions from the committee?  
Senator Bostelman.

**BOSTELMAN:** Director Frevert, I have a question. My question is more on the-- thank you for being here.

**ASHLEY FREVERT:** Yeah, sure.

**BOSTELMAN:** And thank you for the information, definitely.

**ASHLEY FREVERT:** You bet.

**BOSTELMAN:** More in the outlying areas-- as Mr. Schmeling said, I grew up in Superior. My father still lives in Superior. So I'm back there from time to time, and I know they're-- what he was talking about-- the van they have, the ground pick-up, different individuals. Or if need be transported out of, out of the city to Hastings, Grand Island

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for medical type things. And refresh my memory. I'm just not-- I don't remember exactly how this works, but I know we've had hearings in here before, talked about outstate where there are private companies that do provide services for the, for individuals. And either it's at a, at a reduced rate or it's picked up by Medicare or whatever it might be.

**ASHLEY FREVERT:** Um-hum.

**BOSTELMAN:** Could you, do you, could you have any information on that, that you could share with me--

**ASHLEY FREVERT:** Sure.

**BOSTELMAN:** --to help me understand that better?

**ASHLEY FREVERT:** So I can only speak to what Community Action does.

**BOSTELMAN:** OK.

**ASHLEY FREVERT:** So Community Action of Mid-Nebraska out, out in Kearney, has something called the RYDE Transit, which is a pretty large hub. They provide transportation services to surrounding areas, so Mid-Nebraska Community Action covers quite a large portion of southwestern and south-central Nebraska. They provide more of the Medicaid transportation services, and they are like a contractor provider. The problem that they've been seeing, though, is that Medicaid managed care is putting some stipulations on those that, that can be problematic, and placing some sort of fees, as well, if a

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person is late to being picked up and things of that sort. So there is some of that out there, but the cost of transportation services, like person to person, can, can get expensive. But, you know, but we're also talking about quality of life here, as well. I mean, people in Nebraska-- the reason why we live here is because, you know, we feel comfortable; we, we appreciate, you know, where we are, where-- the rural part of our state. So I think, you know, that's what this interim study is for. And I would--

**BOSTELMAN:** No, I, I, I--

**ASHLEY FREVERT:** --absolutely look more into that. I think this is, this is a great opportunity.

**BOSTELMAN:** No. I-- and I appreciate that. And I--

**ASHLEY FREVERT:** Um-hum.

**BOSTELMAN:** --and I, and I grew, I just wanted to refresh my memory on that--

**ASHLEY FREVERT:** Yeah.

**BOSTELMAN:** --because I know we've had testimony on--

**ASHLEY FREVERT:** Um-hum.

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**BOSTELMAN:** --on-- not this, but something as far as, you know,  
transportation,--

**ASHLEY FREVERT:** Yep.

**BOSTELMAN:** --especially for those people. I think most of it was for  
medical purposes--

**ASHLEY FREVERT:** Um-hum.

**BOSTELMAN:** --and those type of things.

**ASHLEY FREVERT:** Um-hum.

**BOSTELMAN:** And I was just hoping that you could help refresh my memory  
a little. I thought this was an opportunity to do that, so I  
appreciate it.

**ASHLEY FREVERT:** So one of the, one of the, the newer opportunities  
that is coming along that is really actually concerning, is that Uber  
is starting to get into the emergency services part of this. And the  
problem with that is it's, it's not keeping money in Nebraska.

**BOSTELMAN:** Hmm.

**ASHLEY FREVERT:** So I think that's something we should also consider--

**BOSTELMAN:** Sure.

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**ASHLEY FREVERT:** --is that we're getting, you know, huge conglomerates coming in and not providing the best service, as well. So we need to keep that in mind.

**BOSTELMAN:** Sure. OK, thank you.

**ASHLEY FREVERT:** Yeah, you're welcome.

**FRIESEN:** Thank you, Senator Bostelman. Any other questions? I noticed in your comments here, you talked about a grocery store, not a convenience store.

**ASHLEY FREVERT:** Right.

**FRIESEN:** How do you determine-- like some places in rural Nebraska, the convenience store is your grocery store--

**ASHLEY FREVERT:** Yeah.

**FRIESEN:** --so to speak.

**ASHLEY FREVERT:** Right. So I can give you an example. So I am from Winside, which is in Wayne County. We used to have a grocery store called Oberle's Market. And what that had was meat and vegetables and those healthy foods you would consider at a grocery store. Now it is a convenience store, so it does not have the fresh meat from our meat locker which is Thies Locker; they don't have that there anymore. It is frozen, prepackaged things that you could grab and go. For example,

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the cost difference, which is really concerning-- my, my grandma who just recently moved to an assisted living-- doesn't live in Winside anymore-- she wanted coffee and what was a canister of coffee, which was normally just a couple bucks, skyrocketed to over \$7.00 because it was convenient style. They, they had it there and they, they jacked up the prices kind of then, to put it frankly. And that's what happened with all of the prices in there. It is, it is not this affordable, accessible food that's healthy for families. It's the easily accessible so people have things that they can quick grab and go.

**FRIESEN:** So are you, are you saying if, if they don't have the fresh fruits, vegetables, lettuce, they're a convenience store, so to speak then.

**ASHLEY FREVERT:** There's more information in this. And I can provide this to you. There's a little bit more information in this report that was done. It's the "Biting into Food Access: A View of Nebraska's Food System." I can provide this to you guys if you would like more. It talks a little bit more about grocery stores and, you know, what health, what healthy food access is and things like that, that'll provide you a little bit more information, if you like.

**FRIESEN:** OK. Senator Albrecht.

**ALBRECHT:** Thank you, Chairman. You know, it kind of spiked my curiosity, too, when you talked about the convenience stores--

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**ASHLEY FREVERT:** Um-hum.

**ALBRECHT:** --because I'm actually in Emerson, Nebraska--

**ASHLEY FREVERT:** Yeah.

**ALBRECHT:** --live in Thurston-- but that was our only grocery store.

**ASHLEY FREVERT:** Um-hum.

**ALBRECHT:** So now they are having Hy-Vee deliver food to anyone who cannot get away from town or have transportation to go to--

**ASHLEY FREVERT:** Um-hum.

**ALBRECHT:** You know, some of them would just walk to the store, you know, or have a neighbor go get the food for them. So with that information, within the rural areas, that so many are closing down, and there's a lot of--

**ASHLEY FREVERT:** Um-hum.

**ALBRECHT:** --Dollar General stores that are popping up with food--

**ASHLEY FREVERT:** Right.

**ALBRECHT:** --but certainly not vegetables and fruits and--

**ASHLEY FREVERT:** It's not the healthiest food.

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**ALBRECHT:** --things that they need, the regular stuff. So I appreciate you bringing that to our attention.

**ASHLEY FREVERT:** Yeah, sure. You're welcome.

**FRIESEN:** Thank you, Senator Albrecht. Any other questions? Seeing none, thank you for your testimony.

**ASHLEY FREVERT:** You're welcome.

**KAREN BELL-DANCY:** Good afternoon. My name is Karen Bell-Dancy, K-a-r-e-n B-e-l-l-hyphen-D-a-n-c-y, and I am the executive director of the YWCA-Lincoln. It is my pleasure to be here this afternoon. The YWCA works to eliminate racism and empower women in Lincoln. To continue with our mission, we are testifying today for women and families who find it difficult to access affordable and healthy food sources and who are challenged to search for and/or continue in a job because of no access to transportation. Cody, Nebraska, population 154, is an example of a town whose residents lived in a food desert. For over ten years, residents drove an hour, either to Valentine or to Gordon, for bread and milk. Frustrating years of work did result in a positive outcome. They now have a grocery store. The term "food deserts" had been used in the United States beginning about 1990. The USDA defines food deserts as urban neighborhoods and rural towns without ready access to fresh, healthy, and affordable food. Instead of supermarkets and grocery stores, these communities may have no food

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access or they're served only by fast food restaurants and convenience stores that offer few healthy, affordable food options. Sometimes these are referred to as a food swamp. The concept of food deserts encompasses several access, aspects of food access: retail availability of fresh foods, affordability, and transportation to the food site. The USDA in 2016 estimated that more than 23.5 million people live in food deserts. More than half of these individuals are low-income. Rural communities continue to change and face challenges such as: population loss, lower than average household incomes, aging citizens, and the number of institutions in small towns is also declining. Rural grocery stores are one of the most important institutions to sustaining small towns. Depopulation of rural communities often occurs when lack of access to grocery stores, coupled with low access to jobs and schools, contribute to individual decisions to relocate out of a community. The USDA estimates that portions of 188 counties in the Plains states-- being Iowa, Kansas, Missouri, Nebraska, and South Dakota-- are food deserts where residents, including at least 64,000-plus low-income individuals, must travel over ten miles to access fresh food. There is a direct correlation of folks that live in food deserts also experience transportation issues. Many individuals in food deserts do not have access to private or public transportation. Researchers have attempted to measure the health impacts of living in a food desert and have found that higher rates of chronic diseases such as diabetes and adult

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and childhood obesity. They have been associated with lower aspects to affordable healthy foods. And I want-- I have more on here, but I won't to continue in consideration of time. But I am hoping that this committee will consider this study and move further with this. There are so many of the clientele that we serve here at the YWCA in Lincoln, Nebraska, that come from rural communities, and they're coming into the Lincoln Community because of the fact that this is a larger community and they think that it's more affordable and more accessible for them. Oftentimes they find that that is not the case. We are experiencing food deserts right here, within our community, in certain neighborhoods. Some-- many of the folks that we serve totally rely on public transportation and, if it's not affordable and not accessible, then they don't have that option of finding healthy foods. We have a food truck that comes out and parks in our parking lot down on 17th and South every other Wednesday. Each week that that truck is there, the line is growing longer, folks walking and having to walk several blocks to come get food. And I'm just hoping that this study will address that transportation issue, as well as food issue, and is promoting equity and access for all of our residents. Thank you.

**FRIESEN:** Thank you, Ms. Bell-Dancy.

**KAREN BELL-DANCY:** Yes.

**FRIESEN:** Any questions? Senator Bostelman.

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**BOSTELMAN:** Thank you, Mr. Chairman. Thank you, Director Bell-Dancy,  
for being here today.

**KAREN BELL-DANCY:** Thank you.

**BOSTELMAN:** My question comes to, as you speak of Lincoln--

**KAREN BELL-DANCY:** Um-hum.

**BOSTELMAN:** --and I fully appreciate what you're saying-- what's the  
solution? And I don't want-- I'm not being-- I'm, you know, there's--  
we have bus service. Are we not putting up-- is Lincoln not putting  
the bus service in the right places?

**KAREN BELL-DANCY:** Um-hum.

**BOSTELMAN:** Is it other type of transportation provided by other--  
maybe nonprofits or other, other things that's not sufficient--

**KAREN BELL-DANCY:** Um-hum.

**BOSTELMAN:** --that needs-- and I'm just looking more at Lincoln as an  
easier, perhaps, way of--on a, on a microscale--

**KAREN BELL-DANCY:** Um-hum.

**BOSTELMAN:** --and not on a state-wide scale--

**KAREN BELL-DANCY:** Yes.

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**BOSTELMAN:** --on a microscale, of, of talking about, you know, they are-- a person is walking ten blocks,--

**KAREN BELL-DANCY:** Right, um-hum.

**BOSTELMAN:** --whatever it is. What ideas do-- have you all-- are there things that's being discussed or has been discussed, either by the city or others, that help me understand better about what opportunities might be out there and--

**KAREN BELL-DANCY:** Sure.

**BOSTELMAN:** --and when, when we're dealing with it?

**KAREN BELL-DANCY:** Sure. My first year as executive director with the YWCA-Lincoln, which was 2016, we held a forum, and that was when the proposal was presented, looking at the availability of public transportation. And so we did surveys. We put a survey together and we went out to bus stops. Mainly we went down to the main depot outside of the Gold's building. And then we had volunteers that got on the buses, including some of our board members and our committee members, as well-- got on the buses and talked to riders on the buses. Some of-- so much of the information that we received was that the bus does not run to where the jobs are.

**BOSTELMAN:** Right.

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**KAREN BELL-DANCY:** You know, we find that there are different manufacturing and other kind of employment opportunities, but they're not near the bus route. We find that the schools-- before working with the YWCA, I worked with Lincoln Public system at Dawes Middle School. I had young people, in order to get from 27th and North Hill Road to get over to Dawes over at 51st and Colfax, they would have to get up and get on a bus at-- walk to the Walmart and get on the bus at 6:00 in the morning. So the routes are not conducive to a lot of the people that would fall into these categories of low income and, you know, needing that additional assistance. So we really need to look at that full accessibility. When I first moved to Nebraska eleven years ago, the buses stopped right about 6:00 or 7:00.

**BOSTELMAN:** Hmm.

**KAREN BELL-DANCY:** And I come from a more larger urban community, and I often rode the bus. And so it's just making it so that it is accessible. I've also looked at women coming into our organization on the bus stop. And then there there's a lot of snow and ice, and they're out there with small children. So when you ask what's the solution, I think the solution is that everyone would have an opportunity if they're going to access public transportation and/or they need to get to the best kind of food options that they can. It's the easiest way to do that. And so I'm thinking that we need to put more resources into our transportation system, as well as how can we

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encourage those that would want to bring more food sources into our community.

**BOSTELMAN:** OK, thank you. I have one comment to make.

**KAREN BELL-DANCY:** Sure.

**BOSTELMAN:** I was at another large city--

**KAREN BELL-DANCY:** Um-hum.

**BOSTELMAN:** --and what they did for their food deserts was they actually had refrigerated trucks they took--

**KAREN BELL-DANCY:** Yes.

**BOSTELMAN:** --into those areas--

**KAREN BELL-DANCY:** Yeah.

**BOSTELMAN:** --on certain days. Has that been looked at in, in Lincoln to do?

**KAREN BELL-DANCY:** I'm not privy to that information so--

**BOSTELMAN:** OK. I just--

**KAREN BELL-DANCY:** I'm, I'm not the one, but--

**BOSTELMAN:** It's so if someone--

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**KAREN BELL-DANCY:** That's ideal.

**BOSTELMAN:** --else is out there listening,--

**KAREN BELL-DANCY:** Yes.

**BOSTELMAN:** --and that might be an idea that--

**KAREN BELL-DANCY:** And a nearby city that is doing just that is--

**BOSTELMAN:** Yeah.

**KAREN BELL-DANCY:** Kansas City is doing that. And they have a, what they call a mobile grocery store.

**BOSTELMAN:** Right.

**KAREN BELL-DANCY:** And the community got together and supported the mobile grocery store, and it goes to those neighborhoods so those residents that are not really mobile and they have different challenges, they can get to that.

**BOSTELMAN:** Right.

**KAREN BELL-DANCY:** So--

**BOSTELMAN:** OK.

**KAREN BELL-DANCY:** Yes.

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**BOSTELMAN:** Thank you.

**KAREN BELL-DANCY:** Um-hum. But it's the community that's embracing all and supporting all the residents.

**BOSTELMAN:** Um-hum.

**FRIESEN:** Thank you, Senator Bostelman.

**KAREN BELL-DANCY:** So--

**FRIESEN:** Any other questions? Senator Albrecht.

**ALBRECHT:** Yes, thank you. I, I-- yeah. Thank you for being here--

**KAREN BELL-DANCY:** Yes.

**ALBRECHT:** --and sharing your story. But when it comes to the women that you're talking about,--

**KAREN BELL-DANCY:** Um-hum.

**ALBRECHT:** --at the [INAUDIBLE] centers, whether they're seniors or working women--

**KAREN BELL-DANCY:** Um-hum.

**ALBRECHT:** -or, you know, with children, you know, a lot of people have food pantries in some of our areas--

**KAREN BELL-DANCY:** Yes.

**ALBRECHT:** --where I live.

**KAREN BELL-DANCY:** Um-hum.

**ALBRECHT:** And it's a pretty strong one.

**KAREN BELL-DANCY:** Um-hum.

**ALBRECHT:** And we do send a lot of food home with the children, you know, after school. Do you do that sort of thing?

**KAREN BELL-DANCY:** Yeah.

**ALBRECHT:** Are there--

**KAREN BELL-DANCY:** Well, working with LPS, we used to do that. We had the market and the-- once-a week-- or once a month-- and families can come in and get food right after school, as well as the kids would take the food home-- the BackPack Program.

**ALBRECHT:** Um-hum.

**KAREN BELL-DANCY:** So we-- when we have individuals that come into our organization, if we don't have anything to help them immediately, then we have collaborations and partnerships with other organizations that we would send them to. For example, today we are participating in Lincoln Connect-- or Connect Lincoln, I'm sorry. And they are giving

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out bus passes because just something as simple as a bus pass can really be a challenge for a family. So--

**ALBRECHT:** And I think sometimes when we try to think of what are some of the solutions,--

**KAREN BELL-DANCY:** Um-hum.

**ALBRECHT:** --because you're talking even the 90 counties that--

**KAREN BELL-DANCY:** Yeah.

**ALBRECHT:** --I can't even imagine putting buses or having any type of service--

**KAREN BELL-DANCY:** Right.

**ALBRECHT:** --unless it is a small bus--

**KAREN BELL-DANCY:** Um-hum.

**ALBRECHT:** --or, you know, mostly it's to deal with medical and not necessarily getting somebody to a grocery store--

**KAREN BELL-DANCY:** Yes.

**ALBRECHT:** --or something like that.

**KAREN BELL-DANCY:** Um-hum.

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**ALBRECHT:** So if the smaller communities-- like I just came back from  
Susanne Shore, the Governor's wife-- First Lady--

**KAREN BELL-DANCY:** Um-hum.

**ALBRECHT:** --has Bring Up Nebraska, and it is a, a situation where  
everybody in your community gets together.

**KAREN BELL-DANCY:** Um-hum.

**ALBRECHT:** And in my particular district they have over 100 people that  
meet every month to find out problems like this--

**KAREN BELL-DANCY:** Um-hum.

**ALBRECHT:** --and how they can take care of their own, you know, without  
asking, you know, for help. But--

**KAREN BELL-DANCY:** Right.

**ALBRECHT:** --at the same time, you know, bringing this to our attention  
that it's truly happening in pockets of--

**KAREN BELL-DANCY:** Um-hum.

**ALBRECHT:** --the big inner cities--

**KAREN BELL-DANCY:** Yes.

**ALBRECHT:** --that shouldn't have an issue with it--

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**KAREN BELL-DANCY:** Um-hum.

**ALBRECHT:** --because you would think it would, you know, they would have some answers. But, but I appreciate what you're, what you're saying and what you've let us know about. But I do believe that a lot of it is like a local issue that you need to know--

**KAREN BELL-DANCY:** Right.

**ALBRECHT:** --where your, where your problems are so that people can reach out and, and figure it out and help them, whether it be the city council or YMCA,--

**KAREN BELL-DANCY:** Um-hum.

**ALBRECHT:** --a county board-- something like that-- health department.  
Thank you.

**KAREN BELL-DANCY:** Um-hum, yes.

**FRIESEN:** Thank you, Senator Albrecht. Seeing no other questions, thank you for your testimony.

**KAREN BELL-DANCY:** Thank you. And we're YWCA.

**ALBRECHT:** YW--

**KAREN BELL-DANCY:** Thank you.

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**ALBRECHT:** Sorry, sorry, sorry.

**KAREN BELL-DANCY:** Thank you, Senator.

**ALBRECHT:** Not YM, YW. That's right.

**KAREN BELL-DANCY:** Thank you.

**ALBRECHT:** Yep.

**KAREN BELL-DANCY:** Um-hum.

**DAMALI BRITTON:** Chairperson Friesen and the members of the Transportation and Telecommunications Committee, my name is Damali Britton, D-a-m-a-l-i B-r-i-t-t-o-n, and I'm a committee organizer for Nebraska Appleseed, working on the Collective Impact Lincoln project that includes Civic Nebraska and the South of Downtown Community Development Organization. Collective Impact Lincoln works in six Lincoln neighborhoods, listening to residents' concerns, offering tools and opportunities for them to engage in advocacy, and supporting policy change that is responsive to the concerns we hear. I'm here to, to, today to share what our team has heard in our communities as a way to inform the committee's considerations of the issues laid out in LR170 [SIC]. As a part of my role within Collective Impact Lincoln, I've heard several stories in which limited transportation infrastructure in Lincoln impairs residents' abilities to meet their basic needs. We know of families in food deserts walking over a mile

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and a half just to get to the most nearest grocery or clothing stores because the bus does not run on Sundays, which is the only day parents have off work. We've heard of individuals with health issues opting to skip a visit to the clinic because, if they're among the last to be seen, they'll have to walk hours to get home because of the buses' limited hours. Some children in our neighborhoods have traveled over an hour to get to school, transferring buses, walking several blocks, because of none, the lack of direct bus routes to their schools. The lack of public transportation can be, also be a huge barrier to people pursuing jobs not located in the urban core. Some of the direct service providers that I work with have shared instances in which their clients get opportunities to work but are unable to get there. Even when workers are able to use Lincoln's buses to get to work, they still face challenges with buses being unreliable, running in frequently, and having limited hours. One resident shared that he works five hours every day, yet is gone from his home for nine hours because he has to leave when the buses are still running. Second and third shift workers without access to a car often have to choose between taking the bus while it is still running, but having to wait hours until their shift, or walking several miles just to get to work. Additionally, because the buses don't run frequently enough, missing a bus can add an extra hour or two to someone's commute. These stories exemplify why we need to invest in public transportation infrastructure. Investing in affordable mass transit is necessary to

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ensure that communities can thrive. While the primary focus of Collective Impact Lincoln has been Lincoln neighborhoods, we know some of the same issues we hear in Lincoln exist in communities throughout Nebraska. Good public transit systems allow Nebraskans to address their needs. It also improves the overall well-being of the community when people are able to get from place to place without barriers. For these reasons, we ask the Legislature to look at different ways it can play a role in improving public transportation access, not only in places like Lincoln, but across the state. Thank you.

**FRIESEN:** Thank you, Ms. Britton. Any questions from the committee? Seeing none, thank you for your testimony. Welcome.

**ROBERT KUZELKA:** Good afternoon Senators. My name's Robert Kuzelka, R-o-b-e-r-t Kuzelka, K-u-z-e-l-k-a, and I live here in Lincoln, and I'm representing myself as a taxpayer and ProRail Nebraska, of which I'm on the board of. And I apologize; I came in a few minutes late, and what my first point before you will be you may have covered at the beginning in the hearing, or at least I assume you might have. And that is the purpose of this interim study is to examine the Highway Trust Fund and ways, or not, that it can-- I've added "or not"-- that it can be used for all the things you've heard in the hearing so far. So I assume that the study will start out with either a report from DOT, which we may hear later, or someplace that says, you know, you can do all these wonder-- you can think about all these wonderful

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things but if the Trust Fund doesn't let you do it, you can't do it.

So that's the end of the study and the report. So that's my first point. My second is, as a member of ProRail Nebraska, we have two objectives that would say if you can use the Trust Fund we encourage it. And these objectives are that we advocate establishing commuter public transportation services in the Omaha and Lincoln urban area, and we advocate and support programs, private and public agencies, and organizations that plan, develop, support, and finance such means of public transit in urban and rural areas. So that's my testimony.

**FRIESEN:** Thank you, Mr. Kuzelka. Any questions from the committee? I think one of the challenges with all of our funds is there is never enough to make it go around. We, we have a road and bridge problem.

**ROBERT KUZELKA:** Sure.

**FRIESEN:** We, we have a large state with a lot of roads, and there hasn't been enough dollars to make it all--

**ROBERT KUZELKA:** Oh, yeah. I agree with that. I just-- I'm curious. I don't know the Trust Fund, you know, inside out. I'm not a member of DOT or Federal Highway. But I would wonder if there's a clause in it that says you can't use it for these things.

**FRIESEN:** Yeah, it, it does have limits but, I mean, still it's-- the Highway Trust Fund is, is-- it's still limited in dollars. Whether or

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not we want to do them, we, we seem to even have trouble sometimes maintaining what we have. So--

**ROBERT KUZELKA:** Oh yeah, I know.

**FRIESEN:** --I appreciate your testimony.

**ROBERT KUZELKA:** Thank you.

**FRIESEN:** Any others who wish to testify?

**STEPHANIE MEYER:** Hi there. My name is Stephanie Meyer; that's S-t-e-p-h-a-n-i-e M-e-y-e-r, and I'm here just to thank you so much for having the committee hearing for this. I think it's a really wonderful opportunity to re-examine some, some funds we might have to be able to use to think about infrastructure for transit. I think that-- one of the reasons I don't own a car is for environmental reasons, so I was happy that air quality was going to be a part of this study. I also think it's very important to focus on folks who can't make the choice that I'm making. A lot of folks choose to drive cars because it's very inconvenient to take public transit. My current stint to work takes me an hour and 15 minutes. If I drove in a car it would take me 20, so I have some extra time. But our buses don't run very well. We have a hub that's in this 11th and N, so going from east to-- or I'm sorry-- north to south if you're up-- east is really difficult, for example. And I'm not sure exactly how this study will help people in my situation or help encourage public transit, but I

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think that that would be really fantastic because I know that there's a lot of people who would take the bus if it was improved. And a couple of thoughts I had about that would be: to include more than one hub; to run the lines on Sunday; to run buses along bike trails; to have extended services in the evenings, especially on weekend nights to encourage folks to get downtown or wherever it is that they're going and not have to think about getting themselves home in a car; and then having a bus that-- or a train-- something like that would run to Omaha, Lincoln, Grand Island, that sort of thing, I think, because, also, it would be really beneficial. And I think it was you, Senator Friesen, who had mentioned the busing in food or a question or--

**FRIESEN:** Senator Bostelman.

**STEPHANIE MEYER:** Yes. And I was just kind of thinking how, how it sounded kind of strange to keep people isolated and bring them just one thing that they need, as opposed to connecting them in a way that we all hope to be. It seems kind of like a Band-Aid, I guess, the same as like the Backpack program is kind of a Band-Aid, too-- limited mobility. And I guess the last thing is that I just think it's a little unfortunate that I don't get to hear anyone who's opposing this before I get to speak, because I just think that it's such an exciting

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opportunity to do this study that I don't see any reason why not to.

Thank you for your time.

**FRIESEN:** Thank you for your-- Ms. Meyer, for your testimony. There is no for and against in these hearings. These are just informational-gathering--

**STEPHANIE MEYER:** Oh, OK. I--

**FRIESEN:** --processes to where we-- you know, and part of what I'm hearing is, is, from my perspective I guess, is a lot of local issues as far as bus systems and stuff, and I'm sure they have funding challenges also.

**STEPHANIE MEYER:** Yes.

**FRIESEN:** But it's, it's in the, in the smaller picture, but this is an information gathering; that's what this is for, so [INAUDIBLE].

**STEPHANIE MEYER:** OK, great. Well, I hope I said something helpful. I wasn't exactly sure. Someone told me to come and try to at least let them know that my excitedness about public busing and hoping to get that expanded, so thank you.

**FRIESEN:** Yeah, appreciate the testimony.

**STEPHANIE MEYER:** Yep.

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**FRIESEN:** Any others wish to testify? Seeing none, we will close the hearing. And Senator Cavanaugh, you're willing to [INAUDIBLE].

**CAVANAUGH:** Well. I thought I should fill in a few gaps since, unfortunately, the department was not able to come today. But we did have a letter from them. In looking at the Highway Trust Fund, I want to point out a few things that I learned from it-- is that we have in-- I think was 2016-- the Appropriations Committee created the Transportation Infrastructure Bank. That was Senator Jim Smith's bill and it was passed unanimously, I believe, in 2016. And there's three purposes for that bank. This is part of the trust fund. It is for highway acceleration, county bridge match, and economic opportunity. And I think it's worth highlighting that the county bridge match piece of that sunsetted in 2019. So it might be something that we want to look at, what that impact is going to be because that was repairing bridges across the state. And I know we have quite a few. And then there's also a financial report that-- I'm not sure if we distributed or not, OK-- from the Fiscal Office which just gives us an analysis of the fund and how it's, how it's spent. There is, as was stated in the department's letter, there is some money that the department is able to use for public transportation that I believe they kind of give out as grants to our local communities. But really, I just wanted to have an opportunity to hear about some of the problems that we have with access due to transportation issues. I'm not entirely sure if the

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Highway Trust Fund would be the place to address those problems, but it does seem like there's some different pieces to the trust fund that we, as a committee, can be looking at. And I was-- what-- it really was a flag for me that the county bridge match has gone away. So I anticipate that we will probably all be hearing about that in the coming months. That, that's going to be problematic because I know we have a lot of aging bridges, and we do not want to cause more barriers to transportation in this state. So that-- I mean, I've got like a ton of data, but I just wanted us to have a conversation and hear some more about some things that we could think about doing, maybe, in the future. So thank you so much for your time today.

**FRIESEN:** Thank you, Senator Cavanaugh, Any comments or questions from the committee? We did have, we did have some letters for: Center for People In Need; and the Sierra Club, the Nebraska Chapter; and the letter from the state of Nebraska, indicating their-- so with that, I think we'll close the hearing on LB174 [SIC]. Thank you.

**CAVANAUGH:** Thank you.

**FRIESEN:** OK. Next we will open the hearing on LR167, and I will let Senator Albrecht chair.

**ALBRECHT:** OK. Should I sit over here?

**FRIESEN:** You can sit wherever you want.

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**ALBRECHT:** OK, OK.

**TIP O'NEILL:** Senator Albrecht [INAUDIBLE].

**ALBRECHT:** OK. Well, good afternoon. Would you like to go ahead and start with LR167, Senator Friesen?

**FRIESEN:** Thank you, Senator Albrecht. Members of the Transportation and Telecommunications Committee, my name is Curt Friesen, C-u-r-t F-r-i-e-s-e-n. I represent District 34, and I'm chair of the committee. Senator Bostelman and I introduced LR167 as an interim study to explore how we will be collecting tax revenues to fund road construction and maintenance in the future. We know that there will be an increasing number of electric and hybrid vehicles and that they will be replacing our gas-powered vehicles in future years. In addition to maintaining our highway infrastructure, we need to think about fueling facilities in the infrastructure, that we're required to make that convenient for travelers. The Institute of Transportation Studies at the University of California, Davis, studied the issue of taxing low-emission vehicles and provided a report to the California State Senate. That full document was e-mailed to you as an attachment to the materials for this hearing, and a copy of the executive summary has been handed out. The report concluded that, of the three options for taxing zero-emissions or low-emission hybrid vehicles which include registration fees, fuel taxes, or road user charges, a road

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user charge would be the best alternative. Of course, finding a way to administer such a program could be a problem. The federal gas tax has not been increased since 1993, gasoline and diesel-powered vehicles continue to get better fuel mileage per gallon, and we will continue to need increased efficiency in the utilization of state and federal tax dollars. We also need a strategic plan to deal with the changes in our automotive and commercial fleets that we know will happen over the next couple of generations. The study is a beginning, and we need citizen input as we confront the challenges of the future. Every Nebraskan will be impacted by societal changes in vehicle utilization, and we want Nebraska being ahead of the curve in responding to those changes. I look forward to the hearing testimony on this resolution today, and I'd be happy to answer any questions you may have.

**ALBRECHT:** Perfect. Anyone have any questions for Senator Friesen? Seeing none, we'll take the first person to help us understand this. And again, we will need green copies and any information or handouts.

**KYLE SCHNEWEIS:** I've got a copy of my testimony there; that's the extent of the handouts.

**ALBRECHT:** All right.

**KYLE SCHNEWEIS:** Good afternoon, members of the committee, I'm Kyle Schneweis, K-y-l-e S-c-h-n-e-w-e-i-s. I'm the director the Nebraska Department of Transportation. It is a pleasure to be here today to

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talk about our current funding model that provides for the planning and development, design, construction, maintenance, and administration of the state highway system, as well as offer some information regarding future impacts to the department from the emergence of electric vehicles into the market. As you know, we maintain 10,000 miles of highway and 3,500 bridges. It requires a steady and continual investment to guarantee the state's economic viability and the safe and efficient mobility of users. Our work is made possible primarily by the revenue collected through transportation activities, such as the motor fuel tax, which is deposited in the Highway Trust Fund. This approach is a nationwide best practice and ensures that we put transportation dollars to use on transportation projects. It has served us well and has provided the needed certainty that supports the department's-- both the need to plan both in the short and long term. And with every innovation that strengthens an energy security through fuel efficiency and battery life extension, it changes our industry. To state the obvious, if you drive an electric car, you don't buy any fuel and you don't pay any fuel tax. And so we need to understand the big question is, what is the impact? And, however, I want to assure you that we are not in a crisis mode. This is not something that snuck up on us or is an, an issue that we are facing alone. If I could offer one main takeaway, it is that today we are-- the future is very uncertain. There is a number of factors that are going to influence the rate of adoption, things like: price, battery range anxiety, the

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ability of charge-- or the availability of-- charging infrastructure, and the availability of EV technology and a broader range of models, just to name a few. We've approached this uncertainty with open eyes and respect for the need to plan and project while trying to remain flexible or to react to, to advancements as they occur. We're actively working and learning, alongside our state DOT partners across the country, to learn more about the potential technological and policy changes. As with many new technologies, there's significant variance amongst forecasting experts on the rate at which EV, EV sales will grow to a level where they start to really impact receipts. For example, the U.S. Energy Information Administration estimates fewer than 25 million global electric vehicles in 2040. On the other side, Bloomberg estimates more than 550 [SIC] electric vehicles in 2040, so you can see the spectrum that we're dealing with in trying to make projections. There's lots in the middle. BP, OPEC, Exxon are all fast, forecasting growth somewhere between the two. And so these vast differences make it pretty difficult to identify a clear and reliable projection. Understanding the need to begin to better project the impact of adoption on future State Highway Trust Fund revenues, the department has explored a scenario to estimate growth rates in both passenger vehicles and commercial freight vehicles. And beginning the research, we thought it was important to sort of start with what's happening today in Nebraska. According to the Department of Motor Vehicles, in 2019 there were 774 electric vehicles paid the \$75

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alternative fuel registration fee-- 774 for electric vehicles in Nebraska in 2019. In 2017 that was 312, so it's about 150 percent growth increase over the two years, but still very small. To put it in perspective, there are 2 million registered vehicles, give or take, in Nebraska today, and so less than 1,000 are currently electric. We estimate about 1,800 plug-in hybrids in the state, so we ran a scenario to look at the potential impacts of adoption rates while also incorporating that we do have that \$75 alternative fuel registration fee. So as electric vehicles come on, they will be required to pay that fee under current law. Using that growth rate of the Exxon forecast-- again, that's one that's in the middle-- in the year 2030, so about 10 years from now, electric vehicles might represent 1.7 percent of Nebraska's passenger fleet and about three-quarters of 1 percent of all the miles traveled by commercial vehicles. This impact on the state Highway Trust Fund, in terms of reduced net revenue in 2030, would be about \$4 million, about half of a percent-- a little less-- of our current nearly \$1 billion appropriation. While these statistics are broad and conceptual, there are a few takeaways. I want to continue to stress the uncertainty. That's sort of where we are in our head, is we don't know. We need to keep looking and keep watching and understand the impacts. We do see, though, that every year that our forecasts-- they seem to creep up a little bit. Each one of these forecasting groups does an annual one, and I'm not going to say it's universal but, generally, they seem to creep up a little bit. But in

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doing so, they're still very, very far apart from each other. We will continue to research this issue. We are kicking off our long-range transportation plan. This will be a topic we talk about at the DOT. That process is beginning here this fall and early winter. And I think, for me, we also have to remember that, you know, as this uncertainty comes, it just even further stresses the importance that we are smart with our money; we need to be effective, efficient, and making smart investments. And it continues to put that, that, us under that realistic goal. And so I just want to share this research with you to stress that we are thinking about this. I'm pleased that you are. I'm glad that you are. Uncertainties are abundant and evolving rapidly in our field. And in order for us to continue to preserve our system and fuel the economic growth that we know we can through smart investments, we've got to be able to plan for the future and strive to increase that predictability, despite all this uncertainty. And while LR167 specifically references electric vehicles, I assure you there are other impacts that are coming our way, lots of other considerations. And we're, we're trying to research and understand as many of those things as we can so that we can deliver policy that supports what we know Nebraskans need from a transportation system. So with that, I look forward to continue working with you on this subject and look forward to questions.

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**ALBRECHT:** Perfect, thank you. Any questions from the committee?

Senator Hughes.

**HUGHES:** Thank you, Senator Albrecht. So Director Schneweis, just, just a thought occurred to me that the registration looks like the easiest way to, you know, garner income for roads from electric vehicles. But what about the electric vehicles from out of state? I mean, they are, they are using, using our roads, our infrastructure. Is anybody giving any thought to how, how do we capture some revenue from those--

**KYLE SCHNEWEIS:** Yeah, so it's--

**BOSTELMAN:** --travelers?

**KYLE SCHNEWEIS:** I think there's, there's a lot of research being done on this. There are pilot programs in four or five states. Oregon's been at it for a while; several other have come on board. And they're ranging from analyzing registration fees-- and you're right, that is a shortcoming of a registration fee is that you only get the folks that are that are here-- I think it speaks to the need to understand this at a national level. I'm eager for us to try to find a national solution. And the states are trying to get us kickstarted but, I think, nationally we need to start getting serious about this and what we're going to do in 5 or 10 or 15 years, because you can imagine different sorts of structures in every state. So every time you drive over to Iowa, now you have a different way of reporting and are you

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getting in it. And so on long trips it just gets very complicated, and it's very different than what we're used to. So there's a lot of things to think about. Privacy is a big concern that we have to be aware of, I think. Rural versus urban is something that we have-- states like ours have to be very, very cognizant of. And then the other thing is the administrative costs. Right now the motor fuel tax is the most efficient collection of tax, maybe, in humankind. It's collected by a few-- from a few folks, and it's something like 99 point something percent of the money goes straight into the hands of agencies to do transportation projects because it's just so efficient to collect. Anything different starts to change that number, and it's something that we need to be pretty careful of.

**ALBRECHT:** Other questions? Senator Bostelman.

**BOSTELMAN:** Thank you, Senator Albrecht. Director Schneweis, and to follow along with that thought, as now, could you explain to me how the-- and you may not-- but explain to me, you know-- have it right with you--

**KYLE SCHNEWEIS:** Um-hum.

**BOSTELMAN:** How is it that we determine the tax that we have now on fuel, on gasoline?

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**KYLE SCHNEWEIS:** Sure. So we have a very robust policy in place for, for fuel tax. So are you asking about how we set what it is or how we collect it?

**BOSTELMAN:** Well, and my thought-- here's where my thoughts come from.

**KYLE SCHNEWEIS:** [INAUDIBLE]; sorry.

**BOSTELMAN:** So if we have electric vehicles-- we're talking about just plug-in vehicles.

**KYLE SCHNEWEIS:** Um-hum.

**BOSTELMAN:** OK. So how do we, how do we account either for mileage and for usage, for fuel? Right? So now as I drive my vehicle, whatever vehicle I have-- I choose to drive whatever vehicle I have-- I pay that tax because I pump gas.

**KYLE SCHNEWEIS:** Um-hum.

**BOSTELMAN:** And I pay that gas tax which goes in. So on an electric car, is that mileage still-- if it-- truly plug-in car-- is that still truly the same equation that you would use, that you would use for your gasoline, that you use for electric because, as you referred to, if I live in Sidney and/or some-- Greeley or someplace else-- I may be driving a lot of miles?

**KYLE SCHNEWEIS:** Um-hum.

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**BOSTELMAN:** So I am, in a sense, paying as I go. But is that-- I guess I'm kind of curious how that is figured and if that same thing could be applied, although I do-- I would agree we got privacy issues. How do you apply that to an electric vehicle?

**KYLE SCHNEWEIS:** Sure. Well, I think that's where the research is underway. There's lots of different models. There are models where you simply estimate how many miles you drove and you pay, pay a fee based on that. And then there's even more technologically advanced models where the privacy really starts to be a concern. So I think where-- what we're seeing in the research is lots of, of exploration of these issues, and I think each one of them-- the more technical it gets, the more concerns there can be on the privacy side. And so--

**BOSTELMAN:** So is there a study out there, do you know, that's looking at as I plug in my vehicle wherever it's at-- in Nebraska we have a challenge since we're a public power state--

**KYLE SCHNEWEIS:** Um-hum.

**BOSTELMAN:** --that we cannot charge for that electricity directly?

**KYLE SCHNEWEIS:** Right there at the--

**BOSTELMAN:** Right.

**KYLE SCHNEWEIS:** --charging station--

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**BOSTELMAN:** At the, at the charging station.

**KYLE SCHNEWEIS:** --instead of the pump?

**BOSTELMAN:** So I mean, to me it's you're not, you're not now collecting data, but you have to pay for it as you go. So in a sense you potentially could have the same setup in a, in a home--

**KYLE SCHNEWEIS:** Um-hum.

**BOSTELMAN:** --because you're obviously going to have a different way of, you know-- your electrical system is not going to be the same with the rest of your house; I would think it'd be separate. Someone may be able to follow the, someone who will follow you can talk to this more, but if you plug it in, well, that's charged as a fuel tax, if you will. But we'd have to figure out a way [INAUDIBLE].

**KYLE SCHNEWEIS:** Yeah, I think that--

**BOSTELMAN:** I'm sure [INAUDIBLE] do that but I mean, is someone looking at that?

**KYLE SCHNEWEIS:** So I'm not aware of that. I know that, that Tesla, on their, on their charging stations, at one time they were charging a small fee right there from the user--

**BOSTELMAN:** Right.

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**KYLE SCHNEWEIS:** But I believe theirs are all free today. So I, you know, I-- how you would implement that, I think, is something that would need exploration.

**BOSTELMAN:** Because I, you know, as you think about that, is if I plug it in, now my computer my car is reporting my mileage. Well, hmm, that's not. But if I plug it in and I get a billing for how much electricity I'm using to recharge,--

**KYLE SCHNEWEIS:** Um-hum.

**BOSTELMAN:** --either at my home or as I'm remote, wherever I go into a station, recharging, and I swipe my credit card or whatever, and it bills me for, you know, however much it used, I'm curious if someone just looks [INAUDIBLE]--

**KYLE SCHNEWEIS:** So I am not aware of that, but I will look for it.

**BOSTELMAN:** Yeah. The other thing is, obviously, is on our hybrid vehicles, you know, how that plays, because we have hybrid vehicles that you never plug in.

**KYLE SCHNEWEIS:** Um-hum.

**BOSTELMAN:** Your car charges your own batteries as you slow down, you know; it's part of the braking system, in a sense. So how, if someone's looking at that percentage, because it's going to depend

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upon the vehicle that's going to be figured out. But what I saw in the Iowa study was a huge increase in EVs--

**KYLE SCHNEWEIS:** Um-hum.

**BOSTELMAN:** --as we move down. So I guess that would be interesting is-- to see if, as you move forward, if, if, if you're-- if the DOT goes out and does this study more along lines of what Iowa did, as we look at that what those needs are going to be, because right now, as you said, it's not that large of an issue, but it sure could be down the line.

**KYLE SCHNEWEIS:** It, it sure could. I have read the Iowa report. It has been a while. I think when-- as we engage in our long range transportation plan, this is one of the topics we'll explore, trying to understand, sort of, the range of, of implications, but also set us up so that we know, sort of, what to look for and how to, how to, kind of, start thinking about it.

**BOSTELMAN:** All right. Thank you.

**ALBRECHT:** Thank you, Senator Bostelman. So Director Schneweis, when, when we actually decided on this \$75 fuel registration fee-- I've only been on transportation a year-- so how long ago was that, that we put that into effect?

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**KYLE SCHNEWEIS:** I would have to refer to, to someone else. I know it has been a long time.

**ALBRECHT:** Quite a while?

**KYLE SCHNEWEIS:** I think it has been decades.

**ALBRECHT:** And when you look at these long range plans,--

**KYLE SCHNEWEIS:** Um-hum.

**ALBRECHT:** --you would obviously go out to see what other states are doing because you're reaching to the national level to maybe put an umbrella of, this is what we should be doing with these vehicles, because we all, every state, needs the extra funding for our roads. So I guess I would be exploring, if it's been quite a while, for those fees. And I would also probably want to try to engage our public power, since it is public--

**KYLE SCHNEWEIS:** Um-hum.

**ALBRECHT:** --and we all pay for it, usage fee may be coming from that angle, too. I just believe that, if you use it, you should have to pay for it. Now these stations that are set up by certain companies, you know, maybe there has to be, you know, something there, too. We want it to be friendly enough so that people will want to do what they want to do with the car that they choose to drive but, at the same time, we

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can't expect to have a financial impact that would hurt our state or pass it on to others to pay. So I appreciate the report. Thank you.

**KYLE SCHNEWEIS:** Thank you.

**ALBRECHT:** No other questions? Next person up. Thank you.

**KYLE SCHNEWEIS:** Thanks.

**ALBRECHT:** Hello there.

**LOY TODD:** I appear by default. My name is Loy Todd; that's L-o-y T-o-d-d. I'm the president of the Nebraska New Car and Truck Dealers Association. The handout I've distributed is just a summary of the motor vehicle taxes that, that, that are paid on, on the vehicles. I don't have a lot of information about fuels or any of that kind of thing. But the contribution to the trust fund is significant from our industry. We appreciate the fact that you're trying to get ahead of this. We're participating in a lot of discussion statewide. There certainly is a real push toward electric, and my dealers feel it. Manufacturers are just buying into it wholesale. There's, there is no hesitation among almost any manufacturer to, to pursue the goal of electric. And my dealers are more than willing to sell our customers anything they want to buy. There's a, there's a misconception out there that dealers are reluctant to support alternative fuels or electric; it's just simply not true. They're anxious to sell because the real world-- my, my member, my dealer buys that vehicle from the

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manufacturer and owns it and then tries to sell it to the consumer.

And there's no dealer out there that, if a consumer comes in and wants to buy an electric vehicle, that that dealer wants to shift them to something else. They, they need to sell everything in that inventory, and so their goal is to is to make them available to anybody that wants them. The testimony that's been given already is certainly accurate. There is, there are some limitations on electric vehicles and, and others that have slowed acceptance, and, you know, maybe technology will overcome that; we don't know. But we would like to be part of any, of any solution. The last study I showed, that I saw-- I think was Consumer Reports that did something and they were talking in terms of states that are either subsidizing electric or, or hampering it-- and it showed Nebraska as being the state that this current \$75 charge is about 25 percent of the average contribution by a motor vehicle or a passenger vehicle in the state. And so I-- that's a benchmark that we're sort of looking at right now. If it's someone-- and the question was, how'd the \$75 come about? And I-- it was so long ago, but I think it was somewhat targeting the average that was contributed in fuel taxes in the state in Nebraska. So if the last study I saw was accurate, you know, and you wanted to keep up-- and I, I-- we really believe that this is something we need to get ahead of, and playing catch up will not work.

**ALBRECHT:** Hmm.

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**LOY TODD:** And, and as the director indicated, the estimates out there are everywhere. And certainly in a state like Nebraska where we have winter, it's going to be different than in other places. So-- and so in some states that are really pushing hard for a conversion to, to an electric fleet or some other fuel, it's going to be quicker. But we just want to be part of the solution when we arrive at it. Thank you.

**ALBRECHT:** Very good, thank you. Questions? Senator Hughes.

**HUGHES:** Thank you, Senator Albrecht. So just so I understood what you've said, that our \$75 fee is about 25 percent of the average across the nation?

**LOY TODD:** Across the state-- our state.

**HUGHES:** Our state is \$75-- of \$75 is about 25 percent of the national average.

**LOY TODD:** That's correct.

**HUGHES:** So the national average is \$300.

**LOY TODD:** No, no; I'm sorry. They were indicating state by state. So they were-- as I read the study-- and I furnished it to legal counsel, sent it to them the other day-- the, it's my understanding of that, of that is that their \$75 is 25 percent of the average contribution by a motor vehicle in Nebraska.

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**HUGHES:** Oh, OK. OK. So it's about 25 percent of the contribution of gas tax--

**LOY TODD:** Yeah, the average--

**HUGHES:** --for Nebraska, so it's--

**LOY TODD:** The average, yes.

**HUGHES:** So the average vehicle pays about \$300 dollars of gas tax.

**LOY TODD:** That's what I would--

**HUGHES:** OK. OK. Thank you for clarifying that.

**ALBRECHT:** Any other questions? Senator Bostelman.

**BOSTELMAN:** Thank you, Senator Albrecht. Thanks for being here today, Mr. Todd. Do you know, is there any other things within your industry that they're specifically looking at how to begin to identify the usage and, in this case, the fees that were, you know, taxes for, for usage for, for, you know, so it would go back into our roads? Is there any discussion that you see on that?

**LOY TODD:** Oh, the discussion's huge. A great deal of it, though, is centered around privacy because modern vehicles today are gathering so much information, and there is, there is-- you have to be very careful about access to it. And my dealers actually don't want access to it. They don't want to be involved in everything from litigation to, to

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upsetting people that want privacy. But-- and so the big concern nationally, in our industry, is this information is, is available; it's there. It's like your cell phone. It's amazing what's-- what they can know about you if they want to.

**ALBRECHT:** Um-hum.

**LOY TODD:** And so that's, that's kind of what we're looking at is there's a lot of things that can happen. It's just a huge reluctance to subject the consumer to that kind of information because there are many vehicles out there-- you could track how many miles they drive. Now how you collect it would be another--

**BOSTELMAN:** Right.

**LOY TODD:** --task.

**BOSTELMAN:** And, and the thing that kind of, kind of came to mind when we were speaking before was now I pump gas or diesel into my vehicle, and I pay for the fuel that I'm using. Right?

**LOY TODD:** Yes.

**BOSTELMAN:** I pay as I go-- well, the same thing because if I'm charging, then is there a rate that could be considered? Or are they thinking of a rate that could be considered for that vehicle? I don't care about your mileage, I don't care where you're at, but if you plug it in, you're going to have to have-- you're going to get a fee.

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You're going to get a charge, whether it be-- if you're at a charging station you run your credit card, and if you're at home it's just a-- it'd show up as a fee for X amount of electricity that you're using to charge your vehicle.

**LOY TODD:** I've never seen anything that quantified that. The one issue-- Nebraska is a public power state, and we have a prohibition against reselling.

**BOSTELMAN:** Right.

**LOY TODD:** And so those are some things that would have to be overcome here. And also, you have some issues with vehicles who are just traveling through the state. Maybe-- how do you, how do you how do you collect from someone who doesn't stop? Or-- so they're just issues.

**BOSTELMAN:** Well, we're not-- but we don't collect anyway. So if you don't stop and put gas in your car or you don't stop and plug in your car, we're not going to collect one way or the other.

**LOY TODD:** Correct.

**BOSTELMAN:** But that's why-- that's where, kind of, my thought is, is if there's something within the vehicle that, that has, that, you know, you're, you're paying exactly for kilowatts-- whatever you're using-- you just pay for it just like you do gas.

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**LOY TODD:** Sure.

**BOSTELMAN:** You're going to pay for that time.

**LOY TODD:** One of the considerations, in that regard, is building these stations is not free.

**BOSTELMAN:** Right.

**LOY TODD:** And so, you know, what's a proper-- and if you're going to build on the interstate, you're just going to build them on I-80--

**BOSTELMAN:** Um-hum.

**LOY TODD:** --and so that's just traffic that's moving through the state,--

**BOSTELMAN:** Sure.

**LOY TODD:** --who ought to pay for that? And so, you know, you just, you, you have-- there's just so many issues.

**BOSTELMAN:** Well-- but are you talking-- are you speaking about the charging station?

**LOY TODD:** Yes.

**BOSTELMAN:** Well, if I have a gas station, I pay for my pumps and that storage facility. I pay for it because that's my business. So if I have a business and part of my business is providing charging

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stations, I think that would be, that would be the fee upon that business to have that. Why would anyone else pay for that? If I want to provide that service, you know, I have a, I have a, I have a-- I pay for that structure, I would think.

**LOY TODD:** Senator, government's doing a lot of that now. A great deal of the Volkswagen settlement money--

**BOSTELMAN:** Sure.

**LOY TODD:** --is being dedicate, dedicated toward charging stations, those kinds of things. There's, there's a lot more public money involved than one would suspect.

**BOSTELMAN:** Well I-- yeah, I hear you. And I just think eventually it would-- it's probably going to change. That money won't last forever. So at some point in time, just like with your regular fuel, if you want to provide that service, then that's a cost that you, as a business, incur and then you collect it back from the sale of that product.

**LOY TODD:** Sure. In the meetings I've been to, the folks involved in that way--

**BOSTELMAN:** Um-hum.

**LOY TODD:** --their big concern is return on investment.

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**BOSTELMAN:** Sure.

**LOY TODD:** And how do you, how do you get somebody to sit there for a half hour or two hours, or whatever, and, and take up that space? So it's really--

**BOSTELMAN:** I understand.

**LOY TODD:** --complicated and way beyond my pay grade.

**BOSTELMAN:** OK, thank you.

**ALBRECHT:** OK. I guess, Mr. Todd, I have a question, too. So if we can't get the money out of someone-- obviously they buy those cars to save money-- but yet we don't want to have to pass those, those fees onto other people, if you will. And we don't, and we want enough money to be able to continue to have nice roads. So if the dealer who actually sells that vehicle to someone doesn't have to worry about this privacy thing, but yet the state does-- and if we do, what, what would be wrong with-- you know, like we have lots of reports that we have to turn in here at the state, right? Well, what would be wrong with asking the person who's driving that vehicle, when they go do their state income tax, how many miles have you driven in a year's time? And you'll know from one to the other-- maybe there's possibly an inspection, you know, at a, at a site if somebody doesn't want to be truthful, that you have to bring it in and have it inspected to find out how many how many road miles you actually put on it, because

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we can't collect from the electric part of it where they plug in. You know, there has to be a way to recoup this so that they, too, can enjoy the roads that we have in the state of Nebraska. So is that something that-- and of course you're not, probably, going to have to make that decision. But if we have to, and if there's a long range plan, you know, we all have to put our heads together on how it's going to work out for all of us so that it's, it's right for everyone. What would you, what would you say to that?

**LOY TODD:** As the director indicated, the-- one of the really terrific things about fuel tax is it's, it's really pay as you go, and it's,--

**ALBRECHT:** Um-hum.

**LOY TODD:** --it's each, it's each stop. If we had something like a-- at an annual registration renewal or whatever there was that inspection-type process and you're playing catch-up would be inefficiencies of that would, would-- and, or efficiencies of that would be revealed. But I'm, I'm--

**ALBRECHT:** We need just something--

**LOY TODD:** There's a lot of proposals out there, and, and that's among them.

**ALBRECHT:** Um-hum, OK. Thank you for being here today.

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**LOY TODD:** Thank you.

**ALBRECHT:** OK.

**LOY TODD:** Is that it?

**ALBRECHT:** All done. Yep, thanks. OK. Well, hello. Welcome.

**KRISTEN GOTTSCHALK:** Hello. Good afternoon, members of the Transportation and Telecommunications Committee. My name is Kristen Gottschalk, K-r-i-s-t-e-n G-o-t-t-s-c-h-a-l--k. I'm the government relations director, a registered lobbyist for the Nebraska Rural Electric Association, representing 34 rural electric providers across the state. And we have always been engaged on issues related to highway funding. Obviously, highways are crucial to the economic viability of our rural areas, and so we feel very strongly about that and feel very strongly about keeping our Highway Trust Fund healthy.

**ALBRECHT:** Um-hum.

**KRISTEN GOTTSCHALK:** You know, it was originally meant to be this independent funding. We don't have to go to the state for money for our roads. It comes from, from the, you know, basically a user's fee. You know, the more gas you use, the more miles you are on the road, you know, as somebody who drives 100 miles a day on average, you know, I feel very proud of my contributions to the Highway Trust Fund. But innovation and technology has changed things and, of course, we're

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talking about that now. You know, first we had hybrids where they're just using less. They're not necessary, you know, charging. So there's, there was no clear way to collect a fee from the gas if they're not using gas. So we created this \$75 dollar fee.

**ALBRECHT:** Hmm.

**KRISTEN GOTTSCHALK:** Well then, -now you have plug in hybrids. Well, that's a different animal. And now we have fully electric, and that's another different animal. So we're adding these layers of complexity to what used to be this glorious simplicity of our Highway Trust Fund gas tax. So Senator Bostelman's bill to increase that fee was warranted, but then you have to stop and think how it impacts those different types of cars differently. So we've-- now we've got that complex level. And we talk about collecting a tax when they go to a charging station. Well, a majority charging is going to take place at home. Most of these vehicles are being sold, and they're not long-distance vehicles because the technology is getting better, but it's not there. So most of that charging is going to take place at home. And they will have to install a charger. Well, they have different choices for different types of charger. You can have a fast charger, you can have a mid-level charger, you can have a trickle charger that takes a long time. So simply, for the amount of time that they've been on the charger, it depends on what kind of charger it is, based on how far they would be able to drive that vehicle. So there's

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another layer of complexity that we, that we've added to this. And the other layer of complexity is when they do charge at home and we meet-- we don't meter that electricity separately. And so it has never been an incumbent issue for an electric utility to determine what items in your house are using the most electricity through the metering system. And in fact, most metering systems couldn't do that. So would that require us now-- and this is something-- I bring these issues up because it is something that the electric industry is talking about. You know, how do we handle this? How do we incorporate these new loads? And these new loads aren't these nice, smooth little loads that are loads that go like this through the day. So there's, there's a complexity to our industry with that. So we, we also have to understand that, that when they charge at home, we don't know what they're using their electricity for. So it comes back to the privacy issues. So-- and we do talk about, you know, right now and when we set these original fees, there weren't very many vehicles on the road, you know. And it-- and we didn't see this as having a major impact. And you know, and even up till now, we're going well, still, it's-- they're very expensive. There's not a lot of-- what am I saying-- consistency in the type of chargers that are out there. Honestly, Tesla has their own charger, and we're starting to see some conformity in the industry for chargers. But then that's going to add a complexity to being able to, to collect those, those fees, as well. So I guess my testimony was not meant to say this is so complicated we

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can't do anything. But I'm saying it's so complicated that we need to be sure that we have everybody at the table and we really evaluate this, because is this technology-- anything that we do now, in five years that technology is going to be significantly different and may afford additional opportunities. So as we move forward, we have to: 1) primarily look to keeping the Highway Trust Fund healthy and making sure that we do collect an adequate amount to provide for good roads; but 2) then we have to continue to evaluate this into the future as the technology changes. So with that, I'd be happy to answer any questions that I am capable of answering.

**ALBRECHT:** Thank you very much. Do we have any questions? Senator Bostelman.

**BOSTELMAN:** Thank you, Senator Albrecht. Thank you for being here today, Ms. Gottschalk. I appreciate all the comments you made, but well, I'm going to counter a little bit with it is, we make those decisions every day in our purchases. I decide what gas station I buy,--

**KRISTEN GOTTSCHALK:** Right.

**BOSTELMAN:** --whether it's-- whatever that gas price is. I decide what vehicle I drive. I decide what product I'm going to buy. So I guess, in some senses, I fully appreciate what you're saying: yes, there's a lot of decisions. But I still think one answer may be is that there is

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a, a fee at the time that you charge by the usage that you have, and that's not collecting any data; it would just be there's a fee. So if I, if I decide to run my dryer at 3:00 in the afternoon on August 15th, and it's 105 degrees outside, and there's a spike in my electricity, I know I'm going to pay a higher rate. Right?

**KRISTEN GOTTSCHALK:** Absolutely.

**BOSTELMAN:** OK. So same thing when I plug in my car. If I charge my charging device, whatever that might be, I make that determination. I make that decision as to what I want to do and what that potentially will cost me, if you will. So I think I appreciate exactly what you're saying, and I don't disagree with you. But I do think, as a consumer, I do think I make those decisions every day, and that should be in the thought process as, as you, as the industry looks at that, that that should be something that we consider. And, and as we've all said, the simplest way that we've done is when we put the fuel in the cars when we pay whatever that tax is. I'm, I'm, I'm hoping-- I'm wondering at some point in time if we can't figure that out. I'm not saying we're going to figure it out today, but that similar type of thing we can figure out, and--

**KRISTEN GOTTSCHALK:** Right.

**BOSTELMAN:** --and the, when I make that charge and I do that, you know, I'm making that decision. And it's just like as I was out West to some

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hearings these last few days, and I paid \$2.35 for gas here and I went out West and I'm paying \$2.80 for the same type of fuel. Well, I mean that's the price it is, and I made a decision when I was going to buy it. I look at Senator Hughes because Senator Hughes lives out there, and he pays more for that gas than what we pay here; that's just the way it is.

**KRISTEN GOTTSCHALK:** Right.

**BOSTELMAN:** And so I mean, I think, though-- I think it's fair of what, what you're saying. But I also think, on the other side, we make those decisions every day and, hopefully, that won't become so much of an issue. I think it's-- you know, at, at, at charging, I think, is a--

**KRISTEN GOTTSCHALK:** Right.

**BOSTELMAN:** --key that we need to think of--

**KRISTEN GOTTSCHALK:** And I--

**BOSTELMAN:** --because then you're fairly being--

**KRISTEN GOTTSCHALK:** Right.

**BOSTELMAN:** --charged, you know, you're paying.

**KRISTEN GOTTSCHALK:** And my, my intent in saying that there's a difference in the different kinds of chargers-- so 15 minutes on a, on a level one charger is different than 15 minutes on a level two

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charge. So we would have to, from the complexity of this process,  
figure out 15 minutes on Level 1 is-- equates to about how many miles.

**BOSTELMAN:** Sure.

**KRISTEN GOTTSCHALK:** Fifteen minutes on a level two-- that's kind of  
where I was going with that,--

**BOSTELMAN:** I appreciate it--

**KRISTEN GOTTSCHALK:** --that that--

**BOSTELMAN:** --completely; I understand.

**KRISTEN GOTTSCHALK:** OK.

**BOSTELMAN:** Thank you.

**ALBRECHT:** OK, thank you for your testimony.

**TIM KEIGHER:** Good afternoon, Senator Albrecht and members of the  
committee. My name is Tim, T-i-m Keigher, K-e-i-g-h-e-r, and I appear  
before you today as the executive director and registered lobbyist for  
the Nebraska Petroleum Marketers and Convenience Store Association. I  
was hoping that in this study, in letting others go before me, I would  
have the answers before I got up here. But nobody's got the answer, I  
don't think. I mean, I concur with what everybody else has said. I  
want to be part of the discussion. Obviously my members use the roads  
to transport fuel to commercial, industrial, farm community. We like

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good roads. Our biggest concern is, is that we're not at a competitive disadvantage on the motor fuel tax. Obviously Iowa is probably our biggest concern. But in the discussion of how do we fund roads and making sure that everybody's paying their fair share as a user fee, I think that one thing that I don't think has been mentioned is, is that we have a state motor fuel tax, but we also have a federal motor fuel tax of 18.4 cents. The last I knew, we get back pretty much what we send the feds. So I think we need to take into account collecting something for the federal motor fuel tax, as well. I did some research on line, and it depends on which Web site you go to what the average miles are that somebody drives. But I found it's anywhere from probably-- oh, 12,000 to 15,000 miles a year is the average, obviously in a rural community, a lot more miles. I guess I appreciate the previous testifier supporting my members and buying a lot of fuel in her commute. So you know, you're looking anywhere from probably \$200 to \$300 a year, combining the state and federal motor fuel tax in what the average person is using. How do you go about collecting that? You know, it's been discussed-- maybe you pay on an annual basis. I mean, if you look at the trucking industry, you have the International Fuel Tax Agreement. That way they're paying the motor fuel tax based upon the number of miles they drive in each state, regardless of whether they buy the fuel here or not. You know, I think if you had everybody that owns a vehicle in Nebraska start reporting that way, I don't know, it may be too cumbersome, in my opinion; but maybe there's a way

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to do it. It's been mentioned that, you know, other states are looking at a mileage tax. Oregon has done that. I've heard that that isn't working well. I don't know why. I've just heard that it isn't working well. I think you come into the privacy issues and all those things, as well. So with that, I just wanted to bring up the, you know, that we need to consider the federal motor fuel tax in Senator Bostelman's bill. And with that, I'd be happy to answer any questions.

**ALBRECHT:** Thank you. Questions?

**TIM KEIGHER:** Well, that was easy.

**ALBRECHT:** Very good.

**TIM KEIGHER:** Thank you.

**ALBRECHT:** Thank you for being here. All righty. Anyone else? Hi.

**BLAIR MacDONALD:** Hello. Good afternoon. Members of the Transportation and Telecommunications Committee, my name is Blair MacDonald; that's B-l-a-i-r M-a-c-D-o-n-a-l-d, and I'm appearing before you on behalf of the Auto Alliance of Manufacturers. The alliance is a trade association representing 12 of the world's leading car and light truck manufacturers. So I've been listening to the discussion and, of course, that kind of shifts what all, what all I should say or need to say or questions that maybe need to be answered or hanging out there. I, we, I appreciate a lot of the comments that are made by previous

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testifiers. As a Director Schneweis alluded, there is a lot of uncertainty in forecasting the market for EVs and their impact on roads and roads funding, going forward. But the alliance does also believe that vehicle ownership should not be made more onerous or expensive, and we should keep vehicles more affordable so consumers can further enjoy the benefits of the new technology and better fuel efficiency. People should be allowed to choose a vehicle that's safe, reliable, and better for the environment without being punished. In a state like Nebraska whose network of public electric charging stations is still growing, many hybrid vehicle users pay, pay and buy fuel-- pay the fuel tax and buy fuel. So they're already paying in, and we wouldn't want to penalize them twice by adding an extra fee. But a point that hasn't really been made yet is that EV and/or electric vehicle and hybrid vehicles typically come with a higher price tag than a conventional, internal combustion engine counterpart vehicles. An average electric vehicle costs about \$50,000, so a consumer will be paying closer to \$900, at least, in taxes on that purchase. And an average internal combustion electric-- or excuse me-- an internal combustion engine vehicle costs considerably less, at around \$36,000, so a consumer would be paying less in taxes up front than their EV or hybrid counterparts. Nebraska's current EV infrastructure, as has been alluded to previously, is, is still under development. And LB-- the passage of LB678 earlier this year, with the Volkswagen settlement money, is, is helping that process, moving it forward. But we're not

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there yet. And in terms of talking about the actual current market share, the alliance found that, of the vehicles sold in Nebraska in, in 2018, less than half of 1 percent were pure electric vehicles, and less than 2 percent were a form of hybrid vehicle-- just under 2 percent. So as you're considering making these policy decisions, the fact is that there aren't that many EVs or hybrids currently on the roads in Nebraska to have a sizable impact on-- or noticeable impact-- on the health of our roads. So we wouldn't want to pose a further imposition on those vehicles, going forward. So--

**ALBRECHT:** Got you.

**BLAIR MacDONALD:** Any questions I can--

**ALBRECHT:** Thank you. Senator Bostelman.

**BLAIR MacDONALD:** --attempt to answer?

**BOSTELMAN:** Thank you, Senator Albrecht.

**ALBRECHT:** Sure.

**BOSTELMAN:** Thank you, Ms. MacDonald. Question for you on the sales tax--

**BLAIR MacDONALD:** Um-hum.

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**BOSTELMAN:** --on a purchase of a vehicle. Where-- how is that divided up? Where does that go?

**BLAIR MacDONALD:** I think that there are probably some people that know a little bit better than I do, I think, where, where exactly the money goes, but I do believe that some of it goes into the Highway Trust Fund.

**BOSTELMAN:** So I'm, I am not put, trying to-- I'm just-- I'm not for sure either, right off the cuff.

**BLAIR MacDONALD:** Right.

**BOSTELMAN:** So I thought I'd just could ask you, and someone else would probably know. And so the thing is, is that the cities, counties, and-- yeah, so the thing is, is, are we talking apples and apples?

**BLAIR MacDONALD:** Um-hum.

**BOSTELMAN:** So when I'm using fuel, if that tax it's going to be equal to the other, which is s fair question. And I--

**BLAIR MacDONALD:** Right.

**BOSTELMAN:** --appreciate what you said. I don't--

**BLAIR MacDONALD:** Um-hum.

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**BOSTELMAN:** I'm not discounting it; I'm just trying to understand the whole part of it. And I think all of us would agree, and you-- as you said, you know, we have to have safe roads and those type of things. So we're-- this is all about just trying to figure out what's coming--

**BLAIR MacDONALD:** Right.

**BOSTELMAN:** --potentially and how best to start to address how to look at that, so I appreciate that.

**BLAIR MacDONALD:** Absolutely. And as an industry, we just continue to appreciate having these types of discussions and with all these, all these different parties at the table, because we all have to be a part of the solution together. You know, another aspect that we don't even talk about, in terms of cost to the industry, is, is the emissions aspect of things. You know, we're, we're kind of handcuffed by emissions standards, too, which has to come into play when you talk about fuel usage.

**BOSTELMAN:** Sure.

**BLAIR MacDONALD:** And, and the ability of us all to just get around in the future, so--

**BOSTELMAN:** Appreciate it, thank you.

**BLAIR MacDONALD:** Um-hum.

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**ALBRECHT:** Any other questions? Seeing none, thank you for your testimony.

**BLAIR MacDONALD:** Yes.

**ALBRECHT:** Anyone else? No one else. Would you like to close, Senator Friesen?

**FRIESEN:** I guess I just have a few comments that, you know, as we look forward, we've all-- some of us have been around here a long time already, or what we consider a long time-- like forever. We're short of money on roads, and costs of road construction are going up faster than what our collections have been going up. And we're going to have a challenge, going forward. And, and part of this getting something in place before there's too many vehicles out there, it makes it a lot easier process to do now, to come up with some sort of solution to this rather than try and do it later, when there's too many vehicle out there. It gets to be too much political pressure at that point.

**ALBRECHT:** Um-hum.

**FRIESEN:** So from that aspect, I think we've heard some good testimony today, and we need to come up with some sort of method where we look at this. And you know, I, I-- you look at values. I mean people-- yes, the sales tax issue is out there, and some of that goes to a trust fund. If I choose to buy an expensive vehicle, that's my choice.

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**ALBRECHT:** Um-hum.

**FRIESEN:** But in the end, we need a user fee of some sort. As what we've all said, it was the most fair. And as you-- whoever uses the roads, whether all the products you buy are shipped somewhere [SIC] on roads. And so the cost to everyone is, is out there. And we have to maintain our infrastructure and our road system. In the end we pay me now or pay me later. I'd rather drive on a good road, so--

**ALBRECHT:** Um-hum. Very good, thank you. Questions of the committee? Seeing none, we're finished then.