

## Office of the Governor

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### NEWS RELEASE

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### **Governor Highlights Need to Maintain Infrastructure Addresses Forbes Magazine Conference on Revitalizing America's Infrastructure**

Gov. Christie Whitman today addressed attendees at the Forbes Magazine Conference on Revitalizing America's Infrastructure and highlighted her efforts to meet the infrastructure needs of transportation and schools.

The Forbes conference lasts for three days and is the fourth in a series of forums offering information sessions and roundtables. Attendees include representatives of the finance, business, construction and governmental communities. The purpose of the conference is to provide an opportunity for participants to exchange ideas on how to develop and finance the nation's basic environmental, transport, energy and industrial projects.

A copy of the Governor's speech is attached.

### **REMARKS OF GOVERNOR CHRISTINE TODD WHITMAN FORBES' REBUILDING AMERICA'S INFRASTRUCTURE CONFERENCE NEW YORK CITY WEDNESDAY, OCTOBER 6, 1999**

Thank you.

I'm sure you have read about the little problem they had at NASA with the Mars Climate Orbiter. Years of planning, 125 million dollars, and 416 million miles of travel, all ruined by an English-to-metric miscalculation that was made before the spacecraft ever left earth.

I did not come here to argue the merits of the metric system. Instead, my point is that in looking at America's infrastructure needs, we cannot afford to miscalculate. If we think we can get by with weak bridges and roads, overburdened water treatment plants, ports that are too shallow, and schools that are crumbling, we are headed for catastrophe.

I applaud Forbes Magazine, its cosponsors, and all the businesses taking part in this conference. In solving our country's infrastructure problems, government needs private investment and business savvy.

For all the good news about the U.S. economy, for all the talk about federal budget surpluses, for all the new jobs and businesses, real prosperity will only thrive in a nation willing to rebuild and fortify the mighty structures that have fed its success in the 20th century.

There are three major infrastructures that particularly worry me. First, our roads. When Lewis Mumford proclaimed that the national flower was the highway cloverleaf, he captured America's growing dependence on cars and trucks to get us around. At the time, our highways were meeting the demand.

But consider what's happened since 1970. The U.S. population has grown by 30 percent. Travel on our highways has grown by 130 percent. But in that same period, the amount of road miles across America has increased by a mere 5 percent. And, according to Mayor Rendell's Rebuild America Coalition, nearly 6 in 10 existing roads in America are in poor or fair shape.

These roads create problems for business, and they contribute to thousands of deaths each year. Indeed, as the head of the U.S. Chamber of Commerce put it, "we have a moral obligation to improve America's highways."

We cannot afford to miscalculate. Now is the time to rebuild our transportation systems.

At the same time, we know that schools across the United States are growing old. Many schools built to serve baby boomers need repair or should be replaced. You have read much about the academic struggles of America's schools. The infrastructure needs - both physical and technological - are becoming nearly as great.

The General Accounting Office estimates that more than \$100 billion is needed for basic improvements such as fixing leaky roofs, repairing heating and plumbing, and removing asbestos and lead paint. In addition, Americans will need to invest \$73 billion in new schools to accommodate the growing population of students in the next decade. The trouble is that too often, citizens vote down the local bonds to pay for these improvements, so they get deferred and the problems only get worse.

We cannot afford to miscalculate. Now is the time to rebuild our schools.

A third challenge is to revitalize our urban centers. As New Jersey and other states have expanded their economies, a lot of this growth has gobbled up landscape. Farms and fields have given way to shopping centers and office complexes, built alongside roads never intended to handle so much traffic. And as suburbia continues to sprawl, far too many urban properties lie fallow, and they drag our cities down with them.

We cannot afford to miscalculate. Now is the time to rebuild our cities - and to direct new development there as much as possible.

Today I will talk about one state's attempt to meet some of these challenges.

Oscar Wilde once complained about a society that knows the price of everything but the value of nothing. In New Jersey - and maybe because we are the most densely populated state - I think we are recognizing the value of infrastructure investment and making important commitments to rebuild our roads and bridges, our schools and cities.

Let me start my discussion with transportation, which is both essential to a sound economy and a key to making day-to-day life more pleasant.

Athletes will tell you the best umpires or referees are the ones no one notices because they just do their job and don't become part of the game story. A transportation system is a lot like that.

People don't talk about the smooth road, well-marked route, or timely train that got them where they wanted to go. But everyone feels the aggravation of a traffic jam, a pothole-pocked road, a flooded-out bridge, or a train that seems to never show up or always break down. Worse yet, these conditions can kill.

Last year, I put forth a transportation plan called New Jersey FIRST - the most far-reaching and ambitious plan in New Jersey history. It includes everything from expanding mass transit to relieving traffic jams to improving ports. Just as important, it sets out a deliberate, long-range strategy for renewing the infrastructure.

We're reaching beyond the typical political life span. The tendency in government is often to look at what we can accomplish during an administration. But when you are talking about a massive infrastructure, you have to think long-term. Many of the targets we have set aren't for a year or two from now but for the year 2010 and beyond.

For instance, in the next 11 years, we intend to correct all bridge deficiencies on New Jersey's national highways. We will also replace every mile of faulty highway pavement. By then we will resolve every serious flooding problem on our state roads, a goal we set long before Tropical Storm Floyd wreaked its havoc last month.

Of course, improving roads is just one part of the plan. We also intend to get more people out of their cars and onto mass transit. Here is where the private sector is already making a difference. By 2002, we will complete three advanced-design light-rail projects - and we will have two other new rail projects in the works by 2005.

One of these lines will run for 20 miles through two of our busiest counties, Hudson and Bergen. It shows how business can accomplish something that would cost government more time and more money to do on its own.

At a cost of over \$1 billion, Hudson-Bergen Light Rail is the nation's largest project to be built on a private contract to design, build, operate, and maintain a system. Because we've given the private sector more flexibility and a greater incentive to complete the project on time and on budget or better, we expect to save nearly \$300 million compared with the cost if we had used conventional methods.

One other part of our New Jersey FIRST plan bears mention: our commitment to our maritime industries. In this case, it's more than a matter of repairing the infrastructure.

The jumbo ships of the 21st century will demand more depth, so we will dredge our ports to accommodate them. To handle the greater volume, we will build what we're calling a Portway - a corridor that gives container trucks exclusive, direct routes from harbor to highway.

We're 18 months along on New Jersey FIRST, and the goals I set out remain in place. The trick, of course, is finding the money. Last year, I proposed a funding plan that would not only renew our current transportation bond program for a greater number of years but also impose a modest increase in the gas tax.

The Legislature balked at the tax increase, so there's more work to do. But I'm confident that we can iron something out. Frankly, we have to - our existing bond program ends next June.

It's strange for me - a tax-cutter 34 times over - to tell a Forbes crowd about calling for a tax increase. But I have to confess I did it one other time. Again, it was to support infrastructure - in this instance, sorely needed school construction. This time, my proposal won the day.

With the Legislature's blessing, we slapped a hefty tax increase on every pack of cigarettes sold in the State of New Jersey. And each year we'll take the first \$50 million we generate and put it into a \$6 billion school construction plan I announced last winter. We will combine the cigarette tax money with New Jersey revenues from a multi-state lottery game and State-backed bonds issued by our State Building Authority.

For the first time, every school district will be eligible to receive State help for rebuilding. For our poorest districts, we are going to finance every dollar of construction. Even for our wealthiest districts, we will provide a minimum of 10 percent of their debt service - something they've never had before.

Here again, we're proving Oscar Wilde wrong about knowing the price of everything and the value of nothing. We're accepting the price because we know the value of rebuilding. We know that schools need sturdy walls as well as study halls, and we're making a commitment unmatched in our past.

This afternoon, I have mentioned transportation and schools as two key elements of a sound infrastructure. But, as you know, they are part of a whole. It's hard to point to one need and say that should trump all others.

You can't look at things in isolation. You can't pave roads or build buildings without knowing where the water goes when it floods. Just as important, you can't fight sprawl simply by preserving open land; you also have to make it attractive to develop in cities and older suburbs, where the roads and sewers and schools are already in place.

I know many states are trying to control runaway development. In New Jersey, the urgency is especially acute. By some estimates, we could become the first state in the nation to run out of undeveloped land.

I'm proud that a cornerstone of our effort to strengthen New Jersey is not something we are going to build but something we are going to leave alone - our precious open space. In many ways, land preservation is as vital an infrastructure investment as road construction.

Last year, the voters of my state overwhelmingly approved my proposal to preserve 1 million acres of open space and farmland within the next decade.

Preserving this land will bring all sorts of benefits: the survival of farming in the Garden State; more recreational spaces; clean air; naturally purified water; and, of course, the intangible benefit of a breathtaking vista or a quiet walk through the woods. Preservation will also force us to be smart about the land we will develop.

To help us make intelligent choices, New Jersey has a State Development Plan, more than a dozen years in the making. I've tried to use our State Plan to encourage smart growth - that is, development where it makes the most sense.

For example, we are putting out a guidebook to help communities make development choices. They'll be able to do the math and then decide for themselves whether it's prudent in the long run to put a shopping mall or office building here, or build a school or create a park there.

Even more important, we are working hard to fulfill the State Plan by making it more attractive and feasible to rebuild our cities. For instance, we have passed "brownfields" laws that encourage people

to clean up former industrial sites in our cities and return them to productive use.

New Jersey was also the first state in the nation to adopt a special building code for rehabilitation that, in effect, says, this wonderful old building doesn't have to have perfectly level floors or totally plumb doors to be safe and livable.

And along with adding more urban enterprise zones, we have created a number of new business incentives to encourage companies to locate in cities.

We're beginning to see our cities come alive. In the first year of our rehabilitation code, rehab work in our five largest cities jumped by 60 percent. Meanwhile, 2,000 families have become urban homeowners directly because of our commitment to make such homes attractive to build and affordable to finance. Indeed, some of our cities are witnessing their first new home construction in a generation.

What's more, fully half of all the businesses that relocated in New Jersey last year - a banner year for relocations - were businesses that chose urban sites.

I can't pretend that bringing our cities back to full health will be easy, or quick. Neither can I claim that our transportation system will be in perfect shape before my term ends. And I know that our schools have many years of rebuilding ahead. Improving the infrastructure takes a lot of time, a lot of money, and an equal measure of political will.

But we need to consider the value as well as the price. The value of roads and rails that are safe and efficient. The value of ports that welcome commerce from all over the world. The value of vibrant cities, safe schools, and wide open spaces.

I started by talking about the Mars Climate Orbiter. As I close, I want to tell you about another vehicle on a very different mission.

There's a ship out in the Pacific right now called the U.S.S. New Jersey. The Navy is retiring the ship, and we're bringing it home to the Garden State from the Puget Sound in Washington State. In fact, next week I'll head to Panama to witness its final journey through the canal.

The battleship has been shut down, so it's being tugged home. Because the ship is so large and takes so long to stop, the tugboat can only pull it at a speed of just a little over 5 knots. But through careful planning, the crew of the tugboat will have the U.S.S. New Jersey exactly where it needs to be on the day and time it has been scheduled to pass through the Panama Canal.

If we are as thoughtful in planning our efforts, as skillful in navigating the future, and as deliberate in carrying out our mission, we can rebuild America's infrastructure. We can give our nation the roads and bridges, the clean air and water, the safe schools and strong cities that have made us the greatest nation on earth.

We can't afford to do otherwise. We can't afford to miscalculate.

Thank you.

