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# *Public Hearing*

before

## ASSEMBLY TRANSPORTATION COMMITTEE

### ASSEMBLY CONCURRENT RESOLUTION No. 96 (AS)

*“Proposes the dedication of motor fuels tax for transportation funding in an amount equivalent to revenues derived from levies on the sale or the use of motor fuels at the rate or rates of tax provided by law enacted on or before December 31, 1998”*

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**LOCATION:** Committee Room 12  
State House Annex  
Trenton, New Jersey

**DATE:** July 27, 1998  
10:00 a.m.

#### **MEMBERS OF COMMITTEE PRESENT:**

Assemblyman Francis L. Bodine, Vice-Chairman  
Assemblywoman Marion Crecco  
Assemblyman Richard A. Merkt  
Assemblyman Jack Connors  
Assemblyman Reed Gusciora  
Assemblyman Joseph J. Roberts Jr.



#### **ALSO PRESENT:**

Amy E. Melick  
*Office of Legislative Services*  
*Committee Aide*

Scott M. Rudder  
*Assembly Majority*  
*Committee Aide*

***Hearing Recorded and Transcribed by***  
The Office of Legislative Services, Public Information Office,  
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey

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**ASSEMBLYMAN FRANCIS L. BODINE (Vice-Chairman):**

Good morning, ladies and gentlemen. This public hearing is being held to comply with Article IX of the State Constitution and Assembly Rule 19-3, which requires a public hearing be held on a proposal to amend the State Constitution.

Today the Committee will take testimony on the Assembly substitute for Assembly Concurrent Resolution No. 96. It proposes to dedicate an amount equivalent to the revenues derived from the sale or the use of motor fuels at the rate or rates of tax as may be provided for by law and enacted on or before December 31, 1998.

As you can see, we are very overcrowded with many more people in the corridors that cannot enter this room because of the fire code. I would ask those people, and we have many people who would like to speak, to be concise so that everybody will have an opportunity to speak. Perhaps-- I spoke to the State Trooper-- After you speak, if you would like to leave -- would leave, it would allow another person to come in.

Having said that, I am going to begin the hearing by calling on Commissioner John Haley.

Good morning, Commissioner, and welcome.

**COMMISSIONER JOHN J. HALEY JR.:** Good morning, Mr. Chairman and members of the Committee. Let me start-- Maybe I should have made this announcement before I sat down, but I found out on Friday my three-year-old has chicken pox. I hope all of us in these close quarters have had it. (laughter)

Thank you very much. I appreciate the opportunity to be here to talk to the Committee about the importance of this particular issue. I thank you for holding the public hearing on Assembly Concurrent Resolution No. 96 as required by the Constitution. I would like to spend a few minutes reviewing the benefits of increasing the gasoline tax for purposes of transportation, as well as to make sure that we dedicate additional funds to the transportation-- I think the combination of the legislative actions will lead to the type of system we want and need in the future for New Jersey.

I have, with the Governor over the last several months, traveled the state. We have spent a lot of time picking up concrete from our crumbling bridges. We have visited dangerous intersections up and down the state that need design improvements and better traffic management. We have visited construction sights where critically needed projects such as the Hudson-Bergen Light and the Hamilton Transportation Complex are proceeding in a state that continues to grow and right now spends about a third of its capital plan on transit. We need to continue to spend more.

I think you, as members of the Legislature, understand how critical it is to fund transportation. At the same time, one of the things that we've done is review the status of our entire system. We have taken a comprehensive inventory of the state of the state, if you will, in transportation in New Jersey. I would say that the picture is a sobering one. First of all, right now one out of every three of our state's bridges are deficient. That's not unsafe but deficient. Two of every five New Jersey Transit buses are too old and need to be replaced. One of every two rail locomotives need to be replaced. And right now, one of every five miles of highway pavement is deteriorated.

I don't need to tell anybody on this Committee about the status of congestion in this state. Right now, we continue to fall further and further behind in our efforts to maintain the system on an annual basis. One of the things we can say to you is, by increasing dedicated funding for transportation, we'll begin to catch up immediately on the state's long-standing, but increasingly serious, backlog of bridges and roads and rails. We will immediately be able to increase the amount of money in the transportation program on the State side from \$700 million in 1999 to \$900 million -- \$900 million and \$950 million in each of the three last years of the capital program.

We will dramatically increase the amount of State aid, which we feel is a significant program that's led to jobs and projects being done on a much quicker basis. These are funds that go directly into the hands of local and county governments to fund the projects of their choosing. We'll continue to see our increased investment in mass transit up and down the state. The Transportation Trust Fund renewal this year allows us to refill the pipeline with critical projects that needed to go into the design so we can advance them. We'll have an environmentally friendly program to introduce new technology for the purchase of new buses. We will deal with our 25 worst traffic hotspots such as the interchange in 3 and 46 in Passaic County. Most importantly, it will continue to allow us to maximize the use of Federal dollars that will be available in transportation through the renewal of TEA-21 this year.

Governor Whitman made a pledge in her second term to improve the quality of life. As Transportation Commissioner, she asked me to put together a program that provides New Jerseyans with safer roads, sturdier bridges, cleaner air, more productive ports, and a thriving mass transit system.

As a result of putting together the Transportation Vision Program, she directed us to work with the Legislature to come up with increased stable funding to deliver this Program. It is difficult sometimes for us, as people who have looked to cut taxes 17 times during this administration, to ask for additional funding and ask for a tax increase. We all recognize the importance of increasing the gas tax to provide us with a viable transportation system. There is a cost that will be shared by out-of-state drivers who use our roads. And it is the most logical and fairest means of funding the critically needed transportation investments. We call on the Legislature to work with the Governor and I to give voters the opportunity to create an increased, stable source of funding for transportation.

Dedication of our gas tax makes good sense. And increasing the motor fuels tax by 4 cents over three years is a small price to pay for our future. The people of our state deserve the best transportation systems we can offer. They deserve pleasant commutes, sturdy bridges, safe and smooth highways, safe intersections, and they deserve fewer traffic tie-ups wherever they travel.

These are quality-of-life issues for all of us. We look forward to working with you to get this important legislation passed to improve the quality of life for everyone in New Jersey.

Thank you, Mr. Chairman.

ASSEMBLYMAN BODINE: Thank you, Commissioner. I just have one question. I was asked earlier-- The dedication of the money-- It is my understanding that quite a large sum of that will go to fix-it-first. Is that correct?

COMMISSIONER HALEY: That's correct, Mr. Chairman. When we were directed by the Governor to put the Program together, one of the things that we did was survey the entire system. We looked at both the system on the highway side, for example, with bridges and roads. We also looked at the county and local system because they are feeder systems in this particular state. And the system is, in fact, an integrated one. One of the things that we've found is that while there are clearly gaps up and down the state in transit systems and there are some opportunities to provide additional capacity improvements and to make traffic flow more smoothly in a number of areas, the critical element that we have continued to fall further and further behind on is the state of good repair. Each year the condition of our system slips a little bit. That's because the Legislature, for the most part, has in fact approved the Program that we've brought forward, the executive branches have delivered that Program, but the Program has always been within a tight financial envelope. It has never been enough to meet the needs.

So New Jersey has the most extensive system, the most heavily utilized transportation system. There's great stress and strain put on it on a daily basis, and we need to do this kind of thing to be able to increase maintenance. The first dollars out of any incremental increase, even for this year, will go to increasing maintenance contracts.

ASSEMBLYMAN BODINE: Thank you.

Do any other members of the Committee have any questions for the Commissioner? (no response)

Thank you very much, Commissioner. We appreciate you joining us this morning.

COMMISSIONER HALEY: You're welcome.

ASSEMBLYMAN BODINE: At this point I would like to ask Arthur Rubin, New Jersey Association of Rail Passengers-- Is he with us this morning?

Mr. Rubin.

**ARTHUR L. RUBIN:** Good morning.

ASSEMBLYMAN BODINE: Good morning.

MR. RUBIN: New Jersey Association of Rail Passengers is a statewide rail passenger association that offers qualified support to ACR-96 to replenish the Transportation Trust Fund.

Our initial support was predicated on three commitments: a substantial percentage of the funding would be provided to pedestrian, bicycle, bus, rail, and light-rail projects; funding would be targeted to the preservation of open space and highway expansion; capacity expansion projects would be limited.

New Jersey Association of Rail Passengers are pleased with proposed funding for transit and the 3 percent allocated to transportation alternatives, the pedestrian and the bicycle projects. In contrast, we are disappointed by the decision to divorce open space issues from the Trust Fund proposal. Rational land use development is essential to alleviate highway congestion and transportation policies now pursued by New Jersey to subsidize sprawl. To claim the two are separate issues is disingenuous at best.

Sprawl is not inevitable. New Jersey Association of Rail Passengers can point to numerous well-ordered and well-designed suburban communities within New Jersey. Not so coincidentally, most of them have balanced

transportation options with rail as a key component. Look at the towns along the Morris and Essex rail lines and the effect Midtown Direct Rail has had on real estate values, mobility, and enhanced community environments.

But sprawl is inevitable under the new administration plan and under its insistence on new highway expansion projects. Some 38 percent of highway spending is targeted toward expanded pavement projects such as the Bergen Arches (phonetic spelling). The State talks the talk and we can't build our way out of congestion, which is a cry New Jersey Association of Rail Passengers has issued over the years. The State's highway planning, however, belies such posturing, and New Jersey Association of Rail Passengers is troubled by this lack of accountability. There is a crying need for traffic control and safety highway projects which remain unfunded.

With those objections on record, New Jersey Association of Rail Passengers still supports ACR-96, imperfect as the prescription may be, as a meaningful step to address New Jersey's passenger needs for the next few years.

In conclusion, I would just like to say that we also support the gas tax proposals. It should be noted, that over the last 15 years, New Jersey Transit Rail has increased its ridership by 63 percent. We think New Jersey Transit can duplicate that increase over the next five years with the projects now coming on line, especially if they get the funding.

Thank you.

ASSEMBLYMAN BODINE: Thank you very much, Mr. Rubin.

Any questions? (no response)

Thank you very much.

Joseph Caruso, President of the New Jersey State Association of County Engineers.

**JOSEPH G. CARUSO, P.E.:** Thank you, Mr. Chairman.

ASSEMBLYMAN BODINE: Good morning, Joe. Is that red light on? (referring to PA microphone)

MR. CARUSO: No.

ASSEMBLYMAN BODINE: Just hit the button. There you go. Thank you.

MR. CARUSO: Good morning, Mr. Chairman. I am President of the New Jersey Association of County Engineers. Our members are all 21 county engineers. We support the thing that is before you this morning, the dedication of the motor fuel tax to the Transportation Trust Fund for transportation. I have submitted in writing a list of needs of the counties. In this county, there are deteriorated roads and bridges, and this additional funding will go a long way to help us improve our transportation at the county level. We also support the gas tax increase, which will have more money available to the counties.

Thank you, Mr. Chairman.

ASSEMBLYMAN BODINE: Thank you, Joe.

Any questions? (no response)

Thank you.

I would now like to call Charles Wowkanech, New Jersey AFL-CIO.

**CHARLES WOWKANECH:** Good morning. Good morning, Mr. Chairman and members of the Committee. I would like to say that we're

happy to be here today with many of our brothers and sisters from around the state to testify in support of ACR-96. As you know, we're leading up to our forth renewal, and we think that ACR-96, dedicating all the motor fuel taxes, is certainly the right way to go to bolster our Program. As you heard the Commissioner testify about the safety -- the environmental issues as we travel around the state, you all know that this is an absolute necessity. But really what this is all about, for us, is an issue of growth and economy and future jobs for the citizens of the state. As you know, New Jersey is a state that is kind of like in the center of the corridor, where everything comes in and gets distributed from. We must have the best rail, ports, airports, and highway system.

As I am sure you all know, this is a very small state with 7.5 million people. Just the ability to get back and forth from work is sometimes difficult. I would like to say that with the dedication of the tax, as well as the increase that we'll hear in the Appropriations Committee, New Jersey will still lag far behind our bordering states in the price of gasoline. It's really the right thing to do, and we should do it now and do it quickly and expeditiously.

So I really appreciate this opportunity to testify. If anyone has any questions, I will be happy to answer them.

ASSEMBLYMAN BODINE: Thank you.

Are there any questions? (no response)

Thank you very much.

MR. WOWKANECH: Thank you.

ASSEMBLYMAN BODINE: Dr. Louise Riscalla, from Edison New Jersey.

**LOUISE RISCALLA, Ph.D.:** Although I am President of the Highland Park Area Chapter, National Council of Senior Citizens and a member of the Middlesex County Commission for the Disabled, I am here only to represent myself as a concerned, lifelong resident of this state and a taxpayer.

It appears that the rationale for increasing the motor vehicle fuel tax is that at the present time fuel prices are lower in New Jersey than in other states and, in addition, fuel is essential to transportation. On the surface, fuel taxes could be a logical way of funding transportation. However, it may be observed that fuel prices have and may continue to fluctuate and could increase substantially, thereby making the cost, with the added tax, prohibitive.

The negative consequences of the motor vehicle fuel tax increase are far reaching. Senior citizens and the disabled may no longer be able to afford fuel for their cars. Driving is, in short, the legs of many elderly and disabled residents and, in addition, a means of avoiding social isolation. As a consequence, with an increase in fuel, the elderly and disabled might not be able to work, attend social functions, get to medical appointments, etc. Those on welfare might not be able to get to their places of employment because they cannot afford to pay for fuel. Public transportation is not always accessible or available. An increase in fuel prices due to the motor vehicle fuel tax could, most likely, increase the cost of public transportation. As a consequence, students dependent on public transportation might no longer be able to afford the fare and could not get to school. The increased fuel prices could also be passed on to the property taxpayer who must pay for the cost of school buses, including fuel, with the result of higher property taxes.

I am opposed to ACR-96 because it could hurt a large number of people, especially senior citizens, the disabled, and those on welfare. I hope that funding for transportation, other than an increase in the motor vehicle fuel tax, can be found. Perhaps increasing the current tax or placing a state use tax, if it hasn't been already done, on oversized vehicles and 18-wheel trucks, which stress and cause damage to roads, could be an adequate way of funding transportation. In my own town and in my own state and traveling interstates, I have seen the damage that these overloaded vehicles can do to roads, including destroying the properties of towns, for instance, taking down trees, running over highways, and almost killing citizens who stand too close to the curves when these large trucks have to cut a corner.

If the motor vehicle fuel tax is increased, then individuals on welfare, the disabled, and senior citizens age 62 and older should be exempt from the motor fuel tax. I can see that there could be problems in the exemption, but I think there should be a way worked out to do that.

I am in favor of improving our roads and bridges but not on the backs of the most wonderful citizens of the state.

ASSEMBLYMAN BODINE: Any questions?

ASSEMBLYMAN ROBERTS: Chairman, thank you. I just have an observation of--

Doctor, thank you for your testimony. I wanted to make the point that what we're considering today is ACR-96. It does not increase the gas tax at all. That's a separate issue that is going to be considered by the Legislature. And while people may be supportive or opposed to that, the specific increase, I think there is broad support for what we're considering today. What we're

considering today says that existing gas tax revenue that is scheduled to be dedicated for transportation projects next year would be speeded up and dedicated more quickly. Money that is currently being diverted to the General Fund from the transportation -- from the gas tax would be focused on transportation projects. Any additional increases that are being considered would also be dedicated, constitutionally, for transportation.

So this doesn't raise the gas tax or lower or change it in any way except to say that existing revenue and future revenue is to be spent just for transportation projects to avoid some of the diversions that have happened in the past.

DR. RISCALLA: I don't have a problem with that, but I did see a sort of a subtle tying in of a-- I am in favor of dedicating gas taxes to transportation. I think we need it. Our roads are in horrible shape thanks to a lot of the overuse and overloading of trucks. I can also-- And our bridges are in horrible shape. Sometimes I shutter when I cross a bridge, for fear that I may not reach the other side in one piece. However, I think there is a subtle -- and I talked to the aide about this, how this could be, and may well be, tied into an increase. I like to nip things in the bud, and I hope that the State will do something about its roads and transportation -- also public transportation, but that's another issue.

Thank you very much.

ASSEMBLYMAN BODINE: Thank you, Doctor.

DR. RISCALLA: I wish you all the best.

ASSEMBLYWOMAN CRECCO: Nice to see you.

ASSEMBLYMAN BODINE: I would like to ask Kevin Monaco, from the UTCA-- Is he present?

**KEVIN MONACO:** Thank you, Mr. Chairman. I am Kevin Monaco with the Utility and Transportation Contractors Association of New Jersey. The UTCA of New Jersey currently numbers approximately 1200 member firms active in heavy highway utility and hazardous waste remediation construction throughout the state. Our membership fully supports the dedication of all motor fuel tax revenues to transportation improvements. The voters of this state overwhelmingly supported the dedication of funding several years ago when we reauthorized the Transportation Trust Fund. We're confident the citizens of the state will continue to support funding for desperately needed transportation projects. We urge the members of the Legislature to support this measure today.

Thank you.

ASSEMBLYMAN BODINE: Thank you.

Any questions? (no response)

I would like Bob Purcell and Rae Roeder and Jimmy Tarlau representing the CWA--

**BOB PURCELL:** Thank you, Mr. Chairman. My name is Bob Purcell. I am the Area Director for the CWA. We represent 65,000 working men and women in this state, 36,000 of them are employed by the State of New Jersey.

We sent each member of the Legislature a letter explaining our position concerning the gas tax and the dedication of the existing funds.

The red light should be on? (referring to PA microphone)

ASSEMBLYMAN BODINE: The red light should be on please.

There you are.

MR. PURCELL: That letter outlined our position, and I have to think-- The members of other unions present in the private sector or the building trades would understand very easily if their jobs were being subcontracted by opposing a gas tax or the dedication of existing funds would be relevant.

We want to thank the members of the Legislature for dealing with the budget the way you did: placing money back into overt privatization of our members' jobs at a time when the surplus is quite hefty, over \$700 million. We have not gotten any assurances from the administration. In fact, the opposite exists, that those plans for privatization they intend to proceed with, and at a time when 700 of our members faced the loss of their jobs, we cannot in good conscience support measures which (indiscernible) to create new jobs while our members jobs are being lost.

We would like to have the Legislature override the Governor's veto of the language that you placed into that prohibiting the privatization initiatives. We want to work with the administration to save jobs. We want to create jobs in the public sector, as well as the private sector. We cannot, in good conscience, support measures which raise taxes and create jobs in one side of the economy, while putting our members in the public sector out of work. We want to have the Legislature take a strong stance against privatization. We want provisions enacted which will enable--

ASSEMBLYMAN BODINE: Excuse me, sir. Privatization is not the issue today.

MR. PURCELL: I understand.

ASSEMBLYMAN BODINE: I understand your issue concerning privatization, but I would ask you to keep your testimony on that on ACR-96.

MR. PURCELL: Fine.

I think our position is fairly well known regarding the two measures. What I would like to have is a representative from Local 1032 and Local 1033 speak on their concerns.

ASSEMBLYMAN BODINE: That's fine.

**JAMES TARLAU:** Mr. Chairman, I have some written testimony, too.

I appreciate the opportunity to raise some issues regarding the reauthorization of the Trust Fund and dedication. I think it's an appropriate place to have a public hearing on this. I heard Mister -- Robert's comments, but I think, overall a discussion of ACR-96 has to deal with the question of how the money is used when it is dedicated.

First of all, it would be irresponsible for me-- I represent the 2500 people who work for the Department of Transportation, engineers, mechanics, supervisors, designers, appraisers, and 100 of our members still do not know whether they're going to be laid off or not by the result of the decision of the DOT to privatize survey and appraisal work. We appreciate the efforts by members of this Committee and the Legislature to put money in the budget to stop the layoffs.

The Department has yet to release an analysis of why these layoffs are in the best interest of the taxpayers or of a quality transportation program. It is our estimate that the State has already spent over \$500,000 to administer these layoffs before they've even decided whether to go ahead.

People have told me that privatization and the gas tax are two separate issues and they are not connected. I beg to differ. Privatization initiatives are wasting taxpayers money that should be used for the building and maintenance of our transportation infrastructure. This administration has not given us a single piece of evidence that work performed by our members can be performed more efficiently and at the same level of quality by an outside contract.

In addition, we have uncovered evidence that many private contracts are bid too low and that final contract costs for projects performed by outside contracts at the N.J. DOT are two to three times the initial price bid.

No independent agency or entity of the State is charged with prior and subsequent review of privatization proposals. No independent agency evaluates privatization projects after they are completed to see if cost overruns result in the delivery of more expensive State services than would have been the case if the work was kept in-house. The taxpayers and the public should be entitled to know whether privatization saved or cost them money.

On the issue of the renewal of the Transportation Trust Fund, our members have mixed feelings. While we are enthusiastically in support of a well-conceived and well-funded transportation program, our members feel that in the past, every Trust Fund renewal has meant not more jobs for our members, but more layoffs. In the last few years, we have had hundreds of layoffs in the DOT, and there has not been one cost-benefit analysis that the taxpayers have saved one penny as a result of these privatization initiatives. We feel there should be a cost-benefit analysis provision put into the renewal

bill that would prevent privatization initiatives that are not in the taxpayers' interest. We sincerely do not think it is responsible to go ahead with the reauthorization of the Trust Fund while the privatization initiatives are still being proposed by this administration.

I am also here to testify about some additional concerns we have on how money from the Transportation Trust Fund has been used in the past and the impact on future legislative restriction on the Trust Fund.

We would like to bring to the attention of the Committee the fact that money from the Trust Fund has been used to make up for cuts in the operating budget of the Department of Transportation. In 1989, the budget for Transportation Construction Engineering was \$52 million. This paid for the engineers and highway inspectors who worked on the building and repairing of our roads and bridges. In 1992, this budgeted amount was down to \$12 million, and by 1998 the budgeted amount went to \$0, but we still have highway inspectors and engineers. Where does the funding for these salaries now come from?

It is clear that this administration and the last administration have used Trust Fund moneys to pay for cuts in the DOT's operating budget. Unfortunately, calling for blanket restrictions on the use of this money would put our members in a real bind, since there are over 2000 jobs dependent on the money being spent out of the Trust Fund.

We are raising these issues for the Committee to investigate. We have two suggestions to make. First of all, the DOT budget should be adequately funded to provide the services that are necessary to implement an effective transportation program in New Jersey. Second, if the Legislature

wants to restrict how Trust Fund money is being used, it should make those restrictions based on functions, not on who is doing the work. We often have found that salaries can't -- Trust Fund money can't be used for State salaries, but it can be used for private consulting engineers. There should not be restrictions on money just because a State employee is doing the work. If it is more effective for a State employee to design or survey a road or to inspect a construction project, the money should be used for the employee to do the work. Any restrictions on how Trust Fund money should be used should be looked at by function, not by who is doing the work.

I hope these comments are helpful to this Committee's deliberations. I understand that this bill is exactly a question of dedicating all the gas tax. I think our position is that before this money is dedicated, some of these concerns should be raised and looked at. That is what we are opposing at this time.

ASSEMBLYMAN BODINE: Thank you.

**R A E R O E D E R:** Yes. My name is Rae Roeder, and I am President of CWA Local 1033. I represent Motor Vehicles, which is a part of the Department of Transportation. I represent all the 250 workers who will -- who three times now have had their layoffs postponed and are waiting to know whether or not this privatization will go away. But we're here, specifically, to give you information -- inside information -- about the Transportation Trust Fund that you really need to know about. We're asking you-- And a lot of our members are in the room, but most of us are out in the hall. We appreciate the Chairman's -- the -- Mister -- Assemblyman Bodine's effort to try to get as

many of us in as possible, and we thank you for that. We're here to ask you very similar questions to Mr. Tarlau.

First of all, we have no clear understanding of the use of the Transportation Trust Fund. We know clearly from insiders that that Transportation Trust Fund money is used to pay outside consultants and used to make up the deficiencies in the reduction of force at the Department of--

ASSEMBLYMAN BODINE: I am going to remind you that this hearing is on ACR-96, and it has nothing to do with the layoffs, and I would ask you to address your comments to that.

MS. ROEDER: I am. The--

ASSEMBLYMAN GUSCIORA: Mr. Chairman, I respectfully ask that-- I think that this is relevant to this--

ASSEMBLYMAN BODINE: I disagree. I am Chair, and I disagree. I want the testimony on ACR-96.

ASSEMBLYMAN GUSCIORA: You allowed others to testify about -- other than ACR-96.

ASSEMBLYMAN BODINE: I have been very liberal with their testimony, and I am just asking them to stay on it.

Thank you.

Would you continue please.

MS. ROEDER: Let me focus specifically on the question of placing the question on the ballot for the voters to look in terms of the dedication of money to the Transportation Trust Fund. The bottom line is, until there is a clear understanding -- and there is no clear understanding -- of the use of the

Transportation Trust Fund, to ask the voters to vote to dedicate more money to the Transportation Trust Fund doesn't make any sense.

Second of all, most of you ran on a tax reduction program and holding the tax dollars down. I fail to see how you can then support increasing a gas tax and asking the voters a question, "Do you want to dedicate the money?" Sir, the other thing that the Appropriations Committee is going to look at is the raise in the gas tax. But that bill is dependent on the voters position on this particular question that you wish to place on the ballot.

I and my members are opposed to that particular question and will be encouraging our members and the public to vote no to increase the gas tax and also to dedicate the money to the Transportation Trust Fund. We believe that there has been enough money dedicated to the Transportation Trust Fund. And until there is a clear understanding of the already use, or what we feel is the misuse, of the money, it defies understanding of how we can talk about the question on a ballot and asking to increase jobs, when at the same time we're not talking about increasing jobs. We're looking at dedicating more money so that more money can go out the door and that the average taxpayer doesn't know where it has gone to.

Yes, we support jobs. We're here, we're workers. We cannot and will not support a referendum to ask to dedicate more money, when existing funds are being used to privatize more and more of our workers and to circumvent the real issues involved in transportation.

Finally, our issues dealing with the question to be placed on the ballot is that there needs to be specific dedication of the money as opposed to the Transportation Trust Fund. It should go into public transportation. This

is a regressive tax that you are looking at. If you -- if both of these bills are tied together, they cannot be looked at separately. If you are looking at a referendum question to dedicate more money of the gas tax to be raised by tax on the gas, you're looking at a regressive tax, a tax that hurts workers who have very poor salaries and who cannot afford to pay an increase in the gas tax. We're asking that you look at the whole issue of the Transportation Trust Fund. There's money enough to go around. Myself and Mr. Tarlau are well prepared to talk and to ask you to clearly hold investigations of the current use of the Transportation Fund because we believe that there is sufficient funds in there to go around for everyone in this audience to have a job, including the people who actually work at DOT and at Motor Vehicle and in DOT, and we ask that you consider this very carefully before placing it on the ballot.

We also ask you not to -- to make it clear what you are asking the voters. It's-- New Jersey understands that we need new roads, new bridges, and many things. And the voters, nine out of ten, vote yes on things, just like they voted yes on the idea of Atlantic City and the money of Atlantic City going to the senior citizens. But every senior citizen can tell you, "Where did the money go?" I am asking you the same question. Where did the money go that we already have? And to ask us again to vote yes without telling us clearly where the money has gone -- before you ask us for more money because-- We are going to ask you, where did the money go, and where are the guidelines for where the money will go? Where are the jobs? We can tell you they have gone and--

ASSEMBLYMAN BODINE: Thank you.

Assemblyman Roberts, do you have a question?

ASSEMBLYMAN ROBERTS: Chairman, I do. Thank you.

I want to thank the witnesses for their testimony. Respectively, I think that the issue of where the money goes and how it is spent is totally on point. If we are going to move to a more rigid and more responsible dedication, we have a responsibility to see that the dollars go in accordance with the will of the Legislature and, more importantly, the will of the people of New Jersey. I want to ask one question initially about the funding of the Transportation Construction Engineering component in DOT.

You indicated in your testimony that that went from a level of \$52 million in 1989 to \$0 currently.

MR. TARLAU: That's correct.

ASSEMBLYMAN ROBERTS: Is that correct?

MR. TARLAU: That's correct.

ASSEMBLYMAN ROBERTS: These folks have still been working, I assume--

MR. TARLAU: That's correct.

ASSEMBLYMAN ROBERTS: I assume that what has happened is that they have been funded from the Trust Fund.

MR. TARLAU: That's correct.

ASSEMBLYMAN ROBERTS: Is it your expectation that the new proposed dedication might put their jobs at risk?

MR. TARLAU: We are concerned about restrictions on the Trust Fund and on how the money is being used. We feel that the Trust Fund money has been used to subsidize the budget. What we are doing is we are asking the legislators to look at jobs by functions and not salaries. We have

heard some of the legislators say, “Well, money shouldn’t be used for State salaries.” We don’t disagree with that. We feel that they have to adequately fund the operating budget. Or you should look at it by function, not by salary. We are concerned about restrictions that might actually result in more layoffs.

ASSEMBLYMAN ROBERTS: I think that is a very good and very persuasive point. If we are moving forward in good faith to dedicate these resources and the consequence of it is that it gives more latitude to private sector firms that might provide these services and less latitude to these funds being used for current public employees, we are implicitly authorizing privatization. I don’t think that is something that many of us want to be associated with.

MR. TARLAU: That’s why I raised it to the Committee to investigate and look at. Those are serious questions.

ASSEMBLYMAN ROBERTS: I appreciate it, and I think that it is helpful. And speaking for myself, if someone is a highway inspector or an engineer or whatever, whether they be in the private sector or the public sector, that ought to be a fundable activity so that when we look at the public sector versus the private sector we have a level playing field. I think that’s a theme we need to focus on as this debate continues. Thank you for raising it.

Thank you, Mr. Chairman.

ASSEMBLYMAN BODINE: Thank you, Assemblyman.

Any other questions or comments? (no response)

Thank you for your testimony.

Barbara Lawrence, New Jersey Future.

Again I am asking everybody to try to be concise. We have many people who still wish to testify.

**BARBARA LAWRENCE:** Thank you very much, Mr. Chairman. Good morning, members of the Committee. I am Barbara Lawrence, the Executive Director of New Jersey Future.

As our name implies, we are an organization created to insure that high quality of life, a strong economy, a healthy natural environment, and a just society exist for the generations to follow us. We are here today to thank you for your foresight and to ask you decisively to pass ACR-96.

For the past 11 years, our organization has advocated strengthening New Jersey's infrastructure. We are strong proponents of the three *R*'s for a better future of New Jersey, rebuild, reuse, renew. The constitutional dedication proposed today moves us forward by providing a continuing source of funds for rebuilding and renewing our highway, bridge, and public transport systems. New Jersey urgently needs convenient and attractive public transportation systems that will help unclog existing roads and a reliable consistent source of funds for rebuilding and renewing roads too long neglected. Rebuild, reuse, renew. We have an opportunity to recapture old transportation investments and make smarter new ones in a way that will strengthen New Jersey's economy, society, and environment.

Four cents doesn't get you very far today. In this case, it could be the admission price paid for a brighter future for New Jersey.

Thank you.

ASSEMBLYMAN BODINE: Thank you very much.

Any questions? (no response)

Richard Franklin, NJIDA. Is Richard Franklin here?

**RICHARD FRANKLIN:** Yes.

Good morning.

ASSEMBLYMAN BODINE: Good morning.

MR. FRANKLIN: My name is Richard Franklin, and I represent the New Jersey Industrial Development Association and North Eastern Economic Development Association. We are a-- The two organizations are members-- Our members are professionals in the economic development arena both on the public side and the private side. Our message is one that is short and clear. Right now, while the state economy is so strong and we're doing so well, it's a tremendous opportunity to spend money on our road systems. It is critical to keep the state moving and to continue to attract and retain the businesses that are here and the jobs that are here today.

We have been very lucky in the last few years that we've have this growth opportunity, and we've done a lot when New York's infrastructure was falling apart. We used that as a way of attracting businesses out of there because of our infrastructure and how strong it is. That has to be continued and that costs money. So what we're asking is that we get an opportunity to vote -- to let the people vote on whether or not we want to spend those extra dollars to keep up our system, to keep it safe, to keep it very reliable.

Thank you.

ASSEMBLYMAN BODINE: Thank you.

Phil Beachem, New Jersey Alliance for Action.

**PHILIP BEACHEM:** Thank you, Mr. Chairman and members of the Committee. I am Phil Beachem, President of the New Jersey Alliance for Action, and I am pleased to be here to lend our strong support for ACR-96.

The Transportation Trust Fund legislation, in our opinion, is one of the greatest and most significant pieces of legislation ever enacted by the Legislature. You should be very proud of it. It is the envy of other states throughout the nation that do not have these type of financing programs available. I recently had the privilege to represent the broad group of organizations working on the ISTEA renewal in Washington. We did very well.

The importance of this dedication issue is simply that it will enable us to provide the matching dollars that are necessary in order to draw down the allocated dollars that we have received under the new ISTEA bill. It is extremely significant for New Jersey. Additionally, this dedication will provide significant increases in the amount of money available to municipalities and counties through the local aid component of the transportation program. This is important to every municipality and every county that each of you represent as legislators. It will provide some \$310 million to \$330 million in public transit assistance, which is extremely important to the people who ride our trains and busses every day.

Even with the phased in tax increase envisioned by the competing legislation, we will still have the lowest gas tax in the region. Depending on the kind of car you drive and the amount of miles you drive, it will cost the average resident of this state between \$20 and \$30 in additional revenue. Too often, I think, we take our transportation infrastructure for granted until a crisis

occurs such as the gaping hole which recently appeared on the bridge connecting New Jersey and the Pennsylvania Turnpikes, creating massive traffic chaos. This program, in my opinion, will allow New Jersey and give New Jersey the resources to maintain our infrastructure and to avoid such problems in the future.

On behalf of the Alliance for Action, I want to commend the members of the Legislature, the members of this Committee for putting aside party lines to develop, on a bipartisan basis, this most workable program. We call on you, once again, to move forward in that same bipartisan spirit on this program so crucial to New Jersey's future. We, as an organization, make our commitment to you that we will work to ensure that the voters, in November, are fully cognizant and understand the ramifications of the issue that they will be voting on.

Thank you very much, Mr. Chairman.

ASSEMBLYMAN BODINE: Thank you.

Any questions? (no response)

Curtis Fisher, New Jersey PIRG Citizen Lobby.

**CURTIS FISHER:** Thank you, Mr. Chairman. My name is Curtis Fisher, and I am the Executive Director of the New Jersey Public Interest Research Group Citizen Lobby. We are a public interest watchdog organization with 20,000 active, dues-paying members in New Jersey. I want to just state specifically my testimony because you were referring to questions about other people's testimony on the bill. We believe that increasing the tax revenue dedicated to transportation, in the way that this bill does, is not in the best interest of New Jersey's citizens. The bill should be amended to include

language that specifically allocates how money will be spent in terms of how we do other bills, like the Green Acres Program, and other bills that generally tell the public where the money is going to be spent.

We know very well, having worked on transportation issues for 25 years in New Jersey, how important transportation needs are in this state and how there are plenty of jobs out there to do a lot of work on fix-it-first programs that improve our bridges and our roads, mass transit and other public transit programs, and transportation alternatives.

In the current bill, we have no idea where this money is going to be spent. With one-quarter of our bridges and roads structurally deficient, I think we need to have an idea of where the money is going to be spent. I just realized--

I just want to make one point. I didn't put the words "New Jersey PIRGS" specifically on that handout, and I apologize. I should have done that. Those graphs that you have in front of you-- We use and analyze the documents which we can-- The best guarantee of where money is going to be spent -- and that is in the Tip (phonetic spelling). As you can see, and we have long criticized the DOT, a significant percentage of the State highway money is going to build new highways or increase road capacity. Unfortunately, as you can see from the other charts, that money is being used at the expense of critical bridge and road repair projects. We just did a sampling to look at how a half a billion dollars was spent, including such projects as Route 29, which we're in court today down the street trying to stop, that costs approximately \$100 million to address a local transportation need that could be addressed through local city ordinances dealing with trucks. We all have-- Many of the

legislators have problems with trucks on local roads. We need to deal with that problem, but we don't need to spend \$100 million in New Jersey's -- you know, the hard work that goes into raising that tax money, on a road that is going to address a local transportation problem for approximately 50, maybe 100, people. The fact is that that specific road project, as an example, destroys the last remaining access to the Delaware River. Fish and Game have expressed concerns; environmental groups have expressed concerns, too.

The point is our transportation spending priorities are wrong. We have to address this problem to address the whole range of environmental public interest issues across the state, whether it be air pollution, whether it be loss of open space. Simultaneously, as everyone here knows, we're trying to pass efforts, which NJPIRG strongly supports, to address open space. If we're building more and more roads without good planning-- Unfortunately, as we all know from other roads that have been built across New Jersey, we see a loss of open space, and we see sprawl, and we see increased trips to destinations which the State Plan and other documents clearly-- As a State priority, we may be wanting to invest in corridors, in centers, in other places.

Let me just be specific about a couple things. I appreciate your time, and I will try to be very brief. As you can see from the State's 1998-2000 plan for the Tip, 41 percent of State highway money is on system expansion and 15 percent on system preservation. That is a problem. We are continuing that trend into the future that has existed in the past. I know some of the people in this room might support the Atlantic City Tunnel. That \$113 million project-- I think, overall, New Jersey citizens did not know, when they passed the previous Trust Fund, that they were going to authorize the spending

to build the specific road that directly benefits, and I will try to be as broad in terms of the benefits, one specific region of the state -- but narrowly defined a specific industry and a specific person. That's a problem that this Legislature is going to have to face, and I propose facing it now rather than putting the transportation -- the historic transportation spending priorities of the DOT to the voters because that is all they can use to determine how the future money can be spent. The DOT can say where money is going to go, but the reality is that the Tip is the document. The Tip says that we're going to see continued road building at an enormous clip. I would just mention that these road projects are enormously expensive, costing somewhere as high as \$50 million for every mile.

I wanted to mention at the end here that Governor Whitman's plan-- We think it is a good plan, but unfortunately, other governors and administrations and DOTs have had previous good plans. Florio had 20/20. Kean had the circle mobility. Everyone here knows, unfortunately, those -- every document says fix-it-first. For some reason, those projects never get bumped up in terms of the DOT's spending plan. I would mention, for those people who want to see local control over this program, that many of the preservation projects, which if any member wants I have the Tip document and the prioritization placed upon by counties-- The fix-it-first programs are the highest-ranking priorities. They don't get funded. Route 29 was not even in the Tip two years ago. And now it's -- you just passed a program -- the State budget, which is \$48 million this year and approximately \$40 million or so next year, that wasn't even prioritized by the counties. What is going on here? I would just point out that I think it is a complicated answer. The only

solution at this point that NJPIRG can find is to put specific spending priorities within this ACR and tell the public where the money is going to be spent; otherwise, our organization, as well as others, will have to oppose the bill.

I just would go back in history. The previous Trust Fund authorization -- we had similar concerns, and we were told, "Don't worry, we will work it out." We went along and had lots of meetings at the DOT, and those meetings were unproductive, and we are in a position of not being able to trust the Department of Transportation on where this money is going to be spent.

I want to be specific because I think it is important that we enter into the ballot the transportation needs, as well as the people who are here who have come from their jobs to support -- because part of this is about jobs and I understand that. I want those people working, but I want them working on good projects.

Finally, in terms-- I think it was referenced by one other person-- That's the way to get this thing passed. Without specific language-- You tell people where the Green Acres Program is going to be spent: \$500,000 in farmlands and whatever it might be. On this bill it doesn't. This is -- has a history and track record of being a significant amount of money and a lot of waste.

Finally, I just would mention that, unfortunately, there was a reference by Phil Beachem about increasing local aid and increasing public transit, and I would just say, "Where? What document, in statutory language, provides those prioritizations?" They, unfortunately, do not exist. And we

have promises, and unfortunately, like I testified, that I can't accept a promise at this point. I want to see statutory language.

I appreciate the opportunity to testify on such an important issue today.

Thank you.

ASSEMBLYMAN BODINE: Thank you.

Any questions?

Assemblyman Gusciora.

ASSEMBLYMAN GUSCIORA: Thank you, Mr. Chairman.

I just have a comment, and it's regarding these last two speakers. And I was wondering if we could give DOT an opportunity to respond. They brought up two important questions in my mind. One is, in fact, the Transportation Trust Fund. The money that is being diverted, is it going back to fund salaries? What will happen with the new dedication -- complete dedication of the tax? And also, is there a prioritization by DOT with these projects, as far as fix-it-first versus new spending programs? These are two important questions that are left in my mind. I was wondering if we could give DOT an opportunity to respond to them.

ASSEMBLYMAN BODINE: This is a hearing, but if there is a representative of DOT who can give a brief response to this, they are welcome to do that.

MR. FISHER: Can I just, before he gets up here--

ASSEMBLYMAN BODINE: Would you summarize please?

I am calling on him at this point, and I would like to hear from the Assistant Commissioner.

**DEP. COMMISSIONER STANLEY J. ROSENBLUM:**

Thank you, Mr. Chairman and members of the Committee. Philosophically, we totally agree that the highest priority of the DOT needs to be to renew our transportation infrastructure. In fact, under the proposal offered by the administration, that's exactly what we're going to do. Our highest call and priority is for the creation of a complete capital maintenance program for the Department. Of the \$900 million provided in Fiscal Year 1999, \$95 million in State funds will go for a preventative maintenance program, which would address all the capital preventative maintenance needs of the Department in this fiscal year.

In addition, local aid would be increased from \$130 million this year to \$185 million, which would be a significant increase of almost 50 percent going for local aid to meet the bridges and highway needs of local communities.

In addition, for the first time ever, the administration would be creating a local aid for a public transit program of \$5 million, which would enable counties and local governments to develop a community-based transportation solution to augment the public transportation services provided by New Jersey Transit and the private bus industry. In addition to that, the Department is continuing to move ahead on its bridge program to try to meet the Governor's objective of addressing all of the deficient bridge needs in this state by -- within a 12-year period. So the program is very focused and very directed. If you look at where the bulk of the new money is going, it's basically going to local aid, preventive maintenance, and public transportation. In fact, when you look at those four areas -- local aid, preventative maintenance, public

transit, and local aid for public transportation -- about \$605 million of the \$900 million are going to those four programs.

ASSEMBLYMAN BODINE: Thank you, Stan.

For the record, this is Stan Rosenblum, and he is the Deputy Commissioner of the Department of Transportation.

Thank you.

MR. FISHER: Can I just say--

ASSEMBLYMAN BODINE: This is not a debate.

MR. FISHER: I know--

ASSEMBLYMAN BODINE: If you have one more comment that's fine.

MR. FISHER: Thank you. I will make one comment. I appreciate it, Mr. Chairman. If that is the position of the Whitman administration, let's tell the voters that. It will increase the support for the program. Otherwise, and I certainly feel the doc -- record has been established of the concerns that I have stated, but let me just say that the Whitman administration is not going to be here for the full length -- leaving office. Who knows who the next administration is going to be. I think this is a legislative issue -- to take control and address this issue.

Thank you.

ASSEMBLYMAN BODINE: The Legislature will address the Transportation Trust Fund renewal this fall. At the present time, the restructuring and proper distribution of funds will be addressed and acted on.

Thank you.

ASSEMBLYMAN GUSCIORA: Mr. Chairman.

ASSEMBLYMAN BODINE: Yes.

ASSEMBLYMAN GUSCIORA: I am still not clear on this, and I am left with a very damning allegation that PIRG has represented that you have ignored seven projects while you want to go on with five new projects. Is there a prioritization that you are going to fix these projects first before you go on to new spending? Secondly, the point by CWA before was that there were \$52 million budgeted for Transportation Construction Engineering and that now the budgeting went down to \$0, yet, the project is still funded. Is that money that was averted from the gas tax used to pay salaries to the tune of \$52 million?

DEPUTY COMMISSIONER ROSENBLUM: Through the Chair, to respond to the question in regard to the use of salaries within the Transportation Trust Fund, there are eligible expenses that are used to support capital projects. The funding of engineers and design work and other work directly related to the movement of capital projects is funded through the Transportation Trust Fund, similarly to the same types of expenses that are funded through design and other contracts with the private sector.

ASSEMBLYMAN GUSCIORA: And then when you're in-- I don't mean to interrupt you, but then, in your opinion, if we fully dedicate this money to transportation projects, will that mean that we can no longer fund the salaries from the Transportation Trust Fund? In your opinion, if we pass this legislation--

DEPUTY COMMISSIONER ROSENBLUM: Assemblyman, it is not opinion. I believe it is a fact that if it's a capital-related expense and is eligible, under the Transportation Trust Fund, unless it's changed by a

legislator, those types of legitimate capital-related expenditures will continue to be funded from the Trust Fund. Obviously, it is our aim to maximize the amount of money that we can get out for construction so that projects get built and that people, in terms of construction jobs, get out on the street. That is our highest priority. At the same time, we recognize that if we don't plan and scope and design new projects, eventually the pipeline dries up. In fact, this Trust Fund renewal effort puts a significant amount of the new money into the early part of the pipeline so that we will continue to have projects going out the door for years to come.

In response to the second question, I am not sure what seven projects were delayed and what five projects were advanced. Let me say that when projects are delayed in this state, it's primarily because of the community opposition. It's because of environmental issues. It's because of right-of-way and access issues. We need to try to work with communities so that our projects become integral to the communities that we host -- that are served as host communities rather than trying to ramrod projects through. So many times projects get delayed as we try to work out those issues. Also, it needs to be recognized, that when we receive Federal funds, there are a series of Federal requirements that need to be addressed, particularly in the environmental area. I am not sure what the projects were that were delayed, but I don't believe, at this point, any project has been taken off the table because of a lack of funding. There are projects that are stacking up that can go forward much quicker if this Trust Fund is renewed, and we can get more work out the door.

ASSEMBLYMAN GUSCIORA: If we give you a list of the projects, and I don't mean to spend time now, can you give us a -- where they fall in your priority scheme?

DEPUTY COMMISSIONER ROSENBLUM: Through the Chair, I would prefer to respond to the Committee in writing in terms of those projects because I am not that smart of a person to know everything like that. So if it is all right with the Committee--

ASSEMBLYMAN BODINE: That will be fine. Thank you.

ASSEMBLYMAN ROBERTS: Chairman, thank you.

Commissioner, I just want to clarify the point that Assemblyman Gusciora just raised. The funding of current public employees in the Transportation Construction Engineering Unit -- that has been permitted in the past with respect to Transportation Trust Fund dollars. That will continue in the future with respect to the new dedication. What I thought I heard you say is that jobs that are required and move along the capital projects, whether they be in the public sector or the private sector based upon their function, are both equally fundable.

DEPUTY COMMISSIONER ROSENBLUM: That's correct. The only limitation on the Department is the limitation placed on the amount of funds that can be used for salaries. And that limitation is placed through the appropriation process, not by the Department.

ASSEMBLYMAN ROBERTS: Commissioner, has there been or will there be, in your judgment, a situation where, for example, because of those limitations, you will be able to fund a highway inspector working for a

private sector company, but you will be unable to fund a highway inspector working for the Department of Transportation?

DEPUTY COMMISSIONER ROSENBLUM: No, I don't believe that will be ever the case. We would-- We have a-- Basically what happens is that when we rely on the private sector for those types of services, when the amount of work exceeds the workload capacity of the Department--

ASSEMBLYMAN ROBERTS: It was testified earlier that in 1989 that Transportation Construction Engineering Unit had a salary account of \$52 million annually, State appropriation. That has decreased to \$0 with the remainder being made up from the Trust Fund. There needs to be an assurance, at least as far as I am concerned, that people who are currently working in those titles are not going to be jeopardized while their counterparts in the private sector will be able to be employed.

DEPUTY COMMISSIONER ROSENBLUM: This Trust Fund, Assemblyman, proposal does nothing to create a different balance between what we have today in terms of a public workforce and a private workforce working together to try to get these jobs out as quickly as possible.

I just want to clarify one thing. The expenditures for salaries is not totally borne by the Transportation Trust Fund. But, over time, the Federal government has more liberally defined and allowed a true capital-related expenses to be charged against the Federal funds as well. What you are seeing here is partially a trend of the Federal government recognizing that there are eligible public expenditures that can be charged against the Trust Fund.

Once again, let me say that our main objective here is to get construction jobs out the door and to get projects built, and that continues to

be, and will continue to be, a high priority to the Department of Transportation.

ASSEMBLYMAN ROBERTS: Thank you. That's everyone's goal.

Commissioner, has the Department used Trust Fund dollars in the past to purchase office equipment?

DEPUTY COMMISSIONER ROSENBLUM: I don't believe that we've used it to purchase office equipment, but through the Chair, I will get back in terms of the response. I know that we haven't done that in the time period that Commissioner Haley and I have been there, and I don't believe it was done when Commissioner Wilson was there.

ASSEMBLYMAN ROBERTS: How long have you been there, Commissioner?

DEPUTY COMMISSIONER ROSENBLUM: I have been there for four years.

ASSEMBLYMAN ROBERTS: Four years.

It's my understanding that that has occurred. I would appreciate it if you would look into it. I think that's inappropriate, and I just want to just reaffirm the point that I made earlier that public employees and private sector employees need to be treated equally with respect to the dedicated resources of the Trust Fund. If we are going to be asked to authorize this question to go forward and let the voters speak out, we need assurances that we're not going to be implicitly authorizing public sector jobs being put in jeopardy.

Thank you.

MR. ROSENBLUM: Thank you.

ASSEMBLYMAN BODINE: Thank you, gentlemen.

We have many people who would like to testify, and I again would request to try to be exact but try to summarize your comments.

I would now like to ask the Reverend Reginald Jackson, Executive Director of the Black Ministers Council of New Jersey.

Is Reverend Jackson here?

**REVEREND REGINALD JACKSON:** Thank you.

ASSEMBLYMAN BODINE: Good morning, Reverend.

REVEREND JACKSON: On behalf of the Black Ministers Council representing some 600 churches around the state, I am here today to express our strong support and approval of ACR-96.

We believe renewal of the Transportation Trust Fund is critically important to the African-American community, the urban community, and the people of the State of New Jersey. This message you are considering, and hopefully will approve, gives the people of our state the opportunity to voice their opinion on renewal of the Transportation Trust Fund and full dedication of entire gas tax to transportation funding.

We believe this proposal is especially important and beneficial to the urban areas of our state and to the residents of our cities, many of whom are minorities and the most frequent users of public transit. As you are well aware, the proposal to renew the Trust Fund provides for more than \$1.5 billion dollars in State funds, over the next five years, for public transit improvements throughout the state. Add to this the available Federal funds, and the beneficial impact on transit is enormous. Some of the arguments that have been made against the proposed 4 cents phased in gas tax needed to support this program are that it will hurt those who make the least and who

live in the cities. This argument is incorrect and misleading. In fact, many of those who will benefit the most from the gas tax increase and renewal of the Trust Fund are those very city residents who make the least. It is important the accurate story about how this will benefit urban areas has gotten out publicly among the people.

Most importantly, we need to list several factors which are important. It will keep transit fares in place. There has not been a fare increase in eight years. This is extremely important for those who make the least, who live in urban areas, and rely most heavily on public transportation. It will maintain and create new jobs for New Jersey residents. It is my understanding that each \$100 million spent on constructing transportation projects creates an estimated 4200 jobs. This is especially important in our cities. The program would be especially good for minority-owned firms doing business with the State Department of Transportation and New Jersey Transit. More than 100 minority firms currently do business with these State agencies, and we expect that number to grow if the Trust Fund renewal is approved. The revitalization and economic growth of our cities rely on an efficient and well-run transportation system. This program, when approved by the voters, will provide billions of dollars in State and Federal funds to build six rail lines around the state that will improve our urban areas. The renewed Trust Fund will provide another \$2 billion in State and Federal funds for various transportation projects in our cities and throughout the state.

We strongly urge you to support ACR-96. In a word, this program will improve the quality of life of all New Jerseyans. For these reasons, the Black Ministers Council of New Jersey urges you to approve this

measure and to put it on the November ballot. I want to stress that we don't see this as, and hope this will not be, a partisan issue. It is important to all New Jerseyans, whether they are urban, rural, or suburban. We ask members of both parties to vote for this measure and give the people of New Jersey and those who live in the urban areas, in particular, the opportunity they deserve to decide in November on this issue.

Thank you for your time and your attention to this very important measure.

ASSEMBLYMAN BODINE: Thank you, Reverend Jackson.

Any questions or comments?

ASSEMBLYMAN ROBERTS: Just one question.

ASSEMBLYMAN BODINE: Assemblyman Roberts.

ASSEMBLYMAN ROBERTS: Reverend, thank you for being with us today. Does your Council represent ministers in South Jersey?

REVEREND JACKSON: Yes.

ASSEMBLYMAN ROBERTS: I represent-- I am proud to represent a number of distinguished ministers in the City of Camden and elsewhere. I have not heard from any of them on this issue. I wondered if you have spoken to any of them personally.

REVEREND JACKSON: Yes, I have. Reverend Miller at Macedonia in Camden, Reverend Spearman (phonetic spelling) of Hosanna-- In fact, one of the things we are trying to schedule between tomorrow and Wednesday is some event in South Jersey to highlight the issue.

ASSEMBLYMAN ROBERTS: Great, thank you very much.

ASSEMBLYMAN BODINE: Thank you, Reverend.

I am now going to call on a number of individuals that are in related businesses, and you can all come forward. Perhaps one person can speak for you.

Frank D'Antonio, Labor Local 172; Thomas Ober, New Jersey State Carpenters; Richard Gribbin, New Jersey Asphalt Pavement Association; Jean Hansen, American Society of Civil Engineers; Bernard Brown (*sic*), New Jersey Consulting Engineers Council; Joseph Fox, Associated General Contractors.

Gentlemen, could you have a spokesman please.

**F R A N K D' A N T O N I O:** Mr. Chairman and members of the Assembly Transportation Committee: I am Frank D'Antonio, President and Business Manager of Construction and General Labors Local 172, based in Bordentown.

I am here today to represent the 3000 members of our Local and their families who live throughout South Jersey. Some of those members have joined me here to voice our support for ACR-96 and to urge you to support renewal of the New Jersey Transportation Trust Fund. The Transportation Trust Fund has been the lifeblood of our members since it was first enacted in 1985. It is important to working men and women of our Local that the Trust Fund be renewed and the jobs it creates continues. We strongly support the proposal to give the people of New Jersey the opportunity to vote on a constitutional dedication -- the full gasoline tax and the funding of the transportation projects, which is the purpose of ACR-96. We firmly believe that the people of New Jersey will support the 4 cents phased in increase in the gas tax, providing the funds are dedicated to transportation funding.

It is important for all of us to understand that the gas tax is a user tax. Approximately 30 percent of the revenues generated by the gas tax in New Jersey are paid out by the State residents who use our highways and bridges. At the same time, these people who rely on public transit are isolated from this tax. In fact, with this proposed increase, New Jersey Transit will be able to maintain stable fares, as they have for the last eight years. This proposed gas tax dedication and increase will cost the average driver in this state an estimated \$35.00 annually. We'll fully implement it. We believe this is a small price to pay for a safe and sound transportation system that impacts on the quality of life of each and every New Jerseyan.

Most important for us and to our fellow trade members throughout the state is that the renewal of the Transportation Trust Fund means work. The Federal Highway Administration estimates that each \$100 million spent on construction projects that about 4200 jobs are created. That is why the members of my Local are here today. That is why I am here today. This isn't simply an exercise in democracy to us. It is about our lives, our homes, our families, and our children. It's about our jobs. We plan to work vigorously to see this measure is placed on the ballot by you and your fellow legislators this week. Then we plan to convince the people of New Jersey of the importance of approving this measure when they vote on November 3.

I thank you for your time, and I look forward to your support.

If there are any questions, I will be more than happy to answer them.

ASSEMBLYMAN BODINE: Thank you.

Are there any questions?

The other gentlemen, if you would like to make a brief comment--

**THOMAS C. OBER:** Mr. Chairman, my name is Tom Ober, and I represent the New Jersey State Council of Carpenters. We represent 22,000 people. We are here to support the program very enthusiastically. The comments that Frank made would be identical to the comments that we would make. We're looking forward to your support, and we will energetically make sure the voters of New Jersey understand the issues, and in November we're going to support the issue. We hope you give us that opportunity.

ASSEMBLYMAN BODINE: Thank you, Mr. Ober.

**RICHARD S. GRIBBIN:** Good morning. I am Richard Gribbin, and I am Chairman of New Jersey Asphalt Pavement Association. We strongly support ACR-96, which will dedicate motor fuel taxes to transportation purposes.

Dedicated source of funding has been the number one priority of transportation planning professionals for more than 30 years. Whether they are commissioners of transportation or members of the Metropolitan Planning Organizations, they cannot plan the future capital programs without knowing where the funds will come from.

In every major poll, the dedication of these funds are exactly what the taxpayers of New Jersey want. Many are surprised when they learn that up to now complete dedication to the transportation purposes was not the case. This is a historic opportunity for the Assembly to act this week to allow the public to complete the dedication process in November.

We appreciate the Vice-Chairman and the Committee personnel leadership on this issue, and we want to thank you for all your efforts.

ASSEMBLYMAN BODINE: Thank you.

**JEAN G. HANSEN, P.E.:** May I also speak?

ASSEMBLYMAN BODINE: Yes.

Jean Hansen, Bernard Brown, and is Joseph Fox here? (affirmative response)

MS. HANSEN: Good morning. Thank you, Chairman, for including the Civil Engineering Society along with the construction trades. We do believe that it is a team concept that will help build New Jersey.

I am President this year of the American Society of Civil Engineers, the New Jersey section. We represent approximately 3900 engineering professionals and residents in the State of New Jersey. The ASCE National has over 120,000 members. Many of the New Jersey section members are directly or indirectly involved in the design and construction of infrastructure projects that have, and will, benefit the citizens of New Jersey.

The first fundamental canon of our code of ethics states that “engineers shall hold paramount the safety, health, and welfare of the public and shall strive to comply with the principles of sustainable development in their performance of the professional duties.” Our third canon requires that engineers shall issue public statements only in an objective and truthful manner. As a side note, you don’t hear us speak up to often, but we feel this is very important. Therefore, it is with conviction that I represent my profession in front of you today in support of our resolution, which I have a copy of and I will hand you, to support the renewal of the Transportation Trust Fund and ACR-96 -- placement of this question we’ve been discussing on this fall’s ballot.

Both the New Jersey section and ASCE nationally have a long history of supporting the need to invest in infrastructure in order to expand, repair, and renew our infrastructure. Our National Society has recently released a national infrastructure report card that gave an average grade of *D* to the condition of the nation's infrastructure, and it indicated that the nation will need to take, at least, \$1.3 trillion dollars capital investment over a five-year period to repair, renew, and meet our growing needs. The New Jersey section has pledged support for the Alliance For Action Foundation's current efforts towards a New Jersey State infrastructure report card which would be similar.

Today, the New Jersey section of the American Society Civil Engineers is here to add support to those speakers and add that it is we the civil engineers that will design the needed new and renovation projects that will be funded by the Transportation Trust Fund. The civil engineers will oversee construction of these projects to ensure that they are constructed in accordance with designs. It is also the civil engineers and their families that are a living part of this state and will be the end users and will benefit from these projects. As a side note, we do have members that are within New Jersey's DOT and the other highway groups in the state, as well as independent consultants.

Particularly, New Jersey ASCE is speaking today because we are concerned that without this needed funding mechanism, hundreds of millions of dollars of Federal transportation funding now available to our state -- that New Jersey section ASCE, with many of other members in the New Jersey community fought very hard to obtain through the revitalization of the ISTEA program-- These could be jeopardized as New Jersey must match a major share

of the Federal funding in order to receive our full share of Federal transportation funding.

Therefore, in closing, let me urge you, the policy makers of our state who represent our 3900 members of the New Jersey section and our families, to support this funding mechanism for our transportation infrastructure needs until the citizens of our state have the right to vote on this issue this coming fall.

Thank you.

ASSEMBLYMAN BODINE: Thank you.

Joe.

**J O S E P H F O X:** I am Joe Fox, President of the Associated General Contractors of New Jersey.

We represent over 300 general contractors who do business in this state. Our members know firsthand the problems that certain levels of transportation funding can cause our industry and the public. The Federal government has realized that they must have a dedicated source of funds for transportation, and they created the Federal Highway Trust Fund many years ago for that purpose. New Jersey has come a long way with our own Transportation Trust Fund and gradual dedication of fees to it. Assembly Concurrent Resolution 96 will allow the voters to complete the dedication process.

The benefits of complete dedication are many. The public will know that their gas tax dollars are going to the intended purpose of repairing the roads, bridges, and mass transit. The transportation agencies will have the ability to plan long-term transportation programs knowing that funds for

design and construction will be there. The engineering community can count on sufficient design contracts to keep the pipeline of future projects flowing. The construction industry can make the needed investments in equipment and personnel to be prepared for the future construction programs. The tens of thousands of construction employees can look to our industry for a more stable long-term career rather than a very risky work choice.

For all these reasons we want to thank the Committee for their work on this important issue and urge the Legislature to place dedication in the hands of the voters by their actions on Thursday.

Thank you.

ASSEMBLYMAN BODINE: Thank you.

Mr. Brown. (*sic*)

**C. BERNARD BLUM JR.:** Chairman, my name is Bernard Blum, and I represent the Consulting Engineers Council. I'm also the Chairman of T and M Associates, a consulting engineering firm in the state.

In the almost four decades that I have been involved in the engineering community in New Jersey, in both the public and private sector, beginning with the Department of Transportation in 1959, I have come to appreciate the needs, I have come to appreciate the skilled and talented workforce, and I have come to appreciate the competence of the engineers and the dedication of both the public and private sector.

All of that will wither in the face of uncertainty. What ACR-96 provides is certainty of funding which allows the skill, talent, and ability that we have in this state to solve the need that presents itself to us. The Council and myself provide full support for ACR-96.

ASSEMBLYMAN BODINE: Thank you.

Any questions or comments? (no response)

Thank you, ladies and gentlemen.

I would now ask Timothy McDunough, Mayor of Hope Township, and Paul Sauerland, New Jersey Transportation Authority--

Again, gentlemen, if you could-- We have heard a lot of redundant testimony. If you could make your points to be concise, we would appreciate it.

**MAYOR TIMOTHY C. MCDUNOUGH:** My name is, as the Chairman said, Tim McDunough, and I am Mayor of Hope Township, which is a small township up in Warren County, New Jersey. I also have the pleasure of being the immediate past president of the New Jersey Conference of Mayors.

As the Mayor of Hope Township, I come to you today on behalf of my township council, and many of the mayors around the State of New Jersey, to enthusiastically endorse ACR-96. It provides all the citizens of the State of New Jersey, those who live in the cities as well as in the rural areas, an opportunity to vote on this modest 4 cents increase over a three-year period to rebuild our crumbling transportation infrastructure.

The money, as we know, generated will, with the consent of New Jersey's citizens, allow New Jersey to catch up on fixing the New Jersey roads and the serious backlog of repairs to bridges, dams, roadways, and railways. As the mayor of a small rural township, I don't have to tell you, the members of this Committee, how important State aid is to small townships. As one speaker asked, "Where did the money go?" I can tell you to come to Hope

Township and you can see over hundreds of thousands of dollars in the last three to five years that have been used, thanks to the Transportation Trust Fund, in helping us upgrade our road system. This would never have been done without the Transportation Trust Fund.

No one, especially mayors, like to call for a tax increase. New Jersey's 10.5 cent tax on gas is the lowest in the region. We believe the Governor's proposed use of the Federal Transportation Trust Fund and Private Investment Funds will move New Jersey forward in addressing existing problems and planning for the future infrastructure in New Jersey as we head into the 21st century. We ask the Legislature to put ACR-96 on the ballot in November to let the voters decide both questions of raising the taxes necessary to meet our transportation infrastructure needs and constitutionally dedicating the funds for the purposes outlined by Governor Whitman.

I thank you for this opportunity to address you today.

ASSEMBLYMAN BODINE: Thank you, Mayor.

**P A U L C. S A U E R L A N D J R.:** Good morning. I am Paul Sauerland, Freeholder of Hunterdon County and Chairman of the North Jersey Transportation Planning Authority, or NJTPA.

As the Federally sanctioned Metropolitan Planning Organization, or MPO, for the northern 13 counties, the NJTPA is responsible for maintaining the eligibility of projects in its region to receive Federal funding. Local elected officials on the NJTPA Board work cooperatively with N.J. DOT and New Jersey Transit to select and allocate funding to the highest-priority projects in the region.

Just last month, all of us in the transportation community realized an important achievement with the passage of the Federal Transportation Equity Act for the 21st Century, or TEA-21. It was made possible through the hard work of our Governor, the congressional delegation, officials, and organizations throughout the state, including distinguished members of the Legislature here today, for which we thank you. Thanks to your efforts and those of other stakeholder groups we will now receive a vitally needed increase in Federal revenues, as well as earmarked funding for key projects around the state.

The message I am here to bring to you today is that if we are to take full advantage of the benefits of TEA-21, we will need to bolster our commitments of the State's side of the funding ledger not only through the phased in increase in the motor fuel tax, but through the dedication of all motor fuel taxes to transportation purposes. There are approximately 40 earmarked projects included in TEA-21. These are among the highest-priority, most costly, and vitally needed projects in the state, but the Federal funding allocated to them is only part of what is needed for their completion. In some cases, the Federal funding amounts to a little more than seed money to get the projects off the ground. The remaining dollars will have to come from State commitments. This can only be accomplished with a renewed and strengthened State Transportation Trust Fund.

To provide just two examples, the State was fortunate to be allocated \$11.5 million by TEA-21 for work on the Flemington bypass on Route 31 in my home county of Hunterdon. But the total estimated cost of the project is \$50 million. This leaves some \$40 million in outstanding

funding needs. Then there is the construction of the new Bergen Arches Roadway to the Jersey City Waterfront. The TEA-21 allocates \$26.5 million to this innovative and highly desirable project. Yet the total project is projected to cost over \$100 million, leaving a \$75 million shortfall. Of course, we could tap our other allocations of Federal funds to fill the funding gaps, but this would preclude work on numerous other vitally needed projects around the state.

The bottom line is that New Jersey's Transportation Funding needs far outstrip our Federal Transportation receipts, even with increases realized under TEA-21. The State Transportation Trust Fund is our only means for fulfilling the promising earmarked projects in TEA-21, as well as attending to the growing needs for repairing aging bridges and upgrading our infrastructure. The extent of our bridge, highway, and transit needs are, I am sure, familiar to you. What perhaps deserves underlining is the need to address our economic infrastructure, particularly with regard to our maritime and goods movement system.

Recently, we were visited by the *Regina Marsk*, one of the first in the new class of supercontainer vessels. If our port facilities are to accommodate these new aircraft carrier size vessels and become the hub for the East Coast goods distribution network, we will have to take resolute action on numerous infrastructure challenges. While it appears that Federal funding will help us with much of our dredging needs, we must address a host of landside issues: the portway access project, creation of new port facilities at the former military base in Bayonne, as well as highway and rail freight projects feeding into the port district. Again only a strong and stable State-funding

commitment will address our needs and allow us to compete successfully with our rival ports along the East Coast.

For these reasons, I urge you to support not only the phasing in of an increase of motor fuel taxes, but full constitutional dedication. On one level, it is simply good government to treat motor fuel taxes as user fees through full dedication. It gives direct accountability to the public over how the taxes paid at the pump will be used. On another level, full dedication provides the kind of stable funding commitment necessary to undertake an aggressive, multiyear capital transportation program on which our economic well-being increasingly depends.

For our part, the NJTPA pledges to work with you and other State officials to see that all available Federal funding and increased State funding, provided through a renewed Transportation Trust Fund, are applied cost effectively to the State's most pressing and vital transportation needs. I urge you to give the voters an opportunity to be heard on this matter.

I thank you for the opportunity to testify today.

ASSEMBLYMAN BODINE: Thank you, gentlemen.

Any questions? (no response)

Thank you very much.

Ladies and gentlemen, we are running up against the clock. We are running out of time. I have two more people to speak against it, and I am going to call on them right now. Henry Charles, Edison AARP, and Jeff Tittel, Director of New Jersey Sierra.

I would ask you to please be concise. Make your points, but much of the information now is redundant. So please make your points and--

Jeff.

**J E F F T I T T E L:** I will be very brief.

On behalf of the 20,000 members of the New Jersey Sierra Club, we firmly believe that before we build new highways in rural areas, we must rebuild older highways that are not safe. Before we go out and spend money for new rights-of-way in rural areas, we must rebuild our existing bridges that are falling down.

All I can say to you is that we would like to see no new highways or at least a minimum amount for new capacity for roads because it works at cross-purposes to what the Governor wants to do in preserving open space.

So all I can say with this legislation, to paraphrase the Governor, "Fix it first."

Thank you.

**ASSEMBLYMAN BODINE:** Thank you, Jeff. As the Commissioner said earlier, that is top priority, with the majority of the money going to fix-it-first.

Is Henry Charles here? (no response) If not, John Spinnanger, President of New Jersey Seed, and Larry Codey, Coalition for a Better New Jersey.

Gentlemen -- here.

**L A R R Y C O D E Y:** Good morning, Mr. Chairman--

**ASSEMBLYMAN BODINE:** Good morning, Mr. Codey.

**MR. CODEY:** --distinguished members of the Committee. Thank you for the opportunity to testify--

ASSEMBLYMAN BODINE: Could you summarize your presentation please?

MR. CODEY: I certainly will. I am here on three capacities, but it won't take me that long. I won't multiply it by three. I am-- As an individual, I drive about 35,000 miles a year throughout the state, so I think I am really -- understand what the condition of the roads are. I am also here as President and CEO -- COO of Public Service Electric and Gas Company. We have 10,000 workers who not only use the transportation systems to commute to work, but vitally important, they -- we use that -- they use that for their livelihood to keep the electric infrastructure in this state going. Finally, I am here as Chairman of the Coalition for a Better New Jersey. It is a combination of business labor contractors, engineers, consumer groups, and commuter groups in support of the legislation and in support of this resolution here today. You have heard from all of them, and my pronouncements would just be duplicative so I won't do that. Let me just say that this group is an active group -- viable group. It is one that is going to be extremely active over the next three months to make sure that the people of this state understand the crucial issue that they'll be facing on the ballot.

It's all about the 21st century. It's about the infrastructure that we need to keep growing as an economy. We need to keep creating jobs, and we need to keep attracting business into this state. It is absolutely essential that we move forward on the renewal of the Transportation Trust Fund and that we expand it to the \$900 million -- \$950 million level over the next five years. Fifteen years ago, this Legislature proved its sagacity by creating the Transportation Trust Fund, and we are looking forward to have this Legislature

show that same kind of wisdom -- same kind of focus on strong public policy for the 21st century by allowing the New Jersey voters to vote for its future and making transportation what it has to be to keep this the first-class state that it is.

Thank you very much.

ASSEMBLYMAN BODINE: Thank you, sir.

Any questions? (no response)

The last three people to speak: Alexander Smith, from AT&T; Joseph Janda, from Foley Inc.; and John Cantwell, from Remington and Vernick.

Could you be concise with your presentations.

**ALEXANDER M. SMITH:** Vice-Chairman Bodine and members of the Committee: I am Al Smith from AT&T. AT&T is supporting ACR-96 and A-2330. It is good for the economy and for the people of New Jersey to have a strong infrastructure. The 25,000-plus AT&T people use the infrastructure to travel to over 100 buildings in the state. We applaud the Governor and the Legislature for renewing the Transportation Trust Fund.

Thank you.

ASSEMBLYMAN BODINE: Thank you, sir.

**JOHN CANTWELL:** Good morning, Mr. Chairman. My name is John Cantwell. I am speaking on behalf of Remington and Vernick Engineers and also the Consulting Engineers Council. We are in favor of this legislation. I am also a member of the executive committee of the New Jersey Society of Municipal Engineers. And while we have not met to discuss this particular bill, I can safely say I am sure the membership will be in support of this.

Most of my comments have already been addressed, so I won't reiterate them. I will note that our transportation system -- both our road system and our transportation system in this state are rated nationally as relatively low compared to other states. I think it is important to have a dedicated fund. The fairest way to have a dedicated fund is through the gas tax, which is essentially a user fee. The amount of tax you pay is directly proportional to how much you use the road system. I think this will provide jobs, both in the construction industry and in the engineering community, but it also adds to the economic development of the state. It provides easier transportation for industries and commercial developments that do exist in the state of which you locate. I think it is important for the further development of New Jersey.

Thank you.

ASSEMBLYMAN BODINE: Thank you.

**JOSEPH F. JANDA:** Thank you for this opportunity. My name is Joe Janda, and I work for Foley, Inc., the Caterpillar dealer, in the 13 northern counties in New Jersey. Joe Fox, from the AGC pretty much summed up our feeling as to the need for stable and dedicated funding for the construction industry.

I would like to add that technology is raising all our expectations to accomplish things quickly. Our deteriorating infrastructure is jeopardizing our competitiveness, regionally and nationally, to get things done quickly and without high productivity. This is an industry -- will not invest in New Jersey. We strongly support ACR-96 to protect and promote jobs and improve our way of life in New Jersey.

Thank you.

ASSEMBLYMAN BODINE: Thank you, gentlemen.

If there are no questions or comments--

I would like to thank the members of the Committee for joining us this morning and for everyone who came out this morning to support or to oppose ACR-96. At this time I would like to conclude this hearing.

I again thank you for your attendance.

**(HEARING CONCLUDED)**