
Committee Meeting

of

ASSEMBLY TRANSPORTATION AND INDEPENDENT AUTHORITIES COMMITTEE

“The committee will take testimony from transportation experts and the public concerning the Transportation Trust Fund and its impact on the State’s economy. The committee will examine how a first-class transportation network for moving goods, services, and people is essential to attract businesses and create jobs in the State”

LOCATION: Montclair State University
Montclair, New Jersey

DATE: September 24, 2014
10:00 a.m.

MEMBERS OF COMMITTEE PRESENT:

Assemblyman John S. Wisniewski, Chair
Assemblywoman Linda D. Stender, Vice Chair
Assemblywoman Marlene Caride
Assemblyman Carmelo G. Garcia
Assemblyman Thomas P. Giblin
Assemblywoman Sheila Y. Oliver
Assemblyman Robert D. Clifton
Assemblywoman BettyLou DeCroce
Assemblyman Scott T. Rumana



ALSO PRESENT:

Patrick Brennan
Emily W. Grant
Office of Legislative Services
Committee Aides

Jillian Lynch
Assembly Majority
Committee Aide

Glen Beebe
Assembly Republican
Committee Aide

Meeting Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
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JOHN S. WISNIEWSKI
Chair

LINDA D. STENDER
Vice-Chair

MARLENE CARIDE
CARMELO G. GARCIA
THOMAS P. GIBLIN
CHARLES S. MAINOR
PAUL D. MORIARTY
SHEILA Y. OLIVER
ROBERT D. CLIFTON
BETTYLOU DeCROCE
SEAN T. KEAN
SCOTT T. RUMANA



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COMMITTEE NOTICE

**TO: MEMBERS OF THE ASSEMBLY TRANSPORTATION AND INDEPENDENT
AUTHORITIES COMMITTEE**

FROM: ASSEMBLYMAN JOHN S. WISNIEWSKI, CHAIRMAN

SUBJECT: COMMITTEE MEETING - SEPTEMBER 24, 2014

The public may address comments and questions to Emily W. Grant, Committee Aide, or make bill status and scheduling inquiries to Melinda Chance, Secretary, at (609)847-3840, fax (609)292-0561, or e-mail: OLSAideATR@njleg.org. Written and electronic comments, questions and testimony submitted to the committee by the public, as well as recordings and transcripts, if any, of oral testimony, are government records and will be available to the public upon request.

The Assembly Transportation and Independent Authorities Committee will meet on Wednesday, September 24, 2014 at 10:00 AM in the University Hall Conference Center, 7th Floor, Montclair State University, 1 Normal Avenue, Montclair, New Jersey 07043.

The committee will take testimony from transportation experts and the public concerning the Transportation Trust Fund and its impact on the State's economy. The committee will examine how a first-class transportation network for moving goods, services, and people is essential to attract businesses and create jobs in the State.

Issued 9/18/14

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ASSEMBLYMAN JOHN S. WISNIEWSKI (Chair): Good morning. Would everyone please take their seats, including our Committee members?

Good morning and welcome to this meeting of the Assembly Transportation and Independent Authorities Committee. This is the first of four public hearings that the Committee will be holding on the Transportation Trust Fund.

I can't underscore enough the importance of the work we're about to embark on. Transportation forms an important part of our State economy. And for everybody in the state who wants to see our economy do better, we need to understand that finding the funding solution for the Transportation Trust Fund is one way to make our economy do better. So many people in this state derive their income -- their livelihood -- from transportation. And seeing our transportation infrastructure decay means that we are putting their jobs at risk.

But it's not only that. We all know the frustration of sitting in traffic. We all know the frustration that we experience when, because of substandard roads, or unrepaired bridges, our motor vehicles -- our cars require additional work and repair. That's a cost to every commuter and every citizen in the State of New Jersey in lost time, lost productivity, time away from their families, and also money out of their pocket to fix their vehicles. We need to find a solution for them.

But fundamentally, this is about where New Jersey wants to be -- not today, but in the 21st century. New Jersey has a proud history of being at the forefront of transportation planning, and that was because, for a long time, New Jersey was at the forefront of transportation funding. We need to get back to that, because wherever you look around the world, wherever you look around this country, you see economic success coming from the investment in capital, such as transportation programs provide.

So whether it's increasing our mass transit capacity -- and we know that it's not going to be possible to continually widen roadways. We need to find a way to expand mass transit opportunities. We can't do that without money. We need to find a way to make sure our roads and bridges are safe, and that we don't see the failures that have happened elsewhere. We can't do that without money. We need to make sure that our ports-- We have one of the world's largest water-borne ports; we have one of the world's largest air cargo facilities. They exist because we have a transportation network to move those goods to the market. If we don't continue to build and protect that transportation infrastructure, that work and those products will go elsewhere.

And so today is the first day in which we start to have an honest and candid discussion about what it takes to rebuild our Transportation Trust Fund. We need to look at four important components: We need to look at the status of our existing transportation system. What do we need? Where are the deficiencies? How can we make it better? We need to look at the history of how our Transportation Trust Fund got to where it is today; the decisions that were made by legislatures of both parties, by Governors of both parties. We need to learn from those lessons so that we don't repeat the same mistakes again. We need to find a way to make sure how we're spending our transportation money is the most efficient and sensible way to do it.

This is going to require a lot of money. It would not be fair, or prudent, or smart for this Legislature to ask for another penny unless we can make sure that we have convinced all of our constituents and the people of this state that we are doing it in the most efficient, cost-effective manner possible. And then we need to put a price tag on it. And the numbers are truly daunting and eye-opening. But we need to understand and have that honest discussion; not take shortcuts, not try to minimize it. Let's have a robust discussion; let's put away partisanship; let's put away sectionalism; let's put

away regionalism; let's think about how we can start the process to make New Jersey a world-class transportation leader, right here, starting today.

We're going to start off with a quorum call.

Emily, would you please take the roll?

MS. GRANT (Committee Aide): Assemblyman Rumana.

ASSEMBLYMAN RUMANA: Here.

MS. GRANT: Assemblywoman DeCroce.

ASSEMBLYWOMAN DeCROCE: Here.

MS. GRANT: Assemblyman Clifton.

ASSEMBLYMAN CLIFTON: Here.

MS. GRANT: Assemblyman Giblin.

ASSEMBLYMAN GIBLIN: Here.

MS. GRANT: Assemblyman Garcia.

ASSEMBLYMAN GARCIA: Present.

MS. GRANT: Assemblywoman Caride.

ASSEMBLYWOMAN CARIDE: Present.

MS. GRANT: Vice Chair Stender.

ASSEMBLYWOMAN STENDER: Here.

MS. GRANT: Chairman Wisniewski.

ASSEMBLYMAN WISNIEWSKI: Here.

We have a quorum.

We are in a very wonderful building on a very beautiful campus. It is one of the jewels of the New Jersey higher education system. And for the purpose of giving us a proper welcome, I would like to invite Dr. Susan Cole, President of Montclair State University, to come up and address the Committee.

Good morning.

S U S A N A. C O L E, Ph.D.: Good morning.

ASSEMBLYMAN WISNIEWSKI: Press the button so that the green light is illuminated on that tall microphone.

DR. COLE: Thank you, Mr. Chairman and members of the Committee.

For the record, I'm Susan Cole, the President of Montclair State University. And it is my pleasure to welcome to the University the Assembly Committee on Transportation, Public Works (*sic*), and Independent Authorities, as well as the members of the public.

People will often say about art that they are not experts, but they know what they like. Similarly, I will admit that I'm not an expert on transportation, but I do know what I like. And as the President of the State's second-largest University, with over 20,000 students and thousands of employees and visitors, what I like is a reliable, efficient, affordable transportation system for the approximately 25,000 people who populate our campus each day.

Montclair State is located at the intersection of two major State highways -- Routes 3 and 46 -- and very close to the Garden State Parkway and other major highways. People used to say that you could get to Montclair State from anywhere, but once there, you couldn't park so you just had to go home again. (laughter) However, over recent years, we have added thousands of parking spaces to the campus, building parking decks on our former surface parking lots. And as we continue to grow enrollment and to build hundreds of thousands of square feet of new academic facilities, those parking spots were very important.

One of the three major decks on campus was built by the NJ Transit in an excellent partnership agreement with the University. As part of our partnership with New Jersey Transit, Montclair State provided the land for the only on-campus New Jersey Transit train station in the state -- the Montclair State University Station, on the northwest section of our campus.

And the University is also served by a second train station, the Montclair Heights Station, just off the southwest edge of the campus. These stations provide a one-seat ride between the University and New York City, Morris, Passaic, Essex, and Hudson counties, as well as transfer access to another eight New Jersey counties. The University is also served by four New Jersey Transit bus routes and one private bus carrier.

The rich array of the high-quality academic programs at Montclair State attract a growing body of students from every county in New Jersey, and that fact ties us intimately to the State's complex transportation network.

We have also worked with New Jersey Transit to encourage students, employees, and visitors to leave their cars at home and to use mass transit. And the University was among the earliest voices encouraging New Jersey Transit's adoption of the existing 25 percent transit discount program for full-time students.

Once on campus, the University runs its own very large intra-campus shuttle bus system that transports, from the train stations and throughout the campus, well over 1.6 million passengers each year, including close to 5,000 persons with disabilities in special vehicles.

Montclair State has been growing and continues to grow rapidly. And a glance out of the windows from this high point on campus will provide a view of the two newest major construction projects: the 66,143,000-square foot new facility for the University School of Business, just out there (gestures); and just over there (gestures), the 55,107,000-square foot facility for the Center for Environmental and Life Sciences -- both of those funded by the Building Our Future Bond Act; which was, of course, so very important to the State.

Following on these, we will begin construction this winter on a new facility for our growing School of Communication and Media.

Finally, I know that you are not the Higher Education Committee or the Budget Committee -- although there are some members who cross over to those Committees -- but you all do vote on the State budget. And I am constitutionally incapable of sitting before a group of State Legislators without calling their attention to the fact that New Jersey's funding of its public higher education institutions is not only inadequate, it is also grossly inequitable, with absolutely no rational basis for how the money is allocated among institutions. This glaring absence of policy and absence of political will in the higher education arena is severely limiting the State's ability to assure a prosperous economy for its people into the future. It is also causing us to forego important opportunities in service to the State, and it is causing us to lose, each year, net 30,000 students, year after year every year, in outmigration, and billions of dollars in education expenditures that go with them.

I hope you do much better in the area of transportation policy than has been done in regard to higher education. The good news is, it won't be that hard to do that much better.

Once again, I thank you for visiting our campus. I look forward to your being here, and I welcome you all most heartedly.

Thank you very much.

ASSEMBLYMAN WISNIEWSKI: Dr. Cole, thank you very much.

Thank you for the highlight of your campus. I think that your very brief but thorough synopsis gave a lot of the members here an appreciation for what a gem New Jersey has here in Montclair. And we appreciate your stewardship and your advocacy, and I certainly do hope that we not only have your support in what we're about to undertake, but we certainly wouldn't mind your prayers too. (laughter)

DR. COLE: Thank you, Mr. Chairman.

ASSEMBLYMAN RUMANA: Mr. Chairman, if I may, just say welcome to the 40th Legislative District today, to everybody here. And the transportation gods are shining on us -- regionally, at least. The traffic was fairly light getting here, which I think we're all appreciative of. And maybe you had a problem further south or around here, but right in the immediate area today it was moving very smoothly; that is not the case on any given day.

But thank you for allowing me the welcome.

ASSEMBLYMAN WISNIEWSKI: I hope the lack of traffic was due, in part, to your good offices.

ASSEMBLYMAN RUMANA: I think it's you, Mr. Chairman, being here. Your presence is very, very meaningful to us in the 40th District today.

ASSEMBLYMAN WISNIEWSKI: If we continue at this pace, this will be a love fest. (laughter)

I'd next like to call up our leader in the New Jersey General Assembly, and my friend; somebody who served on this Committee as a member of the Assembly Transportation and Independent Authorities Committee -- our Speaker, Vincent Prieto.

A S S E M B L Y M A N V I N C E N T P R I E T O: Thank you, Chairman and Committee.

Good morning, and thank you so much for taking on this task of really educating the public and trying to find out what we can do.

The first thing I think I said when I became the Speaker is the Transportation Trust Fund was something that needed to be done. I started talking about some things that some people thought I was crazy; I started talking about the dirty word, the "t" word -- the *tax* word. But I knew, being the former Budget Chairman, the needs that we have for our Transportation Trust Fund -- as many other needs that we have in the State of New Jersey that we need revenues for.

So I think the Chairman said it best: that this has to be an honest conversation of what we can do. It has to be coupled with efficiencies; and it's an education process, so the people know that right now every cent that we get from revenues that go to the Transportation Trust Fund is going to pay down debt. So we are really taxing our future generations. Just recently -- 14 months ago -- I became a grandfather. So that little child is already going to be paying higher taxes. So we have to be honest about that, but there is a need. What makes New Jersey attractive has been, always, our road system. I was recently at Rutgers talking to a group of students, and one of them, after our question and answer sessions, said to me, "Well, I like that gasoline is low; and I'm not impressed with the roads here." He was from out of state. I said, "Well, you just made my argument. It is substantially lower than our surrounding states; and you're not impressed with it because they are the same roads that I was riding on when I was your age."

And that's the problem. We need to upkeep them; we need to fix them. As we have gone through looking at our road infrastructure -- and that's what this Committee will look at. See what the needs are. When we did our survey of our bridges a few years ago, after there was a catastrophe in another state, you know what? It showed that about 36 percent were either obsolete or structurally deficient. This Committee can look at where we are with that today: What are the needs for our capital plan? And also, educating the public that approximately \$600 goes to maintenance on vehicles due to road wear and tear. That would be something that would decline as we fix the roads. It would be a shorter -- quicker, not shorter -- a quicker, smoother commute if our road infrastructure was there. Every time we ride on sections of 17 or Route 3 in this area we can see what the difference is. It's almost like you're riding on a cloud. And this harsh winter we had showed us that every road, every street, every highway -- you find potholes everywhere.

So I think that this is something, Chairman, that I know is near and dear to your heart. As you said, I did serve on this Committee for four terms, and that was one of the things that made the highlight for me, because it's so important, especially-- I come from the most densely populated county, and mass transit is so important. Rail capacity-- We're at capacity, and I believe by 2017 or 2019 it's going to need to be doubled. So these are things we need to look at.

We subsidize these buses that people take to be able to get to their jobs; and we pay a lot into it. We need to make sure that that funding is there. The key is, how do we do this? The dialogue starts today.

I want to let you get to your work, but I wanted to thank you in advance of figuring out a solution. And I want to tell all my friends -- in which you definitely are part of this -- it's not a partisan issue, it's a bipartisan; it's an issue for the residents of the State of New Jersey. We have to come up with a solution that everybody's good with. We collectively, as the Assembly, have to be on board; so does the Senate, and so does the Governor. The Governor even has said it recently: everything's on the table. So there's no third rail that we can't touch. We should look at everything, and go from there. There are a lot of coalitions, a lot of people behind this, because the need is there. This will spur our economy; this could be the jump start that we've been looking for as we've lagged behind all other states.

Chairman, I look forward to a dialogue. Committee members, I know you're going to put a lot of hard work into this, and I look forward to seeing your outcome.

Thank you.

ASSEMBLYMAN WISNIEWSKI: Thank you, Mr. Speaker.

And, just for the record, I'd like to say that we've all, collectively, in one form or another, been involved in dialogue about the Transportation Trust Fund for a number of years. And one of the questions that always comes

up first is: When you're having this discussion, where's the Speaker on this? And your presence here today underscores your commitment -- what you said in your very first speech as Speaker at the War Memorial that day -- but you've continued to advocate for this issue. So I'm grateful for the support that you're providing to this Committee and this effort, and we look forward to working with you and the other legislative leaders as partners to get something done.

ASSEMBLYMAN PRIETO: Definitely. Chairman, I thank you, and I look forward to the input. And we all have something -- a stake in this, and collectively we'll get something done.

Thank you so much.

ASSEMBLYMAN WISNIEWSKI: Thank you.

Next, I'd like to call the Mayor of Montclair, Mayor Jackson.

Good morning, Mayor.

MAYOR ROBERT D. JACKSON: Good morning.

ASSEMBLYMAN WISNIEWSKI: I think you know a thing or two about potholes.

MAYOR JACKSON: Yes; yes I do, unfortunately.

Mr. Chairman, members of the Assembly Transportation Committee, ladies and gentlemen, good morning. My name is Robert Jackson, and I have the honor of being the Mayor of Montclair; and the additional honor of welcoming you here today to Montclair State University and to the Township of Montclair.

Thank you for holding this hearing to discuss the precarious condition of New Jersey's transportation infrastructure, and the pressing need to develop a sustainable mechanism to force its reconstruction and to ensure its maintenance.

I assure you that this challenge is a priority for every local official. Montclair is not a particularly large community; we have a population of

38,000 and occupy just 6 square miles. However, we are blessed with six train stations and five distinct and thriving downtowns. I am very proud that we are one of New Jersey's most sought-after communities to reside in and to visit.

One of our biggest challenges is providing safe, well-maintained circulation options, including our 82 miles of local roads. Again, we are blessed to have a well-designed road system. Unfortunately, the road system is deteriorating due to a lack of funding:

44 miles, or 52 percent of our 82 miles, are now rated fair to poor as a result.

The present-day financial impact of this prolonged inattention is daunting -- and I think, Mr. Chairman, you used that word earlier as well. It is, indeed, daunting. Paving these fair-to-poor roads alone -- i.e., without curbing -- will cost approximately \$9 million. If one assumes a 10-year life cycle for a road, Montclair has to repave 8 miles per year at a cost of \$1.6 million. Even assuming a 15-year life for a road, that's 5.5 miles at a cost of \$1.1 million. If these roads require full reconstruction -- which most do, given the antiquated, deteriorated curbing, drainage systems, and sub-bases, etc. -- the cost increases by a factor of 4. That's \$4.1 million to \$6.4 million per year. The economics are untenable.

As a municipality that is wedded to mass transportation physically -- again, I note our six train stations -- and philosophically, Montclair spends significant time and expense getting its residents and visitors out of cars and onto alternative modes of transportation. We've pioneered shuttles, Complete Streets, bicycle depots, and even walking. We need help, though, to push these initiatives to new heights of sustainability. I implore the Committee to provide much-needed funding to New Jersey's municipalities. Safe roads, economic growth, alternative modes of transportation, and property tax relief are unassailable outcomes and demand unwavering bipartisan support.

I appreciate the opportunity to address the Committee this morning, and I wish you a highly productive forum today. .

Thank you very much.

ASSEMBLYMAN WISNIEWSKI: Mayor, I'd just like to take the prerogative of the Chair, while you're here. As a Mayor, the projects that you talked about -- the need that your municipality has -- in part, your municipality every year looks towards the Local Aid program as part of the TTF.

MAYOR JACKSON: Yes, sir.

ASSEMBLYMAN WISNIEWSKI: And if you could put it into a context -- not only for the Committee members, but for those listening -- in terms of what you asked for, what do you get?

MAYOR JACKSON: It's under 5 percent.

ASSEMBLYMAN WISNIEWSKI: And so part of the issue here is that if you can't make up that difference, you have to make it up from someplace -- and it comes out of property taxes.

MAYOR JACKSON: It comes from property taxes and, historically, Mr. Chairman, it comes from just not doing what's needed.

ASSEMBLYMAN WISNIEWSKI: Right.

MAYOR JACKSON: And we end up, as the Speaker said, passing these costs onto our grandkids and future generations, because the road system just exists, and we learn to live with potholes and poor infrastructure systems. And the costs, as the Speaker outlined, are \$600 per car. But also, too, when you think about emergency vehicles being impassable, and the implications of that -- the fact that people, in many cases, avoid parts of town because of certain parts of roads -- it has a multiplier effect -- a negative multiplier effect on a number of areas. So I think that it's one of those issues where we have to -- we can no longer, sort of, kick the can down the road. We have to address it immediately. And I appreciate the work of you, Mr.

Chairman, and the Committee for trying to bring this to our attention -- bring this to everyone's attention and really get some meaningful funding in place.

ASSEMBLYMAN WISNIEWSKI: Mayor, I appreciate your testimony. And the only thing I'll say in conclusion is that I'm truly impressed that your municipality has six train stations. And I think that probably -- unless somebody can tell me I'm wrong -- gives you the title of the Transportation Capital of New Jersey, because I'm not aware of any other municipality that's host to six train stations.

MAYOR JACKSON: I think that's true, and I think that means that we need more funding as the Capital of Public Transportation. (laughter)

ASSEMBLYMAN WISNIEWSKI: Well, if I were you I'd use that.
Mayor, thank you very much.

MAYOR JACKSON: Thank you so much.

ASSEMBLYMAN WISNIEWSKI: Any questions from the Committee? (no response)

Thank you, Mayor.

MAYOR JACKSON: And also, if I may, Mr. Chairman, I just want to say hello to my Assemblyman, Mr. Giblin, who tells me all the time that he's the best Assemblyperson in the Legislature. (laughter) And I'm here to agree.

ASSEMBLYMAN WISNIEWSKI: Okay.

MAYOR JACKSON: Thank you.

ASSEMBLYMAN WISNIEWSKI: We tend to agree from time to time too.

Next, I'd like to call Hudson County Executive Tom DeGise, who is the Chairperson of New Jersey (sic) Transportation Planning Authority.

Mr. Executive.

T H O M A S A . D e G I S E: Thank you, Mr. Chairman and members of the Committee.

For the record, my name is Tom DeGise; father of Amy DeGise, Montclair State University, Class of 2003. It's good to be here without a tuition check. (laughter)

I come here before you today as the Hudson County Executive, and as the Chairman of the North Jersey Transportation Planning Authority, or the NJTPA. The TPA is a federally authorized metropolitan planning organization for a 13-county area in northern and central New Jersey. It brings together locally elected officials and State agency representatives to cooperatively plan the investment of over \$1 billion a year in Federal transportation funding.

I've been a member of the TPA Board since I became the County Executive in 2002, and I previously served as Jersey City's representative when I was the Jersey City Council President. Over the years I've learned a lot about the importance of transportation investment. Put simply, our economic future depends on maintaining and improving our transportation systems.

New Jersey is a crossroads state. A few facts from the TPA's *Plan 2040* show just how important transportation is to our economy. We are home to the largest seaport on the East Coast, and one of the busiest airports in the world. We have a huge warehouse and distribution sector with major freight, rail, and trucking industries. Every year, 473 million tons of domestic freight is shipped or received in the TPA region. Nearly a third of northern New Jersey's jobs -- about 900,000 -- are in businesses that are highly dependent upon freight. And, of course, hundreds of thousands of commuters use our transportation network every day to travel to and from work. We are truly a state on the move.

But the hard reality we face is that our investment needs far outstrip available resources. Our roads, bridges, and transit systems are aging and weren't designed to handle the tremendous volumes of traffic that we see today.

As I mentioned, the TPA directly deals with Federal funds, and we need a robust State-funded transportation program to make our work possible. State funds are used to match and draw down Federal dollars, and a strong State Transportation Trust Fund allows us to get the most out of every dollar, whether it be State or Federal.

But Federal funding is now on a short extension, set to expire in May; and State funding is approaching the breaking point. We all must be concerned about the consequences -- economic and otherwise -- and we must act soon.

For the public, this is really a pocketbook issue. Here in the New Jersey/New York metro region, congestion costs the average commuter almost \$1,300 a year. It's money that's wasted on gas when you're stuck in traffic, or the higher cost you pay for groceries to cover the higher delivery cost caused by the congestion.

We have seen that targeted transportation investment can have a very real economic impact. For example, a Rutgers study showed that each \$1 invested in our road network returns \$36 in benefits, stemming from reduced congestion, time saved, and other factors. Again, that's 36-to-1, and that's not a bad return for \$1.

But transportation investment can do even more; it can create new opportunities. There is probably no better example of this than the Hudson-Bergen Light Rail Line, built in my home County. It opened up in 2000, and it has steadily grown in ridership -- now serving over 30,000 people on a daily basis. Most importantly, it bolstered our local economy. One study found the prices of homes near the Light Rail Station increased by 18 percent, compared to properties further away. This translates into billions of dollars of value. Added to this are new ratables, business creation, and investment in jobs. The Light Rail Line has helped transform acres and acres of old, abandoned rail yards, piers, and industrial sites into new housing and

office development. It's given tens of thousands of people better access to their jobs. It's no coincidence that 80 percent of the State's urban job growth in recent years has been in Hudson County. The Light Rail and other key transportation investments has made that possible. Unfortunately, without long-term, robust State and Federal transportation funding, we're missing out on a chance to make more of these types of advancements.

The Light Rail may be called Hudson-Bergen, but it still has to cross two rivers before it could live up to the Bergen in its name. NJ Transit has developed the proposed alignment that would run from North Bergen to Englewood Hospital, improving job access for thousands. But like so many other projects, there is just no money for it.

That's just one example of the opportunities lost when we don't fund transportation. We used to talk about extending the Light Rail from North Bergen into Secaucus, and then to the Meadowlands and other locations -- linking Hudson County's workforce with many of the new jobs that are being created there. We also considered new commuter rail lines throughout New Jersey; but now, we're not even talking about those projects any longer. The funding uncertainty hasn't just stopped us from building transportation projects that drive economic development; it also hampered our ability to plan and to even just talk about them. We can and must do better for our State.

Given the importance of this issue, I trust that all members of this Committee and the full Legislature recognize just what is at stake. We must find a way to continue making vital investments. This is an issue that should unite all of us, and it provides us with a chance to truly serve the public interest.

Please consider the NJTPA as an information source and a place where we can continue the debate as you continue to address these issues. We

look forward to working with you, and I thank you for the time that you allotted me today.

Thank you very much, Mr. Chairman.

ASSEMBLYMAN WISNIEWSKI: Chairman, thank you for your comments and your advocacy, not only as Chairman of the TPA, but also as Executive. I think those dual roles give you a unique insight on the importance of funding transportation and the consequences of not doing it. And the one thing that you correctly pointed out is the enormous success of the Hudson-Bergen Light Rail Line, and the frustration that you, myself, and others have that we haven't been able to take that success and expand it so that we can get additional people out of their cars and onto mass transit. And I think that's going to be one of the goals of this process, as we go through, to find the money for those types of projects.

MR. DeGISE: Mr. Speaker (*sic*), I had told the folks at the NJTPA that when I was first elected in 2002, the paramount issue that the mayors and the elected officials from Hudson County asked me to deal with was the Hudson-Bergen Light Rail. We wanted to be able to extend it a little bit south in Bayonne -- which we did, on 9th Street, with your help. And then we brought it from Union City, on 39th Street, where the college -- the County College -- built, over the airspace, a new campus there -- we moved it into Tonnelle Avenue in North Bergen. Next stop was Secaucus. We had the footprint of a station there, and then, after that, it was going to go out to Xanadu -- if you remember that nasty old word -- and help us provide our workforce with jobs there. We no longer even think about that.

What was-- Ten years ago it was the most important transportation issue facing Hudson County. We no longer even think about that, because we know that there's no money to take it there. But what a good idea it would be if the Light Rail could continue into Bergen County, up by

Englewood Hospital, and also towards the Meadowlands and the facilities up there. We're looking forward to that day.

ASSEMBLYMAN WISNIEWSKI: Vice Chair Stender, and then Assemblyman Giblin.

ASSEMBLYWOMAN STENDER: Thank you, Mr. Chairman, and good morning.

MR. DeGISE: Good morning, Assemblywoman.

ASSEMBLYWOMAN STENDER: Thank you for being here, and for all the leadership and advocacy that you bring to us on this issue -- which is so important because it is the key to our economic development for the future.

I'm just curious -- since you know the issues so well, and know the challenges we face in finding a solution, I wondered if you'd like to share with us what you're-- If you were able to just begin to bring in new revenue, what would you support? What would you advise us as the best way to do this?

MR. DeGISE: Well, I think when it comes to funding you're willing to listen to any idea at all. The idea of raising the gasoline tax, in one way or the other, I think is an unavoidable conclusion that sooner or later we're going to have to meet.

You know, in Hudson County, where I am, we have the Holland Tunnel, Lincoln Tunnel-- You know, we have a lot of those facilities. And whenever you see a New York City license plate -- particularly on taxi cabs and stuff like that -- they'll all gas up before they go back in the tunnel and head over there -- whether it's in Hoboken where Carmelo lives, or in Jersey City where I live -- because our gas is so much cheaper. I've been told that 40 percent of the gasoline sold in the State of New Jersey is for out-of-state cars - - in particular, New York. We could-- I think that we need to raise the tax so

that they're still incented to buy their gasoline on this side, but not so much so that it wouldn't make a difference. And that is, I understand, a very fine line.

But as far as the-- To say that you would never raise it, which I've heard in some of the arguments, I think that's very, very shortsighted, when the economy has dictated that gasoline prices have come down recently; and at another point in our history, they will go up again. We lived through that. And so raising the gasoline tax a modest amount would provide us with additional income that we could reinvest in our infrastructure and, at the same time, not chase people away. You know, any other types of income -- Assemblyman Garcia and I were talking about the possibility of federally funded roads -- 78, 80, roads like that -- possibly having a toll on them that would cover the maintenance of those facilities. I think it's worth talking about, you know? And that would fall right into the swing -- our swing here in the NJTPA, because we deal with the Federal money. And we would need help from our legislators in Washington; Albio Sires from Hudson County is on the Transportation Committee. I think that, you know, it takes a village to raise a tax. (laughter)

ASSEMBLYWOMAN STENDER: Apparently. Thank you for that.

And I just-- We've been talking about this now for as long as I've been in the Legislature -- and before. And one of the concerns I have about the gasoline tax is that we're starting to see, increasingly, more fuel efficient vehicles -- which I think is marvelous; I certainly support all of the emphasis on mass transit because we simply can't build our way out of the traffic jams on the roads. And also when you add in the impact on our environment, all those issues play. But as fuel efficiency goes up and gasoline consumption goes down, and it impacts our collections from-- Again, where you have sat with the NJTPA and the conversations, any suggestions or thoughts on how

we deal with that aspect of the gasoline tax, as not being the be-all and end-all that it once was considered to be?

MR. DeGISE: No, it isn't. And the only way of getting around that -- we were all driving more-- I used to have an Oldsmobile 98; and none of us are driving those gas-guzzlers around anymore, and that's a good thing.

You know, to your point that you were saying: Yesterday there was a fire in the PATH station -- the PATH tunnel going to the World Trade Center from Hoboken and Jersey City. And Transit sent over 60 buses. So there were 60 more buses -- which were necessary, but more congestion, and more smog, and more traffic jams within that. I think that the only way of getting around the shrinking of the gasoline tax with the economy cars is by making alternatives, like the Light Rail. We're lucky in Hudson County right now -- in the town of Harrison, a new PATH station is being built there. And along with that, the County has built a 1,500-car garage right at the PATH station. So more people need to be incented in some ways not to take their cars when it's possible that you could take some form of mass transit. And that particular project in Harrison is right near where the soccer stadium is; there are new hotels going up there, there are new housing projects going up there, there are mega retail outlets going up there. Harrison used to be an industrial town. There are 275 acres in a redevelopment plan now where there used to be Otis Elevator, and RCA, and places like that. And they're there because they have a PATH station, because they have a Turnpike exit right there, because they're right on 280 right there. You know, the transportation suits it. So you can draw direct correlations between transportation infrastructure and mass transit. You know, it's pretty easy to do it, and then development comes after that.

So you know, it's not an easy thing; I'm not making that out to be. But I think that the way that you need to accomplish this is by keep piling up

the pebbles until you have a big enough pile to make a difference. And so there isn't one solution; I think that there are many.

ASSEMBLYWOMAN STENDER: Thank you.

ASSEMBLYMAN WISNIEWSKI: Assemblyman Giblin.

ASSEMBLYMAN GIBLIN: Mr. Executive -- Tom -- I'm curious about the Federal money. I know that legislation was recently enacted about renewing it, but it was only for a short stretch; only to the beginning of next summer, and everybody was -- at least one side of the aisle -- trying to advocate for a long-range plan as far as Federal dollars are concerned. The Federal dollars coming into the agency -- have they been flat in recent years, or is there any possibility for additional monies in that area?

MR. DeGISE: We had a guest speaker, whose name escapes me, at our last meeting a couple of weeks ago in Newark. And she had told us not to be optimistic -- and that it has been flat, and not to be optimistic of anything happening in the future, other than the renewal of the Transportation Bill in the form that it has been for a number of years; -- that there is no political will in Washington at this point to go either way on that, you know. One year it's approaching a presidential election, and next year you're approaching an off-year election -- and nobody wants to do anything.

ASSEMBLYMAN GIBLIN: Does that present a difficulty in endorsing certain projects, because you're not sure where funding might be, down the road?

MR. DeGISE: Absolutely, Assemblyman. You know, it's been frustrating, you know? I represent one of the 13 counties on the Board, and there are State agencies there.

ASSEMBLYMAN GIBLIN:

MR. DeGISE: I don't know the amounts, myself. There are people behind me from the TPA who would probably be better able to fill you in with the numbers.

But what has been happening, to our frustration -- of the 13 elected officials that represent their counties on the TPA board -- is that there is a shell game going on where they're taking a project, say, from Hudson County and moving that money to Essex County. And when the Hudson County guy yells, "Hey, what are you doing? We need this project," they say, "Well, your project isn't quite ready for scoping yet. We're not ready to do that. Whereas the Essex County one is ready to go, so we're going to put the money there." Now, who can argue with that? Except that you do it so often, that the shell game is going on and you're forgetting exactly where the money is coming from, and the reasons why, and everything. And, again, we're not transportation experts; we're representatives looking out for the interests of the counties that were there. And it's getting bad; and you know that when the music stops, there is going to be somebody who doesn't have a seat there with the money, because they keep moving all of the money. And its getting to be frustrating for all of us. And, again, we're a bipartisan agency. The 13 counties are northern New Jersey, and we have Republicans and Democrats there; and from what I'm hearing from my members is the same thing: it's getting a little bit too hard to follow.

ASSEMBLYMAN GIBLIN: One other area too -- it might be a little bit inside -- the Pulaski Skyway. I know we're almost six months into the project. Is it on time? Is it going to be completed on schedule, you think?

MR. DeGISE: Well, it looks that way. You know, we'll be slaves to the weather. You know, one of the things that has been one of the biggest surprises over the last year in my neck of the woods, in Hudson County, is that it has had a minimal impact. We expected a horror show of traffic coming into Hudson County and, in particular, Jersey City from that thing. But the advance warning, the opening up of the extra lane on the Turnpike off of the Bayonne Spur, and many of the traffic things that have made -- including Harrison; people parking in Harrison and taking the things in -- have made it

not a joy to work with, but the impact is a whole lot less than what's going. And you know, it's still open in the western-bound way, going out to Newark Airport. So its impact upon Hudson County people probably has been minimal. The impact is probably more for the people from Essex, Union County who come in every day and aren't able to do that. We can get out -- if we need to go to Newark Airport, we can get out. And we know all the taxi routes to get back into Hudson County, so it doesn't bother us that it's closed so much.

ASSEMBLYMAN GIBLIN: Thank you.

MR. DeGISE: Thank you, Assemblyman.

ASSEMBLYMAN WISNIEWSKI: Assemblyman Garcia.

ASSEMBLYMAN GARCIA: Thank you, Mr. Chairman.

I just want to take a moment to commend our County Executive for being a pioneer, and for his leadership in championing those creative partnerships that have led to the transit villages within our County; and also allowing the opportunity to increase business, as well as making it much more accommodating for the residents.

And thank you, Tom. I just wanted to note that.

MR. DeGISE: Thanks, Carmelo; thanks for the kind words.

ASSEMBLYMAN WISNIEWSKI: Anyone else?

MR. DeGISE: Thank you very much, folks. We appreciate this.

Assemblyman, thank you.

ASSEMBLYMAN WISNIEWSKI: Thank you, Chairman. We appreciate it.

Representing one of the counties that makes up those representatives on the TPA, Freeholder John Bartlett from Passaic County.

Freeholder, good morning.

FREEHOLDER JOHN W. BARTLETT: Good morning, Chairman. Thank you, to you and all the members of the Committee, for coming to our neck of the woods.

I can almost, but not quite, welcome you to Passaic County; we're on the wrong side of campus for that. But Montclair State University does include not only Montclair, but also Clifton and Little Falls, both of which are in Passaic County. So almost welcome; a couple hundred yards further west and I'd be in my jurisdiction.

I was elected to the Passaic County Board of Chosen Freeholders in 2012, and I have served as Passaic County's representative on the North Jersey Transportation Planning Authority since I took office.

New Jersey continues a long and slow recovery from the recession of 2008 and 2009, and I want to talk today about transit as it relates to economic development and recovery.

The State Transportation Trust Fund and the Federal Transportation Trust Fund need to be viewed as more than just sources of funds for infrastructure projects but, in a very real sense, as an investment fund for the State's economy.

Our State's transportation infrastructure is inextricably linked to our economic health. It's how we get employees to work and goods to market. And nowhere is that link more apparent than in northern New Jersey.

In Passaic and neighboring counties like Bergen, Morris, and Essex, 80 percent of the workforce commutes on the road network each day; more than 5 percent ride bus or rail transit; more than a third travel to neighboring counties or to New York City. Our residents' property values and incomes are contingent upon this daily flow of work trips, just as so many companies rely on their access to the highly skilled and educated workers who live here. Any degradation of our highways, bridges and transit network threatens that balance, while improvements to the infrastructure are a rising

tide that lifts all boats -- employers, consumers, and educational institutions like this one.

The regional economy isn't just about moving people; it's also about moving goods. A recent study by the NJTPA found that \$57 billion in freight moves through Passaic County each year, 97 percent of which relies on the County road system. So if you bought it in New York or New Jersey, there's a good chance that it traveled through Passaic County on roads that are maintained and improved with Transportation Trust Fund dollars.

Other types of transportation investment may not be as obvious as highways, rail lines, and bridges, but they have economic benefits as well. In Passaic County, we're working hard to improve the Morris Canal Greenway, a series of bicycle and pedestrian paths on the old canal right-of-way. The Greenway will encourage heritage tourism, an industry that the New Jersey Historic Trust found generates \$2.6 billion in economic activity each year. We're working to complement that by improving bicycle and pedestrian access and safety in urban Passaic County. The County recently enacted the most comprehensive, Complete Streets initiative in the state. NJTPA has allocated \$250,000 to study pedestrian and bicycle access to the Great Falls National Historical Park in Paterson. I'm working with Paterson Mayor Torres and others to make sure that an expanding network of safe bicycle routes connects county and local roads and, ultimately, enables us to link the Falls to other regional treasures like Garret Mountain Reservation and the historic, but still operational, observatory in Rifle Camp Park.

This is a time when we should be investing more in transportation, not less. And I use that word *investing* very purposefully, because targeted spending on transportation has been shown to pay itself back, and then some. As I noted in an op-ed in *The Record* last month -- which I brought copies for members of the Committee -- the Federal Highway Administration estimates that every dollar spent on infrastructure

improvements provides benefits of \$5.20 by reducing vehicle maintenance costs, reducing delays and lost productivity due to traffic, reducing fuel consumption, improving safety, and lowering road and bridge maintenance costs and vehicle emissions. In New Jersey, as County Executive DeGise just noted, the ROI is even higher.

Being at the confluence of interstates 80 and 287, the Garden State Parkway, Routes 46, 3, 23, 21, and other routes has been a tremendous boon to Passaic County. But improved transportation could always mean so much more. In the area of roadways-- Assemblyman Rumana, you're the former Mayor of Wayne, the town where I live. The West Belt in Wayne connects part of our more industrial portion of the town to Route 23 and, via that, to Route 80. But there are missing moves between Route 23 and Route 80, which, with a few ramps, would improve access to all of southern Wayne and the West Belt area -- including the parts of eastern Morris County that it connects to -- and make that an even more valuable place for industry to locate; and improve the usage of the relatively new -- I still call it new, I guess it's been around for 8 or 10 years now -- but the New Jersey Transit Route 23 Rail Station.

Analyzing and ameliorating the vulnerability of the Route 23 and 46 interchange to recurrent flooding and the impacts of climate change will require new investments, and research, and infrastructure.

In the area of freight rail we need to upgrade more of our region's rail bridges to come into compliance with the current standard of 286,000-pound rail cars. Bridges built in the mid- to late-20th century, like many in our region, remain restricted to lower gross car weights, which means higher shipping costs for local manufacturers. Bringing New Jersey bridges into compliance with the 286K standard would allow businesses in the eastern portion of the New York, Susquehanna, and Western Railway -- NYS & W -- to take advantage of larger cargo sizes, reducing their shipping costs and their

carbon footprint. There are limited funds for these types of projects, but they would have a direct impact on business expansion.

In the area of transit-oriented development, if the second half of the 20th century was the era of suburban sprawl, the first half of the 21st century is shaping up to be a time when your constituents want to get out of their cars and access local transit connections for work and play. The NYS & W Railway is one marquis piece of that long-term transit investment we could make in Passaic County and Bergen County. Used for a new commuter rail line connecting to the Hudson-Bergen Light Rail, that County Executive DeGise was describing, and onward to New York City via PATH and the ferries, the eastern portion of the NYS & W line from Hawthorne to Hackensack could be a catalyst for new transit-oriented development in Paterson, Hawthorne, and Bergen County. In addition to increasing local economic activity through the development of transit villages in those municipalities, this investment would also lessen residents' impact on the highway by diverting many who now drive to work onto the public transit network.

We've been talking about this idea since 2001, and it's time to move it forward with additional funding from the State level -- to begin to move this project towards fruition.

In addition to the rail system, Passaic County also has a number of bus lines and potential hubs such as Pompton Lakes and Little Falls. These municipalities want these investments because they see around -- transit-oriented development as an essential element of city planning. As these municipalities grow and implement their economic development vision, they will need additional investments in bus infrastructure and reverse commute rail.

Funding transportation has to be a long-term proposition. We can't think in terms of just a few months, or a year or two at a time -- and

that's one of the points I made in *The Record* last month with respect to Congress' 10-month extension of the Federal Transportation Trust Fund. The reason for that is because improving our transportation infrastructure is, by its very nature, a long-term process. Projects can take years just to plan and design, and years more to actually construct. As a County Freeholder with a three-year term, I vote on road projects that won't come to fruition until after my next election or even the one after that. But in recent years we've seen too much uncertainty when it comes to transportation funding, both at the State and the Federal level. This makes it difficult to take the all-important long-range view of transportation planning.

And I'll give you one example that is, literally, a few hundred yards from here: the confluence of Route 46, Route 3, and Valley Road here in Clifton-Little Falls, and Montclair. Daily traffic on this essential thoroughfare is more than 127,000 vehicles per day. Improvements funded with a combination of Federal, State, and County resources were originally planned to break ground in 2006. But there have been six delays -- including most recently in 2013 -- when Governor Christie borrowed millions of dollars allocated to that project to hasten the reconstruction of Route 35 down the shore. The contemplated project goes far deeper than mere cosmetic or road widening changes. It will change the road plan to make Route 3 the primary roadway flowing eastward out of the interchange, speeding drivers' trips to the George Washington Bridge and improving safety in a place where accidents are now common.

NJTPA has already spent a lot of money on this project, including not only for planning but also for easement acquisitions. The transit improvements, by easing the flow of traffic through that busy interchange, will dramatically increase the amount of traffic that can enter and exit this campus.

Growth of our academic institutions is a positive and exciting thing, and Montclair State University -- as the President spoke to earlier -- has come a tremendously long way since it was Montclair State Teachers' College, and my father and my uncle graduated from College High School on this campus. But around the same time that the Routes 46, 3 and Valley Road project was in development, the University also began building additional dormitories and other buildings -- adding new academic programs and increasing its student population.

Fast forward a decade. Dormitory construction has added more than 2,300 new student beds, and the University's physical plant has literally expanded in all directions. The fact that those developments have outpaced the long-delayed road improvement plan has now resulted in a situation that is literally costing everyone money. Earlier this month, Montclair State University sued Passaic County over a denial of the University's request to turn Yogi Berra Drive into a two-way street. It's currently a one-way access road that connects Valley Road in Clifton to the eastern side of this campus. In our County's view, the University's plan is ill-advised; but more important, from the standpoint of this Committee, the lawsuit might very well have been unnecessary if the improvements I've been talking about had occurred on schedule a decade ago.

These are just a few examples of how transportation investment can spur economic development in Passaic County if funding were available; and of how uncertainty, delay, and unavailability of funds is hindering economic development and costing all of us money.

From the time of the Morris Canal, to the railroad boom, to the construction of the interstate highways, transportation has always driven economic growth in northern New Jersey. It's up to all of us to make sure it continues to do so.

Thank you.

ASSEMBLYMAN WISNIEWSKI: Freeholder, thank you very much for participating this morning and giving us your perspective, as not only an elected official, but also as somebody who has to navigate, on a daily basis, the congestion and gridlock that the lack of money has created.

Assemblyman Giblin, you had a question?

ASSEMBLYMAN GIBLIN: Thank you, John. Thank you for your leadership on the Passaic County Board of Chosen of Freeholders.

I think you'll find, probably today, at the end of this hearing there is going to be no disagreement that New Jersey's transportation infrastructure needs to be addressed. But the flip side of it is how to pay for it. Have you thought, in specific terms, about how you fund this particular issue -- about transportation, the gasoline tax, or are there other avenues that, kind of, come to mind?

FREEHOLDER BARTLETT: No, I haven't. It's an essential challenge, and having those funds and a flow of funds in the long-term is essential.

As Assemblywoman Stender pointed out, the gas tax has become a reducing value in terms of what it brings in because of increased efficiency of vehicles. Now, it's terrific -- I drive a hybrid, I'm very proud that I do. But as a result, I'm paying less towards our roads than I would have been 10, 15, or 20 years ago. And because the tax is per gallon, that is simply a number that's going to continue going down, and has over the last 20 years, during which time the cost of things like steel and cement and labor have increased dramatically.

I think County Executive DeGise had some good responses, Assemblyman Giblin. The thing that I would add is that I think constituents want confidence that the funds that are raised by way of tax increases are going to be used for their intended purposes. And I will give you, sort of, an unrelated example from Passaic County. We have a County Open Space tax,

and it was passed by the voters in 1996. And it has, in fact, remained quite popular, because all around the County -- in our County parks, in our city parks, and in our recreation facilities -- you can see the dollars that we are taxing our constituents being put into action in quality of infrastructure. I think as long as commuters -- and whether they're automobile commuters or people who use mass transit -- as long as they're seeing that come to fruition, I think an increased tax is something the public can support, because all of us need these investments in infrastructure simply to get around, to get to work, go to our families.

ASSEMBLYMAN WISNIEWSKI: Assemblywoman Oliver.

ASSEMBLYWOMAN OLIVER: Yes, thank you, Chairman Wisniewski.

Good afternoon, Freeholder Bartlett.

You know that Assemblyman Giblin and I represent Clifton. And you're absolutely right: Route 3, Route 46 -- that configuration -- is getting untenable for many of the local residents, particularly with all the development that is happening there.

I hear with consistency from residents of Clifton about the State's inability to maintain the State roadways that do run within the town. Have you, as a Freeholder, experienced the inability of the State to step up and do ongoing maintenance of those State roadways that run within your jurisdiction?

FREEHOLDER BARTLETT: Speaker Oliver, thank you. Not just as a Freeholder, but also as a commuter -- my law office is in Jersey City. And the route from Wayne to Jersey City comes straight through Routes 46 and 3 for me. There are some improvements in Bergen County; but as you pointed out, here in Clifton, the condition of the roadways is much less than it ought to be. I don't know exactly why that is; I know there's probably a tendency, knowing that a major project is coming, that you might not prioritize a place

for resurfacing when you know you're going to be ripping it up in a year or two.

But, exactly, that goes back to the challenge that I'm talking about, and the fact that this Route 46 and Route 3 project has been delayed six times over the last eight years -- and we're now talking about beginning it in 2015, 2016, 2017. The longer that we wait, the less likely that we are to make the temporary improvements that we need and the worse things get. I think you're absolutely right.

ASSEMBLYMAN WISNIEWSKI: Assemblyman Rumana.

ASSEMBLYMAN RUMANA: Thank you, Mr. Chairman. I also want to thank Freeholder Bartlett for being here. And it's not really a question so much as a comment, that during the Freeholder's remarks he mentioned two -- regionally, two highly critical projects: one is the 3/46 interchange, and also the 23/46/80 interchange; 127,000 moves per day through 3 and 46. At 23/46/80, it's 315,000 moves per day. To put this into perspective for everybody: I served in that seat that Freeholder Bartlett holds now on the Freeholder Board and, more importantly, on the NJTPA back in 1997 through 1999, and I was working on those projects then. And to jump ahead to 2014 and we're still not at a place where we have that under construction is outrageous, and it really highlights how critical this hearing is today -- because this stuff should have been done a decade ago. We've got a small bridge project, which John didn't mention, that we don't even have a shovel in the ground at all, that started back in that era, and today we still don't have that done at Two Bridges Road, which is a small County road area.

But anyway, I just wanted to comment on the fact that it shows you how long this has been in the making, and why this hearing is so important, and why we need to get momentum -- no pun intended -- but we need to get some kind of momentum or movement to get this issue resolved, because it is so highly critical for this entire State.

Thank you.

FREEHOLDER BARTLETT: You're absolutely right, Assemblyman. And speaking of the bipartisan approach that we really need here, your office was one of the first that I heard from after I became a Freeholder and joined NJTPA -- because you are continuing to keep your eye on that interchange, and I appreciate that. And I hope that we can work together to get that investment made as soon as possible -- with the asterisk, as County Executive DeGise and I have pointed out, there is a whole lot waiting in the pipeline. And the more of a long-term, and consistent, and reliable investment that the State can make in its Transportation Trust Fund, the more we can start clearing that pipeline, the more we can start improving the infrastructure for all of our constituents.

ASSEMBLYMAN WISNIEWSKI: Freeholder, one additional comment from our Vice Chair, Assemblywoman Stender.

ASSEMBLYWOMAN STENDER: Thank you, Mr. Chairman.

Good morning, and nice to see you, and thank you for being here, and for your continued advocacy and determination to improve our transportation infrastructure.

You raised the issue of the Open Space tax and how successful that is in your County; and it is in my County -- in Union County as well; it's an issue I worked on when I was on the Freeholder Board years ago because of the taxpayer confidence.

Because you're so involved with these issues, I can't help but wonder if you think that people would be willing to support that kind of an initiative, even at the county level, for transportation. I mean, we all know that we need the revenue. Part of our difficulty is having the public support because people want, but the issue of taxes and how we're going to pay for it is its own special obstacle. And I just wonder if you've ever contemplated that, or thought about it, or if you have an opinion on it?

FREEHOLDER BARTLETT: I haven't contemplated it, specifically; I think you have a good point. I think the challenge when you're talking about applying that kind of model to transportation is the size and scope of the project -- taking the Route 46 and 3 project that we've been talking about so much, because it's so close by. That straddles three counties, and a combination of State, U.S., County, and local roads. That kind of project, I think by its very nature, has to be at a scale that is, at least, at the State level. We certainly, if we wanted to do something like you're contemplating at the County level, to add a tax like that -- that might be useful for the bridges, the culverts within County projects that we deal with. But I think an essential element of this has got to be funding of a scope and a duration that the County can't necessarily do.

So your comment is well taken; I'll certainly give it some thought. But I think when you're talking about a project like this --multiple counties, multiple jurisdictions -- it's something that has to happen at least at your level for us to really be able to do what we need to be doing.

ASSEMBLYWOMAN STENDER: Thank you.

ASSEMBLYMAN WISNIEWSKI: Thank you, Vice Chair.

Anyone else? (no response)

Freeholder, thank you for participating with your testimony this morning.

FREEHOLDER BARTLETT: Thank you, Chairman; thank you, Committee.

ASSEMBLYMAN WISNIEWSKI: If there is anybody here who wishes to testify, and you have not filled out one of these slips, please do so and make sure you hand it to one of the Committee Aides.

Next, I'd like to call Mayor Timothy McDonough, representing the New Jersey State League of Municipalities -- somebody who is no stranger

to transportation, not only in his capacity as Mayor, but in a former life, with what was then called the *Garden State Parkway*.

MAYOR TIMOTHY C. McDONOUGH: That's correct.

Thank you, Chairman Wisniewski and members of the Transportation Committee. I want to thank you for allowing Mayor Jackson and myself to participate here today, and to give you some testimony from the municipal perspective.

We're also looking forward to welcoming this Committee to our annual meeting down in Atlantic City on November 20. I think that it's great that you're going to be there; it will allow a lot more elected officials to give their ideas as well.

And as the Chairman said, our relationship goes back a few years -- back when we did have the New Jersey Highway Authority and, thanks to your leadership, quite frankly, Mr. Chairman, that we were able to put the two roads together -- the Turnpike and the Parkway. And I know you and I had many discussions back then: Is this the right thing to do or not? But your guidance and your help made that happen; and today, as we look back, that was a good thing to happen.

So why are mayors here today? I think I gave some of my testimony -- copies of that -- to you, but I just want to highlight a couple of things.

Mayors are interested, obviously, in what goes on here because municipalities are responsible for over 64 percent of the roads in New Jersey; they are responsible for over 39 percent of the bridges in New Jersey. Local roads and bridges carry 55 percent of all the traffic in the great State of New Jersey. As we said here before, local officials know that if the investment in our roads and bridges is not made, it will compromise the safety of all the residents -- not only in my town, but in all the towns -- as well as the economic vitality of this great State.

The State-provided assistance to the New Jersey Department of Transportation Local Aid program -- which you mentioned, Mr. Chairman -- is vital for local governments to fund necessary improvements and to relieve the property tax burden for our residents. Whether a town in Hope that has about 20 miles of road, or like Montclair that the Mayor said has 82 miles, we could not exist and continue to upgrade our roads if it were not for this program, which is funded by the Transportation Trust Fund. We don't always get what we want, but every penny helps. And a very expensive part of running a town is maintaining our roads.

In the first year of the Transportation Trust Fund, Local Aid represented almost 22 percent of the capital funding. But that funding has gone down just about every year, and last year it was about 15 percent of the total funding.

The two things that we want to get across here, obviously, is to ask you to continue to pursue what you're doing here today, and coming up with a consistent funding source for the Transportation Trust Fund. But also, in terms of the municipal end of this, we're calling for assurances that the Local Aid represents at least a minimum of 25 percent of the annual transportation capital spending. If you look at the amount of roads we have, and you look at the percentage that the local municipalities are getting, it doesn't make sense. We're asking for more consideration for a bigger part of those funds.

We recognize your efforts to prioritize New Jersey transportation funding and to put our State's economic future on a solid footing. Without bold action on this matter, New Jersey cannot move -- and I emphasize *move* - - forward.

Thank you, Mr. Chairman, thank you to the Committee. And we look forward to talking with you again in Atlantic City.

ASSEMBLYMAN WISNIEWSKI: Mayor, thank you very much, and I appreciate you taking the time.

I'm going to-- I know there are members who have some questions, but -- perhaps it's somewhat of a rhetorical question, but I would welcome your thoughts on this. We have State-controlled roadways, we have County-controlled roadways, we have municipally controlled roadways. The lion's share, as you pointed out, of that money currently, through the TTF, goes to State facilities, whether it is mass transit, or highways and bridges; and a very small percentage goes to the significant part of the roadways -- county and municipalities. Is there any efficacy in having all of those roads treated as one -- doing away with that distinction between State, County, and municipal roads?

MAYOR McDONOUGH: I think it's a great idea. And back, again, when I was at the Highway Authority, we had talked about -- and I know it's been talked about now, recently, with this concern -- merging the Department of Transportation and making what they call the Maryland Model: bringing in the highway authorities and New Jersey Transit and making it one, large authority. I think once you get through all the bond covenants and the roadways, it maybe makes sense to do that.

But I think, Mr. Chairman, that's in the same area where you're talking about: does it make sense to combine these? I'm a big advocate of -- there's so much dual action in the counties and municipalities. There are a lot of things that can be combined, and this is absolutely one. We all have county roads in our municipalities; I don't think there's a municipality in the State of New Jersey that does not have a county road, or a State road, or Federal road. And that's a great point -- I think this absolutely makes sense, to try and bring those together.

ASSEMBLYMAN WISNIEWSKI: Thank you.

Vice Chair Stender, and then Assemblywoman Caride.

ASSEMBLYWOMAN STENDER: Thank you, Mr. Chairman, and good morning.

MAYOR McDONOUGH: Good morning.

ASSEMBLYWOMAN STENDER: Nice to see you here.

MAYOR McDONOUGH: Good to see you.

ASSEMBLYWOMAN STENDER: Thank you.

Certainly, the issue of consistent funding levels is a real part of our challenge. And so I'm going to ask you the same question we've been asking -- all of us: what solutions do you support; and, more importantly, do you think that your League membership supports in terms of fixing these problems for consistent funding?

MAYOR McDONOUGH: Well, we've been kicking the can down the road in terms of gas tax for years now, and I think-- I mean, the figures that I saw -- that New Jersey's total gas tax is about 14.5 cents, whereas, on the national average, it's about 26.8 cents. I think there's money in there that we should look at -- at increasing the gas tax. Because what we need here is a consistent funding source and this -- just running from bond issue to bond issue -- this isn't going to work.

I think that's part of it; I think we would consider that, absolutely. And I think some of the efforts which the Chairman just made, in terms of consolidation, and in working together -- I think all would add to savings and help fund the Transportation Trust Fund.

ASSEMBLYWOMAN STENDER: And do you think that that that's the position that, across the League, is going to be held by the mayors across the state as well -- to be able to stand together on that issue?

MAYOR McDONOUGH: That's a good question, Assemblywoman.

We need this funding; there's not a mayor in the State of New Jersey, whether you get direct funding through this Fund, or you get

discretionary fund-- There's a discretionary piece in there too, which helps smaller municipalities like Hope Township. But we can't ask for something and not be able to give something as well. So I think that this is -- obviously, I'm not trying to avoid the question, but I think it's something that we need to look at.

I can tell you that I would support it, and I think there are a lot of mayors who would support it -- a rise in the gas tax. Not to some of the extent that some of the -- of what we're hearing, but I think a combination of that, and a combination of some of these other efforts, I think makes sense.

ASSEMBLYWOMAN STENDER: Thank you.

ASSEMBLYMAN WISNIEWSKI: Assemblywoman.

ASSEMBLYWOMAN CARIDE: Yes, good morning.

Like the Vice Chair, I'm going to ask you what the League's ideas were with regards to the Trust Fund and trying to get some funding -- consistent funding. So I see that the gas tax is not off the table. But in your testimony here you mentioned something about perhaps giving municipalities a bit more money, more aid each year. And I was curious: With that comment, is there some kind of a formula for the municipalities? If that were the case, where municipalities could get a little bit more money, is there some kind of formula that you might have in play, because not all municipalities are of the same size or have the same means -- and I was just curious about that.

MAYOR McDONOUGH: We looked at that, and we talked about that, and it's a good question. We're not even sure where the original 22 percent came from, back years ago, when the Transportation Trust Fund was first started. But if you want to go by percentage of roads, and percentage of money, we'd be talking a lot more than the 25 percent which the League of Municipalities is calling for.

But there is no die-hard formula to that. Again, if we were going to come up with a formula, it would be much more than this -- if you wanted

to do it strictly on percentage of the amount of roads, versus the dollars that are being returned to the municipalities.

ASSEMBLYWOMAN CARIDE: Thank you; I was curious as to that. I know that some needs of some towns are not the same as your bigger towns. But thank you.

MAYOR McDONOUGH: You're welcome.

ASSEMBLYMAN WISNIEWSKI: Assemblywoman DeCroce.

ASSEMBLYWOMAN DeCROCE: Thank you.

Mayor, it's always good to see you.

MAYOR McDONOUGH: Good to see you, Assemblywoman.

ASSEMBLYWOMAN DeCROCE: Your concerns are certainly shared by me and my colleagues, especially coming from your neck of the woods and representing Morris, Passaic, and Essex counties.

One question that I have: Has the League of Municipalities done any surveys with the municipalities in regards to increasing the gas tax to see how the municipalities are coming back with that opinion?

MAYOR McDONOUGH: We haven't done a specific survey on that, but we continue to-- We have formed a Transportation Committee, working with Tom Bracken's group, trying to come up with different ideas and throw them around. And we plan to go into the field very shortly with a survey on all these different recommendations, trying to get mayors and local elected officials to come back with their recommendations. And we may support these things, but--

ASSEMBLYWOMAN DeCROCE: I certainly think before the hearing -- by the time of the hearing on November 20, down at the League, that would be information that I'm sure would be beneficial to share with this board so that we have some kind of idea where -- the opinions coming from throughout the state on increasing the gas tax.

Thank you.

MAYOR McDONOUGH: That's an excellent recommendation, Assemblywoman DeCroce, and I'll take that back to our Executive Director.

ASSEMBLYWOMAN DeCROCE: Thank you.

MAYOR McDONOUGH: That's a great idea.

ASSEMBLYMAN WISNIEWSKI: Assemblyman Giblin.

ASSEMBLYMAN GIBLIN: Just to tag on the Assemblywoman's question. It would seem to me, to kind of really develop this consensus -- and that's what's needed here: labor, business, contractors, municipalities -- I think we have to try to ask the municipalities to go on record with a formal resolution from their town with some type of endorsement on this effort. I mean, do we want to, in a sense, be going out here if we don't have-- You know, a soldier finds out there's no troops behind him. We have to really make sure that this gets beyond Democrat and Republican politics; that this is something -- it's about putting New Jersey (indiscernible) first. In the program that's been chaired by Tom Bracken, I think, is the right way to approach this -- that you're getting all the people who are impacted, all across the board, to be on the same page. And, you know, the mayors need to really step up and send their communications to the Legislature that this is good idea and we're on board with it.

Thank you.

MAYOR McDONOUGH: I think that's a great idea, Assemblyman Giblin, and we have-- As I said, we've met with Tom Bracken; I'm sure he's going to be up here very shortly, and we've endorsed many of the recommendations that he has. But I hear what you're saying, and it would be very helpful and powerful if we were able to do that. And, again, that's something else I will take back to our leadership.

Thank you.

ASSEMBLYMAN WISNIEWSKI: Yes, Assemblywoman Oliver.

ASSEMBLYWOMAN OLIVER: Yes, good morning, Mayor.

MAYOR McDONOUGH: Good morning.

ASSEMBLYWOMAN OLIVER: I don't want to put you on the spot, because I'm certain this is something I would want to hear from other people who are going to give testimony today. But I'm precisely interested in what the Assemblywoman and Assemblyman Giblin spoke to: the unified voices. But one voice I've not yet heard from in the discussion is the consumer. And I know that a lot of it has been editorialized; we all know these roads are abominable. We know that the traffic is horrible; we know it is clogging down the growth of our economy. We have to do something.

But I'm also, on the flip side, concerned about average Joe and Josephine Citizen in the State of New Jersey who may have been unemployed the past three years, who is a four-child family with two SUVs, siphoning (*sic*) kids from one place to the other. And for many of us, we know that -- and it seems like this discussion is headed down gas tax -- and we know we hear the number: we've got the lowest in the state (*sic*). But we also have some of the other, highest costs in the state that the average family has to swallow.

When you're doing this work "out in the field," I think it's important that we begin to measure and hear from consumers. Because who will be paying at that gas pump are average citizens in the state. And, you know, I often talk to constituents who tell me it costs them \$70 to fill up a tank; it costs them \$65 to fill up a tank. A two-parent family, two \$70 tanks, one week, multiply it by 5 (*sic*). What kind of feedback have you heard back from mayors, in terms of the constituencies that elect them in their towns?

MAYOR McDONOUGH: Well, that's a very good question. And it varies from different parts -- and I'll end up on this, Mr. Chairman -- different parts of the state. Where I'm from, Warren County -- 60, 65 percent of the people who live in Warren County commute outside the County every day to work. We have very little mass transit out there. So it's going to-- A gas tax is going to impact them a little bit more, shall we say, than the people

in Essex, and Union, and the more populated counties who don't have to travel that far, let's say.

So it's going to vary, Assemblywoman Oliver, and I think we need to get a consensus -- which is what I'm hearing here today -- as much as we can. Not only from the mayors, but from our constituents, our residents -- and I think that's what we're going to try and do. But I mean, that's -- obviously, that's a part of the equation, what you suggested.

ASSEMBLYMAN WISNIEWSKI: Seeing no one else, Mayor, thank you for your testimony and your leadership. And we look forward to, I'm sure, crossing paths between now and November 20 -- but also having the League host this Committee down in Atlantic City on November 20.

MAYOR McDONOUGH: Great; thank you, Mr. Chairman.
Thank you.

ASSEMBLYMAN WISNIEWSKI: Speaking of Tom Bracken, next on our agenda is Tom Bracken and Mike Egenton, New Jersey State Chamber of Commerce. They are going to do a duo up here -- perhaps in harmony.
(laughter)

MICHAEL EGENTON: Thank you, Chairman and members of the Committee. Michael Egenton, Senior Vice President, New Jersey State Chamber of Commerce.

I'm just going to take 30 seconds to thank you for the opportunity to discuss this critically, vitally important issue to the State Chamber and the business community.

Many of you know that I'm always before you in the State House on a variety of issues. An issue of this magnitude -- I've asked the President of the State Chamber, CEO Tom Bracken, to come today to discuss the critical, important link on a viable infrastructure to the business community. And also to share with you the announcement that we made last Tuesday on the formation of a still-growing coalition of business, labor, transportation

advocates, municipalities, counties -- you name it: the Forward New Jersey coalition.

So with that, I'd like to introduce Tom Bracken, the President of the State Chamber.

THOMAS BRACKEN: Thank you, Michael; and thank you, Mr. Chairman and the Assembly Transportation Committee.

My understanding is this hearing today is to talk about the impact of the Transportation Trust Fund on the State's economy. I would say that there is a huge equal sign between the economy of New Jersey and the condition of our transportation infrastructure.

The State's economy is, I think, going to be contingent on the ability of this State to increase jobs, retain companies, attract companies, and be more competitive. That is the overarching solution to our economic problems in New Jersey. And that really dictates that we become more competitive. As you all know, we've fallen down very significantly in many competitive rankings, and we have to reverse that.

And I go back to-- Prior to joining the Chamber three years ago, I was in the banking business for 42 years. I dealt with many companies; I was on many commissions, many economic development commissions of the State of New Jersey under many Governors. And I remember when Christine Whitman was Governor we had an economic task force to try to determine the competitive strengths and weaknesses of the State of New Jersey. And the two things that stuck in my mind -- for now, what, 20-some years -- were, in canvassing other states as to their ability to compete with the State of New Jersey, two things came out very, very strongly: one was, they could never replicate our location; and number two, they could never replicate our infrastructure. Both thought that they were so -- those two things were so important that it would be very difficult to compete with the State of New Jersey.

Well, our location is the same; but our infrastructure is vastly different. Back then, we were up here, they were down there. (gestures) Now, it's reversed. And it's a shame, because, you know, we have such great assets in the State that, to not deal with our infrastructure -- which can be dealt with, and should be dealt with -- is a real detriment to our economic vitality.

I would also say that, without question, from the business community, this is the single-most important issue that the State Legislature and the Administration can address. It's the one issue that impacts everybody directly; it impacts every business, it impacts every consumer, it impacts our State economy, and it impacts our State's competitiveness. Without question, every one of those things is directly impacted by the current condition of our transportation infrastructure.

Michael said I was asked to be -- I was honored to be asked to be Chairman of Forward New Jersey, a new coalition that has been formed after probably three or four years of discussion amongst many large business organizations in New Jersey; and probably six or nine months ago it really took shape and got momentum, and we started to move forward with this.

And I think if you do not know about Forward New Jersey, I would go to our website, forwardnewjersey -- that's New Jersey spelled out -- dot-com -- and look at the size and the scope of the people who are part of this coalition. If this wasn't important to the State of New Jersey's economy, these people wouldn't have signed up for this. And we don't have one or two coalition members; we have over 30, and it's growing by the day. You just heard from the League of Municipalities; they are a member. We have labor involved, we have transportation groups involved, we have business involved, we have government involved; we have a very broad based coalition of membership which encompasses the entire State of New Jersey geographically and, probably, from the standpoint of segment-wise, business segment-wise and government-wise.

And if you look at the research we've done, and the thoughtfulness that was put into this coalition and what we're advocating for, I think you'll be very impressed.

Our mission, as Forward New Jersey, is two fold: one, is to educate the marketplace as to the need for this, which I think in most cases is preaching to the choir. But we have reams of research that has been done on every aspect of the transportation infrastructure. And, again, if you go to our website I think you'll be very impressed with the work we've done.

Secondly, it's to advocate for a long-term, sustainable, dedicated funding source for a long-term issue in New Jersey -- which is continuing to keep our infrastructure strong.

Many questions today from you all have been, "How do you pay for this?" And I know, in New Jersey, if you have an issue the first comment back is, "Where do you get the funding?" We have done, again, a lot of research and talked to many people about different suggestions that have been made over the years as to how to fund the Transportation Trust Fund. We have listed all of those options on our website. Part of the list includes reforming the different transportation agencies; part of it is incorporating, to a much greater extent, public-private partnerships; and then we have a list of different options that could be paid for with tax increases, new fees, diversion of some fees -- many different ways we think we can help fund this from a fee standpoint, a pay-as-you-go standpoint.

All do come with some pain. There are going to be people who come out of the woodwork on every one of these issues and complain about why we put that on there; and we've had those comments. But I would tell you that, in the spirit of this coalition, we wanted to be totally transparent, and we thought that not putting an option that we heard about on this list would be totally disingenuous. So we put every option we could think of on this list.

Again, this coalition is looking for a long-term, sustainable, dedicated transportation funding mechanism to keep this Trust Fund strong, and to replenish the Trust Fund. As a banker -- and I think you all know this -- next June we don't have enough money coming in to pay for the debt service on the bonds. And as a former banker, I can tell you, that's not good. So that doesn't even speak to putting money into the ground, repairing or improving our infrastructure.

And I think the one thing I would say about this issue: There are many issues facing the State, but I said earlier this is the most important -- and it is. And this is the one issue that is doable. You can do it immediately. You could raise certain taxes, you could do certain things, you could generate the funding, you could put the money into the ground, you could put people to work, you could improve the State's economy. This is doable, and it's immediate. So if we're looking at the impact of the Transportation Trust Fund on the State's economy, I don't think there's a more important issue to be addressed. And the nice thing about this is, this can be done and be done immediately, and the economy can start to turn for the better with the implementation of this.

And I would just add one other thing. If you look at simply the safety issue, people talked about -- somebody mentioned here how does the populace feel about this? In our research we did polling, and the populace said, "We are for the Transportation Trust Fund and the infrastructure increases, etc., etc., etc., if the funds are dedicated."

MR. EGENTON: Right.

MR. BRACKEN: And it goes back to a comment I've heard many times in my life, having been in this state for 45 years: Put the trust back in the Trust Fund. The trust is, if we generate the money, keep it in the ground. And I think that's extremely important.

So I thank you for your time. Chairman Wisniewski, I'm glad you're having these hearings. I think a lot of us are preaching to the choir that it needs to be done. I think you know that; I think the whole Committee knows that. And hopefully if you need any help, our coalition is there to help you.

ASSEMBLYMAN WISNIEWSKI: Tom, thank you very much, and I appreciate you taking the initiative to be part of that coalition and to provide your leadership.

I think you touched upon one of the most important issues that we have to grapple with, and reduce to legislative, and perhaps constitutional, language -- and that's the issue of guaranteeing that whatever revenue is raised, it is used for the appropriate purpose. Now, we already have a constitutional dedication.

MR. BRACKEN: Right.

ASSEMBLYMAN WISNIEWSKI: And that constitutional dedication works, but does not necessarily stop over commitment of the funds. And we can always start this program out with the best of intentions, but Legislatures change, years go on, and different viewpoints prevail. We not only have to make sure that the money cannot be used for anything other than capital, but that it can't be oversubscribed so that we can wind up going through two years of revenue in one year. There has to be discipline for the long haul, and I would suggest that that is going to require a constitutional fix of some measure.

MR. BRACKEN: And in our coalition, we do recommend language to address that.

ASSEMBLYMAN WISNIEWSKI: Questions from the Committee?

Assemblywoman Caride.

ASSEMBLYWOMAN CARIDE: Yes, good morning, I think. Yes -
- no; good afternoon.

Mr. Bracken, listening to what you just stated here, I've read about the coalition and it sounds like a very exciting group for New Jersey, because it seems like it brings everyone who has skin in this game.

MR. BRACKEN: Right.

ASSEMBLYWOMAN CARIDE: So I thank you for giving me the website, because I will be going on to it.

You did state that you had considered, or the coalition has considered different forms, different options to try to help raise revenue for the Trust Fund. My curiosity is this: With regards to those methods, has the coalition also taken data or research as to the impact of, say, consolidating those transportation offices that you just mentioned -- the loss of jobs, the impact that it would have on the other side of the economy for these families? Has the coalition taken down, or done the research on the impact that these suggestions would have, overall, on the State of New Jersey?

MR. BRACKEN: Every option we've listed we've done research on, and every bit of that research is on our website.

ASSEMBLYWOMAN CARIDE: And also you mentioned that you had done polls with regards to the gas tax. It seems to be that the gas tax is very prevalent right now, on the table, and it's something that everyone's been talking about. And I believe Speaker Oliver had mentioned the impact it would have on the consumer if they were in favor of it. And you did mention that the coalition had taken some polls. I'm wondering the number of people who were polled -- the consumers who were polled on this particular issue, if you have that information.

MR. BRACKEN: Well, I didn't say we polled the gas tax; I said we polled the need for the Transportation Trust Fund. And I think included in

that is, obviously, one of the options being a gas tax. So the polling directly on the gas tax was not taken.

ASSEMBLYWOMAN CARIDE: Okay, thank you.

ASSEMBLYMAN WISNIEWSKI: Assemblywoman DeCroce, and then Assemblyman Garcia, and then Vice Chair Stender.

ASSEMBLYWOMAN DeCROCE: Thank you, Mr. Bracken. Congratulations to Forward New Jersey; I think it's a wonderful idea.

In your discussions -- and I kind of wrote it down a little bit -- you said it's doable with increased taxes to pay for the Transportation Trust Fund. In the research that your coalition is doing, have they evaluated why, in New Jersey, it's 8 times greater per mile than any other state to do the maintenance and repair of roadwork? Because no matter how much we raise in taxes, if we're going to be paying 8 times the amount per miles, we're not going to go anywhere. So has your group gone into depth on that issue?

MR. BRACKEN: Not in depth, but first of all let me say the increase in tax comment you made -- that's just one of the options. And we're not advocating for any of these options. We're just listing a bunch of options. So just to clarify that one comment you made.

But the cost I know is enormous, and sometimes many times greater than other states. And I think the one thing that touches on that probably would be the consolidation of different authorities, which would reduce some costs -- I'm not sure how much. But we haven't done rhyme and verse on how to competitively reduce that cost, and there are a lot of factors in there that we didn't get to.

ASSEMBLYWOMAN DeCROCE: Okay, thank you.

ASSEMBLYMAN WISNIEWSKI: Assemblyman Garcia.

ASSEMBLYMAN GARCIA: Thank you, Mr. Chairman; thank you, Mr. Bracken.

I actually have it here -- which I thought it was very impressive -- the research that was conducted. And I did review it, and I was truly impressed by some of the recommendations.

I know the Chairman had encouraged us to continue to look at how this coalition has researched many facets of your proposals. And so I have a couple of comments and questions.

The one thing that I'd love to see, that I did discover in your report, was that we need to reauthorize the public-private partnerships with respect to legislation that, I guess, had expired and it's not right now in effect. So I would definitely like to see us explore that option. I think that is a wonderful possibility.

On the consolidation, you guys noted that many states like Massachusetts and Kansas and others really have done an outstanding job with streamlining the operations and the consolidation. So my question to you is, on the series of recommendations, as well as the gas tax or the petroleum product -- looking at that, exploring whether or not we can increase the tax on that avenue -- which ones did you guys narrow it down to, because you have a series of them in your proposals. Which ones would you say -- top 3 -- that are very realistic in those low-hanging fruits for us to pursue from all the research that was conducted? Again, I want to compliment all the individuals that were involved -- Dr. Black, and all of you -- because I thought this was very, very fruitful and effective for us.

MR. BRACKEN: As I said, we aren't advocating for any; we're not ranking any of these things. All we did was list the various options we've heard over time, and listed them and provided some research to support each of those. So we're not ranking anything; we're not advocating for any of those. But the reason we put those down was because every time you raise an issue in New Jersey about something that needs to be done, the first question is, "How

do you pay for it?” So we’ve listed a bunch of options in the “how do you pay for it” category.

ASSEMBLYMAN GARCIA: Thank you.

Thank you, Mr. Chairman.

ASSEMBLYMAN WISNIEWSKI: Vice Chair Stender.

ASSEMBLYWOMAN STENDER: Thank you, Mr. Chairman.

Good morning, gentlemen.

MR. BRACKEN: Good morning.

ASSEMBLYWOMAN STENDER: Thank you. I certainly applaud the new coalition, Forward New Jersey; it sounds great. I think that the fact of having a website sounds something that’s a little different than what we’ve seen in the past, because we have seen, and I think you’ve participated in, coalitions--

MR. BRACKEN: Right.

ASSEMBLYWOMAN STENDER: --on this very same issue, in the past. And, painfully, we are all aware of the fact that we haven’t been able to find a solution that we could do immediately, as you pointed out. Because *immediately* means that it not only has to get through two houses of the Legislature; it also has to have the Governor’s support. And this Governor has been extraordinarily clear about his position on the issue of raising taxes of any kind, no matter what the impact on our State.

And I wonder if you would comment on that, because I think that that’s a real significant issue that’s part of this equation and this discussion. There are lots of good ideas out there; they all amount to the same thing: Taxes are going to have to go up, fees are going to have to go up, there has to be a way to pay for it. We don’t have new revenue. And so far there’s been the deafening sound of, “Everything’s on the table.”

MR. BRACKEN: Right.

ASSEMBLYWOMAN STENDER: Well, we've been saying that for the 15 or 20 years that I've been involved, not only the legislative end, but going back to my Freeholder days at the local level.

MR. BRACKEN: The best way I can answer that question I believe is to-- You mentioned the phrase, "Everything is on the table." And recently the Governor has said that, very emphatically, "Everything is on the table" -- including the day he nominated Jamie Fox to be the new Department of Transportation Commissioner he said, "Everything is on the table." So when the statement by this Governor is that, "Everything is on the table," I think that's what he means. There's nothing that's not untouchable; and therefore, maybe everything on our list of options is viable.

ASSEMBLYWOMAN DeCROCE: Thank you.

ASSEMBLYMAN WISNIEWSKI: Anyone else?

Assemblyman Rumana.

ASSEMBLYMAN RUMANA: Thank you, Mr. Chairman.

I just want to commend Tom -- you, in your leadership -- the position that you have taken with respect to Forward New Jersey. Leading this coalition is highly critical. And really, the theme of the day for this hearing -- the linkage between the investment in transportation and economic growth. Your position as the President of the Chamber -- the State Chamber of Commerce-- I think as we move along it will be more important for us to come up with statistics to show the populous that we've had a very bad economy since 2008. I mean, let's not shy away from that. And there are people still looking for work if they don't have a job at all, or they are looking for better employment that they used to have that they no longer have -- and to try to show that this initiative of getting money into transportation funding will hopefully lead to them getting a job or a better job. And you are in a unique position with your current position with the State Chamber to bring out that information and help us as Legislators to communicate that message

to the people of this state -- that this is something that is going to be all good for their future -- not only to drive but to even have employment and have economic opportunity.

MR. BRACKEN: Very good point. And we can do more research on that, and we will.

ASSEMBLYMAN RUMANA: Thank you.

ASSEMBLYMAN WISNIEWSKI: Tom, I don't see anyone else who has a question, but I do want to thank you for the testimony --you've taken the time today. Thank you for your leadership with regards to the coalition. I know that you and I and the Committee will be speaking quite frequently between now and whenever we come to a successful conclusion. But I think one thing that's important is we no longer have the luxury of pushing this off to another day. We cannot kick the can down the road, and we have to recognize that the serious discussion to raise the revenue necessary is essentially a once in a generation accomplishment. Whatever we do, we have to make sure that it can stand the test of time, because if we come to a solution that lasts for five years -- which seems to be our benchmark recently - - five years from now I don't think anybody is going to have the appetite to sit down and do it all over again.

MR. BRACKEN: True.

ASSEMBLYMAN WISNIEWSKI: Thank you very much.

MR. BRACKEN: I agree; thank you.

ASSEMBLYMAN WISNIEWSKI: Our next witness is, from the Utility and Transportation Contractors Association, Anthony Attanasio.

And while Anthony is working his way up, I also just wanted to-- I know there was a discussion earlier about the gasoline tax being a decreasing revenue source. And I think it's important to point out that in 2014 -- this year -- the estimated revenue is \$547 million; in 2008, it was \$563 million -- so about a 3 percent decrease. It's gone down as low as \$524 million; but I

also would point out that something interesting happened in 2008 with the economy, and gas tax revenues often tend to go down when the economy is not doing well. And so, certainly, over our lifetimes, with energy efficiency and electric powered vehicles -- including Teslas -- probably that will be true. But for the short term, I don't think we can discount that as a revenue source because it does continue to generate a significant amount of revenue.

Mr. Attanasio, thank you.

ANTHONY ATTANASIO: Mr. Chairman, Committee, thank you for having me today.

I'm here today representing the UTCA -- Utility and Transportation Contractors Association. We represent over 900 firms that build the infrastructure in the state, including, obviously, our rails, roads, bridges, water, sewer.

But I don't have prepared remarks today because many of you I have had the pleasure of working with the last three years as the Assistant Commissioner at the Department of Transportation; prior to that, a year as Deputy Chief of Staff at New Jersey Transit. So I don't need prepared remarks, because this is a passion -- and a passion that we've all shared working on issues in your districts.

So I just wanted to touch on a couple of main points. Also, I can speak to a few issues that were brought up today, and questions that I can answer because of my previous role.

But I do want to thank the Speaker for his leadership; the Chairman; Senate President Sweeney for bringing attention to this issue, which is so desperately needed. We were one of the first members of Forward New Jersey, and I want to say that our Chairman, Tom Bracken, has done a phenomenal job of bringing what everyone needs to focus on -- which it's the economy that this issue is about. Transportation infrastructure -- in a state like New Jersey, where we connect the first and fifth largest cities in the nation

-- our location is what makes us attractive to business. We are the labor market for New York and Philadelphia. We are the warehousing market; we are the bedroom communities and the economic engines of this country. And if we do not have a solid and stable transportation network, what do we have?

Our tax climate is not the friendliest of the nation, and currently our roads, and bridges, and rail are not to a standard that will attract new businesses -- let alone retain the businesses we currently have.

Many of my members at the UTCA do a lot of private work -- pharmaceutical companies and other various industries -- who are finding it far more attractive to move to the Carolinas or to other states in this country because of the tax incentives being offered and the brand new infrastructure that is being built for them to attract them.

We have an aging system-- I'm just kind of going along some points that I heard today, based on questions some of the members asked.

Assemblywoman Oliver had spoken to maintenance. Not only are we not in a position, because of lack of investment, to expand our network, to address the needs of the economy and businesses, to attract them here, but I remember dealing with every single member of the Legislature, the freeholders, the mayors, trying to explain to them how we didn't have the manpower and money to maintain the assets we currently have. For our roads, when this Administration took over -- when the Christie Administration came in, the standing state of good repair of our roads was less than 50 percent. That's an *acceptable* rating. That doesn't mean that these are blacktopped roads that we're happy about. *Acceptable* was less than 50 percent. Thankfully, due to the refocusing on Fix it First -- that this Administration did put in place -- that number is now creeping closer to 60 percent, but that's still unacceptable. When I went to school, if I came home with a 60 percent on any test that I had taken, I highly doubt my parents would have taken that very well.

So we have trouble maintaining what we have because of a lack of investment; let alone being in a position to expand, based on need.

I want to point out the importance of investment in infrastructure, looking back at something that was done at the Federal level. The Obama Administration instituted the American Recovery and Reinvestment Act, which many -- me included -- will tell you it was not a success as far as investment to spur the economy, when you look at where the money went and what was produced from it. Only 3 percent of the money, when all of that money was disbursed, went to infrastructure investment; 3 percent. Yet that 3 percent created 28 percent of the jobs that were produced. When we invest in our infrastructure, we produce jobs, we produce tax revenue. This is one of the few industries where when you do raise them -- and I understand that there's not an appetite to raise taxes ever in a state -- especially in a State like ours -- but there are good taxes and bad taxes; I mean, there are taxes that produce revenue and investment to our economy and immediately create jobs. And this is one of them. This is one of the times where if we raise money for infrastructure we will be putting New Jerseyans to work, who will then be paying income taxes, who will then -- that will replenish the General Fund.

Folks talked about the impact of raising various taxes on families who are struggling. Well, based on the numbers that the Forward New Jersey coalition is looking at, and the folks who want to see investment in our infrastructure are asking for, it would have an impact on the average family of anywhere from \$200 to \$250 a year. That's based on a wide array of ways of raising revenue.

Currently, due to our poor road conditions, and due to our lack of investment, the average family is paying \$600-plus a year in vehicle repairs. So what we look at it as is, we are not only investing in creating jobs, and

helping the tax revenue of this State, but we'll actually be reducing the cost of living for our citizens.

Assemblywoman DeCroce had asked, and a lot of folks at Commissioner Fox's confirmation hearing the other day -- and may I say that both our industry and myself, personally, as a former transportation official, are overjoyed with the nomination and confirmation of Commissioner Fox. He has always been passionate about transportation, and he is the right man right now to lead that agency during these troubled times. One of the questions that came up at that hearing and that was brought up today was the cost-per-mile. And some folks who have thrown these numbers out have not exactly been very clear in why those numbers are the way they are, and they're a bit disingenuous in trying to inflate that number. The reality is, is that this is not -- let me come up with a good state -- North Dakota or Montana, as far as costs. So let's be honest -- we have an issue of right-of-way. When we need to purchase land to build roads and to expand roads, the cost of land in this state is far greater than almost every other states in the country because of our cost of living. I mean, we have to pay the men and women who build our roads a livable wage so that they can -- we want them to live in New Jersey and not be transported in from other states.

So our labor costs, our right-of-way costs, the materials, basically-
- And because of our lack of investment, transporting materials to here -- if they're not manufactured in New Jersey -- has a higher cost. And one of the biggest things that everyone forgets to mention, that really inflates the cost, is that we have to do most of our work at night. Because of how densely populated this state is, as much as I would love to just shut down 280, or 46, or one of our major roads and get the job done quickly and as efficiently as possible, we just can't stop that flow of traffic in the middle of the day. So we have to do work at night, which costs more; and also reduces efficiencies because these folks are working in the dark, I mean, with spotlights, trying to

light up what would obviously be much greater with the free light source called the sun. We're paying people to work in the dark. That reduces the efficiency of our product delivery. So our cost-per-mile has lots of reasons why it costs more than other states.

I think we already know how important it is to invest in our infrastructure. We at the UTCA would like to be a resource to the Legislature, both as the folks who are building the infrastructure, and also the folks who are concerned with our economy and our state. And we want to see businesses come here; we want to see businesses invest in New Jersey, and we want to see them stay here.

And so I want to thank you for the opportunity to speak to you today, and I'm happy to answer any questions you have.

ASSEMBLYMAN WISNIEWSKI: Anthony, thank you very much. And I appreciate your advocacy and your experience that you bring to the position you occupy.

Vice Chair Stender?

ASSEMBLYWOMAN STENDER: Thank you, Mr. Chairman.

Anthony, I just want to say thank you, and I certainly wish you well in your new position. It was always good to work with you when you were at the DOT, so I know that you are in a good place and that you will be continuing to fight for us.

I just want to comment that your -- about the average cost impact. As somebody who has had three tires replaced in about the last year, I can attest to that very expensive statistic -- and know that I'm not alone. But thank you for being here and for sharing your insight.

MR. ATTANASIO: Thank you, Vice Chair.

If I could just add one more thing about if we're going to raise new revenue -- which I know the taxpayers in this state are not clamoring for - - I think it's also very important that we show them that we're going to spend

that money wiser, constitutionally dedicating revenue, tightening the language of that constitutional dedication. I've seen, both at Transit and DOT, the capital operating transfers and taking money from one pot -- robbing Peter to pay Paul. But we also need to be looking at legislative issues; initiatives that will spend money smarter and help with project delivery. The Chairman has an excellent bill which we've worked on; it has to do with the relocation of utility assets. Vice Chair Stender and I lived through that, as Union County residents, with the Bonnie Byrne Road project. And I can go to every single member of this Committee and talk about how the costs of project delivery are more expensive than they need to be, and that there are mechanisms to improve those project deliveries through legislative initiatives. I think if we show the people of the state that we're asking for more, but that we're going to return more; we're going to spend it smarter, and we're going to invest it wiser -- that they will come along. And previous poll numbers that state people's willingness-- If you ask a person, "Do you want your taxes raised?" their answer is going to be no. But if you tell them where it's going to go, how you're going to spend it, and how you're going to spend smarter than you have spent it, I think you'll see those numbers rise.

So thank you very much for the opportunity.

ASSEMBLYMAN WISNIEWSKI: Okay, Anthony, thank you very much.

ASSEMBLYWOMAN OLIVER: Chairman?

ASSEMBLYMAN WISNIEWSKI: Oh, yes, I'm sorry.

Assemblywoman Oliver.

ASSEMBLYWOMAN OLIVER: Yes, I just want to lend my voice to the Vice Chair's. Anthony, that was an excellent presentation. The Association is fortunate to have you. And I think that some of the issues that you articulated and expounded upon are the kinds of things that we need to begin to discuss with the residents of our state.

But thank you very much for the great presentation.

MR. ATTANASIO (off mike): Thank you.

ASSEMBLYMAN WISNIEWSKI: Thank you.

We have heard from a number of people who talked about high-level discussions about the need to raise funds, and the structures that we've used and should use to fund transportation. But we have to remember that there is a face to transportation; and there are the users, but there are also the people who operate our transportation system.

I'd like to call up Ray Greaves of the Amalgamated Transit Union, New Jersey Council, and John Costa to talk about those issues.

Gentlemen, thank you.

RAYMOND W. GREAVES: Mr. Chairman, thank you. We appreciate you holding this hearing today.

I'm here, joined with John Costa, who is the International Vice President, who comes from New Jersey where we represent close to 300,000 transportation workers in the United States.

And I also have here today with me -- behind me -- is my Vice Chairman of the New Jersey Council, Ben Evans; I have Pablo Gonzalez, one of my business agents; Richard Stark, business agent for the New Jersey Council; and also Orlando Riley, who is my Recording Secretary.

Mr. Chairman, again, thank you for the opportunity to provide testimony on the need to bolster New Jersey's Transportation Trust Fund. ATU represents more than 7,000 active and retired members, and both public and private employers throughout the State of New Jersey -- the majority of who work for New Jersey Transit.

Public transportation is an essential public service and millions of our residents rely on it each day to commute to work, to buy groceries, to get to school, visit doctors, and attend to life's other necessities. Transit also

keeps New Jersey's economy thriving, and provides a lifeline to millions of people who, for whatever reason, do not own or drive an automobile.

But Transit New Jersey is also facing some significant challenges. State funding for New Jersey Transit has dropped by a staggering 25 percent between Fiscal Year 2009 and Fiscal Year 2011. Like the rest of the country, we had our share of fare increases and service cuts during that time. Ridership on New Jersey Transit now stands at more than 940,000 trips per weekday. Our weekend ridership is higher than the peak weekday numbers for most systems throughout the country.

Now as the economy recovers and demand increases we need to at least get back to where we were. Total State Transit funding in New Jersey stands at about \$918 million. The majority of this funding -- about \$400 million -- comes from the General Fund appropriation, which includes general support for New Jersey Transit's operating budget, including rail, bus, and light rail operations, and administrative support costs.

While this seems like a big number, we actually trail five states in overall funding -- two of those states, Maryland and Massachusetts, significantly smaller states in population. On a per capita basis, we actually trail six states, including our biggest so-called competitors in the northeast. Connecticut, for example, funds transit at \$127 per capita. New York funds transit at \$228 per capita. New Jersey -- \$104 per capita. Even Alaska's per capita is higher than New Jersey's.

We can do better, and the demand is certainly there. Other states rely on general sales tax, lottery fees, vehicle registration, and license or title fees to fund transit. We do not, and we should consider these options.

Most people assume that the price of gas fluctuates each week because of taxes. However, we know that events happening around the globe impact the price at the pump much more. Tacking a few cents onto a gas tax

would go a long way in raising money for infrastructure, while costing the average resident just a few dollars more by year's end.

With all of these new fuel efficient cars on our roads -- as we talked about earlier -- the gas tax is clearly not the best long-term option. But it is just common sense to raise it by a few cents. If people saw their pennies were going toward new, reliable, and convenient Transit services, and keeping fares down, they would buy into it.

A growing trend in other states is to raise money for transit through rental car taxes. We should strongly consider this here in New Jersey. If just a dollar or two for every car rental transaction at Newark International Airport was dedicated towards NJT, our financial situation could be much brighter.

Legislators who are hesitant to raise the gas tax should know that across the nation lawmakers have come to recognize that when rental cars taxes are increased, generally speaking, their constituents are not hurt. Think about it: this is a way to ask visitors from other states who don't vote here to pay just a little bit for the privilege of using our roads and bridges. In the end, Transit riders win.

In conclusion, we move New Jersey. The workers at New Jersey Transit, the proud members of the ATU and the other various unions that run the service throughout the state -- we are the eyes and the ears of New Jersey Transit on a daily basis, and we join in support of increasing public funds. The ATU stands strongly with our customers we transport every day in the State of New Jersey, and transportation groups around the state. We need to find a permanent way to fund the depleted Transportation Trust Fund for road and Transit project services.

Thank you.

ASSEMBLYMAN WISNIEWSKI: Thank you, Ray.

John, did you have anything?

JOHN A. COSTA: I'm good.

ASSEMBLYMAN WISNIEWSKI: Okay.

Just for the edification of the Committee members, your members are the folks who are driving the New Jersey Transit buses?

MR. GREAVES: Yes.

ASSEMBLYMAN WISNIEWSKI: And so they, firsthand, not only see the face of the commuters, but they see the quality of the roads that they're forced to navigate.

MR. GREAVES: Yes.

ASSEMBLYMAN WISNIEWSKI: And they have a body of information about exactly how much work they know we need to do, correct?

MR. GREAVES: Yes, they do, Chairman. And I'll tell you, our operators deal with these problems of congestion. We have issues with the Port Authority Bus Terminal in Manhattan, which is just busting from the seams. So they see it every day; and they know the conditions of the roads, and it has a tremendous impact on us moving around in the State of New Jersey.

ASSEMBLYMAN WISNIEWSKI: Members of the Committee, any questions?

Assemblywoman Oliver.

ASSEMBLYWOMAN OLIVER: Yes, I have one question, Mr. Greaves, because you gave us an excellent presentation, and the numbers are astounding. When is the last time we were even able to acquire and purchase an upgraded fleet of New Jersey Transit?

MR. GREAVES: New Jersey Transit -- recently, there was a bus purchase; in the last two years they have purchased some new buses. We have a problem maintaining these buses now, because of the conditions of the roads, because of the wear and tear that we see every day. So it's important to keep our fleet of buses upgraded. We are now purchasing fuel-efficient buses.

There are also natural gas buses that are being purchased and looked at. So New Jersey Transit is currently trying to upgrade the fleet of buses. But it's very important that we have the proper amount of operational monies to repair these buses and to keep these buses operational.

ASSEMBLYWOMAN OLIVER: Thank you.

ASSEMBLYMAN GARCIA: Mr. Chairman?

ASSEMBLYMAN WISNIEWSKI: Assemblyman Garcia.

ASSEMBLYMAN GARCIA: Thank you, Mr. Chairman.

Mr. Greaves, thank you for your testimony. I wanted to say that you guys have done an outstanding job, considering what the County Executive noted earlier -- with the fire in the PATH at Hoboken, and you guys came to our rescue, as far as Transit and the drivers. And I was thinking about your suggestion with the increase on the car rental fees. What research has been done on that?

MR. GREAVES: We have our International Vice President here. Our International has been working on this throughout the country, so maybe John can give you some of those numbers.

MR. COSTA: Assemblyman, and--

ASSEMBLYMAN WISNIEWSKI: Just if you could state your name for the record and make sure the mike is on.

MR. COSTA: John Costa, International Vice President for Amalgamated Transit Union. Good afternoon.

We are willing to give you any research from our International department in Washington, D.C. on any bills that may be out there, any way we are dedicating funding through any transportation funds. So those numbers right now, I don't have, but I would be willing -- either Ray or myself -- to get anything we can to help with this crisis. I mean, it's here, and it's time to deal with it.

ASSEMBLYMAN GARCIA: It's imperative that we receive that, because I thought it was a really excellent suggestion. I mean, it's clear the Chairman has been echoing forever now, with respect to -- from our roadways to our rail lines -- the fact that these transportation arteries are the life blood of our economy; and that is so important to look at all these options. And I think that that was very valuable.

So I thank you.

MR. GREAVES: It's an option. Thank you, Assemblyman, and I appreciate all your hard work in Hudson County. We know what you do, and we know what you're doing here on this Committee -- which is led by our Chairman who-- You guys are doing a great job, and hopefully we can assist you in any way possible, moving forward.

ASSEMBLYMAN WISNIEWSKI: Seeing no other questions -- Ray, John, thank you for your testimony. We look forward to staying in touch.

MR. GREAVES: Thank you.

MR. COSTA: Thank you.

ASSEMBLYMAN WISNIEWSKI: I'd next like to call, from the Laborers' International Union, Joe McNamara.

Good morning, Joe.

JOSEPH A. McNAMARA: Good morning, Mr. Chairman.

For the record, my name is Joe McNamara; I'm Director of the Laborers-Employers Cooperation and Education Trust; that's why we call it LECET. Our role is to promote economic development, investment in infrastructure, and job creation for our industry.

Today I'm representing my Chairman, Ray Pocino; but he's also the Vice President and Regional Manager for the Laborers' International.

Again, I want -- as everyone else, Mr. Chairman -- I want to thank you and the Speaker for having this hearing on this critical, critical issue

facing New Jersey; as you mentioned, probably the most critical issue facing us.

I think the issue, from the economic standpoint, has been framed very well by you, by the Speaker, by Tom Bracken, and others. We are the world's largest consumer market. Our economy is based on our infrastructure, our rail -- not just highways and bridges -- but rail, ports, airports. It's a connection to -- a gateway to the world markets. So if we don't maintain them, as we've said a couple of times today, we cannot be competitive.

So we have to look at infrastructure and spending on infrastructure in a little different way. We call it *investment* -- as Anthony mentioned before -- because it is, actually, an investment. Other spending by government -- necessary spending -- on public safety, education, social services, healthcare -- all beneficial and needed to be done. But with infrastructure, that spending has a return.

A few years ago I read some studies that said for every \$1 we spend on infrastructure, particularly transportation, there is a financial return -- maybe 3 or 4 cents on the dollar. So not only does it provide, and obviously, jobs to our industry, but bringing business, attracting business, keeping business here -- which infrastructure does -- also creating jobs in food services, and architecture, and banking, financing.

So it creates jobs for our children and our grandkids. Without it, we cannot -- our future is -- we cannot grow and we cannot survive competitively.

One piece about-- You know, we've talked about the TTF, and mentioned earlier that by the end of this fiscal year we will have no borrowing capacity. And certainly that has an effect on the roads and bridges, but it's also-- Our total program is \$3.2 billion -- \$1.6 billion transit and \$1.6 DOT. If we don't -- if we're not able to borrow, and effectively have no capital program

next year, we will not be able to receive any matching Federal funds. So certainly there will be no construction here, further deteriorating our situation.

But also, New Jersey Transit will not receive some of the capital they need for their capital projects -- perhaps cars, and also the roadways and things like that.

Another piece-- We talked a little bit about our competitiveness. What are other states doing? Other states are looking at addressing this problem also. Maryland and Pennsylvania have recently raised their gas tax. I'm familiar with some people out in Missouri who are trying to increase the sales tax so that they can apply that to gasoline, so that they can dedicate that money towards transportation. California and Oregon are -- a little bit of a pilot program on vehicle miles travelled. Certainly that's not on the table right now; there are some political concerns with that, but in the future, that's something that's going to have to be looked at. And I've looked-- I'm really curious about what happens with California and Oregon in the future to see if, indeed, that's a viable way to look for some additional funding.

We talked about the public. There has been some research by a key member of the Forward New Jersey coalition, so I don't want to overstate or restate what Tom Bracken said earlier. But one of the key factors -- and we looked at what the public said and the consumers -- certainly jobs and the economy were very, very critical; but also, what polled highest, in terms of what the interest is in the public in terms of Transportation Trust Fund, was safety. We read a lot about, and talked this morning about, unsafe road conditions, but safety is a big concern for people. And if-- Many have mentioned a couple hundred dollars a year in repairs. I mean, I've looked at some of the numbers, and if you raise the gas tax 10 cents and people drive 15,000 to 20,000 miles a year, it comes out to 30 cents a day -- which is \$100 a year if you do that. Now, again, we're part of the coalition; I'm not here

recommending-- Which I think is a great -- the mission of the coalition, as Tom mentioned, is to educate, and to promote investment, and to refinance our Trust Fund. But it's important to put that in perspective so that we get a sense of comparing ourselves with what other states are doing and still maintaining our competitiveness.

I just want to also mention that part of the coalition-- Tom, again, mentioned reforming -- looking at revenue options which are listed, and it calculates what we need to get to a \$1.6 or \$2 billion program -- which we need not only just to maintain, but we have to make additional improvements, modernize our infrastructure to be competitive. And to do that, we probably need -- it's estimated over \$20 billion in the next decade.

So even with additional revenues for TTF and Federal funding -- hopefully we get that -- the needs are so enormous that we're not going to be able to make those public investments in transportation infrastructure -- and, I'm saying, water and sewer and other infrastructure which is just as critical -- without private investments. So one of the recommendations -- and I believe Forward New Jersey has provided the background, the research that they did, to every member of the Legislature and, I'm sure, this Committee. But I want to emphasize the P3 aspect of it. Because in New Jersey-- New Jersey is behind other states; the United States is behind other countries in terms of utilizing private investment to improve our infrastructure -- to grow and develop it. Canada and Europe use it extensively; states like Virginia, Florida, Indiana and a few others do have the ability to utilize P3 legislation -- P3 financial structures. It's important -- critical that we do that. I think that's an important part of the recommendation of the Forward New Jersey coalition.

Currently, it's successful in New Jersey; at the Port Authority -- the Goethals Bridge is utilizing the P3 structure. Actually, Montclair and the College of New Jersey-- There is legislation now, which I'm sure many of the members have voted for, that authorizes or allows for colleges -- public

colleges to utilize P3s. Montclair State has utilized one here on campus; and also The College of New Jersey has successfully done-- There is oversight by EDA; I'm on the EDA board so I've looked at those financial structures. They're viable, and they have worked.

So I think it's critical that we extend this -- extend the P3s to other public entities. And it's not a mandate -- it has to be looked at, it has to be financially viable. And I think that that is part of-- What the coalition is doing is, it's trying to put a total package together: How do we strengthen our transportation system? Reform it? We should look at, if it makes economic sense, the consolidation of agencies. They've done that in Maryland. The Turnpike and the Parkway were successful. Again, it's just we are recommending that that be looked at. Is it cost-effective? Some estimates say it could save \$1 billion over 10 years, but, again, it has to be looked at. The public has to-- If we're going to raise revenues -- and we have to raise revenues for the Trust Fund -- but it's important that the public see that we're trying to be -- make our planning, our operations efficient; utilize the money dedicated to the Trust Fund so that it is used for capital projects, as everyone said.

But we have to act now; it's a crisis situation. And we're also pleased, as mentioned, with Jamie Fox being appointed Transportation Commissioner. His experience, his background, and his expertise in this field can certainly help this debate. And I think his start -- he began by saying, "Everything is on the table," which it has to be. So it's important that we, together -- the Legislature, the Administration, our coalition -- sit and get a solution to this.

Again, on behalf of the Laborers' International, I want to thank you for giving me the opportunity. And if there are any questions I'd be glad to hear them.

ASSEMBLYMAN WISNIEWSKI: Joe, thank you for your testimony. And I know that you will continue to be involved in this debate; you and your organization have not only been advocates, obviously -- that goes without saying -- but very thoughtful in trying to come up with innovative solutions. So we appreciate your advocacy.

Members of the Committee?

MR. McNAMARA: I do want to make one more point.

ASSEMBLYMAN WISNIEWSKI: Sure.

MR. McNAMARA: Anthony Attanasio discussed some of the costs -- why it's somewhat higher, perhaps, to do construction work here in New Jersey. But I think it's very careful-- When you look at these studies -- and I have -- the methodology that was used to determine what the cost per mile is, as opposed to other areas-- One study-- And each one has a different methodology, so it's apples to oranges and grapefruits, really.

One study I saw said that, well, New Jersey has 3,000 highway-lane miles, and it's a 3.2 capital program, so therefore it's \$1 million or so a mile to construct. Now, \$1.6 million is already Transit, so that's-- So it's really careful, yes, I'm sure-- And Anthony, very well, was very articulate in terms of what some of the costs -- just working at nighttime; sometimes you can only work for five hours a crew, so -- the high cost of land and those aspects. So when we talk about that, it's important to see what the methodology is, and compare it, so we're talking about apples to apples, and not the other way around.

I just want to make that point.

ASSEMBLYMAN WISNIEWSKI: I couldn't agree with you more. And I think it's also important not to let that become a distraction from the larger goal of thoughtfully understanding what we need, and fairly coming up with a way to apportion that among the users of the system so that the

collection of that revenue that's needed is apportioned fairly to the people who are actually using it.

But I certainly share that sentiment, yes.

MR. McNAMARA: That was my point, yes.

ASSEMBLYMAN WISNIEWSKI: Thank you very much.

MR. McNAMARA: Okay; no questions? (no response)
Thank you.

ASSEMBLYMAN WISNIEWSKI: Next, I'd like to call up the New Jersey Alliance of Action, Phil Beachem.

PHILIP K. BEACHEM: Good morning, Mr. Chairman, members of the Committee. My name is Phil Beachem, President of the New Jersey Alliance for Action.

For those who are not familiar with the Alliance, we are a nonprofit, nonpartisan organization representing 2,400 members from business, the building trades, and professional sectors. Our agenda is focused exclusively on infrastructure, capital construction, and economic development issues.

What I have given you is an excerpt -- a transportation excerpt from a larger report entitled *Investing in New Jersey*, which was given to the Governor, and to Senate President Sweeney, and Assemblyman Prieto back in March 2014.

This year, the Alliance is celebrating our 40th year as an organization. We were involved with the original creation of the Transportation Trust Fund, and some of us were around specifically when that happened.

Why did we do that program? Why was that program necessary? Prior to the establishment of the Transportation Trust Fund, the way that New Jersey raised money for transportation was to go to the voters and ask for approval of a general obligation bond. And typically, that approval was only

given to certain agencies about every five years. And in several instances, the voters approved it; and in several instances, they disapproved it.

The ability to enact this Transportation Trust Fund when Tom Kean was Governor allowed us to properly -- allowed DOT to properly plan long-term for projects that were, at the beginning of the Trust Fund days, not properly planned for. It also enabled us to stop the hemorrhaging of transportation monies that were going to other states -- Federal transportation monies -- because we now had a consistent match. Prior to the establishment of the Trust Fund, the way the Federal program operated, if you did not have your match by a certain date your pool of authorization money was sent into, basically, limbo, and other states were allowed to come in and snatch that money. We were losing; we were a donor state with respect to that.

So the establishment of this program not only allowed us to maximize our match; we were able to essentially take money that had been programmed for other states, and it enabled the DOT to properly do long-term planning.

We are now back in the position of pre-Transportation Trust Fund days.

So I'm here today to, first of all -- pleased to be able to join you to share with you the recommendations that we have submitted with respect to transportation funding. And we join with the other noteworthy groups that have also presented some excellent ideas and suggestions for consideration. There's a group called Facing Our Future that has issued a report; there's a report issued by the New Jersey Policy Perspective. And lastly, I want to salute Tom Bracken, the President of the State Chamber, and the members of the Forward New Jersey coalition who have also coalesced around some very interesting options for you to consider.

Likewise, on behalf of the Alliance for Action, let me suggest that the time has come to seriously look at how New Jersey can provide the necessary monies to adequately address our transportation needs.

In the absence of adequate funding, it may be time to admit that the old business model is broken, and that a new model needs to be considered. In that regard, we have suggested some ideas in that report that we have just given you, as well as other ideas for raising some of the necessary revenues that are needed to ensure that our transportation program continues and is consistent.

I'm happy to be here today, and I want to, on behalf of the Alliance membership, offer our support as you grapple with this issue and we go forward.

Thank you.

ASSEMBLYMAN WISNIEWSKI: Phil, thank you for your testimony.

And I just wanted to get your view on this one issue, that I think this is true for many of us. When we talk to constituents, when we speak to groups about the need for transportation funding, I guess in the vernacular people will say, "What did you do with the money we gave you?" And the reality is, is that it's spent. But I think it's important for people to understand -- and it really goes to the notion of oversubscription -- that we started out with a revolving program, way back in the days of Governor Kean, that had a limited length of debt and a limited amount of expenditures. And would you agree that one of the problems that we've created for ourselves is by oversubscribing that on an annual basis and stretching out that debt payment schedule?

MR. BEACHEM: There's no question about that, Assemblyman. I mean, we've not only oversubscribed, we've also stretched out the debt

payments. And the program has ballooned to a much greater degree than what it was when it was originally adopted.

ASSEMBLYMAN WISNIEWSKI: And so one of the things that we need to find, in the basket of solutions that go into this, is a way to prevent that from happening again.

MR. BEACHEM: And I think you raised the question about the constitutional dedication. I think it's a very important question for this Committee to consider. You could drive a truck through the loopholes in that definition of constitutional dedication -- and it has been happening.

ASSEMBLYMAN WISNIEWSKI: Understood.

Questions?

Assemblywoman Caride.

ASSEMBLYWOMAN CARIDE: Yes, good afternoon.

I was looking at the summary of transportation recommendations that the Alliance -- that you have provided to us; and I'm curious as to two of them. Has research been done to support why the Alliance recommendations include turning the interstate highways over to the Turnpike Authority?

MR. BEACHEM: One of the recommendations -- I should point it out, Assemblywoman -- is for the Committee to consider certain functions that are currently within the DOT's purview to be done by other agencies. In this particular case, we suggest that the responsibility for the interstate system, along with the Federal money that comes with that, could be turned over to an independent authority, such as the Turnpike Authority. And it would be the equivalent of the merger -- in essence, the equivalent of the merger between the Turnpike and the Garden State Parkway, which was seemingly smooth.

But there is a nexus in terms of the connection of those roads and the ability of an independent Authority to merge that system into its own.

ASSEMBLYWOMAN CARIDE: Would it help to generate more Federal dollars that would be beneficial to the State, or--

MR. BEACHEM: I'm not sure that it would generate more Federal dollars. I do a lot of work at the Federal level; our delegation is terrific. But I have to tell you that the problem that you're grappling with here is just as bad in Washington. And the difference this time is that many of the Congressional members around the country have a bias towards the Northeast, that's been built up over years, and they would love to be able to take whatever money currently is going to the Northeast and reprogram it for other parts of the country. We're battling that as we speak.

So that the idea that it might generate more Federal money is probably problematic, in my estimation.

ASSEMBLYWOMAN CARIDE: The last question I have for you -- one of the recommendations that also caught my eye was the extension of the Glassboro-Camden Light Rail.

MR. BEACHEM: Right.

ASSEMBLYWOMAN CARIDE: I'm from Bergen County, and they've talked about extending the Bergen-Hudson Light Rail. And I'm just wondering if the Alliance doesn't think that it would be a good idea to extend that one as well.

MR. BEACHEM: Oh absolutely, we should extend that. I mean, the thing that was mentioned earlier about public-private partnerships -- and you'll see it as a recommendation on that in this report -- New Jersey had the premier public-private partnership with the creation of the Hudson-Bergen Light Rail. And I think that aspect, in terms of funding, can benefit both the South Jersey project as well as the extension of the North Jersey project.

ASSEMBLYWOMAN CARIDE: I was just wondering why it was missing in the recommendations. So I just thought it might be that you might have information that had not come before us.

Okay, thank you.

ASSEMBLYMAN WISNIEWSKI: Any other questions? (no response)

MR. BEACHEM: Thank you.

ASSEMBLYMAN WISNIEWSKI: The only other comment I would make is that you've accurately pointed out the difficulty in Washington is not dissimilar to the difficulty here. I'll just point out the caveat that they have the ability to print money, and we don't. (laughter)

Thank you.

MR. BEACHEM: Thank you.

ASSEMBLYMAN WISNIEWSKI: Our final witness this morning is Grace Applegate-Tissiere, A Safe New Jersey.

Grace.

GRACE C. APPLGATE-TISSIERE: Good morning.

ASSEMBLYMAN WISNIEWSKI: Good morning.

MS. APPLGATE-TISSIERE: I am probably the only, like, average citizen that you're going to hear from today.

I just want you to know that my background-- I had a safety consulting business for 16 years, and dealt mainly with construction contractors. I've been out on the roads early in the morning doing OSHA investigations, and I understand the construction business here in New Jersey and the condition of our roads and bridges.

I started A Safe New Jersey several years ago, after I sold my business, in order to look at safety issues and a lot dealing with OSHA. Just recently, I have decided to take a stand upon the New Jersey gas tax legislation that was introduced by Lesniak back in March. And I wrote a commentary that actually was just printed today in the *Asbury Park Press* with regard to the issues.

As I heard about this hearing, I decided that I was going to come up for it. But as I sat here, I started to wonder what you expect to accomplish from this hearing, because I'm sure that all of you have been involved in transportation issues for years and understand the problems that we face here in New Jersey. And also I don't think that you have heard from anybody today with information that you didn't already know or was able to get from your staff. And all of the people who are testifying here today -- you're going to have three other hearings and the same people are going to testify. The problem is, we need to do something about this now. The Transportation Trust Fund is running out of money, and the gas tax is the only way, right now, to start solving the problem. Will it solve it, long-range? No; but this needs to be passed now. And I understand the people in New Jersey don't want to have any more tax. And you, as legislators, really don't want to pass anything with regard to increasing the tax burden already on the citizens of New Jersey. But when you look at the issues with regard to the gas tax, and the fact that we do have the lowest gas tax in the nation -- next to Alaska, I think-- But the fact is, too, the high taxes that are in New Jersey and New York and Pennsylvania, and the people who come across the lines. It's a no-brainer to have -- to pass the gas tax and do it now. And you may have other hearings; again, you're going to hear the same information; you all know the problem.

I think that's the frustration of people today, the average citizens. When we see politicians-- We elected you to solve our problems. You all know what the problem is here, and we want you to address it.

And when asking the citizens what they want -- you know, we average citizens are too busy every day putting food on the table, paying our bills, and jobs. We want you to make the right decisions for us with regard to what needs to be done.

And I think if you do that, people are going to support you. I know it's an election year, and most people don't want to do this. But this bill was put up by Lesniak in March; it's 4 cents. And nobody -- not one Assemblyman, not one person on this Transportation Committee has signed on to that bill -- or, there's a matching bill in the Assembly (*sic*).

So why? And what do you really expect this hearing to do other than hear the same people tell you the problems? There is -- this Forward New Jersey has done all the research it's on the website -- all of the issues. What do you really -- what is really the benefit of this hearing? That's my question.

ASSEMBLYMAN WISNIEWSKI: What's the amount that you have to raise to fund the Transportation Trust Fund?

MS. APPELATE-TISSIERE: I'm not aware of the total amount of money; I just know the gas tax is one that will help fund it right now.

ASSEMBLYMAN WISNIEWSKI: Right.

MS. APPELATE-TISSIERE: Yes.

ASSEMBLYMAN WISNIEWSKI: But my question is, will 4 cents solve the problem?

MS. APPELATE-TISSIERE: No, but it's going to help with the problem. And when you look at the amount of 4 cents that will-- And maybe that's not the right-- Maybe Lesniak's bill is not right. But then, let's adjust it and make it what's right. But right now, 4 cents -- at least it starts to help solve the problem.

ASSEMBLYMAN WISNIEWSKI: I understand the frustration that you're expressing in not having direct, immediate action. The last time New Jersey has touched the gas tax in a meaningful way was over 30 years ago. It's not something that's done easily. I sat on a dais at a panel discussion about a decade ago where we were all -- Democrats and Republicans -- talking

about not *if*, but *how much* the gas tax was going to go up. And then within 24 hours it evaporated.

If it was easily done, it would have been done. The problem is that 4 cents generates \$200 million a year, maybe. As you heard one person testify, we have a \$2 billion a year problem. What we do, we will not have a second bite at the apple to go back in a subsequent year and say, "Well, you know, we need a little more," because people will rightfully ask us the question, "You just did this; why are you doing it again?"

So we need to make sure that whatever we do, we do the right thing, we do the right amount, that it's fairly apportioned among the users, that we do the right constitutional safeguards to make sure that, not only, it is only used for capital, but it used in a way that is not oversubscribed -- that's led to the problems we have today.

So I think we're all for immediate action. And I'll just close on this one note: that when we take immediate action, we're often criticized for not being deliberative enough; and when we're deliberative, we're often criticized for dawdling. We're trying to find the medium.

MS. APPLGATE-TISSIERE: May I just say one thing? This is not-- You're looking at doing something immediately now. This should have been done a long time ago. Yes, something -- we're looking for something being done now, but because something wasn't done years ago. I mean, to do -- to solve this problem-- Our roads are in terrible condition, and we're going to have a disaster with regard to a bridge if something is not done. We need to have done something-- And to say, "Okay, we're not going to do it now, I mean, we have to take a long time to think this through and make sure" -- sometimes you have to do something to solve the problem or start solving the problem, and then look at long-range solutions to it.

But the point is, with hearings -- one of the things that really-- Another thing that bothers me in New Jersey, we need to-- And hearings like

this, in times with regard -- your time -- let's look at something to create jobs in New Jersey. We've got to start doing something, because this country is suffering; the whole country has suffered. But New Jersey, specifically, with regard-- I see storefronts closed all over the state. But the roads and bridges - - we get money from out of state. I mean, look at the amount of-- Somebody said today, 40 percent of the money comes from out of state which helps fund this tax. So this is a revenue source that most states don't have that we can use.

So I appreciate you, and hope I've not offended anybody. But it's just that I think I -- just share with me the frustration of the average citizen with regard to the Legislature not acting, and seeing what's happening with our roads and bridges. And the cost to us -- the \$3.5 million it costs for repairs of our vehicles and stuff. This is something that needs to be resolved. And this is what we elect you all to do, so let's do it.

Thank you.

ASSEMBLYMAN WISNIEWSKI: Grace, we appreciate your point of view, and we're working at it.

MS. APPLGATE-TISSIERE: Thank you.

ASSEMBLYMAN WISNIEWSKI: Thank you very much.

Anybody have anything? (no response)

ASSEMBLYMAN RUMANA: Just to bolster your point, Mr. Chairman.

Your point is well taken; however, to put the magnitude of the increase into perspective: Currently, we spend \$1.6 billion, and Forward New Jersey and some other transportation folks are advocating for that number to rise up to \$2 billion. Just to get to \$1.6 billion, you would have to raise the gas tax from its current rate -- at 14.5 cents -- another 31.1 cents, and the diesel tax another 39.9 cents. I don't think that the general public would support that

kind of an increase, because that's an extreme amount to be hit with at one time.

So the hearing process-- And I'm really going to take some of the words from Assemblywoman Oliver because she really nailed it on the head. You've got families -- the average family suffering out there, trying to figure out how to put food on the table. And then to have to put another 31 cents per gallon out for every gallon that they use in gasoline immediately -- if that were the only source of funding that we would go to, to get the full-funding amount -- because you have to get to \$1.6 billion; at least \$1.6 billion. And there's no -- \$200 million, as the Chairman pointed out, you still have \$1.4 billion to go. So that's not going to get us a complete program at all, and we need to be -- we do need to be deliberative about how we're going to put together a package, a formula that's going to get us to that number that's not going to also crucify every average Joe and Josephine -- as Assemblywoman Oliver said -- out in the general public.

It's a challenge, and we know it's a challenge.

MS. APPELATE-TISSIERE: And nobody -- excuse me -- nobody's advocating that type of an increase. We're talking about an increase that, right now -- and looking at other issues, how to fund this, long-term. I'm not advocating here 31 cents, and certainly I know that New Jersey residents can't afford that; we don't want to put that burden on -- especially in this state when taxes are so high anyway.

ASSEMBLYMAN RUMANA: Correct; I didn't say you were advocating for that.

MS. APPELATE-TISSIERE: Okay.

ASSEMBLYMAN RUMANA: I just wanted to make sure we all can understand that that's the type of increase you would need if you relied solely on the gas tax to fix this problem, in total. So the 4 cents is just a fraction of the overall problem, and we need to be -- we need to expand our

thinking, in terms of where we're going to go to completely fund the program that we need to fulfill.

MS. APPLGATE-TISSIERE: And I agree with you; I think that's absolutely right. But let's take the first step.

ASSEMBLYMAN WISNIEWSKI: We understand your point, Grace.

MS. APPLGATE-TISSIERE: Let's take the first step, and get this moving.

ASSEMBLYMAN WISNIEWSKI: We understand your point. We will continue to do our work; I'm sure you'll continue your advocacy.

MS. APPLGATE-TISSIERE: I just want say to say one more thing. It's important that this money is dedicated.

ASSEMBLYMAN WISNIEWSKI: We agree.

MS. APPLGATE-TISSIERE: The original Trust Fund, when we went through it, if that money was dedicated and not allocated, and that was moved to happen in the Legislature when that--

ASSEMBLYMAN WISNIEWSKI: Well, I just want to say this, is that there's a lot of misinformation out there about the dedication. The Transportation Trust Fund money has been spent on transportation. One of the biggest problems that we've had is a program in which you anticipate spending X dollars each year for the next 20 years; when you take one year and you decide to spend $2X$ or $3X$, you shortchange future years, which requires you to then make bad decisions. And over the course of the past 30 years, we have overspent the allocation that would have been normally allotted for a particular year, pushed our debt payment schedules to a point now where everything we collect goes to pay for projects already done.

And so part of what has to happen is not to just talk about the dedication -- that's there -- but making sure that that can't be overspent in a year. Because as anybody who has served in the Legislature any number of

years knows, there's always an impassioned argument in subsequent years as to why we need to do this now; we need to spend more today because of this huge emergency. We have to build into the program the kind of discipline that whatever we raise, whatever we agree the revenue will be, will be there for the long run.

And since I'm the Chair, I get last word on this. It has taken an enormously long period of time to get to a position where we are having a Committee hearing where we're actually having an open discussion about raising revenue. It's not done easily; and we can't squander the opportunity by just doing something and hoping to come back to it. I will guarantee you that whatever we do, we won't be coming back to it, so we want to do it right.

With that, we are adjourned. I look forward to you at our next hearing.

(MEETING CONCLUDED)