



NEW YORK STATE SENATOR

Charles J. Fuschillo Jr.

## Senator Fuschillo: Legislature Must Act on Public-Private Partnership Legislation to Get Road & Bridge Projects Moving Forward

CHARLES J. FUSCHILLO JR. December 2, 2011

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### *Law Would Help Resolve Transportation Infrastructure Crisis, Create Jobs, and Promote Economic Development*

With New York State needing to develop plans to repair both its economy and its roads and bridges, Senator Charles J. Fuschillo, Jr. (R-Merrick) today called for legislative action on legislation allowing New York State to utilize public-private partnerships (P3s) to help finance and deliver transportation infrastructure projects. The legislation, which Senator Fuschillo sponsors, would help the state resolve its growing transportation infrastructure crisis, create thousands of jobs, and promote economic development.

“P3s are an invaluable tool to help create jobs and fix our roads and bridges. With New York State facing a multi-billion dollar budget deficit and needing both a multi-year road and bridge capital plan and an economic recovery plan, we must be able to utilize P3s. At a time when over 737,000 New Yorkers are unemployed and our transportation infrastructure is deteriorating, the State Legislature needs to immediately pass this legislation when it reconvenes,” said Senator Fuschillo, Chairman of the Senate’s Transportation Committee.

Heather Briccetti, Acting-President and CEO of The Business Council of New York State, Inc. said, "New York needs Public-Private Partnerships that will provide state agencies and authorities with increased flexibility in the contracting and financing of infrastructure projects. Their growing use for transportation and other projects in the United States and across the globe demonstrates a sensible alternative to traditional funding and procurement. The use of these agreements would help to avoid additional taxes, reduce the State's reliance on borrowing, green the environment, adapt to a changing global economy and create jobs."

"We need to find innovative ways to finance the rebuilding of our State's failing infrastructure," said Mike Elmendorf, President and CEO of the Associated General Contractors of New York State. "P3's will generate substantial benefits for public agencies interested in encouraging innovation and saving time and money on projects. P3's are just one way we can help rebuild New York State and improve the sagging economy."

"P3s are the platform by which local municipal governments can achieve both substantial efficiencies and cost savings while putting the construction industry back to work and moving forward to protect public safety in our roads and infrastructure," stated Long Island Contractors Association Executive Director Marc Herbst. "The prolonged economic crisis in the state where public funding for infrastructure is lacking has created the perfect opportunity for public and private partnerships to most effectively protect the taxpayer and their wallets."

Billy Duffy, President of International Union of Operating Engineers Local 138 and Chairman of the Public Works Alliance of Long Island, said, "If we are to build our way out of a recession, it's going to take public-private partnerships to fund the projects that put men and women back to work. It will take public-private partnerships to give us the means to build our future."

P3s enable governments to partner with the private sector to finance and deliver infrastructure projects. Given the private sector's vested financial interest in completing projects on-time and under-budget, P3s often perform more efficiently than their traditional counterparts and save money.

Under Senator Fuschillo's legislation (S5445), New York State would be given the flexibility to enter into P3 agreements to finance and deliver transportation infrastructure projects. 31 other states and Puerto Rico have similar laws.

Utilizing P3s to get infrastructure projects moving would bring tremendous economic benefits at a time when over 737,000 New Yorkers are unemployed. The U.S. Department of Transportation estimates that 25,000 jobs are created for every \$1 billion spent on transportation infrastructure projects. Officials from the United Bank of Switzerland testified at a public hearing held by Senator Fuschillo that according to Prequin, a private equity industry consultant, as much as \$120 billion in equity capital for infrastructure has been raised to date. Nearly two-thirds of that money has not yet been invested.

P3s would also help New York State confront its growing infrastructure crisis. Nearly 6,200 of New York's 17,400 state and local highway bridges are either structurally deficient or functionally obsolete, according to the State Department of Transportation.

P3s have helped finance projects in New York before, including at Kennedy Airport and Grand Central Terminal. New York's Commission on State Asset Maximization identified a number of potential P3 projects in New York State in 2009. A number of experts from government agencies, the private sector, non-profit organizations, and labor & trade organizations testified in support of using P3s at two public hearings held by Senator Fuschillo earlier this year.