

REPORT ON IMPROVEMENTS IN TRANSPORTATION INFRASTRUCTURE BY THE UPPER GREAT PLAINS TRANSPORTATION INSTITUTE - BACKGROUND INFORMATION

Section 23 of Senate Bill No. 2032 provides for a report to be given by the Upper Great Plains Transportation Institute before July 1, 2006, on the outcome of the institute's study of how improvements to the transportation infrastructure of this state might enhance the business climate and the state's competitive position in economic development. In addition, Senate Bill No. 2018 provided a general fund appropriation of \$360,000 to the Upper Great Plains Transportation Institute to conduct this study. The Legislative Council has assigned to the Transportation Committee the duty of receiving this report. Section 23 of Senate Bill No. 2032 states:

During the 2005-06 interim, the upper great plains transportation institute shall conduct a study of how improvements to the transportation infrastructure of this state might enhance the business climate and the state's competitive position in economic development, with a focus on the potential to expand the sale of goods to markets outside the state by strengthening the state's transportation infrastructure. In conducting this study, the upper great plains transportation institute shall consult with the department of transportation and the department shall cooperate in the study. The study must include consideration of how to improve the load-carrying limits of the state's highways and associated costs and benefits; consideration of what enhancements must be made to the state's highways to allow load limits to be raised to more efficiently move goods to market and associated costs and benefits; exploration of the phenomenon of the decline of freight service by rail, including the prospects for offering incentives to rail providers to expand the availability of rail for transportation of goods to market and the associated costs and benefits; recommendations on how to enhance the state's transportation infrastructure; whether it is feasible to identify and assist airports that are specially situated in order to assist in economic development; and an analysis of the projected economic development impacts associated with the recommended infrastructure improvements. Before July 1, 2006, the upper great plains transportation institute shall report to the legislative council the outcome of the study and identify

proposed legislative changes necessary to implement any recommended changes to the state's transportation infrastructure.

Senate Bill No. 2032 was introduced to the Fifty-ninth Legislative Assembly by the Legislative Council on the recommendation of the Economic Development Committee. That interim committee received testimony from a representative of the Department of Transportation regarding the proposed study to the effect that transportation is very important to economic development, but historically, has been the last issue to be addressed. Testimony indicated transportation needs to be included at the front end of economic development discussion.

The 2003-04 interim committee also received testimony that the Department of Transportation has worked extensively with the Upper Great Plains Transportation Institute. The committee was informed that some of the study's transportation issues may be addressed more appropriately by the Department of Transportation because the department's strategic planning efforts would be a significant source of information. As a result, the Committee included consultation with the Department of Transportation in the study.

The Upper Great Plains Transportation Institute is established by North Dakota Century Code Chapter 54-53. The institute is administered by and in conjunction with the North Dakota State University. The purpose of the institute is to conduct research in the field of transportation and logistics to better understand the marketing factors associated with the geographical location of the state and the Upper Great Plains in the field of transportation and their influence on the socio-economic systems of the state, region, and country. Research areas include the study of commodity and other freight movements into and out of the state to better understand the various factors affecting the marketing of area products and services.

The institute consults with an advisory transportation council made up of a diverse group of governmental and private sector interests. The council was made up of one representative from the Greater North Dakota Association, the Public Service Commission, the North Dakota Farmers Union, the North Dakota Grain Growers Association, the Wheat Commission, the Department of Commerce, the North Dakota Grain Dealers Association, the North Dakota Motor Carriers Association, the Aeronautics Commission, the Department of Transportation, the Agriculture Commissioner, the North Dakota Association of

General Contractors, the North Dakota Railway Industry, and the North Dakota Primary Sector of Manufacturing.