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NEW YORK STATE DEPARTMENT OF TRANSPORTATION
TESTIMONY BEFORE THE JOINT LEGISLATIVE FISCAL COMMITTEES
HAMILTON HEARING ROOM B, LEGISLATIVE OFFICE BUILDING**

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INTRODUCTION

Chairperson Young, Chairperson Weinstein, Chairperson Robach, Chairperson Gantt and members of the Finance, Ways and Means and Transportation committees, thank you for this opportunity to discuss Governor Cuomo's Executive Budget as it pertains to the Department of Transportation (DOT) for the 2018-19 State Fiscal Year (SFY). I am honored that Governor Cuomo has appointed me to serve as the 13th Commissioner of Transportation. Please be assured that I am no stranger to this field. Over the past 40 years, I have had extensive public and private experience in infrastructure funding, development and operations. This experience has positioned me well to lead the talented and dedicated individuals of the New York State Department of Transportation.

If you would indulge me, I would like to take a moment to acknowledge the extraordinary professionalism and work ethic of the women and men of the Department of Transportation. During my brief tenure with the Department, the State has experienced a terrorist attack against one of our transportation facilities; intense lake effect snow; significant and sustained ice jams in our rivers and creeks; and even a "bomb-cyclone." Each and every time, Department employees have responded admirably and have had a positive impact on the lives of our State's residents. I would like to personally thank them for all that they do, day in and day out to keep the public safe and our economy growing.

SFY 2018-19 EXECUTIVE BUDGET

Earlier this month, Governor Cuomo unveiled the State Fiscal Year (SFY) 2018-2019 Executive Budget. The Budget proposal continues to deliver on the promise of progressive government by protecting taxpayers against devastating federal action, strengthening the middle class, cutting taxes and making smart investments in New York's future. Central to these principles is creating economic opportunity through investments in infrastructure. In fact, New York State continues to invest more today in infrastructure than at any period in our State's history. Governor Cuomo has committed more than \$29 billion in capital support for roads and bridges; bicycle and pedestrian enhancements; and public transportation, airports and passenger and freight rail programs. Examples of transformational projects currently being administered by DOT include the second span of the new Kosciuszko Bridge; the ongoing modernization of upstate airports in Syracuse, Plattsburgh, Elmira and Rochester; construction of sections of the new Empire State Trail and the opening of new passenger rail stations in Rochester and Niagara Falls. These signature projects will have far reaching impacts that will help to transform the State's landscape in multiple dimensions. But the story does not end there.

Governor Cuomo's Executive Budget for the Department of Transportation honors the commitments made through the State Transportation Plan by providing \$4.3 billion in new capital plan funding. Of that amount, nearly \$3.1 billion in new program funding is provided for State and local roadway and bridge construction. The Budget also provides \$5.4 billion in operating assistance for public transportation systems statewide, including \$525 million for upstate and downstate suburban systems; and \$173 million in new support for airports, transit capital, and passenger and freight rail programs.

The current year's enacted budget also included an extraordinary commitment of \$2.0 billion in additional funding, above and beyond plan levels, to accelerate the construction of projects statewide, including the Town of Woodbury Transit and Economic Development Hub; the Nassau Expressway; and replacement of the Schenectady passenger rail station. I am pleased to report that these projects are on schedule and on budget.

SUSTAINABILITY

This renewal of our State's transportation system affords unprecedented opportunities to provide cleaner alternatives and rebuild in ways that are more resilient and less susceptible to extreme weather events. The Governor has committed to reduce greenhouse gas emissions 40 percent by 2030 and 80 percent by 2050 economy-wide. With the adoption of smart transportation and energy policies, New York State will continue to be a national leader in the implementation of innovative and practical transportation solutions that significantly reduce congestion and pollution. This includes the aggressive deployment of zero-emission vehicles; the provision of high-quality public transportation services; and construction of shared use facilities for walking and biking.

CREATING OPPORTUNITIES FOR MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISES

The Department of Transportation is committed to maximizing the participation of Minority and Women-Owned Business Enterprises (MWBE) within State-supported capital projects. The Department understands that MWBE participation is an essential component for the continued growth of our local, regional and statewide economies. I am proud of the Department's programs and practices that have helped to facilitate increased MWBE utilization on State-funded contracts. Over the past several years, more than 200 potential MWBE participants have directly benefited from outreach by DOT. One of the cornerstones of this outreach effort was the WorkSmartNY Program. Under this initiative, DOT held sessions designed to help MWBEs procure work with DOT, including: Introduction to Equitable Business Opportunities (EBO); Understanding Procurement Opportunities; DBE vs. MWBE Certification; and Commercially Useful Function (CUF). These innovative partnerships are helping to promote and expand opportunities for MWBEs throughout the State.

FEDERAL FUNDING FOR TRANSPORTATION

The single largest transportation challenge facing New York State is how the new Administration in Washington addresses the longer-term sustainability of the federal Highway Trust Fund. The preliminary indications are less than positive. The federal Highway Trust Fund has been insolvent since 2008 and has relied on more than \$144 billion in revenue transfers to sustain authorized funding levels and prior commitments to the states. As a result, for more than a decade, federal support for the State's

roads, bridges and transit systems has remained relatively flat. Over the same period, the system has gotten older and is more heavily utilized. Rather than use the opportunity of tax reform to address the Highway Trust Fund crisis, the Administration has proposed to address the situation by aligning future federal transportation outlays with revenues. To justify this planned reduction in federal highway and transit aid, the Administration has clearly stated that they are reevaluating the appropriateness of using federal funds to pay for what are considered “essentially local infrastructure” projects. These actions would transfer additional infrastructure responsibilities to the state and local governments and would end the long-standing federal/state partnership that pre-dates the Eisenhower Interstate Era. In addition, this devolutionist approach would lead to uneven infrastructure development across the northeast and the nation, further inhibiting New York State’s economic competitiveness.

Federal State Safety Oversight

There is, however, one pressing federal issue that I would like to bring to your attention. Governor Cuomo has proposed legislation, as part of the Budget, to conform State law to federal law and regulation governing safety oversight and enforcement of rail fixed-guideway public transportation systems under the jurisdiction of the Public Transportation Safety Board (PTSB). The Federal Transit Administration (FTA) has established an April 15, 2018 deadline for New York to submit its State Safety Oversight (SSO) program policy and procedures, including the requisite SSO enforcement legislation, or the Administration will not guarantee the timely federal review and certification of the State. I assure you, this is not an idle threat. Congress had directed the FTA to withhold all transit funding to states that are non-compliant. In New York State, the amount of funding at risk is \$1.6 billion annually. Your support on this issue is critical and I look forward to working with you and your colleague to advance this important safety proposal.

CONCLUSION

Under Governor Cuomo’s leadership, DOT has played a central role in the State’s economic revitalization. With your support of this Budget proposal, DOT will continue to serve as a catalyst for job creation, global economic competitiveness and enhanced community quality of life. Thank you for your time and I am happy to respond to any questions you may have.

