

February 2, 1982

LB 364

I did not vote so that put me in a position to reconsider. I hope that you read some of the information I handed you. I have a letter in my hand signed by Ray Hogrefe, Division Administrator of the Federal Highway Administration dated July 15, 1981. I don't come here with some little yellow pieces of paper saying "they" without defining who, or I have talked to people in Washington and "they said". I give you documentary information. And Ray Hogrefe says, "The North Freeway construction is estimated at \$50,120,000", not \$38,000, plus using the same basis the airport connector is estimated to cost \$16,680,000. So contrary to what Senator Newell mislead you into thinking, the connector is on top of the \$50 million. So the North Freeway plus the connector will cost \$66 million. If Omaha intends to try to fund that connector, they are going to have to let bonds to do so. Some of you are aware of the condition of the bonding market. It is described as soft. In order to let bonds you have to be willing to give a high return to those who buy them, and since the bonds are retired by property taxes, if Omaha lets enough bonds to fund a \$16 million project, then they are going to have to raise the property taxes in Omaha to retire those bonds and they are going to have to pay a much higher rate of interest than currently is the case. So I don't think any politician is going to be making haste to let any bonds on a project of this magnitude when the real specter of raising property taxes is in the background. In addition to that, the money that has been spent thus far is money badly spent, and contrary to everything Senator Newell says about what they told him at the Federal Highway Administration in Washington, I am looking at what the top dog has said. The President who pulls the strings on all of them has said that they are going to cut funds especially for highway building. And if as Senator Newell says the whole thing is going to be dragged out interminably, what will that do to the cost? They are not concerned about cost at all. And I am going to be frank with you. I am really not concerned about you passing this bill which you just killed. It made no difference. The piddly little Legislature is not going to influence what happens in Washington. There are other people who make those determinations. Now when Exon and Zorinsky gave their AWACs votes, they played the only card they could play to try to get funding for this particular project, so that has been exhausted. What I want the record to show is that Senator Newell has placed himself and his political future, his political acumen, his ability to weigh facts and properly represent them on this issue and he persuaded you to follow him. Now if the road is not built, if the money does not come, then Senator Newell as the politician who led you this

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