

1

1

2 NEW YORK STATE SENATE

3 STANDING COMMITTEE ON TRANSPORTATION

4 -----x

5 PUBLIC HEARING:

6 RE: NYSDOT 5-Year Capital Plan

7 -----x

8 250 Broadway

9 19th Floor, Room 1920

10 New York, New York

11

12 November 19, 2009

13 12:00 p.m.

14 B e f o r e:

15

16

17

18 SENATOR MARTIN MALAVE DILAN,

19 The Chair

20

21

22

23

24

25

1

2

2 ALSO PRESENT:

3 The Public

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

23

24

25

1

4

2

P R O C E E D I N G S

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

SENATOR DILAN: All right. We're going to get started. I'm State Senator Martin Malave Dilan. I'm the Chair of the Standing Committee on Transportation for the New York State Senate.

And this is the third in a series of hearings that we're holding throughout the State regarding the Department of Transportation Five-Year Capital Plan, which approximately is about \$26 billion. To date, we have held hearings in Syracuse, New York and in Buffalo, New York. Unfortunately, yesterday, we had to postpone the hearing out in Long Island.

And today actually, all the members of the Senate, State Assembly, are still up in Albany working on the Deficit Reduction Plan. And I decided to continue with this hearing, because I really didn't want to fall behind on the commitment that the New York State Senate made

23 regarding the Five-Year Capital Plan for roads and
24 bridges throughout the State of New York.

25 So, in view of the fact that many

1

5

2 of my colleagues are in Albany, and I am here on my
3 own to continue with the hearing, we have a
4 shortened version of testifiers. Originally, we
5 were expecting about twelve, but we're going to
6 have perhaps five to seven individuals testify.
7 I'm hoping to get out of this hearing before 2:00
8 p.m., in view of the fact, that we will have to get
9 back to session for a 4:00 session up in Albany
10 today.

11 So, with that said, I will ask all
12 those who testify, we'll give you as much time as
13 possible. But if we can get more of a succinct,
14 and direct testimony, and if you can summarize it
15 as much as possible, we'll try to do the best we
16 can. But the goal here is to bring transparency to
17 the process of the Capital Budget for the entire
18 State. It's part of us keeping our commitment, as
19 I indicated, to those regions outside of New York
20 City.

21 As many of you may recall, in
22 April when we passed our budget, we did a two-year

23 financial package for the MTA, which included
24 two years capital funding for the MTA. As part of
25 our commitment is that -- in looking to work in a

1

6

2 bipartisan way within the Senate, along with the --
3 the Governor, the Assembly, and the Agency,
4 Department of Transportation, to fund a Five-Year
5 Capital Plan. That is the goal.

6 So, with that said, our first
7 person who will testify is the Regional Director
8 for Region Eleven, Mr. Phillip Eng.

9 Welcome, Mr. Eng, and thank you
10 for being here.

11 MR. ENG: Thank you, Senator
12 Dilan, and honored guests, for the opportunity to
13 provide remarks today.

14 My name is Phillip Eng. I'm
15 the Regional Director for the New York State
16 Department of Transportation, here in the New York
17 City office. The New York State Department of
18 Transportation appreciates the occasion to
19 participate in this important hearing.

20 The transportation system funded
21 throughout the New York State DOT Capital Program
22 impacts the daily lives of 19 million New Yorkers,

23 in 62 counties across the State. This network
24 provides the required mobility for the delivery of
25 the goods and services we use every day.

1

7

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

We know that the investment needs of our system are growing. New York has one of the oldest infrastructure networks in the nation, much of it constructed before the interstate highway system was established, more than fifty years ago, today. In fact, some parts of the system, such as the Brooklyn Bridge and New York City's critical subway commuter rail lines, are more than a century old.

That system is showing its age today. Consider the Gowanus Expressway. This structure was built atop the pillars of the old BMT elevated line on Brooklyn's Third Avenue, and opened in 1941. The highway is a key freight route linking Brooklyn and Queens, to regional ports and railheads in New Jersey. Over the last twenty years, more than \$760 million has been invested on this 3.2-mile section of interstate highway, to ensure safety and reliability of this critical corridor.

And the Kosciuszko Bridge, also a

23 core infrastructure link in the City, will require
24 more than a billion dollars to repair and replace.

25 Our core infrastructure is among

1

8

2 the most heavily used in the nation and faces the
3 effects of harsh winters. And even with the --
4 New York City's extensive transit network, roadway
5 congestion into the City is expected to continue
6 and grow, both to move passengers and to transport
7 goods into and around the City.

8 There is no question that
9 transportation infrastructure requires increasing
10 and sustained investment.

11 The 2007 report of the National
12 Surface Transportation Policy and Revenue Study
13 Commission, cited the need to more than double the
14 level of investment in the nation's transportation
15 infrastructure. The report cited the importance of
16 both maintaining the existing infrastructure and
17 making strategic expansions to serve the growing
18 economy.

19 Also in 2007, New York State DOT's
20 own 20-Year Needs Study described the need for
21 \$175 billion in investment in transportation
22 infrastructure under New York State DOT's

23 jurisdiction. Achieving this level of investment
24 would require more than a doubling of resources for
25 New York State DOT's capital program.

1

9

2 Our own data on system conditions
3 shows we are barely maintaining conditions and many
4 parts of the highway system will soon be in need of
5 repair or replacement. We have also heard about
6 the needs of our local communities, both during the
7 State's outreach for local projects to fund through
8 the American Recovery and Reinvestment Act, also
9 known as the Recovery Act, and from our additional
10 outreach to local officials this summer in
11 preparing our Capital Plan.

12 Through New York State invest --
13 though New York State invested record sums in our
14 infrastructure during this current Five-Year
15 Capital Plan period -- more than \$18 billion from
16 2005 to 2010 -- we have also experienced
17 unprecedented price inflation in materials such as
18 steel and asphalt, during this period. And the
19 nation saw some of the most dramatic spikes in fuel
20 prices in 2008. This diminished the Department's
21 ability to deliver the projects we scheduled during
22 this period.

1

10

2 investment in highway and transit funding, that
3 allowed us to make progress on addressing
4 transportation deficiencies, and creating, and
5 sustaining jobs to spur the economy. Under
6 Governor Paterson's leadership, the Department has
7 delivered on both these goals.

8 Federal rules required states to
9 obligate half of the highway and bridge funding
10 provided directly to the State within 120 days.
11 New York met this deadline 33 days early. We were
12 among the first states in the nation to do so,
13 making us eligible to receive any funding not used
14 by other states.

15 And as of the end of September,
16 more than 4,100 private-sector employees were
17 working on Recovery Act funded projects, accounting
18 for 210,000 work hours. More jobs will be coming
19 as projects continue to work through the pipeline
20 and out into construction.

21 And we continue to deliver.
22 Governor Paterson has worked with Federal, State,

23 and Local officials to certify projects as required
24 under the Recovery Act, to put shovels in the
25 ground, and help create jobs, and retain jobs.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

Governor Paterson has certified projects values at 100 percent of the \$1.12 billion in highway and bridge funds, well in advance of the Federal deadline of March 2, 2010. And due to bids coming in lower than expected, the Governor will be certifying another \$70 million in shovel-ready projects to take advantage of these savings.

And New York State DOT has taken every opportunity to apply for other available Stimulus funding. New York has submitted applications for funding for regionally significant transportation projects, under a Federal competitive grant program the U.S. DOT is calling Transportation Investments Generating Economic Recovery or TIGER. Applications have also been submitted for competitive grants for transit, ferry, environmental and energy projects.

In September 2009, Governor Paterson supported sixty applications from New York State for the TIGER program, totaling slightly more than \$2.1 billion. This included two applications

23 sponsored by New York State DOT for New York City,
24 a \$95 million application to support improvements
25 on the Staten Island Expressway, and a \$98 million

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

application to complete capacity and safety improvements for the Moynihan Station project. Applications from all agencies for projects in New York City total nearly \$400 million in proposed TIGER funding. Announcements are expected in early 2010.

Statewide, more than half of the transportation money New York State received as part of the Recovery Act went directly to local projects. In New York City, it was well above half. Out of a total of \$314 million in Stimulus funds for the New York City region, \$215 million was allocated to the New York State Department of Transportation. City DOT's projects included, rehabilitation of the Saint George Ferry Terminal Ramps -- the largest single Recovery Act project in the State -- rehabilitation of the Brooklyn Bridge, upgrades to the Ward's Island Pedestrian Bridge, a citywide component bridge rehabilitation contract, painting of two Bruckner Expressway bridges, and rehabilitation of the Greenpoint Avenue Bridge over

23 Newtown Creek.

24 State DOT used the remaining

25 \$99 million in Stimulus funds for projects across

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

all five boroughs of New York City. A total of nine State contracts received Stimulus funding. These projects were diverse in work type and in work size, to provide varied opportunities for both small and large contracting firms, and included a citywide contract for structural repairs on forty bridges, including permanent replacement of the temporary pedestrian bridge at Waterbury Avenue over the Bruckner Expressway in the Bronx, and structural steel repairs to the Kosciuszko Bridge between Queens Counties and Brooklyn Counties, another contract is painting of five bridges, including the Bruckner Expressway, and ramps to preserve and extend their service lives, a pavement resurfacing contract addressing 45 miles of deteriorated highway by restoring them to a state of good repair, including the Major Deegan Expressway and Bruckner Expressway in the Bronx, the Henry Hudson Parkway and the Harlem River Drive in Manhattan, and the Long Island Expressway in Queens. Contracts are well underway to expand

23 Park-and-Ride lots in Staten Island to address
24 congestion and mobility. And several citywide
25 sign replacement contracts are addressing safety

1

14

2 and mobility. A landscaping enhancement contract
3 is addressing roadside safety, while also making
4 quality-of-life improvements. And finally, so
5 far anyway, a contract will soon begin on the
6 Staten Island Expressway to improve mobility
7 and address congestion through various ramp
8 relocations, resulting in an estimated nine hundred
9 thousand gallons of fuel saved per year.

10 Statewide, approximately
11 sixty percent of the highway funding provided by
12 the Stimulus package has been directly converted
13 into projects now under construction. What you
14 don't see today will be under construction as soon
15 as the weather permits, in the spring.

16 While the funds provided under
17 the Recovery Act are welcome and needed, they are
18 not enough to meet our growing needs. In fact,
19 they represent less than one percent of our
20 documented 20-Year Needs, and only make up about
21 half of what has been lost to inflation over the
22 last five years. Continued and sustained

23 investment in our infrastructure is needed, if we
24 are to meet the transportation needs of the
25 citizens of New York into the future.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

New York State DOT's Capital Plan proposal provides a starting point for that future investment. Last month, the Department put forward a capital plan that lays out our investment priorities, strategies, and initial performance measures, and similar to the MTA's Five-Year Capital Plan, proposes a \$25.8 billion in funding over the next five years, from 2010 through 2015, for investment in the State highways and bridges, down state suburban and upstate transit systems, rail passenger, and freight, and aviation, and port infrastructure. This level of funding is an increase of more than 40 percent over the record-setting investments of the current Five-Year Capital Plan, which expires in March 2010. The Plan provides equal increases to highway, transit, and freight, and port investments.

The State Highway and Bridge Dedicated Trust Fund needs additional resources to meet current capital commitments and will need even larger increases to meet future needs. Currently,

23 half of the revenue coming into the fund is used to
24 pay debt service. Without new resources, by 2013,
25 we expect debt service to consume three-quarters of

1

16

2 the Fund's annual revenues.

3

4 And the situation is similar at
5 the Federal level. The Federal Highway Trust Fund
6 has required transfers of general fund money during
7 the past two fiscal years to meet current
8 commitments. To meet growing demands, new funding
9 streams will not be found -- will need to be found.
10 Funding for the transportation programs expired on
11 October First. However, Federal funds continue to
12 flow under a series of continuing resolutions.
13 Congress is now considering a short-term extension
14 until agreement can be reached on how to fund a
15 long-term bill.

16

17 With the lack of a multi-year
18 Federal transportation bill and the severe fiscal
19 constraints in the State, it will be a significant
20 challenge to find the resources needed for
21 transportation investment.

22

23 The investment priorities and
24 strategies laid out in the Plan detail how New York
25 State DOT proposes to invest in the transportation

23 system. New York State DOT's five investments

24 priorities are:

25 One, safety for the traveling

1

17

2 public -- our first priority must always be to
3 assure the safety of those using our system.

4 Two, preservation of
5 Transportation assets -- one of the best ways to
6 ensure system safety is to invest and bring our
7 transportation infrastructure back to a state of
8 good repair and use an "asset management" strategy,
9 which means undertaking the proper maintenance
10 strategies at the proper time, to maximize the
11 useful life of -- of the infrastructure and
12 minimize the overall cost of the infrastructure,
13 over time.

14 Three, investments must support
15 the State's economic vitality -- keeping the system
16 functioning and investing, where we can create and
17 enhance economic opportunities.

18 Four, we must enhance mobility for
19 people and goods -- improving the reliability of
20 the system, increasing service in all modes of
21 transportation and providing some capacity
22 enhancements where needed.

1

18

2 investing in communities that are well planned and
3 support public transportation, walking and biking,
4 and leveraging funding opportunities by
5 coordinating investments, so we can get the most
6 value out of all Federal, State, and Local
7 infrastructure funds. It also means building in
8 ways that minimize the environmental impact of
9 transportation projects.

10 The Department also places a
11 high priority on providing maximum opportunities
12 for disadvantaged business enterprises and minority
13 and women-owned business enterprises. We have
14 taken action recently and plan to do more to
15 strengthen these programs, including one-on-one
16 certification events like the one held here in
17 New York City at the Jacob Javits Center in
18 February 2009, maintaining a statewide outreach
19 program, increasing the number of M/WBEs by
20 speeding up the M/WBE certification process for
21 firms already certified as a DBE, increasing
22 internal M/WBE utilization through staff training

23 and communication, making certain potential
24 opportunities for DBE participations are considered
25 in individual contract goal-setting; and planning a

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

mentor-protege program for DBEs and M/WBEs.

As an example of our commitment to maximizing opportunities for DBEs and M/WBEs here, our office in New York City hosted an event last month that offered opportunities for community members to learn about various aspects of working in the heavy construction industry. At the event, held over two days in upper Manhattan and the Bronx, residents and small-business owners received information on learning a construction trade, acquiring certification, and even getting jobs on an active construction contract. The event was held in conjunction with the Alexander Hamilton Bridge rehabilitation project. And we expect to replicate it on future projects throughout the city and state.

New York State DOT plans to focus its investments on the most heavily used core system assets first, including bridges and highways on the Federal aid system. Bridges will receive the highest statewide priority. With the

23 proposed -- with the proposed investment levels
24 statewide, we expect to stabilize our Federal aid
25 eligible bridge deck area, and to maintain pavement

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

conditions on interstate and other high volume roads.

In New York City, pavement conditions on our interstate highway system are expected to remain stable, with 70 percent of our pavements rated good or excellent. Pavement conditions on major arterial and local roadways are expected to decline slightly.

Just as they are statewide, bridges remain a New York City priority, as 25 percent of the State's total bridge deck area is within the New York City limits. While the region's program continues to emphasize bridge state of good repair, we expect that overall bridge condition ratings on the interstate system and the national highway system will remain stable.

During our outreach this summer in preparation of the capital plan, statewide we heard from local officials and other stakeholders that we need to invest in our local transportation system. In response, New York State DOT's proposed

23 program proposes significant increases in funding
24 for the local highway and bridge system.

25 The plan calls for a more than

1

21

2 40 percent increase in CHIPS and Marchiselli funds,
3 programs that assist localities in meeting their
4 capital needs and matching Federal aid. The plan
5 also includes significant investment increases in
6 down state suburban and upstate transit, rail
7 passenger and freight transportation, and some
8 increased aviation investment, when excluding the
9 now-completed security program. The plan proposes
10 several new initiatives to support local
11 infrastructure, including \$150 million to support
12 a new local bridge program.

13 In New York City, feedback
14 received during our capital plan outreach
15 included the need to address critical corridors
16 like the Major Deegan, Cross Bronx, and Gowanus
17 Expressways, to reduce congestion and improve
18 mobility on these corridors as well as throughout
19 New York City, and to provide Park-and-Ride
20 facilities to alleviate overcrowded residential
21 street parking, and encourage carpooling, and
22 transit usage.

1

22

2 key system enhancements that should be funded to
3 meet emerging, and growing demands, and support
4 economic growth.

5 Our largest proposed new
6 initiative would provide \$300 million to move
7 forward on high-speed rail service along the
8 entire Empire corridor from New York City to
9 Buffalo and Niagara Falls.

10 New York State DOT's Plan
11 recognizes three critical investment areas -- core
12 investments needed to preserve and sustain our
13 existing infrastructure, enhancements, or strategic
14 expansions to the existing -- existing system
15 needed to accommodate growth and future needs, and
16 major projects, or those projects critical to our
17 system's function or expansion that require
18 resources beyond our current means.

19 Some examples of core projects in
20 New York City include continued emphasis on major
21 bridge work, defined as projects over \$100 million,
22 such as the Gowanus deck replacement,

- 23 rehabilitation of the Major Deegan Viaduct,
- 24 phase one of the Kosciuszko Bridge replacement,
- 25 Bronx River Parkway 180th Street Viaduct,

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

and the Cross Bronx initiative.

These projects represent a small fraction of the total number of projects over the six years, but approximately 50 percent of the total capital funding for the same period. They will address a significant portion of the total deck area in this region.

We're also planning to implement a new special bridge deck rehabilitation, replacement program here in New York City.

And we will also be continuing our major capital maintenance program for bridges, pavements, and appurtenances. This program represents the region's continued commitment to a rigorous capital maintenance effort.

Enhancements are strategic expansions to the existing system, needed to accommodate growth and future needs. In New York City, these -- these include the development of intermodal corridors and -- and facilities. Examples include extension of the bus HOV median

23 lane in Staten Island from Slosson Avenue to
24 Victory Boulevard, and continuing the Department's
25 commitment to arterial improvements in that

1

24

2 borough.

3

Initial development of the

4

Cross Bronx transit corridor -- this improvement --

5

this improvement was developed from the Bronx

6

Arterial Major Investment Study completed several

7

years ago and will provide the first phase of a

8

critically needed east, west mobility link for the

9

borough, with completion expected in subsequent

10

programs.

11

Construction or expansion of

12

three Park-and-Rides in Staten Island, and creation

13

of additional such sites throughout the boroughs.

14

A major Greenway program in the

15

Bronx along the Bronx River -- this represents the

16

region's most ambitious Greenway project to date,

17

and will include four bridges, local park upgrades,

18

and connections with other Greenway and bike-ped

19

facilities in the Bronx, that the -- that the City

20

is implementing.

21

We are also addressing other

22

priorities raised by -- raised by elected official

23 during this past summer's outreach efforts, such as
24 Fahy Avenue safety and operational improvements on
25 the Staten Island Expressway and the Cross Bronx

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

mobility improvement.

The region is also continuing development of intelligent transportation systems, with an emphasis on implementation of travel-time signage as a more successful and cost-effective approach.

Major projects are those large cost infrastructure projects that are critical to the state and region, but are either partially or entirely beyond our current means. In New York City, these include, Bruckner-Sheridan interchange reconstruction and access to Hunts Point peninsula.

The existing interchange is obsolete with substandard geometrics and lacks connectivity to the Hunts Point peninsula, which is of great economic importance to the borough and to the region.

The Kosciuszko Bridge replacement -- this 1.1-mile long K Bridge is a critical link along Interstate 278. It has reached the end of its serviceable life and needs to be

23 replaced. The project will address the structural
24 deficiencies associated with the K Bridge, as well
25 as safety and operational concerns. Due to the

23 DOT recognizes that even at the proposed levels of
24 investment, this Capital Plan will not meet all of
25 our infrastructure needs. It is a down payment on

1

27

2 the future, and what we can accomplish, and at what
3 pace, and will depend on available resources.

4 The amount needed to preserve and
5 improve the State's diverse transportation system
6 is large and will continue to grow as the system
7 ages. Without this sustained level of investment,
8 it will be impossible to maintain the condition of
9 many pieces of the transportation system, to say
10 nothing of expansion or enhancements to meet
11 economic or other emerging needs. This is a
12 necessary commitment to protect the traveling
13 public, to spur economic recovery, and to pave the
14 way for future growth.

15 If adequate levels of
16 transportation investment can be sustained in
17 the future, then progress will continue on
18 the longer-term goal of achieving a state of
19 good repair.

20 Under the leadership of Governor
21 Paterson and Acting Commissioner Stanley Gee, the
22 New York State Department of Transportation looks

23 forward to working with you, and to continue to
24 meet our infrastructure needs, and our obligations
25 to the public.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

Thank you very much.

SENATOR DILAN: Thank you very
much, Mr. Eng.

In keeping with our time
schedule -- the constraints that we have today -- I
will limit my questions and perhaps I'll just go
with one. And what I'm considering is that after I
finish all my hearings and when we have our hearing
in Albany, I will be sort of coming up with
different themes of questions that I would expect
that the Commissioner, at that time, would respond
to.

But I'm sort of curious to know
what type of coordination there may be between
DOT -- State DOT, and New York City DOT with regard
to capital projects or the Five-Year Capital Plan,
and also if there are any administrative costs, or
oversight costs, that the State incurs in dealing
with the City DOT?

MR. ENG: Well, there is
tremendous coordination between the two agencies.

23 We need to work together, and we need to partner as
24 we develop both programs. They need to be
25 supportive of one another.

1

29

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

With that, I -- I have to my right, our regional capital program manager, and -- and Peter King. He works very closely with the New York City Department of Transportation on their planning and their program. It's one where we share the resources and we need to make sure that -- that there is enough available to -- to meet their critical needs as well as our's.

As far as oversight, there is a tremendous amount of constant coordination as projects either need to receive additional resources, change in scope, change in schedules. It needs to be something that's constantly monitored, and it needs to be that constant communication and partnering between these two agencies, because the public deserves and demands that -- that we work together, and deliver the proper capital program for New York City.

SENATOR DILAN: Okay. I -- I would like to thank you very much for your testimony this morning, and thank you for being

23 here. And I would request -- and I think you had
24 indicated earlier -- that you would be staying
25 throughout the hearing to listen to the others in

1

30

2 terms of what they have to say.

3 MR. ENG: I plan to do that.

4 SENATOR DILAN: Thank you very
5 much, sir.

6 MR. ENG: Thank you very much,
7 Senator.

8 SENATOR DILAN: Thank you.

9 The next person that will testify
10 is Mr. Paul Victor, President of New York and
11 Atlantic Railway.

12 And while we're doing that, I just
13 want to thank Media -- Senate Media Services, who
14 is actually webcasting this hearing statewide. And
15 I also like to thank our recorder, who is
16 maintaining the record for this afternoon. I'd
17 like to thank my staff, Tom Medder (phonetic) and
18 Matt Trapasso and all those others who helped put
19 this hearing together.

20 And as I indicated, all my
21 colleagues are in Albany working on the Deficit
22 Reduction Plan, so that's why we do not have many

23 of the members here today. But we just like to
24 recognize that we do have a staff person of
25 Senator Liz Krueger's office. Welcome.

1

31

2

Thank you, Mr. Victor. Welcome,

3

and thank you for being here.

4

MR. VICTOR: Good afternoon.

5

Thank you for the opportunity to be here.

6

Realizing time is of the essence, I would like to

7

make mention that the Five-Year State DOT Capital

8

Spending Program, from a rail freight standpoint,

9

does address some of our critical issues.

10

In summary going forward, this is,

11

I think, a critical time for railroads. And

12

railroads really are, for the most part, a green

13

form of transportation, especially with respect to

14

Rail Three. In simple miles per gallon terms, a

15

typical railroad freight train with typical service

16

is the equivalent of a heavy tractor trailer

17

getting about 23 to 24 miles per gallon, as opposed

18

to the six. It's as simple as that. It's as

19

complicated as that.

20

And since this -- the baseline,

21

clearly the environmental implications, the traffic

22

implications in terms of wear and tear on the road

23 and bridge structure, and congestion issues,
24 particularly in New York City, lend themselves well
25 for some increased rail services being provided

1

32

2 within this region.

3 There's a parochial view. And
4 that is a when a trucker -- long-haul trucker comes
5 into New York City, drops his freight and then
6 leaves, that minimizes local employment, in terms
7 of transportation sector jobs right here in the
8 City.

9 If it comes in by rail, local
10 railroad crews, residents of New York to providing
11 the service, and generally it's going to be shifted
12 through each company to ultimately providing the
13 service locally, as opposed to a long-haul trucker
14 that, for the most part, might even be fueling
15 outside of New York State. So, there's clearly
16 some local economic advantages to the extent of
17 rail freight increases here.

18 Rail freight currently has a
19 very anemic percentage of the traffic pie within
20 New York City and Long Island, approximately two
21 percent. The national average throughout the
22 United States would be closer to forty percent,

23 being in a logical rail -- in level with the
24 preponderance of the total traffic within an area.
25 Ergo, what is limiting rail

1

33

2 freight today? Rail freight is somewhat limited
3 because of structural limitations to the existing
4 network. As was stated previously, particularly
5 true on the rail freight side is the fact that the
6 railroad structure, such as it is in terms of rail
7 freight capacity, is extremely limited. Most of it
8 probably is more than forty years old. As a
9 result, since we are part of the national network,
10 as the U.S. Rail Car Fleet increases in size and
11 gets upgraded, we have ever-increasing problems
12 bringing it in to east of Hudson River points. The
13 cars are now larger, they're now heavier. So what
14 we're facing here is a structural issue regarding
15 two matters -- the clearance to accommodate many
16 new freight cars which has to be addressed
17 structurally, as well as the weight that these
18 freight cars can carry. And now, as the fleet
19 changes and increases year to year, this particular
20 structural efficiency, going forward, becomes more
21 critical.

22

So, rail cars have a finite life,

23 generally speaking, about 40 years. At the 41st
24 year, generally, they're either rebuilt or go out
25 of interchange service. So, as the fleet is

1

34

2 naturally aging, this issue is becoming
3 proportionately more important for us. And the
4 result is, we need to get over the bottleneck
5 issues as well.

6 Most people focus on, well, can
7 you fit a more -- another train going up and down
8 the track. That's the easy part. The complicated
9 part is not going down the main line. It is the
10 supporting terminal infrastructure, and services,
11 and the ultimate origin or destination that
12 matters. And that involves investment, not only
13 for the railroad, but in terms of industrial
14 infrastructure of its client base or customer base.

15 And the Port does address the
16 issue and basically the point of view that it's
17 either the last mile or the first mile, and that's
18 the cost of connecting shippers or receivers to the
19 network. And that's something that must be
20 addressed in some coherent policy matter going
21 forward, to provide increased rail usage.

22 In particular, the Five-Year Plan

23 does improve on a couple of points that are
24 important to New York and Atlantic, such as
25 increasing interchange capacity in Queens.

1

35

2 We're -- we're planning construction of
3 approximately a track of one mile in length, that
4 will aid our ability to interchange more
5 effectively with connecting carriers. In addition,
6 there is some proposed work to take place out in
7 the Brentwood, Deer Park area, that would provide
8 another supporting local yard, in terms of
9 supporting capacity. And -- and that's
10 approximately midway east on Long Island.

11 Also, just yesterday, there was
12 final notice that the Calverton Spur Economic
13 Project, sponsored by the Town -- Town of Riverhead
14 will be going forward. And that represents the
15 ability to increase employment out in eastern
16 Long Island. And employment in eastern Long Island
17 would be focused on the industrial segment of the
18 economy. There will probably be a fuel transfer,
19 supply station, and actual manufacturing might be
20 increased out there, in terms of steel fabricating
21 as well as fence production. And this, again,
22 changes the dynamic of trying to maintain New York

23 State with some degree of base industrial economic
24 activity, which is critical for us.

25 In summary, railroad provides

1

36

2 an environmental advantage versus trucking. We
3 have the ability to divert significant amounts of
4 truck -- truck traffic from the highway bridge
5 structures, since we are a series of islands down
6 here. And in general, the relative mobile
7 advantage does create a much lighter footprint
8 for rail versus truck. Also, we have presented to
9 New York State DOT, Mr. Eng's office, some
10 potential support that the railroad might be able
11 to bring with respect to the Kosciuszko Bridge
12 Project, in terms of providing collectively with
13 them a staging area for material and rail services,
14 to bring material in and sandy product out.

15 So, I thank you for your time.

16 SENATOR DILAN: Okay. Just one
17 quick question in -- in terms of the proposed
18 Capital Five-Year Capital Plan, the current one
19 that's being proposed by DOT, how do you see
20 railways fairing in this proposal, for let's say
21 this region?

22 MR. VICTOR: I -- I would say

23 from a freight standpoint --

24 SENATOR DILAN: Uh-huh.

25 MR. VICTOR: -- we're in the

1

37

2 plan. That's certainly better than let's say some
3 historical perspective. And in general, at least,
4 I believe that the plan is at least addressing the
5 critical points that we have to fix first -- and to
6 fix first is to slightly upgrade our capacity, and
7 reduce current bottlenecks. And it does focus on
8 those issues.

9 SENATOR DILAN: Okay. As I've
10 indicated earlier in my opening statement, the goal
11 is to come up with a Capital Plan. And also, once
12 we put in an item in the Capital Plan, that we keep
13 the commitment and complete projects on time. And
14 in putting items in the Capital Plan that, in year
15 one, we know will be complete by year five -- and
16 not where we're just putting items on a spreadsheet
17 and not completing it. So, that's the goal that
18 we're trying to accomplish here, in addition to
19 transparency.

20 But we will stay in touch with
21 you. And also at the end of this process, we'll
22 perhaps maybe even look for more input from your

23 industry. So, I want to thank you very much.

24 MR. VICTOR: Thank you.

25 SENATOR DILAN: Thank you.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

The next individual is
Mr. Donald Hutton, Director of Government
Relations, New York New Jersey Rail.

(No response.)

SENATOR DILAN: Okay. Ms. Kate
Slevin, Executive Director, Tri-State
Transportation Campaign.

Denise Richardson, Managing
Director, General Contractors Association of
New York.

Welcome and hi.

MS. RICHARDSON: Good afternoon.

SENATOR DILAN: Good afternoon.

Thank you very much. Welcome.

MS. RICHARDSON: Welcome.

Thank you, Senator. Thank you, Senator Dilan,
for the opportunity to testify today.

I'm Denise Richardson, the
Managing Director of the General Contractors
Association of New York. The GCA represents
New York City's unionized public works, heavy civil

23 and building foundation contractors. Our members
24 employ more than 20,000 professional and trades
25 workers.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

We appreciate your leadership in holding hearings throughout New York State on the proposed New York State DOT Five-Year Capital Plan. We were disappointed that the Governor declared the Five-Year Plan unaffordable, on the very day that it was scheduled to be released. And we thank you for recognizing the importance of the plan, and for your broad and comprehensive outreach.

Recently, the American Association of State Highway and Transportation Officials, AASHTO, released a study showing that nationwide, every dollar invested in road and bridge maintenance, precludes spending six to fourteen dollars to rebuild a road or bridge that has deteriorated. And in time of the severe economic constraints that New York State faces, it's important for us to really look at that statistic and recognize how important funding the DOT Capital Plan is at this time, so that we can prevent future problems like what happened at the Champlain Bridge.

1

40

2 closure on, you know, the residents, both of
3 upstate New York and Vermont, will clearly be
4 catastrophic, and will lead to a long and costly
5 project that we now see, in hindsight, really could
6 have been prevented. And I think that for all of
7 us in the infrastructure world, we need to look
8 very carefully at that example and make sure that
9 it doesn't happen again.

10 You know, most of the media
11 attention is always focused on trying to create
12 an upstate, down state fight over mass transit
13 versus -- versus road and highway funding. And if
14 you look at New York State as an entity, you see
15 that both go hand in hand, and transportation is
16 the core of the State's economic issues. So, it's
17 not a matter of deciding on funding projects,
18 upstate or down state. It's making sure that all
19 of our transportation projects are adequately
20 funded, and that we do have a capital plan, both
21 that we can fund and that delivers meaningful
22 projects to the public.

1

41

2 closed. The Bridge carries more than 170,000
3 vehicles a day. For your District in particular,
4 that would create an overwhelming hardship. It's a
5 major truck route, as well. And yet, it's also one
6 of the lowest rated State bridges in New York City.
7 And it's targeted to be replaced, but it's going to
8 be replaced in a phased manner because we can't
9 identify the funding to completely replace the
10 Bridge at one -- at one time, the way it should be
11 replaced. The implications for that, for, for all
12 the public, is that we will now have a longer, in
13 the end, more costly project, creating more
14 inconveniences for the public than if we simply
15 decided that we needed to replace the Bridge, and
16 replaced it.

17 If you looked at, you know, the
18 unfortunate circumstance of the I-35 Bridge in
19 Minnesota, the bottom line is that they were able
20 to rebuild, replace, and get that Bridge open in a
21 year. New York, with all of our expertise, should
22 be able to do projects in a similar manner.

1

42

2 at -- not at immediate short-term economic issues,
3 but the longer term impact of the phasing of the
4 project, the inconvenience to the public, and the
5 overall cost. And that's something that we look
6 forward to working with you on, as we go forward.

7 We don't dispute that the
8 replacement of the Bridge is essential, but we
9 really have to look at how we're going to fund that
10 Bridge. And as we -- as we look at that, one of
11 the things that, you know, we really ought to look
12 at is, is it feasible to have a dedicated revenue
13 stream, such as -- I dare say the word -- toll,
14 that's useful with a sunset provision. That pays
15 for the cost of replacing that Bridge once and for
16 all, and the sunsets at the end of it.

17 It's been used commonly throughout
18 the country. But obviously for the point -- from
19 the point of view from the taxpayers is, there
20 really would have to be a covenant that at the end,
21 whether -- once we raise that billion dollars or
22 whatever's it's going to cost to replace that

23 Bridge, that we take that toll away. It does not
24 become a cash cow to fund other projects. It's a
25 very fair and dedicated revenue stream for

1

43

2 replacing what's a critical asset -- and do it in a
3 timely fashion.

4 Also, to replace the Bridge using
5 a design-build delivery method for the project
6 would save significant amount of time and a
7 significant amount of money, because you would have
8 one team in place addressing all the project -- all
9 the problems on the project as it goes forward.

10 That's another thing we should look at, as we
11 decide how we're going to execute this critically
12 important project.

13 The Transportation Research
14 Institute estimates that poor road and bridge
15 conditions cost New York City residents an
16 additional \$1,800 per motorist annually, for
17 vehicle maintenance, lost productivity due to
18 traffic congestion, and additional fuel cost. As
19 we talk about funding the DOT Capital Program, we
20 all sit here and we recognize that it would be
21 politically and economically unacceptable to
22 propose a tax that costs motorists \$1,800 a year.

23 And yet, we allow poor road and bridge conditions
24 to extract that sum from the economy.
25 So, when we talk about funding

1

44

2 the State DOT Capital Plan, we have to look at what
3 the hidden costs are of not funding it as well,
4 because the actual cost versus the hidden cost
5 clearly change the equation that we're looking at.

6 We recognize that the State is
7 facing extremely difficult financial conditions.
8 But sacrificing infrastructure investments is a bad
9 policy. And we saw, all too well, the consequences
10 of that action in the 1970's. And we still haven't
11 recovered from that era of disinvestment. And we
12 need -- and we need to make sure that we're not
13 setting ourselves up for creating that again.

14 We have some recommendations
15 that we would like to propose today to cover
16 what -- what appears to be, at this time, an 8 --
17 an \$8 billion gap between the funding that's
18 available for the Capital Program and the
19 Capital Program's needs.

20 The first thing that needs to
21 happen is we need to stop the diversion of
22 so-called dedicated revenue from the Highway Bridge

23 and Trust Fund, and make sure that they really are
24 dedicated revenue to be used exclusively to fund
25 capital projects. We cannot allow the State

1

45

2 Highway and Bridge Trust Fund to continue to fund
3 operations for DMV, State DOT, snow and -- and road
4 clearing, and -- and other -- what clearly are
5 operational ongoing agency responsibilities. The
6 Bridge and Highway Trust Fund needs to be used to
7 support the Capital Program.

8 We must also look at other
9 highway-user fees that are diverted from the Trust
10 Fund. We have a number of taxes that are placed on
11 the purchase of gasoline right now, including the
12 State sales tax. The State sales tax is 25 cents.
13 It raises one point -- close to \$1.7 billion a
14 year, that presently goes into the general fund.
15 We need to look at making sure that that sales tax
16 that's placed on gasoline is dedicated to the --
17 to the DOT Capital Program. It's for taxes paid
18 exclusively by drivers, motorists, truckers, and
19 others, and it should be used to maintain the vital
20 infrastructure that they rely on.

21 Also, as difficult as it is to
22 say, we need to recognize that the 8 cents fuel tax

23 has not been changed since 1972. And if we looked
24 at that now in an index to inflation, that would
25 represent approximately 30 cents today, which is

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

about \$1.5 billion a year.

That's a very, very difficult stretch. I'm not saying that we're advocating it. But when we look at the need for revenue, we have to look at what we were able to buy in 1972 at 8 cents, versus what we need to spend now in 2009, and what these projects costs us -- recognizing, of course, that it's a considerable burden on the taxpayers. And as difficult as it is, we need to look at considering a gas tax increase.

But if we're going to propose these things to the taxpayers, those of us both on the private sector side of infrastructure and on the public sector side as well, need to make sure that we're doing business most efficiently and most effectively to bring down costs.

And we -- and as we evaluate the DOT Capital Plan, we need to look beyond the finances, but to look at some of the core policy issues. We need to consider using private-public partnerships. The State Asset Maximization

23 Commission is developing plans for utilizing PPPs,
24 and we must look seriously at implementing the
25 plans and recommendations of the SAM Commission.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

We also need to pass design-build legislation, and the Champlain Bridge is an ideal opportunity to do that. Design-build is a procurement tool that's used around the country, and used quite effectively to expedite the completion of critical projects. Many other states, even New York City DOT and the MTA, use this procurement option to deliver many projects. And it is proven to be successful in reducing both the cost and the duration of large capital projects.

We also need to look at the contract terms that bind the contractors and the agencies too, as we execute these projects. Passing legislation to modify contract terms that allow for a real risk sharing -- such as permitting contractors to cover costs that they incur when projects are delayed by the owner -- will go a long way in obtaining, you know, more bang for the buck so to speak, as we move these projects forward.

It is well known that when a --

23 when a contractor bids a job, the contractor bids
24 the job according to -- not only the cost to do the
25 job, but the risks that they're going to face in

1

48

2 getting that job done. And wherever possible, we
3 need to looking at a -- at a structure where we
4 share that risk and not simply place that all on
5 the contractor, because it definitely is paid for
6 in the overall cost of the project.

7 These are urgent issues that we
8 face, and they must be addressed head on rather
9 than ignored.

10 I thank you again for the
11 opportunity to comment today. And I thank you for
12 your leadership on these issues. We look forward
13 to working with you as we go forward to pass the
14 Capital Plan. Thank you.

15 SENATOR DILAN: Thank you very
16 much, Ms. Richardson. And I -- I want to thank you
17 and the members of your Association in your
18 industry, for your involvement. And as you know,
19 our commitment is -- or my commitment, and I'm sure
20 many of the members of Committee, is to make
21 New York State, at some point, business friendly.
22 I'm going to try to do that. Okay.

23

Thank you.

24

MS. RICHARDSON: Thank you so

25 much.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

SENATOR DILAN: Right.

MS. RICHARDSON: Thank you.

SENATOR DILAN: So, Ms. Kate Slevin, Executive Director, Tri-State Transportation Campaign.

MS. SLEVIN: Thank you for the opportunity to testify today. I'm Kate Slevin, Executive Director of the Tri-State Transportation Campaign, a regional policy watchdog organization, working for a more balanced and equitable transportation network.

Our review of the New York State DOT's Capital Program shows that the agency is generally, though slowly, progressing towards a more sustainable transportation policy, but still has some distance to travel before it's delivering true 21st Century transportation solutions. Our review also finds an agency that's struggling to pay for projects, and will face tremendous challenges ahead, without additional resources. I offer a summary of our comments below. And we are

23 also submitting some more extensive written

24 comments.

25 First, we believe the removal of

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

the Sheridan Expressway project from the Capital Program, highlights misplaced priorities. My organization along with other members of the Southern Bronx River Watershed Alliance, which includes Nos Quedamos, Pratt Center for Community Development, Sustainable South Bronx, Youth Ministries for Peace and Justice, call for funding for the Bruckner Sheridan project to be restored. The Capital Plan allocates only 2 million for the project, presumably to finish the studies already underway. One of the current options being studied for the project includes removal of the highway and the use of 20 -- 20-acre footprint, for badly needed affordable housing and mixed-used development. The redevelopment plan could serve as an important Green Jobs Program for New York City and would open access to local parks. The plan also improves access to Hunts Point food markets and other industry by constructing a new interchange from the Bruckner Expressway, an addition that largely removes a lot of the local

23 truck traffic from local residential streets.

24 While the Sheridan Project is

25 postponed, at least \$266 million is allocated for a

1

51

2 project that will add auxiliary lanes to a portion
3 of the Deegan and expand the on and off ramps at
4 138th Street. The project is listed as a rehab
5 project, when in fact it includes expansion of
6 highways through a community with some of the
7 highest asthma rates in the country. We request
8 that the Deegan Project be reduced in size and
9 scope to an actual rehabilitation project, and the
10 funds be reprioritized for the Sheridan Project.

11 Second, the DOT must pursue a
12 true fix-it-first strategy. Most of New York's
13 highway and bridge funds are indeed used for
14 maintenance and repair, instead of highway
15 expansion. However, as is the case with the
16 Deegan, DOT often plans large or over-built rehab
17 projects, under the guise of bringing the roads up
18 to modern design -- design standards. While
19 certain changes can help improve safety, spending
20 millions of dollars, in some cases hundreds of
21 millions, to widen interchanges, or intersections,
22 or build additional lanes, does not always make

23 sense. Such projects often do little to solve
24 congestion in the long-run, and can come at a very
25 high price tag, at a time when we have no money to

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

waste.

Third, the Champlain Bridge project proves -- disaster proves that the DOT must do a better job of ensuring our infrastructure is safe. Its Acting Commissioner, Stan Gee, must ensure strict and effective oversight and project prioritization, so this doesn't happen again with more dire consequences.

Fourth, the DOT should use State highways in New York City more efficiently. The Capital Program allocates \$80 million for the next phase of the Staten Island Expressway bus lane, from Slosson Avenue to Victory Boulevard. While we have previously supported construction of the bus lane, we do not support additional phases of this project at this time. New York State DOT has opened the existing bus lanes in each direction to cars with two or more passengers during rush hours. This move is illegal and is unsafe. The additional lanes were built to accommodate buses, not cars. And bus riders have also complained to the

23 Staten Island Advance that cars slow their daily
24 commutes. Until the existing situation is
25 remedied, the lanes -- meaning the lanes return to

1

53

2 bus only, or the DOT conducts the necessary
3 environmental reviews to investigate the air,
4 water, and health impacts of allowing cars in the
5 lane, we oppose additional segments of the project.

6 The DOT should also implement
7 southbound HOV lane on the Gowanus Expressway, a
8 goal listed in New York City DOT's Sustainable
9 Streets Index 2009 Progress Report.

10 Fifth, we support the Agency's
11 Smart Growth Corridor Planning Program. It's a
12 \$25 million program for community and corridor
13 land use planning initiatives, that will provide
14 technical assistance and land use planning grants.
15 We've encouraged them to take this step for some
16 years, and we are pleased to see the Agency's
17 commitment to this project.

18 Sixth, we hope you will pass
19 Complete Streets Legislation and protect walkers
20 and cyclists.

21 And Senator Dilan, we commend you
22 on your leadership to improve safety on our

23 roadways by sponsoring Senate Bill 5711, or
24 Complete Streets Legislation. This bill would
25 ensure roads are safe for all users, including

1

54

2 walkers, cyclists, transit riders, drivers, senior
3 citizens, and children. We hope you make this bill
4 a priority in coming months.

5 We also hope you will consider
6 allocating more resources to the DOT, for bike and
7 pedestrian programs within the Legislation. For
8 example, dedicating a certain portion of New York
9 State's Federal flexible funding could ensure
10 that the DOT spends the money on walking and
11 biking programs. For example, twenty percent of
12 New York's Congestion Mitigation and Air Quality
13 Funding, if it is was -- if it was designated for
14 biking and pedestrian projects, would generate
15 about \$32 million a year across the State for
16 infrastructure improvements for cyclists and
17 walkers.

18 Seventh, we are concerned about
19 the Tappan Zee Bridge projects not being included
20 in the Capital Program. We strongly support this
21 project and wonder why it's not listed in there.

22 Eighth, we desperately need more

23 funding for upstate and suburban bus systems,
24 especially for operations. This is very explicit
25 in the -- in the Capital Program -- that the

1

55

2 funding challenges of the agencies outside of the
3 MTA network are -- are increasingly dire. And a
4 lot of the folks in the suburbs are people facing
5 incredible mobility challenges and really need
6 these bus systems to get around.

7 Ninth, when it comes to funding,
8 we support a variety of methods for paying for our
9 transportation infrastructure, higher gas taxes,
10 higher auto-related fees, congestion pricing,
11 higher tolls.

12 One potential funding strategy
13 that we don't think that's discussed enough is
14 turning the HOV lanes of the Long Island Expressway
15 into High Occupancy Toll lanes. HOT lanes allow
16 cars with one or more person to enter the HOV lanes
17 for a modest toll. And that could raise a little
18 bit of additional revenue and give drivers, you
19 know, who only have themselves in the car, a -- a
20 greater choice if there's traffic on the roadway.

21 And one final important concern
22 is the agency's transparency and accountability.

23 It just generally does not do a good job of
24 explaining projects and programs in a plain and
25 English manner. Most of the documents are still

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

opaque to general citizens.

The 180-page project list that is attached to the Capital Program is a good example, where a lot of the projects listings don't make a tremendous amount of sense -- things likes bridge repair, where and when. It just doesn't give a lot of detail about what they're actually hoping to do.

This is a very big program, and they need to make it a very strong case that we are in desperate need of transportation money in our State.

Finally, I just want to end with a -- a quote from the Bob Herbert's column in the New York Times earlier this week. He said in twenty years, will today's toddlers be traveling on bridges and roads that would be in even worse shape than today's; will they endure mammoth traffic jams that start earlier and end later. The answers to these and many other related questions will depend, to a great extent, on the decisions we make now, even in the midst of very tough economic times,

23 about the American infrastructure.

24 Thank you very much for your time.

25 SENATOR DILAN: I want to thank

1

57

2 you very much. And you surely brought a whole host
3 of items on -- on the table there. And some of the
4 issues you brought up, I'm concerned with. And
5 the purpose of these hearings, also to bring
6 transparency to this process, and we will make sure
7 that that happens. And we're going to be working
8 towards oversight, ensuring that projects are --
9 within the Five-Year Plan, get completed on a
10 timely basis, and to ensure that there is community
11 input on many of the issues that you have brought
12 up.

13 MS. SLEVIN: Great.

14 SENATOR DILAN: So, thank you
15 very much.

16 MS. SLEVIN: Thank you.

17 SENATOR DILAN: Okay. At this
18 time, we're expecting another individual who would
19 be testifying, but he's not here yet. So, what I
20 would like to do, if there is anyone from the
21 public that is interested in testifying, I would
22 open it up to anyone who is not scheduled to

1

58

2 opportunity to arrive, since they did call and they
3 are on our way.

4 Anyone who would want to testify
5 at this time?

6 (No response.)

7 SENATOR DILAN: So, in that case,
8 we'll just recess and we'll return shortly. Okay?
9 Thank you.

10 (Whereupon, a recess was taken
11 at 12:59 p.m. and the Senate Hearing continued
12 at 1:20 p.m.)

13 SENATOR DILAN: Okay. Good
14 afternoon. At this time, I would like to
15 reconvene this hearing of the New York State
16 Senate Transportation Committee on the Five-Year
17 Capital Plan, as proposed by New York State
18 Department of -- of Transportation. And at this
19 time, I'd like to welcome Mr. Richard T. Anderson,
20 President of the New York Building Congress.

21 Thank you very much for being here
22 this afternoon, sir.

23 MR. ANDERSON: Thank you,
24 Mr. Chairman. The New York Building Congress
25 appreciates the opportunity to testify on the

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

State Department of Transportation's proposed
Five-Year Capital Plan.

 This important program is critical
to maintaining the State's essential highway
infrastructure, while making key investments in
expanding capacity. Given the financial challenges
facing the State of New York, there is wide-spread
agreement that approximately eight to nine billion
dollars of the \$25 billion proposal is -- is
unfunded. The Building Congress believes that full
funding of DOT's entire five-year proposal is
essential.

 We offer several recommendations
for your consideration. First, the State of
New York must increase dedicated funding for
capital projects. Recently, State Comptroller
Tom DiNapoli reported that the dedicated Highway
and Bridge Trust Fund has 37 percent of its
revenues paying for DOT's operating expenses. This
is a losing formula. The Building Congress
recommends that the Trust Fund be used exclusively

23 to pay for capital projects.

24 Secondly, the State Legislature

25 should approve a full five-year plan. A piece-meal

1

60

2 year-to-year budget threatens the critical
3 long-range planning that the Department of
4 Transportation should conduct.

5 Of course, the State must
6 prudently assess how much money is actually
7 available to pay for roads, bridges, and transit
8 programs. But improving a single year budget
9 simply pushes off serious consideration of the
10 State's transportation needs and prudent planning
11 to another year. This is bad for the construction
12 industry, which must plan for projects more than a
13 year in advance, and worse, for the State, which we
14 continue -- which will continue to defer essential
15 projects to the future in the uncertain hope that
16 new revenues will materialize.

17 Third, the State should find
18 new sources of revenue to pay for growing
19 infrastructure needs. The huge budget gap in DOT's
20 Capital Plan is not simply the function of a weak
21 economy. It points to the limitations of -- of
22 existing funding sources to support a strong

23 infrastructure network.

24 Consideration should be given to

25 increasing revenues from fees on infrastructure

1

61

2 users, fuel taxes, tolls, registration fees, and
3 other dedicated sources should be protected, and
4 increased. Otherwise, the State will continue to
5 draw from its general fund on an erratic
6 year-to-year basis in creating a lose, lose
7 situation for transportation projects.

8 Finally, the State should
9 look seriously at alternative ways of designing
10 and building transportation projects. For too
11 long, the State has held to a conventional
12 design-build -- design-bid-build process, with few
13 exceptions. Now, is the time to look at more
14 streamlined approaches, including the design-build
15 procurement model, which has been shown to reduce
16 cost overruns caused by design inconsistencies and
17 delays. In addition, DOT should accelerate design
18 engineering to be prepared for future work.

19 The State should follow through
20 on recommendations made by the State Asset
21 Maximization Commission, which include -- included
22 ways to form new partnerships with the private

23 sector for the upkeep and maintenance of our roads
24 and bridges. In this economic climate, there
25 should be no sacred cows that prevent efficient

1

62

2 cost-effective upkeep of our essential
3 transportation infrastructure.

4 Mr. Chairman, thank you for the
5 opportunity to offer these suggestions. The
6 Building Congress believes that the State
7 Department of Transportation must have adequate
8 resources to maintain and improve the State's
9 bridge and highway system. Otherwise, we are
10 destined to enter a period of management decline
11 that -- or managed decline that will jeopardize our
12 much-needed economic recovery.

13 Thank you.

14 SENATOR DILAN: Thank you very
15 much, Mr. Anderson, and for your testimony today.
16 And we will move forward. So --

17 MR. ANDERSON: Good for you. And
18 I -- and I -- I wish you well on other fronts, up
19 in Albany as well.

20 SENATOR DILAN: We had one victory
21 yesterday with the DWI Law.

22 MR. ANDERSON: Yes,

23 congratulations. Congratulations on that.

24 And also the -- I think the public

25 authorities reform legislation that -- with the

1

63

2 comprise is a -- is a step forward. We had very
3 grave concerns, as you know, about putting too many
4 contracts through the State Comptroller's Office.
5 But restricting that to simply sole-source larger
6 contracts, I think is a -- is a wise step.

7 SENATOR DILAN: All right. Thank
8 you very much.

9 And I just want to -- I may as
10 well do my closing statement, while you're sitting
11 there and let you catch -- let you catch your
12 breath a bit.

13 I just wanted to say that we're
14 committed to a Five-Year Capital Plan, as you've
15 addressed in your statement. That's the commitment
16 that we made on the floor of the State Senate, when
17 we passed the MTA Financial Package in their
18 Two-Year Capital Plan. That's the goal of the
19 Committee. It's the commitment that we made to all
20 our colleagues in the State Senate, who are looking
21 to honor that commitment.

22 We're looking for help from those

23 in the industry, to make suggestions for us as to
24 how we can find revenues to fund a full Five-Year
25 Plan, to avoid dealing from emergency to emergency

1

64

2 situation like we have at the Champlain Bridge, and
3 to avoid or misspending or misprocuring our
4 funding. We're looking for transparency in -- in
5 terms of -- of the funding process, and oversight
6 of DOT. And, and that's the goal that we're trying
7 to accomplish.

8 This is actually the third
9 hearing, in the series of five or six. We held in
10 one Syracuse. We held another in Buffalo. We were
11 supposed to have one in -- yesterday, but due to
12 the Deficit Reduction Plan, we had to postpone
13 that. We will be having another hearing tomorrow
14 in Greenburgh, New York, and then Monday in Albany.
15 And we will be on rescheduling the Long Island,
16 so everyone can have an opportunity to be a part
17 of this process, and hopefully continue that
18 transparency in our commitment to have a Five-Year
19 Road and Bridge Plan for the entire State of
20 New York.

21 So, again thank you very much.
22 I'd like to thank all the staff, Senate Media

23 Services, our Stenographer, Liz Krueger's
24 office. We also have a representative here from
25 Senator Skelos' office, the Senate Minority Finance

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

Office. So, thank you for being here also, sir.

And with that said, I would like to thank everyone. And I will adjourn this meeting at this time, at 1:29 p.m. Thank you very much everyone.

(At 1:29 p.m., the proceedings were concluded.)

23

24

25