

**Connecticut Public Transportation Commission**  
Minutes of July 11, 2013

Legislative Office Building, Hearing Room 1-C  
Hartford, Connecticut

**Attendance: Members:** Kevin Maloney, Russ St. John, Bill Kelaher, Richard Sunderhauf, Robert Rodman, Ryan Kiernan, Yvonne Loteczka, Ed McAnaney, Alan Sylvestre. **Ex-officio members:** Fred Riese (DEEP). **ConnDOT staff:** Dennis King.

Chairman Kevin Maloney called the meeting to order at 1:30 pm, noting that that meeting was being televised and welcoming the CT-N viewers. The minutes of the meeting of June 6 were accepted as written.

**Featured Speaker**

Chairman Maloney welcomed Don Shubert, president of the Connecticut Construction Industries Association, and thanked him for appearing before us today. Don Shubert mentioned that he is interested in all aspects of transportation. He contrasted transit project spending, which is characterized by more peaks and valleys in funding levels, with the less volatile highway funding levels.

Shubert said the price tag for completing the Eisenhower Interstate Highway System was \$425 billion, measured in 2006 dollars. Most of the Interstate System was built with 90% Federal funding. He contrasted this cost and this funding split with the recently released American Society of Civil Engineers (ASCE) 2013 *Report Card* which found a need for \$3.6 trillion of infrastructure investments needed by 2020, a number that includes utility and other infrastructure needs beyond transportation. Shubert said that the Federal government will not be able to pick up 90% of the funding share any longer.

MAP-21, the new surface transportation funding program, expires at the end of 2014. Transportation funding under MAP-21 is propped up by transfers from the General Fund, as fuel tax revenues are not sufficient to satisfy its funding obligations. When MAP-21 expires and is replaced by a new surface transportation law, Shubert said there are three options for funding the new program:

- Identify new funding sources
- Rely on more support from the General Fund
- Cut the program to match the funding level generated by the gas tax.

If the latter approach is used, Connecticut could theoretically see its Federal transportation support go from \$489 million in 2014 to \$60 million in 2015.

Another potential pitfall for Connecticut would be an increase in the guaranteed rate of return to each state. Connecticut historically has received more in Federal transportation funding than it contributed in fuel tax revenues. MAP-21 increased the guaranteed rate of return to 95%, meaning that each state was assured of receiving at least 95% as much in Federal revenue as that state generated. This hurt Connecticut's funding share. Another change that has operated to Connecticut's disadvantage is that 90% of programmatic Federal funding is now allotted under formulas, while only 10% is discretionary funding. In addition, MAP-21 does not contain any earmarks, eliminating another funding source from which this state has traditionally benefitted.

Shubert next discussed alternative methods to finance transportation projects. USDOT funding under the Transportation Infrastructure Financing and Innovation Act (TIFIA) will finance projects through low interest loans, but TIFIA financed projects must be both ready to proceed and must have some revenue mechanism to pay back the loan. USDOT sets the selection criteria and selects the projects to receive funding under TIFIA. Shubert noted that whereas there were no application costs for earmark-financed projects, the application process for TIFIA or TIGER projects or other competitive funding sources can be very expensive. He noted that states with infrastructure banks have a competitive advantage in securing funding. MAP-21 expands states' ability to finance projects with toll revenues, but the use of tolls is very controversial in Connecticut, so this state is going to have to figure out what methods it will use to finance its transportation spending. Virginia recently switched from a gas tax to a sales tax to finance transportation. Public/private partnerships are being used with increasing frequency in other states. Connecticut has increased its bonding support for transportation, tripling the level of transportation bonding from 2006 to 2014.

Shubert said that, in January 2011, Connecticut had \$1.7 billion in authorized transportation funding that was not being spent. By April 2013, this total had grown \$2.7 billion.

Legislation providing more flexibility for state agencies to enter into public/private partnerships through Jan. 1, 2015 sets a cap of 25% State support for such projects and requires approval of each project by the governor. But Shubert noted that public/private partnerships are only relevant for projects that include revenue-generating facilities. The concessions agreement for the service plazas on Interstate 95 and the Merritt Parkway is a good example of the use of such agreements.

Shubert said that ConnDOT has \$12.5 billion of unfunded projects that are looking for financing. The gas tax continues to decline in productivity as a funding source as vehicle fuel economy improves. The old rule-of-thumb was that each 1¢ increase in the gas tax equates to \$14,000,000 per year in additional funding.

Representative Rosa DeLauro has been pushing a proposal for a national infrastructure bank for several years. Shubert explained that infrastructure banks simply consist of federal (or state) seed money and low interest rate loans. Once established, the infrastructure bank operates as a revolving fund where loan repayments are recycled into new loans. Shubert observed that there is also a lot of private capital out there for investment but the private money wants projects that are ready to go.

Shubert is currently serving as co-chairman of the National Tolling Coalition. He again mentioned that the criteria for the types of transportation projects eligible for tolling have been loosened under MAP-21. Shubert estimated that up to \$70,000,000 in revenue per year could be generated by tolls in Connecticut.

Shubert cited the Figg Bridge in Virginia as an example of alternative financing. The state of Virginia did not have the money to do needed repairs on the bridge. So the State sold the bridge to a developer for \$1.00. The developer rebuilt the bridge and increased the toll on the bridge. Shubert mentioned that the same developer has expressed interest in bridges in Connecticut. [Note: The Figg Bridge crosses the Elizabeth River and is also known as the South Norfolk Jordan Bridge.]

In response to a question as to why there is \$1.7 billion in authorized but unspent transportation appropriations and associated projects, Shubert said that is a good question and one he has given thought to also. Some of this, he believes, is due to problems on the front end of projects. In Connecticut, we use Federal funds for our design work. Other states use state funds for design work, which are often available much more quickly, and then go to the Feds for construction funding. Relatedly, he also mentioned an issue that Commissioner Redeker has highlighted, that of 'replenishing the bin' of projects that are ready to go. The American Recovery and Reinvestment Act drained the bin of ready-to-go projects, which could be another cause of the lag in spending. Shubert said these comments do not reflect any criticism of the ConnDOT staff. He complimented ConnDOT as an organization of very talented people but noted that it is short-staffed.

Another question concerned the composition of the \$12.5 billion in needed transportation projects in Connecticut. Shubert said that mega-projects such as the Quinnipiac River Bridge devour our state spending capacity. The Aetna Viaduct in Hartford and the Interstate 84/Route 8 interchange reconstruction in Waterbury are two other mega-projects that would eat up available state funds for years. Shubert said that an infrastructure bank could take these projects out of the spending queue.

### **Comments from the public**

Lawrence Truman said he has an engineering degree in roadway design. He faulted multiple aspects of the Broad Street bridge reconstruction. He said the use of felt underneath the pavement will inhibit drainage and that toxic paint has been used as an adhesive. Poor drainage will lead to the buildup of ice in winter and to slippery and dangerous conditions and deterioration of the bridge. Truman also faulted the use of cork on the bridge for the same reasons. He said these practices are widespread in the city in other walkways.

### **Comments from Operating Entities**

Bill Kelaher said Amtrak is making a push for proper appropriation levels. Amtrak carried 29,000,000 passengers in 2010. Amtrak is making a commitment that 25% of new hires will be veterans. Bill also reported that Metro-North workers continue to be without a contract and that there are no serious labor negotiations underway.

Kelaher also reported that the new train arrival and departure board at Union Station in New Haven will be operated out of New York, creating new jobs in New York rather than Connecticut even though those jobs would cost less in Connecticut.

Kelaher lastly mentioned two items concerning the new West Haven Metro-North station. First, Metro-North workers are mourning the loss of one of their brothers in a fatal construction accident at the station. Kelaher then noted that ConnDOT plans to outsource the cleaning and maintenance work at the new station.

Rich Sunderhauf reported that CT Transit has adopted a new transfer policy as of July 4, replacing the previous decades-old policy. The new transfer is really a 90-minute pass. It can be used over and over for as many trips as you want during the 90 minutes. This arrangement is much simpler for both passengers and the bus drivers. Rich also reported that CT Transit driver Juan Caprio won the 40' Division competition at the ROADEO and will represent Connecticut in the national competition in Kansas City.

### **Chairman's Report**

Chairman Maloney announced the schedule and locations for the four fall public hearings, which are as follows:

- September 18- Orange, Orange Town Hall
- September 24- New Milford, New Milford Town Hall
- October 15- Enfield, Enfield Town Hall
- October 22- New London, New London City Hall

All hearings will start at 7:30 pm.

### **Old Business**

Fred Riese mentioned that work on asbestos removal at the derelict SNET building at the Waterbury train station is slated to begin next month. Asbestos removal is the first step in the demolition of the SNET building, whose removal has been advocated in several CPTC Annual Reports. Removal of the building is the first element of several improvements at the Waterbury train station.

### **New Business**

Fred Riese mentioned three items under New Business. He attended a public hearing at Windsor Locks High School on June 26 at which a long range plan for the redevelopment of downtown Windsor Locks was presented. The plan centered around the development of the Windsor Locks train station for the new Springfield Line high speed rail service being at the site of the historic downtown train station, which was recently acquired by the town. Though several speakers were critical of the plan, the overall sentiment of those in attendance was supportive.

Regarding the Housatonic Railroad's proposal for passenger service on the Berkshire Line between Danbury and Pittsfield, Gov. Patrick of Massachusetts has included the upgrade of the Massachusetts portion of the line in his *The Way Forward* transportation strategy and is planning to make a significant investment on the line.

Lastly, Fred reported that the Office of Policy and Management has approved the language of a revised lease agreement between DEEP and the Valley Railroad, which is a significant step of progress in the long-running effort to finalize an agreement between Valley Railroad, DEEP and the Providence and Worcester Railroad to cover P&W's intermittent use of the Old Saybrook Wye for turning or storage of trains.

Chairman Maloney closed the meeting at 2:43 pm.