

**Testimony of Kyle Schneweis, P.E.
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**United State Senate Committee on Commerce, Science, & Transportation
Subcommittee on Surface Transportation and Merchant Marine Infrastructure, Safety and
Security
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Chairman Fischer, Ranking Member Peters and members of the Subcommittee, thank you for the opportunity to testify before you today.

My name is Kyle Schneweis and I am the Director of the Nebraska Department of Transportation (NDOT). Our agency has nearly 2,100 employees spread across our eight field districts and the departmental headquarters in Lincoln, and we are responsible for the nearly 10,000 miles of roads and 3,500 bridges that are owned and maintained by the state.

Because of Nebraska's central geographic location, we serve as a key link in the national transportation network, with our highways and Interstate 80 being crucial corridors for commerce and the transport of goods and commodities all across the country. In addition, Nebraska is home to some of the nation's largest railroads and trucking operations, making the importance of the efficient movement of freight even more imperative and front of mind.

Governor Rickett's vision for his administration is to "Grow Nebraska." State agencies are focused on making government more effective and efficient, improving customer service, and creating opportunities for Nebraskans. Governor Ricketts recognizes that infrastructure provides the framework that ties communities together and helps grow our state.

Our Governor and state legislature has been very active on transportation issues in recent years, passing legislation to prioritize funding for infrastructure and giving our agency the tools to streamline the project delivery process.

For example, in 2011 a bill championed by then-State Senator Fischer called the Build Nebraska Act was passed dedicating ¼ of 1 cent from state sales tax receipts to fund new capital construction projects. In addition, in 2016 the Nebraska Legislature passed the Transportation Innovation Act, which created and financed the state's first transportation infrastructure bank and established programs that allow us to provide matching funds to localities to address deficient bridges and to spur economic development tied to local infrastructure investments. The Transportation Innovation Act also authorized the department to utilize innovative project delivery methods including Design-Build.

As a result of this strong leadership from elected officials in our state, we've been able to move forward with many projects that had been put on the shelf due to a lack of funding. A great example is the fact that we are now able to finally complete our state expressway system, which had been talked about for decades prior. Nebraska did all of this by taking a critical look at an

existing revenue stream and repurposing a portion of it for infrastructure, resulting in investing an estimated \$1.6 billion in projects over the next 20 years.

Finally, last year our state legislature passed a bill that authorized NDOT to work with the Federal Highway Administration to take on National Environmental Policy Act permitting responsibilities from the federal government, utilizing a federal program first initiated as part of SAFETEA-LU and made permanent under MAP-21. I believe we are one of eight states that have sought out that authority thus far, and once the process is complete, it will be incredibly beneficial to our ability to deliver projects in a more efficient manner.

As a state DOT, we've been very encouraged by the discussions taking place in Washington, DC, about infrastructure, particularly the Administration's focus on making sure dedicated funding is available to rural states and further streamlining project permitting requirements. Additionally, with the framework that has been put forward by the President, we look at it as an opportunity to be creative in how we pay for projects and see the potential in trying to fund infrastructure beyond the traditional methods. We all understand that the funding resources across the country don't match up with the investment needs—this means creative, outside-the-box thinking is a must if we're going to meaningfully improve the state of our national transportation network.

While this Subcommittee and the full Committee further discuss and evaluate proposals that are brought before you, here are key recommendations I would like to make on behalf of the Nebraska DOT and many of my state DOT peers around the country.

The first recommendation is to make sure that the funds tied to any infrastructure package have as few federal strings attached as possible. States and Governors are best positioned to put transportation dollars to work on projects immediately and get people working. Even with states like Nebraska that have been proactive in generating dollars at the state level to fund transportation projects, there still remain billions of dollars in needs. States and their local partners know exactly what the most important priorities are for their communities and where additional dollars can be utilized most quickly. In this vein, the President's plan proposes a \$50 billion Rural Infrastructure Program, with \$40 billion of that specifically going to rural block grants. We are extremely supportive of this idea for exactly the reasons I just mentioned.

The President's proposal has also spurred discussions on seeking more dollars from state and local governments in relation to federal dollars. While there may be some merit to the approach to reward states that choose to prioritize state funds for infrastructure, I do think it's also important to recognize the prior financial commitments that states have already made to get projects moving. Many state legislatures, including in Nebraska, raised their state gas tax in the past few years to invest in infrastructure. Asking states to enact additional revenue increasing measures is not feasible in those states that have taken similar action in recent years. I would encourage any legislation to include a "look-back" provision that gives states and local governments who have already stepped up to the plate and made the tough decisions to increase infrastructure investments full credit for projects and funding that were committed prior to the passage of any legislative proposals.

Public-private partnerships (P3s) and inducement of more private investment in infrastructure finance and procurement are also being discussed as possible options to leverage federal dollars behind the President's plan. While rural states like Nebraska may have challenges attracting investors based on the nature of projects we have, we believe that creating opportunities for incentives gives us another tool in the toolbox to be innovative in how we deliver certain projects in the future.

I would also like to harken back on the need to further streamline the environmental permitting and approvals process. While Nebraska has already taken steps to reduce that burden by taking on NEPA assignment, that doesn't prevent us from still getting tied up in federal red tape and adding years and millions of dollars in costs to projects. I believe state DOTs should be provided with more opportunities to assume federal responsibilities and the associated accountability for compliance with federal environmental permitting laws that are tied to infrastructure. Doing so does not absolve a state from serving as leading stewards of both human and natural environments; rather, it enables states to save time and taxpayer dollars, and ultimately providing better customer service to our constituents, while ensuring that the environment that my family and my fellow citizens of Nebraska live in remain protected.

Chairman Fischer, Ranking Member Peters, and members of the Subcommittee, thank you again for the invitation to join you today and I look forward to your questions.