

Connecticut Public Transportation Commission

November 4, 2010

ConnDOT Headquarters, Conference Room B
2800 Berlin Turnpike, Newington

Attendance: Members: Kevin Maloney, Richard Schreiner, Yvonne Loteczka, Morton Katz, Richard Sunderhauf, Alan Sylvestre, Russ St. John, Edward McAnaney, Chris Adams, Richard Carpenter, Ron Kilcoyne, Robert Rodman. **Ex-officio members:** Frederick Riese (DEP). **DOT Staff:** Dennis King, Sherry Osterling. **Guests:** Donald Shubert.

Chairman Maloney opened the meeting at 1:35 pm. The minutes of the meeting of October 7 were accepted as written.

Featured Speaker

Chairman Maloney mentioned that he attended a meeting with Senator Leiberman's staff a couple months ago. There was a significant level of concern about the state of health of Connecticut's construction industry. Construction firms are going out of business at an alarming rate.

With that backdrop, Chairman Maloney introduced Don Shubert, President of the Connecticut Construction Industries Association, who last addressed the Commission in May 2009. Shubert provided some background on the American Recovery and Reinvestment Act stimulus program and on the expiration of the SAFETEA-LU surface transportation act. One third of the highway money coming into Connecticut under the American Recovery and Reinvestment Act was routed through the MPOs and RPAs to ensure a geographic diversity of the spending of the funds.

The current surface transportation act, SAFETEA-LU, expired on September 30, 2009. President Obama proposed an 18-month extension of the Act to extend it until after the mid-term 2010 elections. As it turned out, four short-term extensions and one nine-month extension were approved to extend SAFETEA-LU until December 31, 2010. In the interim, state departments of transportation have hunkered down, as the short-term extensions have added uncertainty to the funding outlook and this had a crippling effect on capital construction. ConnDOT is no exception and has shortened its list of fiscally-constrained projects. Shubert mentioned that most of the stimulus money did not roll out in 2009, but rather those projects showed up in 2010. Most of the stimulus projects have now been completed or are nearly complete so we now find ourselves on the backside of the stimulus funding and with no reauthorization of the federal surface transportation act in place. After December 31, 2010, there will be no transportation act in effect.

Retiring Ohio Senator George Voinovich captured the importance of having a multi-year transportation bill in place in his statement of August 4, 2010, copies of which Shubert distributed in a package of handouts. President Obama seemed to pick up on this

theme in a Labor Day address when he called for a 6-year reauthorization of the surface transportation act with \$50 billion of front-loaded investment. But the House Ways and Means Committee hasn't wanted to look at this plan and in the Senate, Barbara Boxer, who chairs the Energy and Public Works Committee, is focused on energy issues and has not shown interest in the surface transportation act reauthorization, according to Shubert. The Obama administration now says it will address reauthorization in the February budget address. This means many precious months are being lost.

The Obama administration was just beginning to talk about transportation seriously before the election. Most analysts see only an 11-month window from now to get a new transportation bill done and funded before the 2012 presidential election season starts and makes the passage of new legislation virtually impossible.

The loss of Senator Dodd from the Senate Banking Committee will cost Connecticut a great deal of influence and funding.

All state DOTs have the same problem of having no idea what is coming down the road so all are hunkering down into a very fiscally conservative mode. In addition, deficit reduction is now the biggest topic in DC. Therefore, the level of construction activity is not likely to rebound soon.

There is a push to make transportation funding more of a competitive program among the states. There is little appetite for increasing the federal gas tax at the moment. The Highway Trust Fund balances have been liquidated as increased levels of spending drew the fund down to zero. Since the Highway Trust Fund balance was consumed, appropriations of federal general funds have been used for up to 50% of the HTF expenditures. Shubert can foresee that the standoff on crafting a new surface transportation bill may continue until after the next presidential election. Shubert also noted that only 7-8% of the stimulus funding went into infrastructure projects.

Moving on to the current state of the construction industry, Shubert said that there is roughly a 30% unemployment rate in the construction trades. Before 2008, the industry was involved in work force development efforts to get new and younger workers into the field. Then the recession and the 30% unemployment rate hit so that recruiting effort was discontinued. However, the trend is still one of an aging workforce in the construction trades.

The construction industry continues to lose key people both in the trades and on the office side. These people are moving on to other industries. Shubert also said that the stimulus spending did not lead to any real investment in the industry because of the short-term duration of the stimulus. Firms just did not buy new equipment for the small stimulus jobs but rather got by on existing equipment.

Shubert said CCIA likes transit-oriented development because such development generates jobs twice, first for the transportation infrastructure development and then for the residential and commercial development that follows.

Shubert said that the road building companies in particular always prepare for hard times. Many are family-owned companies which are run very conservatively. The facilities construction side of the industry was more likely to expand or to take on debt and it is here that there will be a shake-out of firms due to the recession.

The members of the Connecticut Congressional delegation have, in Shubert's experience, always been very cooperative and good to work with.

Shubert noted that Florida Representative John Mica is the likely new chairman of the House Transportation and Infrastructure Committee, replacing Rep. James Oberstar of Minnesota, who was not reelected. There are only three options available to Congress as it frames the next transportation bill. These are:

- Scale back transit and highway investment to levels that are supportable with current levels of Highway Trust Fund income
- Use deficit spending to support more transportation infrastructure
- Raise new revenues for the Highway Trust Fund.

One option that has long been discussed, especially by Sen. Dodd and Rep. DeLauro, is that of an infrastructure bank. The Senate Banking Committee held a hearing on this concept on September 21. Options for an infrastructure bank include placing the bank within USDOT and having it fund only transportation projects or have a more broadly structured bank outside of USDOT which would deal with other infrastructure investments as well, such as sewage treatment plants. First, we need to decide on the mission and project criteria for such an institution. Projects funded by such a bank would need to generate a revenue stream. Perhaps one project selection criterion would be the level of local or private investment in a project.

Shubert said four major transportation projects in Connecticut are currently consuming all available funding and there is no money left for any other projects. The four large projects are the Moses Wheeler and Quinnipiac River Bridges on Interstate 95, the New Haven Yard maintenance facilities, and the New Britain Busway. Other projects such as the Northeast Corridor railroad bridges, the Routes 8 and 84 interchange and the Aetna viaduct will have no funding for the foreseeable future.

Dick Carpenter related that New Jersey is advertising for bids to fill in the partially completed but recently cancelled Hudson River rail tunnels.

Reports from Operating Entities

Richard Sunderhauf noted that there was still no contract between Connecticut Transit and the bus drivers.

Chairman's Report

Chairman Maloney reported that the New London public hearing on October 20 was a very well-attended and lively one. There were many speakers in support of expanded Shore Line East service to New London and multiple speakers who felt that

such an expansion would negatively impact marina owners and boaters north of the Amtrak bridges at the Connecticut and Niantic Rivers.

Maloney noted yet another Hartford Courant article containing the pro- and anti-busway viewpoints.

Old Business

Russ St. John attended a meeting on the proposals for rebuilding the Interstate 84 viaduct in Hartford. The Capitol Region Council of Governments recently completed a study of three options to reconstruct or relocate the highway through Hartford as the viaduct structure reaches the end of its design life.

Fred Riese mentioned that the deadline for comments on the State Rail Plan is November 23.

New Business

Fred Riese reminded members that the Commission's annual work session will be November 18 at 5:00 PM at Union Station in New Haven. He asked members to review the packets of public hearing summaries and to come to the meeting with proposals for recommendations for the Annual Report.

Fred also mentioned that Commission member Gail Lavielle had been successful in her bid for election to the General Assembly for the 143rd House district, winning by over 600 votes.

Dick Carpenter mentioned reading an article that gave some figures on the Aurora Metro commuter line in Chicago where 600 passenger trains and 60 freight trains run daily sharing the same 3-track railroad. If they are able to integrate so many passenger and freight trains, why can't we do it with many fewer trains on the New Haven Line.

Chairman Maloney mentioned that Buzzuto's, the grocery wholesaler, recently installed a state-of-the-art simulator for driver training in how to handle various road conditions such as getting a flat tire while driving. The Commission has been invited to hold a meeting at the Buzzuto's facility in Cheshire and to see the simulator. The February 3, 2011 meeting was discussed as a tentative date to meet at Buzzuto's.

Chairman Maloney adjourned the meeting at 3:14 pm.