



## **Testimony for Senate Transportation Committee 1/31/13**

### **I. Introductory Remarks**

The FAIR Committee (Fair Apportionment of Infrastructure Revenue), operating in Western New York, is a broad coalition of labor organizations, engineers and consultants, contractors, material producers, suppliers, truckers, equipment dealers interested in the improvement and maintenance of a safe and efficient transportation infrastructure and economic development.

There is a systemic problem within the NYS Department of Transportation (NYSDOT) that has stopped critical infrastructure projects from being completed which has resulted in record high unemployment – exceeding 20% this past construction season – amongst construction workers, construction firms and engineering consultants in Western New York.

#### **a. Review of the 2012/13 budget:**

Please recall at the completion of the 2012/2013 budget we were informed we had achieved the unthinkable.

Senator Ranzenhofer stated in a letter dated March 30, 2012:

“As you know in fiscal year 2008-2009, Region 5 suffered drastic aid reductions which cost our region an estimated \$167 million. Over the last 30 years, DOT Region 5 has averaged 10% of total transportation funds and in fiscal year 2008-2009, due to this error, Region 5 only received 4.4% of statewide funds.

Under the agreement, (referring to the recently completed budget of 2012/2013), DOT Region 5 will receive approximately 10% of all aid, as well as an additional \$143 million included in NY Works funding which is specifically designated for transportation projects to help offset previous losses.”

Sadly, by June, we began to learn these commitments were not to be fulfilled.

## II. FAIR Actions:

- a. “When it became apparent to FAIR in June of 2012 that the funding commitments were in doubt, FAIR engaged in a number of actions which included numerous correspondences with the NYS Department of Transportation commissioner Ms. Joan McDonald and three conference calls with the director of the Senate Finance Committee Robert Mujica. In each of these three conference calls we were assured by Mr. Mujica the money promised was in the budget and NYS Department of Transportation projects to be let would be forthcoming.

In addition, on two occasions FAIR met in Albany with the Governor’s representative, Mr. Barry Sample, along with representatives from the NYS Department of Transportation and the Budget and Finance Department.”

- b. “It was at this meeting that we were told by NYS Department of Transportation that the “lost construction season” of 2012 was a result of “the perfect storm of screw ups” by the NYS Department of Transportation involving design, bidding and letting functions.
- c. “Mr. Sample also committed to us that we could expect additional funding from NYS Department of Transportation and the “NEW YORK WORKS” program to be let during the current fiscal year.

In a letter from Mr. Samples dated October 23, 2012 he states "For State administered projects, approximately \$200 million in new commitments, barring unforeseen site conditions and/or other circumstances, is programmed and scheduled to be let in Western New York during the current fiscal year."

- d. As you can see from the handout, this commitment has also been unfulfilled." **REVIEW SPREAD SHEET. To date \$72 million has been let representing 6.1% of the overall Statewide core program. NO OTHER REGION IN NYS SUFFERED FROM THIS "PERFECT STORM OF SCREW UPS!"**

III. What FAIR RESPECTFULLY REQUESTS going into the 2012/13 budget:

- a. A strategy from the Senate Transportation Committee to make sure that when final budget negotiations begin between the Governor and the legislature, both Senate and Assembly leaders understand and advocate for Region 5 to receive 10.3% of the NYS Department of Transportation core program AND additional restoration funds to compensate for the "perfect storm of screw ups" and the lost construction season of 2012. **TO DATE, TO MAKE REGION 5 WHOLE, THE AMOUNT WOULD BE APPROXIMATELY \$390 MILLION IN ADDITION TO THE CORE FUNDING.**
- b. During these Senate Transportation Committee hearings request that NYS Department of Transportation uncover all of the details of the design, bidding and letting functions behind the 2012 construction season in Region 5 and to secure a remediation plan from the NYS Department of Transportation officials to ensure that these problems are fixed and cannot occur again.

Respectfully Submitted



Alan Pero

President, FAIR





MICHAEL H. RANZENHOFER  
SENATOR 61ST DISTRICT

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March 30, 2012

I am writing to report major progress in the effort to restore critical infrastructure funding for the Western New York region. Since my election to the State Senate in 2009, I have been very active in trying to re-establish regional balance and make sure that infrastructure funds are fairly distributed to Region 5 of the Department of Transportation (DOT).

Ensuring Western New York, and in particular DOT Region 5, receives its fair share of transportation funding is one of my top priorities. As you know, in fiscal year 2008-2009, Region 5 suffered drastic aid reductions which cost our region an estimated \$167 million. Over the last 30 years, DOT Region 5 has averaged 10% of total transportation funds and in fiscal year 2008-2009, due to this error, Region 5 only received 4.4% of statewide funds. Unfortunately, despite significant evidence of an error, the previous administration failed to address this situation.

I am pleased to report that we have an agreement that would restore this critical funding as well as return Western New York, and in particular DOT Region 5, to its historical funding level. I am proud that together with you, and my colleagues in the Western New York Delegation, we were able to receive our fair share of transportation resources. Under the agreement, DOT Region 5 will receive approximately 10% of all aid, as well as an additional \$143 million included in NY Works funding which is specifically designated for transportation projects, to help offset previous losses.

In addition, we were successful in getting a Memorandum of Understanding (MOU) which establishes a State fiscal year 2012-2013 State Highway and Bridge Program to coordinate the capital planning process in New York State. It also calls for State Highway and Bridge progress reporting. This funding is not only critical to improving our local infrastructure and public safety, but will create hundreds of jobs across our region.

The following charts show 2012-2013 funding for DOT Core and NY Works for Region 5.

| New York DOT Core Program 2012-13: Estimated Costs and Funding Sources (millions) |                    |               |                 |         |
|---|--------------------|---------------|-----------------|---------|
| Region (millions)   | Construction Total | State Process | Federal Process | % Total |
| Region 5  | 166                | 26            | 139             | 10.33%  |

| <b>Western NY Share of Total New York Works Projects</b> |  |  |  |   |
|--|--|--|--|---|
| <b>Region (millions)</b>                                 | <b>% Share<br/>Total NY<br/>Works-<br/>All<br/>Funding<br/>Sources</b> | <b>% Share<br/>Total NY<br/>Works-<br/>New<br/>State<br/>Funding</b> | <b>Total<br/>Project<br/>Value -<br/>All<br/>Funding<br/>Sources</b> | <b>Total<br/>Project<br/>Value-<br/>New<br/>State<br/>Funding</b> |
| WNY Total  | <b>10.45%</b>  | <b>23.37%</b>  | <b>725</b>   | <b>119</b>  |

While I am extremely pleased with this agreement, I will continue to monitor this situation to ensure that these funds are received as scheduled. This is truly a major victory for all of Western New York and I am extremely pleased to have been able to help in accomplishing this major priority for our region.

I hope this information is helpful to you. Please do not hesitate to contact me in the future regarding this or any other State matter.

Very truly yours,

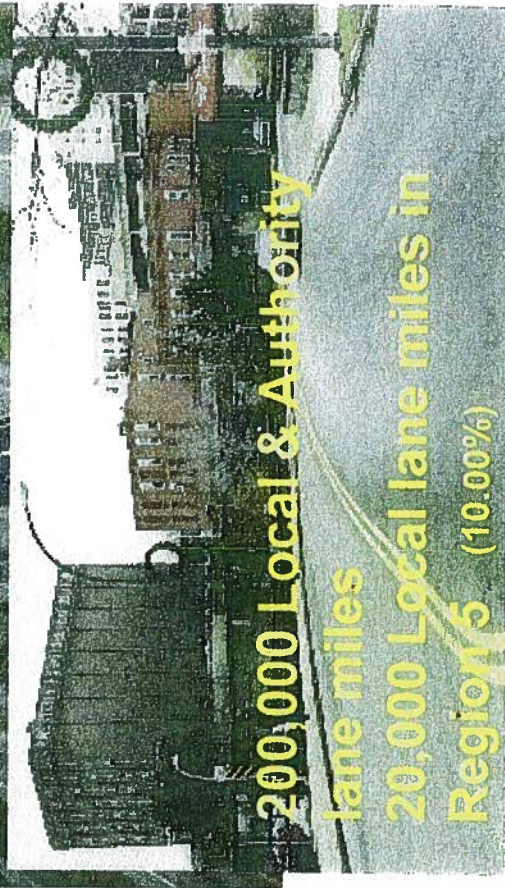
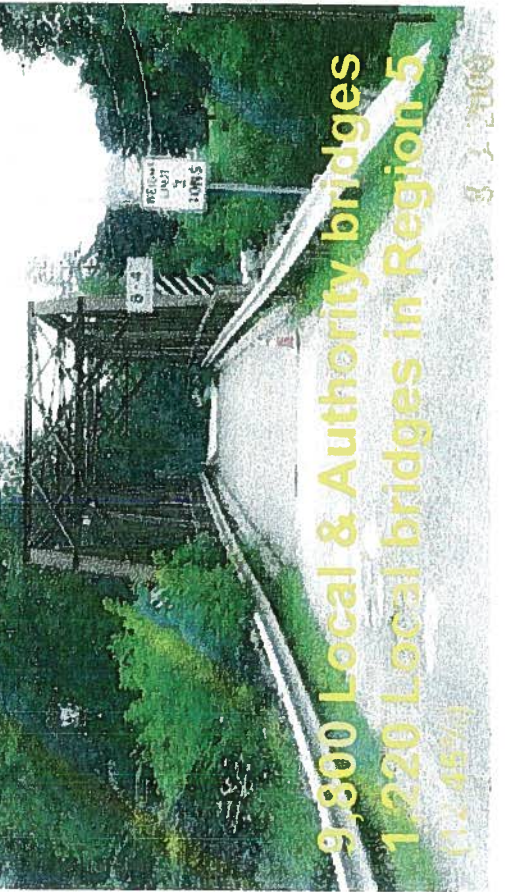
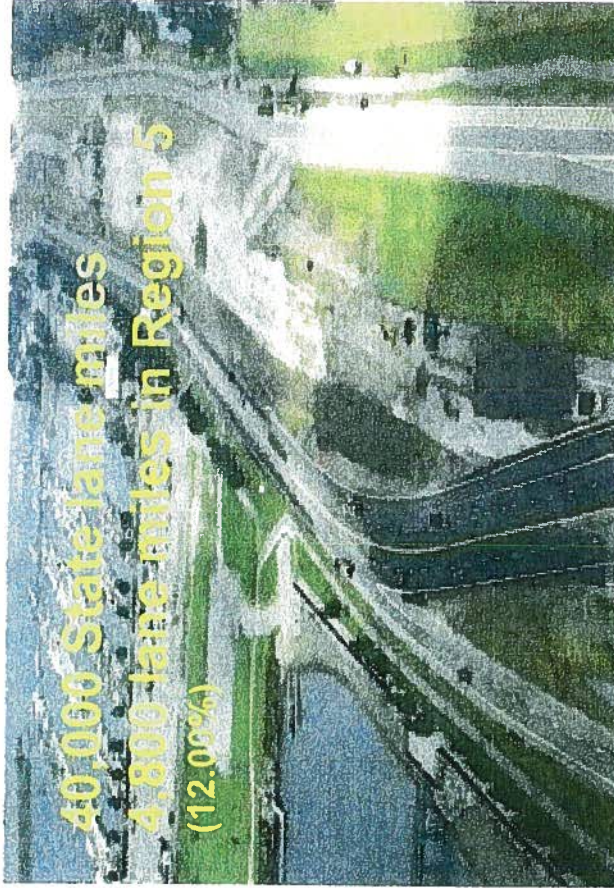
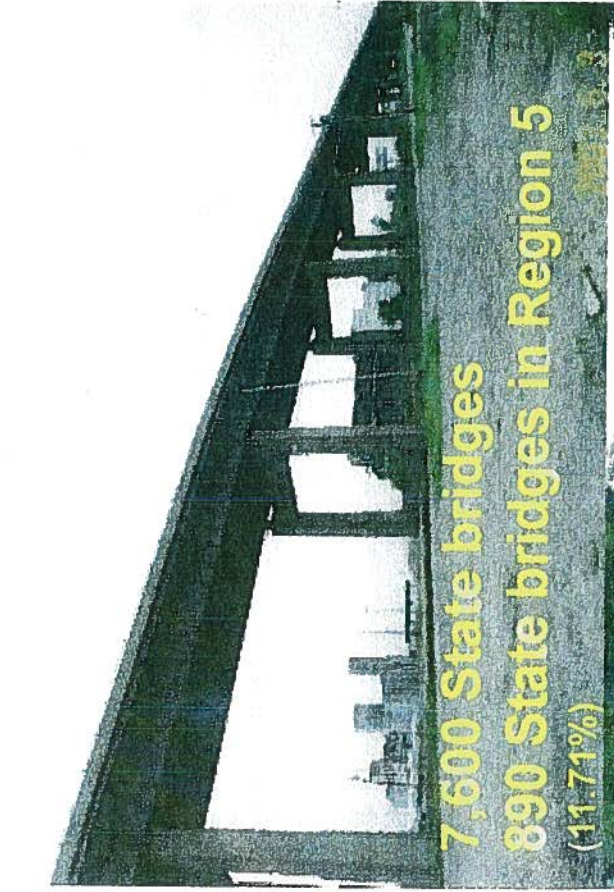


**MICHAEL H. RANZENHOFER**  
State Senator

MHR/jm



# NYS DOT Region 5 Transportation At Glance







STATE OF NEW YORK  
EXECUTIVE CHAMBER  
ALBANY 12224

ANDREW M. CUOMO  
GOVERNOR

October 23, 2012

Mr. Alan Pero  
FAIR  
690 Delaware Avenue  
Buffalo, NY 14209

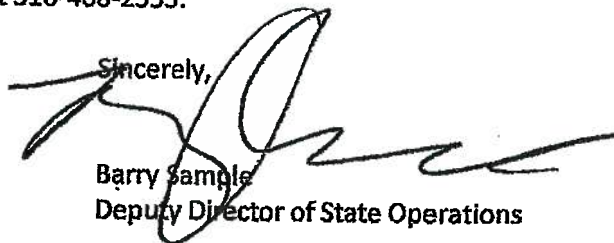
Dear Mr. Pero:

I want to thank you and the representatives from FAIR for continuing to work with the State on initiatives to create jobs and facilitate economic growth in Western New York. The State's investment in transportation improvements through the New York State Department of Transportation (NYSDOT) and the Thruway Authority (NYSTA) are integral elements to achieving our shared goals:

As discussed during our meeting on October 1, 2012, I have attached project lists detailing planned transportation infrastructure investments by NYSDOT, NYSTA and municipal sponsors of federally-aided highway and bridge projects during the period of April 1, 2012 through March 31, 2013. For State administered projects, approximately \$200 million in new commitments, barring unforeseen site conditions and/or other circumstances, is programmed and scheduled to be let in Western New York during the current fiscal year. In addition, local municipalities have programmed more than \$90 million in federally-aided locally administered projects.

If you have questions regarding these attachments, please contact me or Yomika Bennett, Assistant Secretary for Transportation at 518-408-2555.

Sincerely,



Barry Sample  
Deputy Director of State Operations

Attachment  
Cc: Anthony Masiello ✓

## LETTING TOTALS FOR NYSDOT FY 2012-13

This report reflects the dollar value of projects based  
on the announced low bid on Letting Day

| REGION        | 1ST QUARTER             | 2ND QUARTER                               | 3RD QUARTER             | 4TH QUARTER            | YEAR TO DATE              | ANTICIPATED                    |                                 |
|---------------|-------------------------|---|-------------------------|------------------------|---------------------------|--------------------------------|---------------------------------|
|               | (April, May, June)      | (July, August, Sept)                      | (Oct, Nov, Dec)         | (Jan, Feb, Mar)        | (April - March)           | Core Program<br>Including 499M | Special Let<br>NY Works Project |
| 1             | \$128,181,149.36        | \$5,705,663.84                            | \$32,440,001.43         | \$706,383.79           | \$167,033,198.42          | \$159,910,000.00               | \$ 231,226,000.00               |
| 2             | \$42,506,438.96         | \$1,227,371.93                            | \$14,559,934.02         | \$0.00                 | \$88,293,744.91           | \$49,260,000.00                | \$ 33,573,000.00                |
| 3             | \$14,229,611.35         | \$22,910,170.57                           | \$17,672,200.00         | \$0.00                 | \$54,811,981.92           | \$14,700,000.00                | \$ 3,1580,000.00                |
| 4             | \$31,442,882.87         | \$13,992,866.21                           | \$9,422,455.01          | \$2,846,038.91         | \$57,674,243.00           | \$7,250,000.00                 | \$ 29,065,000.00                |
| 5             | \$59,333,818.52         | \$92,433.35                               | \$12,852,339.75         | \$267,191.36           | \$72,545,782.98           | \$165,720,000.00               | \$ 117,367,000.00               |
| 6             | \$17,598,104.27         | \$0.00                                    | \$32,275,625.75         | \$0.00                 | \$49,873,730.02           | \$42,690,000.00                | \$ 68,627,000.00                |
| 7             | \$9,512,515.08          | \$5,310,713.94                            | \$1,394,874.00          | \$0.00                 | \$16,218,103.02           | \$48,570,000.00                | \$ 36,639,000.00                |
| 8             | \$119,871,246.11        | \$97,644,380.91                           | \$23,809,918.29         | \$18,076,566.00        | \$259,402,111.31          | \$177,690,000.00               | \$ 94,505,000.00                |
| 9             | \$56,812,448.42         | \$24,493,680.36                           | \$3,786,700.00          | \$1,844,000.00         | \$86,936,828.78           | \$92,300,000.00                | \$ 1,587,000.00                 |
| 10            | \$79,938,327.09         | \$22,139,368.02                           | \$51,666,082.06         | \$33,336,205.34        | \$187,081,982.51          | \$231,220,000.00               | \$ 53,886,000.00                |
| 11            | \$38,379,739.10         | \$3,645,943.50                            | \$7,866,337.00          | \$0.00                 | \$49,892,019.60           | \$415,350,000.00               | \$ 189,426,000.00               |
| <b>TOTALS</b> | <b>\$597,806,281.13</b> | <b>\$197,132,592.63</b>                   | <b>\$207,746,467.31</b> | <b>\$57,078,385.40</b> | <b>\$1,059,763,726.47</b> | <b>\$1,614,670,000.00</b>      | <b>\$ 1,257,591,000.00</b>      |
|               |                         | Letting Totals<br>Thru 1-10-13            |                         | ↑                      |                           |                                |                                 |
|               |                         | <b>\$1,059,763,726.47</b>                 |                         |                        |                           |                                |                                 |
|               |                         | DOT Project Letting Total - \$1.2 billion |                         |                        |                           |                                |                                 |
|               |                         | NY Works Letting Total - \$1.2 billion    |                         |                        |                           |                                |                                 |
|               |                         | Off System Amount - \$400 million         |                         |                        |                           |                                |                                 |



## Region 5 NYSDOT Letting History

| FY       | Region 5  | all regions | %    |  |
|----------|-----------|-------------|------|--|
| 09-10    | 134,878   | 1,798,206   | 7.5  |  |
| 08-09    | 64,035    | 1,464,903   | 4.4  | <i>Mathematical Error Year</i>               |
| 07-08    | 131,171   | 1,391,919   | 9.4  |  |
| 06-07    | 109,918   | 1,344,737   | 8.2  | <i>excludes \$85.6 million SWS* / Rt 219</i> |
| 05-06    | 100,195   | 1,342,262   | 7.5  |  |
| 04-05    | 93,881    | 1,298,873   | 7.2  |  |
| 03-04    | 105,049   | 1,167,627   | 9.0  |  |
| 02-03    | 121,414   | 1,331,548   | 9.1  |  |
| 01-02    | 124,101   | 1,481,642   | 8.4  |  |
| 00-01    | 124,214   | 1,084,470   | 11.5 |  |
| 99-00    | 143,399   | 1,215,301   | 11.8 |  |
| 98-99    | 147,278   | 1,673,357   | 8.8  |  |
| 97-98    | 135,089   | 1,375,547   | 9.8  |  |
| 96-97    | 132,578   | 1,303,116   | 10.2 |  |
| 95-96    | 115,412   | 1,048,817   | 11.0 |  |
| 94-95    | 107,979   | 1,085,430   | 9.9  |  |
| 93-94    | 114,540   | 1,042,000   | 11.0 |  |
| 92-93    | 106,980   | 1,026,000   | 10.4 |  |
| 91-92    | 82,660    | 1,165,000   | 7.1  |  |
| 90-91    | 63,840    | 1,115,000   | 5.7  |  |
| 89-90    | 96,660    | 1,016,000   | 9.5  |  |
| 88-89    | 137,000   | 1,020,000   | 13.4 |  |
| 98-88    | 82,370    | 985,000     | 8.4  |  |
| 86-87    | 90,010    | 869,000     | 10.4 |  |
| 85-86    | 83,440    | 802,000     | 10.4 |  |
| 84-85    | 70,450    | 837,000     | 8.4  |  |
| 83-84    | 55,180    | 655,000     | 8.4  |  |
| 82-83    | 49,490    | 523,000     | 9.5  |  |
| 81-82    | 67,000    | 484,000     | 13.8 |  |
| 80-81    | 67,300    | 485,000     | 13.9 |  |
| 79-80    | 98,800    | 503,000     | 19.6 |  |
| 78-79    | 127,500   | 589,000     | 21.6 |  |
| 32 years | 3,148,933 | 32,725,549  | 9.6  |  |
| 78-08    |           |             | 9.9  | <i>excluding FY '08-'09</i>                  |

*These figures are "announced" low bid and thus may contain the "B" portion of some A+B contracts  
 \*SWS = statewide significant project; does not count towards a region's allocation*

**THRUWAY LETTING TOTALS**  
**FISCAL YEAR 2012**  
 (Through December 31, 2012)

| DIVISION     | Anticipated              | THRUWAY LETTING TOTALS       |                               |                              |                            | TO DATE                |
|--------------|--------------------------|------------------------------|-------------------------------|------------------------------|----------------------------|------------------------|
|              |                          | 1ST QTR<br>(Jan, Feb, March) | 2ND QTR<br>(April, May, June) | 3RD QTR<br>(July, Aug, Sept) | 4TH QTR<br>(Oct, Nov, Dec) |                        |
| Albany       | \$ 28,100,000.00         | \$1,234,098.50               | \$15,831,182.87               | \$7,584,000.00               | \$8,498,254.45             | \$33,740,335.82        |
| Buffalo      | \$ 60,450,000.00         | \$13,764,051.50              | \$0.00                        | \$0.00                       | \$0.00                     | \$13,764,051.50        |
| New York     | \$ 41,150,000.00         | \$562,000.00                 | \$0.00                        | \$0.00                       | \$3,200,355.52             | \$3,762,355.52         |
| Syracuse     | \$ 33,400,000.00         | \$369,140.00                 | \$662,130.00                  | \$1,409,464.40               | \$20,398,977.70            | \$22,839,712.10        |
| <b>TOTAL</b> | <b>\$ 163,100,000.00</b> | <b>\$15,929,290.00</b>       | <b>\$16,493,312.87</b>        | <b>\$8,993,464.40</b>        | <b>\$32,097,587.67</b>     | <b>\$74,106,454.94</b> |



REGIONAL OFFICES & COUNTIES

Select The County You're in

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- Wyoming
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