

VIDEO & TRANSCRIPT OF SENATE TRANSPORTATION COMMITTEE - HB0321

March 1, 2023 | 9:30 a.m.

Speaker 1 ([00:05:54](#)):

The Transportation and Safety Committee will come to order. Clerk call the row.

Speaker 2 ([00:05:59](#)):

Senator Bailey. Senator Bo is present. Senator Bowling is present. Is present. Senator Briggs here is present. Senator Campbell here is present. Senator, nicely present is present. Senator Poie present is present. Senator Powers here is present. Senator Taylor. Chairman Massey

Speaker 1 ([00:06:18](#)):

Here

Speaker 2 ([00:06:19](#)):

Is present. Chairman, you have eight members present.

Speaker 1 ([00:06:23](#)):

Thank you. I think Senator Taylor's, he's been here so he'll probably out for a second. So with that are there any statements, announcements or personal orders of business? I know we've got several. I think we've got some of the engineers and road builders and I've got one of my realtors I know from Knoxville. So if you're here representing any of those groups, just please stand up. And I don't think they're in here yet, but we've got the disability providers Tenco Day on the Hill, which is what I used to do. Oh, we've got a couple. Why don't you all stand up? That was my former career and also we've got former Senator Keran in the room so we'd like to welcome him in. He misses being here. He used to chair the transportation committee and always did a good job. So thank you for joining us and make clerk make notes. Senator Taylor is here so I knew you were here here but just not in the room when we did roll.

Speaker 3 ([00:07:42](#)):

Thank you Madam Chairman. If I could just appoint personal privilege. I have a constituent I have a guest as Senator Poie might say. I have a constituent Patty Apostle please stand. Patty lives in my district and is a key member of the community down in Memphis and I'm glad she is here in Nashville holding me accountable. Thank you Madam Chairman. If you a word to the wise, don't ask her about picking up garbage. She got a whole chunk of the city of Memphis DNX over garbage and so that's how effective she is down in Memphis. Thank

Speaker 1 ([00:08:24](#)):

You. Thank you. Well she might get the legislative plaza dnx, so it's a matter of opinion, but as mentioned before, any amendments are required 24 hours before the committee meeting with any substantive bills. We would like to have them 48 hours before so we can get 'em on the dashboard. Otherwise the bill may be rolled to have time to review the amendment. If you wish to testify before the committee on a bill are you have someone that's testifying on your bill, you need to give our office 24 hours notice and that's required also just to let kind of everybody know what we're doing too. One if my committee will stay here at the end fairly quick, we, I'd like to do a committee picture since we're all here today. That would be nice. But we are going to take up senate bill 2 73 by Leader Johnson and myself and then we have a few more bills on the agenda if we get through in time. If not, they will be rolled to the next week. So with that I will turn the gavel over to my able vice chair. Senator Potty.

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Speaker 4 ([00:09:37](#)):

Thank you. And we want to recognize Leader Johnson on 2 73.

Speaker 5 ([00:09:44](#)):

Thank you Mr. Chairman and members of the committee. Good morning. It's good to be back with you. My very first year in the Senate I served on the transportation committee. It was only one year, but that was a wonderful experience. Now I learned a lot. I'm going to make some brief introductory comments about Senate Bill 2 73 and then I'm going to turn it over to the my esteemed prime sponsor of this important legislation. Chairman Massey who is going to lead you into the nuts and bolts of the proposal. What I would like to do members is just try to set the stage for why we're here and why this very, very important piece of legislation is before you. And quite simply it's because we have a problem. We have a big, big, big problem in terms of lives affected, in terms of dollars involved. It is a big problem, it's a good problem to have, but it is still a problem at its essence.

Speaker 5 ([00:10:37](#)):

The problem is generated because people love Tennessee <laugh> and people want to live in Tennessee and people are moving to Tennessee, businesses are leaving other states and moving to Tennessee because we've created a wonderful, wonderful climate. We have experienced unprecedented growth in recent years and there's every expectation that that growth is going to continue for the foreseeable future members and we as a state have an obligation to provide for the necessary infrastructure to support that growth. I think we would all agree on that. Now, infrastructure is a big word and it can involve a lot of different things, but specifically here today we're going to talk about roads and traffic and congestion. Long before any of us ever served in this body members some critical decisions were made regarding how we paid for that infrastructure. It's very important decisions that we should all be glad that we're made.

Speaker 5 ([00:11:32](#)):

One of those decisions was that we would be a pay as you go state, meaning we don't borrow money to build our roads and I'm very proud of that. We're a pay as you go state. We're one of only a handful of states in the nation. I think it's six that don't have any debt. We don't have any bonds issued on our roads and we need to keep it that way. Another important standard that was put place many years ago is the concept of utilizing a user fee. I think most of you would agree with me that when you're delivering a government service, it's a good idea to try to get the people utilizing that service to pay for it. And that's what we do in Tennessee with a gas tax. Every time you put gas in your car, you're paying a tax that goes directly into a fund that's used to build and maintain our roads.

Speaker 5 ([00:12:18](#)):

In Tennessee. Unfortunately, however, this system is not keeping up. Our cars are getting better gas mileage people are driving electric vehicles and so that gas fund is simply not keeping up. Many people in this room right here today, myself probably included, are paying less tax into the gas tax fund in real dollars than we did 10 years ago or even 20 years ago. Because our car is getting better gas mileage, it's important that we do something and we do something. Now when you add up every identified road improvement project in the state of Tennessee that's on the books right now and has been identified as a project that we need to do, the price tag comes to 26 billion. The fund that we use to add capacity to our roads generates about 500 million a year. So just let those numbers sink in. 26,500 million. That's

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the big, big problem we have and Governor Lee is proposing that we address it and we address it now and I hope you'll support that effort.

Speaker 5 ([00:13:18](#)):

So if you accept the premise that we do have that problem and I think that's important, how many times do we ask the question up here? When we're considering legislation, what problem are we solving? Well, I hope you accept that we have a problem and I think universally, virtually, universally, most people agree that we do have a problem. So Governor Lee and our department of Transportation with Commissioner Eley, they have a proposal for you to consider today and I hope you will consider it favorably. I want to tell you a couple of things that the proposal does not do that very, very important. It does not propose that we violate that principle of being a pay as you go state. It does not propose that we borrow money to fix this 26 billion problem. We're not proposing that you take on or that we take on additional debt.

Speaker 5 ([00:14:06](#)):

Furthermore, it does not propose that we raise the gas tax even if you doubled the gas tax, we're going to be in this same situation that we're in in a few short years. Raising the gas tax is not the answer to the solution or the solution to the problem. Rather what this proposal does do though members is maintain the integrity of that user fee principle and just please keep that in mind as you're considering this very, very important bill. Whenever possible, if you can have someone who's utilizing a government service pay for it, you should do so that's how we have primarily built our roads in the past and that's how we should continue to do it. Madam Chairman, I want to thank you for signing on as my co-pro sponsor on this very important bill. I look forward to your proposal and the proposal from the department and a healthy discussion on this important issue.

Speaker 5 ([00:14:54](#)):

And I'll close with this. When you consider the magnitude of the problem, as I said earlier, just think about this, the amount of money involved, 26 billion, the number of people affected, I dare say every single tennessean is affected by this problem that we're attempting to address today. If you get in a vehicle that gets on a road in Tennessee, then you're affected by this problem. And I don't think you can help but come to the conclusion that we must do something. Now it would be very easy for Governor Lee and this general assembly to kick this can down the road another 2, 3, 4, 5 years. That's not the right answer. We need to act now every year that we don't attempt to solve this problem. We dig ourselves deeper into a hole. So I proposed that we don't do that. Let's act now and I appreciate your consideration of this legislation and I'm going to turn it over to Chairman Massey for presentation of the bill

Speaker 4 ([00:15:48](#)):

Later. Johnson, I appreciate the presentation. I think you laid out the problem very well. But to get this bill improper motion, I need a proper a form. I need a motion and a second motion. We have a motion from Bill Powers a second from Senator Briggs Chairman Massey.

Speaker 1 ([00:16:05](#)):

Thank you Mr. Chairman. And it really is just an honor to be in here with the committee or standing up here because I usually sit there. But to present this Senate Bill 2 73, I'm honored that Leader Johnson

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and the governor and Commissioner Eley had faith in me to help carry this ball. And I appreciate all the work that our TDOT team has done in preparing all the information, trying to get the information to all the members that have asked questions and helping to get it in the position that we need it in. Basically, like I say, it's the Transportation Modernization Act of 2023. And when it comes to transportation and mobility in Tennessee, we are at a critical juncture and as Leader Johnson said, we're fortunate to live in the state with so much going for us, a direct result of our sound economic policies, high quality of life and ranking is one of the lowest tax states in the country.

Speaker 1 ([00:17:09](#)):

While this yields economic opportunity, it also presents challenges in our ability to move people goods and services more seamlessly across our state. Our position as a critical artery of commerce necessitates our focus to ensure freight visitors in our visitors have spent 24 billion in fiscal year 21 and citizens traveling around our state to make sure they get where they need to be on time. Our growth has far exceeded any projection developed during the 2017 improve Act push that some of us were involved in. We are falling behind on delivering the infrastructure solutions to support the volume of population moving and living in Tennessee. It is estimated that our congestion costs Tennessee Road users \$800 million and lost productivity a year. This proposal modernize modernizes our transportation infrastructure and it addresses the traffic congestion, prolonged project delivery timelines, deteriorating revenue stream. And as we said, this will do this without raising taxes, issuing road debt, and without spending disproportionate amount of funds in our urban areas at the expense of our rural communities.

Speaker 1 ([00:18:28](#)):

The proposal will allow us to form partnerships with private entities to create choice lanes to address congestion. It expands TDOT's ability to use alternative delivery contracting, which has been proven to save time and money when used for the right project. Additionally, the legislation addresses the eroding effect of the adoption of EVs and the hybrid hybrid vehicles will have on our state's gas tax collection as their adoption increases by establishing parity between combustible engine motorist and their EV and hybrid counterparts. Tennessee's growth is far outpacing our road funding and as the leader said there are 26 billion in identified projects. I dare say most everybody here in the room and I definitely know everybody on this committee including myself, can name some projects that aren't on the list that we would like to see done. So just think about that with that 500 million annually, how long, who's, who's good at math?

Speaker 1 ([00:19:35](#)):

How long is that going to take us to get those done? 52 years without us doing something? I'm sorry, that's not acceptable. We have got to do something else. Actually 52 years is 624 months just to address those projects. And of course you've got inflation that'll be factored in. You've got more growth factored in. You've got other projects that will pop up if unaddressed, urban and rural congestion is protect protected to increase daily commute times by 2045 by up to 60% and trips between our major Tennessee cities will cost us an extra hour. So if you want to come over from Nashville to Knoxville to go to a UT football game or something, it's going to plan on an extra hour. This challenge is fur. Further amplified by TDOT's Limited ability to utilize alternative delivery tools to deliver complex high risk projects in an efficient and expedient timeframe.

Speaker 1 ([00:20:40](#)):

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This legislation authorized TDOT to partner with the private sector to design, build, finance, operate and maintain new and exist in additional lanes on existing interstates. And this is called choice lanes. This will allow Tennessee to better allocate our limited resources for transportation. These public-private partnerships allow the state to leverage private mitigation projects which leverage private sector dollars to deliver large scale urban congestion mitigation projects, which frees up our state dollars to invest in rural and suburban communities like one. An example has been like three lane, part of our interstates coming into Tennessee. Under the P three agreement, a private firm may enter into a lease agreement with tdot, but note Tennessee will always own the roads will nobody else will own our roads but 10 or US as Tennessee P three s allow and for accelerated project delivery, shared risk, provide access to additional capital, enable a long-term view of asset management and can reduce public cost.

Speaker 1 ([00:21:56](#)):

And any debt would be privately financed without any obligations to the state. They would do a performance bond though in case there was any problems with the vendor. So we were always be protected. Choice lanes allow drivers to make a choice to use the existing free lanes. And remember if there's four free lanes now there's always going to be four free lanes. We're not compromising any of that but they allow 'em to use the existing free lanes or they can choose to pay a user fee to enter the new additional lanes. For a guaranteed minimum speed, usually about 50 miles an hour is the guaranteed speed. This is different from a traditional tow road where all drivers may must pay a user fee to use the tow road. Many people that have go to Florida, there's old Sunshine Parkway that's been there forever and that I think that's probably one of the first toll roads that we went on.

Speaker 1 ([00:22:53](#)):

But if you get on it, you pay it, there's no choice, everybody pays it. The choice lanes are kind of similar. If you fly to TSA precheck you can choose to have the P precheck and go through the fast lanes or you can choose to not and go through the regular lines. And sometimes it's good, sometimes it's a little longer. Or for those folks that go to Disneyland or Disney World, they have the Disney fast pass that you can pay for and get through a little bit quicker. So for those that don't understand choice, that's choice lanes. That's kind of what it is. Fees are never charged on the general purpose lanes and the number of general purpose lanes are never reduced. Choice lanes provide additional capacity in heavily congested corridors benefiting those who use the choice lanes as well as those decide to remain in the general purpose lanes.

Speaker 1 ([00:23:47](#)):

In the free general purpose lanes data has shown in other states that their traffic is reduced by about 30% which helps them go faster. Georgia has seen a rush hour traffic reduced by over an hour in the choice lanes in both morning and evening commutes while their general purpose lanes are up to 20 miles faster than before. So everybody benefits A major benefit is the ability to ensure a reliable travel speed and travel time for the customers. Our citizens and our visitors of the choice lanes. Choice lanes offer the alternative of a reliable non congested corridor where none pre previously existed. They do this through variable pricing for the U users based on the amount of traffic on the road at that point in time, law enforcement, emergency vehicles and transit drive transit buses are wheel drive free on these lanes. So that's important to note because that helps get other cars off the road.

Speaker 1 ([00:24:50](#)):

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This legislation will expand TDOT's existing alternative delivery tool, which kind of includes design build and construction manager general contractor, which will put TDOT in a strong position to optimize the delivery of increasingly complex in infrastructure solutions. To date the projects we've done in the alternative delivery program have seen a 22 million cost savings and almost a 70% faster delivery compared to traditional delivery. The adoption of EVs and hybrids will continue to erode Tennessee's primary revenue source for building and maintaining our state's critical infrastructure. The gas tax, this comes at a time when the need for revenue to build and maintain roads is increasing at the rapid pace. This legislation will create parity between what the drivers of combustible engine vehicles and the EVs and hybrid counterparts pay in gas taxes by increasing the registration fee for EVs to \$200 for the first three years following passage and to 274 by 2026 for hybrid vehicles, a hundred dollars fee will be set immediately following passage in 2027.

Speaker 1 ([00:26:10](#)):

Indexing will be added to the electric vehicle fee as well as the hybrid fee to ensure that inflation is accounted for. But there are some mechanisms so it can't increase more than 3% and if the price index CPI is lower, it will be lower. So it's the lower of whichever those two. And if the federal government adds an electric vehicle fee at the federal level, we will adjust accordingly so that all that is taken care of in the bill. This bill establishes the transportation modernization fund to be funded by a proposed investment of 3.3 billion to fund critical infrastructure projects in rural and urban areas in Tennessee. The funds would be allocated evenly among the TDOT's four regions with a 300 million investment in the state aid program which flows to our counties for local transportation projects. Currently we have been putting 29 million annually into this program.

Speaker 1 ([00:27:11](#)):

This will be like putting an equivalent of 15 years investment into in one lump sum into our counties there. Another note on that the modernization fund is that we will still have the gas tax coming in. So we will still have that 500 million to do on other road projects in the state. So just for instance, if Senator Campbell has got a major company coming to Davidson County and they need a new interchange that could be paid for potentially out of that gas tax money. So we still have that we'll still have those road projects going too. So I'm going to go over very briefly some of the sections. So if you want to look it up in your bill, I mean you can do that section two and section three. That's on page one and four that talks more about the alternative bill.

Speaker 4 ([00:28:06](#)):

Chairman, now you are on the amendment.

Speaker 1 ([00:28:11](#)):

Yes.

Speaker 4 ([00:28:11](#)):

Okay, so before we go to those sections, let's get the amendment be before us if I can. Forgive me, but I believe we're on amendment 04, 4, 4 1 and we got a motion from Senator Briggs and we need a second. Second. We got a second. All right, so we're on the amendment. So go go right ahead. We're on the correct amendment.

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Speaker 1 ([00:28:32](#)):

Thank you chairman. Appreciate that. I needed a drink of water anyway, so okay, section two and in three are have to more details about the alternative build models and it takes off some of the restrictions of the caps on how many of those projects we can do, but it's more spelled out there. Those are on page one and four. I'm jumping down to section 15 because a lot of 'em have just definitions. That is talking more about the transportation modernization fund and just to note that it is kept separate from all other funds including the state highway funds. So they're not going to get mixed together. And also if in a fiscal year if it's not totally used up, which it's likely not to be because it'll take a while to do these projects but it will be rolled over to the next year. We don't have to go back on that.

Speaker 1 ([00:29:33](#)):

But there's nothing that can preclude if we're having a good year that through our budget process through the governor or through the commissioner or through the legislature that we can't add more money to that if we to So chose to section 17 on page 14 deals with the user fees And just to note the projects have to be approved by the modernization board and I'll talk about that in a minute. But they will come back to the legislature and actually to this committee when they do their annual three year plan that we vote on every year. So we will be able to oversee and look at those projects and have a say in the vote on 'em and they cannot develop 'em until we pass off on that. But as a part of the process there will be public meetings so folks around the state will have the opportunity to weigh in on it and obviously our transportation planning organizations in each of our regions and the state will have the opportunity for input too on these projects.

Speaker 1 ([00:30:44](#)):

Section 19 on page 20 is still about, it continues on about the user fees and it still specifies that the existing general purpose free lanes will stay free. The number of lanes that we have will stay free. Section 20 on page 23 it deletes note it deletes the toll road language. We have authority in our code now to do tow roads, but we want to take that off because we do believe, while I know some disagree with me we do believe that a toll road is different than choice lanes, managed lanes where you're only paying for the one or two lanes access. So we are taking that, eliminating that every time it's in the code in changing it to user fee 22. Section 22 on page 23 is the leasing of the roads. And one thing to note on that this section will not allow any agreement for the operation of the user fee facility in the facility meaning road I don't know why they didn't say road, but anyway with a person or entity appear on the sanctions list published under the authority of the United States Department of Treasury, office of Foreign Asset Control.

Speaker 1 ([00:32:07](#)):

Now there's a number of countries listening on that, but just the four big ones are China, Iran, North Korea and Russia. So we can't contract with entities that are involved in this projects there. Section 28 on page 28 is the, it has to do with the transportation modernization board. There's five people on that, the governor and each of our speakers have one appointment. Then the governor and the commissioner of transportation will each serve or their designee will serve on that modernization. Section 32 on page 35 has to do with the EV fees and that explains it more in detail. And we also did work out with the automobile menu dealers that if this would be paid on renewal and not on purchase. And then the department did work with the EV manufacturers to a neutral position on this. So with that we've got lots of support from a lot of all the big 13 chambers around the state the county services agencies, county mayors, highway superintendents, and the list kind of goes on of folks throughout our state that really

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sees the issue. So with that chairman I am open for questions. Leader Johnson can help me if he wants to answer, help, answer any of these questions. The commissioner is here if I y'all stump me or if you want to hear from him more in detail. And so we're here. It's your pleasure.

Speaker 4 ([00:33:49](#)):

Okay, thank you chairman. You did an awesome job. Before I take questions, we have to get this in the proper form and I believe when you were describing section 17, you were describing an amendment to this amendment and that is going to be Amendment 46 0 2, which is addressing 17. So I'd like to get a motion on 46 0 2 we got a motion from Senator Briggs. I need a second. Got a second from Senator Bailey. And this does what section 17 you did members, we're going to have plenty of time to vote on everything as we're going. We're not going to rush through this. You can talk multiple times in multiple situations, whether it be to the chairman or to the commissioners or we're going to take our time doing it. But I'd like to get the bill informed before we do that if we can. So any questions specifically on 46 0 2, which is section 17, otherwise I'd like the voice vote on that. Okay, a voice vote. All those in favor say aye. Aye. Aye. Opposed? Okay, so we've got 46 0 2 amendment to amendment one. We're still have amendment one in front of us and that makes the bill and that's what we want to discuss. Can we put that amendment on the bill? Is there any opposition to that? Okay, all those in favor of putting this amendment on as the bill say. Aye. Aye. Aye. Opposed? Okay Chairman, we are on the bill and the first person that asked I think is Senator. Nicely.

Speaker 6 ([00:35:22](#)):

Thank you mayor. Chairman, this is a big deal. We need to slow down, we need to talk about it. We need to ask questions. We need to ask lost of questions. We need to ask people in Texas why their country roads are falling apart. We need to ask Texas why they owed 20 billion on their roads and we don't owe any. If tow roads and choice lanes are the solution, why does Texas owe 20 billion? And just little questions like this non-compete. Say we build a tow, a choice lane to Murfreesboro and we still need more capacity. We can't compete, we can't build another road which would compete with this foreign country. This we can't build a light rail, we can't put a bus on the curb to bring people in here in a hurry. I mean they've got it. And I imagine forever, I don't think I rode on a tow road when I was five years old in Oklahoma. It's still there. I was there a couple years ago. They're still charging these things never pay out. And by the way, I don't appreciate people calling these other roads free lanes cause I think we're still paying gas tax. They're not free, free. But it is easy. The cheapest way to collect a dollar of tax is at the gas pump. Less than a penny of administrative cost can collect a dollar at the gas pump. Toll roads typically been around 23 cents to collect a dollar.

Speaker 6 ([00:36:57](#)):

And does this go on forever? Do they ever get 'em paid off? Do we ever get 'em back? And they're the difference in us borrowing money. I mean we don't owe any money. We got our bond or AAA rated. We can borrow money cheaper than anyone. What's the difference from us borrowing money or hiring some third party to borrow money for us? And if it goes broke like they did in Indiana, Indiana contracted with a country company called I think the Centra a Spanish outfit and they collected 7 billion then turn it back over the state on the hook. Either way, I mean if this foreign company goes broke, which they have in the past, they said, well people are not using it. We built the lanes and they were so high no one would use 'em. So they quit using them. So the Spanish company took what money they had and went home.

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Speaker 6 ([00:37:52](#)):

Then Indiana had to turn around and renegotiate and ended up contracting with some outfit out Australia. Well George Washington said don't get tangled up with these foreign countries. I mean we can build the roads if we've got the money, if we need the roads, build 'em. If you have to have a choice lane let's us build 'em. Let the Department of Transportation run it. Don't get tangled up with some foreign country that's going to own this thing forever. And like I said, I remember when the governors and the Democrat legislature said there's no way forward without an income tax. Just no way. And I remember they kept the board open for an hour and a half trying to get the vote. We just going to it all die. If we don't get income tax, well guess what? We're doing very well without income tax since that time.

Speaker 6 ([00:38:40](#)):

We've abolished four major taxes and have huge surpluses. And I'm not opposed to spending money on roads. We've got the money, we can move it around. We got seven, eight, 9 billion surplus. I mean we can build the roads, but I don't see any difference than us borrowing the money or hiring a middleman to borrow the money. And what happens when this foreign company is almost going broke? Can we keep them from selling to China? Say we say we contract with Spain and they don't want it anymore. Can we actually keep them from selling to one of our countries on these sanctions list? Let me read you a little bill that was passed a few years ago, but Tim Burch, Tim Burch was smarter than he hacks like to think maybe I am too, babe, possibly.

Speaker 6 ([00:39:32](#)):

But he passed this several years ago kind of proactive. He said, any contract agreements or understand understanding entered into for the operation of a tollway or a toll facility shall be with a person who is a United States citizen or with a corporation firm partnership or other business entity in which more than 50% of the equity of such corporation firm partnership and other business entity is owned by a person or persons who are United States citizens. Now why are they calling this a choice lane? You got to pay a toll to get on a choice lane. Is it to get out from under this with this law? This is on the books now. It's on the books that if we deal with the foreign country, it's got to be 50% owned by Americans. If it's a toll road, maybe if it's a choice lane, maybe the attorney general could tell us if it's a choice lane, a toll road, I don't know. But anyway, it's lots of questions. We're a great state. I hate to see us go back to being a good state. Thank you.

Speaker 4 ([00:40:37](#)):

Thank you Senator. Nice. So chairman Nancy, would you like to respond?

Speaker 1 ([00:40:41](#)):

Thank you Chairman. And there was quite a bit in there. I'll try to address some of them. One there will be, as I mentioned, there will be performance bonds. If for some reason the company went belly up or did not do things to our standards and we will have, I promise you, high standards when we do this two, they can't sell the road that they don't own. They will not own the road, we own the road. We're the only ones that could sell it and we can't sell it because we have to own all of our own roads. It's not up for purchase at all. So to address the selling thing that can happen, it's going to be up to our modernization board to do their due diligence to make sure that there's no bad actors in who we do

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business with. And there are American companies now that are starting and getting going in this universe.

Speaker 1 ([00:41:39](#)):

And obviously I believe we will look at those first but we also will want the people that have the best track record that we know we can depend upon to do the job and to do the job. As far as Barron, I mean there are people that have asked that question. I believe Senator Taylor had asked that a little bit himself in some of his meetings. But the challenges are several of them. Several things. One, right now since we don't owe on our roads, when we take in the money at the gas tax the very, very first dollar goes to safety and improvement. I mean safety features. So that would be if we have guardrail situations, if we got to fill some potholes, I mean I don't know that there's any potholes in Tennessee, but no to fill our potholes and to really just make our roads safer and the first dollar out goes there.

Speaker 1 ([00:42:41](#)):

If we borrow the first dollar out, goes to the debt. And I think we pride ourselves and making sure that we can always say our first dollar does go to retire, goes to safety, and that we put that first, that state of good repair. The, I'm just trying to think oh, as far as taking our dollars and leaving, actually they are taking the risk. If we borrowed then we take all the risk and if something doesn't work out, we are in the hole with it. But with dealing with a public-private partnership, we may put in 20% but we don't give it to 'em. But we may put in 20% but they put in 80%. So there's nothing to claw back because they're giving us use of their money, not us giving them use of our money. And so that that's an important distinction there and I do appreciate your correction.

Speaker 1 ([00:43:43](#)):

Yes, everybody does pay to drive on our roads through the gas, gas tax. That is a form of payment. But we want to make sure that the roads that are currently free now to drive on, not that are free for us to build, but to drive on will remain free and there won't be any additional fees on those lanes. And it's just given this potential option on the additional lanes that will have a guaranteed speed that folks can get to places quicker. I promise you in Knoxville, I don't think, there's not a person that doesn't talk to me about our traffic and the congestion and they just are begging us, begging me to do something about it. And I think this a viable option. But I hope I've answered. I think most of your questions, it's hard to keep up sometimes, but I'm trying to make notes as you asked.

Speaker 4 ([00:44:39](#)):

Right, so let me go back to Senator nicely. I've also got Senator Taylor on the list and Senator Briggs, but I want to make sure we and Senator Campbell, okay, but Senator nicely, let me go back to you.

Speaker 6 ([00:44:52](#)):

You did a great job answering, you did a great job answering those, but you didn't address the one on the non-compete. If we build a lane to bebo from now on, evidently they're going to own that choice lane.

Speaker 1 ([00:45:08](#)):

No, no.

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Speaker 6 ([00:45:09](#)):

When does it ever? Well, I mean they're going to control the choice lane as long as they control it. There's non-compete, we can't add another lane, we can't add a light rail, we can't add a bus on the curb. So they've got us kind of locked down. Mean the time could come when we say, man, we've got six lanes now plus a choice lane, we need eight lanes. We can't build eight lanes because they've got a non-compete with us and we can't go back and compete with them. You missed that one. If you addressed that, I'd appreciate it.

Speaker 4 ([00:45:43](#)):

Thank you Chairman,

Speaker 1 ([00:45:44](#)):

I will address it in one form. I don't absolutely know the answer to that, but what I'd like to do if we can get some of these other questions answered and then we can go out of session and commissioner can kind of be writing down the questions that we might not get to and that will be one I would like the department to address and because they can give us more information on that, I probably know most everything you're going to ask, but not everything. I know you think I'm perfect, but I'm not quite there anyway, but we will get to it. I think that will be a good one for the department to address. But we can just maybe do them all at once so you're not bouncing back and forth.

Speaker 4 ([00:46:27](#)):

So Senator, nicely, I'm going to come back to you in a little bit unless you want to ask something else right now, otherwise I'll come back to you. Okay. All right. So next on the list is Senator Taylor.

Speaker 3 ([00:46:38](#)):

Thank you Mr. Chairman. First. I actually believe Senator Campbell was ahead of me. I think what I would prefer to do is wait till we go out of session and the administration is here because some of my questions will, I'll need to direct to them, I believe.

Speaker 4 ([00:46:53](#)):

Not a problem. Senator Briggs.

Speaker 7 ([00:46:56](#)):

Yeah, thank you very much Mr. Chairman. I'm going to speak in generalities about this because I think this we're doing something in Tennessee that's done very rarely in government at any level. And I do want to compliment the governor. I want to compliment Commissioner Eley and the chairman on this because we're looking far down the road on how we're going to handle these problems. And we talk a lot about China, but we got to admit China does something very good. They look a hundred years down the road and we're looking now 20 or more years down the road, we're going to take care of this problem now we're not going to see an immediate effect, but also as the Chinese say, the longest journey starts with the first step. We're also with this bill we're doing about why the states are an enviable position compared to the federal government.

Speaker 7 ([00:47:47](#)):

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We like to say that the states are innovators of progress and that we can look at other states. We're 50 innovators and this is not an original Tennessee idea to be honest. I mean this is something that's being done in multiple other states and we found out that this is a way way to do it. It is working in the other states, it's worked very well. And I do want to make a comment on Texas because I lived in Texas for 11 years before I moved to Tennessee. And the road debt was going up and up and up every year. There's a reason Texas has gone to choice Lanes and because you just can't bury yourself in fixing all these problems. And just as a personal philosophical comment on this, when you say, let's borrow the money, let's borrow the money, what you're really saying is we don't want to pay for it and we want our children and our grandchildren to pay for it because if we do bonds 30 year bonds, I can tell you if I'm fortunate to be on this earth, I'll be in a nursing home in 10 years and it'll be my great-grandchildren and great-great-grandchildren, probably all of us that's going to be paying for it rather than us.

Speaker 7 ([00:48:59](#)):

In other words, we want them to pay for the bill and not us. And for that reason, I think this is something that's very unique. We're really acting like responsible people in doing the long term that some of us may never benefit from. And we're also keeping the burden off of our ancestors. Some who in the future, some of whom have not even been born now. And for that reason I support this bill.

Speaker 4 ([00:49:26](#)):

Okay German Massey, any comments before I go to the next? Okay. Senator Campbell.

Speaker 8 ([00:49:34](#)):

Thank you Mr. Chair. Will the sponsor yield for a question? Yes. So how are the user fees for the toll roads going to be distributed and dispersed?

Speaker 1 ([00:49:43](#)):

Well, the user fees thank you for that question. Basically one, the user fees are set using kind of a data, Alex Ana analysis, and it's based on how much traffic on the road because the purpose is to keep the choice lanes going 50 miles an hour. So people will drive in them to get cars off of the general purpose lane. So they'll move quicker the user fee as the lease. So the company that we partner with, the private partner will as an investor, they need to be paid back for their project that they've built. And so they pretty much, and all this will be worked out in the contracts. We will look at contracts that have been, there are 11 other states that have done choice lanes managed lanes.

Speaker 1 ([00:50:35](#)):

So we'll look at their contracts, we'll get the best I can promise you and Joe Galvao will make sure it is the best contract and the most favorable for the Tennessee that we can have. But one thing that they do is so they'll get the first dollars to pay back for their use of their loan and I mean for building the road, the cost of building the road, but when it reaches a certain level, we will start sharing in that revenue band. And so we will then have shared revenue from those roads. And of course they will also be using their funds that they take in to maintain the road. I've heard that they actually even do help similar to our help vehicles because they need to keep those cars moving. And so they will use that some of those fund to operate. But we do do in the shared revenue

Speaker 4 ([00:51:30](#)):

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Chairman Campbell,

Speaker 8 ([00:51:31](#)):

Our senator thank you Mr. Chair. I have no doubt Joe bu Galvao will get us the best possible deal. So there's no such thing as a free lunch. Every decision comes with an opportunity cost. And I'm a little concerned since this is such a big decision about the opportunity cost that we're incurring here. Almost no transit is being considered and we all know that transit is the best way to get cars off the road and that includes multimodal connectivity. So this really isn't about Nashville versus the suburbs, although it gets framed that way. This is a greater Nashville regional area issue when we're talking about these first toll roads. And I think if we think about this from the perspective of middle Tennessean and non-it Tennessean for all Tennesseans, our tax dollars are being used to improve infrastructure across the state. However, those of us who live in Williamson, Davidson, Wilson, Rutherford and so on, we're paying twice to improve the infrastructure acts across the state because we are paying private investors through user fees, not tolls, whatever you want to call them, on top of what we're contributing to rural road construction.

Speaker 8 ([00:52:43](#)):

And we already generate half the state's revenue. So this will be effectively an extra tax on middle Tennessean will also lose control to third party investors, likely foreign investors. And even if you assume for the moment that choice lanes are the best approach, and I don't necessarily argue that they're not the case for private ownership and control of these lanes hasn't really been made. The only reason a third party investor would choose to do it would be for the profit potential involved. Of course that's the only reason they would do it. And if this is indeed potentially a profitable endeavor, why would we want the profit to go to foreign investors when we as a state could be reaping those benefits? Most often when we've seen this approach utilized in the past, it's been utilized by cash trap states that are on the brink of insolvency.

Speaker 8 ([00:53:33](#)):

And as we all know, our state has done an admirable job of protecting our credit rating. Therefore the sound business decision would be to employ that advantage further with third party ownership. In other places we've seen serious concerns about ongoing investments in road maintenance because they have a natural incentive to minimize our concerns for their own profitability. And with regards to EVs, the eve market has been so good to us concerned that we are not honoring their wishes to actually have actual costs factored into those EV costs. I really do applaud the governor, they sponsor Commissioner Eley and our chairman for the sponsoring this bill that is one of the most important bills and long overdue to address statewide infrastructure issues. And I truly believe that we can't let the perfect be the enemy of the good. And I know that concessions have to be made and I'm certainly fine with doing that relative to other issues in this bill that we could argue don't treat region three, which is here as well, like the per capita 307 per capita here, whereas there's 479 per capita in region four.

Speaker 8 ([00:54:49](#)):

And even though we're not necessarily treated as EQ equitably, they're fine. We can concede on that. It's the privatization issue to foreign investors when we know this is likely going to go to foreign investors because we know there's a dearth of stateside investors who can and well take on this risk because it's not going to be backed by their states. So as we all know, the devil is in the details and I would ask that the sponsor consider reassessing the privatization component of this before bringing it to

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the floor. Our taxpayers don't want to be on the hook for funding private corporate interests when it's not necessary especially when we're relinquishing profit potential. So this is being presented from the downbeat as sort of this monolithic bill and it doesn't seem like there's room for negotiation and I would just request that consideration. Thank you

Speaker 4 ([00:55:39](#)):

Chairman Massey.

Speaker 1 ([00:55:40](#)):

Thank you Mr. Chairman and thank you Senator Campbell. I appreciate all your comments and questions. Again I'm going to reiterate, we are not giving them money. They're giving us money to be able to invest in our state and they will not own it. So there will be no foreign ownership in our roads, period. I think when commissioner comes up, he can address the foreign entities. There are because of more choice lanes being done around the country, they are beginning. We are seeing more American companies, but we didn't snub our nose when Volkswagen came to Tennessee and that's a foreign country company that headquarters in our state. So I think in Nissan we are in welcoming foreign investments if it's done responsibly and in a good way and they're spending money in our state and building jobs in our state. As far as trans, and I've got some statistics for you, buses do be encouraged and do drive free to encourage that ridership.

Speaker 1 ([00:56:48](#)):

I envision them doing some kind of depot type things for buses on the outskirts to use to get into town potentially. But in Texas they saw a 73% increase in ridership in Florida they had four times more riders in the first year. Florida also had a 68% decrease in travel time for their transit. Georgia saw a 10% increase in on time performance. So we are going to be encouraged in transit and they can ride free. They're not charged by a person, by a bus, by anything. That is something that we will be working with. And that I think virtually all the choice lanes around the country does do that. And when you talk about people, the folks here paying twice technically it they decide if it's a cost benefit for them to have that on time, reliable travel time. So it is a personal decision where they decide that road wouldn't exist if we don't do something like this and they want to help contribute to it because they want to get to work on time.

Speaker 1 ([00:57:58](#)):

One thing that and I've told some of y'all this example, but some people think these are the elite lanes and it it's in studies they've seen that it's more your Chevrolets and your Fords that are driving in it. But I have a daughter that lives in Texas that's a single mom and she was living in an apartment, working in an hourly job. She chose to pay to go on the paved road as opposed to the free road because if she missed an hour of work, it cost her a whole lot more money than somebody that's in a salary job. She did that almost every day because she was on a tight budget, but she looked at her personal situation to see what the cost benefit was for her to utilize to pay for it. And she didn't hesitate. I mean because that was important to her by the time she took her daughter to the school and needed to get to work.

Speaker 1 ([00:58:54](#)):

And then if you're late to pick up child, child at childcare, it even cost you even more. So let's see if there was anything maintenance standards, we will have very strict maintenance standards and they will have

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to keep up with those standards because one, they want ridership, they want people on those roads and if they do not keep those roads up to standards, people will quit driving on those because if they've got a lot of potholes or anything else, then people will just go, well, I'm going to go on the free road. I'm not going to go on the choice lane. So I think they've got an incentive to keep them up to standards, but we will also write all that the standards in law and so in the contract. And the thing is we'll have input as we move forward in working with the department and looking at the contract and seeing if we think there's anything missing when we get to that. So thank you Senator. I think I addressed all of them. All

Speaker 4 ([00:59:54](#)):

Right. Senator Campbell? Any? Okay Senator Bowling.

Speaker 1 ([01:00:01](#)):

Thank you Mr. Chairman. And I appreciate all the work that has gone into this and I appreciate that there are people in the room that are in support and they're probably people in the room that are not in support. And I want to share my rationale and why I do not support this legislation. I don't think anyone in here disagrees that money has to be found to go into our Department of Transportation and into Tennessee roads. As a matter of fact, that's not a unique thought to us because our founding fathers on the seal, they have commerce and agriculture. It's on the seal of Tennessee in order to support commerce and agriculture in the constitution of the state of Tennessee, three priorities are clearly defined. Transportation, education, and public safety. When we look at our budget right now, we have a 55 billion budget. As a matter of fact, last year we had a surplus of 9.5 billion.

Speaker 1 ([01:01:06](#)):

If transportation is a mandated priority according to our constitution, then we've got to reflect that in the budget that we present every year and in the way we're spending our money and we're talking about the gas tax and it certainly is not adequate. I don't think anyone would disagree with that. 27.40 cents per gallon, which is 26 gas tax and 1.40 cents special petroleum fee. And the estimated gas tax and special petroleum collection for 2023 was 939 million, \$80,000. And those numbers are rounded a little. Each penny's worth about 34.27 million per year. But how is it divided in 22 23, 10 0.20 cents or 347.95 million goes to cities and counties. 8 cents or 26.7 million goes to the state general fund. 16.40 cents or 5564.5 million actually goes to tdot. And out of that 564.5 million included in TDOT's, total state of 1,811,000,736 is used in three basic ways to accomplish their mission. Resurfacing bridges is major construction, new construction consultant contracts right of way purchases and matching federal funds, also highway maintenance contracts.

Speaker 1 ([01:02:38](#)):

And then there are basic operating cost, which I am full support of the state taking over any administrative cost. And that's certainly not going to make or break you, but it'll be a step in the right direction. You're the only commission that does not have the state funding your administrative cost. So when we look at that and see where that gas tax and see that it's not a priority, and we look at what's charged to EVs here, and I believe, and correct me if I'm incorrect, 0.2% of Tennesseans drive electric vehicles and my personal opinion that dog don't hunt in Tennessee. We are not looking to EVs to solve global warming or whatever they're supposed to solve because the total problem with EV and all of the carcinogenic and other dangerous toxin materials used in the batteries, the combustions that are taking place now, if the batteries are made in areas that have the least bit of moisture Nissan, I want to say in Tennessee, has never had a battery that has failed because they're very careful in how they make them.

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Speaker 1 ([01:03:46](#)):

But not everyone is. But when we look at those, we're not going to be getting more money is my point from any EV funds or whatever. So then if we look at all that, but we go back and look at the priorities that are set for us in our constitution and the priority that Tennessee is set for itself, that we are not a debtor state. We don't want to borrow borrow, but we do want to invest. We want to invest in our people, in our commerce, in our agriculture. And the best way to invest in all of the above is through transportation and the safe and adequate roads that we have. So I think that we need to reprioritize in our budget to make sure that the money that is needed each year can go into tdot, recognizing there are time and resources and capacities that are always at play in any given year with regard to how many roads can you really build, what can you really do within a year's frame with the available resources plus the available people to come in and to contract because we contract with the private sector to build our roads all the time.

Speaker 1 ([01:05:03](#)):

I mean, that's what we do. That's how we get them built. But again, I just want to say that as we look at our budget and look at a 55 billion budget next year, a 9.5 billion surplus this past year, we know that money is fungible, but priorities are not. Thank you. German. May I see you? Any comments? I just want to thank Senator Bowling for her comments. We work together on a lot of issues and I appreciate her. No, I agree. The EV fee increase that was worked out with the manufacturers is not a major part of the bill, but we have had concerns that there's not parity with folks that are driving a gasoline powered car. But you've got not only you have that 26 cents that goes to the states, but we have the almost equal amount of fund that goes to the federal government.

Speaker 1 ([01:06:04](#)):

So we were losing out on both of those parts. And the other part of it, and our cities and counties have brought this to our attention. The EV fee that's being paid now is only coming to the state. And we wanted to make sure that that was divided up among the cities and the counties to that same formula that you mentioned. And I appreciate you mentioning it. So then I don't have to, but so now that money will be going to our communities too, and that will be based on where those are located. So I do believe that. But that's why we wanted to get that a part of the bill. And they did work with the manufacturers and all the road builders. There was a lot of work went in on this with interested parties to get it to the point where we needed to get it to.

Speaker 1 ([01:07:01](#)):

And chairman, if I could go back to one, I did miss one of Senator Campbell's questions our comments one of the things when you talked about the population distribution basically population is important, but part of the population thing is you all in the Davidson County area, we've been building a lot of roads here over the years. So your population is more spread out as far as on the different roads. So when we look, I'm, and I've been watching the what to me is the most important is the average daily traffic count because that shows where the most congestion is. And truthfully, I've, and I have been looking at the top five now, I've moved down to the top 10. And basically Knox and Davidson are pretty much equal in the amount of traffic we got on our roads. And if you take in last in 19, Knoxville had one, two, and three.

Speaker 1 ([01:08:04](#)):

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And Davidson had four, five, and six. Okay. In 20 we had one, three and four. You had two, five and six. And in 21 and it's year we dropped out of first place by six cars. So you had two, five, and eight and we had one, three, and nine. But so I averaged those numbers all together to get that overall what's the count and the spots in our state that have the highest traffic counts. So all those together, and I did Shelby too because they've made some of these accounts this year, the 21 they made, they bumped up to number four on one in one spot. But Knoxville's average daily TRA Knox County's average daily traffic count is 178,469 as an average Davidson's is a hundred and seventy seven, seven eighty three. And Shelby's is 1 75, 1 64. So I think for the modernization fund where we're addressing congestion, it's not as much looking at population, but it's how many people are on the roads, where can we make the biggest difference?

Speaker 1 ([01:09:10](#)):

But the population and the needs of each community is important. And I think that's why I go back to, we still will be having the 500,500 million coming in that we will be able to do other road projects with. And there is nothing to say and this 3 billion that's been put in there, Senator Bowling to your point, was coming from the surplus. So that's helping us out. But there's nothing that says that we or the governor cannot put more funds in there when we see that there's a big need coming in your area or my area or actually even over to Shelby County can if they've got some major project that Senator Taylor's got that he needs some help with. But I think we've got to realize that, I mean you haven't been around here as long as I had mean in the state but for decades we never had a governor from East Tennessee.

Speaker 1 ([01:10:10](#)):

And you could tell it by the roads mean we had until Governor Alexander got elected from East Tennessee, we finally started seeing some road projects in East Tennessee. So they used to take care of the area of their state they're from. Now I think we do a good job of trying to not neglect any area of the state, but different areas of the state. I mean it costs a little more to build in East Tennessee because of all our mountains and it's a little more challenging. So that makes it a little more expensive. But I promise you, if you've got some major road projects that you need, I know I will help you advocate with the commissioner to make sure we get nobody neglected here once we move forward on this. So I think I've hit both of those comments. I'm trying to write as fast as I can and then read my writing.

Speaker 4 ([01:11:00](#)):

So Senator Kim, I going to go to you then I got Chairman Briggs and then back to Senator. Nicely.

Speaker 8 ([01:11:07](#)):

Thank you Madam Chair. With deference to your tenure and the fact that your traffic moving up the charts with a bullet I did want you to reiterate that I see that issue that that's not influencing my thoughts on this. Thanks

Speaker 4 ([01:11:25](#)):

Chairman Briggs.

Speaker 7 ([01:11:27](#)):

Thank you Mr. Chairman. And I understand now why we have two people from East Tennessee on the <laugh>, this committee. Now it's starting to make a little bit sense to me cause I never could

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understand why we need that, but I get it now. But I did want to make an observation and it's a little bit of a paradox. I've sat here the last nine years hearing that the government, the government can't get anything, right? They can't run the schools. So we need vouchers for private schools and lord knows we want to keep the government out of our healthcare because we all know the government can't do anything, right. We need to privatize it or it will just be like the post office, it can't get anything right. And we can't do it. But now we're hearing that the private sector can't do anything right. And it's only the government can do it. Right. I just thought that was a little odd. Thank you

Speaker 4 ([01:12:15](#)):

German Mass.

Speaker 1 ([01:12:16](#)):

Just if I could have a personal privilege because they may not stay the whole time. I do have my folks that actually came and let me come here and do this full time. I have members from Ciroma Center that are here today, if they'll stand up,

Speaker 9 ([01:12:36](#)):

What

Speaker 1 ([01:12:37](#)):

We have I have a couple of our city councilmen here, if they'll stand up from Knoxville. Thank you. Or several more than a couple. And then I have a special person here who worked for me for about four years. Austin Di, who used to be my administrative assistant. Austin. Stan, thank you, thank you, thank you.

Speaker 4 ([01:13:04](#)):

Chairman members from the Knoxville area. Just so you know, I had two chairman fighting on who's going to introduce you. So Senator Brig, chairman Brakes was trying to get hi my attention at the same time. Okay so next I think we are back to Senator Niceley.

Speaker 6 ([01:13:22](#)):

Thank you Mr. Chairman. When they remodel this building here, the old Corona whole building they hired a outfit out of Sweden. They said nobody in America smart enough to remodel a building like this. So they hired an outfit out of Sweden. Is there anything in this bill that protects road builders from road builders from Mexico? They work cheap and do a lot of good work and they know how to get the job done. Is there anything in here that will protect our road builders from competition, from foreign countries Mexico or other foreign countries? Then there's another other thing is is there anything in this bill that Repeals Burch's Act when burs passed that bill, is there anything in here that repeals that? Or do you think that because you deviously caught choice lanes instead of tow roads that will protect you in a court of law?

Speaker 6 ([01:14:13](#)):

Another thing is about we've had traffic problems here in Nashville a long, long time and we have planning commissions. Well, where was the planning commission when they put Amazon and Oracle right downtown. They put 'em out on eight 40 and get some of the traffic going somewhere else. I

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mean, if you've already got a problem, you don't keep putting more and more people in the same area. So I mean part of this problem I blame on the planning commissions, I said, Dave, cause this, this problem didn't just happen. I've been coming there a long time. We've had problems a long time. So sometimes, and I've always been a critic of planning commissions are usually made up of people that never did anything in their life. But anyway, that's neither here nor there. Thank you

Speaker 4 ([01:14:59](#)):

Chairman Massey.

Speaker 1 ([01:15:00](#)):

Thank you Mr. Speaker. I think we'd have to have legal look at the Burch bill. I haven't studied it so we'd have legal look at that. But as far as the road builders, they have endorsed this bill, have the department has worked with them to make sure that their protections are in place. But traditionally when these Choice Lane projects are done in other states, which is what we have to go by, and I said the nice thing about not being first is we can learn from other states what works and what doesn't. But 70% of the work goes to end-state contractors. So everybody's pie is going to get bigger because we're still going to be working on our improve Act projects. We're going to be working on some new projects and we're then we'll be doing the choice lane. So there's going to be, this is a job builder and like I say, they are, the Tennessee Row builders have officially endorsed this bill.

Speaker 4 ([01:16:00](#)):

Okay. All right. Members this is what we're going to be doing next. We're going to be going out of session in just a second, but before we do, is there any other member that wants to talk to about this bill with Commiss? Okay. And then I'm going to ask legal if you could at least please look in to see how that would affect the bill that was passed by Senator Burt, we'll come back to you after we're come back in session. All right. So at this point we're going to go out of session and I'm going to ask Commissioner, would you come up and bring up any other guests that you'd like to bring up? And when you do, we're going to got the formally introduce yourself, make sure the red lights on and tell us who you're with.

Speaker 10 ([01:16:47](#)):

Thank you, Mr. Chairman members of the committee. First I want to express my appreciation for every single person on this committee and the conversation and discussion that we've had here today. And I especially want to thank Chair because I think she is, she's answered most of these questions very, very well. And so there's not too much that I feel that I should add or can't add, but I do want stress a couple of things at the beginning and then answer any specific questions that may come when I think about the discussion here today. I feel like that one of the reasons we've been discussing infrastructure transportation for several years now. Obviously some of you have lived through the Improve Act and been here for that. And so this is not a new discussion. I think that a lot of this discussion is is really more evolutionary rev rather than revolutionary as far as what we're trying to accomplish here.

Speaker 10 ([01:18:05](#)):

And so one of the things that strikes me is why now? I think that's the basic question that we're asking ourselves. And certainly when the governor leaned into this there's certain, there's several things that are occurring at one time that we all know are happening now and have been exacerbated over the last few years. One is the continued aging of our infrastructure that we know much of was built in the sixties

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and seventies where we're reaching the end of life of that. We've gone through the slides and y'all have seen the population increases that have been discussed. You've looked vehicle miles travel. We know that the gas tax as it is now is not long term sustainable to be able to continue to do what we need to do. We know we've got growth in congestion that's been outlined by the chair of having an hour longer in between we've got this growing backlog.

Speaker 10 ([01:19:16](#)):

Our chief engineers got a list a mile long from the Improve Act that we still need to do. And so we're really, in my opinion, reaching a point of no return to where the time to act is now or we're going to reach a point where if we don't invest in transportation, then all the positive things that we've come to know here in Tennessee now might reach that screeching halt. And so the second thing that I would emphasize is what we're before you today asking, and what this legislation does is request the authority to do these public-private partnerships. We're not approving any contract today. We're not entering in into any contract. All we are doing is seeking the authority of this body to be able to allow us to do the necessary to work, to come back to this body with specific projects and specific ideas, a specific program to be able to offer you.

Speaker 10 ([01:20:30](#)):

And many of the discussions here today have been around contractual specifics that will all be worked out as part of that process. Everything we do as part of the department will go through a qualifications based process. It will go through a competitive process and we will pick the best person to do this job. We will pick the best person in the interest of the taxpayers of Tennessee to do this work. And chair said it's not really any different than what we are looking to in our partnership. Now, most all the roads that we do now are done in partnership with our road building community in Tennessee. We have partnerships with automakers and other businesses that come here. But we have very intentionally put in this legislation that we would not entertain certain people to be able to do this. And so that's in this legislation that's protected.

Speaker 10 ([01:21:43](#)):

And the last thing I would offer is this is a very statewide effort on Behar behalf of the governor. We know that the regional officials here, our NPOs, our other chambers are all supportive. And that has been the case throughout the state. But this is very intentional to be a statewide effort that would put dollars in helping all of our communities, not just urban areas, but also rural areas throughout the state, recognizing that it takes all of us together to be able to continue the state moving forward. So that's some more of the reasoning behind the governor's position. I think Leader Johnson and Chair Massey did a great job of answering a lot of the specific questions, but we stand ready to answer any other questions that this committee may have.

Speaker 4 ([01:22:48](#)):

So for the record, I'm going to ask you to introduce yourself. I'm sorry, yes. As well as each person that's on your team up here?

Speaker 10 ([01:22:54](#)):

Yes. Butch Eley department of Transportation. Okay.

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Speaker 11 ([01:22:59](#)):

Joe Galvao, chief

Speaker 10 ([01:23:01](#)):

Financial Officer. Will

Speaker 3 ([01:23:03](#)):

Reed, chief engineer. Preston Elliott, chief of Environment and Planning.

Speaker 4 ([01:23:08](#)):

All right. So the two people I have on the list so far, we're going to start with Senator Taylor and then Senator nicely. Senator Taylor.

Speaker 3 ([01:23:16](#)):

Thank you Mr. Chairman. Madam Chairman I must say that this has probably been the most knowledgeable presentation given by a senator on a single issue since I've been here. Now I've only been here two months, <laugh> right now you're at the top of the list. So

Speaker 1 ([01:23:45](#)):

It's nice to be number one even if it's going to be short-lived. Thank you.

Speaker 3 ([01:23:50](#)):

Thank you. I have several questions and they're in random order and these are just things that I have questions I've developed over the course of the two months that I've been here and things that I've struggled over that I just wanted to get clarification on. First Mr. Commissioner, what is the difference between a toll road and a choice lane?

Speaker 10 ([01:24:22](#)):

Yes sir. Thank you for that question because there is a difference and I think that the governor's been clear that he is not supporting what we think of as traditional toll roads in Tennessee. And traditionally toll roads have been where you pay to enter into that toll road and you pay usually to exit and that's your only option. And so what he has said and what we are proposing is the reason we're causing them choice lanes. And that is we will continue, as chair ladies said, all of the existing lanes as is and we will build additional lanes, new capacity where people have a choice to be able to enter into those lanes and pay a user fee in order to do that. But if they want to continue to ride on the regular lanes, they can continue to do that. I agree with chairman, there's no free lanes. I mean we are all paying those lanes for those lanes in some way, shape or form. But those regular lanes, the general purpose lanes are open. And we have also seen as a result of all the states that have done this, have seen positive results in the regular lanes, positive impact because we're able to manage those lanes better and get more throughput through those lanes as well. So it's a positive win-win for both choices. Alright.

Speaker 3 ([01:26:06](#)):

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So in hearing your description there, would it be safe to say the difference between a toll road and a choice lane would be that a toll road is one that a driver has to enter and pay to get from point A to point B and there's no other route there other than to go perhaps way out of your way?

Speaker 10 ([01:26:32](#)):

I would agree with that, totally. Yes sir.

Speaker 3 ([01:26:34](#)):

All right. So with that understanding difference between a toll road and a choice lane, so a choice lane there will always be free lanes that are coincide with a choice lane. So yes

Speaker 10 ([01:26:59](#)):

Sir. And that's part of this legislation actually. I mean that is in statute in this bill,

Speaker 3 ([01:27:05](#)):

So there will never be a choice lane that doesn't have corresponding set of free lanes. Yes sir. That differs from a toll road because a toll road to get from point A to point B, there are no corresponding free lanes that a driver can get on to avoid the toll.

Speaker 10 ([01:27:23](#)):

Correct? Correct. No choice. Okay.

Speaker 3 ([01:27:26](#)):

Section 20 deletes tollways Madam chairman, is that correct? If we weren't considering choice lanes and the governor said, okay, we're going to build a series of toll roads to ease our congestion since that's currently in section 20, that's already allowed legislatively anyway. Correct. So are you talking to the commissioner? Whoever can Let's go to the commissioner. Okay, we're out

Speaker 10 ([01:28:05](#)):

Of section right now. Yes sir. That's my understanding. We would have that authority now though it is limited I think we would have that authority now. But that's the reason that we are suggesting pulling that out is to just be clear that that is not our intent and that the intent is to only do the choice lanes that are being discussed.

Speaker 3 ([01:28:28](#)):

So if this were truly a toll road, it would already be authorized under section 20 of the

Speaker 10 ([01:28:35](#)):

Law of That's my understanding.

Speaker 3 ([01:28:37](#)):

Yes. Yes. But cause it's not choice lanes are not authorized under section 20 which deals with toll toll ways, then by definition this is not a tollway.

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Speaker 10 ([01:28:49](#)):

I would distinguish that by saying that what is not allowed under the current statute is public-private partnerships. And so the choice lanes are a vehicle a way to be able to do it under public private partnership, which allows for that private financing that we're talking about so that we can leverage those dollars. So under that's the nuance there.

Speaker 3 ([01:29:15](#)):

So based on that, if the state wanted to do the choice lanes, if the state wanted to build the additional lanes and charge for it, that would be allowed under the current statute. But because we're entering into a private partnership, what needs

Speaker 10 ([01:29:33](#)):

Authorization? Yes sir.

Speaker 3 ([01:29:34](#)):

Yes sir. But while we're at it, just so that we can make sure that if we're going to have choice lanes, which there'll always be a corresponding set of free lanes. Yes sir. We're going to eliminate the authority of her toll roads. Which one can't toll road gets point A to point B. That's right. With no other corresponding free lanes.

Speaker 10 ([01:29:55](#)):

Yes sir. Yes sir.

Speaker 3 ([01:29:56](#)):

All right. One of the things that I've struggled with, and you and I visited about this when we met, there are really three ways to fund new road projects as I see it. One is the method that we've been using, which is pay as you go. And we have no debt as a result of that. However, the downside of that is that because of all of our growth and the declining revenue that we get from the gas tax, that our need is beginning to outpace our ability to continue under pay as you go. Is

Speaker 10 ([01:30:37](#)):

That, I would say that's exactly right. All right.

Speaker 3 ([01:30:43](#)):

It's okay to say it's well said.

Speaker 10 ([01:30:44](#)):

Yeah. No, well said <laugh>. Yes, well said <laugh>.

Speaker 3 ([01:30:49](#)):

So the third option as I see it is P three, the Yes private public partnership, which we've been discussing now for a long time. I want, one of the things that I've struggled with is why have we just skipped over the second option, which is bond indebtedness for the state just to borrow the money to do this. And I understand as a policy point of view, for a long time the state has said no debt and I get that those that

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are debt free I remember when I paid off my house, I realized it didn't take a whole lot of money to live when you don't have a house note. And that's why I took this job because it don't pay a whole lot.

Speaker 10 ([01:31:40](#)):

But

Speaker 3 ([01:31:41](#)):

I also built a business using debt and leveraging the bank's money. And why is that not a good option to help address the 30 billion backlog we have in construction? Yeah, road construction projects.

Speaker 10 ([01:31:54](#)):

Let me take a shot and I may call on you in a minute, but in a nutshell chairman, I think that well

Speaker 3 ([01:32:03](#)):

I'm not chairman of anything, but I appreciate the <laugh>.

Speaker 10 ([01:32:07](#)):

I think that what we're looking at here is a way to be able to do these needed projects that I think we all do agree on that, that we recognize there needs to be additional investment in transportation and infrastructure. But if we do that in a way that includes debt different from the private sector where you could plan for that and build that into your proforma and you take the risk, I think when we take the risk of entering into debt in the public sector and we have to load into our budget that debt service each year to be able to do that, we know that at some point we're we're going to hit a downturn and when we hit that downturn in our budget and we've got to have that money set aside for debt service to be able to ensure that those bond payments are paid, then it's going to keep something else from being done that if we can do it another way and if we can tap into the capital markets and the private sector to be able to accomplish the same thing without debt, then we should do that first.

Speaker 10 ([01:33:22](#)):

And so that's the simple version. You have something to add?

Speaker 12 ([01:33:28](#)):

Sure. I will add. So as a CFO, it's, it's a lot easier to manage our budget when I know that I don't have a debt payment. So I just very quickly, so if we borrowed 1 billion at 3%, we'd be talking about 50 billion a year payback for 30 years. So think about it. So as we've talked in committee, the state of good repair is going up every year. We went from 360 back in fiscal 20 to 460 this year our new chief engineer thinks it should be 520 next year. So as we keep growing our state of good repair, I have less and less discretionary revenue to build roads. If you add 50 million a year, and again that's only 1 billion. If you add 50 million a year, it exacerbates the problem. And what we've found, and in my counterparts, the CFOs of the other states once you get into debt, it's almost impossible to get out. And we actually have one state South Carolina who just came out of debt and they're going to go right back into debt. So that's what I would offer.

Speaker 3 ([01:34:34](#)):

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Alright. So basically just if you think about this in terms of a family wants to pay as they go, yes sir. When they can no longer pay as they go they reach out to other family and friends to maybe help 'em. And then when that doesn't work then you go the bank and more get out a second mortgage on your home that you got to pay the bank back and put your home at risk in order to do that. So instead of thinking of it as pay as you go debt and then P three, the thought really should be pay as you go P three and debt is a last resort. Am I thinking of that? Correct? Yes

Speaker 10 ([01:35:21](#)):

Sir. I would also just say that this is kind of another form of pay as you go because we're not going into debt and we're not raising taxes to do it. So good point. I would say that

Speaker 3 ([01:35:35](#)):

And I appreciate the committee's indulgence, but I've had a lot of questions and for a long time and I've got just a few more. One of the questions that Senator nicely asked is the same I had, and I'm not sure I heard it addressed in your presentation, commissioner are there any restrictions on the state or any local government from constructing a new road that could be used to further reduce congestion? In other words is there a non-compete built, non-compete be built into this to prevent local government from constructing another roadway that might take pressure off the choice?

Speaker 10 ([01:36:17](#)):

Yeah, so as I said it, it's kind of getting the cart before the horse a little bit from the standpoint of all we're asking for is the authority our, the board that's being contemplated and set up as part of this legislation would end up approving. And so there would be another vehicle that would come back before this legislative body to be able to ultimately sign off on what projects were done on this. But certainly looking at the entire economic feasibility is the next thing we will do and we would deep dive into that and make sure that we met whatever was required from an economic feasibility standpoint.

Speaker 3 ([01:37:09](#)):

In other words, we'll have an opportunity to address that. Yes sir.

Speaker 10 ([01:37:11](#)):

In the future you'll see what that looks like. All right. As part of the contract

Speaker 3 ([01:37:17](#)):

And all the contiguous states around Tennessee as I understand, correct me if I don't understand this correctly, all of the contiguous states surrounding Tennessee have approved this public-private partnership, correct?

Speaker 10 ([01:37:33](#)):

Yes sir. I don't want to misspeaking that. They're not all utilizing it to be. Well,

Speaker 3 ([01:37:38](#)):

I was just fixing to make that point. They've all been approved, the concept has been approved and as I understand, the only states that have authorized and actually do it in Virginia, in Georgia, correct.

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Speaker 10 ([01:37:50](#)):

North Carolina is doing North Carolina. Okay. Yes sir.

Speaker 3 ([01:37:54](#)):

So this not

Speaker 10 ([01:37:56](#)):

Missouri. Yeah,

Speaker 3 ([01:37:57](#)):

In Missouri, yes. Okay, so about half the contiguous states. Yes. Yeah. Not only is it authorized, but they're actually utilizing it. The EV fee, the electric vehicle fee. And this is more of a comment than a question is I don't think this is the long-term solution. I believe that the long-term solution, how to deal with electric vehicles and how they pay their fair share of the road tax is we need to figure out how to tax the electricity as it goes into the vehicle. Just like we taxed the gasoline that goes into the vehicle. I know that the technology I guess is not there of how it would have to be a device on the vehicle that would have to be so you could capture the tax revenue when people charge at home. But I recognize we need to stop gap measure until we get to that point.

Speaker 3 ([01:38:56](#)):

And until that is developed, the electric vehicle user needs to pay their fair share. And I get that again, I told you these are going to be eclectic all over the board. That was a comment. You don't have to respond to it. Bridges across the state have got to be aging. I know in Memphis we all had the Mississippi River Bridge was closed down last summer, I believe summer before last for bridge repair. If we adopt this and we go to choice Lanes, is that free up money that then we can do a robust bridge assessment, repair and replacement program?

Speaker 10 ([01:39:40](#)):

Yeah. Yes sir. Let me make a quick statement and I'm going to turn it over to Will Reed, our chief engineer. But you've hit on really the whole purpose of the governor's proposal is to be able to utilize those that will pay in very congested, very high volume areas to be able to free up dollars. Cause we're limited as the CFO said currently to be able to do the other investments that we need to be making in infrastructure. But bridges are a big piece of it. And so expound on that.

Speaker 13 ([01:40:13](#)):

Again, thank you for the question we'll read chief engineer. Yeah, you're exactly right. So the majority of our

Speaker 3 ([01:40:19](#)):

Bri, I'm sorry I didn't hear that part.

Speaker 13 ([01:40:23](#)):

Was I supposed to say well said <laugh>?

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Speaker 10 ([01:40:25](#)):

Yes.

Speaker 3 ([01:40:26](#)):

So those things I don't get told at home after you get it here.

Speaker 13 ([01:40:29](#)):

Yes sir. I'm right there with you. The majority of our bridges in Tennessee were built in the sixties and seventies, which is on par with the majority of the country. And if you think about the advent of the interstate system and all that, it makes sense that that's when the majority of 'em would be built. But I do want to tell you that there is already a program in place through F H W A and federal requirements that we inspect every bridge in the state of Tennessee, whether we own it or not. Every two years the bridge in Memphis was inspected by our a neighboring state. However, what I will tell you is a lot of the discussion today about the financial or the good fiscal position that Tennessee is in Tennessee was able to address that situation with that bridge because we had the cash on hand through good sound fiscal management.

Speaker 13 ([01:41:21](#)):

So that's one of the things that we are very proud of. But Bridges in general, as my colleagues here that sit at this table, obviously we have talked about this subject quite a bit as far as state of good repair. And they are right in that I am a very strong proponent of taking care of what we have before we spend money on new things. And several people have heard me we don't go put in a swimming pool until we paint our house. And that has served us very well in Tennessee. And I think it's one of the drivers of us being in the position we are both from a growth standpoint and an economic viability standpoint, we are going to adhere to those principles going forward regardless of the choice lane question at hand, we are going to take care of our system and put our dollars towards doing that. Not only bridges but our largest asset is actually our pavements bridge being a close second. So those always come first when we look at how we spend our

Speaker 3 ([01:42:20](#)):

Dollars. Thank you. And Mr. Chairman, this is my last question and that is I'm not sure heard it in the presentation today, but the current length of time to get a road construction project from inception to completion is how long? Brief answer please. Yeah, 15

Speaker 13 ([01:42:40](#)):

Years,

Speaker 3 ([01:42:42](#)):

Which is way too long. Fif 15 years. And if we adopt this concept what is the goal and how Yeah far, how much can we cut into that 15 years? Because by the time a road is takes 15 years to construct the problem that it was designed and built to solve has just gotten worse. Yes

Speaker 13 ([01:43:02](#)):

Sir. Absolutely right. Our goal is to cut it in half. Alright

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Speaker 3 ([01:43:06](#)):

Mr. Chairman I appreciate the indulgence of the committee for all of my questions, but I like when government thinks outside the box and as you know, I come from a profession, we were the first profession to ever think outside the box. And so I like it when government does that as well. And I think Commissioner Eli made a good point is all we're approving today is the concept. All of us have questions about who will be the investors what stipulations will be in there will there be non-competes for us? And local governments are all good valid points that we need to watch for coming forward. So I think we need to approve this concept and then the devil will be in the details as it moves forward. Mr. Chairman, again, thank you for the indulgence.

Speaker 4 ([01:44:05](#)):

Senator Taylor. Well said. So Chairman, here's where we are right now,

Speaker 3 ([01:44:12](#)):

Mr. Chairman, when you have to ask for it, it just doesn't bring the same. So

Speaker 4 ([01:44:15](#)):

<laugh>. All right we got a question with legal. We're going to come back and let legal answer that question And then I've got Senator Niceley, I got Senator Campbell and Senator Bowling on and Senator Powers. We also have about 10 minutes and I want to make sure we get back to Chairman Massey so she can close, close as will. But so right now I'm going to call on legal. We instructed to ask a question. Would you restate the question your answering please?

Speaker 14 ([01:44:49](#)):

Megan Moore, office of legal services for the General Assembly Senator nicely had asked whether Senate bill 27 24 from the 2008 session, which he referred to as Senator Burch's bill, whether that had been repealed and whether it's repealed in this act. The answer is yes. That language of that bill that was codified in the law and later enacted is not in this bill. And members, if I'd point your attention to page 25 of amendment number 44 41,

Speaker 14 ([01:45:28](#)):

Section 22, which appears beginning on page 24 at the bottom or beginning on page 23 and through page 25, deletes TCA 54 3 1 0 6. And that was the part of the law that Senator Burch's bill went into. And to refresh our memories again as quoted by Senator Nicely <laugh>, Senator Burt's Bill had stated that any contracts, agreements, or understandings entered into for the operation of a tollway or a toll facility must shall be with a person who is a United States citizen or with a corporation firm partnership or other business entity in which more than 50% of the equity of the corporation firm partnership or other business entity is owned by a person or persons who are United States citizens. This bill deletes that section and replaces it with new language but does not contain that language. So you will notice though on page 25 in subsection C, there is language that has been referred to as the sanctions provision. It says a contract or agreement must not be entered into for the operation of a user fee facility with a person or entity appearing a sanctions list published under the authority of the United States Department of the Treasury Office of Foreign Assets Control. So that's not the same as Senator Burch's bill, but what this bill means or what this does is it would allow the department to enter into a contract for the operation of a user fee facility with a non-US citizen or a foreign entity so long as they are not on the sanctions list.

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Speaker 4 ([01:47:19](#)):

Okay, Senator Niceley.

Speaker 6 ([01:47:23](#)):

Thank you Mr. Chairman and thank you for that information. I was afraid of that. So this allows us to deal with foreign country.

Speaker 4 ([01:47:29](#)):

All right, so hold on one sec. Thank you legal, I appreciate we're Thank you. I'll go back to commissioner. So what questions you got for the commissioner? Okay,

Speaker 6 ([01:47:38](#)):

Now where are we

Speaker 4 ([01:47:38](#)):

Now? Do you have any questions while we're out of session for the commissioner? You had a couple things that I think Senator, I'm Sir Massie has said that we'd wait to go out commission for some of your questions.

Speaker 6 ([01:47:48](#)):

Well, I do have a couple questions. I was afraid this would allow us to deal with foreign countries, but one thing, is there an expiration date If we deal with say Spain like Indiana, that or Spain is there an expiration date? Do we ever get this thing paid off? Do we ever get it back? Do they own it forever? Do they a

Speaker 10 ([01:48:06](#)):

Never own anything? Of course. Well I know that's been said,

Speaker 4 ([01:48:09](#)):

You know what I mean? We're not talk over each other. So just wait one second for,

Speaker 6 ([01:48:13](#)):

I know we own the rogues, but did this contract with this foreign entity ever run out? Did we ever get back the management of it ourself? I'd rather I wouldn't be as opposed to a toll road if the Department of Transportation was running it. But in Indiana, Spain went broke and gave it back to the state. So basic we're cosigning the note with a foreign entity. Cause when they took it back, they didn't get it free and clear. They had to cut another deal with the outfit out of Australia. So basically we're cosigning a note with a foreign country that we they're not on a sanctions list but they probably don't really like us and wouldn't be opposed to skimming a little extra money off from now on. There's, and I asked about this expiration date. I'll give you a little history. There's bridges in England that were built by the Romans that they're still collecting toes on now I read that and I believe it to be true. Of course in England they give a family, if the king likes you, why he'll say Butch, you done a great job. I'm going to give you and your family this toll road from now on <laugh> and for 2000 years later, while you're still collecting the

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toll, my question, does it ever run out? Do we ever cut the ties with this foreign country and take it back over ourself or do they have it a hold on us through eternity? I guess that's my question,

Speaker 4 ([01:49:33](#)):

Commissioner.

Speaker 10 ([01:49:34](#)):

Yes sir, thank you. Yes there is. There's an agreement. This is a contractual agreement just like any other we enter into with the state, there's a start date and an end date and that's the way, and at the end of that time there would be a turn back standard where it would be turned back to us in a certain condition that we would specify. So yes sir.

Speaker 4 ([01:49:59](#)):

Thank you Senator Campbell. And I don't want to hurry us, but we are going to have to move this up and Senator Powers has not had a chance to talk yet. He's been silent the whole time. So

Speaker 8 ([01:50:10](#)):

I'll be quick. Thank you Mr. Chair. Not to beat a dead horse, but I just want to get clarity on, so this is either a profitable endeavor or it's not. And so if we have for profit companies that are interested in taking this on and we have such good bond rating is there not a bond rating parody that obviously this would also be profitable for us? That that's what I'm not understanding. And I guess this is more to Mr. Galvao because I was following up on his statement

Speaker 10 ([01:50:43](#)):

Commission for that first mean the only way to do that from a state perspective is to go into debt. I mean that's the only way to, for us to spend the dollars necessary to build a 500 million billion dollar, we don't have the dollars to do that. That's what we've been talking about. And so we would have to issue bonds to do that and that's what we're trying to avoid doing. And so if we can get them to do it and us and be able to do it that way, you want to add to that?

Speaker 12 ([01:51:24](#)):

No, I agree with that And so Senator, thank you for the question. So I guess the way I look at it is this way I think the logic that a lot of people use in using bond is to, well I can build it today for a lot less than I would build it in the future. I think that that is sound logic. If you have a finite group of projects, we have projects that will go on for years and years and years. So you might expedite that project but then you're going to pay for it for many, many years. And I agree with Dr. Briggs that you will rely on us paying grandkids and great-grandkids paying for it. So that would be my thought.

Speaker 4 ([01:52:02](#)):

Senator Campbell.

Speaker 8 ([01:52:04](#)):

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So thank you for that answer. But I'm not talking about the project, so I'm talking about the toll road in itself. So I'm talking about whether or not we as a state do that juxtapose to actually having for a P three do it. So thank you. I'll stop now.

Speaker 4 ([01:52:19](#)):

Senator Boley.

Speaker 1 ([01:52:22](#)):

Thank you Mr. Chairman. Chairman. And I do want to make certain that that's understood. I'm not talking about borrowing either the lender the borrower becomes the lender slave, but what I am talking about is investing what we have as a state with the billions of dollars that do come in and rhetorically, are we within the top three budgetary items in the state of Tennessee right now, actress? No. Yeah, I

Speaker 15 ([01:52:50](#)):

Don't think so.

Speaker 1 ([01:52:51](#)):

Yeah and so we definitely need to be in that position. But when we're also thinking about this discussion and knowing that money is fungible and pros or not, if we do elevate you to the point that you are in the top three priorities because that's what the constitution says we should do what would preclude at that point us having that money budgetarily to look ahead and is what we've always been doing, pay as we go. And there are things that we then can look and see an expectation of income and a pretty sure expectation based on the last several years when a lot of states were going down, we were going up because we do have good financial responsibility in the state of Tennessee. But I want to say what would keep us from doing this project and being able to have that money, the extra money that should go into the budget.

Speaker 1 ([01:53:55](#)):

And I just go back to the fact that in Tennessee we are proud of the job y'all are doing, but roads cost more and more every day. Maintenance costs more and more every day. We've got to adjust more than you allowing to do this. This has to be an adjustment. But I think the adjustment could also allow the monies there to do what needs to be done. And it wouldn't be a choice lane, but it would be some improvement in being able to get from A to Z in these congested areas. So I appreciate what you are and I just still say money is fungible but priorities are not.

Speaker 16 ([01:54:35](#)):

Senator Pops. Thank you Mr. Chairman. I've kind of been sitting back as the loan member of the car dealer caucus here. I can say that. Let me say one thing and I haven't heard anybody mention it. Electric vehicles today weigh anywhere from 1200 to 1500 pounds more than a normal car. So remembering that a car weighs, I don't know, 3000, 3,500, if you got an expensive car you can get up to 4,000, 4,500 but they weigh more 1200 so they do more damage when they're out on the roads. And I haven't heard anybody mention that and I think that should be taken into account for these electric vehicles. They just tear up the road cause they're heavier. Same thing putting a semi out on the road. They're just that way. Number two it is clear to me that Senator Taylor is going to be the last man to let you down. I thought y'all needed that one today.

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Speaker 16 ([01:55:42](#)):

Another thing that's obvious to me is there is a 26 billion backlog that we have on our roads today. It's fact everybody, I hadn't heard anybody try to refute that fact and it's going to take 52 years if we do business the way we currently do business to build that 26 billion worth of roads, we don't have that much time. And the problem is problem is actually not the revenue, the funding, it's the people that are moving in here. I saw a graph on it, the people in the chart that just sends it just way up the top. So honestly it's the people that are moving here that are the impetus for what we're doing here today. I do agree Florida, Georgia, Texas, they do have choice lanes of some variety and I think that would be I think we'd be remiss not to look at their examples and do the things that they're doing that are working.

Speaker 16 ([01:56:45](#)):

I'm sure it's all not great. When I think of what's going on here, I think back of the improved act or the gas tax, whatever you want to call it, you I can harken back to that and remember the rough and tumble that some of these committees had as a result of Senator has or Governor Haslam's dealings there. And I think it's important that we also think about that today in the US farmland. Less than 1% of US farmland is owned by the Chinese. It's too much. Ask Tim Bur Tim Bur tell he's working on it today and I think he should be and I think we should be. I know Frank has worked on it in the past and I am with him. I'm not for Chinese owning farms in America or Tennessee for that matter. But let me also state that I'm not aware of any Afghan roads in Tennessee today.

Speaker 16 ([01:57:43](#)):

Nor am I aware of any Iranian roads, any Chinese roads or any North Korean roads. I think we will be able to police that ourselves. I just don't see that as any type of hindrance to what we're doing here today. Lastly oh one other thing, this bill passed the house unanimously. Think of that this bill in its current form passed the house unanimously and also along with it there were 13 chambers of commerce. That's the plural by the way. I was an English major, chambers of commerce. So 13 chambers of commerce passed. They want this bill. They let it be known to the state that they want this bill to happen. That's the commerce of this state. The chambers I'd say they know. Lastly and this is a mantra I've had for some time I had it on city council when I was in Clarksville and that is a no vote, never did anything. This is not a perfect bill, never will be. But voting no to everything gets you absolutely nowhere a no vote, never did anything. I wish to applaud the commissioner, his subjects people, the governor for his vision and everybody here today, thank you

Speaker 4 ([01:59:20](#)):

Chairman Bailey. You're recognizing chairman. You know what it's like when another committee's trying to get in this room.

Speaker 5 ([01:59:26](#)):

They can wait <laugh>, they can wait

Speaker 16 ([01:59:32](#)):

<laugh>.

Speaker 5 ([01:59:35](#)):

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First of all, I'd just like to say that I pay more gas and diesel tax in one month and most of the people that's sitting in this room and especially on this committee, probably will pay in their lifetime being in the trucking business. For those of you that don't know the profession that I do on a day-to-day basis and Pennsylvania's diesel tax is 0.785, it's nearly 79 cents per gallon in the state of Pennsylvania.

Speaker 5 ([02:00:08](#)):

We've talked a lot about Texas, talked a lot about Florida and those that are true conservatives as they call themselves, love to brag about what Governor DeSantis is doing down in Florida. A lot of the programs he's put in place, he has choice lanes, express lanes in Florida. A lot of people talk about Governor Abbott in the state of Texas, how he's been standing up to the federal government and trying to stop illegal immigrants from crossing their border. I'm a frequent frequent visitor to the state of Texas as well as again being in the trucking business, a lot of my trucks run into the state of Texas and the state of Florida. They have choice lanes, express lanes there.

Speaker 5 ([02:01:04](#)):

Texas also has a population of 30 million people that doesn't include those that have crossed the border illegally. So one could debate exactly how many that they actually have. And so when you talk about their debt to population ratio that they have on the roads plus having choice lanes, it's minute and same for the state of Florida with 22 million people. Is this bill perfect? No, probably not. But let me say something to the committee as well. Those of you that are in attendance just a few years ago we had an innovative idea in the state of Tennessee with our team care program. We've passed a block grant here in the state of Tennessee. Lots and lots and lots of naysayers about the block grant program. But yet just a few weeks ago it was announced by the governor because of this innovative program we had a cost sharing of 300 million coming back into our 10 care program because we had the courage to pass that and also the federal government allowed us to continue that between the Trump administration and the Biden administration. And I point back and say, is this bill perfect? No. Is there things that I'd probably like to have more guarantees, yes. But if we don't think outside the box and if we don't try to move forward with something, then that defines the definition of insanity by doing the same thing over and over and over again. So Mr. Chairman, I call the question

Speaker 4 ([02:02:58](#)):

Thank you. Actually we're not in session yet but we are now back in session. Madam Chair, would you like to close?

Speaker 1 ([02:03:08](#)):

Thank you chairman. Thank you committee and I want to thank the TDOT team and thank all the people that really have worked on this, the automobile dealers, the road road builders, everybody that has had their thumbprint on this and to help this move along. Couple teeny things just to remind people, there are 34 states that have the authorization for P three s, but the nice thing about this is that we are just giving the department authority to explore and move forward. They may start have conversations with folks and they may say, no, we want to do it ourselves. There is nothing that would preclude them from doing one P three choice lane project with a partner and then deciding to do the next one our ourselves. There will be nothing that will preclude that, but this committee will be able to have our thumbprint on this because they will be bringing things back to us to discuss and to put our thumbprint on.

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Speaker 1 ([02:04:16](#)):

They have heard the committee loud and clear about foreign investments and I know they're going to be very careful with anything like that far as going forward too. But by passing this transformational bill, we are telling 10 ends and our visitors that we recognize their time is valuable and we are willing do something about it. Drivers can choose if the value of better mobility exceeds the amount of the price charge. As far as I'm concerned, and I think several have said it, I think it's unacceptable to do nothing and be looking at 52 plus years to expand our roads. We are not going to raise the gas tax and we're not going to privatize our roads. This bill will help reduce air pollution because you're going to not have cars sitting salon and idling. It will help reduce traffic accidents and the delays they cause.

Speaker 1 ([02:05:10](#)):

It will help get emergency vehicles to our loved ones quicker, which could save lives. It can offer enhanced transit options for my transit folks. It will improve the quality of life. It reduces the cost of living because time is money. It will, as I said earlier, will help support our hourly wage employees. It will increase jobs in Tennessee. That's why our chambers are all supporting it and our road builders, they know it will increase jobs for them too. It will help support our business community and economic development. It will help support tourism. I know we depend heavily on tourism and on this state and if we don't do something, people are going to quit coming here. If they can't get through our roads to get to come down to Broadway or come to a UT football game or go to Bill Street or to the River Festival in Chattanooga, it will help. It's going to support our urban and our rural communities. Every county will benefit from this bill. It will help leverage and maximize our transportation dollars. It basically will almost double our dollars. So we're putting into this And so in closing, I I'm going to say I think we need to have the courage to make the tough decision to adequately fund both our current the funding for our roads, both for our current citizens and our visitors and our future generation. And with that I asked for a favorable vote on the bill.

Speaker 4 ([02:06:44](#)):

Thank you. And I believe Chairman Bailey called for the vote. And okay take the vote.

Speaker 2 ([02:06:52](#)):

Senator Bailey votes Aye. Senator Bowling no votes. No. Senator Briggs aye votes Aye. Senator Campbell votes? No. Senator Nicely no votes. No. Senator Powers aye votes? Aye. Senator Taylor? Aye votes? Aye. Senator Poie, no votes. No Chairman. Massey Aye votes. Aye. Chairman, you have five ayes and four nos.

Speaker 4 ([02:07:19](#)):

Bill passes goes to finance. You did a great job chairman. And motion to adjourn. So moved.

Speaker 17 ([02:07:27](#)):

There you go. Thank.