

## Connecticut Public Transportation Commission

Minutes of August 7, 2014

ConnDOT Headquarters, Conference Room A  
Berlin Turnpike, Newington

**Attendance: Members:** Kevin Maloney, Richard Schreiner, Mort Katz, Alan Sylvestre, Yvonne Loteczka, Robert Rodman, Russ St. John, Ed McAnaney, Chris Adams, Richard Sunderhauf, Alan Sylvestre, Nicholas Lownes. **Ex-officio members:** David LeVasseur (OPM,) Fred Riese (DEEP). **ConnDOT staff:** Tom Harley, Sherry Osterling, Jim Stutz. **Guests:** Donald Shubert.

Chairman Maloney called the meeting to order at 1:34 p.m. Mort Katz offered one correction to the minutes of July 10, 2014. Under Old Business, the July 10 minutes listed Friends of the Greatest Generation as the organization which funded the trip Mort and 27 other World War II veterans took to France for the commemoration of the 70<sup>th</sup> anniversary of the D-Day invasion. The correct name of the sponsoring organization is Greatest Generation Foundation.

### Featured Speaker

Chairman Maloney introduced Don Shubert, President of the Connecticut Construction Industries Association and welcomed him back to the Commission. Shubert recalled that when he spoke to the Commission at its July 2013 meeting, he discussed the American Society of Civil Engineers' Report Card that assessed the nation's transportation infrastructure needs at \$3.6 trillion. At that time, Don also looked ahead to the Sept. 30, 2014 expiration of the MAP-21 Surface Transportation Act and at the need to address the depletion of the balance of the Highway Trust Fund.

Don had also last year discussed the potential for private capital to be used to meet some of the nation's transportation infrastructure needs. He affirmed this year that there is more private capital available than most people can imagine but that accessing this capital requires the availability of revenue generating transportation facilities such as tolled bridges and highways. In Connecticut, such opportunities are rare but two recent examples are the public/private partnership to reconstruct the service plazas along Interstate 95 and the Merritt Parkway, and the proposed transit-oriented development and new parking at the Stamford Transportation Center.

Shubert said Connecticut is currently in good shape as far as available State dollars for transportation projects. There is currently \$825 million available in State funds for 2014. This is projected to drop off to \$474 million in 2015 and to \$283 million in 2016. The State of Connecticut is currently paying for just over 50% of all its capital spending on transportation. This percentage will drop down in coming years. State transit funding is currently at \$160,000,000 but will drop slightly into the \$150 million range for the next few years.

As for Federal spending, the current long range Surface Transportation Act, MAP-21, expires on September 30. Although typically the Surface Transportation bills are written for 6-year timeframes, the current law was only for a 2 ½ year duration.

The level of Federal transportation spending in Connecticut has increased from \$450 million in 2005, to \$500 million in 2010, to \$647 million in 2014.

Shubert noted that the funding formulas contained in the previous Surface Transportation Act, SAFETY-LU, did not operate to Connecticut's advantage but our Congressional delegation was successful in procuring earmarks which put Connecticut back into the middle of the pack overall among the states in funding. Now, with earmarks having been ended, Connecticut's Federal funding position has deteriorated. Over the last 10 years, the amount of State transportation funding in Connecticut has increased far more than has the Federal funding.

Shubert then summarized the political negotiations and positions this summer as a new transportation bill was pursued. The Senate Energy and Public Works Committee proposed a 6-year reauthorization bill without proposing a funding mechanism for it. President Obama proposed a 4-year Grow America Act to be financed by 'closing corporate tax loopholes'. Speaker John Boehner proposed a 12-month funding patch simply to close the gap between the \$50 billion in spending and the \$34 billion in anticipated revenues, based on gas tax receipts, over the coming year. Oregon Senator Ron Wyden also proposed a patch bill but just for \$9 billion, with the goal of getting to the end of 2014.

The tenor of the debate changed on June 18 when Connecticut Senator Chris Murphy proposed an increase in the Federal gas tax of 6c per year for two years and thereafter indexing the gas tax to inflation. Republican Senator Bob Corker of Tennessee signed on to this proposal. Shubert noted that Murphy's proposal was a politically risky one that took a lot of courage, but also that he was in a favorable position to make such a proposal because he is not running for reelection this year. Murphy's proposal would, if implemented, simply restore the Highway Trust Fund to solvency by closing the gap between Fund inflows and expenses. It would allow current spending levels to be supported without resorting to stopgap transfers to keep the Fund solvent.

As Congress was preparing to go into its August recess just as the Highway Trust Fund was about to go broke, the House Ways and Means Committee took up the transportation funding issue at the eleventh hour. The two schools of thought were either to seek a funding solution to get to next May or a shorter term measure to get to the end of 2014 in hopes that the lame duck session of Congress could fix the problem once and for all after the election. Shubert said the extension to May 2015 is undesirable because this only moves the ball to the start of next year's construction season. Nevertheless, the House Ways and Means Committee proposed \$10.8 billion in funding to get to May 2015 along with the extension of MAP-21 to May. The Senate had different ideas and put together a bill to get to the end of 2014. After Speaker Boehner balked at the Senate bill, the Senate went along with the House, extending funding to May 31, 2015.

Money to pay for closing the funding gap though May 31, 2015 will come from three sources: 1) 'pension smoothing', which is a measure allowing companies to postpone some contributions to pension plans, thereby allowing the Federal government to capture additional tax

revenues from the enhanced corporate earnings, 2) increased customs fees, and 3) \$1 billion taken from the Underground Storage Tank Fund.

Shubert said there is still some potential to pursue a longer term solution in the lame duck session, or maybe to break the issue up into separate efforts to fix the Highway Trust Fund first and then to address a 6-year transportation authorization bill. The construction industry needs to see some long-term funding stability before it can make investments in equipment and staff for the future.

One problematic issue for Connecticut in a new transportation bill may be a potential increase in the funding guarantee to states to 95%, i.e., each state getting back at least 95% of the amount of funding it generates for the Highway Trust Fund. Especially in the current environment with no more earmarks, any increase in the funding guarantee percentage would operate to Connecticut's disadvantage.

In response to a question as to why Connecticut lags some other states in the development of light rail systems and other major transit initiatives, Shubert said Commissioners Joe Marie and Jim Redeker have really changed the focus of ConnDOT toward public transportation and that the Springfield Line passenger rail service and the CTfastrak busway are truly major and significant transit initiatives. Shubert said that 52% of ConnDOT's operating budget (as opposed to its capital budget) now goes to support public transportation, and that number will rise to 80% once CTfastrak and the Springfield Line services are in operation.

Shubert also mentioned that Rep. Joe Courtney is pursuing a TIGER grant to upgrade the New England Central Railroad corridor to support 286,000 pound rail cars, which is the new standard for the freight rail industry.

### **Reports from Operating Entities**

Rich Sunderhauf has just returned to work after his hip replacement surgery. He mentioned that CT Transit is currently hiring for bus driver positions and that it has quite a few openings for new drivers.

### **Chairman's Report**

Chairman Maloney reported that the Bond Commission had just approved \$3,000,000 for immediate repairs to the Norwalk Bridge on the New Haven Line, and \$2.75 million for the design of the new East End Station in Bridgeport.

Maloney also mentioned testimony at a recent hearing of the Connecticut Commuter Rail Council concerning the Waterbury Branch of Metro-North. The two major complaints at the hearing concerned the lack of cleanliness of the rail cars, especially the restrooms, and the frequent substitution of bus service for rail service.

### **Old Business**

Fred Riese reported that all the reimbursement request forms for members for the first half of 2014 have either been submitted to ConnDOT or would be sent to the department tomorrow.

Chairman Maloney welcomed Jim Stutz of ConnDOT who is the department's new liaison to the Commission, replacing the recently-retired Dennis King.

### **New Business**

Fred Riese mentioned that he will be attending the upcoming meetings of the Connecticut Academy of Science and Engineering for the study of the corrosive effects of magnesium chloride on vehicles, bridges, infrastructure and the environment.

Fred also announced the schedule of the Commission's five fall public hearings. The dates and locations are: September 9 in Hartford at the Hartford Public Library, which is a 6:00 pm hearing as opposed to the Commission's usual 7:30 start time, September 17 at Torrington City Hall, September 30 at Waterbury City Hall, October 8 at Meriden City Hall, and October 15 at Mansfield Town Hall. Alan Sylvestre will moderate the Hartford hearing, Fred will moderate the Torrington and Waterbury hearings, and moderators for the two October hearings will be selected at the next meeting.

Nick Lownes announced the t-HUB series workshop on September 24 at the UConn Graduate Business Learning Center in downtown Hartford at Constitution Plaza. The topic of the workshop is "Big Data for Equity and Performance Measurement" as concerns transit services. The featured speakers at the workshop will be Dr. Kari Edison Watkins of Georgia Tech, Dr. Stephen Boyles of the University of Texas at Austin, Dr. Brendon Hemily of the University of Toronto and Dr. Lownes. The workshop will run from 8:00 am to 4:00 pm.

Chairman Maloney closed the meeting at 2:53 pm.