



PORTS-TO-PLAINS
ALLIANCE

Securing the Benefits of Commerce to
North America's Energy & Agriculture Heartland



Heartland
EXPRESSWAY



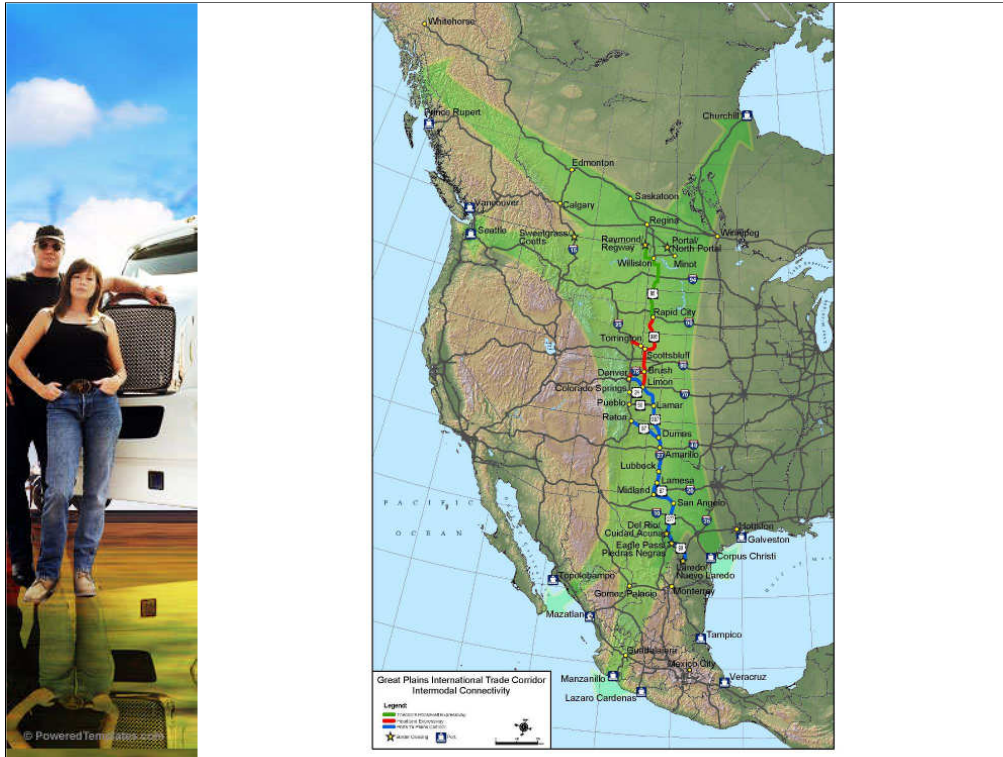
Theodore Roosevelt
EXPRESSWAY



Name of Community

Date:

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Ports-to-Plains includes four Congressionally designated *High Priority Corridors on the National Highway System*:

- Ports-to-Plains from the Texas/Mexico border through Border Crossings at Del Rio/Acuna, Eagle Pass/Piedras Negras, and Laredo/Nuevo Laredo to Denver, Colorado.
- Heartland Expressway from Denver and Limon, CO through Scottsbluff, NE where one spur goes to Rapid City, SD and another spur through Torrington, WY to connect to the Camino Real Corridor.
- The Theodore Roosevelt Expressway connects at Rapid City and terminates north in Montana at the border crossing of Raymond at the Montana/Saskatchewan border.
- The Camino Real connects to the Heartland Expressway west of Torrington, WY and provides the corridor with connections the Montana/Alberta border at Sweetgrass/Coutts and Wild Horse.
- These highways are all existing highways which connect the rural areas where the resources are with markets as well as connecting urban areas with other urban area through those rural areas.

The highway corridor creates a backbone for an economic region that includes 10 states: Texas, Oklahoma, New Mexico, Colorado, Kansas, Nebraska, Wyoming, South Dakota, North Dakota and Montana. That economic region, with its key economic drivers being energy, agriculture, trade and tourism, extends into Alberta and Saskatchewan in the north and into Mexico through the state of Coahuila and state of Tamaulipas.

Ports-to-Plains Alliance



Members in the Alliance, including [name your local members] include the majority of cities and counties in the region as well as economic development organizations and chambers of commerce. The Canadian province of Alberta and the Mexico state of Coahuila are members and recently the first member from Kansas joined the Alliance.

The Alliance's primary work is focused on advocacy in Washington, DC and in state capitals for funding expansion projects. To date the Alliance has seen over \$1 billion invested in the Corridor. The key to the Alliance is the ability to communicate a focused message across ten states to the federal delegations. The development of a Ports-to-Plains Caucus is critical to that effort. Encourage your Congressional delegation to participate in those meetings.



Ports-to-Plains Alliance

Ports-to-Plains Trade Corridor

www.portstoplains.com

Heartland Expressway

www.heartlandexpressway.com

Theodore Roosevelt Expressway

www.trexpressway.com

Government of Alberta, Canada

alberta.ca/home/

State of Coahuila, Mexico

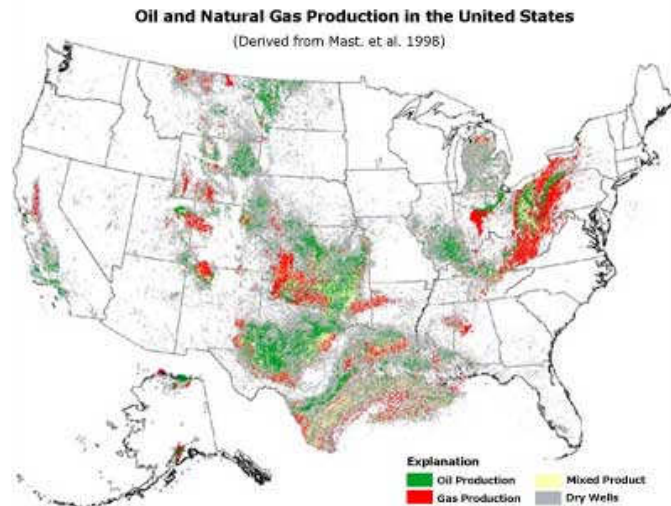
www.coahuila.gob.mx/

Current information on the Alliance is available on the websites as well as social media including the Ports-to-Plains Blog, Facebook Pages, LinkedIn groups and Twitter. These sites provide the latest information on events, news and economic data of the entire economic region as well as links to members.



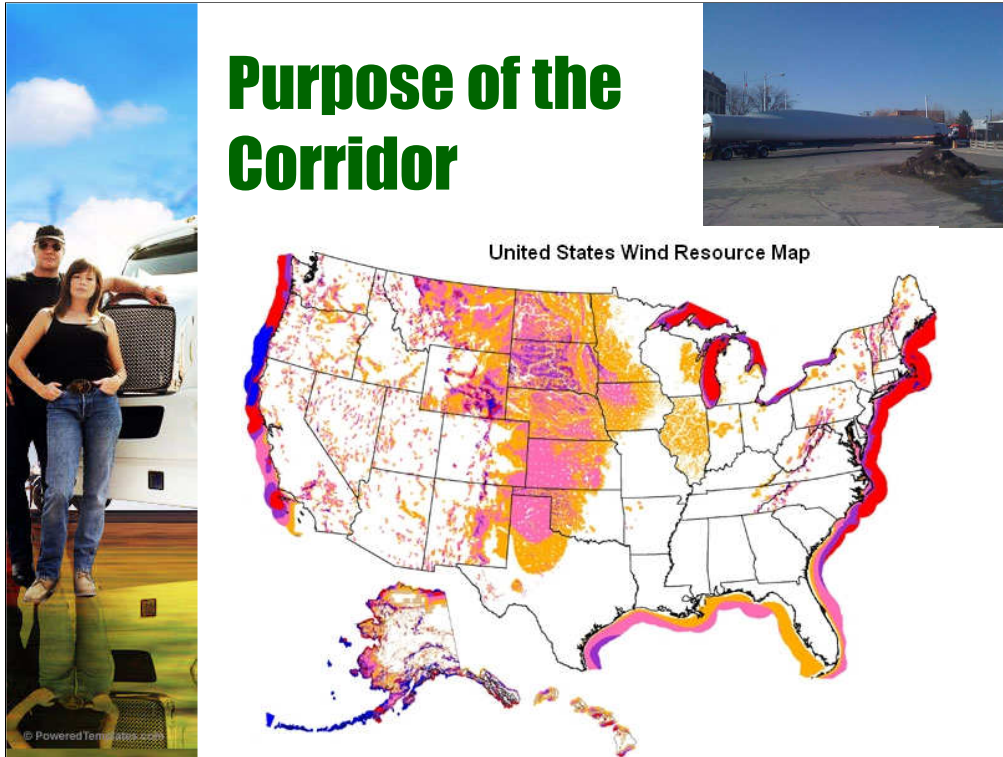
It is critical that we understand the purpose of a corridor and why it is important to our state and to the energy and food security of North America. The expansion of existing highways in more rural areas is a cost effective method of providing an alternative to congested corridors like Interstate 35 in Texas, Oklahoma and Kansas and Interstate 25 along the Front Range of Colorado.

Purpose of the Corridor



The Ports-to-Plains Alliance region is critical to North America's energy security. This map shows the Oil and Gas Production in the United States.

- 8 of the top ten states in oil production are served by the highway corridor. This includes Texas (#1) and North Dakota (#4)
- 5 of the top 6 gas production states.
- Canada is the number one source of oil imported into the United States. Mexico is number 2.
- Alberta's oil sands have estimated reserves of 171.3 billion barrels and currently provides 1.4 million barrels per day. Which is over 14% of our total imports of oil.
- North America's energy is far more secure because of the Alliance Region.



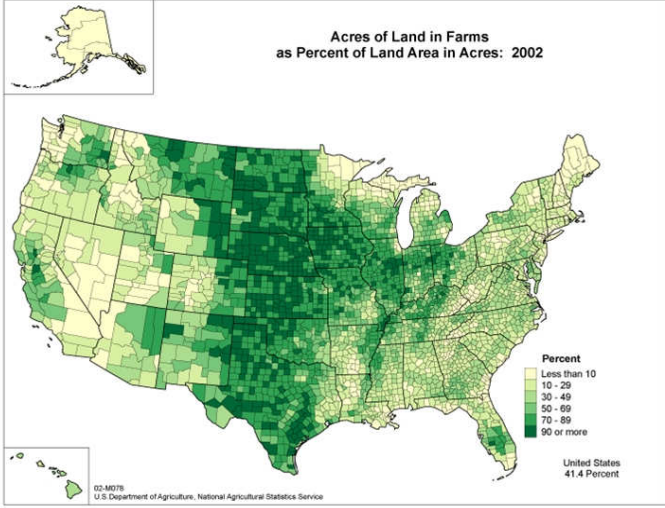
Purpose of the Corridor

As we look for opportunities to create new jobs in our communities we find that the primary wind resources in North America are located in the Alliance region.

- 3 of the top 10 states in installed wind energy are in the region. (TX-1; CO-9; ND-10)
- 5 of top 10 states with projects under construction (CO-4; OK-7;TX-8;WY-9; SD-10)
- 9 of the top ten states in potential are in the corridor. [TX-1; KS-2; MT-3; NE-4; SD-5; ND-6; WY-8; OK-9; NM-10]
- Availability of transmission connecting the wind resource to energy consumers will be critical to continued development of this resource.

The energy resources also include coal, solar, uranium and other minerals. Opportunities to develop clean technology abound and are being developed throughout the region.

Purpose of the Corridor



Security is a common discussion when we talk about energy, but food safety and security is just as important. The Alliance region critical in maintaining food safety and security in North America.

The Ports-to-Plains Alliance region includes six of the top ten farm states that produce nearly a quarter of all U.S. agriculture products.



Purpose of the Corridor



NEBRASKA TRADE

Domestic Trade

Top Trading Partners (Exports by Truck)

- #1 Texas
- #2 Colorado
- #3 South Dakota



Let's take a closer look at our state.

Domestically, these are the top three domestic export by truck markets that could use the Ports-to-Plains Corridor.



Purpose of the Corridor



NEBRASKA TRADE

Domestic Trade (9 State Region)

State	Rail	Truck	Total	Total Percent of Regional Trade	Truck Percent of Regional Trade
Colorado	\$ 233	\$ 1,589	\$ 1,822	18.4%	19.7%
Montana		\$ 231	\$ 231	2.3%	2.9%
North Dakota		\$ 358	\$ 358	3.6%	4.4%
New Mexico			\$ -	0.0%	0.0%
Oklahoma		\$ 417	\$ 417	4.2%	5.2%
South Dakota		\$ 1,783	\$ 1,783	18.0%	22.2%
Texas	\$ 1,629	\$ 3,203	\$ 4,832	48.8%	39.8%
Wyoming		\$ 465	\$ 465	4.7%	5.8%
			\$ -	0.0%	0.0%
TOTAL	\$ 1,862	\$ 8,046	\$ 9,908	100.0%	100.0%

As you can see truck exports to states within the Ports-to-Plain economic region are significant to our economy. These figures are in millions of dollars.

By Truck

- \$8 billion along the corridor states
- \$3.2 billion with Texas
- \$1.8 billion with South Dakota
- \$1.6 billion with Colorado



Purpose of the Corridor

NEBRASKA

TRADE

Mexico (through Ports of Laredo, TX; Eagle Pass, TX and Del Rio, TX)

Exports by Truck

2004	\$67 million
2008	\$196 million
Change	190.9%

Imports by Truck

2004	\$100 million
2008	\$165 million
Change	65%

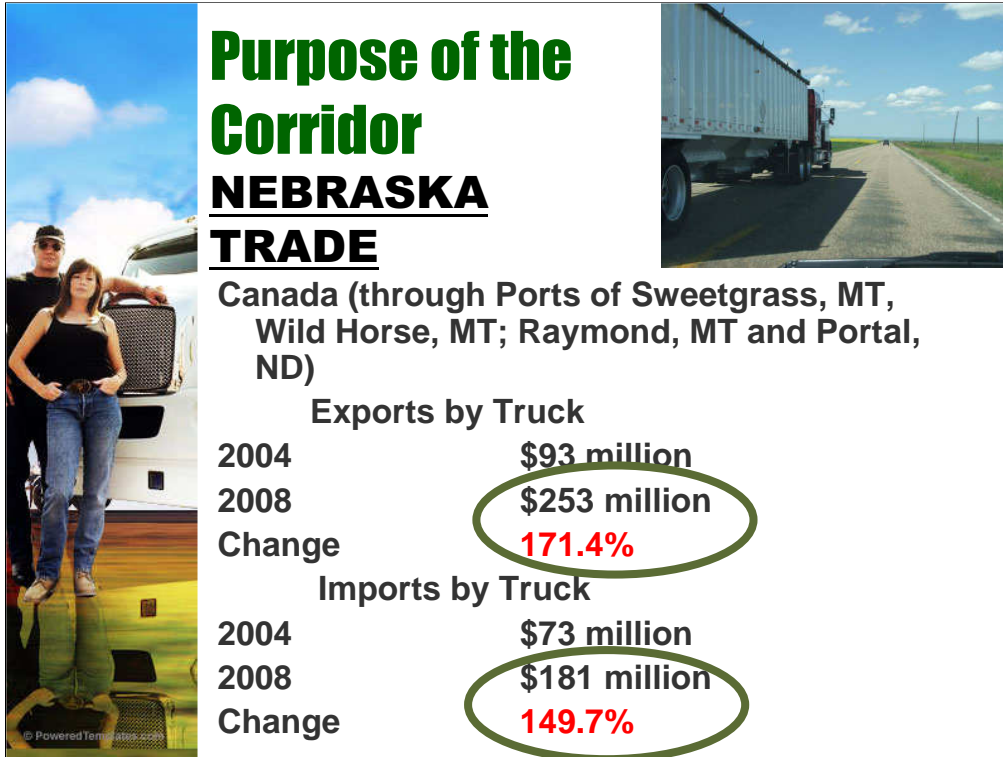
This data shows the trade from Nebraska to Mexico through border crossings along the backbone corridor.

[CLICK]

Nebraska exports over \$196 million by truck through the Ports of Laredo, Eagle Pass and Del Rio. Since 2004 those exports by truck have grown over 190%.

[CLICK]

It is a great trading relationship with Nebraska Exports growing significantly faster than Imports.



Purpose of the Corridor

NEBRASKA

TRADE

Canada (through Ports of Sweetgrass, MT, Wild Horse, MT; Raymond, MT and Portal, ND)

Exports by Truck

2004	\$93 million
2008	\$253 million
Change	171.4%

Imports by Truck

2004	\$73 million
2008	\$181 million
Change	149.7%

This data shows the trade from Nebraska to Canada through border crossings along the backbone corridor.

[CLICK]

Trade by truck with Canada has reached \$253 million through Sweetgrass, Wild Horse, Raymond and Portal along the borders of Alberta/Saskatchewan and North Dakota/Montana. More than a 171% growth in four years.

[CLICK]

Much of the increase in imports from Canada is associated with oil and gas production.



Purpose of the Corridor



Wind Energy

- Power Capacity - Existing projects (MW): 152.88
- Power Capacity - Projects under construction (MW): 42
- Rank In US (by Existing Capacity): 25
- Rank In US (by Potential Capacity): 6

Nebraska's potential is 6th in the nation. Great resources but implementation is lagging. Nebraska is only number 25 in installed wind power.

Transmission capacity is the only limiting factor in the Ports-to-Plains Alliance region.



Purpose of the Corridor



Energy

- Nebraska is among the Nation's top producers of corn-based ethanol.
- Nebraska is one of the few States that allow the use of conventional motor gasoline statewide.
- Most of Nebraska's small oil reserves are located in the western half of the State.

Our state certainly plays an important role in energy security.

Purpose of the Corridor

Energy Security

All Countries	4,267,110	
Canada	904,914	21.21%
Mexico	441,648	10.35%
Venezuela	387,856	9.09%
Saudi Arabia	366,605	8.59%
Nigeria	295,310	6.92%
Russia	205,525	4.82%
Algeria	180,018	4.22%
Angola	167,877	3.93%
Iraq	164,357	3.85%

Canada and Mexico are the number 1 and 2 sources of oil imported into the U.S.. They are our friends and allies. Take a look at the rest of the list. North American energy is critical for North American security



Purpose of the Corridor

Energy Security



Rotary Rig Count	Period		Change	%
	10/2/2009	8/6/2010		
Alberta	131	245	114	87.02%
Saskatchewan	61	84	23	37.70%
Colorado	39	64	25	64.10%
Kansas	24	16	-8	-33.33%
Montana	4	4	0	0.00%
Nebraska	1	0	-1	-100.00%
New Mexico	46	66	20	43.48%
North Dakota	47	133	86	182.98%
Oklahoma	74	127	53	71.62%
South Dakota	0	1	1	0.00%
Texas	388	688	300	77.32%
Wyoming	38	44	6	15.79%
	853	1,472	619	72.57%

77.86% of U.S. Total
85.01% of Canada Total

Source: Baker Hughes

It's about the future of energy security in North America.

Rotary Rig counts are a measure of future production. Over 77% of future expanded production in the U.S. and over 85% of expanded future production in Canada is taking place in the Ports-to-Plains Alliance region.



Purpose of the Corridor

Agriculture



Market Value of Products Sold - Nebraska

2007	\$15.5 billion
2002	\$9.7 billion
Change	60%
Crop Sales	\$6.8 billion (44%)
Livestock Sales	\$8.7 billion (56%)

It's about the movement and value added opportunities of agricultural products.

Nebraska agricultural products are marketed along the corridor with key international markets in Canada and Mexico.





Advocacy Effort



- These existing highways are inadequate to meet current and future needs of the region and the nation
- To promote economic security and prosperity throughout America's energy and agricultural heartland, these high priority corridors must be upgraded and modernized

Transportation Reauthorization provides both the policy direction and the funding for transportation generally for a six (6) year period. SAFETEA-LU was the last reauthorization bill approved by Congress and it expired in September 2009. That bill has been extended through December 31, 2010. While the House has a draft bill, the Senate has shown little interest in moving a reauthorization bill forward.

This delay allows the Ports-to-Plains Alliance to continue a discussion about the types of policies and funding needed to improve the backbone corridor.

These corridors are currently inadequate and must be upgraded and modernized if we are interested in promoting the economic security through the Ports-to-Plains region.



Advocacy Effort



An improved transportation network will produce significant benefits:

- It will improve safety, cutting accidents by 50 percent from today's levels
- It will increase the efficiency of agricultural freight flow. Our corridor runs through six of the top ten farm states that produce nearly a quarter of all U.S. agriculture products

Two lane rural roads have higher fatality rates than Interstates despite their lower traffic counts. The mix of trucks, including permitted oversize and overweight trucks, cars and tourists on our rural highways creates safety issues. Expansion of this backbone corridor will cut accidents up to 50% according to the Ports-to-Plains Corridor Development and Management Plan published by Colorado, Texas, Oklahoma and New Mexico DOTs.

As shown previously this region is the agricultural heartland of North America. The efficiency of moving agriculture goods from farm to processor to market is critical to profitability, job creation and consumer prices.



Advocacy Effort



An improved transportation network will produce significant benefits:

- It is necessary for the development of the traditional energy resources essential to our nation's energy security
- We serve seven of the top ten oil producing states
- The corridor also goes through five of the top six natural gas producing states
- A single oil well requires an estimated 1,200 truck movements to develop

The Oil Sands of Alberta, the Bakken and Three Forks formations in North Dakota, Montana, South Dakota and Saskatchewan, the oil shale plays in Colorado, Wyoming and Nebraska and ongoing oil and gas plays in New Mexico, Kansas, Oklahoma and Texas add significant truck traffic to the both the backbone corridor and the connecting corridors. With over 1500 wells being drilled the impact of oil and gas is significant. This accounts for more than 1.8 million trucks movements involved in developing new resources. This does not count those servicing the existing wells.. The oil and gas industry currently accounts for 2.7 billion jobs in the Alliance states.



Advocacy Effort



An improved transportation network will produce significant benefits:

- It is essential to developing the growing renewable energy industry.
- We serve nine of the top ten states for wind energy potential, and five of the top twelve installed wind generation states.
- A single wind tower requires eight trucks for major parts, not including the crane, concrete or rebar.

Wind development has brought significant opportunity to the Ports-to-Plains Alliance states. The development of wind farms and the transmission lines to deliver the energy to consumer markets impacts the transportation system. Manufacturers of wind components are looking for locations connected by safe and efficient highways allowing delivery to wind farm sites safely and efficiently.

According to the American Wind Energy Association (AWEA), a single turbine can require up to eight truck hauls (one nacelle, one hub, three blades, and three tower sections). The turbine blades are relatively light weight (seven to eight tons each), but they require permits for travel on the state highway system because they are so long. The heaviest pieces of the wind turbines are the tower base (the three components of the tower can range in weight from 40 to 60 tons) and the nacelle (approximately 75 tons). Additional transportation trips are necessary for road grading, laying foundations, and construction equipment.



Advocacy Effort



An improved transportation network will produce significant benefits:

- It is a cost-efficient way to take pressure off of highly-congested parallel corridors, such as the I-25 and I-35 corridors
- It will promote economic development in a region of the country that has the highest rate of population loss over the last decade and ensure that America's heartland and its communities are connected to America by a modern, efficient and safe transportation facility

For the past 20 years the United States has recognized the connection between an improved transportation system through its ongoing investment in the Appalachian Highway System. Over the last decade the communities that now feed, fuel and cloth our citizens have experienced a significant rate of population loss. Transportation improvements are needed to make the region more competitive and connect their resources to markets.

There is a significant benefit of improvements to the backbone corridor through the Alliance region. Parallel corridors such as I-35 in Texas, Oklahoma and Kansas and I-25 in Colorado do not need the growing number of trucks that are simply passing through. The Alliance corridor provides a cost effective opportunity to provide an alternative for moving goods and people north and south.



Advocacy Effort



We support significant reform of the federal surface transportation programs, including development of a clear and compelling federal vision.

With its current 108 surface transportation programs, the federal program has no focus. 108 priorities equals no real priorities. The Alliance agrees with the findings of the National Surface Transportation Policy and Revenue Study Commission that a reduction to as few as ten programs would return the federal system to the development of a clear and compelling federal vision like it had when the Interstate Highway System was being built.



Advocacy Effort



We support significantly increased transportation investment and continued user financing through a dedicated trust fund.

None of these improvements happen without funding. As a result, the Ports-to-Plains Alliance is supportive of increased transportation investment. This would include supporting an increase in the federal fuel tax if there is an improved federal vision and the funding all goes to the dedicated trust fund. This is a message that must be communicated to our federal delegation. Here is why the Alliance supports this increased investment.



Advocacy Effort



We inherited one of the best transportation systems in the world.

A system bought and paid for by a user fee on fuel purchased by the users of the system.

The Interstate Highway System created an economic driver like none other in the world. One needs only to look at the connections made by that system. It was a system that was bought and paid for by a user fee on fuel purchased by users of the system. But the system we inherited was primarily focused on an east-west alignment. The global market and the significance of Canada and Mexico has created new transportation needs. Yet we are at a crossroads where, with the currently funding levels, maintaining the system we inherited and expanding that system through the Alliance region it impossible.



Advocacy Effort



Shortfall in the Federal Highway Trust Fund in 2010 = \$18 billion from General Fund (identified as a payback of funds borrowed for deficit reduction)

2011 ... 2012 ... 2013 etc.????

The shortfall in the dedicated Federal Highway Trust Fund in 2010 was \$18 billion. When Congress extended the SAFETEA-LU reauthorization, it backfilled the Trust Fund with \$18 billion. This just kept the program at 2005 levels. What will the future look like?

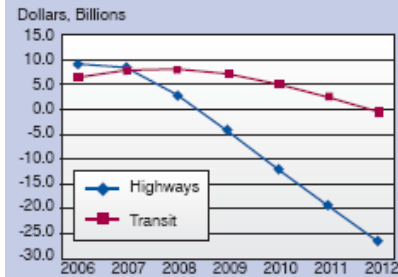


Advocacy Effort

Programs would have to be cut by 25 percent or so over long term (without increased revenue)



Projections of Highway and Transit Account Balances Through 2012



This exhibit shows projected balances in the Highway and Transit Accounts of the Highway Trust Fund through 2012 assuming no change in revenues or program levels.

The National Surface Transportation Policy and Revenue Study Commission indicated that without increased revenues programs would have to be cut by 25% or more.

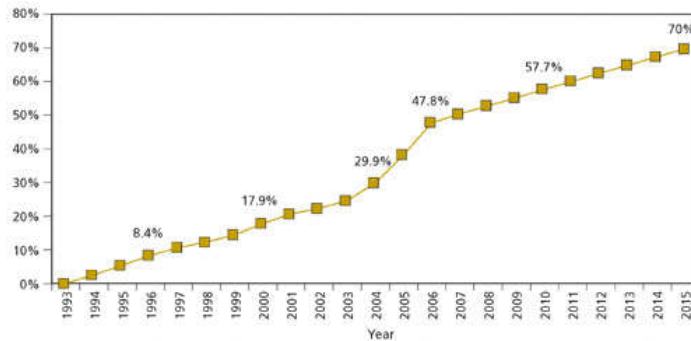


Advocacy Effort

Each 1 cent of fuel tax buys 40% of what it did in 1993.



Construction Inflation Rate



Note: Projected change from 2007 to 2015 based on the Consumer Price Index. Data for 2004 to 2006 based on the Producer Price Index for highway construction.

Here is why. Construction inflation has eroded the buying power of every dollar in fuel tax. The National Surface Transportation Policy and Revenue Study Commission has shown that each penny in fuel tax purchased only 40% of what it did in 1993.

While fuel sales increased over the years, inflation was overcome by those increased sales. But times have changed. Fuel efficient vehicles, the economic times, and alternative fuels have changed the playing field. Revenue to the dedicated Trust Fund have decreased. That is was \$18 billion was needed to maintain SAFETEA-LU funding levels.



Advocacy Effort

Demographics

- Vehicles: 246 million today; 400 million by 2055
- Travel: 3 trillion vmt today; may hit 7 trillion vmt by 2055
- Truck Freight: Tonnage to increase by 114 % by 2035
- Trucks: average 10,500 on Interstates today; 22,700 by 2035
- Rail tonnage: Grow by 63 % by 2035; market share down slightly
- Trade: Container traffic up from 42 million today to 110 million by 2020
- Population: Increase by 140 million over next 50 years



Now take a look at the future as described by the National Surface Transportation Policy and Revenue Study Commission.

[highlight a couple of items]

In the long term, we must look at other ways to fund transportation improvements. Ideas like tolling, public-private partnerships and other debt-based tools have some application in urban areas, but are unworkable to rural area through much of the Ports-to-Plains Alliance Region. In the long term we need a method of transportation funding that does not rely on fuel sales for the revenue source. A new method must be developed that requires all users of the system to pay for the system; no matter what the fuel source used. In the short term, increased fuel tax is the only alternative.



Advocacy Effort



Choices:

- Do Nothing ... Defer Infrastructure Investment
- 25% or more less Transportation Funding into future years
- Pushing the cost to a later generation

So what are our choices in this reauthorization?

[CLICK]

We can do nothing ... just let the current funding stream decline ... no increased fuel taxes ... no use of General Fund dollars to meet the shortfall.

In this case, we will be deferring Infrastructure Investment as the population, vehicle miles traveled, trucks, trade, etc. increase.

We know this will result in 25% or more less investment into the future years.

It pushes the cost to future generations.



Advocacy Effort



Choices:

Cover the Shortfall from the General Fund

- Creates debt thereby increases deficit
- Highway funding becomes less of a user pay system that must now compete for general tax dollars annually and more politically driven

Or ... we can do what was done this year by covering the shortfall from the General Fund. The shortfall could be from the 2005 SAFTEA-LU levels or from the needs of the system viewpoint. Could be much larger than the \$18 billion in 2010.

This choice creates debt that increases the deficit. If we had a surplus in the General Fund, this might be the right choice, but we already have a deficit.

When the responsibility of users for paying for the system decreased, the transportation system must then compete for general tax dollars annually and in a more politically driven process. The population base in the Ports-to-Plains Alliance region does not compete well in that process.



Advocacy Effort



Choices:

Increase Revenue

- Tolling, Public Private Partnerships, Bonding and other Debt Tools provide little for rural corridors.
- Urban areas which may benefit want their share of the Fuel tax also
- Gas tax is the only current funding ... requires 10 cents per gallon to remain even with SAFETEA-LU

Or ... We can commit to increasing revenue.

[CLICK]

Urban area that use tools like



Advocacy Effort



Policy Recommendations:

Rural Connectivity and Mobility

- A major focus on upgrading and modernizing the transportation infrastructure that provides connectivity and mobility for America's small communities and rural areas

Funding is only part of the equation. The Alliance's support of increased funding is contingent on the policies included in reauthorization legislation. It must include several key policies that are supportive of developing the corridor backbone, small and rural communities.

A Rural Connectivity and Mobility program is a must. Both the National Surface Transportation Policy and Revenue Study Commission and the American Association of State Highway Officials (AAATHO) support this need.

A future transportation system must allow rural and small communities access to markets and allow the core resources of energy and agriculture to reach urban markets. The economic future of the Ports-to-Plains Alliance region and security of North America is depended upon Rural Connectivity and Mobility.



Advocacy Effort



Policy Recommendations:

- Freight Transportation – The new legislation should also include a major focus on freight movement, including freight corridors in rural areas, especially High Priority Corridors on the National Highway System.

Trade, be it the domestic or international trade, is depended upon transportation infrastructure.

A strong Freight Transportation program is critical to the North American economy and the opportunities for job creation in the Ports-to-plains Alliance region.

Whether it is cotton, wheat or corn moving to markets, or energy development, robust funding for freight corridors including Ports-to-Plains, Heartland Expressway and Theodore Roosevelt Expressway. These High Priority Corridors on the National Highway System are already designated by Congress and now they need robust funding.



Advocacy Effort



Policy Recommendations:

- **Border Infrastructure --** Border infrastructure is critical to promote the safe, efficient movement of goods, facilitating trade and supporting jobs in North America.

Texas, North Dakota and Montana are the gateways to international markets in Canada and Mexico.

Funding for Border Infrastructure is critical to promote the safe, efficient movement of goods, facilitating trade and supporting jobs in North America.



Advocacy Effort



Policy Recommendations:

- Rural Safety -- The new legislation should include a major focus on highway safety, especially safety on two-lane rural roads which often have fatality rates well above urban interstates.
- These overburdened two-lane roads are carrying much of the food and fuel destined for our nation's major metropolitan areas.

Safety, especially on rural highways, must be a priority.

Traffic counts do not measure the safety of a highway. Two-lane rural highways have the higher fatality rates than urban interstates.



Advocacy Effort



Policy Recommendations:

- Environment/Energy – It is critically important, however, that climate change requirements—whether included in surface transportation legislation, climate change legislation, or energy legislation—recognize that the options in rural areas are different than the options in major metropolitan areas.
- A one size fits all approach to climate change will not work.

Rural areas, including much of the Ports-to-Plains Alliance region, are different than urban areas. High speed rail, increased transit alternatives and the like provide little for these areas.

Congestion is generally not the issue. Our Congressional delegations need to recognize that a one size fits all approach whether in transportation, climate change or energy legislation does not work. As the grassroots citizens of the Ports-to-Plains region, we need to be reminding our Congressional delegation to identify this dangerous approach in every type of legislation that may limit our economy and opportunities to expand our connectivity in a safe and efficient manner.



Advocacy Effort



Permitting Pilot Program

- We support a pilot program for streamlined transport of overweight and oversize equipment along the Ports-to-Plains Corridor, the Heartland Expressway and the Theodore Roosevelt Expressway.
- One of the key challenges facing transporters of the heavy equipment used in the energy and agriculture industry is permitting oversized loads.

Finally, we are supporting a pilot programs for both overweight and oversize permits and for developing a freight corridor.

The energy and agricultural needs of our region are resulting in increased overweight and oversized loads moving along the backbone corridor.

Movers of those loads, be it components for wind farms, oil and gas equipment or agriculture machinery indicate the current system is challenging. Having a common electronic portal can provide for more efficient and cost effective movements of these types of loads.

The rural character of the backbone corridor provides an opportunity to study ways to improve freight corridors including expansion of highways and technology in a region where the Ports-to-Plains Alliance can help network the local communities for support. With the additional benefit that improvements are less costly than in congested corridors.



Thank you. Let us know if there are other groups and or audiences that would like this presentation. I do not know if I can answer every question but, if I cannot, I will get your name and contact information and will find the answer.