

May 28, 2009

Honorable Senator Kent Conrad and Members of the Committee,

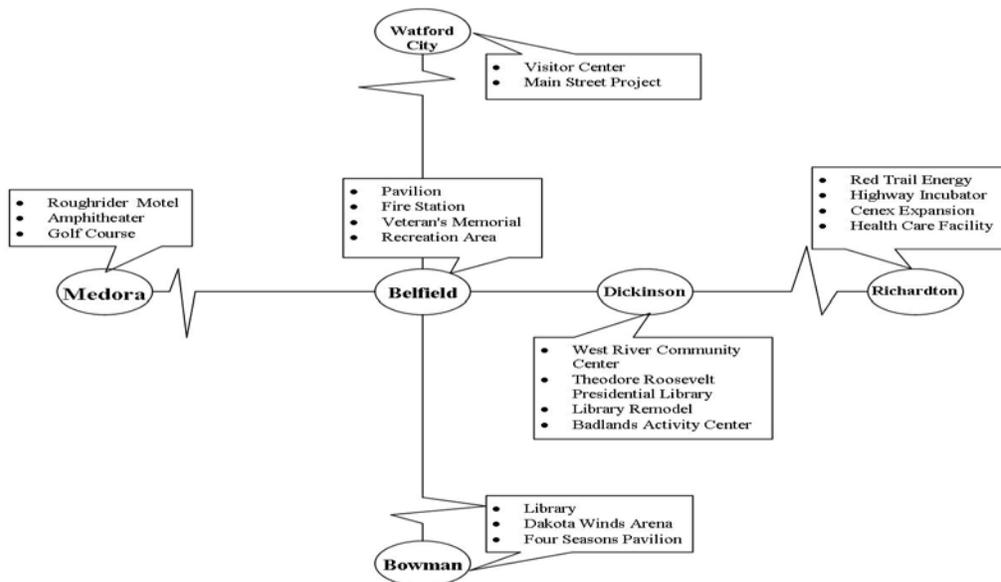
My name is Gaylon Baker. I am Executive Vice President of Stark Development Corporation, the economic development office serving Stark County and its surrounding market area. I have been in this position for 14 years, having prior experience and training in metro area redevelopment, marketing, land use planning, business planning, housing rehabilitation and regional planning. I am a member of the Theodore Roosevelt Expressway Association Board of Directors. The Theodore Roosevelt Expressway Association is a part of the Ports to Plains Alliance. The goal of a safer, more efficient corridor highway that spans our Nation from north to south is shared by all of the alliance. Such a corridor highway will improve the future of North Dakota and its neighbors on several fronts.

Our Association can cite an impressive list of statistics that support the economic impact of north-south trade. North Dakota alone trades over \$2 Billion domestically with the other eight states in the Ports to Plains Alliance. Our state also realized \$1.8 Billion in exports by truck to Canada and \$15 Million in exports by truck to Mexico in 2008. Both of these export numbers are up over 200 percent since 2004. North Dakota's leading manufactured export is machinery, followed by transportation equipment, processed foods and chemical products. North Dakota's exports of goods has risen sharply in recent years as more and more companies are finding markets across our Country's borders and as they have grown more sophisticated in their marketing.

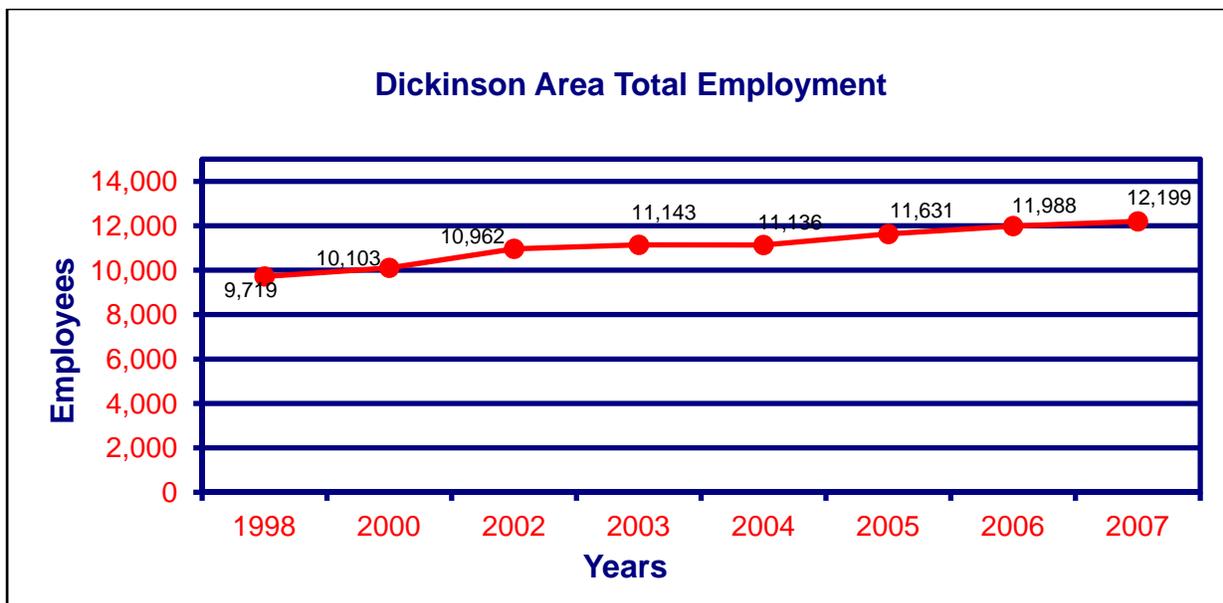
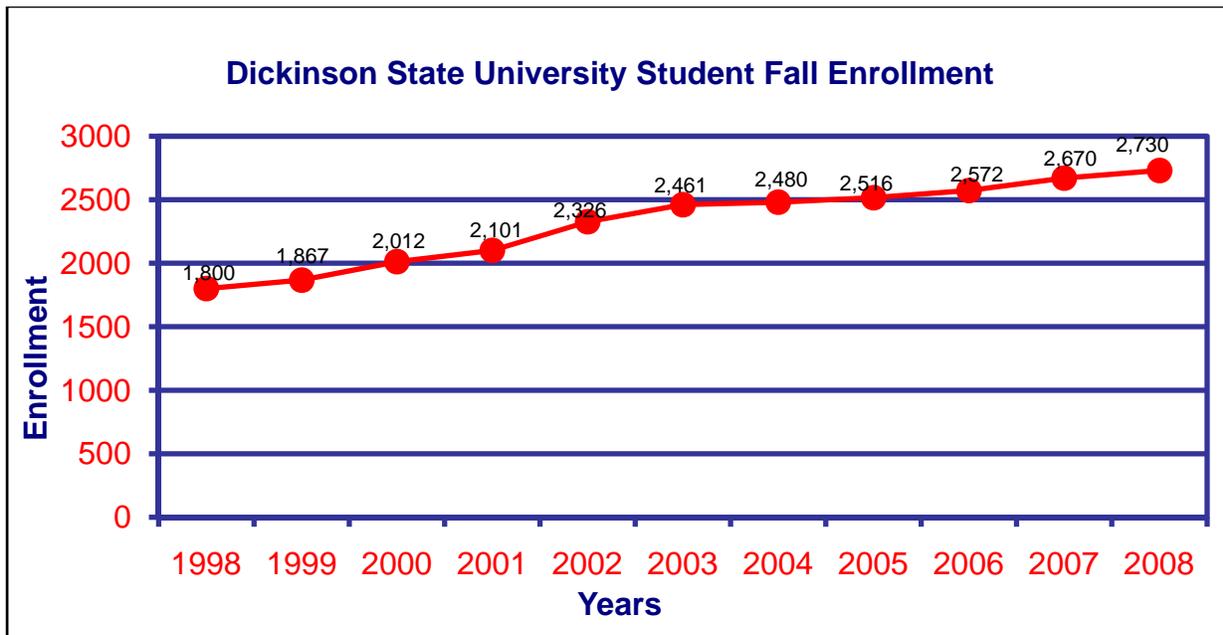
Many of our local companies rely on US Highway 85 for moving the equipment and goods that tie us to the large markets in the southwestern United States in addition to Canada and Mexico. However this movement is currently hampered by the condition and the design of this critical roadway. Pavement conditions, lack of lane separations in critical locations, access points, lack of turning lanes, pathways through residential and commercial areas and other concerns effectively restrict the potential of this roadway to meet the growing demand we are seeing.

Western North Dakota is fortunate to be home to a number of businesses with the capability to sell extensively into out-of-state markets. As a state located in the middle of the Continent, our strength as a central manufacturing and distribution point increases when we are connected to our free market partners to the north and south. Our area businesses, including agriculture, energy and manufacturing are leaders in research and development of methods and processes that add value and bring new money into North Dakota. They have studied potential markets thoroughly and subsequently focused on the specific segments to achieve success in spite of what most of the Country regards as a remote location. Adding value and specialization, I believe, are the future of American manufacturing, while we will see mass volume, repetitive production often go overseas. In mass volume production other transportation methods are more efficient. Conversely, in specialized manufacturing done in smaller quantities, trucks are the most appropriate transportation choice. US Highway 85 is a major trucking corridor for us.

Several years ago, in 2001, Dickinson was chosen to host a Population Symposium, largely because at that time we were recognized as an epicenter of out-migration, particularly among our young people. Key experts were hosted in an academic assessment of this problem and many potential solutions were put forth. For local leaders, this was an opportunity to take stock of the situations in their communities. Fortunately, they did not just listen and then walk away. They asked themselves “what can we do to become the place people want to live”. The answer is multi-faceted, and includes recognition of cultural diversity, community recreation improvements, development of new housing, adding shopping opportunities, creating good-paying jobs, and improving our connections to the world around us. The diagram below illustrates some of the many investments communities connected to the US Highway 85 corridor have made in themselves to become more attractive.



These investments have produced results. The net out-migration has either slowed or reversed for a number of communities. Today Dickinson's population is climbing. Not because the town has become a retirement haven, but because young families are choosing to stay or to relocate here. The birth rates at St. Joseph's Hospital and at other hospitals in our area have been on the rise. Students are finding Dickinson State University and its proud host City to be attractive. Dickinson State University brings young people to the area for a period of their life, and they are staying because they like the upbeat tone and the social and cultural offerings. In turn the economic development momentum of area businesses has provided them with opportunity to visualize a prosperous future here.



While our “baby rate” has improved, challenges do remain. Young families need to be confident that they themselves and the businesses they work for are connected to urban centers and markets. Any sense of remoteness and isolation on either of those fronts is frightening for them. Good connections, which are what we see as the future of US Highway 85, are critical to sustaining our youthful population.