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17 MR. SCHENENDORF: Thank you very much.

18 Thank you both.

19 I'd like to start the questioning this time  
20 with Commissioner Heminger.

21 MR. HEMINGER: Thank you, Mr. Chairman. I  
22 am very much a fish out of water here. You know, the  
23 San Francisco Bay area is, I'll use the kind word, a  
24 fairly mature community. We are growing quite  
25 slowly. And the two jurisdictions you represent,

1 plus the one where we sit, are quite different. We  
2 have been struggling for some time with the link  
3 between our transportation investments and land use  
4 decisions. And to a great extent, what we are in the  
5 process of doing is retrofitting bad decisions that  
6 were made in the past.

7           We built our BART system, for example, with  
8 acres of parking around all of the stations instead  
9 of clustering development nearby. In many of our  
10 suburban communities, like those around the country,  
11 are built so that you more or less have to drive no  
12 matter where you go.

13           I am hoping the two of you can give me a  
14 little hope for the future that you are doing it  
15 differently. And I would appreciate hearing from you  
16 how you are addressing those questions and going  
17 forward.

18           If I could add something on top of it, too,  
19 and this is an issue we haven't talked about much as  
20 a commission, but with climate change coming at us,  
21 especially in desert southwest, I wonder how you are  
22 taking that into account in your planning with  
23 respect not only to maintenance costs on, you know,  
24 the infrastructure we build, but as well the fuel  
25 efficiency, efforts that will probably be underway.

1           I know they're underway in my state. They  
2 may be underway at the federal level, or at least  
3 under debate at the federal level, and what those  
4 might mean for how we fund our infrastructure system  
5 as well. So that's a big question. But it really is  
6 a lot to do with this notion that's not just the  
7 infrastructure, it's all the things the  
8 infrastructure serves and are we doing a better job  
9 integrating?

10           MR. ANDERSON: We're trying. You know,  
11 transportation and infrastructure go together. And  
12 what we've done, as I mentioned in my testimony, our  
13 20-year plan went out and defined specific projects.  
14 And I think, in fact, you know, for a 20-year period,  
15 it used to be you could plan a project maybe four or  
16 five years ahead of time.

17           We're actually planning projects 20 years  
18 ahead of time and we are not even stopping there.  
19 Now that we have that plan in place, we have a 20  
20 years committed, we're looking out 50 and 75 years  
21 out into the future now. We're doing what we call  
22 framework studies around the metro area looking at  
23 potential build-out scenarios in these areas.

24           These framework studies are covering 1500  
25 square miles. They're very large. And what we're

1 laying out is the transportation network that will  
2 serve those areas in the future.

3           And our challenge in Arizona right now is  
4 the development community is way out in front of the  
5 public sector; whether it's transportation,  
6 healthcare, education. And so the public sector here  
7 in town is really running hard to catch up with  
8 what's already been entitled. And this is one area  
9 that I know Governor Napolitano is taking serious  
10 action to try to get better coordination between the  
11 public sector and the private sector.

12           Arizona is a very strong private property  
13 rights state and a variable desire to restrict what  
14 people could do with their property. But there is  
15 growing realization that we have to look at  
16 concurrency, ordinances for infrastructure,  
17 admin-infrastructure type ordinances, more  
18 development fees.

19           We have a lot of development fees in  
20 Arizona, but those are paid for out of the local  
21 street systems. There is growing recognition that  
22 it's not just about a developer paying for an  
23 interchange on a freeway. In fact, there has to be a  
24 contribution to that being like capacity.

25           So we're running pretty hard right now. We

1 would like to see these framework studies done for  
2 all the rapid growing areas of the state. We've had  
3 conversations with governor's office and legislature  
4 about funding. So we think that we're headed in the  
5 right direction. I think we're going to lay out a  
6 template that will provide guidance for future  
7 planners for the future.

8 MR. HEMINGER: Back to Commissioner  
9 McArdle's point about water though, are you doing any  
10 kind of environmental review on these framework  
11 studies so that you can sort of take off some issues  
12 and you don't have to address them again when you get  
13 to projects?

14 MR. ANDERSON: Yes. And in fact, our  
15 Hacienda Valley study, which we're just wrapping up  
16 now, it's a 1500 square mile.

17 The first thing we did was get an  
18 environmental scan in terms of open space, flood  
19 plains, parks, we have a raptor habitat site, a  
20 butterfly habitat site in that area, too. We have  
21 the Hacienda River. But in Arizona, river bottoms --  
22 rivers are kind of dry, underground. But we've  
23 mapped all those now, and we're working with the  
24 development community, even though there is  
25 significant entitled developments already out there.

1           The developers finally understand that  
2 unless they have a good transportation system, you  
3 know, their property really isn't going to be worth  
4 very much. The water issue in Arizona, we get asked  
5 that every time: Is there enough water? In fact, we  
6 have a lot of water in Arizona. But as you certainly  
7 point out --

8           MR. HEMINGER: A lot of it is in California  
9 I know, right?

10          MR. SKANCKE: We stop it before it gets  
11 there.

12          MR. HEMINGER: Yes.

13          MR. ANDERSON: -- the time change and, you  
14 know, how the water flows through the Colorado River.

15                 In Arizona, we were one of the first states  
16 to do very active ground water management. Ground  
17 Water Management Act was passed in 1981 for the  
18 Tucson and metro areas, which impose conservation  
19 standards and, basically, zero withdrawal from ground  
20 water. And so we have a very active recharge program  
21 now. We're actually pumping -- we have excess water  
22 from underneath the ground. We store it and pump it  
23 out. So we've been doing water planning, water  
24 management, for about 25 years in this state.

25                 The issue with water in the rural areas

1 don't have the same kind of programs in place and  
2 that's what the discussion right now is to apply this  
3 in more areas of the state.

4 MR. GRASSO: I think one of the things that  
5 I've seen in California is we spend a lot of time  
6 trying to create incentives for people to ride  
7 together to make a commute into the inner city to  
8 work. As you talked about creating parking lots  
9 around rail systems to get into the Bay Area or  
10 Los Angeles, I think the discussion is worthwhile in  
11 looking at reversing those incentives and creating  
12 incentives for business to come to where the  
13 affordable housing is at.

14 An example, Commissioner Heminger, and you  
15 know in your area, the land availability where the 5,  
16 205, and 580 meet together, all those people that  
17 live there are coming into your neighborhood to work  
18 everyday. Let's see if we can't get business out  
19 there. Land is affordable, there's open space to do  
20 that.

21 But we keep talking about how we make  
22 people -- make it easier for people to get into the  
23 city. Why don't we make it easier for the city to  
24 get to the people? And I think that's a fundamental  
25 shift that I don't know that we're willing to embrace

1 under traditional thinking we have today.

2           Some of the things that we're doing in  
3 San Bernardino County, there is land use document --  
4 discussions going on. There is, I can't remember  
5 what all of the acronyms are, but there is a compass  
6 study that talks about if we just revisit how we  
7 address two percent of the density issues we have and  
8 better think those, we get ten times that benefit in  
9 land use transportation issues.

10           I hear of communities being built where they  
11 have. I talked to an engineering firm recently  
12 designing a community in Rancho Mission Viejo, where  
13 they are connecting that whole community with  
14 electric car travel systems. Where they can  
15 travel -- there is a dedicated lane for these  
16 electric cars where if the normal velocity is under  
17 30 miles an hour, it's just a dedicated lane. If  
18 it's higher than that, then they go separate. And it  
19 connects business.

20           It connects use -- the services we need and  
21 groceries and other services and business  
22 availability and those kinds of thoughts, tied then  
23 to transit-oriented developments, gets us where we  
24 need to go. So where the streets, the truck travel,  
25 the train travel, the rail travel, the busses, bike



1 trails all come together in an easy flow. I know  
2 we're looking at that in San Bernardino, for example.

3 The mayor of San Bernardino is a big  
4 proponent of those kinds of things. So traditional  
5 thinking isn't going to get us out of traditional  
6 problems.

7 MR. SCHENENDORF: Commissioner Busalacchi.

8 MR. BUSALACCHI: Thank you, Mr. Chair. You  
9 talked a little bit about something that we've heard  
10 a little bit about in some of our hearings, and that  
11 is the idea that trucks and cars don't get along.  
12 And I think we both know that. I mean, that's --  
13 it's been that way for years.

14 And of course, what's going on in the  
15 country now with the amount of freight that's being  
16 hauled by trucks, with the congestions that we're  
17 running into with the cars, I am assuming that you  
18 have some kind of an idea to alleviate this? Is  
19 there a concept that you have or a thought process  
20 that you have that we can look at, you know?

21 Because, you know, we're looking at 50 years  
22 down the road. And obviously, all the statistics  
23 that we've been hearing about what's going on with  
24 the trucking industry are that it's just going to  
25 increase. It's not going to decrease. So that means

1 the problem is going to get worse.

2           So have you thought about any kind of a  
3 concept to alleviate this thing?

4           MR. GRASSO: There is -- first, let me  
5 represent I've been in this position 13 months. But  
6 a lot of good work has happened by our partners in  
7 Southern California. There is a goods movement  
8 action plan that the state has. There is a  
9 multi-county goods movement action plan that Southern  
10 California has been working with the state of  
11 California. USDOT and EPA, we believe all those  
12 partners need to be together.

13           There is discussion about a dedicated truck  
14 lane coming up out of the ports, coming up through  
15 the area where I reside, and then up through this  
16 neighborhood, to get up to this -- and out of our  
17 valley, up into the desert area. That's one of the  
18 options, dedicated trucking.

19           The rail grade separation issues, 33 of  
20 those rail grades happen in Riverside and  
21 San Bernardino County out of the 100 and --  
22 approximately -- that have been recognized in that  
23 action plan.

24           The Alameda corridor process, which was most  
25 successful from the ports up to the L.A. area, has

1 now been expanded to what we call Alameda corridor  
2 east, which expands all the way out past  
3 San Bernardino area out I-10 -- toward I-10 and up  
4 I-15, into the upper desert, is a recognition of that  
5 corridor dedicated to rail grade separations.

6           And as I heard Wednesday, the rail grade  
7 separation benefits traffic more than it does the  
8 rails. So we need to embrace that as a  
9 transportation agency. But the Colton Crossing, for  
10 example, is rail to rail. I would then turn that  
11 back to the rail companies and say, you need to step  
12 up and cover that whole cost.

13           Other ideas that are being talked about is  
14 alternative transportation systems, maybe even in the  
15 way of a maglev moving things out of the port up to  
16 another inland port in the upper desert. And then  
17 where the congestion is not as great today and then  
18 hitting each of the systems, the multi-modal systems  
19 at that point. But you have to identify -- you have  
20 to have a good logistics system then that identifies  
21 what is coming to that point solely to move forward  
22 and not returning it right back down the same system,  
23 back into the valley. So it's going to take,  
24 according to those logistics systems --

25           MR. BUSALACCHI: Well, let's just talk about

1 this, just for a second. And if -- if, say for  
2 example we were to get up tomorrow morning and we  
3 were to say, you know, we're going to do this.  
4 Because, obviously, if we can separate the trucks  
5 from the cars, the safety benefits would be enormous.

6 MR. GRASSO: Yes.

7 MR. BUSALACCHI: And I think you know that,  
8 and I know that. We know what's going on out there.  
9 So let's assume for a second that that does happen.  
10 How do we pay for it? And is, I mean, is there a  
11 federal role here? Is there a role that the trucking  
12 industry, that the freight industry needs to pay  
13 substantially to get this done? And, you know, how  
14 do we go about paying for it? Do we pay for it like  
15 some people are saying that we just toll the whole  
16 thing, dedicate a truck road and it's a toll road?  
17 Or is there a -- do you think that maybe there should  
18 be a tax attached to diesel fuel that pays for this?

19 I know the concept is out there and a lot of  
20 people in the industry are talking about it. I know  
21 that the American Trucking Association is talking  
22 about it, but what are your thoughts on it?

23 MR. GRASSO: Well, first of all, for those  
24 partners involved, that we have to demonstrate  
25 benefit. And so just to tax for the sake of taxing

1 gets us nowhere. We are going to have to demonstrate  
2 a system that shows improvement to them, or they will  
3 fight us tooth and nail.

4           But the trucking industry is onboard, I  
5 believe that if we can demonstrate that their  
6 thru-put velocity is increased. The rail is the same  
7 way. The discussions that are going on now through  
8 multi-partner discussions is about whether a  
9 container fee is acceptable. And there has been  
10 discussions of a threshold around \$200 a container if  
11 we can demonstrate improvement. And there is sort of  
12 a varied scale on that, depending upon the value per  
13 cubic meter of that cargo.

14           Something that's \$5 per cubic meter is  
15 probably not going to be taxed as much as something  
16 that is a thousand dollars per cubic meter, if we can  
17 demonstrate quicker thru-put velocity. So taxing for  
18 the sake of taxation doesn't do it demonstrated  
19 value. And that's where we all need to be at the  
20 table at the same time.

21           So if we can see that this system's going to  
22 work, and that's part of what we're trying do at that  
23 multi-county business movement action plan we have at  
24 ports. They're coming onboard with us. We've got  
25 the trucking and rail community, Union Pacific

1 Santa Fe has been with us in these discussions and  
2 they continue to come to me. So they're not walking  
3 away from us. So that's the kind of partnership, we  
4 have a solution.

5 We recognized at a meeting last summer, if  
6 everything was discussed, we agreed on about 80  
7 percent of it. So let's -- let's move forward with  
8 what we agree on and then work on that 20 percent  
9 fine tuning.

10 MR. BUSALACCHI: You think -- Eric, you  
11 think this thing merits looking at?

12 MR. ANDERSON: I think it definitely has  
13 merit. And I think, you know, taxing and adding  
14 surcharge onto diesel fuel may be an appropriate  
15 financing mechanism. But I think importantly, it's  
16 important to start at what you're trying to achieve.  
17 And, you know, having truck dedicated highways  
18 nationwide is unrealistic. From a cost standpoint,  
19 you're just not going to be able to do it.

20 So identify -- I would say identify where  
21 are those key pitch points and safety issues related  
22 to trucks, specifically. And the ways that we can  
23 improve the mobility through those corridors by  
24 building truck-only lanes or truck-bypass lanes  
25 funded out of a dedicated tax. And I think that

1 dedication is very important, too, that it has to go  
2 into a fund so the trucking community understands  
3 that that money is going to be used for their  
4 benefit.

5           But I think as long as you make that nexus  
6 in dealing the benefits, I agree. You know, you have  
7 to demonstrate those benefits. Then I think the  
8 financing comes with it.

9           MR. BUSALACCHI: And I don't want to lead  
10 you into this answer, but do you agree that, I mean,  
11 the primary focus here -- obviously moving the  
12 freight is important, you know, and getting the cars  
13 off the road. But do you agree that safety really,  
14 really is an issue here and that getting the cars and  
15 the trucks away from each other whenever we can will  
16 go a long way in making our road safer?

17           MR. ANDERSON: And just guiding up some  
18 notes on a potential federal role, as my prior  
19 testimony said, you really have to -- you can find  
20 that one is for aid and other is safety. And both of  
21 those have national significance. And I think that  
22 if federal highway administration, for example, just  
23 focused on those two things, and had a very targeted  
24 approach to that, I think we'd see some pretty good  
25 progress in a short period of time.

1           MR. BUSALACCHI: Thank you.

2           MR. GRASSO: If I may go one more step  
3 relative to the trucking industry. The trucking  
4 industry put me through college, so I am, you know,  
5 pretty familiar with that. But looking at the  
6 freight part of the trucking in California, we have  
7 more restrictive trailer length issues than we do  
8 elsewhere in the trucking industry.

9           If we had a place in the upper desert where  
10 they could go from two trailers to three, as we do in  
11 other areas, they would support that. And so that's  
12 something that we would have to work on internally.  
13 But one of the systems that I think we've seen  
14 success in Europe is they've enforced that the  
15 trucking community add one more axel to their trucks,  
16 to their trailers.

17           And what that does for them is you give it  
18 better balance and that so the trailers are not  
19 bouncing up and down on the roads and beating up the  
20 roads that you have to maintain. So you -- right now  
21 we are spending as much time on rehab as we are on  
22 expansion. And if we can minimize what we need for  
23 rehab and get longer life-cycle costs out of what  
24 we're developing, we can spend more money on  
25 expanding.



1           We look at California, and Mr. Heminger, I  
2 am sure this number is updated, but we were looking a  
3 few years ago where it's \$150 billion infrastructure  
4 need we have here in California just to keep up, just  
5 to catch up.

6           MR. BUSALACCHI: Thank you.

7           MR. SCHENENDORF: Thank you.

8           Commissioner McArdle.

9           MR. MCARDLE: A couple of things occurred to  
10 me as you propose to move the cities out to where the  
11 affordable housing is. That you might want to  
12 consider and look at what's happened at the New York  
13 metropolitan area. Because that's what did happen,  
14 and all of the affordable housing rapidly became  
15 unfordable. And so you cannot expect that just by  
16 moving kind of the jobs out, you keep the housing  
17 affordable. It actually seems to have worked the  
18 other way.

19           MR. GRASSO: But that -- I'm sorry. Go  
20 ahead.

21           MR. MCARDLE: You've got to chase that  
22 objective all the way through whatever your land use  
23 planning is. And so, you know, it's wonderful to  
24 think about it as a way of in fact cutting down the  
25 trips. In fact, as we've seen with the hedge funds,

1 all the hedge funds, for reasons totally unclear to  
2 me, all decided Greenwich, Connecticut is where they  
3 wanted to be.

4 All the hedge fund managers live in  
5 Manhattan. All the workers live in the Bronx. They  
6 are all commuting to Greenwich. Greenwich has no  
7 kind of local employment base at all, so all the  
8 workforce, truly, for the whole gulf coast in  
9 Connecticut, is coming out of the Bronx now. You see  
10 this every morning at the train station.

11 The managers coming out of Manhattan, they  
12 are all going, where is effectively an hour, just to  
13 work at the hedge funds because somebody decided  
14 that's where they all ought to be. It's not a --

15 MR. GRASSO: It's not a simple solution, and  
16 we've seen that in Southern California. L.A. County  
17 was the heart of it all. And Orange County and  
18 Riverside, San Bernardino County, were very rural  
19 counties. Business grew and grew.

20 And then as the tech industry came in in  
21 Southern California, it came into Orange County more  
22 than anywhere else. Commissioner Heminger's area,  
23 Silicon Valley, saw that. And so that grew up more  
24 and more. And for people to get those higher paying  
25 jobs, they are commuting from my neighborhood to get

1 there.

2 But Orange County now brags the fact that  
3 they are not a better community to anybody. We are  
4 all better communities to them.

5 MR. MCARDLE: And we've seen that in  
6 Long Island, New York. And one of things you might  
7 give us some input on is kind of an issue of what  
8 Mayor Goodman talked about. He would like a high  
9 speed connection between Las Vegas and Ontario, and  
10 presumably farther into the heart of Los Angeles. It  
11 occurred to me because we took this wonderful  
12 congestion-free bus ride yesterday, clearly no  
13 further improvements needed in that corridor. And we  
14 were able to go at speeds certainly not attainable in  
15 a similar length there in New York.

16 But it occurs to me, if you build that  
17 connection, what you will see happen as we have seen  
18 with the Amtrack along the northeast corridor is  
19 suddenly, you know, Victorville will take advantage  
20 of that and, you know, suddenly you'll have more  
21 development and you'll have less capacity, fewer  
22 people able to even get on the trains to get to  
23 Las Vegas, again.

24 But the real issue is that the mechanisms  
25 exist to really allow you, me, and Las Vegas to plan

1 this investment in a way that you all can take  
2 advantage of it. It seems to me the state line  
3 issued does not really allow both entities to work  
4 together, or in some cases, be compelled to work  
5 together so there is an integrated approach to this.

6 MR. GRASSO: There are two interests looking  
7 at the same corridor. One is from L.A. area to this  
8 part of the world in a high speed train. Another is  
9 just a train called the Desert Express from  
10 Victorville to here. And that is in the same  
11 corridor, which happens to be owned by the California  
12 Department of Transportation. That is part of the  
13 corridor you drove up here.

14 MR. MCARDLE: Yep.

15 MR. GRASSO: And figuring out which has  
16 greater benefit and which can be forwarded. One is  
17 expecting private dollars, one is expecting public  
18 and private dollars, so getting those partners  
19 together.

20 The interest I have, even when I started  
21 listening about the high speed rail authority, it's a  
22 nice deal if it goes from Point A to Point B. But  
23 when you start making it Point A, Point B, Point C,  
24 Point D, all the way up to point Z, now it's not a  
25 high speed rail anymore. And then you've got

1 development that builds around that, then you've got  
2 a capacity issue again. So that kind of thinking has  
3 to go forward.

4 Communities that have developed, we've seen  
5 that in the Victorville area, as you mentioned.  
6 Development has run away in that part of the world,  
7 and the infrastructure does not support it.

8 The point that US-395 going through there  
9 now is a disaster area because they can't expand 395  
10 through Victorville. And now we're talking about  
11 realignment of 395 to the point that none of the five  
12 or six jurisdictions will let that happen in their  
13 backyard. So local government is hurting there.  
14 They've got to come together and help us as well.

15 Back to your point, there is possibility for  
16 high speed rail as long as we will -- it's well  
17 defined and we don't allow it to go in every  
18 direction but forward.

19 MR. MCARDLE: And if I could direct one last  
20 comment to Mr. Anderson. You talked about not  
21 enjoying your status as a donor state. And you would  
22 like, we heard earlier from Reno, perhaps the  
23 elimination of kind of the federal differential that  
24 you impact.

25 Is that a policy that Arizona has adopted

1 for all federal funds so that all federal funds spent  
2 in Arizona would be raised in Arizona? I mean,  
3 New York State is a donor. Connecticut is a donor.  
4 New Jersey, to the extent of tens of billions of  
5 dollars, which we'd love to keep within New York  
6 State and Connecticut and New Jersey, if we could.  
7 We would be more than happy.

8 MR. ANDERSON: We believe there has to be a  
9 rational basis for any kind of funding allegation.  
10 And we think that the way the minimum guarantee works  
11 now, and has worked for many, many years, really, a  
12 legacy system, that really needs to be looked at  
13 again, and understandable, congress and all this.  
14 And, you know, that's a whole different issue that we  
15 think that there really has to be a rational basis  
16 for whatever that distribution formula is. And we  
17 understand that in some cases and some federal  
18 programs, the tax payers in Arizona will be a donor.

19 But in other cases, I think there is an  
20 expectation that we ought to be able to gain more, at  
21 least our fair share. Once again, Arizona's  
22 benefitted from the federal programs. A  
23 multi-billion dollar water program comes to mind,  
24 certainly.

25 But in the greater scheme of things, I think

1 all of us have to, you know, we have to be careful  
2 not to put everything aside and say, well, we want  
3 this over here, but we don't want it over here. You  
4 know, I personally, it's a -- I personally would  
5 prefer a system that's a lot simpler so people  
6 understand what those parameters are.

7           And once again, that comes back to rational  
8 basis and whatever that allegation forms.

9           MR. MCARDLE: But I share Commissioner  
10 Heminger's view and my vice chairman's view. There  
11 is clearly a federal role because there is clearly a  
12 federal presence, you know, in the United States.  
13 And we seem to want to keep that, in some respects.  
14 And so we want to keep that federal role strong.

15           It's clearly strongest in freight, because  
16 there is all of this trade and international  
17 commerce. But we cannot simply allow that, you know,  
18 five lanes to the Nevada border. You know, two lanes  
19 from Nevada down to San Bernardino, you know, and  
20 Ontario. That just doesn't work in these days. It  
21 has to be an integrated system.

22           But it, you know -- and equally, it perhaps  
23 is in the growing sense of the America citizenship,  
24 you know, a right an America citizen has to, in fact,  
25 be able to move within the areas they live in, you

1 know.

2           And the community should not be allowed to  
3 overburden systems to the detriment of people and to  
4 the lives and the health of people that live within  
5 those systems, which is really what we've seen as the  
6 unintended consequences. A decision to, in fact,  
7 open up Chinese manufacturing to the benefit of the  
8 United States. And the impact can be felt all along  
9 the Alameda corridor.

10           It's probably, in some respects, an  
11 environmental point, greater today than it was, you  
12 know, 40 years ago. Simply because at that point in  
13 transportation, and the amount of impact in low  
14 income communities is huge. And it's something we  
15 have to figure out how to solve as a nation.

16           Because as I said to you last night, they  
17 take all of the hit. And all of the benefit goes to  
18 somebody who is buying a 50-inch plasma television  
19 from the Best Buy across the country at a price that,  
20 you know, gets lower every year. But those  
21 communities take the hit every time one of those  
22 things moves up.

23           MR. ANDERSON: I think, just to expand a  
24 little bit, you know, I think it's really important.  
25 It goes back to getting -- making sure that the



1 federal role is well defined and that mission is well  
2 explained and communicated. And I think what's  
3 happened, and certainly since the interstate system  
4 has been, quote, complete, or called complete, I  
5 think there has been that somewhat lack of focus.

6           And I think getting that back, I think  
7 would -- I think all the states understand that the  
8 whole of the federal government in our national  
9 transportation system why we have to have a strong  
10 federal role in that. But I think that mission has  
11 really been diluted in the last few years. And I  
12 think when you lose that nexus between what a tax  
13 payer is paying and what they perceive they're  
14 getting back, I think that causes problems.

15           And I think that -- I think one of the  
16 things, if anyone's got a recommendation, is that  
17 that be clearly articulated and communicated.

18           MR. MCARDLE: I think you have hit on  
19 something that the commission has talked about. One  
20 of the reasons to look out 50 years is not only that  
21 it takes 50 years to do a project for sure, but you  
22 can create a systemic examination.

23           I mean, if you explain that to the people  
24 and it doesn't become just a program of things, and I  
25 think, quite frankly, the last programmatic effort

1 ended up as a set of implements in lieu of any kind  
2 of policy objective and other things.

3 MR. SCHENENDORF: I think it's very  
4 appropriate that we finish the questioning with  
5 Commissioner Skancke who really made this whole  
6 hearing possible. And we thank him for that.

7 MR. SKANCKE: Thank you, Mr. Vice Chair.  
8 Again, I live in this region and I know a lot of the  
9 problems and I just want to thank you for bringing  
10 some recommendations to these hearings.

11 And, Tony, you as well, this commission  
12 cannot do this work on their own. What we have heard  
13 time and again across the country as we do these  
14 field hearings, which the commission thought they  
15 were very important to get out in the communities and  
16 find out what the problems were and have you all make  
17 recommendations to us so that we could file a good  
18 report to congress and make good substantiated  
19 recommendations to make positive changes for this  
20 country to remain with economic vitality.

21 And with that, I would encourage you to  
22 continue to make recommendations to this commission  
23 until we submit our final report. There is no  
24 question that we've heard in L.A. these past few  
25 days, and even here, that there is definitely a

1 federal role.

2           Our vice chairman has been saying this since  
3 the day we were seated as a commission, that we need  
4 to find what that federal role is. And I think the  
5 federal role has shifted somewhat in the last couple  
6 of years due to the process which occurs in  
7 Washington, D.C.

8           I don't believe the earmark situation is  
9 going to go away. We may be able to improve it, but  
10 let's face it, earmarks are important to communities.  
11 The stability and the vitality of the fuel tax in  
12 this country is important. I think it's this  
13 commission's charge to make those recommendations.

14           Now, having pontificated the past two  
15 minutes, tell me, Mr. Anderson, in your view, and  
16 tell me in yours as well, some of the processes by  
17 which you guys have taken a look at making  
18 improvements. You've made some suggestions, but, you  
19 know, it's not just the NEPA process.

20           You know, I've said several times, take the  
21 NEPA process away. What has Arizona done or what  
22 have you done in your local communities to help some  
23 of that processing? What have you had to do to, you  
24 know, expedite some of these projects?

25           MR. ANDERSON: Well, the latest thing we've

1 done, as we -- we update our regional transportation  
2 plan once a year. This year we're doing much more  
3 environmental scanning as part of that to try and  
4 get -- to try and reduce some of the NEPA issues  
5 during the planning process.

6           And I think that was some of the guidance  
7 that came out of FHWA. We think it's an extremely  
8 useful technique. We're not sure exactly how much  
9 time savings it's going to -- there's going to be on  
10 that project when we actually start implementing  
11 projects. But that's one example of talking to the  
12 resource agencies, both federal and state resource  
13 agencies.

14           As we do our planning, identifying corridors  
15 and putting them through a fairly high level fatal  
16 flaw analysis to make sure that there isn't something  
17 obvious there, you know, why didn't you guys plan a  
18 corridor there, that was ridiculous. And then we're  
19 just buying ourselves more time in the process. So  
20 the more we can define corridors, the better off we  
21 are. That's one thing.

22           The second thing that we really struggle  
23 with, and we are still looking, trying to find ways  
24 of doing this, is preserving corridors. And one of  
25 the things that ADOT has been aggressively pursuing

1 is what we call a red letter process, where working  
2 with the local jurisdictions. If there is proposed  
3 development in a proposed transportation corridor,  
4 let's look at it. And there may be an opportunity to  
5 work with a developer to shift development out of the  
6 corridor onto adjacent properties.

7           Unfortunately, we've never had enough money  
8 to buy all the property. That would be -- that's an  
9 ultimate solution. And unfortunately, in Arizona,  
10 there's not much else we can do. We've worked with  
11 our member agencies to make sure that the  
12 transportation corridors are adequately identified.

13           But once again, bottom line, unless you have  
14 the dollars to acquire that way early in that  
15 process, it's very, very difficult to protect these  
16 corridors. And then you combine that with the NEPA  
17 process. And you had the testimony earlier today  
18 about, well, it's really difficult to acquire the  
19 right-of-way for a project if you are in the middle  
20 of the NEPA process.

21           Well, with our rapid growth in Arizona, we  
22 have to go out and impart of right-of-way as soon as  
23 we can. And a lot of times, it causes a lot of  
24 consternation in that, you know, we think the  
25 corridor is going to be here. And then with the NEPA

1 process, all of a sudden there's 20 different  
2 alternative corridors. And it may come back down to  
3 preferred alternative. It can cause a lot of angst  
4 in the community. It upsets the general plan  
5 process, the land use planning that the cities do.

6           And we had a good example of this. We had a  
7 corridor that was identified 1988 through a state  
8 process coming back and using the federal process  
9 now. You know, we had, you know, 25 different  
10 corridors dealing with that. When, for 20 years,  
11 that's been on our map at the Adopt-A-Corridor, from  
12 a regional perspective.

13           And we understand you have to make sure you  
14 make an impact, but it really causes a lot of  
15 problems in integrating the transportation. You  
16 don't have certainty where that corridor is going to  
17 be. And it's not certainty, you know, right before  
18 you construct. But certainly maybe ten or 20 year  
19 before you, you can actually construct that corridor.  
20 It's a very difficult issue for us.

21           MR. GRASSO: The state of California just  
22 passed approximately a \$20 billion transportation  
23 bond. Unfortunately, that corridor mobility  
24 improvement account, \$4.5 billion, we're all arm  
25 wrestling over how we take the \$12 million of the

1 request and put it into a \$4.5 million bag. But  
2 that's going on as we move forward. And  
3 demonstrating -- meeting criteria for corridor  
4 mobility improvement is the key there.

5           From a federal standpoint, one of the things  
6 that we are -- we want to start talking policy  
7 discussions for reauthorization about corridor  
8 improvement and not earmark appropriations. Because  
9 what we are finding is every one of the congressional  
10 districts wants to bring something back to their  
11 neighborhood to be able to say, In my district, I got  
12 you 2 million here and I got you 1 million here.

13           The problem I am having is that is not tying  
14 corridors together and completing corridors. So we  
15 are starting those discussions today. As we are  
16 putting our appropriation requests forward, we are  
17 talking about them relative a corridor improvement so  
18 that that congressional representative understands  
19 this is part of a corridor approach. But we've got  
20 six congressional representatives to deal with that  
21 all want a share of this and want to be able to say  
22 that they got something for their neighborhood.

23           And at the end of the day, we might get  
24 \$30 million worth of appropriations toward a  
25 \$8 billion problem. And so that process doesn't

1 work, in our opinion, doing anything to improvement,  
2 other than they can come back and tout to their  
3 constituents, I got you some money.

4           So changing the view, instead of looking at  
5 project level, instead of just looking at  
6 appropriations, let's look at what we can do for  
7 corridor improvement, for livability and prosperity  
8 improvement.

9           MR. SKANCKE: Thank you both, very much.  
10 And again, I'd like to thank my colleagues for coming  
11 to Las Vegas and hearing the spirit cooperation  
12 regional planning.

13           We've got three states here today that work  
14 very closely together. This has been a partnership  
15 in this region for a number of years and I want to  
16 thank you all for coming to Las Vegas today and thank  
17 my colleagues for being here as well. We've received  
18 a lot of great testimony from you all.

19           Again, I'd like to thank our local sponsors  
20 for making this hearing happen. And if any of you  
21 have any suggestions or any further testimony you'd  
22 like to give, please submit that to the commission  
23 staff and we'll take it into consideration.

24           Thank you, Mr. Vice Chair.

25           MR. SCHENENDORF: Thank you. I -- just a



1 comment or two on the questions and the discussion  
2 you had about the national vision. I do think that  
3 is absolutely critical. Because having been on one  
4 of these committees and having watched the growth of  
5 the whole donor/donee debate, the growth of specialty  
6 marked projects, that has all come at the time when  
7 the disparity between needs and funding have really  
8 diverged significantly. And that there has been an  
9 issue between the lack of this federal vision that  
10 you can't just go home and talk about the federal  
11 vision. So they go home and talk about their  
12 projects for each state.

13           If this money doesn't have a national  
14 purpose, then we need to get our fair share and then  
15 we'll define it differently. But that's the basic --  
16 I think redefining a federal role that people can buy  
17 into will be very, very helpful in stopping both, you  
18 know, dealing with both of those issues as we go  
19 forward.

20           Thank you very much.

21           MR. GRASSO: Thank you.

22           MR. SCHENENDORF: The deputy secretary would  
23 have loved to have been here to hear this and ask  
24 questions, but she is actually running a department  
25 and so she had to take care of some important

1 business during this last hour.

2           So with that, thank you. And we have two  
3 people from the audience that would like to come up  
4 and speak. Steven Lauber and Richann Johnson.  
5 Richann. Richann Johnson.

6           MR. LAUBER: Hi, my name is Steve Lauber.

7           MR. SCHENENDORF: Steve Lauber.

8           And do we have Richann Johnson?

9           Okay. If each of you could tell us who you  
10 are with and then take two minutes to say whatever  
11 you'd like to say.

12           Thank you. We'll start with Richann  
13 Johnson.

14           MS. JOHNSON: Mr. Vice Chairman and members  
15 of the commission, thank you for allowing us to speak  
16 today.

17           I am here on behalf of the California Nevada  
18 Super Speed Train Commission. You've spoken a lot  
19 about the maglev project. And the good news is that  
20 we are still here today plugging away trying to  
21 actually get through an environmental impact  
22 statement so that we can go out and look for some  
23 innovative financial way to, you know, support this  
24 project.

25           I think it's very important on a national

1 level to take this into consideration as something  
2 that can be embraced at a very high level and  
3 implement it into the future. I don't know what else  
4 is on the drawing board out there. Maglev would meet  
5 the environmental needs of this nation. It also  
6 would attract 20 and 30 something out of their cars  
7 and get them on something other than, you know, than  
8 moving them in their cars.

9           As far as highways, I don't know many -- how  
10 much expansion of the highways we can do, but this, I  
11 believe, would really be something that we should be  
12 looking at at a national level. It's very hard to  
13 try to move these projects forward at a local level,  
14 or even at state level.

15           We've been trying for years, and we just  
16 keep at it because we know that this is something  
17 that would be good for us. And I think California  
18 could embrace it too. Somebody has to take the first  
19 step. We believe that our corridor is very, very  
20 good. You drove it. You were on the bus. And I am  
21 sure if you were on a train that went -- could get  
22 you between Anaheim and Las Vegas in 90 minutes, you  
23 would have liked that much better.

24           So with that, I have today something that  
25 I'd like to leave with you. It's the very first part

1 of our EIS, which is the transport -- which is the  
2 very first phase that we did. I'd like to leave you  
3 a little analysis of that and also a video that would  
4 show you what this -- what this technology is and  
5 what it can do.

6 One thing I want to say is, yes, China has  
7 embraced this technology. They've implemented it at  
8 the Pudong Airport to the city of Shanghai. It's  
9 been very successful there and they are going to  
10 continue to expand that project another hundred miles  
11 into the city of Honshu, so we need to get with it.

12 And I hope that -- that this panel will help  
13 us to do that.

14 Thank you.

15 MR. SCHENENDORF: Thank you.

16 Steven.

17 MR. LAUBER: Hello. My name is Steve  
18 Lauber. I am, believe it or not, an actual concerned  
19 citizen and not representing anybody else here.

20 MR. SCHENENDORF: Good.

21 MR. LAUBER: I have been, over the years,  
22 kind of noticing some things that have been happening  
23 here. I have been a valley resident here for about  
24 the last 15 years. And lately, there are some things  
25 that I would -- I see happening that I am kind of

1 concerned about.

2           Recently, we had -- the expansion project  
3 for US-95 here included HOV lanes. What concerned me  
4 is on the USDOT website, you guys are really pushing  
5 HOV lanes; however, there is a lot of studies out  
6 there that show they really don't work to the best of  
7 the abilities in all cases.

8           I suggest that here in Las Vegas, replacing  
9 that kind of thinking with express lanes, which will  
10 bypass several exits, would be a much better  
11 alternative and not as costly with making separate  
12 interchanges and on-ramps and off-ramps. And just --  
13 it would alleviate our problem.

14           If you would drive into Las Vegas right now  
15 from the south, you will notice as you approach  
16 Las Vegas, all the trucks get in the left lane  
17 because they're trying to go right straight through.  
18 That shows there's already a need here for it, and  
19 that's part of our congestion problems. Get the  
20 people who are going straight through to get them  
21 away from the exits.

22           The next thing, I've actually sent letters  
23 to our congressional deligation three years ago on  
24 this, never gotten anything back. But recently, we  
25 had a land sale out here, a BLM land sale for \$639

1 million. Eighty-five percent of that money goes back  
2 into acquiring more environmentally sensitive land in  
3 a state where the government already owns 87 percent  
4 of the land. That is ridiculous.

5           And that kind of money right there, I think  
6 the congressional personnel -- congress needs to get  
7 and overcome the environmental lobby and use that  
8 money for infrastructure, not only for funding roads  
9 and things like that, but also for solving our  
10 southwestern water problems. And that's not just an  
11 issue here in Las Vegas, Nevada. The BLM has land  
12 all across the west. That land is a national  
13 resource that can be used in better hands than  
14 private hands in most cases than what it is being  
15 used by the BLM management.

16           Another thing that I have up here that I put  
17 on my card is with this increased focus on homeland  
18 security. I don't know how many people have actually  
19 noticed, but you're in the city, right here, that's  
20 probably one of the most isolated for people trying  
21 to get in and out of the valley. The only big city I  
22 can think of that has a worse problem is Honolulu.

23           There are, at my count, there are only 11  
24 paved roads that leave this valley. If you are  
25 blocking any of those 11 roads, nobody is going to

1 get out of this valley by vehicle, unless you go in  
2 four-wheel drive or something like that.

3 I would suggest that we really need to look  
4 at some alternative valley roads that go, say, cut  
5 across the northern mountains or cut across the  
6 southern mountains. If we need to evacuate, say,  
7 like Houston had to do for the hurricanes or any of  
8 those kinds of things, if we have a massive terrorism  
9 thing that happens in this valley, which we are a  
10 prime target, you are going to have trouble  
11 evacuating this valley. Even for something as simple  
12 as a chlorine leak from a train derailment. Those  
13 are the kind of things where I think we need to look  
14 at here in this valley.

15 But I am really concerned, especially, about  
16 the HOV lanes and the thinking that people are  
17 bypassing viable options that really would be known  
18 to work, like express lanes and other type of managed  
19 lanes, putting hundreds of millions of dollars  
20 towards a project where you hope it works.

21 And what the people aren't being told is  
22 that in order for an HOV lane to work, the congestion  
23 has to remain on the other side of the lanes. That  
24 doesn't solve anything. I am really concerned that  
25 this kind of thinking is permeating the DOT here in

1 Nevada and the National DOT. And you can already see  
2 it out there in California.

3 MR. SCHENENDORF: Thank you very much.

4 Any commissioners have any questions?

5 MR. MCARDLE: Yeah. If I could, you've made  
6 some very interesting observations in which you see  
7 some of those same issues emerging elsewhere around  
8 the country. We found in Manhattan after 9-11 how  
9 vulnerable Manhattan was, a million one, a million  
10 two people, to in fact shutting off the very  
11 limited -- if I got a count, I suspect I'd come with  
12 much the same -- 11 bridge count that isolates  
13 Manhattan.

14 And once you've cut it off, you know, with  
15 nothing going over the GW or through the tunnels,  
16 suddenly, you know, you effect Long Island. We  
17 really have to look at this whole Homeland Security  
18 protection access for many places. And I know  
19 Senator Clinton, who appointed me to the commission,  
20 is very concerned about this.

21 And I would point out to you, just as an  
22 example, one of the things that we've seen in the  
23 east is in fact the development of express lanes.  
24 And people are, in fact, really looking at that and  
25 segregating through traffic because, this is



1 certainly true in Ontario, around Toronto, they like,  
2 you know, they want to get that through traffic  
3 isolated from the local traffic. Just the crossing  
4 patterns become the disaster that we are encountering  
5 in so many places.

6           And as people try to get on, we experienced  
7 a little bit of that yesterday as we saw the merger  
8 of two freeways just as people were trying to get on  
9 and past something. Again, the options that people  
10 have to have within the federal program so they can  
11 make better choices.

12           Thank you. And we will certainly look at  
13 what you have on the maglev. Because it's certainly  
14 a big issue that Senator Wayne had in New York. It's  
15 what he always pushes.

16           MR. SCHENENDORF: Commissioner Busalacchi.

17           MR. BUSALACCHI: So let's talk about the  
18 maglev for just a quick second. You know, very  
19 interesting. I think, you know, we had a couple of  
20 people talk about the, you know, the passenger rail  
21 situation between Southern California and Las Vegas.  
22 So I think, you know, the concept is a good one.

23           Maglev would be very expensive, would it  
24 not?

25           MS. JOHNSON: It would be very expensive.

1 In fact, the pricetag between Anaheim and Las Vegas  
2 is \$12 billion in today's world.

3 MR. BUSALACCHI: Twelve billion?

4 MS. JOHNSON: Yes.

5 MR. BUSALACCHI: Okay. Is your -- and what  
6 I'll ask you to do, if you don't mind, is just --  
7 we'll give you a card and you could just forward us  
8 the information so we don't go into all the details.  
9 Because I am sure you have the statistics. But the  
10 concept, how long have you been working -- your group  
11 been working on this?

12 MS. JOHNSON: Actually, the commission was  
13 formed in 1988. And at first they started looking at  
14 projects like the TGB. And maglev was just a new, a  
15 very new product. So we were looking at high speed  
16 rail to begin with. But it seems like the United  
17 States kind of missed that whole interim thing that  
18 you're pointing to with implementing those high speed  
19 ground line trains that are trains up to 200 miles an  
20 hour.

21 So the commission that I work with decided  
22 to take the quantum leap very early on and buy into  
23 maglev. Because by the time we get something like  
24 this implemented, we're probably going to be behind  
25 the curve as well. They're looking at different

1 versions of maglev, new and more innovative than --  
2 and versions of maglev now, even as we speak. So...

3 MR. BUSALACCHI: Okay.

4 MS. JOHNSON: And one more thing I wanted to  
5 say is you've had a lot of discussion on freight.  
6 Maglev can be used for light freight. That would be  
7 the transport of maybe Federal Express items or, you  
8 know, very light items for right now. But I know  
9 that they were also looking at a concept of trying to  
10 do heavy freight with maglev. I don't know where  
11 that is with the development right now.

12 MR. BUSALACCHI: Get us that information,  
13 would you please?

14 MS. JOHNSON: I will.

15 MR. SCHENENDORF: I want to thank every one  
16 for coming today. And I want to thank all of our  
17 hosts, once again, here in Las Vegas. This has been  
18 very, very helpful to the commission. And thanks to  
19 all of our witnesses.

20 I also would like to take a moment to also  
21 thank Joe Guzzo (phonetic), Chris Bulati (phonetic),  
22 Robert Mariner (phonetic), the DOT staff, who really  
23 helped to make this a reality in Atlanta, Las Vegas  
24 and Los Angeles.

25 ///

1                   So thank you all, and we'll see you.

2                   This meeting is now adjourned.

3

4                   (This meeting was adjourned at

5                   12:15 o'clock p.m.)

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## 1 CERTIFICATE OF REPORTER

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3

4 STATE OF NEVADA )  
5 ) SS:  
6 COUNTY OF CLARK )

7

8 I, Emily A. Gibb, a duly commissioned Notary

9 Public, Clark County, State of Nevada, do hereby

10 certify: That I reported the National Surface

11 Transportation Policy and Revenue Study Commission

12 Las Vegas Field Hearing at the Las Vegas Convention

13 Center on Friday, February 23, 2007, from

14 8 o'clock a.m. until 12:15 o'clock p.m.;

15

16 That I thereafter transcribed my said

17 shorthand notes via computer-aided transcription into

18 written form; and that the typewritten transcript of

19 said meeting is a complete, true and accurate

20 transcription of said shorthand notes.

21

22 IN WITNESS WHEREOF, I have hereunto set my

23 hand in my office in the County of Clark, State of

24 Nevada, this 10th day of March, 2007.

25

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