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Appropriations Committee January 27, 2022
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WISHART: It's 1:30, everybody, so we're going to go ahead and get started. Chairman Stinner is going to be here, but he's running a little late and he has acknowledged that. I want to welcome everybody to the Appropriations Committee hearing. My name is Anna Wishart. I'm from Lincoln and represent District 27. I served as Vice Chair of this committee. I'd like to first start off by having members do self-introductions starting with Senator McDonnell.

McDONNELL: Mike McDonnell, Legislative District 5, south Omaha.

HILKEMANN: Robert Hilkemann, District 4, west Omaha.

VARGAS: Tony Vargas, District 7, downtown and south Omaha.

DORN: Myron Dorn, District 30, Gage County and part of Lancaster.

WISHART: Also assisting the committee today is Tamara. And to my left is our fiscal analyst, Sam. And then our page today is Jason. On the cabinet to your right, you will find green testifier sheets. If you are planning on testifying today, please fill out and-- one of those sign-in sheets and hand it to the page, Jason, when you come up to testify. If you will not be testifying at the microphone, but want to go on record as having a position on a bill being heard today, there are white sign-in sheets on the cabinet where you may leave your name and other pertinent information. These sign-in sheets will become exhibits in the permanent record at the end of today's hearing. We have another colleague joining us today, if you'd like to introduce yourself?

ERDMAN: Yeah. Steve Erdman. I represent District 47, nine counties in the Panhandle.

WISHART: So to better facilitate today's proceeding, I ask that you abide by the following procedures. Please silence or turn off your cell phones. So the order of testimony is going to be the introducer, proponents, opponents, neutral, and then closing. When we hear testimony regarding agencies, we will first hear from a representative of that agency. We will then hear testimony from anyone who wishes to speak on the agency's budget request. Please spell your first and last name for the record before you testify. Be concise. It is my request that you limit your testimony to five minutes. Written material may be distributed to committee members as exhibits only while testimony is offered. Hand them to the page for distribution to the committee and staff when you come up to testify. We will need 12 copies and if you

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have written testimony, but do not have 12 copies, please raise your hand now so the page can make copies for you. OK, great.

[AGENCY HEARINGS]

STINNER: We will now open on LB751, change a funding limitation for Economic Opportunity Program.

ARCH: Thank you for the opportunity.

STINNER: You're welcome.

ARCH: Good afternoon, Senator Stinner, members of the Appropriations Committee. For the record, my name is John Arch, J-o-h-n A-r-c-h. I represent the 14th Legislative District in Sarpy County and I'm here today to introduce LB751. This should be a share-- a fairly short hearing. I don't anticipate much if any testimony. LB751 is the companion bill I-- that I introduced to LB1033, which is in this committee and you'll hear it later and that deals with ARPA funds. So LB751 would eliminate the spending limit under the Economic Opportunity Program created by the Transportation Innovation Act of 2016. That act contained three components: the Accelerated Capital Improvement Program, designed to fast track the completion of state's expressway system; the County Bridge Match Program, created to assist with the repair of damaged county bridges; and the Economic Opportunity Program, which is what we're talking about here, a matching program for local governments to assist with infrastructure projects that foster business growth through connections with the state's transportation system, such as the development of rail spurs and service roads. Today, there are 16 active projects under the program, which have brought in \$1.8 billion in private investments and are estimated to result in over 900 full-time jobs. Ninety-three percent of the projects have been in rural communities. All three of these programs are funded through the Transportation Infrastructure Bank Fund. Spending on the Economic Opportunity Program, one of those three, which sunsets in 2033, is capped at 20-- at \$20 million. My intent with respect to LB751 is to eliminate this, is to eliminate this cap not for the purpose of using additional infrastructure bank fund, but to allow for the expenditure of additional ARPA funds should you choose to fund that. In my other bill, LB1033, I'll be requesting \$10 million in ARPA funds for this program and it's estimated an additional 10 to 20 new projects could be funded with this money. So-- this will please, all of you-- I would ask this committee hold LB751 for the time being and should this committee see fit to award ARPA

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funds to this program, this statutory change would need to be incorporated into the final ARPA package. Another option would be to keep the \$20 million cap in place and add language adding an exception if federal funds are available if we want to do it that way. Either way would work. But with that, I will end my testimony and try to answer any questions you might have.

STINNER: OK, opening up for questions. Senator Clements.

CLEMENTS: Thank you, Senator Arch. You-- what is the bill number that you're going to pair this with?

ARCH: LB1033.

CLEMENTS: LB1033?

ARCH: Um-hum and that's, that's the ARPA request.

CLEMENTS: And that's just a request for--

ARCH: An additional, an additional \$10 million ARPA funds would be placed into this, into this EOP that right now has a cap of \$20 million, so.

CLEMENTS: Could you give a little more description as to what EOP does? I'm not that familiar with it.

ARCH: I'll, I'll sure try. So, so, you know, the primary purpose of the Transportation Innovation Act is to accelerate the completion of the expressway system. So the EOP Program is an incentive piece not intended to compete with the funds that, that were used for that expressway. So it is, it is a-- it's an opportunity for-- you know, people can apply for some of these funds. As I mentioned, rail spurs-- you know, it's, it's a transportation focus to, to build infrastructure, to allow for economic development, front-- frontage roads, those types of things for if they want to develop a piece in, in a particular area.

CLEMENTS: Those are locally owned, but it-- probably be adjacent to state highway.

ARCH: Yeah and local projects, you know, so across the state can apply.

CLEMENTS: Thank you.

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ARCH: Um-hum.

STINNER: Additional questions? Senator Vargas.

VARGAS: This is more of a follow-up. I'm just-- if you can provide anything from NDOT on what these projects have been over the last couple of years.

ARCH: Sure, we can get a, we can get a report on that.

VARGAS: It would just be helpful and kind of get a sense because, you know-- I don't know if some of my colleagues feel this way. We've had a couple of these programs. I'm more familiar with the County Bridge Match program. We've seen a lot of those, joint study. I'm just trying to get a sense of what, what these last-mile projects really look like and which ones they are, but.

ARCH: Right, we'll, we'll request a report and, and get that to the committee.

VARGAS: Thank you.

STINNER: Additional questions? I didn't-- sixteen projects, did you have a total amount that-- I didn't catch that.

ARCH: I did not give a total amount.

STINNER: OK.

ARCH: I don't know, I don't know what that number is, but when we get that report, I'm sure it will include that number.

STINNER: OK, thank you very much. Additional questions? Seeing none, thank you.

ARCH: Thank you.

STINNER: Additional proponents? Seeing none, any opponents? Seeing none, anyone in the neutral capacity? Seeing none, that concludes-- well, I guess, if-- unless you want to-- OK. Senator Arch waives his closing. That concludes our hearing on LB751. We'll now open with LB991, appropriate funds to the Department of Transportation to conduct a feasibility study on high-speed commuter rail. Welcome.

MORFELD: Chairman Stinner, members of the Appropriations Committee, my name is Adam Morfeld. For the record, spelled A-d-a-m M-o-r-f-e-l-d,

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representing the Fighting 46th Legislative District here today to introduce LB991, a bill to appropriate funds to Department of Transportation for a high-speed commuter rail service between Omaha and Lincoln. Nebraska has not conducted a study on a potential commuter rail since 2003. I introduced this bill because the last time that this was studied in 2003, Nebraskans' transportation and driving preferences have dramatically changed in many cases. Younger Nebraskans increasingly desire more public transportation options and with technologies such as Uber and Lyft and intracity transportation options are also more numerous. And I think City of Omaha just announced that they're also looking at a light rail as well. So since I introduced this bill this session, people once again have really shown tremendous interest in the study. There's some bills, as we all know, that we introduce and we think they're personally kind of a good idea then you introduce them and either get a lot of opposition in some cases or you get a lot of support that you didn't expect. This is probably the bill that I've introduced in the last eight years I've had the most unexpected support that I've ever seen. And it's not just from young Nebraskans. I've had plenty of older Nebraskans reach out to me and say, hey, listen, I can no longer drive. I'd really like to be able to take a rail, you know, to, to Lincoln or Omaha and see my grandkids or my family or something like that. So I just want to point out that the reason why I'm so passionate about this is because I've just received an overwhelming amount of support of this-- for this concept and proposal and I think it's important to pursue. So getting back on script here real quick. The 2003 study worked under the presumption that the existing BNSF rail lines could be utilized for high-speed rail. The updates required then had a nearly \$80 million price tag. Fortunately, since 2003, the BNSF lines have been updated and no longer pose the same prohibitive cost to implement as they did in 2003. As we knew in 2003, and as we know now, thousands of Nebraskans commute regularly between Lincoln and Omaha, some nearly every day. The study estimated that a commuter rail in 2003-- note that we've had a lot of population shifts and increases between both metro areas-- but the study estimated that a commuter rail in 2003 would see between 129,000 to 185,000 passengers annually. I believe that number will greatly increase given population and then also consumer trends and desires. The advisory council, leading the way with the study at the time, noted that ridership in commuter rail would drive additional economic development between both communities. When I introduced LB979 in 2020, there were 32 commuter rail systems around the country. I won't list them all, but there's a bunch here and I'm happy to send you the list after this. Amtrak commuter rail

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system supported over 15 million riders in 2017. Amtrak-supported rails over the last few decades have seen ridership grow nearly 35 percent. Amtrak has been proactive in updating the existing infrastructure and facilities by spending almost \$1 billion over the last decade. Lastly, in addition to state resources, Amtrak has also utilized federal resources as well. That's something else that we might be able to leverage. We also may be able to leverage some of these federal funds that are out there that have been preferenced for things like this, mass, mass transport-- mass commuter transport, but we have to do the study, feasibility study first otherwise, we won't be able to leverage those funds. In order to be competitive in the 21st century and retain and recruit a skilled workforce, we must make investments in our infrastructures. As attitudes and preferences for certain modes of transportation changes, so must we. I want to note that there's several people behind me that are much more experienced in railroads and, and commuter rail that actually have a lot of different ideas and might be able to answer some more of your technical questions and practical ones. But I'm happy to answer any questions that you may have and I urge your favorable consideration of LB991. Thank you.

STINNER: Any questions? Seeing none, thank you. And you will stay for close?

MORFELD: I will stay for closing. I would just say this would be amazing to take it to this new lake that we're looking at. Just wanted to throw that out there.

CLEMENTS: Right through the lake.

McDONNELL: Genius thought, genius.

MORFELD: OK. Thank you.

STINNER: Any proponents?

ROBERT KUZELKA: Good afternoon.

STINNER: Good afternoon.

ROBERT KUZELKA: My name is Robert Kuzelka, K-u-z-e-l-k-a. I live at 1935 A Street here in Lincoln, Nebraska. And currently I'm the vice president of an organization called ProRail Nebraska. And actually, I'm-- what we're passing out is testimony that's the official stand of that organization related to LB991. The president, a father of four

girls, all under 10 years of age, has been quarantined for two weeks with his family so he sends his apologies or he would be there. And, and those of you that have heard him testify before know that I'm not a good substitute, but I'll do the best I can. We want to thank Senator Morfeld for introducing LB991. Our appreciation also to Senator Hughes, Senator Stinner, and the members of this committee for their work on behalf of the citizens of Nebraska. This testimony is the official position on LB99 [SIC] of ProRail Nebraska. ProRail is a nonprofit advocacy group focusing on increased passenger rail service, as well as other public transportation needs within the state. Our members come from across Nebraska and 15 additional states. As advocates for a passenger rail, we are often asked-- in fact, as Senator Morfeld just pointed out-- almost continually asked when we say we're interested in rail, the question is when will we be having an Omaha to Lincoln commuter rail? Almost invariably if you say passenger rail to anyone in the state in Nebraska, that's the first response you get. So I think that should dissuade any feelings that maybe this is sort of a esoteric sort of pursuit we're after. We're after something that the public wants. The need for this service is quite evident based upon analysis conducted of commuter rails' patterns, the traffic between the two cities. With increased population growth in both Lincoln and Omaha metropolitan areas, the service will continue with these trends while providing safe and reliable transportation between two-- Nebraska's two largest cities, as well as the communities in between and as well as the almost inevitable growth that will take place. The commuter lines that Senator Morfeld referenced almost to a person-- to the situation can be identified as having economic growth. Stops on those particular thing have, have significant growth and it, and it creates a pattern of growth for the state. It would bring the two cities into a much more viable economic unit by having this connection between the two. Currently, there are about 41,000 trips a week between Lincoln and Omaha. That's a one-way trip. They carry about 1.2 people so that's not a particularly efficient way of moving people or working with the economy. And, and many people tell us, well, if we had this, I could come back and forth. I could work in the capital and be-- go back to Omaha at night, things like that. As some of you are aware, Amtrak, the National Rail Association-- Passenger Corporation, daily serves the state with a pair of passenger rail trains known as the California Zephyr. They operate between Chicago and Emeryville, California, with a bus extension into the city of San Francisco. These trains stop currently at nine-- or at five stations: Omaha, Lincoln, Hastings, Holdrege, and McCook and 2018, had 53,527 passenger arrivals and

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departures. They also are a big economic boon to the state just in the operation that they're doing. Grand ideas require research and contemplation. They require a thoughtful discussion by those most able to minimize their cost and maximize their benefit. The time for evaluating passenger rail service from Lincoln to Omaha is long overdue. Please vote to incorporate this bill and the supporting funding into your appropriation bill. Thank you very much and I'd be happy to answer any questions.

STINNER: Thank you. Any questions? Senator Hilkemann.

HILKEMANN: You said, you said-- you used the number 41,000.

ROBERT KUZELKA: Yes, one-way trips a week between the-- that start in Omaha or Lincoln and, and I think that that's an older figure. I think it's been increased since then.

HILKEMANN: Senator McDonnell and I add to that number every day, so.

ROBERT KUZELKA: Yeah, you-- yeah, how many on this committee contribute to that?

STINNER: Any additional questions? Seeing none, thank you.

ROBERT KUZELKA: Thank you.

RICHARD SCHMELING: Good afternoon, Senator Stinner and members of the committee.

STINNER: Afternoon.

RICHARD SCHMELING: My name is Richard Schmeling, R-i-c-h-a-r-d S-c-h-m-e-l-i-n-g. I am the president of an organization called Citizens for Improved Transit. I'm also a district 1 director for ProRail Nebraska, and I just observed-- before I get more into the remarks that Senator Dorn, your district includes some of, of Lincoln and Lancaster County.

DORN: Yes.

RICHARD SCHMELING: And Senator Clements, your district got expanded and you have parts of east Lincoln, so you guys have dogs in this fight. The frequently asked question that, that I hear is, well, if I take the train between Lincoln and Omaha, how do I get to my final destination? OK. And I'm going to answer that question for you. In

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order to have a good transportation system, what you have is you have a coordinated interlock system. I can tell you that the StarTran bus system here in Lincoln, since I first started riding it in 2015, is much better, much more complete service and, and it's just-- the difference between day and night. Omaha has a bus system and they recently instituted a wonderful bus system in Omaha called ORBT on West Dodge Street. It's state-of-the-art bus. And if you ever get a chance, ride it because it's, it's really interesting to see. So the answer is you have that connectivity. So somebody in Lincoln wants to take the train to Omaha, they buzz down to the Amtrak station here in Lincoln and on the train, go to Omaha. They get off the train in Omaha and they take the Omaha bus system to wherever it is they need to go. So that handles what's called the first mile, last mile thing and that is already in place. Now one thing I want to emphasize is that, as Senator Morfeld indicated, we are not going to build a whole new railroad because that would be tremendously expensive. You have to condemn land, you have to construct a track, you have to put in a signal system. We use the existing Burlington Northern Santa Fe railroad tracks that are already in place. They're good for 79 miles an hour and the Amtrak trains run on those every night. We would not interfere with Amtrak because the Amtrak trains run between midnight and 6:00 a.m. and we would be running during the day time, 6:00 a.m. to midnight. So we can use the existing Amtrak station here in Lincoln. We can use the existing Amtrak station that's already there in Omaha, so we're not going to have to spend a bunch of money for the stations. The only thing we're going to have to spend money for is equipment and then the, the crews or personnel necessary to run the trains. When we look at the situation between Lincoln and Omaha, the interstate, even though they've added a pair of lanes, it's already crowded and an unpleasant drive. I can tell you that nationally, when they study this business of highway transportation, if you add a pair of lanes, you don't get a corresponding increase in capacity. If you add an additional pair of lanes between Lincoln and Omaha, you're not going to get a 50 percent increase in capacity. You're going to get much less than that. And finally, when you get five lanes going each direction, you get zero increase capacity and you have to start over again with a whole new right-of-way. What I would like to see this Legislature do is to look ahead into the future because if we pass this bill today and we do the study, it's going to be five years or more before we actually get a train system built. But we don't want to put ourselves in a position where we're going to have to play catch-up ball. If we build it now, it'll be cheaper than if we build it 10 or 20 years in the future. And I, I'm a big proponent of rail

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transportation. I rode trains and I personally prefer to take trains rather than flying and believe me, my, my worst train trip was better than my best bus trip. I will be more than happy to answer any questions that you might have. I consider myself both an expert on rail passenger and rail and city bus transit systems.

STINNER: Thank you. Questions? Senator Hilkemann.

HILKEMANN: Senator Morfeld, in his opening, said there are 31 of these commuter lines present, in existence. Are you-- is that, is that roughly where you would say it is as well?

RICHARD SCHMELING: I'd say it's about double that.

HILKEMANN: OK.

RICHARD SCHMELING: I would say it's double that because you got a whole bunch of them that go out of New York City. You've got a bunch of that, that hub out of Chicago. You've got lines down in St. Louis. You have a bunch of them in California. They're building new line, a new line in Texas. Arizona and Mexico have them. We're just behind the curve here in Nebraska.

HILKEMANN: So you'd say, so you would say maybe instead of 30 runners, 50 or 60? Are you aware of any of the 50 or 60 that are actually-- that can pay for themselves?

RICHARD SCHMELING: You're asking the wrong question. The question is does any transportation system in the world pay for itself? The answer is no. The only one I've ever heard that paid for itself was a bus system that ran in Las Vegas and hauled people to the casinos because the casinos paid for it. Every form of transportation here in the United States receives a subsidy. For example, airports. The annual subsidy for Logan International Airport in Boston was equal to the entire amount of money spent for Amtrak nationwide. The airplanes get the federal air controllers. Federal government pays for them. Railroads, they dispatch and their employees have to be paid by the railroad. Highways, you know, those trucks and cars going down the highway don't pay the full cost of the highways where, you know, what we're doing is we're taking revenue otherwise to build our and maintain our highway system. And so I, I guess the-- I, I hope I've answered your question the best way I can.

HILKEMANN: Thank you. Appreciate that.

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STINNER: Additional questions? Seeing none, thank you.

RICHARD SCHMELING: Oh, I do have, I do have-- just for your use, I did go ahead and make some maps that show the path of Burlington Northern Santa Fe between Lincoln and Omaha. And then if we would like to go ahead and go airport to airport, I have a little inset detail map that shows how we could go between the airport in Lincoln, downtown to downtown Omaha and out to Eppley Field in Omaha, so--

STINNER: Thank you.

RICHARD SCHMELING: --you can look at the maps and see them.

JAMES HANNA: Good afternoon, Chairman Stinner and members of the Appropriations Committee.

STINNER: Good afternoon.

JAMES HANNA: Thank you for the opportunity to testify. My name is James Hanna, J-a-m-e-s H-a-n-n-a. I'm the volunteer representative for Nebraska to the Council of the Rail Passengers Association, also known as RPA, a national organization made up largely of volunteers with the mission to improve and ex-- excuse me, expand the availability of rail passenger service throughout the United States. I'm also a board member of ProRail Nebraska, the state affiliate of the Rail Passengers Association, and I'm testifying in favor of LB991. People all over America are demanding rail as an option for commuter travel as roads get more congested and their personal time more precious. Others here today have spoken to the specific reasons why a commuter rail makes sense between Omaha and Lincoln. I'd like to tell you about my personal experience riding several commuter rail systems around the country that demonstrate how these systems can be a successful asset to the region. I've ridden the commuter rail system in the Chicago area many times. It's far beyond our needs here in Nebraska, but does demonstrate a concept that is key to making any such system succeed, which some of the others-- proponents have also mentioned, which is that it has to be carefully integrated with other transportation modes and the Chicago system has done that successfully for a great many years. Denver has a remarkable integrated public transportation system involving local, regional and interstate busses, light commuter and long-distance rail, airplanes and automobiles. Park-and-ride lots are at every train station. Local busses also serve most stations on schedules that coincide with the trains. Trains can get you to the Denver International Airport from downtown or a number of suburban

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steps for \$9 or in the case of many of the folks here who are my age or about there, for \$4.50, much faster than you can drive and you don't have to pay an outlandish fee to park your car or worry if it'll still be there when you return. All trains, some local and all regional interstate busses, hub at Denver Union Station, making it easy to get from one mode to another. It's the most well-known example I have found in the well-integrated urban transportation system. It's been so successful there that the Colorado Legislature just recently created the necessary laws to enable a regional rail system along the front range of the Rockies from Cheyenne all the way to Pueblo. I've ridden the ultra-modern, modern Brightline train in Florida once. It was initially created to ease the traffic on I-95, which at that time had four lanes in each direction. I think it's up to six lanes now, which are nothing but large parking lots at certain times of the day. I think the-- when I was there, the average daytime speed on I-95 was 35 miles an hour. Brightline is still working toward tighter integration with other modes, but is making progress and is close to operating a regional line from Palm Beach to Orlando to support tourist travel. In 2018, I rode the Sonoma Marin Area Rail Transit System, also called SMART, from San Rafael to Sonoma County Airport, approximately a 50-mile trip, so it's very similar to the Omaha/Lincoln distance. This would be an excellent model for a commuter rail in Nebraska as it runs on existing tracks shared with freight trains. It uses multiple diesel unit trains consisting of two permanently linked cars, each of which seats about 60 riders very comfortably. Each unit is self-powered and multiple units can be coupled together and controlled by one operator to allow easy adjustment of capacity. Depending on-- no overhead electrical wires are needed, so infrastructure costs are low. Cars have Wi-Fi, 120-volt outlets in every seat, a snack bar, and are fully handicapped accessible. Since I rode, they extended the line south a little ways to Larkspur and now provide passengers with a-- even with a connection to a ferry boat over to San Francisco. I mention these examples in the hope that you will direct those doing the study to consider integration of multiple transportation modes, which is critical to making any transportation system function well. They should visit at least some of these successful systems. Denver and SMART in particular are good examples or are they at least need to study those systems to see what makes a good system successful. The last time such a study was done some years ago under the direction of the Nebraska Department of Roads, the consultant hired appears to have started with the foregone conclusion that a Omaha/Lincoln commuter rail is a bad idea and spent his time writing down the reasons why. Now that Nebraska has

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a Department of Transportation, you should ensure that they consider all modes and how they can be integrated to provide the safest, most economical, and functional transportation station system possible. This bill would be a good start in that direction. Questions?

STINNER: Very good. Thank you. Questions? Seeing none, thank you.

JAMES HANNA: You're welcome.

WISHART: I shut that.

STINNER: No, that's fine, it just keeps hitting me in the back of the neck, so.

WISHART: I'm getting cold.

STINNER: We're moving the air around so nobody gets COVID. Go ahead.

ERIC GERRARD: I appreciate that. Good afternoon, Chairman Stinner, members of the Appropriations Committee. My name is Eric Gerrard. That is E-r-i-c, last name is G-e-r-r-a-r-d. I'm here on behalf of the city of Lincoln today in support of LB991. We think Senator Morfeld for introducing this bill related to a feasibility study. I know he introduced a similar bill two years ago. We appreciate his continued work on this. I will be brief. The experts already spoke and it looks like there's maybe one or two others to go. I'm not an expert on this area, but I do want to say for Lincoln and Omaha, economic expansion in our region is going to require partnership between the two cities so that we're collaborating and not competing necessarily and this is-- this study and hopefully eventually a rail would be a helpful aspect to, to do in that growing together. In a similar vein, we think it's important for the two cities-- as we grow together, that's going to be an important way to recruit individuals and families to want to be in Lincoln/Omaha and in the state of Nebraska. Again, commuter rail helps do that. One personal example: I used to live in Chicago and that was one of the reasons I chose Chicago is the modes of transportation. I didn't want a car at that time and I picked a job where I knew I could, I could take the commuter rail there, get me home. So it really is the draw. I don't think it's just one of those things that, that we say. I think it's a-- something that actually happens. The last point, in the city of Lincoln's conversations with the federal Department of Transportation and with some of the federal funding that's-- that was just passed in the infrastructure act, it does sound like they are prioritizing regional kind of big projects

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similar to, to what Senator Morfeld has introduced. So we have heard those initial indications from the federal Department of Transportation as opposed to a city-specific or smaller project within the city of Lincoln. So from our analysis, this would fit in well. The last thing, I want to tell a brief story since Senator Morfeld his term limited, when he talked about how popular this bill has been. This is two years ago, I was standing in the lobby with a national client so I was already feeling, I was feeling pretty good. Senator Morfeld comes out to lobby points to me and says, Eric, I need to talk with you right now. So I wasn't sure if I was in trouble or if something, something was going on. He pulls me to the side and says, you know how to photoshop, don't you? And I said, well, I'm not very good at it, but I guess I can try. So he said, I need you to photoshop a picture with a train hat on my-- with a conductor hat on me. This is blowing up on social media. So, so I helped him with that. I went back. The client asked what, what he wanted to talk about and I said it's confidential. So that's the last story I'll tell about Senator Morfeld before he's term limited. With that, I'd reiterate our-- city of Lincoln's support for, for this bill and the study and I'll close and answer any questions. Thank you.

STINNER: Senator Wishart.

WISHART: Well, thank you, Eric. I want to assure you I wasn't trying to jump out the window here. Has the mayor of Lincoln and the mayor of Omaha had any conversations about an opportunity to collaborate here?

ERIC GERRARD: I don't know for sure, but let me, let me check and get back to you. My, my in-- my inclination is that they have. I know they, they've met frequently and talked about the regionalization of the two cities. And so my inclination is yes, but let me, let me check that with [INAUDIBLE] and let you know.

WISHART: Sure. I think that's something that would be helpful, at least for me as a committee member, to see both of their genuine interest because if we're, if we're putting money into a study, the goal would be that it, that it ends with, with actionable results.

ERIC GERRARD: This isn't responding to your ques-- I do know the Lincoln Chamber and Omaha Chamber submitted letters of, of support--

WISHART: OK.

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ERIC GERRARD: --support on this. I know city of Omaha, two years ago, testified in support. So again, every inclination is that the answer is yes, but let me confirm that.

STINNER: Additional questions? I will ask you this. This is going to require a subsidy. Does the subsidy come from state? Does it come from the cities? Does it come from the Feds? And is this study going to tell us how much of a subsidy it needs?

ERIC GERRARD: Yeah, the way the bill is drafted, I think it's fairly broad. So I think the, the study could look at other regions to tell us potentially the best model to do that. Again, I think it's probably a combination thereof of the, the three different-- Fed, state, and then each of the municipalities or the localities probably would need, would need to contribute, I think, can have some skin in the game. So I think all three of those. I'm guessing the feasibility study could point to some, some areas that have done it better than others.

STINNER: High speed-- would-- how fast do you have to be to be a high speed?

ERIC GERRARD: I may leave that to one of the experts. I looked, I looked back in the transcript from two years ago and I, I think it was anywhere from 80 miles to-- 80 miles per hour up to 110 miles per hour. It probably could go faster, but--

STINNER: And if-- know we can do is go 79. Isn't that-- wasn't that the testimony, 79 is what the rail line--

ERIC GERRARD: Oh, maybe that's what the-- OK.

STINNER: --would support? OK. Just--

ERIC GERRARD: I should let the experts answer that, sorry.

STINNER: I believe that's what I heard. Well, thank you for your testimony. Any additional questions? Seeing none, thank you.

ALAN BADOUR: Thank you, Senator Stinner, members of the committee. I'm going to answer your question from the last gentleman right now.

STINNER: Sure.

ALAN BADOUR: Passenger rail is good to 72 to 79 miles an hour. Higher-speed rail is good to 82, close to a 100.

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STINNER: OK.

ALAN BADOUR: High-speed rail is 150 to 160. That's from D.C., we'll say, to Boston. What we're looking at on-- well, all right. I answered your question there. I'll come back to it.

STINNER: OK.

ALAN BADOUR: I am Alan Badour, A-l-a-n B-a-d-o-u-r. I am a 40-year railroad retiree and I say railroad, I should say rail industry because I've done freight, commuter. I've done the light rail in Denver. It was one of my babies. Salt Lake City has some of my other projects. I have been in love with trains since I was four. I grew up in Chicago, born three blocks from Wrigley Field, so I'm a North-Sider. I ride those trains every time I go back, just the way to go. So that's where my heart is. We'll get into the specifics on the line that we're looking at. From Omaha to Ashland is referred to by the BNSF as the Omaha Sub-- Subdivision. From Ashland to Lincoln, that is the Creston Sub, only a part of it. Yes, the track is rated at 79 miles an hour or better. We only added 10 miles an hour after that in case some of them got away from us. It is controlled by signal systems from one end to another. We call it CTC, centralized traffic control or train control. It is dispatched out of Fort Worth, Texas. All of PTC has been up to date so the signal systems are state of the art. They're current right now. The track is maintained, of course, by BNSF and they have a yearly plan that they do every year to replace [INAUDIBLE], to check the steel, and they will even bring what we call a grinder train. You'll see it sometimes. It looks like it's been set on fire because it has. It has a locomotive at the front, one at the back and with fire hoses. It gets that hot. But what it does is they can grade the rail right down smooth. I say it this way because those are things that you don't have to worry about with, with this kind of budget that they're asking for. You need a budget that will have to go after the rolling stock. I mean, you can buy new, but that's real expensive. Right now, the transit systems of metro, UTA, Caltrain are all recycling their fleets, so that puts a lot of previously used vehicles out there and I mean passenger cars. As long as you've got that in front of you, I can show you the cars that I'm talking about. And this is another option that, that just blows my mind. But the two-- you see the metro locomotive on the left and then the silver car with the red and white stripes on it to the right? This is a combination that makes the use of a wye not needed. We call these reverse running and what it is-- in that red-and white-striped car on the right, the engineer sits up there and then he controls the whole

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train when it comes back from wherever he started. When the train pulls out of the station, he's up front. He flips a couple of switches and he can go either way he wants. He doesn't have to turn the train. It stays together. You don't need a wye. The Omaha Sub is about 32 miles long. The Ashland Sub is about-- I want to say 24. That's a total of 55 miles roughly from Omaha to here. It's a good, long stretch of track. The speed here-- I'm a little flustered. The Omaha Subdivision, in a 24-hour period, sees three trains; two of them are the Zephyrs, westbound and eastbound. That's some pretty smooth sailing from Omaha to Ashland. The sub from Ashland to Lincoln sees 19 trains in a 24-hour period, again, Amtrak one way and bac. The Omaha Sub is what we call a single track. The Creston Sub is double track. This comes into play if, let's say a BN train either stalls or is waiting to get into the yards. The dispatcher in Dallas can run the passenger train around him and maybe slow down to 45, depends on where he runs them over. There's certain restrictions we have on our switches and what type they use. So in essence, that 79 mile an hour, that's pretty good pace on that track. I drove it today coming down here and I saw no trains like I have in the past-- around half lots or some-- you know, they're sitting there waiting to go or go into the yard. This is something that has been sitting-- I've lived here now 35 years because I worked for the UP for 15 years then I went to the consulting side. It's, it's been a passion. I've-- you know, it's been sitting there just waiting. Nothing has really changed except the added positive train control. The only thing that maybe budgeting would help on this is if we had to add a siding. See how I start to talk about-- or refurbishing existing stations. If you see the-- this slide, all right? That was Crystal Lake, Illinois, where we lived. The black and white one was done in 1903. They refurbished that station and that's how she looks right now. This is what we did when we did the light rail along I-29 in Denver. We went to each community that wanted a stop. And through our planning, you know, people and doing the studies, we said, would you like to invest and make your station unique to you? And they would kick in money to help out. They got a little carried away with some of the sound walls there, but that's another story. The-- if you-- if a city didn't want to say, refurbish Lincoln station-- and I think Ashland has got a building there that could still be negotiated with BN. You put in shelters, not like the busses where you put a park bench out there in the elements and you sit and freeze. You put in covered shelters like this with heating up top.

STINNER: Alan, the red light is on so--

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ALAN BADOUR: Oh.

STINNER: And it has been for a while, but--

ALAN BADOUR: I'm sorry.

STINNER: Go ahead and conclude.

ALAN BADOUR: I'll take any questions you have right now.

STINNER: OK. Any questions? Senator Kolterman.

KOLTERMAN: Thanks for coming today.

ALAN BADOUR: Yeah.

KOLTERMAN: You know, I-- you go back many years, we used to travel between communities by rail.

ALAN BADOUR: Um-hum.

KOLTERMAN: Our depots are gone now or our train stations are gone, but it's not out of reality.

ALAN BADOUR: No.

KOLTERMAN: What I'm hearing you say is the tracks there, all we'd have to do is purchase the trains--

ALAN BADOUR: Yes.

KOLTERMAN: --and fire 'em up again.

ALAN BADOUR: You want to look at, you want to look harder at the locomotives because that's the workhorse, of course.

KOLTERMAN: But it, but it would-- but you could, you could-- if I hear you correctly, we could utilize people that are upgrading, get some of that equipment--

ALAN BADOUR: I'm-- yesterday, I contacted the guy I know at Utah transit because when I went out there to work on that project, we got 18 of the double-deckers from metro in Chicago for free, I kid you not, because they just got to get rid of them or we got good price. So you have Metro. You have, I think it's Virginia Transit on the East Coast, Utah. You've got Caltrain in the Bay Area, which was 70 miles.

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They run the same kind of cars. I kind of did this Nebraska Zephyr the same thing, but does that answer-- I mean, they're there.

KOLTERMAN: Yeah, that's good.

ALAN BADOUR: It's -- we-- they couldn't run fast just because the railroad didn't like it. They weren't making money. Planes were killing them. Now Union Pacific has 106 transit systems that they run on. All the stuff in Chicago is either BN tracks or UP tracks. So metro owns the rolling stock. They own the stations. UP owns the line. So you have agreement-- purchase service agreements with the UP and the BN that-- their crews run the trains, which makes sense from a safety standpoint. They know all the nuances for that line and, like I said, Caltrain does the same thing.

KOLTERMAN: Thank you.

ALAN BADOUR: Uh-huh.

STINNER: Senator Clements.

CLEMENTS: Thank you, Chairman. What would you envision as being how many trips a day this is going to do?

ALAN BADOUR: A visionary-- I would say it would just like the Zephyr did when it was conceived. I'm talking about the California Zephyr, Zephyr. One train would start in San Francisco, the other in Chicago at the same time, so they would meet somewhere in the Rockies. I envision doing the same thing here. One starts at Lincoln, one starts in Omaha and they get to where we have to jump off this double track to single track without, you know, first-come-first-serve type stuff the way the signals are set.

CLEMENTS: So one morning train from each city and one afternoon train--

ALAN BADOUR: Uh-huh.

CLEMENTS: --in down--

ALAN BADOUR: And I think from a study that, you know, you'd do from town hall meetings, you'll know-- you'll get a rough idea how many people really start-- you know, saying, hey, you know what? I don't want to, I don't want sit on-- in traffic and, you know-- or get up in the morning and say, oh, you know, car accident at 680 and Dodge,

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everything's blocked up. The only thing technically that should affect this train is if BN cannot receive trains into the yard here in Lincoln. Other than that-- I mean, I used to ride-- I, I was a ornery little kid, but I used to ride-- when I'd ride metro down to work in Chicago, I loved going by the Kennedy Freeway and just waiting and keep going.

CLEMENTS: OK. Thank you.

ALAN BADOUR: You're welcome.

STINNER: Thank you. Additional questions? Seeing none, thank you very much.

ALAN BADOUR: Thank you for letting me ramble on.

STINNER: Any additional proponents? Any opponents? Seeing none, anyone in the neutral capacity? Seeing none, Senator Morfeld.

MORFELD: Thank you, members of the committee. Just a few different things to note. First, the city of Omaha did inform Jack-- Jack, their lobbyist, did inform me that they are supporting the legislation. I just got an email this afternoon. He wasn't able to make it, but I think he submitted something online. The other thing that I'll say is I'm obviously flexible to this. This is based on when I sat down with the Department of Transportation two years ago originally, but I know that there's a new director as well and so maybe they'll have some, some revised cost estimates. I will say that this is a serious proposal. I really would like the committee to advance this and move it forward, I think, with some of the exciting things going on between Lincoln and Omaha. And then also the fact that both Lincoln and Omaha are investing in public transit in different ways now. This is a way to bridge that and then create a lot of economic development. I also want to say that, you know, there's going to be a lot of stations to name so we could have an Erdman station. No neutral, nothing neutral in Erdman station, you know, and then we could have all kinds of stations named after all of you. But in any case, I do think that there's some pretty exciting opportunities. And I think that you'll see a broad cross-section of Nebraskans from all different age groups utilize this and, and it'll be a legacy and transportation system that will be used for many years to come. I'd be happy to answer any question. Oh, I'm sorry.

STINNER: Senator Dorn.

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DORN: Well, thank you, Senator Stinner. Just kind of a-- since you mentioned Department of Transportation, the \$500,000 price tag, what-- who came up with that amount or is an sufficient or not or--

MORFELD: Is there somebody from Department of Transportation? OK. Somebody's told me that somebody is here, sorry. That, that was the number when I originally sat down with them.

DORN: This year or two years ago?

MORFELD: Two years ago and it was based on previous studies that were done in other states. At that time, I also talked to BNSF, their represent-- representative, and they noted that that was the ballpark for a really comprehensive study that also looks into how many stops, what the, the passenger rates would likely be, and then also, to your point, what the subsidies would be or lack thereof and then what the funding mix-- you know, state, local, federal, all of that, so--

STINNER: Just as another point, in the fiscal note, you'll see where the Department of Transportation said this is what we can do it for so it validates again. Senator Wishart, did you have your hand up or-- OK. Anyone else?

MORFELD: I also want to note that this is the photo of that--

STINNER: Full disclosure, I'm actually--

MORFELD: Really good photoshop.

STINNER: Full disclosure, I'm actually scheduled to take a train trip over Western Canada, so.

MORFELD: Oh.

STINNER: I'm going to advocate a train to--riding on a train.

MORFELD: I'll get in touch with them, make sure it's a smooth ride for you.

STINNER: --when you turn 70 and you're retired, you're looking for somebody else to drive for you. In that case, thank you very much.

MORFELD: OK, thank you, members of the committee.