

STATEMENT OF CAL KLEWIN
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BEFORE
COMMITTEE ON BUDGET
UNITED STATES SENATE
HEARING ON
TRANSPORTATION INFRASTRUCTURE ROLE IN ECONOMIC DEVELOPMENT: U.S. 12 AND U.S. 85
AUGUST 24, 2010, 1:00 p.m.
BOWMAN, NORTH DAKOTA

I am Cal Klewin, Executive Director of the Theodore Roosevelt Expressway Association, the northern leg of the Ports-to-Plains Alliance, which stretches through America's rural heartland connecting North Dakota with a common north-south corridor reaching domestically across nine states from Texas to Montana and internationally to markets in Canada and Mexico.

Senator Conrad, thank you for coming to southwestern North Dakota to address transportation infrastructure's role in economic development in rural America, with a focus on Highways 12 and 85. You have been a champion of transportation investment in North Dakota and rural America, and we are very grateful to you for your support over the years.

A safe, sound and efficient transportation system is the foundation of a vibrant rural economy. With efficient transportation, the costs of inputs to agriculture and the cost of living for inhabitants of rural areas decreases, the net price to producers and manufacturers increases, market access and competitiveness increases, and job opportunities are increased. Successful businesses and producers contribute to the quality of life and increase opportunities for rural residents.

Nowhere is the need for an efficient transportation system more evident than in southwestern North Dakota, where our primary east-west corridor, U.S. Highway 12, and our primary north-south corridor, U.S. Highway 85, are both under significant stress that threatens to stifle regional economic growth.

U.S. 12 was recognized in the early years of the automobile to have the potential to move people from the state of Washington to Massachusetts. This northern tier system was promoted by the Yellowstone Trail Association to provide access to Yellowstone Park, a growing tourist destination. In those days, a two-lane rural road was adequate.

Today, U.S. 12 still moves people to Yellowstone Park. But the region's economy is growing and much more diversified, and a two-lane rural road is no longer adequate. As you know, Mr. Chairman, North Dakota--including the southwestern area--is an exporting region. We produce more energy and commodities than we consume. We must have modern, safe, and efficient roads to move these commodities to the U.S. and world markets while accommodating visiting tourists and local traffic.

Our region helps to feed America. The agricultural industry, with the diversity of wheat, barley, pulse crops and livestock, has led the regional economy. It relies heavily on trucks that use Highways 12 and 85. For example:

- The livestock and grain industry in this region--from Billings, Montana, to Aberdeen South Dakota--rely on U.S. 12 for the delivery of product, traveling to, from, and thru North Dakota on U.S. 12.
- U.S. 12 provides service to grain terminals by truck. Ninety-five percent of the trucks are large semi's hauling up to 900 bushels of grain to Bowman and Scranton. Scranton, the second largest terminal to Gladstone located on Interstate 94, handled in excess of 10 million bushels of grain. These grain terminals load railroad unit trains for shipment to Minneapolis and the west coast.
- Freight movements of grain to markets in Billings, Montana and Minneapolis, Minnesota, move on a portion of U.S. 12 and then link to the Interstate System terminating at exporting terminals, these shipments are by large truck hauling 105,000 pounds of grain commodity.

Our region also helps to power America. The oil and gas industry also places significant demands on the local highway system, including Highways 12 and 85.

- Bowman County was until recently the # 1 oil and gas producing county in the State of North Dakota, with new development in the Bakken play in northwestern North Dakota. The production of oil and gas from the Cedar Hills, Marmarth, Badlands and Little Beaver fields in Bowman County is served by U.S. 12 with its connectivity to the county and township roads that access these fields.
- Delivery of oil and gas production often moves by truck when pipe lines are inadequate or market conditions are of a profitable nature to move product north-south along U.S. 85 and east-west along U.S. 12 to pipelines in Guernsey, Wyoming, or to the north moving on U.S. 12 then on U.S. 85 to Enbridge in Williams County, North Dakota, to be delivered to refineries.
- The exploration and production of oil and gas in western North Dakota continues to increase at record levels, which will increase the demands of surface transportation in this region.
- Each new oil well requires 1,250 trucks with ten wheels or more from the beginning of the process until the well is put into production. With over 100 drilling site operations in North Dakota alone, that puts almost 125,000 large and often oversized trucks on our rural two lane highways on a monthly basis. And this does not count the increased traffic associated with servicing the wells already in production or hauling oil to pipeline locations.

And the coal industry relies on the surface transportation system as well and is placing significant demands on Highways 12 and 85.

- Surface transportation along the eastern portion of U.S. 12 in Bowman County serves the lignite coal industry with huge deposits available for energy development as technology for clean coal becomes available.
- American Colloid located along U.S. 12 at Gascoyne, North Dakota also ships by truck many of the products such as drilling mud, component products for use as fertilizers from the plant located along

the U.S. 12 route. An industrial rail loop also located along U.S. 12 receives and pipe, and support equipment for various pipe line projects developing in the region, is shipped by rail to the site at Gascoyne, then disbursed to the construction site by truck, by way of U.S.12 to other connecting routes.

Local distributing is also a user.

- Colorado Tubular/Aztec Pipe is located just off of U.S. Highway 12 west of Bowman. The pipe inventory is shipped into Bowman from distribution yards located in Texas, Oklahoma, Wyoming, and Nebraska. CTAP received 135 truck loads of pipe, rod, and tubing during the month of July, 2010, at the Bowman Yard. The route to Bowman was U.S. 85 and 12 in North Dakota, and keep in mind these trucks have to return to their place of origin, most likely using these same routes.
- In July 2010 CTAP moved 97 shipments of pipe in the Williston Basin to locations south, west, and north using both U.S. 12 and 85.

Wind energy development is another truck intensive industry impacting Highways 12 and 85.

- Wind energy development has expanded into western Bowman County, with 19.5 megawatts of wind energy at Cedar Hill.
- Developed by Montana Dakota Utilities, another proposed wind project, Diamond Willow, will be located in eastern Montana and will be served by U.S. Highway 12.
- It takes approximately eight oversized trucks per tower to haul the major components of each wind tower, not including the rebar, concrete, road materials, water, crane, and electrical components. North Dakota's growth, due to its wind potential, will lead to ever increasing transportation stress for platforms, substations, and transmission systems.
- North Dakota is currently #10 in Wind Energy development and has to potential to be the #1 wind energy state in the Nation. This potential development will put additional stress on an already antiquated and stressed highway system.

And finally, tourism in the area continues to grow. Two popular national attractions--Mount Rushmore to the south and Theodore Roosevelt National Park to the north--are both located on the Theodore Roosevelt Expressway and connected to the east and west by U.S. 12.

Unfortunately, U.S. 12 and 85 are narrow two-lane highways and were never designed for these loads and this kind of traffic. They are simply not adequate to carry the existing traffic, along with trucks carrying freight through the region, trucks carrying food to our major cities, vehicles carrying tourists, and vehicles carrying our citizens to their jobs, health care, and schools. It is this mix of types of vehicles and patterns of movement that increases our accident rates so significantly.

If our economy is to continue to grow, these inadequate roads must be upgraded to a modern, four-lane highways capable of safely serving local, regional and national needs. The new federal transportation bill must provide the policies and resources to make this a reality, not only in this region but in other rural areas across

America as well. The sanctity and integrity of the Federal Highway Trust Fund be preserved and the Trust Fund must have adequate resources to meet the needs of rural areas as well as large metropolitan areas.

It is also imperative that the transportation bill, as well as any climate change legislation Congress might enact, recognize that rural areas are different than major metropolitan areas and that additional highway capacity in rural America is critical if these areas are to be a part of the national and global economies.

This concludes my testimony; I thank you for this opportunity to testify. Working together as North Dakotans and Americans we can hopefully improve the surface transportation in this region and North Dakota to compete economically in a changing world economy.

Thank You

Cal Klewin, Executive Director

Theodore Roosevelt Expressway Association