



Testimony of

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“Meeting the Transportation Needs of Rural America”

House Committee on Transportation and Infrastructure
Subcommittee on Highways and Transit

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Chairman Graves and Members of the Subcommittee:

My name is Mike Steenhoek, Executive Director of the Soy Transportation Coalition (STC). Established in 2007, the Soy Transportation Coalition is comprised of thirteen state soybean boards, the American Soybean Association, and the United Soybean Board. The goal of the organization is to position the soybean industry to benefit from a transportation system that delivers cost effective, reliable, and competitive service. The STC is governed by a board of directors of soybean farmers from the sponsoring entities. We are therefore a farmer-funded and farmer-led organization.

When my parents grew up on farms in central Iowa in the 1940s and 1950s, transportation, while important, was not as consequential to the profitability of agriculture. During that era, so much of what was produced on the farm was immediately consumed on the farm or eventually consumed within a close proximity to the farm. To use the farm my father grew up on as an example – the family produced corn and oats that they, in turn, fed to the livestock they raised. The family eventually earned a living by selling the eggs, dairy, and livestock to a local customer base.

Subsequent to this period, agriculture has witnessed a dramatic evolution in almost every facet. In addition to experiencing exponential growth in the volume of production, agriculture has also experienced an exponential increase in the number and geographic distribution of its customers. Today, when one observes a field of soybeans in the United States, one can assume that half will be consumed outside the country – one quarter alone will be consumed in China. Many other U.S. agricultural products have experienced similar growth in both production and demand. Given this unprecedented increase, it becomes essential for this country to have a system of roads, bridges, highways, railroads, inland waterways, and ports to ensure what U.S. farmers produce can access their domestic and

international customers in a cost-effective and reliable manner. For agriculture to be profitable, it is not simply a function of increasing supply and increasing demand. It is also a function of increasing connectivity between supply and demand. Transportation is that connectivity.

While the transportation system that serves U.S. agriculture is more advanced than those found in many other countries, the competitive advantage we enjoy is in danger of eroding. The unfortunate reality is that the United States can increasingly be described as a spending nation, not an investing nation. Other nations are making investments in their infrastructure while we remain quite lackadaisical in investing in ours. This lackadaisical approach is exacting a toll on our roads and bridges, locks and dams, and ports. Given the jurisdiction of the Subcommittee on Highways and Transit, I will confine my testimony to some of the challenges confronting the surface transportation system consequential to U.S. agriculture.

Much attention and discussion, and rightly so, have been devoted to the need for Congress to provide additional revenue for our system of roads, bridges, highways, and interstates. The fundamental flaw of how our nation funds surface transportation is that we have a fixed source of revenue trying to meet the needs of an escalating cost. Everyone can concede that the cost of building and maintaining roads and bridges increases with time. However, the federal government maintains a fixed 18.4 cent tax per gallon of gasoline and a 24.4 cent tax per gallon of diesel fuel. It may be unintentional, but the inevitable outcome of such an approach is a funding shortfall over time. The Highway Trust Fund annually generates approximately \$35 billion. It is estimated the nation needs approximately \$50 billion to keep the system in a state of good repair. This underinvestment in our nation's roads and bridges is most evident in rural communities.

The federal tax on gasoline and diesel fuel has not been adjusted since 1993. According to research funded by the Soy Transportation Coalition and conducted by Indiana University, if Congress had indexed the fuel tax to inflation in 1993 an additional \$133 billion would have been available for improving our nation's roads and bridges. While indexing the fuel tax to inflation would not be the panacea to all of the challenges confronting our surface transportation system, doing so would introduce some sustainability to our financing strategy and be a significant enhancement over the status quo.

With respect to surface transportation, predictability of funding is almost as important as volume of funding. Most states develop a five year plan for maintaining and improving their system of roads and bridges. Much of this construction work is reimbursed to the states by the federal government. If the federal government is not a reliable partner in funding transportation, states will be less confident to proceed with planning and executing many essential and expensive infrastructure projects – including those critical to the movement of agricultural products. Unfortunately, Congress has approached our expensive and multi-year transportation challenges via unpredictable and short term legislative actions.

While greater volume and predictability of funding is needed from federal, state, and local government, we in agriculture and beyond need to explore opportunities to accommodate the increased demand for freight movement in a resource-constricted environment. We believe increasing semi weight limits on the federal interstate and highway system from an 80,000 lbs., five axle configuration to a 97,000 lbs., six axle configuration would have a beneficial impact on: 1.) Motorist safety; 2.)

Infrastructure wear and tear; and 3.) The cost and efficiency of freight movement for agriculture and the U.S. economy.

A recent study, funded by soybean farmers, highlights that adding an additional sixth axle to a semi weighing 97,000 lbs. will create additional braking capacity so that stopping distances will be compatible with a five axle, 80,000 lbs. truck. Moreover, allowing six axle, 97,000 lbs. semis will result in fewer semis on the road compared to maintaining an 80,000 lbs. weight limit, which will result in fewer accidents and injuries. The study projects such an approach will result in 98 fewer motorist fatalities by 2022.

The study further highlights how a six axle, 97,000 lbs. semi will result in a reduction of weight per tire of 35 lbs. compared to a five axle, 80,000 lbs. semi – reducing wear and tear on the nation’s roads.

For transporting soybeans and soy products, allowing six axle, 97,000 lbs. semis will result in 1.2 million fewer truck trips, 5.5 million fewer gallons of fuel consumed, 56 thousand fewer tons of carbon dioxide emissions, and between \$11 million - \$28 million in reduced fuel costs. The use of a six axle, 97,000 lbs. semi will enable a farmer to transport at minimum an additional 183 bushels of soybeans per load. By 2022, this will annually save soybean farmers 602,000 truck trips, 1.7 million gallons of fuel, and between \$4 million - \$8 million in reduced fuel costs.

Rural communities depend upon rural roads and bridges for mobility and economic growth. Many rural bridges across the country are load limited, requiring vehicles transporting people and products to detour.

Research has demonstrated that the visual inspection of bridges can be inaccurate and highly variable. This contributes to inaccurate assessments that can ultimately result in a sizable percentage of bridges being unnecessarily load posted or identified for rehabilitation or replacement. This not only results in unwarranted detours, but it prevents government agencies from most efficiently allocating scarce resources to those bridges that truly are in urgent need of modernization and repair.

In 2013, the Iowa Department of Transportation, Iowa State University, and the Soy Transportation Coalition provided funding to load test three rural bridges. This initial project was successful in providing a more accurate assessment of the three rural bridges and justified the removal of the load restrictions. A similar project is underway in partnership with the Nebraska Department of Roads and the University of Nebraska.

The ultimate objective of these efforts is to encourage a more widespread utilization of this technology in rural areas throughout the country. Improving our transportation system is not just a function of more money. Better stewardship of taxpayer money is also essential. The Federal Highway Administration is to be commended for a recent grant to the South Carolina Department of Transportation for the purpose of promoting this technology for evaluating bridges on the state system. We are hopeful a similar program could be developed to benefit our nation’s rural bridges. The Soy Transportation Coalition has communicated a willingness to help offset the cost of doing so.

Agriculture can accurately be described as a 21st century industry utilizing an early 20th century rural infrastructure. While increased resources are essential to upgrade our rural infrastructure to meet the needs of rural communities, we are deluding ourselves if we believe that our transportation challenges will be solely addressed on the revenue side of the equation. As discomfoting as it may be, we must also be willing to address the cost side of the equation. We need to acknowledge that when our system of rural roads and bridges was designed and created, decision makers did not have 21st century agriculture and rural America in mind.

We need to be willing to ask challenging questions like, “Is it more economically sustainable and in the long term best interests of rural communities for a county to have 1,000 miles of degraded roads or 500 miles of quality roads?”. We need to explore what our rural transportation system needs to look like in 10 years and determine those incremental steps required to achieve it. Tradeoffs are never easy, but agriculture must recognize that this discussion and debate is and will continue to occur. The question for farmers is whether they want to help lead this discussion or be passive in it. May it be the former.

Thank you for the opportunity to testify and for exploring this important topic. I would be pleased to answer any questions.