

1 NEW YORK STATE SENATE
2 STANDING COMMITTEE ON TRANSPORTATION
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4 Public Hearing Regarding the 5-Year Capital Plan as
5 Proposed by the NYS Department of Transportation

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7 Legislative Office Building
8 Hearing Room B
9 Albany, New York
10 November 23, 2009
11 Monday
12 12:00 p.m.

- 13 PRESIDING: Senator Martin Malave Dilan,
14 Chair
15 PRESENT: Senator William Perkins
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1 CHAIRMAN DILAN: Good afternoon. I would
2 like to call this public hearing to order. This is the
3 New York State Standing Committee on Transportation.
4 I'm State Senator Martin Malave Dilan, Chairman of the
5 committee.

6 And this is a continuing series of hearings
7 on the 5-Year Capital Plan, which is approximately \$26
8 billion over the next five years as proposed by the New
9 York State Department of Transportation.

10 And this is our fifth hearing. The first one
11 was held in Syracuse, New York. Second was in Buffalo.
12 Last week in New York City. And Friday in Westchester,
13 Town of Greenburgh. And here today we are in Albany.
14 And we anticipate that we will be in Long Island, New
15 York for a hearing that was postponed on December 4th,
16 which would be, then, our final hearing.

17 At each of the hearings we had the Regional
18 Director testify. And that will also happen in Long
19 Island. And the plan originally was that we would have
20 completed all the other hearings and then have a
21 Commissioner at this hearing, but as a result of the
22 ongoing deficit reduction plan, which we have not been
23 able to finish, we had to postpone Long Island and we
24 will honor that commitment by completing it December

1 4th. If there are any questions, Commissioner, as a
2 result of the December 4th on Long Island we will get
3 back to you.

4 The purposes of these hearings is really to
5 start bringing transparency to the process of the 5-Year
6 Capital Plan, and to have all those interested in the
7 infrastructure of our transportation system in New York
8 to have input, and to ensure that when we get projects
9 into the plan that we complete them on a timely basis.

10 And I want to thank all of those that have
11 testified to this point as to how we were to fund
12 revenues to fund the plan. That's the big question. We
13 in the Senate made a commitment when we passed the
14 financial plan that we would have a roads and bridges
15 plan for the entire State of New York, and we intend to
16 honor that commitment and that's the purposes of these
17 hearings. We will have a 5-Year Capital Plan funding
18 for roads and bridges for the entire State of New York.

19 As many of you know, we have been here over
20 the course of the last week dealing with the deficit
21 reduction plan, so my colleagues on both sides of the
22 aisle right now are either attending other meetings -- I
23 know that minority conference is in conference right
24 now, so I would expect that we would be joined by other

1 colleagues on the committee as the day progresses. But
2 I expect that I will be staying here until the end of
3 the hearing today unless a vote is necessary.

4 So, with that said, I would like to thank
5 Media Services; our recorder who is recording today's
6 hearing; thanks to Media Services who is webcasting this
7 hearing throughout the State of New York, and all my
8 staff. Thank you very much.

9 And with that said, we are joined by the
10 Acting Commissioner for New York State Department of
11 Transportation, Stanley Gee.

12 Welcome, sir.

13 COMMISSIONER GEE: Thank you. Good
14 afternoon, Chairman Dilan. My pleasure to be here
15 today. We are having a little technical difficulties.
16 I will give an abbreviated presentation but my full
17 statement has been submitted for the record.

18 Joining me today at the table to my left and
19 to your right is Bob Dennison, our Chief Engineer New
20 York State Department of Transportation. Immediately to
21 my right is Bob Zerrillo, our Director of the
22 Department's Policy and Planning Division. And our
23 sometimes computer whiz, he's actually our Chief
24 Financial Officer, probably why he can't get the thing

1 going, that's Ron Epstein.

2 I am going to give a presentation -- even
3 more abbreviated presentation than I was planning
4 because some of our slides will not show up too clearly
5 by just oral testimony. So, I will go on to give my
6 oral statement now in a somewhat more abbreviated form
7 than I was planning.

8 CHAIRMAN DILAN: Okay.

9 COMMISSIONER GEE: Earlier this month I
10 attended a funeral to pay tribute to the life of a
11 department employee, a shining example of the 10,000
12 hard working men and women who proudly serve the people
13 of this State in the New York State Department of
14 Transportation.

15 Garry Farrell was a highway maintenance
16 worker who was directing traffic in a marked work zone
17 on Route 28 in Oneida County when he was struck and
18 killed by a vehicle around 11:00 in the morning on
19 November 2nd.

20 Whatever else we talk about today, it is
21 important to remember that the safety of our workers and
22 of the traveling public is, and always will be, the
23 number one priority of this department.

24 Gary Farrell died serving the people of New

1 York State, and his death shows that there is still much
2 work to be done to educate the public about the dangers
3 of driving through work zones.

4 As Governor Paterson reminded all New
5 Yorkers in asking that flags be lowered in Garry's
6 honor, please slow down and remain alert while driving
7 through highway work zone so that every highway worker
8 can return home to their loved ones.

9 As this committee is aware, our
10 transportation system impacts the lives of all 19
11 million New Yorkers in all 62 counties across this state
12 each and every day.

13 Most people in the United States take
14 transportation infrastructure, like roads and bridges,
15 for granted, but as evidenced by the Champlain bridge
16 closure, our system is more than just asphalt and steel.
17 It provides critical links to jobs, emergency services,
18 hospitals, schools, food supplies, recreation, and
19 families, every facet of life.

20 The Crown Point bridge was a key link
21 between Vermont and New York State, and the stories of
22 disrupted lives and communities living with its closure
23 on a daily basis weighs heavily on our minds, but we had
24 no choice.

1 Once it became clear that the deterioration
2 of the bridge made it unsafe for use, we had to close
3 it. Again, the safety of our transportation system, and
4 the safety of those who travel and work on it, must be
5 and is our number one priority.

6 We are doing all we can to provide
7 transportation alternatives to local travel until a new
8 bridge can be built. We know our infrastructure is
9 aging. It is not only old; it is among the most heavily
10 used in the nation and faces the effects of harsh
11 winters, and we expect the demand for travel to
12 increase.

13 There was a glimmer of hope when, against
14 this backdrop in February 2009, New York State and the
15 nation received a much needed boost in infrastructure
16 funding through the American Reinvestment and Recovery
17 Act. New York received about \$2.3 million out of the
18 \$48 billion in transportation funding provided
19 nationwide.

20 The Recovery Act provided a one time boost
21 in funding to allow us to create jobs to spur the
22 economy and make progress on addressing transportation
23 deficiencies. Under Governor Paterson's leadership, the
24 department delivered on both of these goals.

1 Indeed, the work to deliver on these
2 stimulus projects and applications have been
3 significant, and measurable. Some of our key
4 accomplishments include: New York was among the first
5 in the nation to meet the federal deadline requiring
6 individual states to commit half of the highway and
7 bridge funding provided directly to the state within 120
8 days. New York met this deadline more than one month
9 early.

10 Earlier this month, Governor Paterson
11 certified projects valued at 100 percent of the highway
12 and bridge funds allocated to New York. We expect all
13 funds to be federally approved by the end of the year,
14 more than two months before the federal deadline of
15 March 2010.

16 More than half of the highway and bridge
17 funds have gone to locally sponsored federal-aid
18 projects. Every county in New York State has received
19 stimulus funding for transportation projects. 280
20 projects, valued at almost \$700 million, are now under
21 construction by the private sector, just nine months
22 from the passage of the Recovery Act.

23 These projects are putting people to work.
24 In September, more than 4100 private sector employees

1 were working on Recovery Act projects, accounting for
2 200,000 work hours.

3 The Recovery funding provided opportunities
4 for disadvantaged and minority and women-owned small
5 businesses to receive work. To date, \$136 million, or
6 approximately 13 percent of the highway portion of the
7 Recovery Act funding, is available to these small
8 businesses. The Department strongly supports expanding
9 opportunities for all segments of our economy to share
10 in the job creation benefits of transportation funding.

11 And the projects are delivering much needed
12 infrastructure benefits that will last for years,
13 including, for example, the repair and maintenance of
14 more than 1300 bridges; and repairing more than 4,500
15 lane miles of highways across the State; and
16 construction of 160 miles of sidewalks and bike paths;
17 and allowing rural transit systems to purchase buses,
18 erect bus shelters or signs, and make other
19 infrastructure improvements.

20 The infusion of economic recovery funding
21 provided a one-time boost in our regular funding level
22 in the current 2005-2010 Capital Program, but the boost
23 was less than one full year of federal highway funding.

24 And next year, State Fiscal Year 2010-11,

1 Recovery Act funds will have been gone, will be gone.
2 However, the lack of funding will not be obvious to the
3 public next summer because our contractors and crew will
4 continue to work on projects that were awarded with
5 Recovery Act funds this year, but construction will
6 continue or begin when weather permits next year.

7 If we are to maintain the benefits from the
8 one time level of funding and job creation provided by
9 the Recovery Act, transportation investments must be
10 sustained into the future.

11 We delivered the additional Recovery Act
12 funding while also continuing to deliver the regular DOT
13 5-year Capital Program. The current \$18 billion
14 2005-2010 Capital Program was the largest in the state's
15 history.

16 To date, \$11.7 billion in highway
17 construction projects are underway, representing 94
18 percent of the funding that was devoted to highway
19 construction in the 2005-10 5-year program, and we will
20 spend 100 percent of it by April 1st of 2010.

21 Delivering all the projects originally
22 anticipated in the 2005 program has been a challenge due
23 to a number of factors, including: Rapid construction
24 inflation earlier this decade which increased project

1 costs beyond original estimates, and project scopes have
2 changed as projects evolved through the planning
3 process.

4 Projects not completed in the approved 2005
5 Transportation Program will be considered as part of our
6 newly proposed Capital Plan.

7 I want to note that, in addition to
8 delivering the state construction program, an additional
9 \$150 million in CHIPS funding for local governments, or
10 a 13 percent increase, was provided above the original
11 2005 plan level.

12 CHAIRMAN DILAN: Can I just briefly
13 interrupt you there. You said those projects that were
14 not completed in the current plan will move into the
15 next plan.

16 Is the money going to follow it also?

17 COMMISSIONER GEE: No. We need funding.

18 CHAIRMAN DILAN: The existing money,
19 technically, that was funded in the current plan, you
20 didn't spend the money?

21 COMMISSIONER GEE: No. We spent the money,
22 but for reasons I have just indicated, either inflation
23 or scheduling, pushed these projects beyond the current
24 five years into the next five years and we will need

1 additional funding.

2 CHAIRMAN DILAN: Some of those are the
3 things that we want to avoid in the future. So, we will
4 work on that. That is not for today.

5 COMMISSIONER GEE: The bond funding, the
6 only funding that we will not have spent will be
7 available in the future is the 2005 Bond Act funds.

8 We will obligate most of the 2005 Bond Act
9 funding by the end of this fiscal year, but some Bond
10 Act projects will be delayed. As a point of reference,
11 the Bond program is being implemented at the same pace
12 as would the 1983 and 1988 Transportation Bond Act. But
13 clearly, as you can see from this chart, we need to
14 increase our investment levels.

15 In 2007, New York DOT's 20-year needs study
16 identified \$175 billion in program needs. As
17 significant as economic recovery funding was, it
18 represents only a small fraction, less than one percent
19 of our 20-year transportation funding needs.

20 And while our proposed \$25.8 billion
21 investment program for the next year five years is
22 significant, it only represents approximately 15 percent
23 of the identified 20-year needs.

24 Notwithstanding the accomplishment of the

1 nearly completed 2005 Capital Program, and the infusion
2 of funds from the Recovery Act, which has been important
3 and is appreciated, New York State still has a long way
4 to go before meeting the longer term needs of our
5 extensive and aging infrastructure.

6 New York's highway system alone encompasses
7 approximately a quarter of a million lane miles and over
8 17,400 bridges, and our infrastructure is aging. Much
9 of the highway and bridge system built five or more
10 years ago, during the Eisenhower Interstate era, has
11 reached the end of its design life. Much of the
12 downstate highway network is even older.

13 It is among the most heavily used
14 infrastructure in the nation, and faces the harsh
15 effects of winters. Furthermore, we expect system
16 demand, to transport both passengers and freight, to
17 increase.

18 New York's multimodal transportation
19 infrastructure is in need of repair and modernization,
20 and the need for this investment has been documented in
21 the Department's own 20-year needs study.

22 The study documented the need for \$175
23 billion of investment in multimodal transportation
24 infrastructure under the State DOT's jurisdiction.

1 Achieving this level of investment would require more
2 than doubling the resources for DOT's Capital Program.

3 Our own data on system conditions shows we
4 are barely maintaining system conditions, and many parts
5 of the highway system, including those owned by
6 localities, will soon be in need of significant repair
7 or replacement.

8 As you can see from these photos, age has
9 taken its toll on our bridges. The average life span of
10 a bridge is 50 years, and nearly 40 percent of all state
11 and local bridges, approximately 6600, are now more than
12 50 years old.

13 It is the aging of this large number of
14 bridges built during the Eisenhower Interstate era, when
15 gas was only \$.30 a gallon, that will impact for our
16 future needs.

17 Currently, nearly one third, or about 5200
18 of the state and locally-owned bridges are rated as
19 deficient. We expect another 3,000 bridges will become
20 deficient in the next decade -- 1500 in the next five
21 years and another 1500 will need attention within six to
22 ten years.

23 We refer to this as bridge wave, as is shown
24 on the slide.

1 CHAIRMAN DILAN: How do you propose to
2 address that gap? How do we deal with this?

3 COMMISSIONER GEE: That's the \$25.8 billion
4 program. That's how we address it. That's how we are
5 going to move to address those.

6 CHAIRMAN DILAN: For all 5,234 bridges?

7 COMMISSIONER GEE: We will touch those, but
8 we may not be able to fully rehabilitate or reconstruct
9 all those bridges in that period of time, but they will
10 all either get maintenance repairs to keep them
11 operating or they will get major rehabilitation
12 replacement.

13 CHAIRMAN DILAN: All right.

14 COMMISSIONER GEE: Our pavements are aging,
15 too. The effects of harsh winters and poor drainage are
16 evident in these pictures.

17 Highway pavements should be resurfaced every
18 12 years. That means we should be paving about 3,000
19 miles of state highways each year to meet this standard,
20 but currently we are only able to pave about 2200 miles
21 annually.

22 In terms of maintaining highway pavements,
23 nothing is more important than drainage. Water is the
24 dominant factor in the weathering of roads and

1 contributes to most every aspect of the roadway and
2 pavement deterioration, just as shown in this slide.

3 Moisture in the pavement leads to potholes
4 in the freeze and thaw cycles of winter, or worse, can
5 lead to a complete collapse. That's why invisible
6 assets, such as pipe culverts, are so important. There
7 are more than one million culverts on the state, county
8 and local highway system.

9 Culverts, like bridges, have an average life
10 of about 50 years and require cleaning and preventive
11 maintenance every five years. Given our resources, we
12 are only addressing less than a quarter of our culvert
13 replacement and preventive maintenance cycle needs.

14 Why are culverts so important? Because when
15 culverts fail, highway pavements flood, and you know if
16 you see a fish trying to cross the road there is a major
17 drainage problem.

18 Culverts and many other less noticed aspects
19 of the highway system, including signs, traffic signals,
20 and guard rail, are in constant need of maintenance and
21 repair to keep the system safe.

22 Our downstate and upstate transit fleets are
23 similarly aging. As pictured in this slide, buses are
24 aging, as are the facilities they are garaged in.

1 Currently, 25 percent of the total upstate
2 and suburban downstate large urban public transportation
3 fleet is beyond its useful service life of 12 years.
4 Another 20 percent of the large suburban and upstate bus
5 fleet will need to be replaced in the next five years.

6 In addition, nearly all of the smaller rural
7 and paratransit buses will need to be replaced during
8 this program period. Clearly, the transit program --
9 indeed, all our programs -- need continued investment.

10 The proposed \$25.8 billion multi-modal
11 Capital Plan that DOT put forward last month describes
12 the Department investment priorities, strategies and
13 initial performance measures for the next five years,
14 from 2010 to 2015.

15 It represents a down payment on the future
16 of our transportation system, considering the tremendous
17 infrastructure needs of the state and what we heard in
18 our local outreach efforts this year, but it will not be
19 easy to achieve in today's fiscal climate.

20 This plan continues on the path of
21 reinvestment, and moves the state's multi-modal
22 transportation infrastructure towards a State of Good
23 Repair in the future.

24 As shown in this table, New York State DOT's

1 plan proposes \$25.8 billion in funding for investment in
2 the state's highways and bridges, downstate suburban and
3 upstate transit systems, rail passenger and freight, and
4 aviation and port infrastructure.

5 This level of funding is an increase of more
6 than 40 percent over the \$18 billion of the current
7 5-year program, which expires in March of 2010. The
8 plan provides equal increases to highway, transit, and
9 freight rail and port investments.

10 The plan also contains the necessary funding
11 for engineering, administration, and other costs related
12 to implementing this new 5-year program. In particular,
13 it would increase funding for engineering support and
14 management early in the period and in order to develop
15 projects for delivery in the later years of the program.

16 In total, approximately 90 percent of the
17 proposed program is targeted towards achieving a State
18 of Good Repair.

19 During our outreach this summer in
20 preparation of the Capital Plan, we heard loud and clear
21 from local officials and stakeholders that we need to
22 invest in our local transportation system. In response,
23 DOT's proposed program proposes significant increases in
24 funding, including more than a 40 percent increase in

1 regarding our bridge condition rating scale. Bridge
2 condition ratings are not the same as safety ratings.
3 Condition ratings refer to the need for maintenance or
4 repair or rehabilitation, and is based on a scale
5 ranging from 1 to 7, with a rating of 5 or less
6 indicating a need for attention.

7 On the other hand, bridge safety is
8 determined by a flagging system and load ratings, which
9 are used to identify and address deficiencies involving
10 critical structural components. New York State DOT does
11 not allow bridges deemed unsafe for traffic to remain
12 open.

13 The plan also recognizes that we must
14 continue to invest if we want the state's economy to
15 grow. This plan includes several new investment
16 initiatives.

17 Our largest proposed new initiative would
18 provide \$300 million to move forward on the passenger
19 rail vision put forward in the state's rail plan
20 released earlier this year. This funding would match
21 newly available federal aid, and would allow the state
22 to undertake key capital projects that will improve the
23 reliability of rail service, primarily between Albany
24 and Buffalo, and move towards high speed passenger rail

1 service along the entire corridor, from New York City to
2 Albany to Buffalo and Niagara Falls.

3 The plan also proposes two new initiatives
4 to support local infrastructure. These include \$150
5 million to support a new local bridge program to fund
6 rehabilitation and replacement of bridges owned by
7 counties, cities, towns and villages; and \$150 million
8 to improve the local touring route system.

9 These are the state's numbered routes, and
10 are often the "Main Streets" of local communities. When
11 they are not under state jurisdiction, the cities and
12 localities are responsible for their maintenance and
13 operation. This program would assist in bringing these
14 facilities to a State of Good Repair, comparable to that
15 of the state's touring route facilities.

16 Finally, the plan includes \$25 million for
17 Community and Corridor Land Use Planning to provide
18 comprehensive regional smart growth planning.

19 The Department of Transportation, in its
20 5-year Capital Program and in its 20-year needs study,
21 has detailed the investments necessary to maintain the
22 state's transportation infrastructure in a State of Good
23 Repair and to provide enhancements that support economic
24 recovery and a strong future economy.

1 We are prepared to invest wisely whatever
2 level of funding is provided at the state and federal
3 levels, and to work collaboratively with our elected
4 officials and stakeholders to ensure New Yorkers
5 continue to be served by a safe and reliable
6 transportation system.

7 The question of how to finance the
8 Department's Capital Plan must be considered by the
9 Governor and the Legislature within the larger context
10 of the overall budget.

11 The Governor has clearly said that this
12 plan, and the MTA's, are not affordable given New York's
13 current fiscal condition, and given that Congress has
14 not yet acted on providing the important federal share.

15 The Governor has asked the Legislature to
16 work with him to address the state's budget deficit as a
17 first step to funding an affordable road and bridge
18 plan.

19 During this time of extreme financial
20 challenges, it is incumbent on government to get the
21 most efficiency from its investments. I want to assure
22 you that the Department is being as efficient and cost
23 effective as possible with the public's money.

24 As I have travelled across the state, I have

1 both seen and heard about the critical infrastructure
2 needs of each geographic region of our diverse state.
3 Every region has needs that exceed the transportation
4 funding it receives. So, I understand the call for more
5 funding.

6 The priority of our capital investment
7 program is to preserve the existing transportation
8 infrastructure, often termed "Fix It First". With that
9 as a goal, we strive to improve infrastructure
10 conditions in all parts of the state so that all regions
11 benefit and no region is left behind.

12 The Department works to balance the needs of
13 all geographic regions in a fair and equitable manner,
14 with funding formulas based on actual measures of the
15 extent, use and condition of the highway system.

16 What we all need to address is: How can we
17 work together to find sufficient funding for
18 transportation, both at the federal and state level, to
19 help move the state's transportation system to a State
20 of Good Repair?

21 Let me conclude by saying that our
22 Department recognizes the challenge, but we believe that
23 by working together with you, the Governor, our industry
24 partners, and others, we can overcome them.

1 New York State DOT knows how to deliver and,
2 with our economic recovery funding, we demonstrated we
3 can create and sustain jobs and bring critical projects
4 to communities across our great state.

5 Each of us uses transportation every day to
6 commute to work, to take our children to school, and to
7 get to doctor's appointments, and to transport the goods
8 and services that support our daily lives. The wear on
9 our transportation system is beginning to show. Our
10 system has been taken for granted. We can no longer
11 afford to do so.

12 Our infrastructure needs did not develop
13 overnight. It took a long time to get where we are
14 today. While the current administration clearly did not
15 create this state of affairs, we are dedicated to trying
16 to fix it.

17 Under the leadership of Governor Paterson,
18 and with your support, the New York State Department of
19 Transportation looks forward to meeting our
20 infrastructure needs and our obligation to the public.
21 Indeed, the families and businesses of New York State
22 are counting on all of us to do just that.

23 Thank you again for the opportunity to
24 address you today. I'd be happy to take any questions.

1 CHAIRMAN DILAN: Thank you very much,
2 Commissioner. I want to thank you for your testimony
3 today, and all your staff for all the hard work they
4 have put into this. And also I wanted to thank you and
5 all the regional directors who participated in all the
6 hearings, and the fact that they stayed from the
7 beginning to the end of each hearing was important so
8 they could hear what many of the stakeholders had to
9 say.

10 I look forward to, indeed, working with you
11 and especially with Governor Paterson, and my leadership
12 in the Senate and in a bipartisan effort in the Senate,
13 along with the Assembly, to fund this plan because
14 without this plan, needless to say, what would we need
15 DOT for? But it's important that we continue improving
16 our infrastructure and not be working on an emergency
17 basis.

18 As you mentioned in your opening regarding
19 the Crown Point bridge, that's a situation there. Can
20 you just elaborate on -- very quickly -- on the
21 replacement and how that funding is going to go through
22 with the possible replacement or replacement of that
23 bridge?

24 COMMISSIONER GEE: Sure. As you know, right

1 now the bridge is closed. That's creating a hardship
2 for the community in the North Country and we have
3 implemented a number of transportation alternatives in
4 order for people to get to work or go to visit their
5 doctor, and we are subsidizing the existing ferry
6 service to communities to the north and south of Crown
7 Point, Ticonderoga and Essex.

8 We also are providing express bus service
9 from Crown Point and Port Henry to destination -- to
10 employment sites in Vermont. Those are free of charge
11 right now.

12 At the same time we are moving forward with
13 a replacement -- design of a replacement bridge. As
14 Governor Paterson announced recently, we expect to start
15 construction sometime next spring after we demolish the
16 existing bridge.

17 I think you know that we recently completed
18 our under water inspection analysis of the existing
19 bridge. Not only is it unsafe for traffic, it is also
20 unstable and in danger of falling down under its own
21 weight. And because of that, we have to demolish before
22 -- we want to demolish that before the ice freezes over.

23 In that part of the state there are many
24 people that use that lake for either ice fishing or

1 snowmobile riding in the vicinity of that bridge, and
2 because of its instability it's unsafe for that also.

3 So, we are trying to demolish and tear down
4 that bridge in the lake before the ice freezes, and
5 intend to build a replacement bridge on the same
6 footprint. And we hope to get started some time next
7 spring.

8 CHAIRMAN DILAN: When do you expect to
9 complete it? Is there anything that we could do as a
10 legislature? Is there anything we can do to work
11 together to ensure that the project gets completed
12 sooner than later and trying, by accomplishing that,
13 also keep in containing costs? However we can work
14 together we should do that.

15 COMMISSIONER GEE: I think the Governor's
16 Office has been in touch with you, the Counsel's Office
17 has been in touch with both Houses of the Legislature
18 proposing design build legislation and that would help
19 us accelerate replacement of that bridge.

20 Next, the other thing you should know, we
21 are working closely with the federal government, our
22 federal elected leaders. Our Senators both in New York
23 and Vermont have brought this to the attention of the
24 federal agencies and we are working closely with the

1 United States Department of Transportation, Fish and
2 Wildlife Service, a number of environmental agencies, to
3 expedite the environmental process and permitting
4 process in order to build a replacement bridge.

5 CHAIRMAN DILAN: So, when I ask these
6 questions we can get it on the record so the public can
7 also be informed as to what's going on.

8 I had handed you at the beginning of this
9 public hearing a list of about nine questions. Again,
10 for the sake of the record, I am going to ask you the
11 questions. I'm not going to ask all nine questions, but
12 today you can respond to them as best as you can, and in
13 the near future you can respond to all nine hopefully in
14 writing so we can add it to the record.

15 Is that okay?

16 We have heard that the process for
17 distributing transportation funds is a streamlining
18 opportunity. Can you describe for us some of the
19 administrative or other oversight responsibilities that
20 DOT must perform for a local project funding, such as
21 CHIPS and Marchiselli and federal funded local project
22 programs.

23 COMMISSIONER GEE: Sure. Under CHIPS
24 funding, that essentially is a pass through program, and

1 the administrative work that we do on that is relatively
2 just acceptance, local community certifications and
3 distributing monies when they are available and
4 certified by Division of Budget.

5 So, as you mentioned, it's mainly
6 administrative function. It's depending on the
7 availability of revenues coming in to pay for the CHIPS
8 program. And, as you know, CHIPS funding is bonded
9 through the Thruway Authority. It's when those bonds
10 are sold and money becomes available to be distributed
11 and paid through local governments.

12 As far as the federal-aid program, the
13 federal program is concerned, we do have a little more
14 involved role here. That is more than just
15 administrative function. We are responsible, as a state
16 recipient of federal funds, to ensure all federal
17 requirements are met by local projects that receive
18 federal funds.

19 So, on that we have a broader oversight
20 responsibility for both the technical aspects of
21 projects, as well as the administrative oversight of
22 projects. There is a manual that houses all that
23 information. What we do, we try to get training
24 sessions with localities so they are familiar with the

1 requirements beforehand. And we could make that
2 information available in detail but that is just a
3 summary of the processes we have.

4 On the CHIPS and Marchiselli, we have more
5 of administrative function. On the federal funding
6 program, we have a larger role because, as I mentioned,
7 we are held responsible by the federal government for
8 the oversight of the federal requirements on local
9 governments.

10 You should know that one of the things that
11 we are trying to do at the federal level, as part of the
12 reauthorization of the federal program, is to make that
13 program streamlined and more simplified as a grant
14 project.

15 The requirements that we are held
16 accountable for for federal government on highway
17 projects is the same requirements that are held for
18 small communities that get funding also.

19 CHAIRMAN DILAN: We hear a lot about the
20 benefits of real investment in terms of how rail can
21 move goods and people in a more energy efficient and
22 environmentally friendly manner.

23 Benefits also cited were decreasing wear and
24 tear on highways through decreasing axle loads. Can you

1 describe how our investments in rail outlined in this
2 5-Year Capital Plan might reasonably be expected to
3 achieve such benefits.

4 COMMISSIONER GEE: I don't have the figure
5 in front of me, but moving people on railroads and goods
6 by rail is several times more energy efficient than by
7 passenger cars. As a general statement, I will say that
8 we've applied for significant funding, as you know,
9 through the \$8 billion program that was passed as part
10 of the stimulus funding for highway speed rail
11 initiative.

12 Money that we have asked for in our 5-year
13 program is the max and also allows us to do the design
14 and up front work in order to attract and use a large
15 amount of federal funds that we applied for.

16 That federal funding will allow us to reduce
17 the travel time between Albany and Buffalo. Our goal is
18 to reduce that to less than four hours. If we can do
19 that we will significantly increase the number -- make
20 that an attractive mode of travel from here to Buffalo
21 and Niagara Falls, and divert traffic from our highways
22 on to our rail system.

23 So, I don't have the figures in front of me
24 but that's our goal. Also, by doing that it will free

1 up tracks. The track between Albany and Buffalo is one
2 of our heaviest used freight lines and is vital to a
3 thousand industries in upstate New York.

4 And by being able to build our high speed
5 rail initiative, it will move more of our passenger rail
6 traffic on to another track, and allow the existing
7 track to be used -- devoted for freight service, ability
8 to increase the amount of freight that is shipped by
9 rail.

10 CHAIRMAN DILAN: Very interested in this
11 because I think the economy of the entire state is
12 dependent upon our rail system.

13 Just last Friday at Hudson Valley we heard
14 about a letting cap that the Department of
15 Transportation imposes on regions which, in Greenburgh
16 specifically, seemed to prevent needed projects or
17 expansion of certain projects from getting done.

18 Can you describe the letting cap and why
19 it's necessary.

20 COMMISSIONER GEE: I assume by the letting
21 cap is meant we have a target and it's in the budget
22 this year. Our lending target is \$1.6 million. We want
23 to make sure we deliver that amount of funding because
24 that, in turn, allows us to put people to work and

1 address our infrastructure needs on both highways and
2 bridges.

3 And we distribute that across the state for
4 a number of reasons. First is to ensure that we have
5 ready to go projects. Those areas that projects that
6 can be let in this year are given priority, and also
7 ensure that's there equity among the state -- around the
8 state in work that's been put forward.

9 So, those are the factors that we use in
10 distributing the lending goal, lending target, to our 11
11 regions.

12 CHAIRMAN DILAN: There has been mention
13 about smart growth and its implication. The 5-Year
14 Capital Plan currently calls for \$25 million for
15 community and corridor land use planning assistance.

16 Can you provide insight in to how that money
17 will be spent including, but not limited to,
18 administrative costs. How do you see it helping to make
19 better transportation land use decisions?

20 COMMISSIONER GEE: That initiative, though
21 small in dollars, is an important initiative. Too often
22 we see transportation projects being developed in
23 isolation of land use needs of the community.

24 I think if we move towards -- in the future

1 to try to reconcile our energy efficiency, environmental
2 sustainability goals and encourage travel where
3 infrastructure already exists down the transportation,
4 but sewer and water will also be more efficient.

5 And what this program is attempting to do is
6 ensure that transportation is considered when land use
7 decisions are made. And local communities, this program
8 is a grant program mainly targeted to local communities
9 to encourage that type of planning, to encourage
10 planning and land use decisions where existing
11 infrastructure exists to minimize the length of travel
12 and reduce the number of trips.

13 And there's very little of that for
14 administrative costs. There is money in there for our
15 staff to be technically aware and administer the
16 program. Most of that money goes towards grants to
17 local communities.

18 CHAIRMAN DILAN: One of DOT's stated
19 investment priorities talks about investing in
20 communities that are well planned.

21 Can you discuss what DOT's definition of
22 well planned communities is?

23 COMMISSIONER GEE: I think when I just
24 described our green power program, we have done some of

1 that work already in a number of communities where we
2 have had some experience. And what we intend to do with
3 the other program is to replicate that type of planning
4 in the other communities.

5 CHAIRMAN DILAN: You have all the other
6 questions. What I'm going to do for the sake of hearing
7 from others, I will wait until you respond to me in
8 writing and we will make those responses part of the
9 record here. But, as I mentioned earlier, we are all on
10 the same page. We're trying to get this plan funded.

11 So, I look forward to working with you and
12 whenever we have any questions we expect to use you as a
13 valuable resource for this committee and for the
14 Legislature.

15 And, as I indicated, we will be holding the
16 Long Island hearing on December 4th, so perhaps I may
17 have more questions after that hearing. But in an
18 ongoing basis I expect that once we are back in session,
19 in January through June, that I may hold one or two
20 oversight hearings regarding DOT and all other
21 transportation-related agencies, and I look forward to
22 continuing working with you on behalf of the State of
23 New York.

24 So, I want to thank you and all your staff.

1 COMMISSIONER GEE: Thank you, Mr. Chairman.
2 It's always my pleasure to speak to you and your
3 committee. We will provide a written response to all
4 your questions. I want to, again, offer my availability
5 and my staff. Any time you need assistance or have any
6 questions, feel free to contact us.

7 Thank you.

8 CHAIRMAN DILAN: The biggest task we have
9 before us is finding the revenues to fund this plan and
10 I expect that we will all do that together.

11 Thank you very much.

12 COMMISSIONER GEE: Thank you.

13 CHAIRMAN DILAN: We are going to try to move
14 as quickly as possible. I will let you speak for your
15 allotted amount of time.

16 So, our next witnesses are -- we have
17 Stephen Fisk, President, Railroads of New York; John
18 McCreavy, Director Business Development, SMS Rail Lines;
19 William Taber, President and CEO, Batten Kill Railroad;
20 and Mary Anne Michaels, Chief Financial Officer, VRS.

21 You can decide who goes first.

22 MR. FISK: Good afternoon, Mr. Chairman.

23 Thank you for the opportunity to speak with
24 you. My name is Stephen Fisk. I work at the Canadian

1 Pacific Railroad and am also the President of Railroads
2 of New York.

3 Railroads of New York has over 36 members of
4 freight railroads in the State of New York. We cover
5 the entirety of the state and we employ over 5,000
6 people in the state.

7 RONY appreciates the opportunity to
8 participate in the series of public hearings that the
9 Senate Transportation Committee is having across the
10 State on future state transportation capital funding.
11 We have had representatives speaking at each of these
12 hearings.

13 Today I am accompanied by John McCreavy, to
14 my left, Director of Business Development for SMS;
15 William Taber, President of Batten Kill, which operates
16 in Washington County; and Mary Anne Michaels, Chief
17 Financial Officer of VRS, which operates both the
18 Clarendon & Pittsford and the Ogdensburg and St.
19 Lawrence Railroads in Washington and St. Lawrence
20 Counties, respectively.

21 If I could just take the liberty. You asked
22 a question of the fuel efficiency of railroads. There
23 is a study that the Federal Railroad Administration just
24 came out with on November 19th. Indicates that for a

1 ton mile for gallon of fuel will run 156 to a 512 for
2 railroad, versus 68 to 103 tons per gallon for trucks.

3 At your initial hearing in Syracuse, RONY
4 Executive Director Norm Schneider discussed the key role
5 that rail freight plays in the national and state
6 transportation systems and the need for continued state
7 investment in rail freight.

8 He discussed clear mandates for developing
9 and enhancing a multi-modal transportation system in the
10 state, beginning with the laws that created NYSDOT and
11 MTA in 1967, resulting in Statewide Master Plan for
12 Transportation, and the New York State Rail Plan for
13 2009.

14 He noted that the later plan lists the need
15 for about \$1.9 billion in rail freight investment during
16 the coming five-year period, but that the present 5-Year
17 State Program has produced only \$70 million in rail
18 freight work under contract to date, or about 38 percent
19 of the promised level.

20 Part of the problem is due to the priorities
21 that State officials continue to set, as rail freight
22 continues to be treated as the stepchild of the state's
23 transportation system.

24 Another issue is that the rail staff in

1 NYSDOT has been slashed. In the mid-1970s and early
2 1980s, NYSDOT's Rail Division had more than 200 staff
3 devoted exclusively to rail transportation. Today, the
4 Department only has about two dozen staff members
5 assigned exclusively to this function out of roughly
6 9,000 employees.

7 If the state is to seriously focus on rail
8 freight as other states are now doing, and as the
9 federal government is encouraging, clearly more
10 resources are needed in this area.

11 With the passage of the federal American
12 Recovery and Restoration Act of 2009, ARRA, earlier this
13 year, Congress made large sums available to fund both
14 rail passenger and freight development projects.

15 RONY promptly responded by producing to
16 state officials with a list of over \$170 million in
17 "shovel ready" rail freight projects that are critically
18 needed and would immediately create much needed jobs, as
19 well as longer term employment opportunities for
20 thousands of New Yorkers. Regrettably, virtually none
21 of these ARRA federal transportation funds were used for
22 rail freight so far.

23 NYSDOT did submit a \$30 million grant for
24 TIGER program funding which RONY largely developed on

1 its own due to the lack of NYSDOT staff available to
2 work on this effort.

3 This grant would begin to restore the
4 upstate rail freight system in 26 counties that are
5 classified as economically distressed by the federal
6 government.

7 Shovel ready improvements on parts of 17
8 different freight railroads would be made with an
9 estimated overall benefit-to-cost ratio of between 42
10 and 67, depending on the discount rate assumed.

11 NYSDOT also submitted a project for CSX as
12 discussed at the Hudson Valley hearing. These are just
13 two of some 1,400 applications that were received by
14 USDOT, totaling over \$60 billion for the \$1.5 billion
15 that is currently available. Our applications can be
16 found on NYSDOT's website.

17 If not selected, the state must find a way
18 to advance these critical projects in a timely manner so
19 that thousands of jobs they would create and the
20 transportation benefits that they would produce are
21 realized. And there are many more rail freight projects
22 in other areas of the state that also deserve to be
23 advanced quickly.

24 The release of the new State Rail Plan in

1 March of 2009 seemed to signal that the State was
2 finally ready to focus on railroads as a significant
3 part of the solution to the state's transportation
4 issues.

5 This well done plan clearly discusses the
6 numerous benefits of rail freight and identifies a
7 comprehensive list of needed capital projects both in
8 the next five years as well as the longer term.

9 In my written testimony, I've attached a
10 brief summary of a number of key reasons why the state
11 should be enhancing its investment in rail freight.

12 RONY members believe New York State should
13 strive to achieve the following five objectives for rail
14 freight as the next State Transportation Program is
15 developed. They will yield significant public benefits
16 to New Yorkers and the economy of our state if they are
17 addressed within the next five year period.

18 One, bring the state's freight railroads
19 into a state of good repair; two, upgrade tracks to
20 carry 286,000 pound rail cars; three, upgrade tracks to
21 meet AREMA clearance standards; four, address capacity
22 and bottlenecks; and, five, invest in critical
23 facilities and equipment that will help to achieve the
24 25 percent increase in market share that the new State

1 Rail Plan envisions, as well as enhance public safety
2 and economic growth.

3 This results in a total 5-year capital
4 assistance need of \$800 million for rail freight. This
5 equates to \$160 million per year. Note that this total
6 is 2.5 times the rail freight aid level proposed by the
7 Governor, about \$320 million; and 1.5 times the \$520
8 million level recommended in the New York State Rail
9 Plan of 2009.

10 Even so, it will only represent 43 percent
11 of the total five-year needs identified in the State
12 Rail Plan and demonstrates that the rail freight
13 industry is prepared to address a very sizable portion
14 of our capital investment needs, and much more than
15 other modes of transportation.

16 As state officials work to develop the next
17 State Transportation Capital Program, it is important to
18 our industry that it be established in such a manner so
19 that the funding is both permanent and predictable. We
20 have discussed how little of the anticipated funds for
21 rail freight from the current state program are
22 currently under contract or expended, less than 40
23 percent.

24 Our industry needs the same certainty that

1 other transportation modes have been provided. We
2 cannot be left hanging with largely empty promises again
3 as we face the likely reality that some of our railroad
4 members will not survive.

5 Recognizing the significant problems with
6 the present program structure, NYSDOT has proposed
7 separating rail freight's capital allocation from the
8 future capital and operating allocations for passenger
9 rail. We support this change. It will provide
10 certainty to the level of funding for the rail freight.

11 I would now like to let our other
12 representatives take a few minutes each to give you an
13 example of how important the state's capital aid program
14 is to them and how much it will aid in the growth of the
15 state's economy in an energy efficient and
16 environmentally friendly manner.

17 We all, of course, will be happy to answer
18 questions that you will have. Thank you.

19 CHAIRMAN DILAN: Thank you.

20 MR. MCCREAVY: My name is John McCreavy and
21 I work for SMS Rail Lines and I also serve on the Board
22 of Railroads of New York. Thank you, Senator and
23 Committee Members, for giving me the opportunity to
24 provide input on this crucial review relative to New

1 York State's economic future.

2 SMS Rail Lines commenced operations at the
3 Northeast Industrial Park in Guilderland Center, New
4 York, in the Capital District, November of 2006. The
5 railroad infrastructure within the park comprises 15
6 miles of rail track with a direct connection to CSX
7 Transport at the industrial park.

8 In the Fall of 2007, we instituted a direct
9 connection with Canadian Pacific Railway by leasing the
10 old D&H Albany main, about 12 miles of railroad, from
11 CP, allowing us to reach their main line in Delanson,
12 New York.

13 Our direct connections to both trunk lines
14 gave us the opportunity to fully utilize the national
15 rail network and focus on our core strengths, offering
16 24/7 on demand switching service, aggressive business
17 development practices, and working with all modes of
18 freight transport, as well as our real estate partner,
19 The Galesi Group based here in Albany, New York, to
20 bring business to the Northeast Industrial Park.

21 The freight bureau at New York State DOT
22 awarded us a \$1.8 million bond grant that went directly
23 into track infrastructure upgrades because they saw the
24 direction we were taking this industrial park. SMS Rail

1 Lines to date has invested over \$1 million in equipment,
2 in personnel and infrastructure.

3 The commercial performance to date has been
4 good, but by no means are we done, and we look to you
5 for our continued support to ensure we reach this
6 industrial park's full potential.

7 To date, 16 new companies conduct business
8 within this industrial park in areas such as industrial
9 and agricultural product rail to truck transloading,
10 warehousing, distribution, manufacturing, and seasonal
11 product storage.

12 I estimate that 100 new jobs have been
13 created in a down economy where thru-put should increase
14 once commercial activity perks up and employment demand
15 follows.

16 In simple terms, this increasing commercial
17 activity's ripple effect spreads out regionally beyond
18 the industrial park to benefit firms, small and large,
19 by reducing their costs and giving them the ability to
20 effectively compete in their markets and grow
21 accordingly.

22 Commercial growth creates jobs that ensures
23 stability for a firm's labor base, which in turn
24 strengthens the community, and at its' most basic

1 element, a strong family network.

2 SMS Rail Lines stands in front of you today
3 to commend and support you for this responsibility you
4 have taken on and invites you to see for yourself what
5 we have done at the industrial park.

6 We also ask you to remember that we're now
7 part of a global network where competing nations like
8 China plan to invest \$585 billion over the next two
9 years alone on infrastructure. Let New York be the
10 leader, as you have in other areas, in showing the rest
11 of the nation what we have to do to ensure that this
12 great country stays on top for future generations.

13 Thank you, Mr. Chairman.

14 CHAIRMAN DILAN: Thank you.

15 I just want to mention that I just want to
16 get staff to monitor what's going on upstairs because I
17 know the Democratic conference is going into conference
18 now, and we expect session at 2:00, but I'm going to
19 continue with this hearing. The only way I will leave
20 is if my vote is required upstairs, and I would come
21 back immediately.

22 As I indicated before, the reason we don't
23 have all the members here is because they are in
24 meetings regarding the deficit reduction plan, but I

1 decided not to postpone in order to go forward because
2 this is important.

3 Thank you.

4 MR. TABER: Thank you for the invitation to
5 have a voice in advancing New York's transportation
6 plan. I am Bill Taber, President and General Manager,
7 and on most days a track laborer, on the Batten Kill
8 Railroad. I am here to ask that our industry, and in
9 particular the small railroad component of our industry,
10 be valued and appropriately assisted for the benefits we
11 bring to New Yorkers.

12 The Batten Kill Railroad is a small business
13 shortline railroad that links southern Washington County
14 industries with the North American rail network. We're
15 no less important to the region we serve than the
16 mainline railroads are to the more distant regions they
17 connect.

18 We provide efficient, competitive bulk
19 transportation that's unobtrusive, in the background,
20 off the highways, is good for the quality of life, and
21 is an important economic asset. The dairy industry, in
22 particular, depends heavily on us for inbound
23 transportation of feed grains and fertilizers.

24 While we know the importance of what we do,

1 we also are keenly aware of how fragile we are. I'm
2 speaking in the context of the physical plant that
3 carries our trains. Except for some local improvements,
4 our railroad is predominantly in deficient condition.

5 For example, most of the rail in our track
6 is too old and too small. It was manufactured in the
7 early 1890s and is prone to developing defects. It
8 requires excessive attention to hold up under the weight
9 of today's heavy railcars.

10 Freight cars today weigh five times what
11 they did when the railroad was built, and they are
12 getting even heavier. It is a challenge that we, on our
13 own, cannot overcome.

14 We are in this situation because the Batten
15 Kill Railroad, in 1982, acquired the operation of
16 railroad branch lines that were given up on and shut
17 down due to track conditions by the former owner, the
18 Delaware and Hudson Railway.

19 At the time, the state made the smart
20 decision to commit rail funds to restore the track to
21 operation. The improvement was extensive enough to have
22 a foothold, but it wasn't designed for durability.

23 The track was only improved to the worst
24 case standard, the real condemning limit, for operating

1 trains at a supposed 20 miles per hour. Three fourths
2 of the defective and decayed crossties that comprised
3 the track were left in place.

4 That lacework improvement didn't hold up.
5 Within a few short years, we had to reduce the maximum
6 speed on our railroad to a safer, but very inefficient
7 and costly, 10 miles per hour.

8 That's where we remain today. It makes for
9 a very long day. Even with our consistent attention to
10 the track, which is the dominant activity and expense of
11 the railroad, all we are able to achieve within our
12 resources is to keep the line adequately safe and
13 functional in the condition it is currently in.

14 We are unable to elevate the overall quality
15 of the track to the needed state of good repair to
16 enhance safety and attract additional industry.

17 The Batten Kill Railroad and the industries
18 we serve are very grateful for the infrastructure
19 assistance we have received. There is a particular
20 recent example I'd like to cite.

21 State Senator Betty Little and the New York
22 Department of Transportation have our praise for backing
23 efforts to allocate funding to repair a failing bridge
24 on our line. All of our traffic moves over this

1 particular bridge, our first crossing of our namesake
2 Batten Kill River.

3 Had the center pier of this bridge not been
4 repaired two years ago with combined funding from state
5 programs, in all likelihood, it would have failed to the
6 point of shutdown by now. That was an economic tragedy
7 averted for our region, and there was even greater
8 benefit realized.

9 The repair of this bridge increased customer
10 confidence to such a degree that our biggest customer,
11 Cargill, went forward with major facility investments
12 that have significantly increased business and local
13 employment, with a third shift added to their plant.

14 Although we've achieved this crucial
15 success, there is still much more distressed
16 infrastructure to be fixed for us to dependably carry on
17 providing crucial rail transportation for the long term.

18 Despite the fact that our rail line is
19 maintenance intensive, and inordinately so, we provide
20 consistently reliable and responsive service to our
21 customers. We always have. This is something we are
22 enormously proud of. They know they can count on us.

23 We, on our end, as an industry, need to know
24 that we can count on the consistency of commitment, as a

1 matter of state policy, for protecting and strengthening
2 rail infrastructure.

3 This is a wise alternative to enduring the
4 costs and consequences of yet heavier levels of freight
5 traffic being pushed onto highways when rail
6 infrastructure is disregarded.

7 Thank you for the consideration of my views.

8 CHAIRMAN DILAN: Thank you.

9 MS. MICHAELS: Good afternoon. My name is
10 Mary Anne Michaels. I am the Chief Financial Officer
11 for the New York and Ogdensburg Railroad, which is
12 located in St. Lawrence County.

13 Being the finance person, I understand how
14 there is a lack of revenues and a lot of expenditures
15 that need to be dealt with.

16 The New York and Ogdensburg Railroad
17 connects the Port of Ogdensburg to CSX into the outside
18 world. The State of New York has funded a couple of
19 projects for the New York and Ogdensburg to operate the
20 track to 286, what we are working on.

21 Because of the work that's been done, some
22 of the major traffic that has moved through there is
23 rock salt, which is good for, available for the
24 municipalities, for the towns, and goes by rail.

1 The other railroad that I represent is the
2 Clarendon & Pittsford Railroad, which is in Washington
3 County. We have received a grant from the State of New
4 York to upgrade the track for Amtrak services.
5 Currently, Amtrak runs from Rensselaer to Whitehall to
6 Rutland, Vermont.

7 The State of Vermont subsidizes the Amtrak
8 service from Rensselaer to Rutland. With this grant
9 from the State of New York, we were able to upgrade the
10 track bed, and eventually get to the rail to improve the
11 services.

12 We are also working with the State of
13 Vermont to upgrade the track on the Vermont side, so at
14 the end we truly will have a partnership of the State of
15 Vermont, the State of New York, and the railroad, to
16 help improve the track speeds for Amtrak and to serve
17 upstate New York and western Vermonters for Amtrak.

18 So, I just want to say thank you for the
19 support that you have given us. It really does make a
20 difference. And from our perspective we have had the
21 benefit of the freight on the New York and Ogdensburg,
22 and on the western side benefitting the passenger rail
23 for Vermonters and New Yorkers.

24 Thank you.

1 CHAIRMAN DILAN: I just want to thank you
2 very much because Railroads of New York was very
3 invested in all our hearings throughout the state. I
4 want to thank you and I just want to say to you you do
5 have an advocate here and I know how important it is to
6 the economy.

7 Not only is it important that we look at the
8 capital programs, but I think we also need to look at
9 other incentives for your industry. And those are the
10 things that I've been talking to the Commissioner and
11 other members of the legislature about.

12 For example, maybe we need to reduce sales
13 tax on diesel fuel. I don't know. Obviously, that
14 would help you, but it also would help the state. For
15 example, I visited Selkirk where CSX doesn't even fuel
16 their engines in New York State, so that's actually
17 revenue that we are losing.

18 I think we need to look at incentives like
19 that to make sure that your industry moves ahead and
20 makes New York State economically viable.

21 So, I want to thank you very much. We will
22 continue working with you. Have a good day.

23 We will now hear from Marc Herbst, Board
24 Member, New York Railroad Improvement Coalition.

1 MR. HERBST: Good afternoon, Senator. My
2 name is Marc Herbst. I am the Executive Director of the
3 Long Island Contractors' Association. Thank you for
4 inviting me to testify before the committee today
5 regarding the New York State Department of
6 Transportation's proposed 5-year Capital Program.

7 As you know, LICA represents the interests
8 of over a hundred of Long Island's premier heavy
9 construction general contractors, subcontractors,
10 suppliers and industry supporters.

11 A panel of representatives from LICA firms
12 will testify to you at the next hearing you have
13 scheduled for Long Island and they will speak to more
14 specific regional issues.

15 Today, I am here on behalf of the New York
16 Improvement Coalition, of which LICA is a member. NYRIC
17 consists of New York State associations and unions
18 representing the heavy construction industry.

19 Our members are those companies and unions
20 that built the roads, bridges, tunnels, ports and
21 infrastructure that make New York the Empire State.
22 Some of our members have been around for almost one
23 hundred years.

24 We were the contractors and workers who not

1 only built and maintain New York's infrastructure, we
2 have been there in times of need, such as when we helped
3 clear Ground Zero in record time.

4 NYRIC was formed in 1988 to support the
5 Transportation Bond Act, and we took the lead again in
6 2005 to again support that year's Bond Act that passed
7 by over 55 percent of the vote. Since that time we have
8 consistently partnered with Transit Advocates, a
9 partnership that continues today, for the purpose of
10 demonstrating political public support for the
11 infrastructure investment.

12 Our coalition's mission has always been
13 focused on economic growth and public safety. NYRIC
14 represents a powerful coalition committed to a strong
15 and vibrant infrastructure that has the proven power to
16 restore a recession battered economy.

17 And it is in that context that we would like
18 to ask you to please accept my comments regarding the
19 DOT's proposed 5-Year Capital Plan.

20 We acknowledge that New York's leaders are
21 facing historically challenging choices when it comes to
22 the fiscal crisis gripping our state. We also
23 understand that tough budget cuts must be made.

24 However, NYRIC believes the government has

1 an obligation to the taxpayer to protect their
2 multi-billion dollar investment in infrastructure, as
3 well as a unique opportunity to restart our state
4 economy.

5 And let's be clear: By putting thousands of
6 New Yorkers to work on our aging infrastructure we will
7 address the need to repair, maintain and replace
8 elements of our roads and bridges that are indifferent
9 to our budget woes. Just ask the people who used to
10 drive on the Champlain Bridge.

11 To put the Governor's decision to dismantle
12 the DOT's Capital Plan in perspective, let me remind you
13 that in the heart of the 2008 construction season, the
14 Office of the State Budget struck the construction
15 industry with a lethal blow.

16 Budget Directive B-1194 halted all planned
17 projects that were not either at least 75 percent funded
18 by federal pass-through funds, or designed to correct
19 immediate health and safety concerns. Standing alone,
20 this decision was a catastrophe. Coupled with the
21 Governor's assassination of the Capital Plan, we are
22 looking at an abyss.

23 Clearly, there needs to be a new and
24 innovative commitment to infrastructure leadership. The

1 Paterson Administration appointed an independent blue
2 ribbon panel, the Ravitch Commission, to study and
3 recommend revenue sources to support the New York
4 Metropolitan Transit System.

5 It was a sensible approach to an intractable
6 problem. The problem is, it studiously ignored the
7 issues facing roads and bridges, almost as if those
8 elements play no role in the transportation and
9 commerce.

10 Our industry believes that another
11 commission needs to be empanelled for the purposes of
12 identifying solutions and funding sources that will
13 address the bridge and highway side.

14 The formation of a commission, however,
15 cannot be an excuse for not funding roads and bridges
16 now. We believe that without such an independent review
17 we are creating an environment for a long, steady and
18 inexorable descent where we will never have the dollars
19 to fix that which the state has already decided to
20 ignore.

21 To address this issue, NYRIC has
22 independently hired professionals to perform a study on
23 behalf of the taxpayers and motorists of New York. We
24 are now reviewing its draft recommendation, and once

1 finalized, we will gladly provide the committee, and
2 this administration, with its suggestions and
3 recommendations.

4 Among the recommendations we expect to see
5 is a commitment to create the design and review work
6 that will allow strategic road and bridge projects to
7 move forward when the next round of shovel ready federal
8 dollars becomes available, for we have found, to our
9 sorrow, what happens when there is no staff, no
10 blueprints, no planning. There is no future.

11 We believe there needs to be a long term,
12 comprehensive solution for both New York State DOT
13 Capital Program and the MTA Capital Program, which has
14 approximately two years of funding. We need to develop
15 a mechanism for funding our transportation
16 infrastructure for all regions of the state.

17 And as we did with the 2000 Bond Act, NYRIC
18 is willing to work with our state leaders to support the
19 efforts needed to address this major state problem. If
20 we don't, we will continue to see the scenarios, such as
21 the looting of the state's highway trust fund. No small
22 wonder that the State Comptroller, Tom DiNapoli, is
23 outraged at the assault on this funding source.

24 As many of you know, he recently issued a

1 report that found New York has shortchanged highway and
2 bridge projects by billions of dollars over nearly two
3 decades, siphoning off funds set aside to pay for
4 repairs and upgrades to cover other state expenses.

5 Only \$11.6 billion, or just under 35 percent
6 of the fund's total, has gone directly toward
7 infrastructure over the past 18 years. The rest has
8 been diverted to debt payments and operations of the
9 State DOT and even the Motor Vehicles Department.

10 I know I speak on behalf of other NYRIC
11 members when I observe that our industry believes that
12 the patron saint of absurd bureaucracy, Franz Kafka,
13 seems to have written the infrastructure plan for New
14 York.

15 We gut our ability to design, prioritize and
16 build the infrastructure we need, and then transfer
17 allocated funds to places like Motor Vehicles to pay for
18 a department that taxes the motorists and their vehicles
19 for their use of roads and bridges that are being
20 ignored.

21 And because we have done so we aren't
22 eligible to use federal dollars that would greatly
23 assist our ability to fix those roads and bridges.
24 Welcome home, Kafka.

1 Let's look forward and plan correctly for
2 the future. And that calls for proper investment, new
3 funding strategies, and attention to our state's bridges
4 and highways.

5 The emphasis the State of New York now
6 places on transportation and its public infrastructure
7 is disappointingly insignificant. Clearly one of the
8 state's lowest of priorities, it almost appears as if
9 the administration views transportation issues as some
10 forgotten orphaned child.

11 This is not only sad, it is extremely
12 dangerous. The safety of New York's residents and the
13 economic well-being of the state depend on the work of
14 the department being utmost priority.

15 We are thankful, Mr. Chairman, that you and
16 members of this committee recognize the importance of
17 transportation. We still don't understand how the
18 Governor could unilaterally dismiss his own department's
19 well thought out and planned 5-year Capital Program
20 within 45 minutes of its delivery to him.

21 It stands in stark contrast to your
22 thoughtful review and consideration. You are opening
23 the door to dialogue and consideration of new and
24 innovative funding sources.

1 NYRIC believes the Department of
2 Transportation should be commended for its excellent
3 preparation in its proposal. More so, the employees of
4 this agency should be complimented for their unwavering
5 professionalism and dedication.

6 I would also like to point out that the
7 administration has failed to nominate a Commissioner to
8 fill the seat that has essentially remained vacant far
9 too long. Throughout that time, the department has
10 managed to stay focused on its mission and deliver
11 essential services, yet we are disappointed that the
12 department continues to be slighted and, more important,
13 the will of the taxpayers continue to be ignored.

14 Consider the findings delivered by NYRIC's
15 president, Dr. Jim Melius, after a survey was conducted
16 by the Gotham Research Group.

17 In mid-May of this year the question was
18 asked of registered voters, "Should spending on
19 rebuilding and maintaining New York's roads, bridges,
20 and tunnels be increased, decreased, or kept the same?"

21 The majority of New York State voters, 57
22 percent, believe that spending on rebuilding and
23 maintaining New York's roads, bridges, and tunnels
24 should be increased, while just 7 percent believe that

1 spending should be decreased. Another third, 34
2 percent, prefer that spending levels be kept the same.

3 It's obvious. People understand you have to
4 repair and maintain that which sustains you.

5 NYRIC asks that you reflect upon the
6 deficiencies of the current program. We urge you to
7 apply a traditional regional funding allocation formula
8 to all state and federal dollars.

9 With that correction, the state will help
10 minimize the blatant disparities and hardships that have
11 taken place. Fairness will be restored, and hopefully,
12 employment will rebound, and our bridges and roadways
13 will be maintained properly to ensure the safety of our
14 residents.

15 Thank you for allowing me to testify. I
16 would be pleased to respond to any questions you may
17 have.

18 CHAIRMAN DILAN: I just want to thank you.
19 Your comments are very appropriate. The reason we are
20 here is because we are going to make sure there is a
21 5-year plan, and I am sure at the end of the day the
22 Governor will see the light of day also.

23 MR. HERBST: Thank you, Senator.

24 CHAIRMAN DILAN: Thank you.

1 Next we will have the Director of Capital
2 Direct Transportation Committee, John Poorman.

3 MR. POORMAN: Thank you, Mr. Chairman, for
4 this opportunity to speak on key issues regarding our
5 transportation system. I have written testimony that I
6 have submitted, and I know you are pressed for time so I
7 will try to paraphrase through this and hit the high
8 notes.

9 My name is John Poorman. I serve as the
10 Staff Director for the Capital District Transportation
11 Committee, CDTC, in Albany. CDTC is the designated
12 metropolitan planning organization, or MPO, for both the
13 Albany and Saratoga Springs urbanized areas.

14 And we have a policy board comprising of 25
15 members, mostly chief elected officials, mayors, county
16 executives, town supervisors, along with all the
17 transportation providers, public transportation
18 providers, in our region -- State DOT, Airport
19 Authority, CDTA, Port District Commission, New York
20 State Thruway Authority, as well as the Regional
21 Planning Commission. Mayor McDonald, John McDonald,
22 from Cohoes, serves as our Chairman.

23 As you are aware, the MPOs of New York are
24 responsible for programing federal transportation

1 planning and capital funds cooperatively with our
2 members, and entering that with state and local
3 programs.

4 I plan to restrict my comments today to
5 aspects of our adopted plans and programs that relate to
6 the 5-Year Capital Plan, but make myself and my staff
7 available for any other thoughts or investigations you
8 have in the coming weeks and months.

9 I have seven points in the testimony and an
10 eighth that came to me in your discussion with Stan Gee
11 earlier.

12 First is that the CDTC's long range planning
13 work confirms that funding for transportation in New
14 York is severely inadequate to preserve existing
15 transportation and sustain a transportation system over
16 the coming decades.

17 What we do in our office is complement the
18 work done by our partners at State DOT by tracking
19 pavement conditions and local roads; assessing long term
20 capital needs for transit system, measuring them with
21 intercity rail, air, so forth.

22 I guess it's a good news/bad news kind of
23 situation. The good news is when we tally all the
24 federal, state, local, Amtrak, CDTA resources going into

1 transportation capital and operating it exceeds half a
2 billion dollars a year. That's a substantial
3 investment.

4 The bad news is that our estimates of
5 basically holding our own, maintaining the system, not
6 significantly expanding it, over time, would average in
7 current dollars about \$150 million per year more.

8 That higher value is not the estimate needed
9 to gold plate or expand the system. It does not include
10 the potential for what we call big ticket items, which
11 are in discussion in the region, everything from rail
12 investment or Northway work, redesigning the urban
13 interstates, such as I 787, regional trail system, or
14 even expanding CDTA's bus fleet.

15 Those are in discussion. Those are serious
16 projects in other parts of the country, but not on the
17 table or financially affordable in the Capital District
18 at this time.

19 While the transit mode share in the Capital
20 District is in the top 25 largest 100 metro areas in the
21 nation, and load share for work for transit in the
22 Capital District exceeds several metropolitan areas in
23 the country with rail, even in the full budget, even if
24 we had the extra \$150 million investment per year, that

1 would not permit pursuit of transit options beyond an
2 incremental improvement of bus service. Any big ticket
3 item would be well beyond that base budget.

4 The fourth point is that out of all the
5 categories of investment that are needed, what we
6 identified as the biggest absolute funding gap in our
7 financial plan is in the category of highway
8 rehabilitation and reconstruction needs.

9 And I don't have it in the written
10 testimony, but I comment that the gap for that has
11 increased as we have updated our long range estimates
12 year to year primarily because, when we look out 30
13 years now, we are looking at a major highway system.

14 The interstate system and expressways in 30
15 years will be 80 years old. Somewhere in that 80 year
16 period one could justify significant reconstruction of
17 the facilities and current funding where reconstruction
18 is more at a hundred year pace, hundred year cycle.

19 Number five, the current funding situation,
20 which I portray as good news, bad news situation, would
21 be made even more untenable by stagnation or continued
22 erosion of existing or state funding programs.

23 We have a 30 year long range plan. We have
24 a 5-year Capital Program that's in place, but when we

1 step back and look at it we realize that the entire
2 program is based on assumptions.

3 As you are entertaining testimony here with
4 the state program running out, the federal program has
5 already run out and any replacement that is less
6 substantial than the existing would really create a
7 crisis.

8 The point number six is, however, when we
9 look at a 30 year basis, and you take a look at the
10 chart that I included in back of the testimony, which is
11 straight out of our 30 year plan, when viewed from a
12 longer perspective, meeting the financial needs of the
13 Capital District transportation systems is an achievable
14 goal.

15 It is the assertion of our members of CDTC,
16 which we adopted unanimously as a physically constrained
17 policy, is that the society may or may not support
18 funding for the big ticket items but will seek the need
19 over time, regardless of the fund source, whether it's
20 federal, state, or local, to maintain the system we
21 invested in.

22 To do so requires only that collective fund
23 sources, federal, state, local, whatever they be, catch
24 up for the erosion of purchasing power that's happened

1 in recent years, and continue to grow those funds,
2 sustain the funding in real dollars adjusting for
3 inflation, and adjusting for increased travel and demand
4 that is not in the abstract.

5 If you are interested in mechanisms for
6 funding, CDTC as an organization does not have a policy
7 on that, but vehicle fuel efficiencies, which are likely
8 to change and increase over time, do push the desire to
9 have funding keep pace with demand and to an exploration
10 of funding mechanisms that are less oriented to per
11 gallon and more oriented to things that are inflation
12 sensitive and use sensitive.

13 As I mentioned, the chart shows a growth in
14 nominal dollars over time simply patterning the future
15 from the past where we have seen peaks and valleys and
16 increases over time.

17 The last point from my written testimony is
18 that, as a representative of an organization that serves
19 both state and local governments, with owners of not
20 only the state highway system, to the State DOT, the
21 counties and city governments at our table, with a goal
22 of equitable treatment, I need to add a final comment
23 requiring a need for the state to reexamine state
24 funding programs for local governments, particularly

1 cities.

2 Our plans and policies recognize that our
3 older cities are dealing with an uneven playing field
4 with regard to highway responsibilities. In particular,
5 facilities such as state touring routes in the wealthier
6 suburbs are the responsibility of the State DOT, and
7 those routes, same routes in the cities, we always use
8 our New York 5 example, Central Avenue Albany, Colonie,
9 Niskayuna and State Street in Schenectady as the
10 example, where the cities of Schenectady and Albany have
11 to fund all the work there essentially out of primarily
12 property taxes, whereas the wealthier suburbs of Colonie
13 and Niskayuna merely need to rely on the State DOT to
14 maintain those facilities.

15 This is the legacy of arterial law and state
16 law that is generations old, developed at a time when
17 economic activity was primarily in the cities and the
18 rest of the state was rural.

19 CDTC has no position regarding a solution to
20 this concern at the state level, but in the use of our
21 federal funds we have a policy that requires our use of
22 federal capital funds on an even handed basis as
23 possible, basing decisions on need and function without
24 regard to ownership. It is logical for the state to

1 begin to explore this concern of equity as well.

2 The final point I want to add is not in the
3 written testimony, is a response to your question to
4 Commissioner Gee on the land use planning.

5 And I speak from CDTC's experience of over
6 the last ten years, as a result of our regional
7 policies, we have invested substantial resources to what
8 we call integrated planning. Our linkage program is a
9 total of over \$4 million of investment in 38
10 municipalities, 67 studies, with the characteristics
11 which could be modeled statewide.

12 Using the metropolitan planning staff
13 facilitated a study, including the State DOT at the
14 table, along with CDTA and the local governments where
15 we hold the contract. Local governments put in money,
16 we put in money, and come up with doable transportation
17 land use projects that the community then proceeds to
18 implement by changing land use laws, adopting zoning and
19 preparing potential projects when funding is available
20 for implementation.

21 Our staff would be glad to share additional
22 information on that as a potential model for a statewide
23 program.

24 Again, I thank you for the opportunity to

1 speak, and I encourage your efforts to tackle these
2 difficult issues, and produce a 5-year program that
3 meets the Capital District's and the statewide needs.

4 Thank you.

5 CHAIRMAN DILAN: Thank you very much. Your
6 testimony will be very helpful to us and we will be
7 continuing to work with you. Thank you very much.

8 Next we will be joined by the Mayor of the
9 City of Utica, David Roefaro.

10 Mr. Mayor, good afternoon. Welcome.

11 MAYOR ROEFARO: Thank you. Good afternoon,
12 Senator. Thank you for having me here today. My name
13 is David Roefaro. I'm the Mayor of the City of Utica.

14 I'd like to thank the State Transportation
15 Committee for holding this hearing today. I would also
16 like to thank Chairman Dilan for his gesture of
17 transparency and hard work on the Transportation
18 Committee.

19 I would also like to commend the New York
20 DOT for their statewide efforts. The DOT is one of the
21 best functioning and cooperative agencies that I have
22 been working with since I have been elected mayor in
23 2007.

24 I'd especially like to recognize my Regional

1 Director, Michael Shamma. He is truly an adept
2 representative of the agency, and a great partner for
3 the City of Utica.

4 I am here today taking advantage of the
5 invitation to speak about the DOT 5-year Capital Plan.
6 I have taken the time to read the plan. It is an
7 excellent plan. It is a plan that does address many of
8 our state's needs.

9 However, it does not address our state's
10 uncertainties, uncertainties that have many of my fellow
11 mayors very nervous. I don't need to reiterate the
12 challenges mayors across this state are facing because,
13 as fellow elected leaders, you know them.

14 As you know, Moody's sent us a warning last
15 week to reduce our deficit with the cuts in the next
16 three months or lose our Aa3 bond rating. Translation:
17 Higher taxes for New Yorkers.

18 As you know, some of the states have had
19 Moody's downgrade their ratings in the last few weeks.
20 As you know, December is here. AIM funding is due, the
21 STAR rebates, and the Medicaid payouts. As you know,
22 this plan is too unpredictable.

23 Let me quote a statement from the 5-year
24 Capital Plan for a moment. It says, Achievements of the

1 Utica to have to foot the bill for any plan that will be
2 too costly.

3 The Capital Plan even admits the State
4 Dedicated Highway and Bridge Trust Fund cannot afford to
5 pay existing commitments without substantial general
6 fund support and additional revenue needed to fund any
7 new Capital Program.

8 Where will we get this additional revenue
9 from? I hope it doesn't come from the aforementioned
10 local investment revenue driver because Uticans cannot
11 afford to support a plan like this while they're
12 struggling to feed their families.

13 Mr. Chairman, we all recognize the great
14 deal of planning and hard work that has gone into this
15 5-year Capital Plan, and the needs it hopes to address,
16 but do we really know where New York will be in five
17 years? Moody's doesn't, and neither does the State
18 Department of Transportation.

19 Therefore, I am asking this committee and
20 the State Department of Transportation to consider a one
21 year Capital Plan, instead of five.

22 A one year plan will allow us to honestly
23 address our needs with our ability to pay for them. A
24 one year plan will show our stakeholders, our creditors,

1 and most importantly, our taxpayers, that we are not
2 living beyond our means, that we aren't turning a blind
3 eye to the perilous economic situation facing New
4 Yorkers.

5 Mr. Chairman, I ask this hardworking
6 committee to remake this 5-year Capital Plan into a one
7 year plan. Perhaps a one year plan that specifically
8 details the amount of local investment needed to
9 accomplish this work.

10 In closing, I'd like to reiterate my support
11 for the overall Capital Plan, and my hope that, like New
12 Yorkers, our state, too, realizes we can't keep on
13 charging our hopes and our dreams.

14 Senator, I do commend you for the 5-year
15 plan. My main concern, as you heard, is paying for it.
16 As a local mayor, many local mayors I have talked to,
17 it's hard enough for us to balance our budgets in one
18 year and we worry about the next five years.

19 CHAIRMAN DILAN: Let me tell you: In view
20 of what's going on here in Albany I clearly understand
21 what you are talking about. We have not been able to
22 grapple with the issue of cuts in midyear education and
23 that's probably where it's going now regarding the
24 State's DRP or the Governor's DRP Plan. And also health

1 cuts, as you know.

2 However, I hear what you have to say here,
3 and the goal here is to fund a 5-Year Capital Plan, but
4 we have to be realistic. In worst case scenario, I
5 would see no less than a two year plan at least. That's
6 only a worse case. It might go to a 5-year plan.

7 But, as we passed a financial package for
8 the MTA in April which included a two year Capital Plan
9 for the MTA, that's why I say, at least being realistic,
10 if we can't do a 5-year plan worst case scenario will be
11 a two year plan, but we all have to work together really
12 to work towards a 5-year plan because we cannot allow,
13 as you know, that we work based on emergency repairs
14 which in the end would cost us more money.

15 And I think that all the players -- the
16 Executive Branch, legislators, and local entities, all
17 have to come together, along with the stakeholders, to
18 make sure that we deal with the state infrastructure
19 plan, and that we leave a state in the future that's in
20 good repair for our future generations, and that's what
21 I'm looking forward to.

22 I look forward to working with you. And I
23 want to thank you for coming down from Utica to testify
24 here in Albany. Your input is very important.

1 Thank you.

2 MAYOR ROEFARO: Thank you, Senator. I
3 appreciate it.

4 CHAIRMAN DILAN: Next will be the
5 legislative representative for AARP in New York State,
6 Bill Ferris; and the Executive Council Member from AARP,
7 New York State, Bob O'Connell.

8 Welcome.

9 MR. O'CONNELL: Good afternoon, Senator
10 Dilan. Thank you for inviting AARP to testify today
11 concerning DOT's 5-Year Capital Plan. My name is Bob
12 O'Connell. I'm a volunteer with AARP and a member of
13 its New York State Executive Council. With me today is
14 Bill Ferris, who is the New York State legislative
15 representative.

16 Today, we would like to focus, or I would
17 like to focus my remarks on one of the issues you raised
18 in your hearing notice, that is complete streets and
19 sustainable communities, which is a very important issue
20 to AARP and its members.

21 AARP has been engaged in a national livable
22 communities initiative for several years. The
23 initiative has been about promoting and advocating for
24 policies that include access to affordable housing and

1 home and community based services, as well as
2 transportation and mobility options.

3 AARP strongly believes that advancing these
4 policies will facilitate independence, healthy
5 lifestyles, aging in place, and social and civic
6 engagement in all of our communities not only for older
7 persons, but for persons of all ages.

8 A critical component of the livable
9 communities initiative for people of all ages,
10 especially older persons, is a resident's ability to get
11 where they need to go, whether by car, public
12 transportation, bicycle, wheelchair or foot, but we
13 believe many streets are designed primarily for the
14 motorist with the goal of enabling vehicles to move as
15 efficiently as possible without regard for other users
16 of the street.

17 It is difficult for non-drivers of all ages
18 and abilities to navigate many of our nation's
19 communities, especially those located in automobile
20 oriented suburban areas. Unfortunately, many
21 communities present barriers that prevent older
22 residents and others from fully participating in life in
23 the community and from accessing important services.

24 As our population ages, the importance of

1 communities that promote independence and mobility
2 becomes more essential. Innovative design and
3 modifications as well as technical advances can allow
4 people of varying physical abilities to live more
5 independent and meaningful lives.

6 We believe that the actual physical design
7 of our roadways can greatly enhance individual
8 independence and choice, and lead to a more livable
9 community.

10 At this point, 20 percent of persons over
11 the age of 65 do not drive. A growing number of older
12 Americans are looking for alternatives to the automobile
13 either because they have stopped driving or they want to
14 reduce their driving or because they want to become more
15 physically active.

16 Walking is an important travel option for
17 older persons, and as well as for those under, but under
18 the proper conditions it can be a safe and healthy
19 transportation alternative for carrying out daily
20 activities. Safe and accessible sidewalks are a
21 critical link for public transportation and vitally
22 important community services.

23 A recent, in May of this year, survey of
24 more than a thousand transportation planners and

1 engineers conducted by AARP entitled, Planning Complete
2 Streets for an Aging America, revealed that nearly two
3 thirds of the planners and engineers have not yet begun
4 considering the needs of older users in their multimodal
5 planning efforts.

6 According to another recent AARP survey of
7 persons 50 and older, conducted in May of last year,
8 almost one of every three people polled say that they
9 are now walking as a way to avoid higher gas prices.
10 While at the same time, almost 40 percent say they do
11 not have adequate sidewalks in their neighbors.

12 Moreover, 44 percent say they do not have
13 accessible public transportation options. Almost half
14 of the polled respondents say they cannot cross the
15 roads in their areas safely. Half of those who reported
16 such problems said they would walk, bicycle or take the
17 bus more if these problems were fixed.

18 Unfortunately, statistics are showing that
19 older adults' worries are not unfounded. Pedestrian
20 fatalities are higher among older persons than younger,
21 and older pedestrians are more likely to be struck and
22 injured.

23 A recent national report titled Dangerous by
24 Design, and issued just earlier this month by the

1 Transportation for America and the Surface
2 Transportation Policy Partnership, showed that one in
3 five traffic deaths in New York State are pedestrians.

4 The report also found that older Americans
5 are two-thirds more likely to be killed while walking
6 than those under 65. In 2007 and '8 1706 pedestrians,
7 aged 65 and older, were killed in traffic accidents,
8 crashes.

9 Older pedestrians represent 18 percent of
10 all pedestrian fatalities though the age cohort
11 comprises only 13 percent of the total population.

12 New York State specific numbers include the
13 national average of annual fatalities per 100,000 for
14 people 65 and older was 2.33. In New York State we had
15 the third highest number in the nation with the
16 fatalities per 100,000 at 3.73.

17 22 percent of the total traffic deaths in
18 New York State are pedestrians. The national average
19 was 11.8 percent.

20 31 percent of the total traffic deaths in
21 New York City metropolitan areas are pedestrians. Only
22 one percent of New York State's federal transportation
23 funds are spent on pedestrian infrastructure, an average
24 of only \$.73 per person.

1 New York State ranks 44th in the nation for
2 federal spending on walking and biking. So, as you
3 might imagine, AARP is very troubled by these statistics
4 and we firmly believe that we need a public policy that
5 attempts to curve these disturbing trends.

6 AARP believes that DOT's 5-Year Capital Plan
7 would better serve New Yorkers if it adhered to a
8 complete streets policy as proposed by your legislation,
9 Senator.

10 The purpose of complete street policies such
11 as your proposal is to encourage local, regional and
12 state planning agencies to change policies and
13 procedures so that not all forms of travel become a
14 routine part of project development.

15 I can just cite one personal experience. I
16 live in Clifton Park here just north of Albany, and
17 recently there was a 200 unit facility built for persons
18 over the age of 55. It's in a great location, except
19 that there are no sidewalks that can link it to the
20 nearby malls and shopping center and entertainment
21 that's there.

22 People will have to be in danger themselves
23 literally to walk what might be a couple hundred yards.
24 We believe your complete streets bill will improve our

1 state's travel options by advancing safe, comfortable
2 and convenient travel by automobile, foot, bicycle and
3 transit, regardless of age and ability.

4 Your bill will help New York build roads
5 that bring more of a balance, bring in the right balance
6 to our transportation system that is currently tilted
7 toward the automobile.

8 I, again, thank you, Senator Dilan, for the
9 opportunity for us to testify this afternoon. In our
10 opinion, your legislation will bring positive change to
11 make our planners, both at the local and state level,
12 consider all non-auto forms of travel as a routine part
13 of their project development. This will bring more of a
14 balance to our roads and make them safer.

15 We look forward to working with you, and if
16 you have any questions, Bill Ferris and I at this point
17 are...

18 CHAIRMAN DILAN: I just want to thank you.
19 And the bill that you make reference to is bill S-5711,
20 which obviously you had a lot of input with. And I want
21 to thank you for that.

22 Currently I am carrying the bill, along with
23 Senator Diaz, and I will be working with my colleagues
24 to get more co-sponsors on it and make sure that we make

1 it a priority in the new legislative session.

2 So, thank you very much.

3 MR. O'CONNELL: Thank you, Senator.

4 CHAIRMAN DILAN: Next we will have the
5 Executive Director, Empire State Future, Mr. Peter
6 Fleischer.

7 Good afternoon.

8 MR. FLEISCHER: Good afternoon. I would
9 like to thank you, Chairman Dilan, and members of the
10 committee and staff for inviting me to testify today in
11 regard to New York State DOT's 5-Year Capital Plan. I
12 would also like to note the considerable effort made by
13 the staff and leadership at New York State DOT. This
14 has been a hard year with the stimulus, the normal
15 workload, and operating reductions.

16 Empire State Future is a relatively new
17 player on the state legislative scene. We have existed
18 for less than two years, but we are a coalition of
19 organizations of stature, size and longevity.

20 We comprise 33 organizations statewide.
21 These include environmental, business, civic and
22 planning groups dedicated to a prosperous and
23 sustainable future for New York.

24 Our mission is simple. We seek economic

1 prosperity and revitalization of New York's older
2 industrial places -- its town centers, main streets and
3 urban areas. We believe this can be best done through
4 the incorporation of the principles of smart growth.

5 We firmly believe that communities across
6 the state, big and small, will be better served through
7 the better outcomes that are clearly possible through
8 improved land use and development decision-making.

9 And let me be clear: Transportation has to
10 be part of this. Our roadways, bike paths, bridges,
11 sidewalks and transit options influence and determine
12 our behavior, shape our communities, connect them, and
13 thereby play a critical role in their sustainability --
14 economic and environmental.

15 Smart Growth, to move beyond a buzz word, is
16 about growth. We want growth. We need growth. We seek
17 growth. We support growth. But to make growth smart,
18 it needs to happen in the right places, done the right
19 way.

20 Let's look at this \$25.8 billion budget.
21 New York State DOT proposes to spend \$5.2 billion per
22 year over the course of this plan, up from the \$3.6
23 billion per year that was proposed in the prior plan.
24 More than a 40 percent jump.

1 About all this, one might ask: Is it the
2 right size? Is it too large? Is it too small? Or is
3 it just right? I hope DOT knows. I cannot tell. About
4 this ambitious and important plan, one might also ask:
5 Is it fundable, and if so, from what resources? The
6 document is scant with details regarding the funding
7 sources.

8 So, what are we to do? New York has many
9 needs in the area of transportation. Deficient bridges,
10 roads in substandard condition, insufficient public
11 transportation options, particularly upstate and in the
12 suburbs, issues of access, congestion, pollution. It is
13 a long list.

14 To match the resources and needs, choices,
15 tough choices, need to be made. The alternatives are
16 wishing or head in the sand avoidance. I suggest tough
17 choices.

18 First, seek new revenue sources now. If the
19 work really needs to be done, it will be less expensive
20 to do it sooner than it will be later after a crisis.

21 Second, add no new publicly funded
22 infrastructure that supports or induces sprawl. At some
23 point, we will need to acknowledge that we have too much
24 infrastructure and that to properly and safely maintain

1 it there has to be less of it.

2 Third, choose to be bold. Choose to fund
3 the future. Fund community and corridor land use
4 planning so that over time VMT is reduced and transit
5 supportive densities are increased.

6 Require MPOs to plan for transportation
7 needs in their environmental, economic and community
8 development contexts. Fund transportation enhancements
9 and safe routes to school.

10 Ensure that suburban and upstate transit
11 programs are adequately funded. Find sufficient funds
12 for complete streets and access for seniors and the
13 disabled.

14 Fund high speed rail to make Buffalo to
15 Albany a reliable 3-hour trip. Improved passenger rail,
16 via a third track, can also improve freight movement.

17 Shrinking the time between cities can
18 increase real estate values and make labor markets more
19 efficient. New or rehabilitated train stations can be
20 the focus of renewal and revitalization in our upstate
21 cities.

22 Make such funding the core program and
23 triage the rest.

24 Thank you.

1 CHAIRMAN DILAN: Thank you very much for
2 your testimony and we are going to try to make all of
3 that happen. It's going to be hard work but, as you
4 know, the difficult part is the revenue, and that's
5 where a lot of our work lies.

6 Thank you. I agree with everything you
7 said.

8 MR. FLEISCHER: Understood. I appreciate
9 you having the hearing and inviting us.

10 CHAIRMAN DILAN: Next we will have the Vice
11 President of Government and Public Affairs, Associated
12 General Contractors of America - New York State, Steve
13 Stallmer.

14 MR. STALLMER: Thank you, Mr. Chairman. And
15 first I should thank you two other times for allowing
16 members of our association to testify in the Syracuse
17 area, the first one you did with Senator Valesky, and
18 out in Buffalo. Both of them we appreciate the
19 opportunity to kind of give you their input and a local
20 feel for what they know about the infrastructure in
21 those regions.

22 And then just to commend you for going
23 through this whole process of doing seven I think
24 totally you are going to end up doing across the state?

1 CHAIRMAN DILAN: Six or seven.

2 MR. STALLMER: The Thruway appreciates your
3 business, and thank you for doing it.

4 I gave you my official statement but there
5 is just four points I wanted to really high light.

6 First and foremost, I think what we are
7 missing in this debate is an independent nonpartisan
8 commission, similar to what the Governor did at the time
9 before he was his Lieutenant Governor, Dick Ravitch, to
10 study the financing of the MTA and to make
11 recommendations.

12 I think we lost out on that process, and we
13 went in and asked for a similar type commission at that
14 time and when we were politely told no, we said, well,
15 Mr. Ravitch can also look at roads and bridges along
16 with mass transit. Again, we lost that battle.

17 I think part of the reason you had
18 difficulty in that debate over the MTA and about your
19 commitment to do the Capital Plan for DOT is we weren't
20 part of that Ravitch proposal. I think if we were, it
21 would have been much easier for you guys to have
22 something in front of you to say, we are looking at
23 business taxes and ferry fees for MTA, but we are not
24 looking at anything. We know we have a problem on this

1 as well.

2 That's something we are still pursuing with
3 this Governor. In my testimony I just mentioned perhaps
4 a formal request letter from the Senate or something to
5 try to move that process along and see if we can't get a
6 couple of independent thinkers to come up with some ways
7 to generate the revenue, or at least study the current
8 tax structure and see if that's what's going to work
9 best for us in the future.

10 CHAIRMAN DILAN: It's very difficult getting
11 the MTA financial package through without the roads and
12 bridges, but we were successful in doing that and I
13 believe we will be successful in doing something for the
14 roads and bridges. We are going to use the same amount
15 of energy and guts to make sure that that's happens.

16 MR. STALLMER: I wish the people I
17 represented shared your optimism, but we look forward to
18 seeing that. I think that would be helpful to your
19 efforts to have something that comes out from a panel or
20 commission that says, this is how we have done it in the
21 past and this is what worked and this is what hasn't
22 worked. And we might want to look at these funding
23 mechanisms, something like that.

24 That's kind of the second part, or the

1 second point I wanted to raise which is, I am sure you
2 saw that State Comptroller Tom DiNapoli came out with a
3 report the end of last month about the dedicated highway
4 and bridge trust fund and how that's been managed over
5 the years.

6 Now we are at the point where 35 percent of
7 the money that's in that fund is actually spent on its
8 intended purpose of improving our capital projects,
9 repairing our roads and bridges, and there's more money
10 spent on state operations, Department of Motor Vehicles'
11 operations, and almost the same amount spent on debt
12 service.

13 So, we have a structure that's not working
14 that needs to be fixed, and I think if we get a
15 commission to look at going forward how we raise revenue
16 and then also kind of look back and say where did we go
17 wrong with the current revenue that we had. Just for
18 you and your colleagues to consider.

19 Third point, probably the biggest difficulty
20 we face going forward, I know you and your colleagues
21 are obviously working with the Governor on deficit
22 reduction plan and trying to diminish payments out of
23 the general fund.

24 One in particular is really important to the

1 highway construction industry, and that's the general
2 fund transfer this year, about \$390 million from the
3 general fund to the dedicated highway and bridge trust
4 fund. That number almost doubles next year.

5 According to Division of Budget statistics
6 and what was in the Comptroller's report it's going to
7 be probably around \$760 million will be necessary next
8 year from the general fund to the dedicated highway and
9 bridge trust fund just to maintain things at the current
10 level, just to pay the debt service on bonds to pay for
11 the state operation.

12 CHAIRMAN DILAN: My understanding is if we
13 come up with a two year plan we are talking about \$900
14 million.

15 MR. STALLMER: That's about right.

16 CHAIRMAN DILAN: For the general fund.

17 MR. STALLMER: I think the general fund is
18 going to be around, what, \$4 billion over the next five
19 years? Going to need \$4 billion in the next five, which
20 is a staggering amount. And we have talked about over a
21 5-year period that's a large amount of money to raise.

22 So, I just wanted to put that on to the
23 record, too, and put that in my testimony that's
24 something we are greatly concerned about.

1 Last, an issue unrelated to the DOT's 5-Year
2 Capital Plan, but will have huge ramifications on the
3 construction industry and the cost of delivering
4 projects, and that's the state requirement to have
5 diesel particulate filters or retrofit devices installed
6 on basically the trucks that are used on public works
7 projects from the state and the state agencies.

8 That's something I think we want to talk to
9 you and your office and your colleagues more about, but
10 it was a law passed in 2006 with the regulations to
11 implement the law weren't finalized until sometime this
12 past summer.

13 So, it took three years to do regulations.
14 So, there was a three year phase in in the law so that
15 contractors, those working on behalf of the state,
16 material suppliers, those that are bringing aggregate
17 from the quarry to the job site, mostly those trucks
18 that need to be retrofitted so they have time to retire
19 the older vehicles, purchase new vehicles, or retrofit
20 existing ones.

21 And that three year time period was
22 basically taken up by the rulemaking procedure. So, we
23 have now one year to retrofit all these trucks and we
24 are talking millions of dollars to an individual company

1 that has a lot of trucking, owns a lot of trucks. And
2 this is on every state project, all those lettings that
3 DOT does that Acting Commissioner Gee talked about.

4 CHAIRMAN DILAN: So, you were given a waiver
5 on that.

6 MR. STALLMER: Well, we are looking at least
7 for an extension. That three year period was basically
8 wasted in the rulemaking process, so we never got the
9 time frame to actually look at our fleets and decide how
10 to comply.

11 CHAIRMAN DILAN: I believe that I have
12 legislation in that would provide that any vehicle
13 that's three years from retirement or put in the tiers
14 of service should be exempt, and that would save
15 hundreds of millions of dollars.

16 I think just in the Buffalo area, I believe
17 it would save about \$800,000 I think for them, and for
18 New York City region and throughout the state it would
19 save a lot of money.

20 I will be pushing very hard to try to get
21 that legislation passed and making sure that we in the
22 Legislature, along with the Governor, make the policy
23 decisions and not in the Division of the Budget where
24 this type of legislation has been stalled in the past.

1 And with regard to the highway and bridge
2 trust fund, it is definitely broken. That's I guess my
3 next task after we finish with the 5-Year Capital Plan.
4 We really want to dissect that trust fund and see how
5 it's really funded and how we got to this point.

6 MR. STALLMER: I appreciate you pushing
7 forward on that diesel retrofit piece. I think there's
8 some -- a little bit of the language we wanted to talk
9 to you about, so we want to come back and chat with you
10 about that.

11 We greatly appreciate the opportunity to
12 have that issue re-examined.

13 CHAIRMAN DILAN: I look forward to it.

14 MR. STALLMER: Thank you very much.
15 That's all I have.

16 CHAIRMAN DILAN: Thank you.

17 Next we have the Executive Board Member
18 Public Employees Federation, Edward Lucas.

19 Welcome.

20 MR. LUCAS: Good afternoon. My name is
21 Edward Lucas. I worked for the Department of
22 Transportation since 1978. It's an honor to be able to
23 come here before you and give you our opinions about
24 where we could be possibly creating better

1 billion deficit this year, which raises the question,
2 how can the state simultaneously respond to both a
3 fiscal crisis and an infrastructure crisis?

4 We don't have all the answers to this
5 difficult question, but we can offer a simple
6 commonsense solution to help the state get more bang for
7 its transportation buck.

8 We have identified a minimum of \$8.2 million
9 in engineering savings and up to \$108 million in savings
10 by reducing the use of costly consultants in engineering
11 and architect professions at DOT. Time and again, we
12 have explained that the state can actually save millions
13 of dollars by using state engineers, rather than private
14 consultants, for bridge inspection, construction
15 inspection, and highway design work.

16 In fact, over the last 20 years, numerous
17 studies and audits, including two from the Office of
18 State Comptroller audits and the DOT sponsored study
19 performed by KPMG, have found the state can save
20 millions of dollars annually by replacing consultant
21 engineers with state employee engineers.

22 The KPMG study found that consultants are
23 more expensive than state employees on 85 percent of the
24 design and construction inspection projects. In those

1 cases in which consultants are more expensive, they are
2 75 percent more costly for design projects, and 50
3 percent more costly for construction inspection
4 projects.

5 The most recent data available from the
6 Procurement Stewardship Act of 2006 covers the last
7 fiscal year, 2008-'09, and the data shows that
8 consultants employed by DOT in civil engineering titles
9 are paid an average of \$97.58 per hour, not including
10 profit. On an annual basis, this is approximately
11 \$109,000 a year compared to \$97,262, including our
12 benefits, for DOT engineers.

13 Consider the following examples. I am not
14 going to read them all. The following examples of
15 bridge inspection or design service in the last fiscal
16 year. I will just high light a few. I have one from
17 every single region, but I will high light a few.

18 DOT Region 1, Capital District, civil
19 engineering bridge inspection work billed at \$112 per
20 hour for a total of \$1.2 million. We estimate that DOT
21 engineers could have done the work for \$536,000, a
22 savings of almost \$700,000.

23 I mean if you jump down to some of the
24 larger DOT regions, DOT Region 8, civil engineering

1 bridge inspection work billed out at \$97.16 per hour for
2 a total of \$1.3 million. If DOT engineers had done the
3 work, \$724,000, for a savings of \$614,000.

4 Region 9, Southern Tier, bridge inspection
5 work is billed at \$92.17 per hour, for a total of \$1.7
6 million. We estimate that DOT could have done the work
7 for \$870,000, for a savings of \$824,000.

8 How about New York City? DOT Region 11,
9 civil engineering bridge inspection work billed at \$100
10 per hour, for a total of \$3.4 million. We estimate that
11 DOT engineers could have done the work for \$1.7 million,
12 for a savings of \$1.7 million annually.

13 Using this small example, we believe the
14 state could have saved an additional \$5.3 million to use
15 on roads and bridge maintenance and repair if DOT
16 engineers were used rather than costly consultants.
17 Just in this example alone.

18 Overall, we have found \$8.2 million in
19 savings if 90 percent of the engineering consultants for
20 DOT were replaced with state employees. The average of
21 a consultant engineer is \$80.82. The average cost of a
22 DOT engineer is \$50, including their benefits.

23 Obviously, we could not replace 90 percent
24 of DOT engineering consultants immediately, but we can

1 begin to reach that goal by possibly replacing 90
2 percent of, say, all bridge inspection consultants
3 immediately, which could save at least \$12 million a
4 year.

5 A similar example could be used for
6 construction inspection, which is basically oversight
7 and compliance with federal guidelines. It's kind of
8 where and when consultant agreement. The please go
9 inspect this project for us. If we had state employees
10 to do that work we could be saving similar savings.

11 Even more savings could be found if all
12 professions at DOT were moved in house as DOT spends
13 more on consultants than any other state agency except
14 SUNY. In fact, last year we proposed a consultant
15 reduction plan for DOT that would save an estimated \$90-
16 to \$108 million by reducing the number of consultants in
17 all professions, including IT, engineering, etc.

18 Faced with the twin crisis of billion dollar
19 deficits and crumbling infrastructure, we believe that
20 any 5-Year Capital Plan should include plans to reduce
21 DOT's reliance on consultants. The time is now. The
22 time has come.

23 On another note, it's not in the testimony,
24 the department had previously created a plan that I

1 believe got stalled in budget where they were going to
2 temporarily hire state employees to deal with the surge
3 in the work for the stimulus, and they got approved for
4 Civil Service and all that kind of stuff to get that
5 plan through, but they were just temporary employees so
6 they didn't really count in the target, all those.

7 Maybe that would be a good way to possibly
8 bring some more people on board and we can vet whether
9 or not they are useful, and if possible in the future we
10 could champion that idea and make permanent employees to
11 replace consultants.

12 CHAIRMAN DILAN: Thank you very much.

13 I clearly understand what you are talking
14 about here and the importance of saving taxpayer money.
15 You used the word that we estimate and you also say that
16 it includes benefits. Does this also include pension,
17 future pension? Is that factored in?

18 MR. LUCAS: The profit comment that I said
19 was that the business itself that oversees the
20 consultants, they have a guaranteed profit margin, I
21 think it's like six percent, so that's the cost that's
22 billed out per engineer.

23 And then there's a small amount of
24 additional cost, but when you are looking at our costs

1 for state employees that was the complete cost, the
2 \$97,000, because every state agency is required to come
3 up with all the costs associated, whether it be the
4 building you work in, your vacation time, your health
5 benefits, every total cost. So, that's the total and
6 complete fixed cost that's generated by the
7 Comptroller's Office.

8 CHAIRMAN DILAN: Maybe two more quick
9 questions. Do you think we have the capacity or DOT or
10 state resources, do we have the capacity in terms of
11 resources of number of people to be able to hire?

12 MR. LUCAS: That's kind of a double edged
13 sword that's been used historically for a long period of
14 time. They say that there's no one available in the job
15 market to hire, but if you think about it, if less work
16 actually went to consultants and some of those people
17 would be let go and more likely than not we would be
18 hiring them.

19 There's a similar proposal that's just got
20 championed by the Assembly about IT workers where they
21 are saying they are going to be offering positions to
22 them if they are qualified, and subsequently they would
23 become state employees, and they would reduce the use of
24 the consultants and the profit margin that goes along

1 with that.

2 CHAIRMAN DILAN: Thank you very much.

3 Your testimony will be part of our record.

4 MR. LUCAS: Very good. I appreciate your
5 time and consideration. And feel free to contact our
6 unit with more questions.

7 CHAIRMAN DILAN: Very good. Thank you very
8 much for everything.

9 Next we have the President, New York State
10 County Highway Superintendents Association, Donald
11 Higgins; and President, New York State Association of
12 Town Superintendents of Highways, Thomas Reifsteck.

13 Are they here? No. So, we will move on
14 then.

15 We have President, New York Public Transit
16 Association, Carm Basile. Good afternoon.

17 MR. BASILE: Thank you, Chairman Dilan and
18 to the members of the Transportation Committee for
19 providing the New York Public Transit Association with
20 the opportunity to testify regarding the New York State
21 Department of Transportation's 5-year Capital Program
22 which was proposed last month.

23 My name is Carm Basile. I am the Executive
24 Director of the Capital District Transportation

1 Authority here in Albany, and I am pleased to be here
2 this afternoon to represent our industry and the members
3 of NYPTA.

4 The New York Public Transit Association is a
5 not for profit association which represents the public
6 transit industry throughout the great State of New York.
7 As the voice of the industry, NYPTA seeks to ensure that
8 transit riders experience safe and reliable mobility
9 options through the state's many transit systems.

10 Our members include public transportation
11 service providers, like CDTA, private sector
12 manufacturers, suppliers, state government agencies, and
13 other individuals with an interest in public
14 transportation.

15 NYPTA commends the Department of
16 Transportation for proposing a multi-year program that
17 would provide \$340 million in capital investment in
18 non-MTA public transit systems. This is a 44.7 increase
19 over the \$235 million available through the current
20 plan.

21 Also of significance to us is that the
22 proposal ensures that for the first time funding for the
23 non-MTA Capital Program would grow at the same rate as
24 the state's highway program.

1 Public transportation is a vital and
2 integral element in New York's public transportation
3 infrastructure. Public transportation makes a
4 difference in the lives of millions of New Yorkers every
5 day, providing mobility and choices that would otherwise
6 not be available.

7 We need to invest in more public
8 transportation services and facilities if we want to
9 ensure a better tomorrow for our children today. Public
10 transportation is the answer to many of our state's
11 problems, providing more mobility, and will move the
12 people of New York to jobs, to medical appointments and
13 to shopping and recreational opportunities.

14 The proposed Capital Plan will not, by
15 itself, serve to make public transit a more vital option
16 for the traveling public. Frustratingly, the DOT
17 proposal recognizes and underscores the critical role of
18 the transit operating assistance in effectively using
19 capital assets, but it offers no solutions or remedies
20 to address a burgeoning operating aid crisis.

21 By focusing this year public transit funding
22 debate on the MTA alone, the state is not recognizing
23 that suburban New York City and upstate public
24 transportation systems lack dedicated revenues to fund

1 their capital needs, and to maintain or expand their
2 operations.

3 And while NYPTA applauds and endorses the
4 actions taken thus far to partially stabilize MTA
5 finances and fares, it is clear that on a statewide
6 basis the job is not done. Simply put, the lack of
7 operating funds for upstate and suburban transit systems
8 has reached a crisis level.

9 At my system here in Albany we raised fares
10 last April from \$1.00 to \$1.50 and have lost almost one
11 million customer boardings in that short period of time.
12 Public transportation systems, other than the MTA, will
13 be over \$2 million annually in additional operating
14 assistance to maintain affordable fares and viable
15 levels of service.

16 Unfortunately, revenue from existing
17 dedicated sources continues to suffer from state and
18 national economic problems. As it stands right now, the
19 state is unable to make full payments of fiscal year
20 2009-2010 operating aid on schedule.

21 Even more problematic is the dismal
22 performance of the MTOA upstate account that has a
23 single poorly performing revenue source. And that is
24 the petroleum business tax. The consequences of the

1 upstate account funding crisis are a diversion of
2 dedicated capital funds to operations and interaccount
3 transfers that effectively spread the operating
4 assistance shortfall statewide.

5 With the ongoing fall off of petroleum
6 business tax receipts, the MTOA upstate account could
7 only fulfill half of upstate operating needs were it not
8 for general fund transfers, one time revenue actions,
9 and redirected capital from an already overburdened
10 dedicated fund.

11 Along with our written testimony, we are
12 providing a series of charts that details the declining
13 MVT revenue available for upstate. There are
14 significant needs on both the capital and operating side
15 for upstate suburban as well as MTA transit systems.

16 Capital investments, particularly in new
17 vehicles, cannot be considered in isolation from the
18 operating issue if we are to effectively use capital
19 assets. These needs must be addressed in tandem.

20 NYPTA estimates that transit systems other
21 than the MTA will require \$200 million in annual
22 operating assistance outside of capital money to provide
23 adequate service and achieve the policy goals of the
24 state, like increased economic development and a cleaner

1 environment.

2 To that end, NYPTA recommends that the state
3 consider taking steps to broadly diversify the revenue
4 base of the operating assistance accounts, particularly
5 the upstate account.

6 NYPTA recommends that the new MTA revenue
7 measures agreed to in the spring of 2009, like the
8 payroll tax, increased DMV fees and taxi surcharges, be
9 extended to the upstate authority areas.

10 NYPTA also recommends increased mortgage
11 recording tax in upstate authority regions to generate
12 added operating assistance.

13 On the capital side, NYPTA represents a
14 5-Year Capital Plan totalling \$470 million and urges the
15 state to provide increases in taxes and fees that
16 contribute to the dedicated fund pool, namely, the
17 petroleum business tax, motor fuel tax, and DMV fees,
18 for benefit of dedicated highway and bridge trust fund
19 and both MTA, non-MTA accounts of the dedicated mass
20 transportation trust fund.

21 Increased funding will generate a number of
22 positive outcomes for public transportation systems
23 other than the MTA, including achieving an average
24 statewide fleet age that complies with the federal

1 standard of six years, as well as replacement of at
2 least 50 percent of bus, light rail, and maintenance
3 facilities as they now exceed their federally rated
4 useful life.

5 In addition, the state would have the
6 capital available to green approximately 40 percent of
7 our transit fleets.

8 In these difficult economic times, more
9 people are turning to public transit for affordable and
10 economic mobility. Our communities are asking for more
11 transit service at a reasonable cost. Here in Albany we
12 have seen the benefits that come from more busses, more
13 frequent service and improved reliability. We know that
14 if you build it New Yorkers will ride.

15 Public investment in transit, both capital
16 and operating, delivers mobility while meeting important
17 sustainability objectives in terms of the environment,
18 energy conservation, economic wellbeing, and social
19 equity.

20 The positive outcomes warrant difficult
21 financial decisions that will be needed to provide
22 public transit with the revenues and resources to get
23 the job done.

24 NYPTA recommends the actions I have laid out

1 today and have included in your written testimony as the
2 debate commences on our next transportation plan.

3 Thank you very much, Senator.

4 CHAIRMAN DILAN: Thank you very much.

5 I don't have any questions but I just really
6 want to thank you for your recommendations and I can
7 tell you that some of them will be taken under
8 consideration.

9 MR. BASILE: I know you are a supporter of
10 public transit, so please do whatever you can to help
11 us.

12 CHAIRMAN DILAN: Thank you very much.

13 In view of the fact that I did call the
14 President of the New York State County Highway
15 Superintendents Association and the President of New
16 York State Association of Town Superintendents of
17 Highways before their scheduled time, I want to note
18 that they did arrive on time and I would like to call
19 them both up at this time, Donald Higgins and Thomas
20 Reifsteck.

21 Thank you very much, and thank you for being
22 punctual, on time.

23 MR. HIGGINS: Thank you very much.

24 Good afternoon, Chairman Dilan. Thank you

1 very much. My name is Don Higgins. I am President of
2 the County Highway Superintendents Association and also
3 Superintendent in Livingston County. I'm joined by Tom
4 Willie Reifsteck, Superintendent for the Town of
5 Middlesex and President of the Town Highway
6 Superintendents Association.

7 We met you in Buffalo at that hearing. We
8 really appreciate the hearings you have been doing
9 across the state. Thank you.

10 We represent all 57 County Departments of
11 Transportation, and 932 town highway departments across
12 the state, as well as all the suppliers, the
13 contractors, the engineering consultants who work with
14 us on a daily basis.

15 We have submitted our written testimony, but
16 in the interest of time I would like to concentrate my
17 presentation on the major points.

18 Local roads matter. I am sure you've heard
19 that before. As you well know, local governments are
20 responsible for nearly 86 percent of the over 112,000
21 statewide highway system and half of the 18,000 bridges,
22 and this local share continues to grow.

23 A safe and efficient highway infrastructure
24 is necessary for trade, economic development and

1 revitalization, our schools, businesses, health and
2 hospital facilities, emergency responders and the
3 traveling public.

4 The New York State DOT proposed 5-Year
5 Capital Plan calls for 40 percent increase in overall
6 spending on local road and bridge projects over what was
7 spent under the previous 5-year plan. While
8 representing about half of the actual needs of our local
9 transportation system, this level of funding is
10 desperately needed to begin to address the more critical
11 and deteriorating condition of a significant portion of
12 our local transportation systems.

13 The proposed plan does this by including
14 meaningful increases in the level of funding for the
15 CHIPS and the Marchiselli programs, as well as calling
16 for the establishment of a new state aid to local bridge
17 program.

18 It is extremely alarming to us, as it should
19 be to you and the traveling public, that Governor
20 Paterson characterized his own administration's plan as
21 unaffordable. While the economic downturn and state
22 budget deficits make it difficult for policymakers and
23 elected officials to meet the critical needs of the
24 state and local transportation systems over the next

1 five years, it is near universally agreed that the
2 system is in crisis, and new funding mechanisms and
3 revenue sources will be necessary to prevent further
4 deterioration of transportation assets.

5 Recently, Comptroller DiNapoli issued a
6 significant report on the condition of the state's
7 transportation infrastructure. The Comptroller
8 confirmed that, in many cases, the infrastructure
9 maintained by local governments is in dire need of
10 repair and/or modernization.

11 The report stated that roughly one third of
12 the 8,500 bridges maintained by New York's local
13 governments are structurally deficient or functionally
14 obsolete. As an indication of a dangerous trend, this
15 number actually increased between 2002 and 2007 from
16 almost 3,000 to 3,006 bridges.

17 More troubling still, the New York State DOT
18 indicates that the number of deficient bridges will
19 increase by 1500 in the next few years. The Comptroller
20 also reported a significant number of New York's roads
21 and highways is also in a deficient state of repair.

22 In a recent audit, the Comptroller describes
23 transportation financing system in crisis and urges
24 policymakers to rethink the way that state and local

1 transportation needs are funded.

2 He recommends that the dedicated highway and
3 bridge trust fund no longer be used to support
4 operations of state government and other non-capital
5 purposes, a position strongly supported over the years
6 by both the county highway superintendents and the town
7 highway superintendents.

8 According to the dedicated highway and
9 bridge trust fund Capital Program and the financing plan
10 released by the Division of Budget in May of this year,
11 the state general fund will have to transfer over \$750
12 million to the highway and bridge trust fund to keep it
13 solvent in the 2010-2011 fiscal year.

14 In October of 2007, DOT released Beyond the
15 Gas Tax: A Symposium on Funding Future Transportation
16 Needs, which made several suggestions to tackle the
17 question of how to generate the much needed revenues for
18 the state's transportation infrastructure.

19 These and other ideas must be seriously
20 considered by policymakers as the alternative as under
21 funding the critical needs of the state and local
22 transportation systems is no longer an option.

23 As is becoming painfully obvious from recent
24 examples like the failure of the Crown Point bridge, the

1 safety of the traveling public is a real concern. A
2 suggestion we would make is to look at how existing
3 motor vehicle tax and fees are currently being
4 distributed.

5 48 percent of the vehicle miles traveled in
6 New York is on local roads, yet less than 12 percent of
7 the fees paid to the state by these drivers go back to
8 maintaining the local roads.

9 With local and state roads and bridges
10 crumbling, perhaps it is time to consider establishing a
11 more equitable distribution of those fees for the
12 benefit of the motoring public. We are optimistic and
13 encouraged by the attention our elected officials are
14 giving to the local transportation system.

15 With the leadership of the Senate
16 Transportation Committee, the legislature has
17 continually recognized the vital role transportation
18 plays in the state's economic development effort, and
19 the importance of maintaining a system that is safe and
20 reliable to the general public by allocating
21 supplemental funding for local bridges and roads when
22 necessary.

23 In closing, the county highway
24 superintendents and the town highway superintendents

1 urge that the New York State DOT 5-Year Capital Plan as
2 proposed be fully funded, and the more equitable
3 distribution of Motor Vehicle user fees for local roads
4 and bridges be pursued, and that attention be given to
5 the Comptroller's recommendations for reforming the
6 financial structure of the dedicated highway and bridge
7 trust fund so that it is, again, used primarily to fund
8 capital projects.

9 Again, thank you very much for making these
10 hearings available to us. We'd like to wish you and
11 your family a safe and healthy Thanksgiving.

12 CHAIRMAN DILAN: Thank you for your input
13 throughout these hearings. It's been very helpful.
14 Thank you.

15 Next we will have the President of ACEC of
16 New York, Jay Simson.

17 MR. SIMSON: Good afternoon, Senator. It's
18 good to see you again. Thank you for inviting me and
19 thank you for holding these hearings.

20 I am Jay Simson, the President of the
21 American Council of Engineering Companies of New York.
22 We represent more than 300 engineering and related
23 companies that perform design, inspection and other
24 professional services throughout New York and the world

1 that count for over \$100 billion in construction related
2 services every year.

3 We appreciate the opportunity to address
4 this group on the DOT's 5-Year Capital Plan. I have
5 given you some prepared remarks, but would like to focus
6 on a couple of things rather than go along with the
7 scripted amount.

8 And the concern we have right now, New
9 York's transportation system seems to be at a perpetual
10 crossroads, and the words that I have heard used that
11 are very appropriate is that the alarm keeps ringing and
12 we keep hitting the snooze button, and we have woken up
13 and we have now seen what's happened.

14 The Comptroller has confirmed that the money
15 has been diverted for the last 15 to 20 years. We've
16 lost billions of dollars that should have gone to the
17 repair and we are looking at things in New York and
18 around the country. They are pretty scary.

19 The Champlain bridge, the Thruway bridge
20 that was just 25 -- less than 25 years ago, the
21 Minnesota bridge, all due to lack of proper upkeep and
22 maintenance service.

23 We need to look at our infrastructure for
24 what it is. It's an asset. An asset that allows us to

1 go to work, go to school, have our goods and services be
2 delivered, lets our family and friends visit, and
3 essentially allows society to exist as it does today.

4 If you were a homeowner you wouldn't let
5 your house fall into complete disrepair so it fell down
6 one day. It's your single biggest asset. Our
7 infrastructure is our single biggest asset. It allows
8 us to live the way that we need to live.

9 If we don't invest in it we are going to
10 lose jobs, we are going to lose more jobs, we are going
11 to create additional problems, longer commutes, more
12 smog. Everything that we have been working very hard
13 for will not exist.

14 Investing in infrastructure also will create
15 and help solve the problem that we need to do. It will
16 generate more jobs. An estimate of a \$5 billion
17 investment will create 150,000 jobs. This will generate
18 new taxes and new fees, put people to work, reduce
19 unemployment, reduce additional costs that New York
20 State is facing right now, and generate substantially
21 more in local activity.

22 Additionally, construction and engineering
23 can't be offshore. It's not work that's going to be
24 done in India or South America or in China. It's going

1 to be work that's going to be done right here and most
2 of the materials are going to be produced and sold right
3 here. So, it's good for everybody that's involved.

4 We were lucky with the Champlain bridge. We
5 were lucky to find out about it the way we did with the
6 low water. And with the report that DOT has put out
7 about the state of -- the condition of our bridges, we
8 are concerned that there are other bridges that we have
9 to be careful about.

10 Ironically, without the investment in our
11 roads and bridges we are going to see people leave the
12 state. We are going to see companies not be able to be
13 competitive. And we are going to see jobs disappear and
14 we are going to see tax revenues disappear. And then we
15 end up in the death spiral of higher costs, fewer people
16 to pay for it.

17 Critically important, and this is -- given
18 the past statement -- is something I would like to focus
19 on for a minute. When we met last time I gave you a
20 copy of this study, and it's important to use the
21 private sector resources from the design and
22 construction industry.

23 The fact is that using private design
24 consultants can save as much as 20 percent. This was a

1 number that was derived by Polytechnic University, not
2 by the engineering community, not by the private
3 engineering community, but by an independent university,
4 and the only independent study that's ever been done.

5 Further, in light of the Comptroller and the
6 Governor's recent estimates in pension costs are going
7 to have to rise, this cost is going to increase.

8 When you look at the overall investment by
9 the state, the risks that they are taking using private
10 design consultants makes a lot of sense. If there's a
11 problem with the project, let's say that there was an
12 error in design, private consultant has to go back and
13 fix it at their cost.

14 If the design is done in house and there's a
15 mistake made, you just spend more money trying to solve
16 that problem. And that has occurred in New York in the
17 past. So, it's critically important to manage the
18 program, manage the risk, and be able to use the most
19 amount of resources.

20 Probably the most important thing I think, I
21 would hope that we would try to move from a public
22 sector economy to a private sector economy that supports
23 the government by paying more taxes and having more
24 employees in the private sector.

1 children to be kept traveling an extra 30 minutes on
2 buses to go around closed bridges. We don't want to be
3 sitting in traffic for an extra hour or two hours. If
4 you ask the average person who's sitting on the George
5 Washington bridge in a traffic jam, or on the Cross
6 Bronx Expressway for 45 minutes, for \$.50 or \$1.00, if
7 you knew you could have gone here in five minutes
8 instead of 30 would you have paid it, I can guarantee
9 you that almost everyone would say yes.

10 So, as the representative of ACEC New York
11 we look forward to working with you, rolling up our
12 sleeves, and being partners in this, and being available
13 as a resource for you whenever necessary.

14 CHAIRMAN DILAN: Thank you very much, and
15 I'm actually glad that you are here because this has
16 been a debate that's been going on versus public/private
17 sector for quite a long time.

18 I've been here in the Senate now going on
19 eight years and I served ten years in the City Council
20 in New York City, and there was a debate then and it
21 still is.

22 It's something where we have to continue to
23 work together because I know that both public employees
24 and the private sector are vital importance to ensure

1 that the State of New York operates correctly and that
2 we can secure our infrastructure so we continue to work
3 together to make sure we do the right thing.

4 MR. SIMSON: Thank you. We look forward to
5 that opportunity.

6 CHAIRMAN DILAN: Thank you, sir.

7 We have the Executive Director for New York
8 State Motor Truck Association, Kendra Adams.

9 While we have her coming down I would just
10 like to, once again, thank all our staff for helping put
11 these hearings together especially today.

12 I also note that we have representatives
13 from Senator Chuck Schumer who has been here throughout
14 the hearing. So, thank you for being here.

15 And I also see that we have from the
16 minority conference a representative from the finance
17 division. Thank you.

18 And of course we have our whole host of
19 staff. Thank you to everyone.

20 Good afternoon.

21 MS. ADAMS: Good afternoon, Senator. Thank
22 you very much for the opportunity to be here.

23 My name is Kendra Adams, I'm the Executive
24 Director of the New York State Motor Truck Association.

1 We are a not-for-profit trade organization representing
2 the interests of the trucking industry.

3 First, I would like to commend the New York
4 State Department of Transportation for developing a
5 Capital Plan that is focused and well balanced.
6 Investing in our infrastructure is a crucial element in
7 bringing New York out of the current economic crisis.
8 While we all understand the funding issues currently
9 facing the state, we cannot simply ignore the need to
10 address our aging roads and bridges.

11 In the trucking industry the highways are
12 our workplace. A strong healthy transportation network
13 is vital not only to our industry but to our economy.

14 Trucks transport 93 percent of total
15 manufactured freight in New York, and over 89 percent of
16 our communities rely exclusively on trucks to deliver
17 their goods. Looking toward the future, it is
18 anticipated that freight moved by truck will increase 98
19 percent through 2035. We cannot expect to sustain this
20 type of growth by simply dismissing our infrastructure
21 needs due to the fiscal condition of the state.

22 Unfortunately, the closure of the Champlain
23 bridge serves as a prime example of what can happen when
24 our bridges do not receive the funding they require to

1 be maintained appropriately. This bridge served as a
2 vital link between New York and Vermont, and we have
3 seen the difficulties and challenges that have now
4 ensued due to its closure.

5 The detour for the bridge closure is
6 approximately 100 miles, and while the state's efforts
7 to increase ferry service for commuters and residents in
8 this area is commendable, our trucks can't use the
9 ferry.

10 Commercial vehicles have no alternative but
11 to travel the detour route, resulting in delays and
12 possible violation of driver's federally mandated hours
13 of service restrictions, increased fuel use and
14 increased emissions. And this is in direct conflict
15 with the state's initiative to reduce vehicle miles
16 traveled in order to address fuel use and emissions.

17 DOT states that New York currently ranks
18 among the bottom 10 states in the nation for both
19 highway and bridge conditions. It is anticipated that
20 without necessary investment this state will see an
21 additional 3,000 bridges become deficient over the next
22 10 years.

23 We must use the Champlain bridge closure as
24 a lesson of what happens when we do not adequately fund

1 our infrastructure. And the state must focus on making
2 the proper investments to maintain a safe and reliable
3 transportation system.

4 As mentioned previously, we all understand
5 the funding issues the state is facing. The primary
6 source for infrastructure funding, the dedicated highway
7 and bridge trust fund, is in desperate need of
8 attention.

9 The October 2009 report by the New York
10 State Comptroller finding that funds have been diverted
11 from the fund for other purposes should not be
12 dismissed. This association has long lobbied our
13 legislative leaders to address the diversion of funds
14 and we fully support the Comptroller's recommendations
15 to make the fund sustainable again.

16 The trucking industry pays 32 percent of all
17 taxes and fees of New York State motorists yet we only
18 represent 6.3 percent of all vehicle miles traveled in
19 the state. The industry is willing to pay their fair
20 share for the infrastructure we depend on, but the money
21 must be put back into the system. The fact that since
22 its inception only one third of the dedicated fund has
23 been used for capital construction is deeply concerning.

24 I strongly urge this committee to take a

1 serious look at the dedicated fund, and work towards
2 stopping the diversion of funds to debt service and
3 operational expenses.

4 In light of the current economy, we
5 understand that it is difficult to find alternative
6 funding sources. And while there are several funding
7 methods that have recently made national headlines,
8 these methods have yet to be proven and would be
9 incredibly burdensome for the state to administer.

10 The State Asset Maximization Commission has
11 recommended the use of public/private partnerships in
12 certain circumstances. The trucking industry has
13 serious reservations regarding these types of
14 agreements. Should the state choose to move toward the
15 use of public/private partnerships to address funding
16 needs, we must insist that that process be open and
17 transparent and include stakeholder participation.

18 Although we would not advocate for a fuel
19 tax increase at this time, we will feel that a fuel tax
20 remains the most efficient method to fund the
21 transportation program. Fuel tax is a fair and
22 equitable means for all those who use our bridges and
23 highways to raise necessary revenue for the dedicated
24 fund.

1 Alternative funding methods raise serious
2 concerns regarding the additional cost the trucking
3 industry may have to bear. The trucking industry, which
4 employs nearly 500,000 men and women, is an essential
5 industry in New York State.

6 One can argue that the industry has been
7 harder hit than most during this recession. Tonnage is
8 down due to fewer companies shipping goods. Fuel has
9 been a significant cost for the past few years and all
10 fees, including license, registration and highway use
11 tax permits, were increased in the past year.

12 To compound the industry's problems, the
13 Governor just took the unprecedented, and we believe
14 illegal, step of prohibiting trucks from traveling
15 certain roads in the Finger Lakes region. This was done
16 without sufficient study or input from the industry.

17 These issues will most assuredly have a big
18 impact on our industry, and therefore make it even more
19 important that the Capital Plan adequately provide for
20 our industry, but keeping in mind that we have profit
21 margins of one percent, we cannot absorb additional
22 costs.

23 In closing, I would like to remind the
24 committee that every dollar invested in our highway

1 system yields economic benefits as a result of reduced
2 delays, improved safety and motor vehicle operating
3 costs, will also stimulate job creation and put business
4 back on track and restart our state's economic engine.

5 The many miles of highways and the thousands
6 of bridges in the state are our workplace. Our motor
7 carriers need a safe and reliable transportation system
8 in order to do their jobs.

9 We support the Department's Capital Plan and
10 we are more than happy to participate in any discussions
11 regarding the future funding.

12 Thank you.

13 CHAIRMAN DILAN: Thank you very much, and we
14 would like to thank you for your input today. And I am
15 sure we will be in touch again.

16 MS. ADAMS: Thank you.

17 CHAIRMAN DILAN: Next will be the President
18 and CEO of Plattsburgh-North Country Chamber of
19 Commerce, Garry Douglas.

20 MR. DOUGLAS: Thank you. I appreciate this
21 opportunity to bring a North Country voice to these
22 hearings, and to thank you for inviting me to speak on
23 behalf of our region.

24 The Plattsburgh-North Country Chamber is the

1 largest business and economic development alliance in
2 northern New York, and one of the six largest chambers
3 in the state, which might surprise you. It tends to
4 surprise many across the state.

5 We have coalesced around a large region in
6 the North Country to build a very large organization.
7 It therefore has the capacity to really engage
8 strategically in thinking about things like
9 transportation.

10 We play an especially active role in
11 transportation related matters, including the Quebec-New
12 York Corridor Coalition, a bi-national project which we
13 co-lead with the Federation of Quebec Chambers, working
14 to enhance connectivity of all kinds within the region
15 from Montreal to New York, including border facilities
16 and operations, rail, truck movements, and other modes
17 of transportation, and a current green corridor project
18 that we are now developing with NYSDOT and other
19 partners.

20 Plattsburgh international airport, we are
21 the marketing and development agency for this major new
22 airport being created from the former Plattsburgh Air
23 Force Base.

24 High Speed Rail New York, we are one of the

1 six co-founders of this new statewide advocacy
2 coalition, which I am sure you know is being officially
3 announced at an event in Syracuse today.

4 The Adirondack On Track Partnership, a broad
5 coalition in support of the preservation and
6 rehabilitation of the Adirondack railroad, from Utica to
7 Lake Placid. A project that, I'm sorry to say, is
8 presently stymied by the present administration,
9 although it had been advanced and prioritized in the
10 prior administration.

11 Transportation equipment, we have worked
12 actively over the past decade to develop a growing
13 cluster of transportation equipment companies in the
14 Plattsburgh area, including Bombardier, producing
15 railcars and locomotives, Volvo Nova Bus, now producing
16 transit busses, and dozens of component manufacturers.

17 The few perspectives. Our guiding strategic
18 vision at our chamber that provides the framework of all
19 that we do in economic development in particular is the
20 following mantra: Where things move is where prosperity
21 occurs. New York State has always understood that and
22 those words have never been more important as this state
23 deals with its current challenges.

24 We need to keep it in mind at all times and

1 in all discussions and presentations involving
2 transportation and transportation investment. All
3 investments and approaches must be imbued in thinking
4 about how they will support the state's economic future.

5 The 20 year strategic plan issued by the
6 state transportation department a few years ago, while
7 not perfect, was an excellent, overarching vision for
8 wedding transportation and economic development that
9 correctly placed state transportation and planning in
10 the context of North America's internal realignment and
11 global connectivity.

12 It strongly acknowledged and reflected the
13 importance of our state's international transportation
14 connections to its future opportunities for prosperity,
15 including key corridors such as Quebec-New York corridor
16 from Montreal to New York, and related concerns
17 regarding border infrastructure and operations.

18 If we have cause to be excited about the
19 Department's 5-Year Capital Plan, that excitement rests
20 in the commitment to initial steps toward high speed or
21 higher speed rail passenger service in both the Empire
22 and Adirondack corridors.

23 We are absolute believers in the commitment
24 to faster passenger rail service in both corridors is,

1 for New York State, nothing less than the Erie Canal of
2 the 21st century. Though it will take steady commitment
3 over a great many years, it is the one opportunity to
4 redefine the upstate economic landscape through the
5 power of connectivity and transportation.

6 The suggested \$300 million investment must
7 be seen as a minimum commitment to be made to this great
8 undertaking, and we must resist any demands to reduce or
9 set aside this vision in order to address shorter term
10 demands, however valid and worthy.

11 If anything, the stated goals are
12 insufficient. For example, the New York State
13 Transportation Department is saying we should aim for a
14 six and a half hour rail journey from Montreal to
15 Albany. Having just driven most of that trip I can tell
16 you, Senator, I can leave, get in my car right now,
17 drive to Montreal and back in less than that.

18 That certainly is not a visionary goal. We
19 will be seeking a more ambitious and significant
20 reduction in travel time than this as an ultimate aim,
21 and hope that this committee may do so as well as it
22 continues its conversations with the administration and
23 the department about the high speed rail vision.

24 If we have cause to wish for more, outside

1 of requiring stronger balance to commitment to the
2 Montreal-Albany rail corridor, as well as the Empire
3 corridor, it is in the need to see the 5-year plan
4 structured in clearer accord with strategic economic
5 aims as embraced by the department in the 20 year
6 vision.

7 Frankly, it's very hard to find the
8 relationship between the two other than the preamble
9 referencing the fact that there is a 20 year vision.
10 The relationship of projected investments to priority
11 corridors and to our international connectivity are
12 unclear in the plan. I feel compelled to note that the
13 word "border" does not seem to appear even once.

14 As representatives and policymakers, it is
15 appropriate the Senate seek a plan that further
16 describes and targets these precious transportation
17 investments within a strategic framework that,
18 especially now, helps to convey, helps all of us to
19 understand how we are not just fixing things, but
20 investing in future economic growth.

21 I believe this framework exists, but it
22 would be helpful if this plan were fleshed out and
23 presented so as to make the strategic picture clearer so
24 we can all respond accordingly and, frankly, maximize

1 the needed support. I see lots about capital. I see
2 little about planning.

3 Some further thoughts. Representing the
4 region that finds itself in economic crisis due to the
5 recent closure of the Lake Champlain bridge at Crown
6 Point, I would be remiss in not embracing the plan's
7 stated commitment to our state's quickly deteriorating
8 bridges.

9 Indeed, the fact that such a crucial
10 interstate connection was somehow permitted to arrive at
11 the state where it is suddenly determined to be so
12 unsafe it has to be closed and now replaced, I'm sure
13 you will agree, is a disturbing wake up call that must
14 give us all pause as we now drive across other bridges
15 all around New York.

16 Let me salute the Governor, NYSDOT, Empire
17 State Development, State Senator Betty Little and others
18 for the rapid response, including current construction
19 of facilities for a ferry service.

20 But let me also suggest that this committee
21 review this matter as a living example of our statewide
22 bridge crisis, and seek to independently determine the
23 failures which occurred and the changes which are
24 required. Why was this allowed to get in that state and

1 how many others are out there?

2 Clearly, there were failures here, and I
3 would ask this committee perhaps to have a formal
4 inquiry to identify what those are, whether the
5 solutions then are administrative changes at the
6 department and/or maybe some legislative redress as
7 well.

8 Finally, let me also express the strategic
9 importance of recognizing and working with our state's
10 transportation equipment manufacturing base as part of
11 this committee's deliberations going forward.

12 In Plattsburgh and elsewhere, New York has
13 become a key source of railcars, locomotives, buses and
14 other transportation equipment across the country and
15 even internationally.

16 In appropriately linking transportation and
17 economic development, understanding and supporting this
18 industrial cluster is crucial. Indeed, it is a key
19 part, for example, of sustaining and building upstate
20 support for downstate transit investments, and for
21 strategic aspirations, such as high speed rail, as
22 everyone comes to understand that we are likely to
23 produce the equipment wherever it may be ordered and
24 deployed.

1 In this vein, I want to invite the committee
2 to visit the Plattsburgh area at some future date,
3 including tours of the Bombardier railcar plant and the
4 new Volvo Nova Bus assembly plant, as well as a visit to
5 Champlain border crossing with a related orientation on
6 the statewide importance of our future connectivity with
7 Canada.

8 Thank you again for the opportunity to
9 appear today.

10 CHAIRMAN DILAN: I would like to thank you
11 for making the long journey here to Albany, and I am
12 pleased to hear your presentation, the fact that you
13 pull no punches. And there are many things that need to
14 be addressed as to the culture of how we continue
15 funding our 5-Year Capital Plan.

16 I have stated this as we have gone across
17 the state and hopefully this is the beginning of
18 changing that culture. I indicated earlier also that I
19 wanted to look at the highway and bridge trust fund. I
20 said that with, and with respect to the bridge, Crown
21 Point bridge.

22 Perhaps once we get through this dilemma of
23 being able to find necessary funding for the Capital
24 Plan we can look at how we got to this point. I think I

1 read the report. I think the bridge was built in 1930
2 and I think maybe five, six years after it was six years
3 old, I think we may have been aware that there was a
4 problem with the bridge and I think that was ignored.

5 So, we are talking about something that was
6 ignored from 1936 to the present. So, when you go down
7 some of these smaller roads and bridges throughout the
8 State of New York you have to wonder whether you should
9 cross that bridge or not, but we will be working on
10 that, I guarantee you.

11 Again, I want to thank you.

12 We have been joined by Senator Bill Perkins,
13 who is a member of the Transportation Committee and also
14 is the Chairperson of the Committee on Operations and
15 Authorities for the New York Senate.

16 Senator, I would like to thank you for being
17 -- I know that all my colleagues have been working on
18 the deficit reduction program plan all day today.
19 Hopefully you have good news for me? I'm not going to
20 put you on the spot.

21 If you would like to make any comments you
22 can do that now.

23 SENATOR PERKINS: Thank you very much. I
24 just wanted to make sure that I joined you at some point

1 in the day to get the benefit of whatever time you had
2 left with your meeting, with your hearing.

3 I learned of the challenges that you are
4 trying to confront and fix as a member of the committee,
5 as well as the Chairman of Operations, Authorities and
6 Commissions. There are areas of common interest and I
7 am sort of learning my way through some of this.

8 This is why I'm very glad you put these
9 together. I want to commend you on traveling around the
10 state, so you have done a yeoman's job. Thanks.

11 CHAIRMAN DILAN: Thank you very much and
12 thank you, Senator.

13 We have the final witness on the list, Joel
14 Russell, President, New York Aviation Management
15 Association.

16 Thank you, sir.

17 MR. RUSSELL: Good afternoon, Chairman Dilan
18 and Senator Perkins. I am Joel Russell, President of
19 the New York Aviation Management Association. I am also
20 the Airport Manager for Albany International Airport.

21 The committee should have copies of our
22 written testimony which is being submitted for these
23 proceedings, so I will proceed with only the highlights
24 and be available for questions you may have after my

1 speech.

2 NYAMA represents over 120 airports and
3 aviation organizations across New York. Our diverse
4 membership includes small general aviation airports, as
5 well as large commercial airports and aviation
6 professionals from all walks of life. NYAMA has been
7 the Voice of Aviation in New York for 32 years.

8 The preservation and enhancement of airport
9 assets should be an important part of the state's
10 economic development strategy, both upstate and
11 downstate.

12 The New York State Department of
13 Transportation State Airport System Plan Upgrade found
14 that \$11.5 billion will be needed for aviation over the
15 next 20 years. On average, this funding commitment will
16 require \$575 million per year. The New York State
17 Department of Transportation, in March of 2008, called
18 for a spending of \$145 million over the next five years
19 in order to adequately preserve aviation's core
20 infrastructure.

21 NYAMA believes that the infrastructure needs
22 of our airports over the next five years far exceed the
23 \$101 million that New York State DOT is now proposing.
24 NYAMA is aware that too many projects that are vital to

1 the development, expansion and safety of our airports
2 currently go unfunded.

3 NYAMA, therefore, urges that the state
4 funding commitment to aviation be, at a minimum, the
5 \$145 million previously proposed by New York State DOT
6 allocated over the next five years. This level of
7 funding is approximately the same level of funding for
8 aviation under the current plan with a modest inflation
9 adjustment.

10 If we continue to underfund aviation in New
11 York, our businesses will be compelled to move their
12 operations and jobs to other states.

13 Just as important as level of funding is the
14 need for DOT to have flexibility over the allocation of
15 these assets. The federal Airport Improvement Program
16 and the state matching contribution is a tremendous
17 benefit to our airports, however, the AIP projects are
18 limited to such categories as runway expansion and
19 airport security.

20 That is why state funding support through
21 programs like AIR '99 is extremely important in that it
22 keeps revenue enhancing projects, such as hangar
23 development, parking facilities, to be accomplished.

24 An important feature of airports is that

1 they keep communities viable, particularly upstate.
2 Many upstate airports are constantly seeking to preserve
3 access to commercial service and connections to major
4 cities.

5 General aviation airports that do not have
6 scheduled airline service play a key role in regional
7 businesses and rely even more upon state funding for
8 revenue producing projects like hangars and fuel farms.
9 Many of these aviation facilities face a daily struggle
10 just to continue operations.

11 A particularly disturbing aspect of the new
12 plan is that, while it cuts funding to aviation by 30
13 percent for current year levels, other modes of
14 transportation receive significant increases. 41
15 percent increase for local roads and bridges, and 41
16 percent increase for state highway and bridge programs
17 would be examples.

18 This reduced commitment to aviation is
19 alarming. A few years ago you, the legislature,
20 recognized the need to boost funding for aviation
21 infrastructure by enacting budget language that allowed
22 a transfer of unused funds in the state AIP program to
23 AIR '99.

24 Unfortunately, the state budget this year

1 cut in half the appropriation for our AIP from \$8
2 million to \$4 million. This will result in a
3 substantial reduction in the amount of funds that could
4 be made available for transfer to the AIR '99 program.
5 In fact, we understand the Division of Budget has
6 indicated that no funds are expected to be transferred
7 this fiscal year.

8 I have been aware of the difficulties and
9 challenges elected officials and state transportation
10 policymakers face in developing financial assistance
11 program for aviation when all modes of transportation
12 are under stress from age, heavy use, and deferred
13 maintenance.

14 Like many other transportation assets, much
15 of the airport infrastructure remains or is becoming ill
16 suited to sustain service, not to mention spur economic
17 activity. The costs of addressing these growing needs
18 of transportation system seem great but will only
19 increase if we delay action.

20 NYAMA wants to help the state recover from
21 the economic downturn by creating long term sustainable
22 jobs for New Yorkers. This can be accomplished by
23 ensuring adequate state support for aviation
24 infrastructure.

1 NYAMA is seeking restoration of the funding
2 allocation for aviation infrastructure over the next
3 five years to, at a minimum, \$145 million originally
4 proposed by New York State DOT.

5 To help reach this target, NYAMA further
6 suggests maximizing the transfer of surplus funds in the
7 state AIP match program to the AIR '99 on an annual and
8 consistent basis.

9 NYAMA will continue to be the Voice of
10 Aviation in New York. We stand ready to assist you and
11 I will respond to any questions or requests you have for
12 additional information. Thank you.

13 SENATOR PERKINS: I just, again, want to
14 just as a student, so to speak, sort of new to this.
15 What types of businesses and institutions rely on you
16 and the aviation services that you provide?

17 MR. RUSSELL: I am sorry, sir. Rely on?

18 SENATOR PERKINS: The airports and the small
19 aviation services that you provide. Why don't you sort
20 of describe who benefits institutionally, employment
21 wise, community wise.

22 MR. RUSSELL: The airport is, if you could,
23 a small community, and depends on -- the size of the
24 airport is obviously the size of the community in that

1 there are a number of businesses that do business on
2 airports that need the infrastructure to continue their
3 business.

4 I.e., the runways, the road, the taxiways
5 are part of the road system. If they are not in good
6 shape or can't sustain current activity then all the
7 users of that road, in this case the aeronautical
8 services, will suffer.

9 Again, as I mentioned, the state aid is
10 particularly important to smaller airports because
11 federal aid cannot go to revenue producing activity.
12 So, for example, smaller airport, if they can use
13 funding to build a hangar or to build a fuel farm or to
14 build parking facilities, these generate jobs and they
15 generate revenue to keep that airport facility healthy
16 for all people who use it, whether they are passengers
17 or people who maintain airplanes, people who fly the
18 airplanes, people who deliver catering for the airplane,
19 food services.

20 Again, it's as if it was a community and it
21 has to be supported. Normally they are all 24 hour
22 services, so it's a menu of organizations that can
23 benefit if the airport stays healthy.

24 SENATOR PERKINS: So, for instance, the

1 350,000 state residents that you made reference to in
2 your testimony, where do they reside?

3 MR. RUSSELL: Where do they reside?

4 SENATOR PERKINS: What is the geography?
5 You say 350,000 state residents work directly or
6 indirectly in aviation. Do you have any sort of
7 demographic or geographic kind of understanding?

8 MR. RUSSELL: The State DOT did a survey of
9 aviation where its consequences are and benefits are for
10 the state. There is approximately 135,000 jobs that are
11 associated with aviation in the state. And the economic
12 activity was estimated to be approximately \$35 billion
13 to the state.

14 If I recall...

15 CHAIRMAN DILAN: If you don't have that
16 information now we can get that later. Would that be
17 fair? If you can provide that additional information we
18 would appreciate it.

19 We understand how important the aviation
20 industry is. Although you testified before time, I know
21 in the aviation if the plane leaves before schedule you
22 would miss the plane.

23 So, I am glad that you were here early, but
24 I just wanted to thank you for providing that

1 information. And we will be sensitive to all aspects of
2 transportation throughout the State of New York.

3 It was interesting, I think you said that
4 the proposed plan has a 40 percent reduction over the
5 last five years?

6 MR. RUSSELL: 30 percent.

7 CHAIRMAN DILAN: 30 percent, but we are
8 having a 40 percent increase so I had that reversed.

9 MR. RUSSELL: We went down.

10 CHAIRMAN DILAN: So, it's interesting.

11 Thank you very much.

12 MR. RUSSELL: Thank you.

13 CHAIRMAN DILAN: At this time if there's
14 anyone in the audience that would like to make any
15 comments they can do so at this time. Anyone?

16 Once again, I then want to thank all my
17 colleagues. Senator Perkins, thank you for being here.
18 I know that in Syracuse we had Senator Valesky and in
19 Buffalo Senator Bill Stachowski and Senator Antoine
20 Thompson. We had Senator Maziarz and Senator
21 Ranzenhofer in Buffalo. And Westchester we had Senator
22 Andrea Stewart-Cousins and Senator Suzi Oppenheimer who
23 participated in the hearings.

24 I just want to indicate to everyone that

1 Media Services has been webcasting these hearings. We
2 also will be making available DVDs of all the hearings,
3 the witnesses and of those members of the committee that
4 missed the hearings, if they are interested we will be
5 sharing that information with them also. And I will
6 make sure that all members get that.

7 Our next hearing will be on December 4th and
8 our final hearing in Long Island to make up for the
9 postponed meeting. I do have to say that we have
10 definitely had a diverse representation of stakeholders
11 in New York State regarding transportation and we will
12 be looking at all aspects of it.

13 It's not only for the purpose of ensuring
14 our 5-year plan. That's a commitment we made that there
15 will be roads and bridges for the entire state.

16 This is just hopefully the beginning of
17 changing the culture and making sure that there is
18 transparency and that we really get situationals like
19 the highway and bridge trust fund working for the
20 purpose that it was intended, and hopefully we can get
21 everybody on board in a bipartisan way to make sure that
22 we do the right thing for New York State.

23 So, with that said, I would like to thank
24 everyone. I'm sure I'll see some of you on December

1 4th. And we will follow up with a final report and then
2 work hard to get some sort of funding.

3 Thank you very much. This hearing is
4 adjourned.

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