



Testimony on State Transportation Funding for North Dakota North Dakota State Legislature U.S. Highway 85 between Watford City and Interstate 94 at Belfield

Chairman Holmberg
Members of the Senate Appropriations Committee

Thank you very much for the opportunity to share the thoughts of the Theodore Roosevelt Expressway Association (TREA) on the need for transportation funding in the 2021-2023 Biennium Budget. The Association has long been a supporter of increasing statewide transportation funding and particularly western North Dakota and U.S. Highway 85 on the Theodore Roosevelt Expressway (TRE). TRE is a High Priority Corridor on the National Highway System that serves as a backbone to energy production in North Dakota as well as connection across North America. TRE is the northern portion of the Ports-to-Plains Corridor connecting Canada and Mexico through North Dakota.

The Theodore Roosevelt Expressway Association (TREA) is appreciative of the investment made on the Theodore Roosevelt Expressway in the past. This investment includes:

- The replacement of the Missouri River Bridge at Williston, ND
- The four-lane expansion and relief routes between Williston and Watford City
- The completion of the Environmental Impact Statement and Record of Decision for U.S. Highway 85 between I-94 Interchange to Watford City Bypass (McKenzie County Road 30) dated March 5, 2019
- The completion of the four-lane Long X Bridge across the Little Missouri River, completed on October 30, 2020

By way of background, I will share the current status of available funding for U.S. Highway 85 coming into this legislative session, future projects on U.S. 85 between Watford City and I-94 at Belfield and opportunities for funding these projects for the Legislature to consider.

Available Funding

Based on what has been shared with TREA, there is no funding available to complete expansion to four-lane projects on U.S. Highway 85. In an October 21, 2020 email message from the NDDOT, the Theodore Roosevelt Expressway Association was notified that the Department is actively seeking grant funding opportunities to help in funding a four-lane roadway from I-94 to Watford City, but without grant funding, the NDDOT does not have the resources to move forward with a project. As you know, in 2019 NDDOT made federal grant application for both INFRA and BUILD Grants using the \$50 million of funding outlined in HB 1022. Since both applications failed to be approved, the opportunity for match funding allowed by HB 1022 is no longer available.

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I would point out that not only has NDDOT indicated that no other resources are available, which includes revenues from state and federal fuel taxes are available for projects on U. S. Highway 85, but historically only legislative directed funding have been used to complete the projects that I described earlier as completed. No state or federal fuel tax revenues have been committed in the past to expand the four-lane on U.S. Highway 85. No expansion projects are included in the final 2021-2024 State Transportation Improvement Plan (STIP). Meanwhile, Western North Dakota continues to contribute state and federal taxes directly associated with transportation as well as additional funding provided by the energy industry to the state of North Dakota, but is left without access to state and federal transportation funding through NDDOT for the upgrade of U.S. Highway 85.

Future Projects

The Record of Decision for the Environmental Impact Statement for U.S. Highway 85 between Watford City and Interstate 94 at Belfield was approved in March 2019. Approval of the EIS opened the ability to begin upgrading this 62-mile two-lane highway to a four-lane highway. As previously stated, the replacement of the Long X Bridge over the Little Missouri River was completed in October 2020. The next segment proposed for upgrade to a four-lane highway is the 10.3-mile section connecting the existing four-lane highway south of Watford City to the Long X Bridge. North Dakota DOT's estimated budget for the project is \$104.5 million. Following that, a segment south of the Long X Bridge would be completed at an estimated cost of \$175 million.

Opportunities for Funding

The Theodore Roosevelt Expressway Association urges the Legislature to consider three opportunities for funding transportation in North Dakota and specifically in western North Dakota and on U.S. Highway 85.

First, Governor Burgum, in his biennial 2021-2023 budget, included a proposal for transportation that would benefit the next segment of U.S. Highway 85 on the Theodore Roosevelt Expressway. That proposal included a bonding program of \$1.25 billion including \$323 million for infrastructure improvements including improvements on U.S. Highway 85.

North Dakota's Republican legislative leaders on unveiled a \$1.1 billion bonding package aimed largely at financing infrastructure projects across the state and using earnings from the state's oil tax piggy bank to pay for the borrowed money.

The proposal is similar to a \$1.25 bonding proposal presented by GOP Gov. Doug Burgum. A portion of Legacy Fund earnings would be used to create a Legacy Bond Repayment Fund to make the debt payments. TREA supports using the Legacy Fund, designed to provide long-term funding from the energy resources in western North Dakota.

Second, there will be additional opportunities for federal grants during the next biennium. In order to provide a potential match for those grant applications, we urge the legislature in its Sixty-seventh Assembly to renew its commitment to the \$50 million as outlined in HB 1022 during the Sixty-sixth Legislative Assembly.

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The bonding and potential federal grant match could have the ability to complete both future projects in the next few years.

Finally, as supported in previous years, finding a way to increased long-term transportation funding is even more important in the current economic situation. Infrastructure projects create employment which in turn puts income into the pockets of North Dakota's citizens. It will also offset some of the losses experienced by NDDOT created by the pandemic.

Thank you very much for the opportunity to testify.

Cal Klewin, Executive Director
Theodore Roosevelt Expressway Association

