

1 BEFORE THE NEW YORK STATE SENATE FINANCE
AND ASSEMBLY WAYS AND MEANS COMMITTEES

2 -----

3 JOINT LEGISLATIVE HEARING

4 In the Matter of the
2016-2017 EXECUTIVE BUDGET
5 ON TRANSPORTATION

6 -----

7

8 Hearing Room B
Legislative Office Building
Albany, New York

9

10 January 20, 2016
9:41 a.m.

11

12 PRESIDING:

13 Senator Catharine M. Young
Chair, Senate Finance Committee

14

15 Assemblyman Herman D. Farrell, Jr.
Chair, Assembly Ways & Means Committee

16 PRESENT:

17 Senator Liz Krueger
Senate Finance Committee (RM)

18

19 Assemblyman Robert Oaks
Assembly Ways & Means Committee (RM)

20

21 Assemblyman David Gantt
Chair, Assembly Committee on Transportation

22

23 Assemblyman James F. Brennan
Chair, Assembly Committee on Corporations,
Authorities & Commissions

24

Assemblyman Michael Cusick

24

1 2016-2017 Executive Budget
Transportation
2 1-20-16

3 PRESENT: (Continued)

4 Senator Thomas F. O'Mara

5 Assemblyman Phil Steck

6 Senator Diane Savino

7 Assemblyman James Skoufis

8 Senator Timothy Kennedy

9 Assemblyman Steven Otis

10 Senator Michael H. Ranzenhofer

11 Senator Martin Malave Dilan

12 Senator Patricia A. Ritchie

13 Assemblyman David G. McDonough

14 Senator Marc Panepinto

15 Senator Phil M. Boyle

16 Assemblyman Raymond Walter

17 Assemblyman Michael DenDekker

18 Senator Joseph Griffo

19 Assemblywoman Pamela J. Hunter

20 Assemblywoman Alicia Hyndman

21 Assemblyman Edward Ra

22 Assemblywoman Nicole Malliotakis

23 Assemblyman Todd Kaminsky

24 Assemblywoman Shelley Mayer

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4 Assemblyman Fred W. Thiele, Jr.

5 Assemblywoman Patricia Fahy

6 Assemblywoman Jo Anne Simon

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1 CHAIRMAN FARRELL: Good morning.

2 Today we begin the first in the series
3 of hearings conducted by the joint fiscal
4 committees of the Legislature regarding the
5 Governor's proposed budget for fiscal year
6 2016-2017. The hearings are conducted
7 pursuant to Article 7, Section 3 of the
8 Constitution and Article 2, Section 31 and
9 32A of the Legislative Law.

10 Today the Assembly Ways and Means
11 Committee and the Senate Finance Committee
12 will hear testimony concerning the budget
13 proposal for Transportation.

14 I will now introduce members from the
15 Assembly. And Senator Young, chair of the
16 Senate Finance Committee, will introduce
17 members from the Senate.

18 We're joined by Chairman David Gantt,
19 and Michael Cusick is with us.

20 And Assemblyman Oaks?

21 ASSEMBLYMAN OAKS: Yes, we're also
22 joined by the ranker on Transportation, Dave
23 McDonough.

24 CHAIRMAN FARRELL: We've also been

1 joined by Assemblyman Phil Steck.

2 Senator?

3 CHAIRWOMAN YOUNG: Thank you. Thank
4 you, and good morning. And I'm delighted to
5 be here today, especially with my esteemed
6 colleague, Chairman Denny Farrell, and look
7 forward to working with everyone.

8 I'm also very happy that Assemblyman
9 Bob Oaks is here and my colleague Senator Liz
10 Krueger, who is ranking member on the Senate
11 Finance Committee.

12 I'd like to introduce members from our
13 conference. And we have Senator Tom O'Mara
14 and Senator Michael Ranzenhofer with us
15 today. I'm sure that other colleagues will
16 be joining us very shortly.

17 And at this point I'd like to turn it
18 over to Senator Liz Krueger.

19 SENATOR KRUEGER: Thank you.

20 And I welcome Senator Young to her
21 first budget hearing as the Finance chair.
22 Some of us have done this more times than we
23 can remember. And I know that Denny and I
24 are looking forward to working with

1 Senator Young.

2 And I'm joined today by Senator Martin
3 Dilan, the ranker on Transportation, and
4 Senator Tim Kennedy from Buffalo.

5 CHAIRWOMAN YOUNG: And we'll have to
6 go out for spaghetti once the hearings are
7 over, to celebrate.

8 SENATOR KRUEGER: Touché.

9 CHAIRMAN FARRELL: Before introducing
10 the first witness, I would like to remind all
11 of the witnesses testifying today to keep
12 your statement within your allotted time
13 limit so that everyone can be afforded the
14 opportunity to speak.

15 I will now call the first witness,
16 New York State Department of Transportation
17 Commissioner Matthew Driscoll.

18 Good morning, Matt.

19 COMMISSIONER DRISCOLL: Good morning.
20 And good morning, everyone. Chairperson
21 Young, Chairperson Farrell, Chairperson Gantt
22 and members of the legislative fiscal and
23 Transportation Committees, thank you for this
24 opportunity to discuss Governor Cuomo's

1 Executive Budget as it pertains to the
2 Department of Transportation for the
3 2016-2017 state fiscal year.

4 I'd like to acknowledge Chairpersons
5 Robach and Marcellino, who are not here, but
6 I suspect will be as well, for their
7 leadership.

8 The most important function of the
9 department is to ensure the safety of the
10 traveling public. This is accomplished
11 through conducting bridge safety assurance
12 inspections; targeted and comprehensive bus,
13 truck and freight rail inspections; providing
14 traffic signal maintenance; and performing
15 winter snow and ice control. And as you
16 might expect, snow and ice control is one of
17 the more challenging responsibilities for the
18 department, given the unpredictability of
19 weather patterns.

20 Last year, on the heels of several
21 years of extreme winter weather, Governor
22 Cuomo directed state agencies to assess and
23 strategically augment their capacity to more
24 effectively respond to these types of

1 emergencies.

2 To enhance DOT's capabilities, the
3 Governor provided the department with
4 \$50 million for new winter storm equipment
5 through the NY Responds initiative. This new
6 equipment, including new graders, loaders,
7 and plow equipment is being deployed in every
8 region of the state, with an emphasis on
9 areas that are typically hit the hardest by
10 harsh winter conditions.

11 Earlier this month, the Governor
12 unveiled a bold and comprehensive
13 \$22.1 billion Transportation Plan to
14 modernize and enhance New York's
15 transportation infrastructure, including
16 historic investments in roads and bridges,
17 freight goods movement, and upstate airports.
18 Specific to the Department of Transportation,
19 the Governor's proposal provides the
20 framework for a new, unprecedented
21 \$20.1 billion five-year transportation
22 capital plan. This new commitment builds
23 upon \$18.3 billion in core DOT funding by
24 adding \$1.8 billion in new resources.

1 The Executive Budget provides
2 significant new state investments during
3 state fiscal year 2016-17 to improve
4 New York's transportation system, enhance the
5 system's resiliency, create jobs, and deliver
6 record levels of operating aid for transit
7 systems. The proposal includes more than
8 \$4.3 billion in new DOT capital program
9 funding, an increase of 17 percent. Of that
10 amount, more than \$3 billion in new funding
11 is provided to support the department's
12 highway and bridge program.

13 DOT's budget also provides
14 \$438 million in additional funding for local
15 highway and bridge projects under the
16 Consolidated Local Streets and Highway
17 Improvement Program, better known as CHIPS;
18 \$39.7 million for the local matching share of
19 federally aided projects under the
20 Marchiselli program; and an unparalleled
21 \$5.2 billion to support the operation of
22 local transit systems, including increases
23 for upstate transit.

24 The Governor has also highlighted

1 several high-priority initiatives that will
2 form the core of the state's Transportation
3 Plan, many of which will provide local
4 governments with unprecedented access to
5 transportation funds. These proposed
6 strategic investments include:

7 PAVE-NY, a new \$1 billion initiative
8 that will provide \$500 million to help
9 municipal governments replace, rehabilitate
10 and maintain vital local bridges and invest
11 \$500 million in state-owned bridges;

12 BRIDGE-NY, a new \$1 billion initiative
13 that will invest \$500 million to pave local
14 roads and \$500 million to pave state roads;

15 A new \$500 million Extreme Weather
16 Infrastructure Hardening Program to make
17 safety and resiliency enhancements to
18 roadways across the state that have proven to
19 be susceptible to flooding and other
20 extreme-weather-related events; and

21 \$200 million to an Upstate Airport
22 Economic Development and Revitalization
23 Competition to accelerate investments in
24 commercial passenger and cargo service

1 airports.

2 As a former mayor, I recognize that
3 local roads and bridges matter. Too often,
4 however, local governments are forced to make
5 difficult choices between repairing and
6 replacing infrastructure. Working with local
7 governments, the department has revised its
8 project planning and development policies so
9 that municipalities can implement
10 cost-effective project solutions. At the
11 same time, the department will work with
12 municipalities to develop strong asset
13 management practices through enhanced
14 training, technical assistance and deployment
15 of innovative technologies. By working
16 cooperatively, investments in transportation
17 infrastructure will facilitate economic
18 growth, leverage private investment, and
19 create new jobs across our state.

20 In closing, let's not forget the work
21 we do is critical and the challenges we face
22 are very real. Through open and continuous
23 dialogue, collectively we will deliver the
24 transportation system that our residents

1 deserve and is necessary to maintain
2 New York's position as the Empire State.

3 I want to thank you for your time, and
4 I am available to address any questions that
5 you may have.

6 CHAIRMAN FARRELL: Thank you very
7 much, Commissioner. We've been joined by
8 Assemblyman Brennan.

9 First to question, Assemblyman Gantt,
10 chairman, Transportation.

11 ASSEMBLYMAN GANTT: Thank you very
12 much, Chairman Farrell.

13 Welcome, Commissioner, glad to see you
14 here, glad to see that this may be a
15 different year for both us here in New York
16 State and across the country. As you know,
17 for years now we have not received that which
18 was necessary for us to run the kind of
19 programs that we believe are necessary here
20 in New York State. I will ask the question
21 that I always ask, and that's exactly where
22 do we stand with the condition of roads and
23 bridges. Are we on the upside going up, or
24 are we coming down? And what do you plan on

1 doing for us in terms of something.

2 COMMISSIONER DRISCOLL: Well, I think
3 overall we've been somewhat in the same place
4 for some time. But I would suggest to you
5 that with the new program that the Governor
6 is announcing, BRIDGE-NY, it's really going
7 to make a significant difference both for
8 local and state-owned roads. Five hundred
9 million dollars will go a long way in helping
10 to make sure that not only are they
11 maintained but also rehabilitated across the
12 State of New York. So I feel good about
13 that.

14 ASSEMBLYMAN GANTT: Do you intend to
15 put out a schedule of projects that are to be
16 done? Because quite often in the past we say
17 these big things, and those projects just
18 never get done for the locals. And I think
19 that many others here who sit here with me
20 will have the same question that I have in
21 terms of that.

22 COMMISSIONER DRISCOLL: Right. So no,
23 I want to stand behind what I say. I've made
24 kind of a practice of that throughout my

1 career. Again, I think this program is going
2 to make a significant difference that the
3 Governor has announced. We are doing an
4 assessment across the state on both the local
5 side and the state side for bridges. And we
6 will be developing a competitive program
7 based on the needs of those bridges across
8 New York State.

9 ASSEMBLYMAN GANTT: Now, when we deal
10 with the local programs, I know that each
11 year I get questions from the locals dealing
12 with CHIPS and Marchiselli in particular,
13 because those are the programs that are
14 important to them.

15 Are we planning on doing any
16 increases, substantial increases in dealing
17 with those particular programs?

18 COMMISSIONER DRISCOLL: Well, you
19 know, I've spent a significant portion of
20 time making sure that I listen to the locals.
21 And I understand firsthand, having been
22 there, the challenges that they face, the
23 people that you and I both represent.

24 As I mentioned, PAVE-NY is another

1 program that the Governor has put forward in
2 this budget, another billion-dollar program
3 that is going to provide additional resources
4 to local governments so that local
5 governments will have the flexibility, in
6 addition to the CHIPS funding and the
7 Marchiselli funding, to be able to augment
8 their budgets.

9 So they will see an increase, it's
10 formula-based, they will see an increase in
11 that aid in this budget.

12 ASSEMBLYMAN GANTT: Will we also see
13 improvements in the condition of the roads
14 and bridges? Because I think that's what's
15 most important to us.

16 COMMISSIONER DRISCOLL: Yes, of
17 course. Right. I don't want the Department
18 of Transportation -- and I know the Governor
19 doesn't -- to spend money that doesn't make a
20 difference. We will see well over 200
21 bridges improved, and we will see over 1300
22 miles of roadways paved.

23 ASSEMBLYMAN GANTT: The problem I have
24 with just that blanket statement is that in

1 the past we have said that; however, we found
2 out that they always get boxed up someplace,
3 whether it be we, the state, do not abide by
4 that which we always said we will do, and
5 that is to have a fifty-fifty in terms of
6 your hiring people, engineers and your shop.

7 Because a consistent complaint I get
8 is that it gets bottled up at the state
9 level. And when I talk to those who
10 represent those individuals who are at the
11 state level, they tell me the problem is they
12 didn't hire the staff they were supposed to
13 hire. And over the years, I've consistently
14 asked the question, are we going to hire
15 those staff members that we need to hire to
16 make sure that we get the work out the door?

17 COMMISSIONER DRISCOLL: So I can't
18 speak to the past, and I won't. I can only
19 speak about what I'm suggesting to you, and
20 that is moving forward. I don't believe that
21 the staffing issues are the problem. I think
22 that -- and what I mentioned was the policy
23 change that we've made here. Previously, in
24 previous administrations, the policy dictated

1 to locals how some of their federal dollars
2 might have been utilized on local roads. We
3 are not doing that anymore. We are giving
4 that decision-making ability back to the
5 locals who know it most.

6 We will be working very closely with
7 the local governments -- as I mentioned,
8 workshop training, assistance, the kind of
9 things that the department can bring to help
10 create more efficiencies with the Department
11 of Transportation and local governments. I
12 believe that we are adequately staffed to
13 handle all of those.

14 ASSEMBLYMAN GANTT: When can we expect
15 that you will have for us a schedule of those
16 kinds of projects that we're talking about?

17 COMMISSIONER DRISCOLL: So we're going
18 through that process now. Probably late
19 spring.

20 ASSEMBLYMAN GANTT: Late spring. Can
21 I count on you to get a list to my office so
22 I can see what's happening? Because
23 obviously there are those of us who live
24 upstate and there's those of us who live

1 downstate, and we know what those important
2 projects are in our particular area. So I'd
3 like to get a copy of those lists.

4 COMMISSIONER DRISCOLL: When we have
5 those assessments done, we will make those
6 available.

7 ASSEMBLYMAN GANTT: Okay.
8 Mr. Farrell, rather than have you beat me up
9 today and make me stop, I will stop here so
10 that others can have --

11 CHAIRMAN FARRELL: No, you can go.
12 You've got three more minutes.

13 ASSEMBLYMAN GANTT: Three more
14 minutes?

15 Now, the feds, I see this is the first
16 time in a long time that the feds have --
17 it's called Transportation -- FAST, is that
18 it?

19 COMMISSIONER DRISCOLL: Right, the new
20 surface transportation bill.

21 ASSEMBLYMAN GANTT: And a long time
22 that we've had dollars that we could
23 literally count on. Where are we at with
24 that?

1 COMMISSIONER DRISCOLL: Well, I'll
2 agree it's good news. It's the first
3 long-term plan they've passed in 10 years.
4 And really the benefit of that is largely
5 planning, that it allows not only the state
6 but local governments to plan accordingly.
7 There's been some increases. Candidly,
8 they're at about the rate of inflation at
9 best. But nonetheless, that program includes
10 some new things as well, highways of
11 significance for freight movements of goods
12 and services. There are additional kinds of
13 attributes that are in the FAST bill.

14 But the good news is we have a
15 five-year bill. The good news is we have
16 five years that local governments and the
17 state can plan accordingly, based upon that
18 bill.

19 ASSEMBLYMAN GANTT: Well, we should
20 know for the next five years there's a
21 workable plan that we can hopefully all live
22 with, and your office would be willing to
23 work with us, because there's always some
24 kinks in the armor when it's all said and

1 done. So I hope that we can work together to
2 make sure that this state, New York, which
3 has always been at the forefront of safety,
4 makes sure the people in our state are safe.

5 COMMISSIONER DRISCOLL: You can count
6 on that.

7 ASSEMBLYMAN GANTT: Okay. Thank you
8 very much, Mr. Chair. Thank you for your
9 time.

10 CHAIRMAN FARRELL: Thank you very
11 much, Chairman.

12 We've been joined by Assemblywoman
13 Alicia Hyndman, Assemblyman Kaminsky, and
14 Assemblywoman Shelley Mayer.

15 Senator?

16 CHAIRWOMAN YOUNG: And we also have
17 been joined by Senator Diane Savino.

18 CHAIRMAN FARRELL: And we also have
19 Assemblyman Michael DenDekker.

20 CHAIRWOMAN YOUNG: So, Chairman, I'd
21 like to ask some questions now.

22 So welcome, Commissioner, it's great
23 to have you here, and look forward to your
24 answers to some questions. It's wonderful

1 that you have your background in municipal
2 government, because I think that gives you a
3 great perspective as to why infrastructure is
4 so critical to the people of New York State.

5 And as you know, with the
6 Transportation Plan, traditionally it's been
7 approval of a multiyear plan that included
8 the adoption of both the DOT and the MTA
9 five-year capital plans. And that has not
10 occurred since 2011. And so as you know, the
11 Senate Republican Conference has been very
12 concerned about having relative parity
13 between DOT funding and the MTA and actually
14 having a defined five-year plan put forward.

15 So one of my questions is, is the DOT
16 going to be providing the Legislature with a
17 five-year plan? Because I believe very
18 strongly that we need that information to
19 move forward.

20 COMMISSIONER DRISCOLL: Yes, we are
21 developing a five-year plan.

22 CHAIRWOMAN YOUNG: And when do we
23 expect to see the five-year plan? Because I
24 don't believe that we have the details right

1 now on it.

2 COMMISSIONER DRISCOLL: Right. Well,
3 I would suspect that it will be at the
4 conclusion of the budget season.

5 CHAIRWOMAN YOUNG: At the conclusion
6 of it? Or during --

7 COMMISSIONER DRISCOLL: Well, sure. I
8 mean, that's a conversation between the
9 Legislature and the Executive. But we are
10 building a five-year program.

11 CHAIRWOMAN YOUNG: And what do you
12 anticipate, Commissioner, would be included
13 in this plan? So projects, needs
14 assessments, funding details, et cetera?

15 COMMISSIONER DRISCOLL: Well, you
16 know, as I mentioned, BRIDGE-NY and PAVE-NY.
17 There's increases for mass transit in upstate
18 New York as well, which is significant and
19 I'm sure welcome.

20 There's investments in rail. So a
21 comprehensive way the investments that DOT
22 will be making as part of the Transportation
23 Plan will also help support economic
24 development initiatives across the state.

1 It's important that we think of how we not
2 only maintain our system but build upon it,
3 that we do it so that it connects with
4 economic development opportunities that are
5 already either in place or yet to come.

6 CHAIRWOMAN YOUNG: Okay. So it's a
7 work in progress, you're saying, right now.
8 okay.

9 Were the details of the \$2 billion in
10 Thruway Authority funding being included in
11 the five-year plan that you're just
12 referencing, or is this funding just
13 including the overall \$22.1 billion DOT
14 capital program number? I'm very concerned
15 about that because I think for the first
16 time, there's Thruway funding included being
17 counted as parity toward the five-year plan
18 for DOT. So could you give us some more
19 information on that?

20 COMMISSIONER DRISCOLL: Well, what I
21 can tell you is that the Governor's budget is
22 unprecedented in terms of the support for the
23 Department of Transportation. In this budget
24 there's \$20.1 billion for a five-year plan.

1 That's up from 18.3. As I've said and
2 outlined, there's some new initiatives here
3 that really I believe wholeheartedly are
4 really going to benefit local government,
5 that will make a significant difference,
6 particularly the BRIDGE-NY and the PAVE-NY
7 program.

8 CHAIRWOMAN YOUNG: But traditionally
9 Thruway Authority funding has not been
10 included in the parity numbers, is that
11 correct?

12 COMMISSIONER DRISCOLL: To my
13 knowledge. But I can't speak to the Thruway.
14 That would be a question for them. But they
15 are receiving \$2 billion.

16 CHAIRWOMAN YOUNG: But I guess what
17 the issue is is that these funding sources
18 for the Thruway Authority haven't been
19 included as parity in the past. And it looks
20 like under the Governor's proposal that they
21 are included and added. And so does that
22 skew the parity issue?

23 COMMISSIONER DRISCOLL: Well, to me,
24 as I mentioned, I'm charged with operating

1 the Department of Transportation, and the
2 unprecedented level of funding is going to go
3 a long way, more than it ever has before, to
4 not only maintain the system statewide but
5 enhance it. So I'm very pleased with the
6 \$20.1 billion budget for the Department of
7 Transportation.

8 CHAIRWOMAN YOUNG: Thank you.

9 I wanted to touch on the transit
10 operating assistance. There's an overall
11 increase of nearly \$224 million. And the MTA
12 would receive a \$201 million increase while
13 downstate non-MTA transit systems would
14 receive a \$17.4 million increase. And both
15 of those are attributable to an increase in
16 downstate dedicated revenues.

17 Upstate transit systems would receive
18 a \$5 million increase which would be provided
19 from the Dedicated Mass Transportation Trust
20 Fund. Unlike downstate, upstate transit
21 dedicated revenues continue to decline. And
22 so my question is do you believe that there's
23 a structural funding problem in regard to
24 upstate transit? And if so, what steps can

1 be taken to ensure that upstate transit
2 operators, including the systems in Syracuse,
3 Buffalo, Rochester and Albany, have more
4 reliable and predictable funding?

5 COMMISSIONER DRISCOLL: Well, you
6 know, I would say for upstate transit there's
7 an increase this year. It's going to be
8 providing a record for upstate, \$194 million.
9 So that's a significant increase over last
10 year. It also includes \$5 million for
11 additional capital. So in terms of upstate
12 transit, I think that that is going to make
13 people feel pretty good to see those types of
14 increases, to help them continue the very
15 important service that we need in upstate
16 New York.

17 CHAIRWOMAN YOUNG: Will there be a
18 multiyear capital program for upstate transit
19 included in the five-year DOT capital plan?

20 COMMISSIONER DRISCOLL: The transit
21 plan is included, incorporated into our
22 five-year budget.

23 CHAIRWOMAN YOUNG: It will be. Okay,
24 thank you.

1 You touched on the BRIDGE-NY program
2 and the \$1 billion PAVE-NY program for state
3 and local roads and bridges from new and
4 existing DOT funding. So how will these -- I
5 think Assemblyman Gantt touched on this, but
6 how will these projects be selected?

7 COMMISSIONER DRISCOLL: Okay, so the
8 BRIDGE-NY program is competitive. So there's
9 \$500 million for local bridges and \$500
10 million for state-owned bridges. The state
11 owns the majority of the bridges, by the way.
12 It will be based on not geographic, but it
13 will be based on conditions, frequency use,
14 how often a bridge may be used. That scoring
15 is being developed as we speak, it's not
16 complete, but that's how that will work.

17 On the PAVE-NY, there's a formula that
18 will disseminate those funds to local
19 governments and to state-owned roads.

20 CHAIRWOMAN YOUNG: So it's strictly
21 scoring by DOT. Will there be any local
22 input on these projects? Will local
23 governments be able to weigh in?

24 COMMISSIONER DRISCOLL: Well, on the

1 BRIDGE-NY they'll certainly want to compete
2 for those. And any requisite information
3 that we would need, we'd ask of them. But
4 the decision will rest with the DOT scoring
5 system.

6 CHAIRWOMAN YOUNG: Thank you.

7 And finally -- and I've got 2 minutes
8 and 58 seconds left. But the Executive
9 proposes a \$200 million upstate airport
10 competition which would provide \$40 million
11 in funding to five eligible upstate airports.
12 And I believe there are a total of 74
13 airports.

14 And so I guess one of the questions
15 might be, and is, when would this program be
16 initiated? And actually over how many years,
17 also?

18 COMMISSIONER DRISCOLL: Well, it's
19 going to be initiated right away. We're
20 developing the criteria now. You're correct,
21 there's 74 upstate airports who will develop
22 plans and submit them to the Department of
23 Transportation. There will be five winners
24 of \$40 million each.

1 But I would say this, too, as someone
2 who had an airport under my watch. The plans
3 that folks develop, whether they win or not,
4 are useful plans going forward because
5 airports are constantly changing, the
6 economies of airports are changing. So I
7 think the competition is a good thing.

8 But there will be 74 airports who are
9 eligible to compete. There will be five
10 winners of that competition.

11 CHAIRWOMAN YOUNG: What happens to the
12 remainder of the airports? There will be
13 funding available for ongoing maintenance
14 issues, is that right?

15 COMMISSIONER DRISCOLL: Yes.

16 CHAIRWOMAN YOUNG: There's still the
17 traditional, what is it, \$6 million?

18 COMMISSIONER DRISCOLL: There's the
19 traditional -- yup, there's the traditional.
20 We have -- \$5 million will still be available
21 for local match for the federal airport
22 programs, et cetera.

23 CHAIRWOMAN YOUNG: What is the goal of
24 the competition? Are you looking to

1 regionalize and maybe eliminate some of the
2 airports that exist? That's a question that
3 I'm concerned about because, as you know,
4 upstate is very vast and there are miles and
5 miles sometimes in between airports. So
6 could you address that?

7 COMMISSIONER DRISCOLL: Yeah, there's
8 no desire to eliminate the airports at all.
9 As you point out, upstate New York is very
10 vast and communities need their airports for
11 services to people and industry.

12 It's really designed to help continue
13 to spur economic development opportunities in
14 upstate New York. You know, we live in a
15 changing environment. You know, the global
16 economy is changing every day. You know,
17 next year or this year, rather, you'll see
18 the opening of the Panama Canal. That's
19 going to dramatically change how goods are
20 shipped and how they're received and how
21 they're distributed throughout not only
22 New York but other states as well.

23 So I think, you know, the genius of
24 the plan is to really help prepare people to

1 meet those challenges and to really help
2 people figure out how, on a regional basis,
3 they can utilize an important asset, which an
4 airport is, to help further their economic
5 mission.

6 CHAIRWOMAN YOUNG: Thank you very
7 much.

8 COMMISSIONER DRISCOLL: Thank you.

9 CHAIRWOMAN YOUNG: And we have
10 10 seconds to spare. So thank you.

11 COMMISSIONER DRISCOLL: Thank you.

12 SENATOR FARLEY: Thank you, Senator.

13 We've been joined by Assemblywoman Pam
14 Hunter and Assemblyman Skoufis.

15 Next to question, Assemblyman Cusick.

16 ASSEMBLYMAN CUSICK: Thank you,
17 Mr. Chairman.

18 Commissioner Driscoll, good to see
19 you. I'm going to be brief, but I'm going to
20 ask about -- I know DOT has less jurisdiction
21 in New York City than it does upstate, so I'm
22 going to ask a little bit about New York City
23 issues, particularly the Staten Island
24 Expressway. Could you give us an update on

1 where we are with the completion of the
2 Staten Island Expressway?

3 COMMISSIONER DRISCOLL: Yeah, I
4 believe the project is largely completed.
5 We've done a significant amount of work on
6 the BQE as well as the Gowanus expressway as
7 well. The HOV on that particular lane, which
8 I happened to be on for the first time just a
9 few weeks ago, seems to be working quite
10 well.

11 ASSEMBLYMAN CUSICK: Okay. Well, I
12 wanted to ask about the HOV also. There has
13 been -- as someone who lives on Staten
14 Island, and I know my colleagues from Staten
15 Island will probably be asking similar
16 questions, there has been major tie-ups and
17 backups on the Staten Island Expressway.
18 There have been folks who have speculated
19 what the problems may be. Folks do point at
20 the HOV and also the connection with the
21 Gowanus.

22 Is there any coordination going on as
23 to figuring out what is causing some of these
24 major tie-ups in the last, I would just -- I

1 would say in the last three weeks or a month?
2 Is there anything, any investigation going on
3 by State DOT on these?

4 COMMISSIONER DRISCOLL: Well, you
5 know, I would say, to me, there's a lot of
6 people certainly that live in those areas and
7 in fact all of the boroughs, but in
8 particular Staten Island as well. And if you
9 look at the traffic counts for the Gowanus
10 and the BQE and you -- you know, you look at
11 rush-hour traffic. So from, you know, 7 to
12 10 in the morning and 4 to 7 at night, the
13 Gowanus is about 163,000 users and the BQE is
14 about 150,000.

15 So what I'm getting at is there's a
16 lot of people on the road in a condensed
17 period of time, and then accidents occur.
18 And when accidents occur, that's where you're
19 seeing these choke points that are creating
20 huge time delays for people, because it does
21 take time to have, you know, the scene
22 addressed.

23 ASSEMBLYMAN CUSICK: When there's an
24 accident, say in the HOV lane, how is that

1 dealt with? Is that DOT, or does DOT
2 coordinate with NYPD? And how quick, what is
3 the reaction time of cleaning that up so that
4 the HOV lane is usable?

5 COMMISSIONER DRISCOLL: Right. Well,
6 I don't know the exact reaction time. But
7 the City of New York is responsible for, you
8 know, having the police get on that highway
9 and having the appropriate trucks remove the
10 vehicles that have been involved in an
11 accident.

12 ASSEMBLYMAN CUSICK: And when the
13 Verrazano Bridge, which is run by the MTA,
14 when it's closed for construction or anything
15 like that, what is the lead time given to
16 State DOT as to notice? Because that's also
17 another issue too, is the coordination of --
18 I know there's a lot of construction going on
19 on the Verrazano, the Gowanus, the BQE.
20 What's the lead time that you're giving a
21 notice as to what is happening and you can
22 inform, then, elected officials and then the
23 public?

24 COMMISSIONER DRISCOLL: Right. Well,

1 I think during the project development phase
2 DOT is notified. But quite honestly, you
3 know, that's an exact area that I've been
4 reaching out on, to -- I'm fairly new in this
5 position in terms of understanding the
6 coordination between the agencies. And
7 that's an effort that will continue. I'm
8 still getting my arms around that.

9 But I do know that in project
10 development there's coordination between the
11 agencies. If there's road closures, we are
12 made aware of it. And, you know, I'm all
13 about protocol, so I like to make sure that
14 local officials like yourself certainly are
15 aware in advance, you know, that there may be
16 a closing or a detour.

17 ASSEMBLYMAN CUSICK: And we do
18 appreciate that.

19 With the HOV lane, I know that many
20 commuters, not only Staten Islanders but
21 people in the region, in Jersey and other
22 parts of New York City, they use the HOV lane
23 to go from the Staten Island side of the
24 Verrazano Bridge over into the Gowanus. And

1 I know that recently in the last couple of
2 holidays you've kept those HOV lanes open in
3 the Gowanus. Is that going to be a practice
4 that DOT will keep doing, keeping it open on
5 holidays?

6 COMMISSIONER DRISCOLL: Yeah, the same
7 schedule. And I believe that this was the
8 first holiday that that might have been open.
9 We want to make sure that that continues.

10 We're, by the way, working with the
11 City DOT, you know, on this very issue. So I
12 think the HOV lane has thus far proved very
13 successful.

14 ASSEMBLYMAN CUSICK: And the HOV lane
15 is vital for many commuters to get to work,
16 particularly the folks who take the express
17 buses into the City for work.

18 With the HOV lane, is everything
19 complete? Is construction complete on the
20 HOV lanes with the Staten Island Expressway?
21 Are there any plans of making any additions
22 in this phase or maybe you saw that there
23 might be some changes needed somewhere?

24 COMMISSIONER DRISCOLL: To my

1 knowledge, the work is substantially
2 completed.

3 ASSEMBLYMAN CUSICK: Okay. I know
4 that there are a few elected officials on
5 Staten Island that have made some suggestions
6 concerning HOV, and I just wanted to say that
7 we've been working with your regional offices
8 to talk about if there are some changes that
9 may be needed, some kinks in the armor
10 that -- after everything is going. And you
11 have been very open to us and to the other
12 elected officials in the region and out on
13 Staten Island.

14 COMMISSIONER DRISCOLL: And I'm happy
15 to meet with you and anyone else on that as
16 well so, you know, I can also better
17 understand the challenges as well.

18 ASSEMBLYMAN CUSICK: Yes. Because the
19 expressway, as I said, is vital not only to
20 the residents of Staten Island but to the
21 entire region for business and for getting to
22 work on a daily basis.

23 Thank you, Commissioner. Thank you,
24 Mr. Chairman.

1 CHAIRMAN FARRELL: Thank you.

2 Senator?

3 CHAIRWOMAN YOUNG: Yes, next I'd like
4 to have Senator O'Mara ask questions.

5 SENATOR O'MARA: Thank you,
6 Chairwoman.

7 Good morning, Commissioner, and thank
8 you for being here. As Senator Young touched
9 on briefly in her comments, obviously parity
10 is of primary importance to those of us
11 representing upstate areas. The parity, as
12 I've seen it reported as recently as over
13 this weekend, is -- and correct me if I'm
14 wrong -- that it's been a \$22 billion
15 proposal for upstate and a \$26 billion
16 proposal for MTA. Is that generally accurate
17 figures?

18 COMMISSIONER DRISCOLL: I'm honestly
19 not sure what the MTA number is, but
20 \$22 billion is the Transportation budget.

21 SENATOR O'MARA: Well, there was an
22 announcement earlier in the year between
23 Governor Cuomo and Mayor de Blasio about I
24 believe it was a \$8.38 billion figure for

1 MTA. Do you know whether that 8.3 billion is
2 per year, and for how many years that
3 commitment is for?

4 COMMISSIONER DRISCOLL: I don't. I
5 would suspect that that's a conversation
6 between the Legislature and the Executive.

7 SENATOR O'MARA: With regards to CHIPS
8 funding, as I read the Executive Budget so
9 far there is no increase for CHIPS funding?

10 COMMISSIONER DRISCOLL: That's
11 correct. It's the same amount as last year.

12 SENATOR O'MARA: And with the other
13 \$22 billion for upstate roads and bridges,
14 how much of that will be going towards local
15 roads and bridges, as opposed to state?

16 COMMISSIONER DRISCOLL: Well,
17 \$500 million for each program. Recall we
18 have the BRIDGE-NY program for a billion
19 dollars and the PAVE-NY program.

20 So I'd add that the PAVE-NY program
21 will really be in addition to CHIPS funding,
22 as an example, because it will provide
23 across-the-board additional resources for
24 local governments.

1 SENATOR O'MARA: Is it the intention
2 to distribute those monies in the same kind
3 of formula fashion as CHIPS is distributed?

4 COMMISSIONER DRISCOLL: There is a
5 formula, but I can't say to you with
6 certainty that it's the same.

7 SENATOR O'MARA: Do we have that
8 available as far as where that spending is
9 going to be for upstate roads and bridges --
10 or local roads and bridges?

11 COMMISSIONER DRISCOLL: Those have not
12 been identified yet, but we will have that
13 information. We're poring through building
14 the criteria now.

15 SENATOR O'MARA: Now, with regards to
16 the Dedicated Highway, Bridge and Trust Fund,
17 it's my understanding that that brings in
18 roughly 6-point-some billion dollars a year.
19 Could you explain -- if that number is
20 accurate; correct me if it's not -- how that
21 money is broken out, where that's spent?

22 COMMISSIONER DRISCOLL: I can't, but
23 I'd be happy to get you those answers.

24 SENATOR O'MARA: I would. My

1 understanding is that the Dedicated Highway,
2 Bridge and Trust Fund, the intention when it
3 was set up was to be towards capital funding
4 for roads and bridges. And it seems that a
5 lot of that goes towards regular maintenance
6 as opposed to capital projects. And also a
7 great deal that seems to go to administration
8 as well rather than capital projects. So
9 that's certainly a concern of mine in those
10 resources not being used as they were
11 originally intended that are collected
12 through a variety of driver's fees and fees
13 at the gas pumps as well.

14 So it's important to all of us in this
15 state that money is spent the way it was
16 intended as it's collected. And I think it's
17 been a long time since that hasn't been
18 followed, and I would like your attention at
19 that, and maybe an explanation as to the
20 breakout of how those funds are currently
21 being expended, proposed for this year.

22 On public transit in upstate, we seem
23 to have a bit of a battle and dispute going
24 on between the Department of Transportation

1 and the Department of Health as it comes to
2 non-emergency Medicaid transportation and the
3 use of public transit for those rides. And
4 my rural counties that I represent are
5 struggling greatly with rides being assigned
6 to taxi companies rather than through the
7 public transit that is provided by the
8 counties or in some cases by the ARCs of the
9 county, to the point where one adjacent
10 county to mine, Tioga County, has completely
11 shut down their transit system because of
12 loss of ridership because of non-emergency
13 Medicaid transportation no longer being
14 directed to public transit.

15 I believe the Department of
16 Transportation has been supportive in my
17 efforts and my colleagues' efforts to rectify
18 that. We're still having quite a battle with
19 the Department of Health, who is assigning
20 those rides. Are you up to speed on that
21 issue, and can you address what DOT is doing
22 with regards to non-emergency Medicaid
23 transportation, trying to get those rides on
24 our public transit systems?

1 COMMISSIONER DRISCOLL: So that's the
2 first I've heard of that. But I will be
3 reaching out to the Department of Health as
4 well to understand what their thinking is
5 related to that.

6 SENATOR O'MARA: At last year's budget
7 there was some \$4 million that was allocated
8 towards rural public transit systems to make
9 up for this loss of ridership. So there's an
10 acknowledgment that it's having an impact.
11 That was last year's budget, \$4 million was
12 appropriated. None of it has been
13 distributed to our rural transit systems,
14 which are dying on the vine right now with
15 the lack of ridership.

16 And I would encourage you to look into
17 that, Commissioner, because as more and more
18 of our rural counties shut down their transit
19 systems, that's not going to help anybody,
20 including those that are -- the Medicaid
21 recipients that are getting these rides and
22 the like in that regard.

23 One final question with regards to the
24 Tappan Zee Bridge. Can you explain to us how

1 the state is going to pay for the Tappan Zee
2 Bridge?

3 COMMISSIONER DRISCOLL: I don't have
4 the knowledge of that final plan. Obviously
5 they received a TIFIA loan, that work
6 continues, great progress is being made. The
7 final plan is not yet available.

8 SENATOR O'MARA: Who is putting that
9 plan together?

10 COMMISSIONER DRISCOLL: That would be
11 a question for the Thruway Authority.

12 SENATOR O'MARA: Thank you very much,
13 Commissioner.

14 COMMISSIONER DRISCOLL: Thank you.

15 CHAIRMAN FARRELL: Thank you. We've
16 been joined by Assemblywoman Simon.

17 Next, Assemblyman Brennan.

18 ASSEMBLYMAN BRENNAN: Good morning,
19 Commissioner. I just wanted to discuss a
20 little bit about the overall perspectives
21 associated with the DOT capital plan.

22 This is the second year of a five-year
23 plan. But as we had last year, there was not
24 a project list submitted as of the time of

1 the budget. Can you tell us when you will be
2 submitting a project list for the DOT capital
3 plan?

4 COMMISSIONER DRISCOLL: My
5 understanding is we've lived up to that
6 commitment and we're working with the
7 Legislature on those projects.

8 ASSEMBLYMAN BRENNAN: Well, isn't it
9 more useful for the general public and the
10 members of the Legislature to see in advance
11 what the project list is proposed, so that
12 there can be some kind of understanding and
13 some kind of input into that?

14 I mean, usually the past couple of
15 years we've had an MOU that has been
16 negotiated, you know, in the last 48 hours of
17 the budget and no list prior to that. So I
18 don't really think that's such a great
19 process. Can you possibly change the
20 process?

21 COMMISSIONER DRISCOLL: Well, yeah, I
22 can't speak to the MOU, but I can tell you
23 that the projects that were part of that are
24 being honored. Now, we're working with the

1 Legislature, who has the projects --

2 ASSEMBLYMAN BRENNAN: Well, they were
3 appropriated in the -- I mean, they were
4 pursuant to the MOU, so they're on a list
5 pursuant to an appropriation.

6 COMMISSIONER DRISCOLL: Right, and
7 we --

8 ASSEMBLYMAN BRENNAN: So you're
9 supposed to do that anyway, right?

10 THE SPEAKER: And we are honoring that
11 commitment.

12 ASSEMBLYMAN BRENNAN: Okay. But as
13 far as you know, there's not going to be a
14 public list anytime in the near future other
15 than what we see at the time of adoption?

16 CHAIRWOMAN YOUNG: Well, I wouldn't
17 speculate on that.

18 I would say that with regard to the
19 last project list, as I said, we've provided
20 that to the Legislature, and we are living
21 that commitment.

22 ASSEMBLYMAN BRENNAN: Okay, I
23 understand that.

24 And as far as a letting level is

1 concerned, do you publish a letting level for
2 the next three years sometime in the near
3 future?

4 COMMISSIONER DRISCOLL: I'm sorry, did
5 you say letting --

6 ASSEMBLYMAN BRENNAN: A letting level.
7 How much actually goes out the door and
8 pursuant to a contract.

9 COMMISSIONER DRISCOLL: Yes, sure.

10 ASSEMBLYMAN BRENNAN: You will be --
11 when will you be publishing that?

12 COMMISSIONER DRISCOLL: When we have
13 the project list fully developed from the
14 Legislature.

15 ASSEMBLYMAN BRENNAN: At the same time
16 as the MOU as of the practice beforehand?

17 COMMISSIONER DRISCOLL: Again, I can't
18 speak to what the practice was previously.
19 As I mentioned, the MOU that ultimately was
20 not signed yet still included projects, we
21 are honoring those commitments and we are
22 working with the Legislature on those
23 projects.

24 ASSEMBLYMAN BRENNAN: Okay. So it's

1 good to see an increase in the five-year
2 capital budget. You mentioned or in the
3 Executive Budget it shows an increase of
4 \$3.8 billion between state and federal funds.
5 How much -- how is that divided between state
6 and federal?

7 COMMISSIONER DRISCOLL: Well, so for
8 this year, it's 1.8 billion, so there will be
9 1.1 billion in state funds and 700 million in
10 federal.

11 ASSEMBLYMAN BRENNAN: That is the
12 increase?

13 COMMISSIONER DRISCOLL: Yes.

14 ASSEMBLYMAN BRENNAN: And what is the
15 source of the additional state funds? What
16 is the source of funds for that \$1.1 billion.

17 COMMISSIONER DRISCOLL: State funding.

18 ASSEMBLYMAN BRENNAN: Is it cash from
19 the General Fund? Is it borrowing --

20 COMMISSIONER DRISCOLL: That would be
21 a question for the Department of Budget, but
22 I'd be happy to get you the answer as well.

23 ASSEMBLYMAN BRENNAN: It's not
24 included in your budget how it will be

1 financed?

2 COMMISSIONER DRISCOLL: They're state
3 funds.

4 ASSEMBLYMAN BRENNAN: Okay. No more
5 questions. Thank you.

6 COMMISSIONER DRISCOLL: Thank you.

7 CHAIRMAN FARRELL: Thank you.

8 Senator?

9 CHAIRWOMAN YOUNG: Senator Krueger.

10 SENATOR KRUEGER: Senator Marty Dilan.

11 SENATOR DILAN: Thank you very much,
12 Madam Chairperson.

13 Good morning, Commissioner.

14 COMMISSIONER DRISCOLL: Good morning.

15 SENATOR DILAN: I have the same
16 concerns regarding the project list and MOU.
17 Despite the fact that we may be in the second
18 year of a five-year plan, we constantly get
19 the same responses and no project list and no
20 MOU, and then we're expected to vote blindly
21 on these projects. So I just wanted to note
22 that for the record.

23 But I want to know how did DOT's
24 overtime and consulting costs change during

1 the 2010-2014 capital plan, relative to its
2 projections? How have overtime and
3 consulting expenses changed since the passage
4 of design/build?

5 COMMISSIONER DRISCOLL: So as you're
6 aware, the typical breakdown has been about
7 50/50 in house versus consultants. That has
8 not changed.

9 In terms of the dollar amount on a
10 change, I don't believe that there's been a
11 change. We've been pretty consistent,
12 historically, on those costs.

13 SENATOR DILAN: Can you give us a
14 status report on the implementation of
15 design/build legislation since it passed in
16 2011 and what percentage of DOT's capital
17 programs use design/build or best value
18 procurement, and can you explain how
19 design/build generated the fiscal time and
20 savings projections that were cited and how
21 design/build procurements are audited by your
22 department?

23 COMMISSIONER DRISCOLL: Right. I
24 don't think I can give you a percentage of

1 that. I can tell you that the design/build
2 process has awarded 23 contracts totaling
3 about \$1.1 billion.

4 The reality is design/build is really
5 a faster process to get projects done. And,
6 you know, there's an old saying time is
7 money. So it's been very successful. The
8 K Bridge in the City is a great example of a
9 design/build project. It's moving along
10 wonderfully. But design/build has been very
11 successful, and I would suggest respectfully
12 to this body that making that a permanent
13 option for the Department of Transportation
14 would be welcome.

15 SENATOR DILAN: With respect to the
16 Kosciuszko Bridge, can you give us the status
17 of that? And that also is a design/build
18 project, so --

19 COMMISSIONER DRISCOLL: It is. It is.
20 And I had the good fortune of being there
21 about a month ago to take a look at that.
22 It's on time, it's on budget, is my
23 understanding. And as you can see, progress
24 is being made. So it is on time, the

1 progress is working well, the partnership
2 with the design/build firms is working
3 wonderfully. And I think it's a great
4 example, particularly in a very kind of
5 condensed area, of why design/build can make
6 good sense when time so important.

7 SENATOR DILAN: Okay. I want to move
8 to the \$200 million for upstate airport
9 revitalization. And there is a lot of talk
10 about parity. Is there any expected funds
11 that will go to New York City airports? And
12 are you involved in the LaGuardia Airport
13 revitalization?

14 COMMISSIONER DRISCOLL: So on the
15 LaGuardia Airport we are helping coordinate,
16 with the Port Authority, access on the Grand
17 Central Parkway for construction activity at
18 the airport. That's the extent of our
19 involvement.

20 You know, with respect to the upstate
21 airport initiative that the Governor put
22 forth, it is for the 74 airports that are
23 upstate. And I think, you know, the
24 Governor's efforts clearly, with LaGuardia as

1 an example, really demonstrate the need to
2 upgrade these facilities, not only in the
3 city area but certainly in upstate.

4 As I mentioned, it's a competitive
5 program. There will be five winners out of
6 74 who would compete. But again, I want to
7 say that I think it's a healthy exercise for
8 localities or airport operators to develop
9 their plans, because it helps them think
10 long-term. So I think it's a great program.
11 It is focused on upstate New York and not the
12 City, sir.

13 SENATOR DILAN: Okay. Years back
14 there was a lot of talk with respect to
15 high-speed rail. And during that time there
16 were federal funds that were given to
17 New York State initially, and I believe that
18 there was another state, I believe it was
19 Florida, who refused their funds, and that
20 eventually was awarded to New York State.

21 Can you tell us what progress has been
22 made with respect to high-speed rail in
23 New York?

24 COMMISSIONER DRISCOLL: Sure. Sure.

1 We're making progress. And, you know, this
2 is a really long-term effort that really must
3 rely on the federal government as well as a
4 partner.

5 But in the Rensselaer Station, the
6 fourth track is being added. In Schenectady,
7 the double track is being constructed.
8 Historically for those of us that live west
9 of Albany, Schenectady has been somewhat of a
10 choke point in terms of time. That is
11 getting addressed.

12 But going forward, there's lots of
13 work and signalization and other areas that
14 will need to continue, and we'll need to work
15 very closely with our partner in the federal
16 government to help support those efforts.

17 SENATOR DILAN: But how are those
18 federal funds being spent or utilized?

19 COMMISSIONER DRISCOLL: As I just
20 mentioned, there's two concrete examples, in
21 Rensselaer adding the fourth track, which
22 moves traffic flows over because there's this
23 tension between cargo and passenger. And the
24 same in Schenectady where, you know,

1 historically a train could sit, be parked to
2 the side for up to 45 minutes.

3 You know, my personal opinion is on
4 high-speed rail it's really not the speed
5 that the trains can travel at. Because right
6 now trains can travel up to a hundred miles
7 an hour in certain areas. But they make a
8 lot of stops. There's these two areas that I
9 mentioned that really slow the system down.
10 There's signalization challenges that need to
11 be upgraded as well. And we have a strong
12 commitment to work with our federal partner
13 to continue to fund those efforts going
14 forward.

15 We're also doing new stations. We
16 will be doing it in Schenectady. We are
17 under construction in Rochester modernizing
18 that facility. So work is progressing.

19 SENATOR DILAN: Okay. And my final
20 question is with respect to MWBEs. If you
21 can give us your dollar value in past capital
22 program years. And what do you expect for
23 the new five-year capital plan with that
24 respect?

1 about 26 percent. So we're doing very well,
2 but that's not good enough. We need to
3 continue to do more outreach, training
4 programs for our industry partners across the
5 State of New York in every region.

6 SENATOR DILAN: Thank you very much,
7 Commissioner.

8 COMMISSIONER DRISCOLL: And I'm
9 committed to that.

10 SENATOR DILAN: Thank you.

11 CHAIRMAN FARRELL: Thank you.
12 Assemblyman Kaminsky.

13 CHAIRWOMAN YOUNG: Before that,
14 Chairman, I'd like to say that Senator Patty
15 Ritchie has joined us.

16 SENATOR KRUEGER: And also Senator
17 Marc Panepinto.

18 ASSEMBLYMAN KAMINSKY: Good morning,
19 Commissioner. How are you? I just want to
20 ask you a few questions about some
21 transportation projects on southern
22 Long Island, if that's okay.

23 COMMISSIONER DRISCOLL: Sure.

24 ASSEMBLYMAN KAMINSKY: So the first

1 involves State Route 878. And I'm sure you
2 have a lot -- it's a big state and a lot of
3 roads to deal with. 878 connects the Five
4 Towns area and a good part of the Long Beach
5 Barrier Island with Queens, JFK Airport and
6 the rest of New York City.

7 And the number-one complaint I guess
8 I've received in my term so far involves the
9 congestion and the flooding on Route 878. A
10 lot of people spend a lot of time either
11 repairing their cars after driving on it,
12 stuck in traffic or stuck in floods.

13 And the first question I had for you
14 before I get into the road itself is about
15 state priority roads. How do you go about
16 determining what road gets priority status
17 and what doesn't? And then I'll ask
18 specifically about this one.

19 COMMISSIONER DRISCOLL: Well, you
20 know, I think we do a historical overview and
21 look at where roads have been impacted by
22 extreme events such as the one that you're
23 mentioning, you know, with flooding. This
24 might be an opportunity with the program I

1 outlined early on, which was the Extreme
2 Weather Program that the Governor is
3 promoting in this budget as well.

4 So we try to do a thoughtful analysis
5 of where these particular roadways are that
6 may not just be impacted by extreme weather
7 events -- flooding, in the example that you
8 cited -- but also in road conditions, traffic
9 counts, et cetera.

10 ASSEMBLYMAN KAMINSKY: Sure. And
11 after Hurricane Sandy, the fact of 878 being
12 a key evacuation route was really highlighted
13 for people, and it's scary.

14 So I brought a photo I blew up just to
15 show you what happens on a day where there's
16 just regular rain. This wasn't a storm,
17 there was no -- you would have heard on the
18 news "Rain tomorrow." And this is what you
19 get on a regular rainy afternoon. And you
20 can obviously see that this is to the
21 consternation of a lot of taxpayers who don't
22 understand why this has been this way for so
23 long.

24 COMMISSIONER DRISCOLL: Right. Is

1 that ponding on the left-hand side?

2 ASSEMBLYMAN KAMINSKY: Yes.

3 So what we have as a result,
4 unfortunately, is this is a symbol for a lot
5 of people beyond their driving trouble, it's
6 a symbol of government failure. And I think
7 a lot of that has to do with the fact that
8 you have two different regions of DOT
9 intersecting right there between Nassau or
10 Long Island and the City. You have the
11 county having a part of the roadway that kind
12 of is right around there too, and so it's
13 difficult.

14 What I was able to unearth was DOT did
15 a study on congestion in the area, and
16 flooding, a few years ago, just in I believe
17 2011 or 2012. And I've worked with some of
18 your regional directors on it. But it's kind
19 of gotten buried in the attic, so to speak,
20 and I would appreciate if you could look at
21 it and give it some attention.

22 For a relatively modest sum, expanding
23 a lane in one direction or the other, I think
24 some great improvements could be made. And I

1 think because it's an evacuation route and
2 because it's gotten inattention for so long,
3 making the flooding and the congestion a
4 priority would be much appreciated by a lot
5 of Long Islanders.

6 COMMISSIONER DRISCOLL: Okay. And did
7 you say that was 2012 you thought that study
8 was?

9 ASSEMBLYMAN KAMINSKY: Yeah. I have
10 the study; I could pass it on to your staff
11 if you like.

12 COMMISSIONER DRISCOLL: Okay. Yeah,
13 we'll definitely take a look and I'll get
14 back to you.

15 ASSEMBLYMAN KAMINSKY: Okay, thank
16 you. The second thing is I'm sure you
17 appreciate when politicians ask for funds for
18 a program and then, when you're doing the
19 program, complain about the chaos it causes
20 in the area. I'll try not to do that.

21 You are investing money to repair the
22 Loop Parkway drawbridge, which is the eastern
23 end of the Barrier Island up. And it's a
24 needed repair, and that's appreciated. But

1 my understanding is that it will be shut down
2 for entire weekends in the upcoming year.
3 And I'd just ask that you pay attention to
4 that, to try to minimize the impact it will
5 cause. There will be thousands of people in
6 my area who will have to take a tremendous
7 detour just to get off the island on certain
8 weekends, so making sure we minimize the
9 impact of that is appreciated. But I do
10 appreciate you modernizing our bridges, and I
11 thank you for that.

12 COMMISSIONER DRISCOLL: Sure. And I
13 appreciate that. And look, I mean, we're
14 going to have to shut that down for the
15 weekend to get the work done that's got to be
16 done; there's going to be some disruption.
17 But what we will make sure is that we are
18 giving as much advance notice, you know, to
19 folks so they know where the proper ways will
20 be to avoid that closure during the time of
21 construction.

22 ASSEMBLYMAN KAMINSKY: Okay. And,
23 look, I'm not an engineer, but if you could
24 just make sure that those closures are

1 absolutely necessary, that would be
2 appreciated as well.

3 COMMISSIONER DRISCOLL: Okay, sure.

4 ASSEMBLYMAN KAMINSKY: And lastly, I
5 drove up to Albany this morning and heard
6 apocalyptic weather reports about coastal
7 flooding this weekend. And I actually, after
8 having lived through Irene and Sandy, take
9 that seriously. So I'd just ask that you
10 spend some time this week considering how
11 that will impact coastal areas in our region
12 and help us be prepared in case the flooding
13 is more serious than we'd like.

14 COMMISSIONER DRISCOLL: Right. And
15 just so everybody knows, we've been meeting,
16 they're meeting right now on it, we've been
17 in discussions since yesterday with New York
18 Responds, DHSES, and other emergency service
19 providers, coordinating efforts. We're
20 tracking the storm to see what happens. Just
21 know that we have -- all of our salt sheds
22 are fully up, they're full on Long Island.
23 We have plenty of equipment and manpower, and
24 we're prepared to respond.

1 ASSEMBLYMAN KAMINSKY: Thank you, and
2 I appreciate that.

3 The Governor's Office of Storm
4 Recovery has worked with our communities to
5 come up with coastal mitigation projects,
6 sometimes very involved projects that cost a
7 lot of money. And we are very excited for
8 that, but they're not there yet. And
9 obviously that's not your department. But
10 the point is we almost, in many cases, are no
11 better prepared for flooding than we were the
12 day before Sandy. So, you know, please keep
13 that in mind in making your preparations.

14 COMMISSIONER DRISCOLL: And I will.
15 And I have some familiarity with that from my
16 previous career, and you're correct, there's
17 been a lot of -- with the erosion of the
18 coastal sea grasses in particular, that acted
19 as kind of a protective barrier. So I know
20 the requisite agencies, DEC, EFC and others,
21 are working with EPA to secure funding to
22 really make sure that those protection
23 barriers are in place.

24 ASSEMBLYMAN KAMINSKY: Okay, thank

1 you. I look forward to working with you on
2 these projects. Take care.

3 COMMISSIONER DRISCOLL: Thank you.

4 CHAIRMAN FARRELL: Thank you.

5 CHAIRWOMAN YOUNG: Thank you.

6 Next we'll hear from Senator Michael
7 Ranzenhofer.

8 SENATOR RANZENHOFER: Good morning.
9 Thank you, Commissioner.

10 COMMISSIONER DRISCOLL: Good morning.

11 SENATOR RANZENHOFER: I just want to
12 ask you about one of the comments that you
13 had made earlier when Senator Young asked you
14 about parity and you were talking about your
15 budget and you said words to the effect that
16 you are given a budget to administer in the
17 Department of Transportation and parity, you
18 know, that's not your issue.

19 It is my issue. And it is an issue
20 for a number of people, my colleagues
21 especially upstate, who are very concerned
22 about parity because if the money is not
23 flowing to our region, then the roads and
24 bridges are not being adequately addressed.

1 I just want to tell you that that is a
2 concern of mine.

3 And one of the things that you've
4 mentioned is right now you're readdressing
5 the formula. And several years ago the
6 formula was recalculated to the advantage of
7 some areas and then to the disadvantage of
8 other areas. My area in particular, the
9 Western New York region, did not benefit by
10 the recalculation of the formula.

11 So if you're now revising the formula
12 again, this will be the third reiteration of
13 this formula for distributing funds. And I
14 wanted to ask you when is the formula going
15 to be ready and why is the formula being
16 changed again? Because it seemed like when
17 you made the second change, it was more
18 subjective as opposed to just number of lane
19 miles, as it had been previously for many,
20 many years.

21 So what's the rational behind the
22 readjustment of the formula? Because that
23 ties into the parity question, which I
24 believe my area in Western New York was

1 adversely affected. So if you can tell me
2 when it's going to be done and why it's going
3 to be done and what the new formula's going
4 to be and how it's different from the second
5 version.

6 COMMISSIONER DRISCOLL: So we're not
7 changing previous formulas. I talked about
8 the development of a formula for the new
9 PAVE-NY program. And that really will help
10 support dollars that localities are
11 receiving, you know, otherwise through CHIPS.
12 So it will be in addition to.

13 So we are creating a formula for the
14 distribution of those funds. When it will be
15 done, you know, I can't tell you with
16 certainty. I would hope that it would be
17 done by late spring. But we are working on
18 that now.

19 You know, I'm hesitant to give you a
20 time frame because, candidly, I don't know
21 what it is and I don't want to be wrong. But
22 we are working on a new formula for the
23 distribution of those dollars for the PAVE-NY
24 program.

1 SENATOR RANZENHOFER: Okay. Are you
2 planning on getting those dollars out the
3 door this year?

4 COMMISSIONER DRISCOLL: I'm sure that
5 the locals would love us to do that. And I
6 recognize, having been in that position as
7 well, how important that is. So when we're
8 ready to go, we'll want to make those
9 disbursements as soon as we can.

10 SENATOR RANZENHOFER: Okay. Because
11 one of the things that we deal with just on a
12 day-to-day basis -- and this was brought up
13 earlier as well in terms of your letting
14 process and then your award process. I mean,
15 all too often my experience is, you know,
16 you'll be soliciting bids in February and
17 March and April and then you get backed up
18 because of the construction season and then
19 the project gets done the following year.

20 The concern I have for your PAVE-NY
21 and BRIDGE-NY program is that if you're not
22 going to have your formulas in place until
23 the late spring, how can you possibly then do
24 the letting process, award the contracts --

1 with all the time delays that are built in --
2 and actually get the work done this year? So
3 that's my concern, is that we can do the work
4 this year.

5 So how would we be able to actually
6 get the projects out the door, get the men
7 and women working, get the roads paved this
8 year with that timetable that you've alluded
9 to?

10 COMMISSIONER DRISCOLL: Right. And
11 so, I mean, you know, you're correct to point
12 that out. That's a discussion that I had
13 soon upon my arrival at the department, was
14 the coordination and the timing of the
15 lettings and how the construction efforts
16 roll out, absent from the funding piece.

17 We have a short window for
18 construction in New York State, let's face
19 it. It's about five months, six months.
20 This year was a little better because we've
21 so far -- knock on wood -- had a pretty fair
22 and mild winter.

23 But having said that, you know, it's
24 really a timing issue and a coordination

1 issue. So as we develop this formula and as
2 we understand where projects lie, some
3 projects may not be just a one-year summer
4 project as well. They're all different.

5 But as best that we can coordinate
6 those, we want to do that for efficiencies on
7 the local level and, candidly, for
8 efficiencies from our end as well. Because
9 if we have dollars available to support local
10 efforts, we want to get those out the door.

11 SENATOR RANZENHOFER: Okay. Because
12 one of the comments that you also made
13 earlier, and I quote, you said "Time is
14 money." And obviously if the projects are
15 delayed, they're going to be more costly. If
16 they're delayed into the next construction
17 season, the costs are going to go up more
18 than anybody wants to do.

19 COMMISSIONER DRISCOLL: Sure.

20 SENATOR RANZENHOFER: So what can you
21 say to assure us that, you know, there's
22 going to be some sort of change within the
23 department to get these projects done more
24 quickly?

1 COMMISSIONER DRISCOLL: Well, I mean,
2 look, I'm not going make a promise about
3 something that might happen in the weather to
4 delay a project or some unforeseen event.

5 You know, many times in construction
6 in particular, sometimes you find things you
7 never planned on. So there's a list of
8 variables that can happen during a
9 construction project that might delay it.
10 Not in all cases; it could happen. But to
11 the best of our ability, we are looking at
12 how we can better coordinate the release of
13 funds, getting projects let so that they're
14 coordinated so that without a hiccup they can
15 be done in a timely manner.

16 SENATOR RANZENHOFER: Okay, let me
17 just switch gears a moment to public transit
18 and the disparity between the upstate and the
19 downstate area.

20 We have transit systems in our area
21 that, you know, have had capital projects on
22 the back burner for years. One in
23 particular, an escalator which transports
24 people up and down, which has been

1 inoperable. And it just took forever to get
2 it fixed. You have systems that want to
3 expand bus service systems, you have systems
4 that want to purchase new buses, and, you
5 know, at least what I view as a rather meager
6 increase in funding for upstate public
7 transit. I just don't know how you can ask
8 them, you know, to just continue to put these
9 projects on hold, especially after your
10 comment that time is money. You know, the
11 longer you wait, the more expensive the buses
12 cost. The longer you wait, the more
13 expensive the cost to fix the elevator.

14 You know, what assurances do we have
15 that this money is actually going to be there
16 that these transit systems can use?

17 COMMISSIONER DRISCOLL: Well, let me
18 say that about two months ago I took the time
19 to meet with all the transit operators to
20 hear firsthand from them. And while some may
21 have some capital needs, largely it was
22 operational.

23 But I've listened to them. And part
24 and parcel, that's why we want to ensure that

1 when, you know, funds -- and hopefully as the
2 budget is passed, these additional
3 resources are made available, that we can get
4 to those transit operators who need those
5 operating funds.

6 There is an additional \$5 million put
7 in for capital funds. We'll go through that
8 assessment. I won't speak to it because I
9 haven't done it. But we will be going
10 through that assessment as well to identify
11 the capital needs and how those can be
12 distributed upon need.

13 SENATOR RANZENHOFER: Let me just
14 touch on two other areas.

15 You mentioned this airport
16 competition, there are going to be five
17 awards and I think 79 or 84 --

18 COMMISSIONER DRISCOLL: 74.

19 SENATOR RANZENHOFER: -- 74 that are
20 going to compete.

21 One of the things I just want to ask
22 you is, you know, when you ask an airport to
23 come up with some sort of plan, I mean, they
24 have to spend a lot of money in terms of

1 architects, engineers. It costs tens,
2 hundreds of thousands of dollars for these
3 type of plans. So while they're going to be
4 helpful -- but if you only have, you know,
5 maybe five or 6 percent of the airports
6 receiving money, where is the incentive for
7 an airport, who has very limited funds right
8 now, to expend hundreds of thousands of
9 dollars for design projects if they have a
10 very low chance of receiving any funds?

11 COMMISSIONER DRISCOLL: Right. Well,
12 that's assuming they all have to spend that
13 money. Because they might not all have to.

14 If they have an aggressive build-out
15 program, they may need to bring in
16 contractors to help fulfill that design
17 project, as an example. Other airports may
18 simply need a jet bridge, which is the piece
19 of equipment that you walk out the door to
20 that connects to the airplane itself.

21 Their needs are different. For people
22 who are looking to do a more aggressive
23 build-out of an airport, they would likely
24 utilize outside consultants. But for some of

1 the smaller airports that frankly are
2 throughout New York State, their needs may
3 not be the same.

4 So I can't speak intelligently to
5 whether or not they all spend a hundred
6 thousand dollars or not. My guess is, based
7 on past experience, that's not completely
8 true. But I would acknowledge that there are
9 airports that likely will have development
10 plans or have those already in their back
11 pocket.

12 You know, many airports -- federal
13 funding is the large driver for airports
14 across New York State and the country. We
15 get the money from the feds. And so most
16 airports have plans already developed. They
17 may have to upgrade them, they may have to
18 make some adjustments, but by and large most
19 airports do have plans on the table.

20 SENATOR RANZENHOFER: Okay, let me
21 just close with one question. You talked
22 about the MWBE program. In some areas of the
23 state, that works great. In other areas,
24 there's a lot of time spent getting waivers

1 because it's just not being met. And back to
2 your "time is money," it just takes forever
3 to get this waiver.

4 So I'm wondering what your department
5 can do to speed up that process so projects
6 can be done more quickly if that goal,
7 although lofty, is not able to be met in a
8 community.

9 And I'll stop asking questions and
10 just listen to your answer.

11 COMMISSIONER DRISCOLL: Okay. Well,
12 thank you. That's a good question.

13 So we have met with ESD, who is really
14 the program overseer, if you will, on the
15 waiver issue and others. And again, you
16 know, it's really about education and
17 outreach.

18 But from the state's perspective, it's
19 also making sure that localities or people
20 who are looking to do work are casting a wide
21 net. That is, they're not just perhaps
22 advertising in the town tribune, but they are
23 casting a wider net to seek out MWBE
24 opportunities beyond the county line, if you

1 will.

2 So again, I think a lot of it is
3 educational that we need to continue to do.
4 We are also working with ESD to better
5 understand their position on waivers and what
6 additional information may be necessary.
7 Because you're correct, sometimes the waiver
8 requests take long. And of course we don't
9 want that as well.

10 SENATOR RANZENHOFER: Thank you,
11 Commissioner.

12 COMMISSIONER DRISCOLL: Thank you,
13 sir.

14 CHAIRMAN FARRELL: Thank you, Senator.
15 Assemblyman McDonough.

16 ASSEMBLYMAN McDONOUGH: Thank you,
17 Chairman.

18 Welcome, Commissioner. Good morning.

19 COMMISSIONER DRISCOLL: Good morning.

20 ASSEMBLYMAN McDONOUGH: One of my
21 concerns is the transit capital funding, but
22 I know this is going to be a subject that we
23 have to discuss in our budget negotiations,
24 that downstate capital funding seems to be

1 zero in the Executive Budget proposal.

2 Upstate is doing \$20 million.

3 Anyway, but I have another local
4 question, and I'll be very brief. In Nassau
5 County, the Southern State Parkway. I don't
6 know if you've been on it, but there's a
7 section there that over the past several
8 years has gotten the moniker as "Blood Alley"
9 because there's a lot of curves and it's high
10 speed, of course.

11 And I'm wondering -- I don't think we
12 can rebuild the Southern State Parkway,
13 obviously. But if you would seriously
14 address that, because I'm getting lots of --
15 over several years, lots of times that people
16 have called and complained about it. And
17 there are severe accidents on there, high
18 speed at turns. I don't know what we can do
19 about lowering the -- we can't lower the
20 speed limit, usually, on a parkway. But I
21 would appreciate if you would look into it,
22 the Southern State Parkway, mostly in western
23 Nassau County. And I'll get back to you with
24 the actual locations and all of that. But if

1 you'd look into it.

2 COMMISSIONER DRISCOLL: Okay, I will.

3 ASSEMBLYMAN McDONOUGH: And as I say,
4 it's referred to as Blood Alley.

5 COMMISSIONER DRISCOLL: What, I'm
6 sorry?

7 ASSEMBLYMAN McDONOUGH: Blood Alley,
8 because there's many deaths there.

9 So if you could look into that, I'd
10 appreciate it. And let me know what's -- if
11 anything can be done to remediate or develop
12 something with that.

13 COMMISSIONER DRISCOLL: Okay.

14 ASSEMBLYMAN McDONOUGH: Okay?

15 COMMISSIONER DRISCOLL: Yeah.

16 ASSEMBLYMAN McDONOUGH: Thank you very
17 much.

18 And, Chairman, I won't use any more of
19 your time.

20 CHAIRMAN FARRELL: Thank you.

21 CHAIRWOMAN YOUNG: Thank you very
22 much.

23 Next we have Senator Kennedy.

24 SENATOR KENNEDY: Thank you,

1 Chairwoman.

2 Thank you, Commissioner. It's great
3 to see you. And let me just start by
4 thanking you and your office for the level of
5 professionalism and outreach communication
6 that you've demonstrated over the course of
7 the last several months. It's been a
8 pleasure to work you, and it's great to see
9 an upstater that recognizes the needs of our
10 community. And I want to touch on some of
11 these needs that are contained and some
12 concerns that I have with the budget.

13 You know, again, as my colleagues have
14 already pointed out the issue of parity, I
15 have to bring it up, I'm compelled because
16 it's something that we're hearing with great
17 significance, not only the safety of our
18 roads and bridges and those that are
19 utilizing these roads and bridges every
20 single day in their commutes, but also the
21 workforce, the businesses, and the jobs that
22 are created and ensuring that there is that
23 parity, there is that level playing field.

24 There is a lot of talk of parity, and

1 we want to see it through into actuality,
2 into reality. So we're going to be watching
3 intently how this unfolds over the course of
4 the next couple of months. But certainly we
5 are on the same page when it comes to
6 ensuring that our region -- which, quite
7 frankly, in years past has been neglected.
8 And as an upstater yourself, a former mayor
9 of Syracuse, you get it. So certainly that's
10 something that is a major concern of ours.

11 COMMISSIONER DRISCOLL: Right.

12 SENATOR KENNEDY: Another point that
13 I'd like to make in regard to public transit,
14 the operating assistance. Again, my
15 colleagues have touched on this already.
16 But, you know, my district in particular is
17 impacted with great significance. I
18 represent the City of Buffalo, the City of
19 Lackawanna, the Town of Cheektowaga. Buffalo
20 Niagara International Airport is in my
21 district. There is the public transit system
22 wholly contained within my district, the
23 light rail. Our community is the only
24 community in upstate New York with a light

1 rail transit system.

2 And so, you know, it seems like year
3 after year -- and I know this is your first
4 budget hearing, but it's my sixth. And year
5 after year we come to the table and we talk
6 about ensuring that Western New York and in
7 particular the NFTA, because of the fact that
8 it's the only upstate system with a light
9 rail component, is funded to the level that
10 it needs to be. And quite frankly, I believe
11 that the formula needs to be adjusted. And
12 we've talked about redoing the formula in
13 various areas. This is one area that I think
14 needs to be addressed. And I'd like you to
15 touch on that, if you could, please.

16 COMMISSIONER DRISCOLL: Sure. Well,
17 I'm pleased to report that the Governor has
18 increased upstate transit funding. So as I
19 mentioned earlier, everyone will see an
20 increase in that.

21 You know, as we go through the
22 long-term needs of a system, you know,
23 there's two sides of that. Right? There's
24 the capital side that that system may need,

1 and then there's the operational side as
2 well.

3 And I know, you know, that as I
4 mentioned meeting earlier with many of the
5 transit operators across the state, they're
6 very hardworking. They provide a critically
7 important service. And I say that as a
8 former mayor, it's so critically important to
9 my city, and still is, and is to many of your
10 districts as well. And so they also
11 understand, you know, the need for
12 modernization as well.

13 So I can say to you that there is an
14 increase in this budget, that I'm going to be
15 working very hard with them to better
16 understand and work cooperatively with them
17 going forward to see how we can help them
18 continue to maintain and expand their
19 service.

20 It appears that in Buffalo, the region
21 in Buffalo and in Albany, kind of the
22 bookends of the state, their ridership is up.
23 It's not that in the middle of the state.
24 And so there's differences throughout, of

1 course, the systems. They have different
2 needs. Some are in more suburban or urban
3 areas, and others are in more rural areas.

4 So there is no one easy, quick answer.
5 But the importance of mass transit in
6 particular to upstate is critically important
7 for those who need it most and, in
8 particular, how it supports economic
9 development opportunities. We know that it's
10 a part of the REDC transportation piece. The
11 REDC process, smartly, you know, has made
12 sure that they're working closely in terms of
13 site selection for specific reuse. When you
14 talk about how you want to develop a
15 particular opportunity, that is coordinated
16 with the local transit operators as well.

17 So clearly it's an important issue.
18 I'm very personally aware of that. And I'll
19 be working hard with them going forward.

20 SENATOR KENNEDY: Well, wouldn't it
21 make sense, Commissioner, to include the
22 light rail into this formula as we move
23 forward, to ensure that there is equity with
24 the NFTA and other areas of upstate?

1 COMMISSIONER DRISCOLL: Well, I would
2 say to that -- because I don't know the
3 answer -- I'd like to understand what their
4 revenues are versus their operating expenses
5 versus their capital costs, and look at those
6 on kind of a dashboard, if you will, in
7 comparison with the others so I could better
8 make an informed decision.

9 SENATOR KENNEDY: Okay. Thank you.

10 I want to talk a little bit about the
11 transit capital needs, the non-MTA, the
12 \$20 million. Can you talk a little bit about
13 the formula and how it's going to help
14 systems like the NFTA make more accurate
15 long-term plans moving forward?

16 COMMISSIONER DRISCOLL: Well, I think,
17 without being redundant, as I just described,
18 there's additional dollars available for
19 upstate transit. I think -- I know that
20 that's going to go a long way in helping them
21 in particular with their operating expenses.

22 You know, they're very sophisticated,
23 as you know, because every turn in the wheel
24 costs money. And so when they look at their

1 route coverage, where they want to send their
2 vehicles, those are sometimes difficult
3 choices that they need to make as well.

4 So I can't make a promise, and I
5 won't. But what I will say is going forward
6 I intend, as I've told the group, to stay
7 close with them and have a good understanding
8 and be an advocate for them as we develop
9 long-term funding plans.

10 SENATOR KENNEDY: Thank you.

11 And again, from my perspective -- and
12 I know we're well into the game here. But,
13 you know, for fear of being redundant, to
14 touch on what some of my other colleagues
15 have mentioned, that we're hearing this from
16 the industry leaders, of the timing. And I
17 know, again, you've touched on this already.
18 Is there a way -- look, we can't predict the
19 weather. We know that. You've mentioned
20 that. But, you know, we can understand
21 weather patterns and the timeline which we
22 have to deal with.

23 What can we do, what if anything can
24 we do to move these projects along? The

1 industry leaders are saying, you know, that
2 money is being held up, that projects are
3 being held up, that jobs are being held up
4 because of the timing to which these
5 projects are let, in concert with the weather
6 pattern. What if anything can we do here?

7 COMMISSIONER DRISCOLL: Well, you
8 know, I think really it boils down to, for
9 me, a better coordination. I think that's
10 going to go a long way. And I think that
11 starts, you know, with the Department of
12 Transportation as well.

13 I mentioned, and you did, you know,
14 the unforeseen circumstances. Things happen
15 that are beyond anybody's control if a
16 project may have started. But having said
17 that, you know, getting it off the ground I
18 think starts with good coordination. And so
19 that's something that we are working on. I
20 don't have an answer for you today on that.
21 But it is something that I am interested in,
22 that I experienced myself. And part of the
23 policy adjustment I talked about earlier was
24 from a previous experience as well.

1 And so I'm pleased to report to you
2 that we're making progress. I don't have all
3 the answers for you today. But you should
4 know that I understand these challenges, I
5 know the concerns that you hear from your
6 constituency on, and frankly I consider them
7 all my constituency as well now. And so I'll
8 continue to work hard with my team. I have a
9 great team, great institutional knowledge at
10 DOT. And so we're looking for creative ways
11 to improve what we do as well.

12 SENATOR KENNEDY: Great, Commissioner.
13 And look, I'm touching on some concerns
14 because we have a very limited amount of time
15 and I'm done. But I just want to make a
16 point that, you know, there are a lot of
17 positive things contained within this budget
18 for local municipalities, including that
19 PAVE-NY. When it comes to getting these
20 potholes fixed in the various municipalities
21 that we're working with -- especially the
22 more industrialized areas of our state, like
23 the district that I represent, in the older
24 infrastructure -- it's important that those

1 funds flow as quickly as possible.

2 So I'm very pleased to see that sort
3 of funding moving forward. I look forward to
4 working with you to make sure that that gets
5 spent as quickly as possible. Thank you for
6 your time.

7 COMMISSIONER DRISCOLL: Me as well.
8 Thank you.

9 CHAIRMAN FARRELL: Thank you.

10 We've been joined by Assemblyman
11 Thiele and Assemblywoman Fahy.

12 Next to question, Assemblyman
13 DenDekker.

14 ASSEMBLYMAN DENDEKKER: Thank you very
15 much.

16 So the first thing I'd like to just
17 talk about real quick is obviously you've
18 heard concerns of many of my colleagues on
19 issues and problems and things are taking so
20 much longer than they used to. And I guess
21 where I want to go right away is looking at
22 the workforce of the agency.

23 I mean, we've had a 20 percent
24 decrease in personnel in the Department of

1 Transportation over the past nine years. How
2 can you -- when you hear us being so
3 concerned about projects not getting off the
4 ground, I mean, logically we have to assume
5 you don't have enough people. So I don't
6 understand why we're cutting again this year
7 another 46 positions from the budget. Why is
8 the Department of Transportation, if they're
9 having such a problem keeping up with the
10 demands of transportation, are you not hiring
11 more people? I mean, I know you must be
12 productive. And that may be the way you're
13 saying, oh, well, we've gotten more
14 productive so we need less people. Well,
15 think how much more productive you would be
16 if you had kept the staffing level where it
17 was.

18 And I'd like you to explain to me, you
19 know, how you can possibly keep up on snow
20 removal and the time required for the
21 planning of all these projects when you keep
22 on cutting your workforce.

23 COMMISSIONER DRISCOLL: You know, our
24 snow and ice operations, which are in earnest

1 right now, and our summer maintenance efforts
2 really haven't been, in my opinion, impacted
3 by retirements, attritions or eliminations of
4 positions. We still have, you know, over
5 8200 people at the Department of
6 Transportation. That's a lot of folks.

7 We recognize the importance of our
8 engineering staff, who really are the
9 backbone -- by the way, engineers aren't just
10 sitting at an easel drawing out plans for a
11 project. They're doing construction
12 inspection, they're doing bridge inspection,
13 very specific and specialized elements of the
14 engineering field.

15 So, you know, we want to keep them
16 well staffed. I do believe, and I say this
17 to you confidently, that it's not always a
18 staffing issue. There are many other things
19 that come into play in terms of letting
20 procurements or coordination of projects.

21 Many times locals also aren't always
22 ready. Again, you know, if you're in a local
23 office, you're serving local government, you
24 know, smartly, you're trying to bundle as

1 much grant or other elements of funding that
2 you can before you launch a project.

3 So while a project may be on a
4 particular list for five years, it doesn't
5 always reflect that it didn't go because of
6 DOT effort or funding. Many times there's
7 matches involved, there's local elements that
8 need to take place.

9 So I would say to you that it's kind
10 of a combination of all of those. I just
11 described to you how we're looking at how we
12 might better improve our efficiency
13 internally. I had a conversation yesterday
14 with somebody just about that that I've
15 assigned to look at some creative ways that
16 we can do that.

17 So I think it's really a combination
18 of all of those things that perhaps are
19 frustrating to folks. But clearly I'm
20 comfortable with the number of staff we have.
21 We bring on part-time drivers who are
22 operators, if you will, particularly for our
23 snow and ice detail, who do a tremendous job
24 working long hours, out there as we speak.

1 So we augment, as needed, our forces as well.
2 And when you think about it from a long-term
3 kind of business perspective, you know,
4 sometimes you're better served by that.

5 So we do that in snow and ice with our
6 operators. They're part-time folks who come
7 to us during the season when we need them
8 most. We frankly don't need snow operators
9 in July.

10 So I think it's a combination of all
11 of those things.

12 ASSEMBLYMAN DENDEKKER: But having a
13 workforce that is trained to an aspect of not
14 doing a single position, that can do more.

15 COMMISSIONER DRISCOLL: That's right.

16 ASSEMBLYMAN DENDEKKER: So that in
17 those times when you don't need snow plow
18 drivers, you still need people to do work to
19 make our state continue to move forward in
20 transportation.

21 What I'm saying, what we see, I
22 believe, many of my colleagues and I see is
23 jobs and projects taking too long to get
24 going. And hearing all the various things

1 really like you to look at.

2 COMMISSIONER DRISCOLL: Understood.

3 ASSEMBLYMAN DENDEKKER: The other
4 thing I just want to talk about quickly is
5 funding to the MTA.

6 As you know, I'm from the New York
7 City area. MTA funding is of the utmost
8 importance, MTA transportation for our trains
9 and our buses. Especially in Queens, where
10 I'm from, bus service is so vitally
11 important. And I see that in this budget the
12 MTA is going to get an increase of
13 \$22 million which is a 0.49 percent increase.
14 Is that correct?

15 COMMISSIONER DRISCOLL: The MTA, in
16 our budget --

17 ASSEMBLYMAN DENDEKKER: Yes.

18 COMMISSIONER DRISCOLL: Well, they'll
19 be receiving, of the mass transit statewide,
20 they'll be receiving about \$4.7 billion.

21 ASSEMBLYMAN DENDEKKER: Correct.
22 But that's the --

23 COMMISSIONER DRISCOLL: So there's
24 \$303 million available --

1 ASSEMBLYMAN DENDEKKER: -- 0.49
2 percent increase over last year. Okay?

3 The funding for some other areas --
4 like some of the upstate transportation areas
5 got a 2.7 percent increase. Is there a
6 particular reason why the MTA funding in the
7 City of New York and the critical
8 infrastructure and equipment that we need
9 only got less than a half percent increase?

10 COMMISSIONER DRISCOLL: Well, I can't
11 speak to the MTA, and I won't.

12 I can tell you that as part of that
13 budget also in other downstate areas, other
14 transit operators have received about
15 \$303 million. And as I pointed out earlier,
16 \$194 million will be for the remainder of the
17 upstate transit operators.

18 ASSEMBLYMAN DENDEKKER: Correct. The
19 \$303 million that you're talking about,
20 though, is for non-MTA downstate transit.

21 COMMISSIONER DRISCOLL: Right.

22 ASSEMBLYMAN DENDEKKER: Which, by the
23 way, got no increase. So non-MTA downstate
24 transit got absolutely no increase at all,

1 they have flat funding. The MTA got a
2 0.49 percent increase, but upstate got
3 2.7 percent. Where I think there's so much
4 transportation needs in the City, and the MTA
5 is trying to do as much as it can, why New
6 York State and DOT is going to cut their
7 portion or give such a minuscule little
8 amount of an increase doesn't seem very
9 logical or fair to my constituents in my
10 area.

11 So obviously I would advocate for a
12 larger amount of funding for the MTA. And I
13 would also say that leaving the non-MTA flat
14 is not reflective of the needs either. With
15 increased costs in wages and insurance and
16 other aspects, to keep funding flat is going
17 to result in a service cut to my
18 constituents.

19 COMMISSIONER DRISCOLL: Understood.

20 ASSEMBLYMAN DENDEKKER: That's all I
21 have. Thank you very much, Mr. Chairman.

22 COMMISSIONER DRISCOLL: Thank you.

23 ASSEMBLYMAN DENDEKKER: Thank you,
24 Commissioner.

1 CHAIRMAN FARRELL: Thank you.

2 CHAIRWOMAN YOUNG: Thank you very
3 much.

4 Next I would call on Senator Diane
5 Savino.

6 SENATOR SAVINO: Thank you, Senator
7 Young.

8 COMMISSIONER DRISCOLL: Good morning.

9 SENATOR SAVINO: Good morning,
10 Commissioner.

11 The beauty of going this far into the
12 testimony is a lot of the questions I had
13 have already been answered. But I want you
14 to clarify for me something. In your
15 testimony you mentioned that the Governor has
16 given your agency \$50 million to enhance
17 DOT's capabilities with respect to purchase
18 of winter storm equipment so that your agency
19 can respond better to harsh winter
20 conditions. But yet in the CHIPS/Marchiselli
21 budget, which is remaining flat, there's also
22 no additional money this year for harsh
23 winter weather conditions.

24 So are you suggesting that the state

1 will be responsible for helping localities?
2 Or how are localities supposed to absorb the
3 increased costs?

4 COMMISSIONER DRISCOLL: Well, yeah,
5 the harsh winter funding that was done last
6 year, I believe, was really in response to
7 what was all, if we all recall, the vortexes,
8 you know, that took place, really extreme
9 harsh winter weather. And fortunately this
10 year we haven't seen that yet.

11 But there is going to be an increase
12 for folks, you're correct. CHIPS and
13 Marchiselli are staying the same. But I
14 mentioned the PAVE-NY program. That is an
15 increase. And so when you couple that
16 increase with the CHIPS that's held at the
17 same level, and the Marchiselli, which is
18 used to match for those federal programs,
19 they will see an increase.

20 SENATOR SAVINO: So now let me go back
21 to something more local. You know, we're all
22 very parochial here.

23 Assemblyman Cusick talked a bit about
24 the Staten Island Expressway. And while it

1 seems to be largely completed -- and, by the
2 way, it has made things much better for
3 Staten Island -- that's assuming there's no
4 problems on the other side of the bridge.
5 One of the things with the HOV lane is the
6 abuse of it. So obviously there has to be
7 coordination with the NYPD and the Highway
8 Division to have greater enforcement on the
9 HOV lane so that people don't abuse it.

10 But one of the ways you avoid that on
11 the Brooklyn side of it is there's a Jersey
12 barrier that prevents people from getting
13 into it once the HOV lane starts.

14 So has there been any consideration
15 about putting a Jersey barrier down the SIE
16 to make sure that people cannot abuse it?

17 COMMISSIONER DRISCOLL: I haven't had
18 that conversation, but I will. I'll have
19 that with City DOT. I'd mentioned earlier I
20 was having discussions with them on the
21 Gowanus now because, you know, at some point
22 certain we transfer it over to them and
23 they'll be responsible for that. But I will
24 have that conversation with them.

1 SENATOR SAVINO: Because it's
2 incredibly frustrating to Staten Islanders to
3 see people routinely abuse the HOV lane with
4 impunity.

5 Now, with respect to the Gowanus
6 Expressway, I'm going to ask you the same
7 question I asked your predecessor, Joan
8 McDonald. We've invested hundreds of
9 millions of dollars in improving the Staten
10 Island expressway. The MTA is spending, you
11 know, untold amounts of money on redecking
12 the Verrazano Bridge. They're also about to
13 embark on a new plan to revamp the entrance
14 and the exit ramps, particularly the
15 connections to the Belt Parkway, which is
16 going to create a significant amount of
17 traffic congestion on the Gowanus Expressway.

18 But we've invested tens of millions,
19 millions and millions of dollars on the
20 Gowanus Expressway and the BQE over the past,
21 I don't know, 30 years. We've never added
22 any capacity to it.

23 COMMISSIONER DRISCOLL: I'm sorry?

24 SENATOR SAVINO: We have not added any

1 capacity to it. It is the same, you know,
2 roadway that it always has been. And that is
3 what creates the backup.

4 So if you have one accident on the BQE
5 or one accident on the Gowanus, it's backed
6 up all the way either to Queens or it's
7 backed up all the way to New Jersey.

8 The same bottlenecks every day, the
9 split where the Battery Tunnel -- where you
10 go this way to the Battery Tunnel or this way
11 to the BQE -- same tie-ups every day, the
12 same tie-ups at the Kosciuszko Bridge. So
13 unless we're prepared to either eliminate the
14 Gowanus and build something else or to add
15 capacity to it, how are we supposed to
16 improve transit through this region?

17 COMMISSIONER DRISCOLL: Well, that's
18 a great question. And candidly, there's a
19 ton of traffic there, as you know. And that
20 complicates things, because you've got a
21 roadway that was built whenever it was built,
22 and there's more traffic than that roadway
23 was designed for, because there's more people
24 than it was designed for back then.

1 You know, to talk about how you
2 frankly add on or build new is a long-term
3 conversation, because it's going to take a
4 great deal of resources, involves right of
5 way, which is always kind of a sticky issues
6 in terms of, you know, securing properties to
7 either expand or create a new footprint.

8 But we're challenged, of course, with
9 the high number of users on that roadway. It
10 kind of is what it is. That doesn't minimize
11 it, but it's just the fact of the matter.
12 And so that's why the HOV lane was added. I
13 think it's worked very well. But I
14 understand that there's still challenges. I
15 know accidents create big choke points,
16 they're problematic, because then everything
17 bottlenecks. And it's a result of all the
18 traffic that I just described.

19 So, you know, candidly, I don't have
20 an answer for you to say how are we going to
21 fix that. It's a long-term discussion,
22 though. If people are interested in how you
23 add on or build new, that's a federal highway
24 long-term discussion that will need to take

1 place.

2 SENATOR SAVINO: Well, candidly, those
3 discussions have been taking place for years.
4 When I first got elected, there was a -- and
5 I'm sure Assemblywoman Simon will also speak
6 about this -- there were studies done then,
7 and in fact there was a recommendation to
8 either double-deck the Gowanus Expressway,
9 which of course is something that the people
10 in the community aren't interested in, or
11 build a tunnel. At the time -- I think this
12 was 2006 -- the proposed cost for a potential
13 tunnel was about \$30 billion and a time frame
14 of like 20 years to build it.

15 But that study, those feasibility
16 studies on how to improve traffic flow
17 through that area all centered around
18 expanding capacity. So we can spend another
19 half a billion dollars redecking the Gowanus
20 Expressway and still not move anybody any
21 faster. But if you would like, I'm sure we
22 would be happy to send you those studies.
23 They're sitting on a shelf somewhere
24 collecting dust. But there are some

1 suggestions in there that I think we should
2 look at. Because if not, we are going to
3 have the same bottlenecks everywhere, which
4 is a disincentive to people to bring their
5 businesses to Staten Island or even to South
6 Brooklyn. South Brooklyn is growing very
7 fast. The Industry City is Industry City
8 again for the first time in probably 30
9 years. We need to be able to move people and
10 goods and services through that area much
11 quicker than we're doing now.

12 COMMISSIONER DRISCOLL: Right,
13 understood. And I would like to see those,
14 and I know my staff is familiar -- I'm
15 assuming my staff is familiar with these.
16 We'll have that conversation.

17 And, you know, I'm not a big fan of
18 continually doing studies because I don't
19 like to see studies sit on a shelf after you
20 spend money. We're not in a position to be
21 able to do that. I can't speak to what took
22 place years before. I can only tell you
23 going forward that I'll take a look at it.
24 But I won't make a promise to say we're going

1 to add a new deck, we're going to expand it.

2 But I will take a look at that, I'll
3 have that conversation with staff. And I'm
4 happy to meet with the two of you, if you'd
5 like, and discuss it further.

6 SENATOR SAVINO: Thank you.

7 COMMISSIONER DRISCOLL: And I'll come
8 to you.

9 CHAIRMAN FARRELL: Thank you very
10 much.

11 Assemblyman Oaks.

12 ASSEMBLYMAN OAKS: Thank you,
13 Chairman.

14 Commissioner, thank you for being
15 here.

16 I know we've talked a bit on the
17 funding for bridges, state and local. A
18 question related to that -- well, one, a
19 comment. I do think and I heard you say
20 there would be some local input on that,
21 although you have a metrics that you're going
22 to use of how you pick those.

23 Do culverts qualify? I know, you
24 know, in bridge money -- in a lot of our

1 rural areas we have culverts that may not
2 meet the distance, but they're also, you
3 know, taking traffic. Will those qualify
4 under this?

5 COMMISSIONER DRISCOLL: Under the
6 bridge program?

7 ASSEMBLYMAN OAKS: Yeah.

8 COMMISSIONER DRISCOLL: No, because
9 they're not a bridge.

10 But I did mention it's a competitive
11 program. So a local community and your
12 district or anyone else's would make
13 application to the Department of
14 Transportation, you know, for potential
15 funding. And certainly we would be asking
16 them to provide us information relative to
17 that bridge. And we'd utilize the bridge
18 inspections that no doubt we have done as
19 part of that process as well.

20 ASSEMBLYMAN OAKS: Well, one of the
21 thoughts I might have, or whatever, is that
22 we try to have a piece of funding culverts
23 maybe that could go toward that, and whether
24 that be distributed on a CHIPS-type thing.

1 But maybe a piece of that as we go forward,
2 because certainly those are in bad shape.

3 On the pavement side, you mentioned
4 that you're working on the criteria for that.
5 And we'll look forward to seeing that.
6 Again, a suggestion on that side that's been
7 made to me. You know, if we use the local
8 CHIPS formula obviously on the pavement side,
9 that would be a way of meeting a lot of the
10 local needs. And at a minimum, certainly,
11 again, having a great deal of local input on
12 that would be appreciated.

13 We've heard the word "parity" often
14 today. We've looked at the numbers.
15 Obviously the reason I think it keeps coming
16 up is because if you look at it
17 historically -- I've happened to be around
18 the Legislature a number of years -- we saw
19 where the norm was having equal funding for
20 mass transit and our driving public, trying
21 to serve both those needs, which are both
22 critically important to our state.

23 Then we had a fiscal crisis, the state
24 having to make tough decisions, and we saw

1 you know, how we get there is doing just what
2 the Governor has proposed. This is the
3 largest DOT budget ever. It's \$20.1 billion.
4 And so it allows us to not only maintain but
5 enhance the system as well, and make
6 strategic investments that support rail and
7 transit and support local economies also.

8 So I think if we looked at it in the
9 context of setting aside a dollar amount of
10 what this budget can do, it can make a
11 difference. And I'll go back to the
12 BRIDGE-NY and the PAVE-NY. Now, I've been
13 here in my role as commissioner not quite six
14 months, and I've taken the time to travel the
15 state and meet with local communities,
16 elected officials, certainly members of the
17 Legislature. And nearly everyone, you know,
18 is concerned about the dollars that can get
19 to a local level to help them support their
20 needs, even basic needs such as paving or
21 bridge repair.

22 That's why those programs are in here,
23 because the Governor understands it's
24 important to get dollars to the localities

1 who need them most. And I will say they are
2 also being utilized as well to help support
3 the state system, because we have a
4 responsibility to maintain and improve that
5 as well.

6 So I'm very comfortable with the
7 budget. I think it's a very good budget. I
8 think it's moving in the right direction.
9 It's going to deliver things that we have
10 been unable to do in the past. And so I feel
11 good about the budget.

12 ASSEMBLYMAN OAKS: I guess I would
13 just end in saying, you know, I -- the parity
14 sense that I hear and feel, being an
15 individual whose residents depend more on
16 those roads and bridges, whether they be
17 state or local ones, each day. So there's a
18 sense of fairness. There's also the real
19 concern for safety and getting to the point
20 where we can feel comfortable that the people
21 who are going to work every day, getting on a
22 school bus, doing whatever, can trust the
23 roads that we have.

24 And I know when I talk to my local

1 highway people, they express concerns of
2 saying we're falling behind, help is needed,
3 and anything the state can do is important.

4 And so I come from that. I hope that
5 maybe in the negotiations in this year's
6 budget maybe we see an opportunity to move
7 closer to that. I know this is the
8 Governor's proposal. I also hope that as
9 those negotiations take place, this year we
10 can maybe have a louder voice, include all
11 the leaders among those negotiations, and
12 maybe then we come up with the best decision.

13 So thank you, Commissioner.

14 COMMISSIONER DRISCOLL: Thank you,
15 sir.

16 CHAIRMAN FARRELL: Thank you very
17 much.

18 Senator?

19 CHAIRWOMAN YOUNG: Senator Patty
20 Ritchie.

21 SENATOR RITCHIE: Commissioner, I
22 would just like to start off by thanking you
23 for your responsiveness. I have to say that
24 I've been really impressed with your ability

1 and your chief of staff's ability to fix a
2 number of problems that I've brought up at
3 our hearings over the last couple of years
4 that for some reason couldn't get fixed and
5 inside of a day or two, once you took over,
6 they were addressed and have been taken care
7 of.

8 One of those problems that I've
9 addressed over the last couple of years is
10 one that I'm sure you're aware of, and that
11 is the salt contamination in the wells in the
12 Town of Orleans. In your previous position
13 you were very instrumental in helping secure
14 that low-cost loan for the town to be able to
15 connect the water systems to those residents.
16 And, you know, the Governor this year has a
17 clean water fund that I'm hoping, because of
18 the economic challenges in the Town of
19 Orleans, that we'll finally be able to put
20 this issue to rest and get good water to the
21 people who live there.

22 So I'm just asking if you've had an
23 opportunity to look at it and have any
24 suggestions.

1 COMMISSIONER DRISCOLL: Well, let me
2 start by thanking you for your leadership on
3 that two years ago.

4 And as you pointed out, you know, we
5 brought together a large number of people,
6 with your leadership as well, and were able
7 to construct a financial structure with some
8 grant that at that time we thought was going
9 to do it.

10 I've read recently that there was some
11 chatter about the issue. What I want to say
12 to you is -- and I did speak with some of my
13 colleagues just the other day -- is that I'm
14 going to reengage on that and to bring the
15 appropriate people back to the table so we
16 can take a fresh look at that. So I'm
17 willing to help to the extent that I can with
18 you on that.

19 SENATOR RITCHIE: And I just, in
20 return, would like to say that this is
21 exactly what I talked about at the beginning,
22 that -- your willingness to take a look at
23 the issue. You know, this has been going on
24 for a number of years, something that we have

1 to have resolution to. But I'm hopeful that
2 given the fact that you've been able to solve
3 the other problems very quickly, that we'll
4 be able to get to where we need to on this
5 also. So thank you.

6 COMMISSIONER DRISCOLL: We will reach
7 out to you and work to coordinate our
8 schedules.

9 SENATOR RITCHIE: Thank you.

10 CHAIRMAN FARRELL: Thank you.

11 Assemblywoman Shelley Mayer.

12 ASSEMBLYWOMAN MAYER: Thank you,
13 Mr. Chairman.

14 Good morning still, Commissioner.

15 COMMISSIONER DRISCOLL: Good morning.

16 ASSEMBLYWOMAN MAYER: My questions
17 deal with the non-MTA downstate system
18 fundings. I represent the City of Yonkers.
19 And I have some questions.

20 It appears that the operating budget
21 for the Westchester portion of the budget has
22 increased by 5.92 percent. Am I correct
23 about that?

24 COMMISSIONER DRISCOLL: Yes, about

1 \$157 million.

2 ASSEMBLYWOMAN MAYER: I actually think
3 it's more than that. But my question is in
4 determining the percentage increase for the
5 non-MTA downstate regions, is the same
6 percentage increase applied to each of the
7 communities? In other words, Nassau got the
8 same percentage increase, Suffolk same
9 percentage increase?

10 COMMISSIONER DRISCOLL: I don't know
11 the answer to that. But the answer is yes.

12 (Laughter.)

13 ASSEMBLYWOMAN MAYER: So your
14 understanding is it is yes.

15 So my question is, did the department
16 do any independent analysis of the ridership
17 trends in these counties? Not pitting myself
18 against the others, but did you do any
19 independent analysis to say, for example,
20 Westchester's percentage increase may be
21 greater than another county's?

22 COMMISSIONER DRISCOLL: We did.

23 ASSEMBLYWOMAN MAYER: Okay. I'd be
24 interested in seeing what your data shows.

1 Would you be willing to share that?

2 COMMISSIONER DRISCOLL: Sure. Sure.

3 ASSEMBLYWOMAN MAYER: Did you do any
4 analysis of whether the county's
5 contributions resulted in service loss? Just
6 for example, in Westchester over the past I
7 would say eight years, there's been a
8 substantial diminution in service of the B
9 Line because the county contributed less.
10 Which I understand is not the state's
11 problem, but it is my constituents' problem
12 because there is a reduction in bus service
13 and bus routes.

14 Did you look at the actual usage and
15 what the county's contributions have been?

16 COMMISSIONER DRISCOLL: Yes, I know
17 ridership counts and usage are part of that.

18 ASSEMBLYWOMAN MAYER: Okay. Again,
19 I'd be interested in seeing that.

20 With respect to the capital
21 contributions for the downstate suburban
22 operators, I understand that the distribution
23 is not confirmed or there's not an exact
24 understanding of where there will be capital

1 and where it will be allocated.

2 COMMISSIONER DRISCOLL: Right.

3 ASSEMBLYWOMAN MAYER: I just would
4 like to make clear that for systems like
5 ours, which is, as the other suburban
6 districts, historically underfunded in my
7 opinion, based on the needs of an urban
8 suburban community that is extremely
9 dependent on public transportation, that the
10 need for capital should be based on an
11 independent evaluation of the need of the
12 system.

13 And I don't know, have you had an
14 opportunity to meet with the B Line service
15 as you went around?

16 COMMISSIONER DRISCOLL: I have not
17 yet. I know we are -- I am.

18 ASSEMBLYWOMAN MAYER: You are planning
19 to meet with them?

20 COMMISSIONER DRISCOLL: Mm-hmm.

21 ASSEMBLYWOMAN MAYER: Again, I would
22 urge that there be an independent analysis of
23 the needs of that system.

24 And the other question I have is with

1 respect to capital, has DOT looked at the
2 safety needs of bus drivers and bus operators
3 in these public transit systems and whether
4 there should be dividers between the driver
5 and the passengers as I believe they have in
6 the City of New York?

7 COMMISSIONER DRISCOLL: Yeah,
8 certainly training, safety training is a part
9 of what we also provide as part of the
10 funding package.

11 In terms of dividers between --
12 segmenting where the driver is versus the
13 riders, I don't know that that's an actual
14 part of it. I don't believe it is. But
15 that's a conversation that we could have with
16 our federal partners.

17 ASSEMBLYWOMAN MAYER: I just would
18 urge you to do that in light of some of the
19 issues that have occurred in the last year
20 within the non-MTA systems in Westchester.

21 COMMISSIONER DRISCOLL: Okay.

22 ASSEMBLYWOMAN MAYER: Thank you very
23 much.

24 COMMISSIONER DRISCOLL: Thank you.

1 CHAIRMAN FARRELL: Thank you.

2 Senator?

3 CHAIRWOMAN YOUNG: Thank you.

4 I would like to take this time to talk
5 with you, Commissioner, about a very
6 important local project that's in Western
7 New York. And I know since you took office
8 as commissioner on July 2nd of 2015, you have
9 traveled the state and you are very familiar
10 with upstate, and I want to thank you for
11 that.

12 I know you also know that the Governor
13 has prioritized Western New York. And as a
14 result of the Governor's efforts, we have had
15 a real rebirth, we've had a renewal, new
16 hope, new vitality. Our economy is growing
17 in Erie County again. We've seen progress
18 along the Southern Tier.

19 And one of the projects that is very
20 important that community leaders, business
21 leaders, labor leaders have gotten behind is
22 finishing Route 219. This is a project --

23 COMMISSIONER DRISCOLL: Say the name
24 again?

1 CHAIRWOMAN YOUNG: Route 219. It's a
2 project that has been ongoing for many, many
3 years -- for decades, as a matter of fact.
4 And up until 2010, we were making great
5 progress. And it's been stalled,
6 unfortunately, ever since then.

7 I know you've been busy today getting
8 ready, but I wanted to point out in the
9 Buffalo News this morning there was an
10 excellent editorial about completing 219.
11 And the Buffalo News is calling on the state
12 and the Governor to seek funds through the
13 FAST Act that you pointed out earlier, the
14 federal Fixing America's Surface
15 Transportation Act, and that there will be
16 funds available.

17 And what the Buffalo News is hoping,
18 what leaders in Western New York are hoping,
19 what I'm hoping, what our Assemblymen are
20 hoping is that we can finally start to make
21 progress again on Route 219.

22 In 2010 there was -- it was a
23 technological marvel. Zoar Valley is
24 500 feet deep in some spots, and there was a

1 bridge, as part of the new construction of
2 219, that was completed, a double bridge.
3 And during that construction, unfortunately,
4 the state, the state administration at that
5 time tried to divert \$86 million away from
6 that project. Because of outcry, we were
7 able to restore that, the bridge was
8 completed. So now the roadway goes down to
9 Ashford.

10 But we'd like to get it started again.
11 And what the Buffalo News points out -- and
12 by the way, this is a 1500-mile binational
13 interstate that would open up new
14 opportunities for Western New York as far as
15 trade, as far as commerce, as far as
16 logistics. And it would provide many, many,
17 many good-paying construction jobs. And it
18 would only add to and enhance what the
19 Governor's been able to achieve for Western
20 New York.

21 So what we're hoping is that we can
22 finally get this jump-started. The other
23 states have made great progress. Maryland,
24 for example, just approved funding for a

1 2 1/2 mile interchange in Maryland. There
2 are 200 miles left in Pennsylvania that need
3 to be completed, but the great news is that
4 Pennsylvania has committed dollars for the
5 study process on 219.

6 So if we can get this Toronto to Miami
7 route open, I think it would bode well. And
8 it would actually enhance -- because as you
9 know, we have the Thruway system that runs
10 from east to west, or west to east, if you're
11 from Western New York, and we have
12 Interstate 86 that also runs from west to
13 east. And so this would provide us with a
14 strategic placement on the map, really put
15 Western New York on the map. And as we
16 continue to grow our economy, continue to
17 focus on growing manufacturing jobs, this
18 would be enormous for Western New York.

19 So what we're hoping is that the
20 Governor, you, will work with the President,
21 with the federal government, to secure the
22 funds. And what we're looking at is Section
23 12. We've been coming from the north down to
24 the south, but what we'd like to do is

1 complete Section 12, which is a couple-mile
2 stretch. And it would go from Interstate 86
3 to just north of Salamanca.

4 There are a few reasons why that's
5 important. One is Dresser-Rand is one of the
6 largest employers in the region, in the
7 Southern Tier, certainly the largest employer
8 in the City of Olean. They manufacture huge
9 compressors. And transporting those huge
10 compressors is always a challenge. If we are
11 able to finish the 219 where they've run into
12 some snags now, they would be better able to
13 ship these compressors, going up to the port
14 up in Buffalo and ship them that way. And
15 that would actually help the company
16 enormously.

17 So what we're hoping for, we're
18 pushing for, and what I'd like to work with
19 you on is finding a way to work to get 219
20 going again. I think this is an enormous
21 opportunity that has presented itself for the
22 state, for Western New York, through this
23 FAST funding. And I know that there's
24 \$16 billion available for New York State.

1 And I also know Senator Chuck Schumer has
2 prioritized having money available for our
3 state's highways and bridges through those
4 funds. So hopefully we can work together
5 with leaders from Western New York to come to
6 a conclusion. And I just wanted to put that
7 on your radar screen, and hopefully we can
8 get the funding put in place, the
9 environmental studies completed, work with
10 the Seneca Nation of Indians, because this
11 section would actually go through their
12 territory. But I also think this would be
13 something that would be quite beneficial for
14 the Nation also.

15 COMMISSIONER DRISCOLL: And I will
16 circle up with my folks and then I will call
17 you when I can figure out a process.

18 But do you -- is there an issue with
19 going through the Nation on that? Or are
20 they open to this type of --

21 CHAIRWOMAN YOUNG: I've met with the
22 Nation several times, and in fact met with
23 them this morning. And I can't speak on
24 behalf of the president of the Tribal

1 Council, Councilors, but I will say there are
2 discussions that could be had. Certainly
3 it's beneficial for the Nation and certainly
4 it's beneficial for the state. And they seem
5 to be open to having that discussion with the
6 state.

7 COMMISSIONER DRISCOLL: Okay. I'll
8 take a look at it and I'll give your office a
9 call.

10 CHAIRWOMAN YOUNG: Thank you,
11 Commissioner.

12 CHAIRMAN FARRELL: Thank you.
13 Assemblyman Skoufis.

14 ASSEMBLYMAN SKOUFIS: Thank you,
15 Chairman.

16 Thank you, Commissioner.

17 And I want to first thank your
18 Region 8 team for their exemplary work.
19 They've been real true partners with my
20 office over the past three years.

21 You know, I'm all for parity. I do
22 have a major concern with the debate on
23 parity, though, that has evolved or I guess
24 actually devolved into this upstate/downstate

1 divide. And I say that because there are
2 some areas of the state that don't fit nicely
3 into upstate or downstate here in New York,
4 and in particular the Hudson Valley.

5 I represent Orange and Rockland
6 Counties. You know, if you ask someone from
7 the five boroughs, anything north of
8 Riverdale is upstate. If you ask someone
9 from the North Country, they'll laugh at you
10 if you try and say Orange and Rockland County
11 is in upstate.

12 So one of my concerns is that as part
13 of this DOT capital program and how the money
14 is divvied up into each of the DOT regions,
15 those in the Hudson Valley, particularly
16 Orange and Rockland Counties west of the
17 Hudson, we will somehow be penalized or be
18 given a disproportionately less amount of
19 money that comes through this five-year
20 capital program, as a result of really the
21 crumbs that we get from the MTA capital
22 program.

23 So I'm hoping that you can respond to
24 that and perhaps hopefully allay my fears.

1 COMMISSIONER DRISCOLL: Yeah. Well, I
2 know there's always been a lot of
3 conversation about, you know, who gets more,
4 who gets less. You know, DOT historically
5 does an assessment of the system across the
6 state regardless of where you are and really
7 looks at usage, traffic flows, counts,
8 conditions, et cetera.

9 So, you know, I say historically DOT
10 has always been fair in doing that, and I
11 want to assure you going forward that we will
12 be as well. Because again, I recognize when
13 you have a certain amount of pie and it's got
14 to do a lot of things, that people --
15 rightfully so -- are advocating always for
16 more.

17 But we try to take kind of a holistic
18 view as to how we can meet our
19 responsibility, which is to keep the system
20 safe, because that is the most important
21 element of what we do -- but also to support
22 the locals so they can keep the system on a
23 local level safe as well, because that's the
24 most important thing they can do also.

1 ASSEMBLYMAN SKOUFIS: I appreciate
2 that. You know, we don't have subways or
3 really any kind of massive bus transit in
4 Orange and Rockland Counties, so I just hope
5 that that is not held against us that we are
6 in the MTA region.

7 A more specific -- it's not a
8 question, because we've had conversations
9 about this. I do want to thank you and your
10 department for the renewed leadership on a
11 specific project, that's the Exit 131
12 interchange adjacent to the Woodbury Commons.
13 We've spoken about that. And I just want to
14 reiterate my strong support for it and desire
15 to see this funding appropriated as soon as
16 possible, particularly with the casino about
17 an hour north up in the Catskills beginning
18 construction and opening in the near future,
19 and all that traffic coming through that
20 interchange, it's even more urgent now than
21 ever.

22 So I just want to reiterate and thank
23 you for your support with that project.

24 COMMISSIONER DRISCOLL: Thank you.

1 hearing about it. But in Region 5 we have
2 12.5 percent of the roads and bridges. And
3 in my county, Erie County, we have the most
4 road miles of any county in the state by the
5 DOT. And our funding level is at less than
6 9 percent. Probably about 8.5 percent is
7 what we're getting in Region 5 right now.

8 How are we looking at the parity
9 formula? And I know you've been asked this
10 in a number of ways, but I'm asking from a
11 sheer percentage standpoint. You know, we've
12 got 12.5 percent of the roads and bridges,
13 we're getting 8.5 percent of the funding.
14 That's not parity as I see it. So how do you
15 address that?

16 COMMISSIONER DRISCOLL: Well, I think
17 you have to address it -- you know, you work
18 with a certain amount, but you have to
19 address it in terms of what the conditions
20 are in a given area, Region 5 or elsewhere;
21 the use, the number of users of a particular
22 roadway or bridge and what have you. And I
23 think that plays a lot into it.

24 And again, I mention safety because at

1 the end of the day, you know, if a particular
2 roadway is unsafe or a particular bridge, we
3 want to work, whether it's the state or with
4 locals, to ensure that it becomes safe.

5 So that's generally how we view it. I
6 think there is a tendency, perhaps, I've
7 heard in the past where people think, Well,
8 you know, one particular area gets more money
9 because they may have more people or not.
10 And that's really not the case. Of course,
11 you know, dollars in this day and age,
12 whatever venue you're in, are always very
13 competitive, as I think we could all agree.

14 We have a big system with a lot of
15 need. You know, the percentage of our
16 bridges that are in pretty good shape, both
17 local and state, probably somewhere about
18 72 percent in good shape. There are
19 challenges in other areas, obviously. And
20 our roadways are generally in good shape.
21 But as we continue to see the climate changes
22 that we've experienced over the last few
23 years, you know, that really impacts
24 conditions as well.

1 So we're not playing favorites, we're
2 really trying to take a methodical,
3 thoughtful analysis of the system in its
4 entirety. It may not always equate to a
5 particular percentage. But we try to look
6 ahead at what the needs are given that
7 criteria.

8 SENATOR PANEPINTO: And I want you to
9 understand, I'm not one of these upstate
10 Senators who is anti the MTA. I understand
11 the economic impact, and I support, you know,
12 funding of MTA spending and infrastructure
13 spending. But in upstate, you know, we have
14 drivers, we're undergoing a renaissance in
15 Western New York. And, you know, as I talk
16 to building contractors, you know, we're
17 building Solar City, we've got a medical
18 campus. You know, we need the roads and
19 bridges to improve capacity so that we can
20 utilize these wonderful facilities we're
21 building.

22 So I just want you, as you're looking
23 at, you know, hopefully a five-year DOT
24 plan -- I'm not sure if we're going to get a

1 five-year plan this year -- but I think it's
2 important to look at those percentages in
3 dollar values. And, you know, we want to get
4 our fair share. And it's not to slight the
5 MTA; we need to build up the MTA, and I
6 support the spending in the City on those
7 projects.

8 On a separate issue, I was looking at
9 the budget and there's a five-year Extreme
10 Weather Infrastructure Hardening Program
11 appropriation.

12 COMMISSIONER DRISCOLL: Right.

13 SENATOR PANEPINTO: We couldn't find
14 it in your agency's appropriation. How are
15 those projects going to be selected and
16 funded?

17 COMMISSIONER DRISCOLL: Again, it will
18 be by analysis. You know, we'll look at
19 historic data, and there's plenty of that.

20 You know, I just mentioned there's
21 been a significant change in the last several
22 years of weather patterns. So whether it's
23 been these vortexes that we've had -- and
24 thankfully we haven't experienced that this

1 year. But if you look at Hurricane Irene and
2 Tropical Storm Lee or certainly Superstorm
3 Sandy, things are changing. And so with
4 those changes -- and in particular, you know,
5 location plays a role in that. If you're in
6 the Hudson Valley, as an example, where
7 you've got high hills and narrow roadways,
8 we've seen impacts that we hadn't seen
9 before.

10 The Governor smartly, in my opinion,
11 is placing money now for us to go out and
12 identify where those particular roadways may
13 be. Perhaps there's grading work or other
14 things that we might be able to do to prevent
15 flooding of a parkway or how we really look
16 at culverts.

17 You know, I come from, in my previous
18 work with the state, you know, working with
19 water and sewer infrastructure. And that's
20 something that I've been broaching and
21 discussing with our people as we think about
22 the long term. Stormwater management is
23 becoming a critically important issue. It's
24 really changed, you know, over the last five,

1 six years. And it's an area that I want DOT
2 to change with too, because we need to be
3 smart about how we also direct waters from
4 our systems because likely they could impact
5 locals.

6 So the short answer is that we are
7 going to take a careful look and analysis to
8 see historically where these roads have
9 largely been impacted because of severe
10 weather, and we hope to make a difference
11 with those funds. There's \$500 million that
12 he's appropriated in this proposed budget to
13 do so, and I think it's money well spent
14 based on what we've seen over the course
15 certainly of the last six years.

16 SENATOR PANEPINTO: Since you mention
17 stormwater, I may be the only Senator that
18 knows what a stormwater protection plan is as
19 provided by the New York State Department of
20 Transportation. I mean, I've looked at specs
21 and plans and, you know, dealt with
22 contractors in this regard.

23 That follows up my next question, and
24 this goes to what the Assemblyman was asking

1 earlier about, you know, where we are in our
2 staffing. And I know I had asked the DOT
3 last year to give me some of the economic
4 justifications for the so-called cost savings
5 on the consultants that we're using and
6 really this contracting-out issue of
7 engineers and, oh, gosh, you know, people who
8 are on-site doing inspections. Inspections
9 and engineers has been a big part of what DOT
10 does, and I know in Western New York and
11 Region 5 I think all of our inspection is
12 contracted out.

13 So I'd like to know the economic
14 analysis that DOT has done to really quantify
15 whether or not there have been real cost
16 savings in doing that.

17 COMMISSIONER DRISCOLL: Well, you
18 know, the straight answer is I have not seen
19 that. I intend to look at it. It's one of
20 the historical things that's taken place at
21 DOT, you know, before my arrival.

22 But I would say that, again, from kind
23 of an operational or a business perspective,
24 you know, we have a strong engineering force

1 understand that. And as I said, Region 5
2 DOT, Darrell Kaminski, the director there has
3 been incredibly responsive.

4 But, you know, as I talk to
5 contractors and labor folks, you know, they
6 really ascribe the, you know, lack of
7 engineering infrastructure as the reason why,
8 you know, we're not getting contracts let in
9 an appropriate time frame.

10 And as we talked about, we have a
11 limited construction window to build in
12 New York State. It's more limited in Western
13 New York. And so when a project goes out to
14 bid in November and we're not breaking ground
15 until June, that's a problem. We're losing
16 two or three months of the construction
17 season and it's really, I think, incumbent
18 upon the DOT to be looking at that to make
19 those projects work in Region 5 and all of
20 the upstate regions in a timely fashion. We
21 want to get construction workers in the field
22 in April and not in June.

23 COMMISSIONER DRISCOLL: Right. I
24 agree with you. I agree with you.

1 And, you know, that's part of the kind
2 of evaluation that I've been doing. I've
3 made some changes already operationally,
4 administratively, at the Department of
5 Transportation policywise. But that is an
6 area that I'm looking at and will be looking
7 at. I hear you. I mean, I've heard this
8 from other people, and I experienced it
9 myself years ago. It's a big ship.

10 But, you know, look, we can find ways
11 that we also can modernize ourselves and be
12 more efficient. You know, somebody mentioned
13 earlier about cross-training. It's another
14 area that I'm interested in. While many
15 people have specialized areas in DOT, I'm a
16 big believer in cross-training, you know, so
17 that people are able to do and function in
18 more than one capacity.

19 And I'm not suggesting that they
20 can't. What I'm suggesting is perhaps it's
21 not utilized to the degree it should be.
22 That will be part of my evaluation as I
23 continue forward as well.

24 SENATOR PANEPINTO: Well, I'm looking

1 forward to working with you on that. And as
2 you address that economic analysis, I'd
3 really like to be able to share that with the
4 Senate and Assembly to see whether or not we
5 really have saved money by downsizing from
6 our public employees.

7 COMMISSIONER DRISCOLL: Okay, good
8 enough. Fair enough.

9 SENATOR PANEPINTO: Thank you.

10 COMMISSIONER DRISCOLL: Thank you.

11 CHAIRWOMAN YOUNG: Thank you, Senator.
12 I would like to announce that Senator Phil
13 Boyle has joined us.

14 CHAIRMAN FARRELL: Assemblywoman
15 Simon.

16 ASSEMBLYWOMAN SIMON: Thank you.

17 Thank you very much, Commissioner. I
18 would like to follow up a little bit on
19 Senator Savino's questions with regard to the
20 Gowanus Expressway.

21 We have, the last decade or so,
22 200,000 cars and trucks a day on the Gowanus
23 Expressway, which is bleeding over into local
24 streets. And the communities and the State

1 DOT worked for a long time together on a
2 major environmental impact statement, a major
3 investment statement with regard to that, and
4 found actually tunnel alternatives that would
5 work very well, would add capacity. It would
6 allow you to clean the air as well.

7 But the primary reason why we've been
8 told for years you couldn't increase capacity
9 was the federal Clean Air Act.

10 COMMISSIONER DRISCOLL: Right.

11 ASSEMBLYWOMAN SIMON: Meanwhile, it's
12 the particulate matter that is -- schools are
13 along the Gowanus Expressway, and the
14 children are breathing in all this stuff and
15 it's costing us more socially. And now, of
16 course, the western area of Brooklyn is
17 undergoing renewed interest, and the idea of
18 being able to take down this corroding
19 expressway and open up the waterfront is
20 tremendously attractive and we think very
21 economically and environmentally fiscally
22 responsible.

23 However, there was a proposal to add
24 some sort of elevated HOV, which really

1 that going forward, these are the types of
2 things that I think are important that we
3 recognize and think about as well, so we just
4 don't build something but we do it correctly
5 so that we do that in balance with our
6 surroundings. I'm a big believer in kind of
7 land use planning. You know, traffic
8 systems, roadways, arterials, they're all
9 important to move people and goods. But to
10 me, they're also important for quality of
11 life issues, and so how do we build around
12 those as well. And air quality is very
13 important to that, particularly in these
14 days, and it will continue to be so going
15 forward. So I'm happy to take a look at
16 that.

17 But to answer your question, I do not
18 believe that the debt program is slated to
19 go.

20 ASSEMBLYWOMAN SIMON: Okay. And you
21 mean by slated to go, to go forward or just
22 not --

23 COMMISSIONER DRISCOLL: -- to be
24 built, correct. Not to my knowledge. And

1 I'm looking to my left; it's not.

2 ASSEMBLYWOMAN SIMON: And then another
3 question I had is you mentioned earlier about
4 the BQE being transferred over to the City
5 DOT. And I know that that is the case with
6 regard to the triple cantilever, which goes
7 the sort of northern part above the
8 connection to the Brooklyn Battery Tunnel and
9 around Brooklyn Heights and on up to the
10 Kosciuszko.

11 COMMISSIONER DRISCOLL: Right.

12 ASSEMBLYWOMAN SIMON: My question is,
13 since we were talking about the Gowanus,
14 which is part of the BQE, it's the same
15 interstate, is there a line at which you
16 would be transferring to the City DOT? Or am
17 I to understand that the whole Gowanus
18 Expressway will then go to the City DOT as
19 opposed to state?

20 COMMISSIONER DRISCOLL: Well, the HOV
21 lane, that's what I was speaking to, would be
22 transferred for operating and maintenance
23 purposes to the City.

24 ASSEMBLYWOMAN SIMON: I see.

1 COMMISSIONER DRISCOLL: So we're
2 having those conversations. I had a chance
3 to meet Polly Trottenberg, you know, a month
4 or so ago, and our staffs are interacting as
5 we speak. I'll continue to meet with the
6 commissioner as well, because obviously
7 there's lots of challenges there. And again,
8 you know, to the degree that I can, I want to
9 make sure that we're on the same page and
10 coordinate our activities.

11 ASSEMBLYWOMAN SIMON: Thank you very
12 much.

13 COMMISSIONER DRISCOLL: Thank you.

14 CHAIRMAN FARRELL: Thank you.
15 Senator?

16 CHAIRWOMAN YOUNG: Thank you.

17 Senator Krueger has some questions.

18 SENATOR KRUEGER: Thank you very much.
19 So you didn't think there could be any
20 left. So I'm going to try to make mine a
21 lightning round for you.

22 So several members already raised the
23 question of the 2015-2016 MOU. You explained
24 it hadn't been signed. You explained that

1 you were in negotiations with the Legislature
2 still. Who in the Legislature? I'd like to
3 talk to them.

4 COMMISSIONER DRISCOLL: No, what I
5 said, Senator, was that it's my understanding
6 that the MOU had not been signed, but DOT is
7 committed to the projects that were a part of
8 that list nonetheless.

9 It's my understanding that that list
10 is with staff of the legislative bodies.

11 SENATOR KRUEGER: And have any of
12 those projects actually begun in 2015-2016?

13 COMMISSIONER DRISCOLL: Yes.

14 SENATOR KRUEGER: Yes. So then we
15 should be able to get a list of the projects
16 that have actually already started?

17 COMMISSIONER DRISCOLL: I believe the
18 staff has the list. I believe.

19 SENATOR KRUEGER: Staff to whom?

20 COMMISSIONER DRISCOLL: The
21 Legislature.

22 SENATOR KRUEGER: So would Cathy
23 Young's staff have it, as the Finance chair?

24 COMMISSIONER DRISCOLL: Ways and Means

1 and Senate Finance.

2 SENATOR KRUEGER: Okay. So I could
3 perhaps ask you for it, then.

4 CHAIRWOMAN YOUNG: Yes.

5 SENATOR KRUEGER: Thank you. I will
6 ask Cathy Young for that, thank you.

7 Jumping back, 2010-2014 capital plan,
8 can we get a master list of what was
9 completed during that five-year plan? And
10 are there projects that are still in the
11 pipeline from that time period?

12 COMMISSIONER DRISCOLL: Yeah, I don't
13 know if there are, but we can get you the
14 projects that have been completed, yes.

15 SENATOR KRUEGER: One of the issues
16 that was raised to me was that for the
17 '10-'14 plan, we got federal stimulus monies,
18 the old ARRA funding, and that there was
19 supposed to be a three-year deadline for
20 completing projects that the reappropriations
21 in the department's budget still show there's
22 500 million in reapprops outstanding.

23 I'm just concerned that, one, if we're
24 not spending them, we might face actually

1 having to give them back. So I'm wondering
2 whether perhaps I am wrong that there are
3 still 500 million outstanding yet to be spent
4 from the old ARRA money.

5 COMMISSIONER DRISCOLL: Yeah, my
6 understanding is the ARRA funding is
7 complete.

8 SENATOR KRUEGER: So you think that
9 that reapprop money actually has been spent.
10 So if staff could just double-check, and
11 we'll try to coordinate why we thought there
12 was still 500 million left. Thank you.

13 Lots of people asked about the PAVE
14 and BRIDGE funding, but there used to also be
15 a funding stream, I think on a five-year
16 level, for something called the
17 Infrastructure Hardening Fund. And we
18 couldn't find the Extreme Weather
19 Infrastructure Hardening Program
20 appropriation in this year's budget proposal.
21 Can you just clarify, does that program still
22 exist, and is there money for it?

23 COMMISSIONER DRISCOLL: Well, this is
24 in the proposed budget. I can't speak to the

1 previous, but we can find that for you.

2 SENATOR KRUEGER: So you think there
3 is money for the Infrastructure Hardening
4 Program in the proposed budget?

5 COMMISSIONER DRISCOLL: And I believe
6 that may be rolled into this. But I'll need
7 to clarify that and get back to you.

8 SENATOR KRUEGER: Okay. Thank you.

9 The Dedicated Highway and Bridge Trust
10 Fund. So the Comptroller's most recent
11 report found that only 25 percent of that
12 Dedicated Highway and Bridge Trust Fund was
13 actually disbursed for capital construction.
14 Can you project for me, in the '15-'19
15 capital plan, how much of that money is
16 intended to be used for capital construction
17 and how much of that money needs to go into
18 operating expenses and debt service?

19 COMMISSIONER DRISCOLL: As I mentioned
20 earlier when I was asked, I can't, because I
21 don't know that answer. I know we are
22 reprogramming, so that again is more
23 information that I would need to get to you.

24 SENATOR KRUEGER: And is it your

1 understanding that it will need to actually
2 show up in a budget bill at some point but
3 the details haven't been worked out yet?

4 COMMISSIONER DRISCOLL: I'm saying
5 that we are reformatting our budget with the
6 proposed budget before you, and so as we go
7 through now creating some new criteria for
8 programs like PAVE-NY and BRIDGE-NY, we are
9 also reprogramming the portfolio.

10 SENATOR KRUEGER: Thank you.

11 There's been lots of discussion about
12 the issue of parity between MTA versus
13 everything else. Some people talk about it
14 as upstate/downstate; I'd prefer to talk
15 about it as sort of mass transit versus
16 highways and bridges.

17 When the state is talking about
18 calculating the numbers and trying to answer
19 the questions about parity, parity can mean
20 lots of different things. So are we talking
21 about looking at population or system users,
22 or what kind of standards are actually used?

23 COMMISSIONER DRISCOLL: Well, as I had
24 mentioned I think previously, systems,

1 conditions, use all play into the criteria
2 that we look at. You know, we don't want to
3 make decisions just based upon geographic
4 location. That may not be an indicator that
5 there may be a particular need.

6 SENATOR KRUEGER: The price of oil is
7 going down dramatically or has come down
8 dramatically. That has, I think, potentially
9 two big impacts for state government. One,
10 if in fact the cost of gas and oil have been
11 used as a basis for seeing skyrocketing costs
12 in your budgets, are we seeing money savings
13 because now gas and oil costs so much less?

14 COMMISSIONER DRISCOLL: In terms of
15 the use for us in our operations?

16 SENATOR KRUEGER: For you, for your
17 contracts, for your operations.

18 COMMISSIONER DRISCOLL: Well, I have
19 to assume that we are seeing a savings based
20 upon the cost of fuel.

21 SENATOR KRUEGER: Then of course we
22 also draw revenue from the gas taxes in
23 New York State.

24 COMMISSIONER DRISCOLL: Right.

1 SENATOR KRUEGER: So could you give me
2 a sense of what projected loss in revenue we
3 think the state might face based on the
4 lowered cost of gas, meaning less tax revenue
5 into a number of the programs you depend on?

6 COMMISSIONER DRISCOLL: No, I
7 couldn't. I couldn't. Much like it varies
8 across counties who count on that tax revenue
9 from the sale of petroleum, I don't know what
10 the number would be and the impact it would
11 be for New York State.

12 SENATOR KRUEGER: So you didn't use
13 any new calculator for determining lost
14 revenue into your budget for the coming year?

15 COMMISSIONER DRISCOLL: Not to my
16 knowledge, no.

17 SENATOR KRUEGER: No. So it may be a
18 good question for Tax & Finance when they
19 testify.

20 COMMISSIONER DRISCOLL: Sure.

21 SENATOR KRUEGER: Thank you very much.

22 COMMISSIONER DRISCOLL: Thank you.

23 CHAIRWOMAN YOUNG: Thank you, Senator.

24 CHAIRMAN FARRELL: Thank you.

1 Assemblyman Gantt, second go-round.

2 ASSEMBLYMAN GANTT: I'll keep it
3 short, Mr. Chairman. Thank you very much.

4 Mr. Commissioner, as you know, I'm
5 Dave Gantt. I was -- or at least I offered,
6 at the groundbreaking ceremonies at the
7 railroad station there in Rochester, I
8 offered free consultant services. And so I'm
9 going to offer you the same thing. I'm going
10 to offer you my free services. He's watching
11 very carefully as to what I say. But it's
12 free, because I'm the only one who knows
13 where the pillar is that goes in front of
14 that station from back in 1950. So those
15 services are still there. Hopefully you will
16 give me the opportunity to continue to serve
17 you free.

18 However, at that particular meeting
19 the mayor, who's a young woman in our town,
20 was not even born yet. She just got
21 information from her consultant that it would
22 cost her probably three times as much for --
23 or cost the state probably three times as
24 much later for a bus station as it would if

1 we did that station now.

2 So she took me up on my free services
3 contract with the state, with the
4 commissioner, and she asked if I would go and
5 consult for her free on the issue of whether
6 or not the state should try and purchase the
7 bus station, it's a multimodal station. So
8 she wants you to come in and purchase that at
9 \$3 million rather than \$9 million.

10 And so that's what I'm asking today,
11 that you simply take a look at whether or not
12 we ought to do the bus station now rather
13 than later. My offer still stands that I
14 will consult on that pillar. Nobody knows
15 where that pillar goes but me. So that's
16 free. And this service that I'm providing
17 for the mayor is free. So I don't want
18 anybody to leave out of here saying it's
19 anything else but free.

20 So we'd like to have you do that in
21 Rochester, it's about the multimodal. And we
22 think we could save money.

23 COMMISSIONER DRISCOLL: Okay, thank
24 you, sir. And I did meet with the mayor just

1 last week on that subject and others, and I'm
2 in the process of gathering information.

3 ASSEMBLYMAN GANTT: So you can tell
4 her I did my job, free.

5 COMMISSIONER DRISCOLL: You did your
6 job. You're a good consultant.

7 ASSEMBLYMAN GANTT: Well, there are
8 some people in here, consultants in here
9 looking now, so I wanted to make sure I got
10 that on the record.

11 Thank you very much. And thank you
12 for your time.

13 COMMISSIONER DRISCOLL: Thank you,
14 Assemblyman.

15 ASSEMBLYMAN GANTT: Thanks, Mr. Chair.

16 CHAIRWOMAN YOUNG: Thank you.

17 We were just joined by Senator Joseph
18 Griffo.

19 CHAIRMAN FARRELL: Thank you. I guess
20 I've got you, to close.

21 Of the \$22.1 billion five-year capital
22 plan, is there a priority or any emphasis
23 given to bicycle and pedestrian
24 infrastructures?

1 COMMISSIONER DRISCOLL: Yes, sir,
2 there is. It's actually part of our Complete
3 Streets Program. And in fact we look to
4 build those elements into all the projects
5 that we look at as to how we can better serve
6 the pedestrian and bicycling communities
7 throughout New York State.

8 CHAIRMAN FARRELL: I hope you're
9 putting them in separate divisions. The
10 pedestrians aren't walking in between the
11 bicycles, are they?

12 (Laughter.)

13 COMMISSIONER DRISCOLL: Well, you hope
14 they're looking.

15 CHAIRMAN FARRELL: That will get me
16 into the paper again.

17 The other question is -- I don't know
18 if anyone raised this before -- and that's
19 the fact that the last several enacted
20 budgets included a \$10 million capital
21 appropriation for rail service preservation,
22 which included 4 million to upgrade diesel
23 train engines owned by LIRR to meet higher
24 federal emissions standards. Have these

1 procurements been completed? How many more
2 LIRR trains could be upgraded in the same
3 manner? Why was the appropriate language
4 allowing for this funding removed in the
5 Executive Budget proposal? Why did they
6 remove it? And do you plan to continue this
7 program?

8 COMMISSIONER DRISCOLL: So I don't
9 know why the language was removed. Those
10 appraisals or reviews are being done as we
11 speak. And I'm going to follow up on your
12 question with the appropriate staff at DOT.

13 CHAIRMAN FARRELL: Fine. Very good.
14 Thank you very much.

15 COMMISSIONER DRISCOLL: Thank you,
16 sir.

17 CHAIRMAN FARRELL: See you next year.
18 That's it.

19 COMMISSIONER DRISCOLL: I'm done?
20 thank you.

21 CHAIRMAN FARRELL: You're free at
22 last.

23 COMMISSIONER DRISCOLL: Thanks for
24 your time.

1 CHAIRWOMAN YOUNG: Thank you very
2 much, Commissioner, very helpful.

3 CHAIRMAN FARRELL: Thank you.

4 Next to testify, the New York State
5 Department of Motor Vehicles, Theresa Egan,
6 executive deputy commissioner.

7 EX. DEP. COMMISSIONER EGAN: Good
8 afternoon.

9 CHAIRMAN FARRELL: Good afternoon.

10 EX. DEP. COMMISSIONER EGAN: Thank
11 you, Chairperson Young, Chairperson Farrell,
12 and other members of the Legislature for
13 inviting me here today. I'm Terri Egan, the
14 executive deputy commissioner for the
15 Department of Motor Vehicles.

16 Governor Cuomo's Executive Budget plan
17 allows DMV to continue to build upon the
18 innovations and efficiencies achieved over
19 the past few years. It provides \$325 million
20 for DMV, which will enable us to continue our
21 efforts to improve overall customer service,
22 promote traffic safety, and protect
23 consumers.

24 At the Governor's direction, our

1 efforts to improve customer service started
2 with an agencywide Customer Service
3 Initiative, which consisted of 11 separate
4 projects that added new technologies,
5 upgraded equipment, and instituted best
6 practices in customer service in all of our
7 call centers and 27 state-operated DMV
8 offices.

9 One of the principal goals of the
10 Customer Service Initiative was to decrease
11 average office wait times from 72 minutes,
12 which we saw in 2013, to 30 minutes. I am
13 pleased to report that we were successful in
14 doing so and that in 2015, the average office
15 wait time in state-operated DMV offices was
16 maintained below 30 minutes.

17 The expansion and improvement of our
18 website was another important success of the
19 Customer Service Initiative. To improve our
20 service, DMV introduced a new, modern,
21 dynamic, and easy-to-use website that is also
22 optimized for access from mobile devices.
23 Our website now receives more than 30 million
24 site visits per year and offers more than 50

1 online transactions and services. In 2015,
2 customers performed more than 6 million
3 internet transactions, many completed through
4 MyDMV, DMV's personalized web portal.

5 To connect with our customers that
6 utilize social media, DMV has also
7 established a strong social media presence on
8 the site, including Facebook, Twitter,
9 Flickr, Instagram and YouTube. DMV recently
10 won the 2015 Pinnacle Award from the National
11 Association of Government Web Professionals,
12 the second national accolade that we have
13 received this year for the design, ease of
14 use, and scope of services of our website.

15 Along with the expanded use of the
16 website, we are fully embracing new
17 technologies such as electronic notifications
18 that allow us to reduce our environmental
19 footprint. Currently more than 1 million
20 New Yorkers are enrolled in our electronic
21 registration renewal and inspection reminders
22 program, which will eliminate hundreds of
23 thousands of mailings in 2016.

24 In total, these improvements have

1 helped us to move closer to achieving the
2 long-term goal of 50 percent of customers
3 using alternative service channels, including
4 the web, mail and kiosks. Currently,
5 approximately 45 percent of our customers
6 transact their business through an
7 alternative service channel, rather than
8 having to be served at the counter by a
9 customer service representative in an office.

10 DMV is not only focused on improving
11 service to our customers, we also continue to
12 increase partnerships with other agencies and
13 to improve services, create efficiencies and
14 promote enforcement. In 2015, DMV partnered
15 with the State Liquor Authority on "Operation
16 Prevent," to target underage drinking, which
17 resulted in nearly 760 arrests and the
18 seizure of more than 750 fraudulent
19 identification documents.

20 In addition, we continue to offer
21 in-office and online options for customers to
22 register to vote or sign up for organ
23 donation, furthering the missions of the
24 Board of Elections and the Department of

1 Health. DMV also recently partnered with DOH
2 to produce medical marijuana cards for
3 patients and caregivers. And further, should
4 the legislation pass, we are also ready to
5 partner with the Board of Elections to
6 implement the Governor's Executive Budget
7 proposal to increase voter enrollment.

8 Partnering with 14 state agencies
9 through the Governor's Traffic Safety
10 Committee, DMV will continue its outstanding
11 work that has made New York's roadways among
12 the safest in the nation. GTSC distributes
13 approximately \$32 million in federal funding
14 annually to support traffic safety
15 initiatives, including enforcement efforts by
16 state and local law enforcement agencies to
17 combat impaired driving and distracted
18 driving as well as other dangerous driving
19 behaviors. GTSC was also instrumental in
20 securing an \$805,000 National Highway Traffic
21 Safety Administration grant to improve
22 pedestrian safety, one of only three grants
23 awarded nationally.

24 In 2015, seat belt use reached an

1 all-time high of 92 percent, and New York
2 State has become a national leader in an
3 innovative program aimed at detecting drugged
4 driving by training and certifying Drug
5 Recognition Experts across the state. As a
6 result of these efforts and more, over the
7 past 10 years crash fatalities have decreased
8 by 27 percent.

9 To support our ongoing traffic safety
10 efforts, last year, our administrative law
11 judges adjudicated close to 10,500 cases,
12 including those involving chemical test
13 refusals, fatal crashes, excess speeds, and
14 persistent violators. These administrative
15 law judges also provide support for DMV's
16 mission to protect consumers. Last year they
17 also adjudicated more than 1,000 repair shop
18 dealer complaints and inspection station
19 violations, resulting in nearly \$1.2 million
20 being returned to consumers as a result of
21 cases involving fraudulent repair, inspection
22 and dealer transactions.

23 Looking forward, DMV will continue our
24 commitment to improve traffic safety, protect

1 consumers, innovate and improve our
2 procedures, maintain a high level of customer
3 service, and provide convenient options for
4 our customers to complete transactions. We
5 remain strongly committed to our core mission
6 to serve the citizens of New York.

7 Once again, thank you for this
8 opportunity to speak with you today. I
9 welcome any questions you might have about
10 DMV and our plans for serving the people of
11 New York. Thank you.

12 CHAIRMAN FARRELL: Thank you.

13 Assemblyman Cusick.

14 ASSEMBLYMAN CUSICK: Thank you,
15 Mr. Chairman.

16 Thank you, Commissioner. Thank you
17 for testifying. I just have a couple of
18 quick questions.

19 I know that there -- and correct me if
20 I'm wrong. Is there a decrease in the
21 workforce at all at DMV?

22 EX. DEP. COMMISSIONER EGAN: There is
23 a decrease this year, sir.

24 ASSEMBLYMAN CUSICK: My concern, not

1 only as someone who goes to renew his
2 license, but representing many constituents
3 who do, will that have any effect on the
4 customer service on the local level in the
5 different areas of New York State?

6 EX. DEP. COMMISSIONER EGAN: It will
7 not. This budget contemplates a 10 FTE
8 reduction this year. We will be able to
9 absorb that.

10 We've made some great strides in
11 regard to some technological advances in the
12 way we're approaching our in-office
13 experience and, most importantly, really
14 trying to move as many transactions as
15 possible to the website so that -- as I'm
16 sure most of you have heard, people would
17 like to do it from the comfort of their home
18 or, you know, from the subway using their
19 mobile devices.

20 So there will be no impact, sir.

21 ASSEMBLYMAN CUSICK: So we don't need
22 to expect having constituents call our
23 offices saying that they're having unusual
24 waits at DMV due to this budget?

1 week, what is the plan to join with other
2 agencies? Because I know our committee has
3 been looking into this and we had hearings on
4 this this past winter, and we're very
5 interested in the Assembly in moving forward
6 on voter registration online.

7 EX. DEP. COMMISSIONER EGAN: Sure.
8 Again, we haven't seen any of the proposed
9 legislation. And I think what -- as we are
10 aware at this point, the process as far as
11 DMV is concerned will remain in essence the
12 same as it has been since the mid-90s when we
13 implemented Motor Voter. The only difference
14 is where currently right now it is an
15 affirmative opt-in, it's just going to change
16 to an opt-out. The rest of the process will
17 remain exactly the same.

18 In regard to expanding that with other
19 agencies, I'm not sure what those plans are.

20 ASSEMBLYMAN CUSICK: Okay. But there
21 are -- there will be discussions on possibly
22 expanding it, correct?

23 EX. DEP. COMMISSIONER EGAN: I would
24 believe so.

1 ASSEMBLYMAN CUSICK: Okay, thank you.

2 Thank you, Commissioner.

3 Thank you, Mr. Chair.

4 CHAIRWOMAN YOUNG: Thank you very
5 much.

6 I'd like to welcome and thank you
7 today, Deputy Commissioner. And I did have a
8 couple of questions for you.

9 You know, the background is in the
10 Executive Budget proposal it provides
11 \$302.3 million for DMV, as you know. And
12 that's \$2.8 million less, it has been pointed
13 out, than -- based on continuing
14 administrative and operational efficiencies,
15 including more than 4 million online
16 transactions per year.

17 And that leads into a question that I
18 have. I've heard from local governments
19 across the state, especially county clerks,
20 about the online transactions and the impact
21 that it has on their locations across the
22 state. So could you address that, please?

23 EX. DEP. COMMISSIONER EGAN:

24 Certainly. Again, county clerks serve, in

1 essence, the same constituency as our
2 state-operated offices. And I think one of
3 the things that we believe one of our primary
4 missions is to provide exemplary customer
5 service, and that is a result of listening to
6 our customers.

7 We hear over and over again, Can't I
8 do more transactions from home? Why do I
9 have to come into an office? Can't we do it
10 on mobile, because we're doing everything
11 else on mobile? So we at DMV have attempted
12 to implement many of those things that we
13 think are meeting our customers' demands.

14 This year the county clerks shared
15 about \$43.8 million in retention, with about
16 \$750,000 coming from web. As many of you may
17 recall, back in 2012 legislation was passed
18 to provide county clerks a sharing of those
19 revenues derived from online transactions.
20 There was about \$750,000 shared by the clerks
21 coming from that this year, and our
22 projections indicate that those revenues will
23 increase to over a million dollars next year.

24 In addition, as a result of our

1 natural cycle of increase of license renewal
2 volumes over the next four years, where the
3 county clerks shared about 43.8 million in
4 normal retentions this year, our projections
5 indicate in the years '18-'19, at the height
6 of the cycle, their revenues will be
7 exceeding \$51 million.

8 CHAIRWOMAN YOUNG: Thank you. And I
9 appreciate that answer.

10 I do want to stress, however, that I
11 know that you're focused on customer service,
12 and that's something that I and the
13 Legislature also support. But it is crucial
14 to make sure that our DMV locations are
15 continued and are operating.

16 And the reason I say that is that
17 going online is a great thing for people who
18 choose to use that method to deal with the
19 DMV. However, I'm sure you know that in
20 upstate New York there are wide, vast
21 geographic regions that do not have access to
22 broadband, no access to Internet. People may
23 not even be able to afford computers. And as
24 a result of that, they need to have that

1 local customer service at the DMV office
2 through the clerks' offices.

3 So I just want to point that out, and
4 I'm sure you're aware of that.

5 EX. DEP. COMMISSIONER EGAN:
6 Absolutely.

7 CHAIRWOMAN YOUNG: Also I wanted to
8 ask a question about the federal Real ID Act
9 of 2005 that establishes minimum standards
10 for the production and issuance of
11 state-issued driver's licenses and
12 identification cards. And as you know, it
13 was found that the DMV licenses that were put
14 forward do not meet the standards of that
15 act.

16 So could you please provide the
17 Legislature with any details on the measure
18 that DMV has taken in order to be in
19 compliance? Because as you know, there's a
20 one-year extension period, the clock is
21 ticking. And could you please give us an
22 update on where that is at?

23 EX. DEP. COMMISSIONER EGAN: I'll be
24 happy to, Senator. Thank you for asking.

1 Again, there's a couple of things that
2 I know that in the press actually has been
3 misrepresented. So if we could start,
4 New York has since 2008 offered a Real
5 ID-compliant document. It's the enhanced
6 driver's license. So we have provided a
7 license that is Real ID-compliant for several
8 years.

9 Most recently, I think what you're
10 referring to is in October, New York received
11 a one-year extension till October of 2016.
12 And much of what we have done over the last
13 decade is to work with DHS and wait to see
14 how it is that they were going to implement
15 the act, particularly as it references air
16 travel, which I think is the thing that most
17 New Yorkers are concerned about.

18 It was only less than two weeks ago
19 that DHS actually announced what its
20 implementation plan was, and that plan in
21 essence says -- and there's lot of
22 technicalities -- but as it pertains to
23 New York is that New York documents will
24 continue to be good, effective, will let you

1 get on a plane through 2020, as long as we
2 stay either on extension or become compliant.
3 And we have every intention to be on
4 extension or compliant through that time
5 frame. So all of New York State documents
6 will be good through October of 2020.

7 Inasmuch as they just made this
8 announcement less than two weeks ago, we will
9 continue to work with DHS at this point as
10 well as with DOB and our ITS people here in
11 the state to come up with the most
12 cost-effective and efficient plan to ensure
13 that all New Yorkers will not suffer any
14 negative impact from this federal rule.

15 CHAIRWOMAN YOUNG: Okay, thank you.
16 Thank you very much for that answer.

17 EX. DEP. COMMISSIONER EGAN: You're
18 welcome.

19 CHAIRMAN FARRELL: Thank you.
20 Assemblyman Ra.

21 ASSEMBLYMAN RA: Thank you, Chairman.

22 I just had a quick question. You
23 touched on the organ donor sign-up program.

24 EX. DEP. COMMISSIONER EGAN: Yes.

1 ASSEMBLYMAN RA: And I know that there
2 was that piece of legislation last year that
3 made some slight changes to the wording of
4 that on the form and the effect of not
5 filling out that question on the online form.

6 Has that been implemented yet?

7 EX. DEP. COMMISSIONER EGAN: It has,
8 sir. And as recently as November we moved it
9 to another one of our electronic formats, and
10 we are seeing an uptick.

11 Last year we had over 385,000
12 applications to join the registry transmitted
13 through the Department of Motor Vehicles.
14 And historically it still looks like
15 88 percent of the organ donor registry
16 participants are coming through DMV.

17 ASSEMBLYMAN RA: Great. So that's
18 been smooth, in your view, so far?

19 EX. DEP. COMMISSIONER EGAN: It has.
20 We continue to look for other ways that we
21 can improve participation. We're working
22 closely with DOH.

23 ASSEMBLYMAN RA: Great. Thank you
24 very much.

1 EX. DEP. COMMISSIONER EGAN: You're
2 welcome.

3 CHAIRMAN FARRELL: Thank you.
4 Senator?

5 CHAIRWOMAN YOUNG: Thank you very
6 much.

7 Senator Marty Dilan.

8 SENATOR DILAN: Thank you very much.

9 I just have one quick question. In
10 your testimony you mentioned that seat belt
11 use is up to 92 percent. In previous years
12 when I chaired the Transportation Committee,
13 the Department of Motor Vehicles did provide
14 to me a study, and as a result there's
15 legislation for the use of seat belts in the
16 back seat.

17 I just wanted to know if the
18 department still supports that legislation.

19 EX. DEP. COMMISSIONER EGAN: We would
20 support back seat belts, yes, sir.

21 SENATOR DILAN: Thank you.

22 CHAIRWOMAN YOUNG: Very efficient.

23 Thank you very much.

24 Assemblyman?

1 offices so that you can make a reservation
2 now and come in and be served. We've had
3 over 900,000 reservations actually made
4 within the state-run offices.

5 So yes, I think it's been very
6 successful. And as we've been able to keep
7 our wait times down as well as I think
8 provide exemplary customer service, I think
9 it was money well spent and well used.

10 So thank you.

11 CHAIRMAN FARRELL: The Executive
12 proposal reduces the DMV workforce by 10
13 full-time-equivalent employees. Will this
14 have any impact on customer service at the
15 DMV? The DMV workforce has been reduced by
16 24 percent over the past 10 years. What
17 impact has this had on DMV operations and
18 customer services?

19 EX. DEP. COMMISSIONER EGAN: Thank
20 you.

21 Yes, we have incurred a 10 FTE for
22 this year, but we still have 2,149 staff. I
23 do not believe there will be an impact on
24 customer service. We have made some

1 tremendous strides in the use of technology,
2 as we've spoken about.

3 In addition, we are actively engaged
4 in lean management, which is one of the
5 recommendations that came out of the Sage
6 Commission, in that we're trying -- you know,
7 with each lean project we're finding
8 efficiencies so that we then can deploy
9 resources to those areas that may need
10 attention.

11 And we continue to be very creative
12 with how we are using the workforce that we
13 currently have. So no, I do not believe
14 there will be any negative impact by this
15 reduction.

16 CHAIRMAN FARRELL: The compliance
17 deadline for the federal Real ID Act was
18 recently extended to January 2018. Is
19 New York in compliance? What has the DMV
20 done so far toward achieving compliance?
21 What additional action is required to achieve
22 compliance? Is DMV planning to meet the new
23 compliance deadline, January 2018?

24 That's four different ways to ask the

1 same question.

2 EX. DEP. COMMISSIONER EGAN:

3 Certainly. And actually, as long as the
4 state remains on extension or is Real
5 ID-compliant, that deadline goes really to
6 2020.

7 So we believe we have plenty of time
8 to implement and do what we need to do, after
9 speaking with DHS, talking to DOB, talking to
10 ITS, to provide a document and a process that
11 will allow New Yorkers to continue to fly
12 during that time.

13 And again, the footnote to that always
14 is we've had a Real ID-compliant document
15 since 2008, and we'll continue that also.

16 CHAIRMAN FARRELL: Thank you very
17 much.

18 Any further questions?

19 CHAIRWOMAN YOUNG: Yes, we have
20 several Senators.

21 We'll start with Senator Joseph
22 Griffo.

23 SENATOR GRIFFO: Thank you, Madam
24 Chairwoman.

1 Thank you, Commissioner. Appreciate
2 that. I just want to echo what the
3 chairwoman said earlier about it's important
4 to have that ongoing dialogue with county
5 clerks too, because your constituents are
6 their constituents, and they're all of our
7 constituents. So customer service I think is
8 in the best interests of everybody.

9 So I hope you would continue to at
10 least listen and involve them in that
11 conversation and discussion.

12 EX. DEP. COMMISSIONER EGAN:
13 Absolutely. And in fact we're meeting with
14 them next week, Senator.

15 SENATOR GRIFFO: I'm going to follow
16 up on the Real ID Act because I do have some
17 questions on that.

18 You say that we have been compliant.
19 What do you consider compliant? The enhanced
20 driver's license that we offer?

21 EX. DEP. COMMISSIONER EGAN: We have
22 provided -- and DHS has certainly recognized
23 that our EDL is a Real ID-compliant document.
24 So that has been in existence since 2008.

1 ***START HERE***

2 There are a series of technical
3 requirements to become fully Real ID-
4 compliant, but at this time we have provided
5 and received an extension from DHS. And, you
6 know, inasmuch as DHS has taken 10 years,
7 really, to announce its implementation, now
8 that they finally have, we will be working
9 closely with them moving forward to make sure
10 that anything we do will not have a negative
11 impact on New York's ability to fly.

12 SENATOR GRIFFO: So the document that
13 you indicate was compliant actually comes at
14 an additional cost to all of the customers
15 and constituents that we represent, correct?

16 EX. DEP. COMMISSIONER EGAN: As a
17 result of legislation that was passed, yes,
18 there's an additional fee charged for the
19 EDL.

20 SENATOR GRIFFO: So we are one of the
21 last if not the last states that was
22 noncompliant, correct?

23 EX. DEP. COMMISSIONER EGAN: In regard
24 to a listing on the DHS website, it would

1 look so. As we have had conversations with
2 DHS, we think that was an unfair listing, if
3 you will, because there were many states that
4 were even on the extension category that had
5 legislation in place at the time that said
6 they could not become Real ID-compliant. But
7 in any event, having worked through that in
8 the fall, DHS has granted us an extension
9 through October of 2016.

10 SENATOR GRIFFO: And we have sought
11 other extensions. So this could potentially
12 be the last extension, even though you've
13 talked about how they've given more --
14 they've delineated some of their requirements
15 now.

16 So the question then would be if we
17 know the enhanced driver's license -- my
18 concern, and it should be all of our
19 concerns, is we want to ensure that any
20 New Yorker that is trying to engage in travel
21 or access to a federal building will have the
22 appropriate identification necessary to do so
23 to conduct business or to travel. And if the
24 enhanced license can do that, and it will be

1 recognized accordingly, what are we going to
2 do to allow that opportunity without that
3 additional cost to all New Yorkers? Because
4 to impose an additional cost on something
5 that the federal government is requiring
6 seems to be very onerous.

7 EX. DEP. COMMISSIONER EGAN: I
8 absolutely understand your concern, Senator.
9 In regard to the \$30 fee, because it was
10 legislatively mandated, there's not something
11 that DMV can do in regard to that.

12 SENATOR GRIFFO: So you would
13 support -- if there were legislation, we
14 could expect that the DMV would support any
15 legislation that would eliminate that fee,
16 then?

17 EX. DEP. COMMISSIONER EGAN: Again, we
18 would certainly review any proposal that was
19 given to us. In addition, we will continue
20 to work with DHS as well as our own DOB and
21 ITS to see if there are other alternatives
22 that might be available.

23 SENATOR GRIFFO: What are we doing to
24 inform the public, too, about the

1 plan which we can be able to access and know
2 how you're going to communicate with the
3 general public?

4 EX. DEP. COMMISSIONER EGAN:
5 Absolutely. As soon as we have that plan
6 available, we'd be happy to share it.

7 SENATOR GRIFFO: Thank you.
8 Thank you, Chairwoman.

9 CHAIRWOMAN YOUNG: Thank you very
10 much, Senator.

11 Next I'd like to call on Senator Diane
12 Savino.

13 SENATOR SAVINO: Thank you, Senator
14 Young.

15 Thank you for your testimony. I
16 wanted to ask you a question about the
17 issuance of the medical marijuana cards for
18 patients and caregivers. I'm happy to hear
19 that DMV is issuing them. I have a question,
20 though, about how many have been issued, if
21 you know, and what the turnaround is from the
22 request for the card.

23 EX. DEP. COMMISSIONER EGAN: I do
24 know, as of this morning, it was 117 cards

1 have been issued. We issued the first one on
2 January 4th. The turnaround time I think is
3 very short. I don't know exactly what that
4 is, but I can get that to you, Senator.

5 SENATOR SAVINO: Yeah, I would be
6 interested in hearing that.

7 EX. DEP. COMMISSIONER EGAN:
8 Absolutely.

9 SENATOR SAVINO: And the other
10 question is, just briefly, I know that
11 everyone is concerned about distracted
12 driving and obviously reducing the incidence
13 of driving under the influence. In the
14 Legislature, I believe two years ago we
15 increased the penalties for texting while
16 driving and in fact made actually having the
17 phone in your hand a primary offense so the
18 police could pull you over.

19 Do you have any idea how many
20 summonses have been issued statewide with
21 respect to texting while driving?

22 EX. DEP. COMMISSIONER EGAN: I don't
23 have that offhand, but I certainly can get
24 that. That is a metric that we keep and we

1 report on it regularly. We do -- we're happy
2 to report, actually, in 2014, which is the
3 last year of full reporting on this, that in
4 regard to impaired driving our fatalities
5 were at the lowest ever that had alcohol as a
6 factor, which we were very pleased with.

7 And as a result of many of the
8 initiatives the Governor has directed not
9 only us to take but also legislation that has
10 been passed, we were really happy to see
11 those numbers start to come down.

12 SENATOR SAVINO: Are we tracking the
13 number of accidents due to distracted
14 driving, particularly from texting?

15 EX. DEP. COMMISSIONER EGAN: Yes, we
16 have an ability -- the Governor's Traffic
17 Safety Committee website actually has these
18 reports that are done, they're available on
19 their website. It's a little difficult to
20 track because, again, we don't say anything
21 is a particular cause. The way that police
22 and law enforcement report, it's a factor.

23 But certainly if you go to the charts
24 that are there, you can look at factors from

1 cellphones to texting to distracted driving,
2 and I think there's even one for eating while
3 driving. So those numbers are all set out.

4 SENATOR SAVINO: Thank you.

5 And another issue that has been of
6 concern to myself, Assemblyman Cusick and I
7 have been carrying a bill for several years
8 now with respect to creating a crime of
9 intruding into the work zone. The number of
10 work zone fatalities across the state
11 continues to go up, despite us increasing
12 fines. Everyone -- you drive down the
13 Thruway, you see a sign that says, you know,
14 the penalties are doubled for speeding
15 through the work zone. But it has had very
16 little impact on changing people's behavior.

17 So we have been pushing the idea of
18 creating a felony, creating the crime of
19 vehicular law homicide for intentionally
20 intruding into the work zone. The Senate has
21 passed this bill many times. But we're kind
22 of running into problems convincing others
23 that this is necessary, because they don't
24 see the number of summonses.

1 So I'm not sure if you know the answer
2 to that question or if you can point me in a
3 direction where I can obtain the information
4 to justify our position that we need to
5 increase these penalties, because intrusions
6 into the work zone are creating not just a
7 hazard for the workers in the work zone, but
8 it actually creates a big problem for
9 drivers.

10 EX. DEP. COMMISSIONER EGAN: Sure. I
11 mean, we certainly can work with DOT as well
12 as our Governor's Traffic Safety Committee
13 and some of our other data people to provide
14 whatever data you think you need.

15 SENATOR SAVINO: Those tickets are
16 adjudicated by your ALJs, aren't they?

17 EX. DEP. COMMISSIONER EGAN: It
18 depends on where -- it depends on where the
19 infraction happens. Some could be our ALJs,
20 some could be local town judges and
21 magistrates.

22 SENATOR SAVINO: Okay, thank you.

23 EX. DEP. COMMISSIONER EGAN: You're
24 welcome.

1 CHAIRWOMAN YOUNG: Thank you very
2 much, Senator.

3 Next I would call on Senator Kathy
4 Marchione.

5 SENATOR MARCHIONE: Thank you. Thank
6 you. Hi, how are you?

7 EX. DEP. COMMISSIONER EGAN: Good to
8 see you, Senator.

9 SENATOR MARCHIONE: That's good. Nice
10 to see you too.

11 Recently it has come to my attention
12 that State DMV has put out for bid the
13 ability of a private company to process
14 commercial or dealer work, as known by county
15 clerks. Can you tell me whether that is true
16 or not?

17 EX. DEP. COMMISSIONER EGAN: I do not
18 believe that's true.

19 SENATOR MARCHIONE: Okay, I had a
20 gentleman in my office who -- actually, the
21 company is in my district -- told me that he
22 put a bid in for work with the Department of
23 Motor Vehicles.

24 So you're confirming that at this time

1 you have not put work out?

2 EX. DEP. COMMISSIONER EGAN: I am not
3 aware of what that would be. We certainly
4 could, if you would like, after this, get us
5 the information and we can track it down and
6 more specifically discuss it. But I am not
7 aware of any bid that's going out for dealer
8 work.

9 SENATOR MARCHIONE: Okay, that was my
10 second question.

11 I know that you've done a great deal
12 of work for online, and it's very easy to
13 use. County clerks hate it, of course, as
14 you know. But certainly it's terrific for
15 people to be able to get their DMV work done
16 quickly.

17 Have you secured an online program for
18 dealers as of this time so that dealers -- I
19 know that they have been able to for years
20 but have not. Have you streamlined and
21 looked at programs where dealers are now
22 going to start going online?

23 EX. DEP. COMMISSIONER EGAN: Again,
24 the partnering program has been available at

1 DMV for several years. As far as any new
2 initiative in regard to that, the answer
3 would be no.

4 The only thing -- and again, trying to
5 figure out exactly what your constituent may
6 be referring to -- we are getting ready to
7 put out an RFP for an online EMV system.
8 It's basically called -- it's to allow the
9 transfer and the inventory of new cars, used
10 cars, for dealers to be done electronically
11 as opposed to on paper. But that has to do
12 with really more, again, just the inventory
13 and the transfer. That RFP we would expect
14 to go out hopefully next month.

15 SENATOR MARCHIONE: Okay. And that
16 might be what he was talking about. He
17 wasn't explaining it well.

18 EX. DEP. COMMISSIONER EGAN: It could
19 be, but we'd be happy to follow up with you
20 if you would like.

21 SENATOR MARCHIONE: Thank you.

22 One other question. You have a
23 program, it's COMPASS?

24 EX. DEP. COMMISSIONER EGAN: Yes.

1 SENATOR MARCHIONE: But within COMPASS
2 there's a function called Tickets in COMPASS.

3 EX. DEP. COMMISSIONER EGAN: Yes.

4 SENATOR MARCHIONE: My local district
5 attorney has been in contact with me because
6 in her office they're able to access that.
7 The problem that they're experiencing is they
8 would love to see that program expanded to
9 local justice courts.

10 In any given day in just one of my
11 counties, in Saratoga, they process about 200
12 cases a day. They can't possibly look at
13 everything when it's in a local justice
14 court; they don't have time. But the local
15 justice court, even with limited access, a
16 certain individual, someone within there to
17 be able to look at Tickets in COMPASS -- let
18 me tell you the situation that occurred, that
19 we actually went to DMV and asked if we could
20 hook onto Tickets in COMPASS. We had an
21 accident in my district with four young high
22 school students, and the young man who was
23 responsible for the accident had 22
24 violations stockpiled that no one knew about

1 because they weren't able to access what he
2 hadn't taken care of.

3 And so at that point we went to DMV
4 and we asked if we could hook in. And you
5 were running a pilot, and thank you, you put
6 Saratoga on that pilot.

7 Well, now they know it works so well
8 and local courts have access, of course, to
9 all criminal records through DCJS. They
10 really need to have access to COMPASS in
11 order for them not only in a plea agreement,
12 but in any decision that the judge is
13 rendering, to know what is out there and what
14 may still be outstanding in order to be able
15 to know what they really need to do with that
16 person in front of them.

17 So I'm here today hoping that access
18 can be given to our mobile justice courts.

19 EX. DEP. COMMISSIONER EGAN: Yes,
20 Senator, we're aware of that.

21 And again, for those who may not be
22 familiar with this, here in New York, local
23 courts as well as DAs can receive an
24 abstract, which is what we talk about as a

1 driver's driving record. And it lists out
2 convictions.

3 There is a program that we started a
4 couple of years ago called Tickets in
5 COMPASS, which allows certain people to have
6 access not only to the driver conviction but
7 to what the original charges were.

8 There was a decision at the time that
9 the program was instituted that that access
10 would be given to district attorneys so that
11 they can make a determination whether or not
12 they could even want to make an offer for a
13 plea bargain for a particular matter. There
14 was a decision also at that time that town
15 judges and courts would not have that same
16 access, mostly because, again, judges as an
17 objective neutral arbiter, the idea being
18 seeing the original charge prior to the time
19 that they may be called upon to actually have
20 a trial to make a determination of guilt or
21 innocence, we would not want anybody to be
22 unfairly biased, and we would certainly want
23 the motorist to feel that there was fairness
24 going on at all levels with the DA as well as

1 their defense attorney as well as the town
2 judge.

3 So that is really the theory behind
4 doing it this way. And town judges can
5 absolutely get access to this at the
6 appropriate time through their district
7 attorney.

8 So I'm familiar with the case on the
9 Northway. And I would just say that while
10 the town judge may not have had access to
11 this document and this information, the
12 district attorney certainly did. And if it
13 was any time within the last three years or
14 so, they would have had any sort of
15 information in regard to the priors on this.

16 So I understand the concern and we
17 understand the request, but at this time,
18 again, balancing what we believe to be the
19 fairness to the motorist as well as the
20 objectivity and the unbiased nature of the
21 judicial system, that's our policy as we sit
22 here.

23 SENATOR MARCHIONE: My request is just
24 to hope that you'll revisit that policy. But

1 thank you for your explanation.

2 EX. DEP. COMMISSIONER EGAN: Thank
3 you, Senator.

4 CHAIRMAN FARRELL: Assemblywoman
5 Malliotakis.

6 ASSEMBLYWOMAN MALLIOTAKIS: Thank you
7 very much.

8 Thank you, Commissioner, for being
9 here.

10 EX. DEP. COMMISSIONER EGAN: Good
11 afternoon.

12 ASSEMBLYWOMAN MALLIOTAKIS: I just
13 wanted to follow up on some of the drunk
14 driving stuff.

15 One of the first bills that I had
16 introduced when I came to the Legislature was
17 to strip licenses from individuals after a
18 third conviction. It was sort of like a
19 "three strikes, you're out." A similar law,
20 Vince's Law, went into effect I think in
21 2014. I just wanted to ask you if you could
22 provide a little bit of an update on how
23 that's been working.

24 At the time that this law went into

1 effect, there were about 47,000 individuals,
2 I think, in the database that had three
3 convictions of drunk driving, and I wanted to
4 know what your perspective is on how this law
5 is working and if it goes really far enough.

6 EX. DEP. COMMISSIONER EGAN:

7 Certainly. It may be a little premature to
8 make a determination on how well it's
9 working. I do believe, I think we just read
10 about a month and a half ago that we had our
11 first either arrest and/or conviction under
12 the new law. And it takes a little bit of
13 time to really compile all of that
14 information. And even though somebody may be
15 getting charged with that new law, as a
16 judicial system works, it may take several
17 months if not in excess of a year before it
18 works its way through the judicial system.
19 So it's something that we will continue to
20 work on.

21 And as you know, too, we try to the --
22 you know, the best of our authority is take a
23 very strong look at not only these impaired
24 drivers -- and again, we're looking not only

1 at alcohol now, but we're also looking at
2 drug-impaired and seeing what we can do
3 within our own authority. And certainly as
4 proposals come in from the Legislature, we
5 review those also.

6 ASSEMBLYWOMAN MALLIOTAKIS: The first
7 case, the conviction that you mentioned, was
8 that a license that was suspended or was it
9 just someone who, you know, was sentenced to
10 seven years, which was the maximum?

11 EX. DEP. COMMISSIONER EGAN: I
12 thinking it had to do with the arrest and not
13 the sentence.

14 ASSEMBLYWOMAN MALLIOTAKIS: Okay. All
15 right, so hopefully we'll see some progress
16 with this and getting people off the streets.

17 I have another question regarding the
18 state identification cards. Can you just
19 talk a little bit about the process for an
20 individual who is either -- it's only --
21 state identification cards are only given to
22 citizens or legal residents, correct?

23 EX. DEP. COMMISSIONER EGAN: Well,
24 citizenship is not an element of our license

1 issuance process. So I'm not sure if you're
2 talking about just a regular license or if
3 you're talking about what potentially would
4 be a Real ID document.

5 ASSEMBLYWOMAN MALLIOTAKIS: State ID
6 document.

7 EX. DEP. COMMISSIONER EGAN: Okay.
8 Citizenship is not an element of our
9 licensing process. And again, online we have
10 a very I think robust website in regard to
11 what would be needed for someone to come into
12 an office to receive either a non-driver ID
13 and/or their license.

14 ASSEMBLYWOMAN MALLIOTAKIS: But to
15 receive an ID, you do need to be a legal
16 resident of the city and the nation, no?

17 EX. DEP. COMMISSIONER EGAN: Again, in
18 regard to a non-driver ID, not being a
19 Real ID document, citizenship is not an
20 element of our license process.

21 ASSEMBLYWOMAN MALLIOTAKIS:
22 Citizenship is not. But about a legal
23 resident?

24 EX. DEP. COMMISSIONER EGAN: It is not

1 either.

2 ASSEMBLYWOMAN MALLIOTAKIS: So you can
3 be an illegal immigrant and obtain a New York
4 State identification card?

5 EX. DEP. COMMISSIONER EGAN: Residency
6 versus citizenship, those are two different
7 things, Assemblywoman. So I'm not --

8 ASSEMBLYWOMAN MALLIOTAKIS: But you're
9 either a legal resident or you're not. You
10 are either a citizen -- so if you are not a
11 citizen of the United States and you're not a
12 legal resident of the United States, so you
13 are here illegally, you can still obtain a
14 state identification card?

15 EX. DEP. COMMISSIONER EGAN: Well,
16 again, we would have to look at the
17 documentation that was provided. We are
18 provided with all sorts of different types of
19 passports, citizenship documents, temporary
20 residents. And on each one of those things
21 there's a different process.

22 ASSEMBLYWOMAN MALLIOTAKIS: Again, but
23 if you are here without any of those
24 documents, making you not a legal resident,

1 can you obtain an identification card? I
2 think that's a, you know, pretty
3 black-and-white question. If you are not
4 legally here, whether it be with a visa or --

5 EX. DEP. COMMISSIONER EGAN: If you
6 cannot provide us with the documentation to
7 show that you are legally here and meet the
8 checklist that we have in regard to the
9 documents that we need, we could not provide
10 an identification card.

11 ASSEMBLYWOMAN MALLIOTAKIS: Okay. So
12 unlike the City of New York, if you are -- if
13 you are here illegally, you do not have legal
14 status to be in the United States, you cannot
15 obtain a card? I just want a yes or no.

16 EX. DEP. COMMISSIONER EGAN: I can't
17 comment on what New York City does. We're
18 not sure what it is that they do.

19 ASSEMBLYWOMAN MALLIOTAKIS: Okay. But
20 in the State of New York, the state does not
21 give an identification card if you're not a
22 legal resident? Just a yes or a no.

23 EX. DEP. COMMISSIONER EGAN: I believe
24 the answer is no, we don't. Although

1 citizenship is not an element, again, of our
2 licensing process. It depends on the
3 paperwork that's provided to us as well as
4 the passport information that --

5 ASSEMBLYWOMAN MALLIOTAKIS: But you
6 need to show some documentation that you're
7 here legally.

8 EX. DEP. COMMISSIONER EGAN: There is
9 a series of things that we would look at,
10 yes.

11 ASSEMBLYWOMAN MALLIOTAKIS: Thank you
12 very much.

13 CHAIRMAN FARRELL: Thank you.
14 Senator?

15 CHAIRWOMAN YOUNG: Thank you.

16 Senator Dilan would like to ask one
17 more question.

18 SENATOR DILAN: Yes.

19 CHAIRWOMAN YOUNG: Or maybe more than
20 one.

21 SENATOR DILAN: No, just one.

22 And very quickly, again, I wanted to
23 understand what enforcement is going on with
24 unlicensed used car dealers in terms of

1 curbstoning where they're just parking their
2 vehicles -- uninsured, not registered. And I
3 wonder what enforcement your agency is taking
4 upon these unlicensed used car dealers. And
5 I know that New York City Police Department
6 is at a loss as to what they do with these
7 vehicles that are in residential areas.

8 EX. DEP. COMMISSIONER EGAN: Sure.
9 Senator, as we receive those complaints, we
10 will send out our automobile facility
11 investigators, our AFIs, to look to see if we
12 can find evidence of an unlawful dealership.

13 Oftentimes I will say that it is not
14 something where we can find evidence of a
15 dealership, and then it does become a law
16 enforcement issue and we work with NYPD as
17 best we can on that.

18 SENATOR DILAN: Okay. Thank you.

19 CHAIRMAN FARRELL: Further questions?
20 Thank you very much.

21 CHAIRWOMAN YOUNG: Thank you.

22 EX. DEP. COMMISSIONER EGAN: Thank you
23 very much.

24 CHAIRMAN FARRELL: New York State

1 Thruway Authority and Canal Corporation,
2 Maria Lehman, interim executive director,
3 Matt Howard, CFO, Gordon Cuffy, counsel.

4 Come on up, come on up, Matt.

5 (Laughter.)

6 CHAIRMAN FARRELL: There are chairs.
7 Thought we would get you.

8 Good afternoon.

9 INTERIM EX. DIR. LEHMAN: Good
10 afternoon.

11 Chairperson Young, Chairperson
12 Farrell, and members of the Senate and
13 Assembly fiscal and Transportation
14 Committees, thank you for having me here
15 today. I am Maria Lehman, the interim
16 executive director and chief operating
17 officer for the New York State Thruway
18 Authority and Canal Corporation.

19 This is a very important year for the
20 Thruway Authority. The Executive Budget
21 proposes a capital appropriation of
22 \$700 million in the Thruway Stabilization
23 Program. This is in addition to the nearly
24 \$1.3 billion approved in 2015. We are

1 grateful to the Governor for this infusion of
2 capital from the settlements with banks and
3 financial institutions. These funds will
4 allow us to continue the progress we've made
5 on the New NY Bridge as well as meet our
6 systemwide capital needs, while enabling
7 tolls to remain frozen at current levels
8 until 2020.

9 The Executive Budget also includes a
10 tax credit that will cut tolls for frequent
11 users of the Thruway and eliminate tolls for
12 agricultural users, benefiting nearly one
13 million passenger, business and farm
14 vehicles. Drivers of passenger vehicles who
15 spend at least \$50 annually, and businesses
16 and commercial account holders who spend
17 between \$100 and \$9,999 annually in Thruway
18 tolls, would receive a tax credit worth
19 50 percent of the tolls paid. Further,
20 farming vehicles bringing farm goods to
21 market would have tolls eliminated completely
22 through a 100 percent tax credit.

23 Finally, the Executive Budget proposes
24 the transfer of the Canal Corporation to the

1 New York Power Authority in recognition of
2 the natural nexus of missions between Canals
3 and the Power Authority. The 27
4 hydroelectric generating facilities along the
5 Canal System represent 9 percent of the
6 state's total hydroelectric facilities and
7 approximately 2.3 percent of its annual
8 hydroelectric power production. The Power
9 Authority currently manages the corporation's
10 largest reservoir, the Hinckley Reservoir,
11 and the Corporation routinely performs
12 maintenance work for the Power Authority at
13 the Crescent and Vischer Ferry Dams, where
14 the Power Authority operates hydroelectric
15 power-generation facilities.

16 This transfer allows the Thruway
17 Authority to reassume roughly \$85 million in
18 operating costs that have been supported by
19 the state since 2013. These costs include
20 approximately \$26 million in state support
21 and approximately \$59 million for the
22 New York State Police Troop T costs that were
23 assumed by the state, which will now be
24 returning to the Thruway Authority.

1 The Thruway Authority adopted a 2016
2 budget that is balanced and provides the
3 necessary resources to maintain the current
4 levels of maintenance, safety, and service on
5 our system. The Thruway Authority's capital
6 and operating costs are being effectively and
7 efficiently managed, and our 2015 revenue has
8 exceeded expectations.

9 Another noteworthy point is that the
10 Thruway Authority has held annual operating
11 growth to less than 1 percent since 2011, and
12 we project that we can continue that trend
13 into the near future.

14 There is significant progress on the
15 construction of the New NY Bridge, thanks to
16 the dedicated professionals working on the
17 project. The single largest bridge and
18 highway infrastructure project in
19 North America, this new crossing is literally
20 rising from the water and stretching further
21 across the Hudson every day. In the past
22 months the first steel girders have reached
23 the Rockland landing, and additional progress
24 includes 55 percent of the concrete piers are

1 complete, 46 percent of the steel girders are
2 fabricated, and 34 percent of the deck panels
3 are fabricated.

4 The Governor's 2016-1017 proposed
5 budget recognizes the Thruway's vital role as
6 the backbone for commerce, tourism and
7 commuters in New York. It is important to
8 reiterate that the funds included in the
9 Executive proposal are for capital
10 improvements, not operating costs. The
11 \$700 million in assistance will ensure that
12 all of the necessary capital maintenance and
13 improvements we have planned can occur
14 without requiring a toll adjustment.

15 One final note: We could not do any of
16 what we do without our dedicated employees
17 across the state, and I want to take this
18 opportunity to acknowledge their hard work,
19 dedication, and ongoing commitment to the
20 highest standards of safety and reliability
21 in every area of our operations.

22 Thank you for your time. I would be
23 happy to respond to any questions you may
24 have.

1 CHAIRMAN FARRELL: Thank you.

2 Mr. Walter, Assemblyman Walter.

3 ASSEMBLYMAN WALTER: Thank you,
4 Chairman.

5 Ms. Lehman, congratulations. I hope
6 we can make it a permanent position, not just
7 temporary here.

8 But it's nice to have someone with
9 some Western New York experience at the
10 Thruway Authority. I'd like to talk
11 specifically in my district, which is the
12 Williamsville toll barrier. In previous
13 years we've approached the Thruway Authority
14 about eliminating the tolls between Exits 49
15 and 50 for our commuters who use that passage
16 frequently. With this proposal by the
17 Governor, is that something that is more
18 achievable today than it was previously? Or
19 is that something that's not on the table at
20 all, or can we talk about it further?

21 INTERIM EX. DIR. LEHMAN: Our current
22 five-year capital plan does include some
23 improvements at Williamsville. As far as
24 changing out the barriers, that is not in our

1 current capital plan. But what we have done
2 as part of the Cleveland Hill road and bridge
3 project, we have made improvements there to
4 be able to allow better throughput. We had
5 added 20 mile per hour E-ZPass lanes, for
6 example, by reconfiguring in the plaza, and
7 we'll be adding some lanes this construction
8 season. So it's a little more effective and
9 efficient as far as the toll plaza.

10 We will be looking towards the future
11 of a plan to be able to do more, but in our
12 current five-year plan it's not included.

13 ASSEMBLYMAN WALTER: So specifically,
14 you know, one of the issues we're looking at
15 is having high-speed lanes there. That is
16 not -- is that in any sort of plans within
17 the next five years?

18 INTERIM EX. DIR. LEHMAN: What we are
19 doing right now is doing the high-speed
20 all-electronic tolling at the Tappan Zee, at
21 the New NY Bridge. And we're hoping that we
22 can use the lessons learned there.

23 There's obviously a lot of changes
24 that have to happen at Williamsville because

1 of the vertical and horizontal curves, and so
2 there's a lot of -- it's capital-intensive to
3 change that barrier. So we want to be able
4 to make sure we kind of understand
5 all-electronic tolls and then start working
6 on a plan for the Thruway.

7 ASSEMBLYMAN WALTER: Even with the
8 improvements there, there still continues to
9 be, you know, failures at the toll at
10 high-volume, peak times, you know, with
11 traffic backing up all the way to Cayuga Road
12 and beyond in many instances. You know,
13 obviously high-speed tolls will, you know,
14 alleviate some of that.

15 But back to my original question, you
16 know, the Governor has proposed this tax
17 credit to reduce the cost of anybody who
18 spends more than \$50 a year on the Thruway.
19 I think it's a 50 percent tax credit that
20 he's proposed. Is there any way that we can
21 use that as a way to eliminate that 15-cent
22 toll between Exit 49 and 50?

23 INTERIM EX. DIR. LEHMAN: I mean, I
24 think it's something we're going to have to

1 look at with the financial plan and how
2 things shake out. We're hopeful that we're
3 going to see -- right now we see about
4 70 percent E-ZPass usage across the system.
5 In Williamsville it's about 70 percent, where
6 it's 80 percent at the New NY Bridge site.
7 So if we get more E-ZPass, then we're more
8 efficient and so we can, you know, use the
9 information we glean from when we have a tax
10 credit to make decisions for strategies for
11 the future.

12 ASSEMBLYMAN WALTER: Access to the
13 E-ZPass lane there, though, is very
14 difficult. I mean, you're all the way on the
15 left, you go from -- you don't get to three
16 lanes or four lanes or whatever, however many
17 it is, nine or 10 lanes, until after the
18 bottleneck occurs. So there needs to be some
19 sort of a long-term plan, I think. You know,
20 obviously removing the Williamsville toll
21 barrier has been an issue for going on 20
22 years now and was certainly part of the plan
23 long ago, you know, that shouldn't be
24 abandoned. I mean, we need to get back to,

1 you know -- start putting plans together to
2 finally eliminate that toll barrier. I mean,
3 it's not conducive for the economic comeback
4 that's happening in Western New York right
5 now. It's hurting us.

6 So anything we can do to keep that on
7 the priority list would be good, and I would
8 encourage you to advocate for that in your
9 new role here.

10 INTERIM EX. DIR. LEHMAN: Yeah, I'm
11 happy to say that, you know, there was a lot
12 of talk for a long time and we are making
13 incremental improvements in the interim so
14 that we're not just waiting till we have the
15 whole answer. So hopefully some of the
16 interim improvements will help. And we
17 certainly will look at a long-term strategy.

18 ASSEMBLYMAN WALTER: Obviously you
19 know the issue is a lot of that traffic gets
20 diverted right down in the middle of the
21 village of Williamsville, 40,000 cars a day
22 down Route 5 right in the middle of the
23 village. Anything we can do to help
24 alleviate some of that congestion would be

1 good.

2 INTERIM EX. DIR. LEHMAN: Yup.

3 ASSEMBLYMAN WALTER: Thank you.

4 CHAIRMAN FARRELL: Thank you.

5 Senator?

6 CHAIRWOMAN YOUNG: Thank you.

7 So great to see you again, Executive
8 Director Lehman, and I thank you for being
9 here. And I do have a few questions
10 regarding the Executive Budget proposal.

11 So as you pointed out, there's
12 \$700 million in financial settlement monies
13 to help fund the Tappan Zee Bridge and the
14 Authority's capital program, building on the
15 \$1.3 billion, approximately, included in the
16 2016 enacted budget. So according to the
17 Governor, this additional support would bring
18 the Authority's two-year total of settlement
19 funds to \$2 billion and enable the Thruway
20 Authority to avoid a toll increase until at
21 least 2020.

22 The Executive Budget for this year
23 also includes legislation for a three-year
24 Thruway toll reduction and protection plan of

1 \$340 million that would issue tax credits to
2 residents and small businesses, reducing
3 their tolls by 50 percent, as well as a full
4 toll reduction for farmers, which is welcome
5 news for rural areas across New York.

6 I was wondering, can the Thruway
7 confirm that the cost of the new Tappan Zee
8 Bridge will not lead to a systemwide toll
9 increase? Because you have this plan for the
10 next four years to have basically a freeze,
11 but what happens after then? And there are a
12 lot of questions about how we're going to
13 continue to pay for the construction of the
14 Tappan Zee Bridge, and people across the
15 state are concerned about where that funding
16 is coming from and whether it would be put as
17 a burden on the entire system.

18 INTERIM EX. DIR. LEHMAN: Well, the
19 first part of the question is that we have a
20 strategy on the funding of the New NY Bridge.
21 It has been evolving. When we started down
22 that road several years ago, we didn't
23 anticipate that we would have a TIFIA loan
24 from U.S. DOT for \$1.6 billion towards that

1 project. We saw the \$1.285 billion last
2 year; about \$750 million of that is going
3 towards the Tappan Zee. And we are yet
4 determining what part of the \$700 million
5 that's proposed here that would come towards
6 the TZ. So we do have this framework that
7 we're looking at.

8 I think the other thing that's
9 important is that the Governor has named a
10 Toll Task Force, and that task force is
11 focusing only on the tolls at the New NY
12 Bridge. It was named back in November, and
13 they will be working on what we will be
14 looking at moving forward. So it's about
15 what the tolls will look like once we get
16 through this period, and what other things --
17 for example, do we have commuter discounts,
18 do we have resident discounts. You know, do
19 we continue -- we have a Green Card discount.
20 So those kinds of things and issues is really
21 what that task force is going to be charged
22 with.

23 CHAIRWOMAN YOUNG: So you cannot
24 confirm that there would not be a systemwide

1 increase, that that's a possibility in the
2 future?

3 INTERIM EX. DIR. LEHMAN: We will have
4 to see where we are at the end of this
5 period. We are looking at a very aggressive
6 capital program upstate, it's \$1.5 billion
7 over the next five years. And so, you know,
8 there's no plan to increase tolls at the
9 Thruway in 2016, and hopefully with this
10 Executive Budget we'll go through 2020 and
11 we'll be working with our constituencies on
12 what our next steps are.

13 CHAIRWOMAN YOUNG: Thank you.

14 When does the Thruway Authority
15 anticipate you'll be able to release a
16 financial plan for the new Tappan Zee Bridge
17 project? So we have some details on it, but
18 we don't have a financial plan. You just
19 referenced it a little bit. But, you know,
20 when do you think we'll have more details
21 moving forward?

22 INTERIM EX. DIR. LEHMAN: I think
23 moving through the budget process, again, we
24 will look at what portion of the \$700 million

1 we will be allocating. And then we need to
2 look at other new, potential, innovative
3 financial mechanisms. You know, as I stated,
4 there's a lot of things that we've
5 incorporated that at the beginning of this
6 journey were not even possibilities. It was
7 all going to be tolls at the New NY Bridge.

8 So I think there's been fluidity to be
9 able to be responsive to the financial
10 markets and whatever new tools we have in the
11 toolbox to be able to keep those toll rates
12 as low as possible.

13 CHAIRWOMAN YOUNG: And I think you
14 especially, hailing from western New York,
15 know that increased tolls is a major drag on
16 the Thruway, a major drag on our economy and
17 the traveling public. And oftentimes, as you
18 also know, that big trucks and so on may try
19 to bypass the Thruway and go on our local
20 roads and tear those up. So it's a major
21 issue for people, and it's an affordability
22 issue also.

23 I was hoping that you could comment on
24 the operational savings and financial

1 improvements that the Thruway has undertaken
2 in the last couple of years. If you could
3 give us some more information on those,
4 please.

5 INTERIM EX. DIR. LEHMAN: Sure.

6 First I'd really like to thank our
7 executive director up till last Friday.
8 Bob Megna has been a real godsend to the
9 Thruway as far as looking at it from a
10 financial standpoint, in all the places that
11 we really could look, to come up with some
12 changes.

13 But I think, you know, one of the
14 things, you know, being in operations and
15 maintenance for the last year, I actually
16 started December 28th in operations and
17 maintenance of '14, three days before we had
18 our first big snow event --

19 CHAIRWOMAN YOUNG: Lucky you.

20 INTERIM EX. DIR. LEHMAN: -- and I was
21 there. I'm a Buffalonian, I can handle it.

22 Anyway, I think we looked at a lot of
23 things from a more global perspective, but
24 we're now drilling down. One of the things

1 that I like to tell folks is this isn't your
2 grandfather's Thruway, it's your daughter's
3 Thruway. There's a lot of new means and
4 methods for how we organize, how we regroup,
5 how we use our resources more wisely across
6 the system.

7 And so we're looking at that, looking
8 from the ground up at the core issues, from
9 the bottom up. So we did this kind of
10 top-down review of all the things we can
11 change, and now we're trying to realign our
12 resources into core businesses and how we
13 deliver those businesses.

14 So moving forward, you know, we'll be
15 working with our board on various different
16 initiatives to be able to streamline
17 back-office operations, for example, and put
18 the money where we need it as far as
19 maintaining and operating the roadway system
20 and the bridge system.

21 CHAIRWOMAN YOUNG: Thank you.

22 So your assessment is that the
23 Authority's financial condition is stronger
24 today than it has been? That's number one.

1 And what is your opinion of the bond
2 rating agencies -- or what is the opinion of
3 the bond rating agencies regarding the
4 Thruway Authority?

5 INTERIM EX. DIR. LEHMAN: Well, I can
6 speak to the first question. I think we're
7 in much more stable financial footing than we
8 were. I mean, we have a budget that is
9 maintaining less than 1 percent growth. Our
10 revenue last year, we did much better than we
11 anticipated, even after adjusting it.

12 As far as the bond ratings, I can
13 either get back to you with that or I can ask
14 Matt, who's our chief financial officer, to
15 answer that question.

16 CHAIRWOMAN YOUNG: Okay, thank you.

17 There's discussion of parity, and I'm
18 sure you heard it earlier as you sat through
19 the testimony of Commissioner Driscoll, in
20 the highway and bridge funding program. And
21 so now there's \$2 billion, right, with the
22 Thruway that is being counted toward that
23 parity. In your recollection, has that ever
24 happened before? Because it's our

1 understanding that it hasn't been counted
2 toward parity in the past.

3 INTERIM EX. DIR. LEHMAN: I can't
4 speak to the parity issue. It's not
5 something that I've looked at, nor do I know
6 the history of the Thruway. But I do know
7 that that \$700 million is really integral to
8 us being able to deliver that capital program
9 and keep our tolls flat, which is really what
10 we want to be able to do to help continue the
11 momentum that upstate is seeing on the
12 upswing.

13 CHAIRWOMAN YOUNG: Will the new Tappan
14 Zee Bridge, as has been promised, include a
15 bus service being put in place?

16 INTERIM EX. DIR. LEHMAN: The New NY
17 Bridge has allowances for both the potential
18 for rail, for commuter rail, and bus rapid
19 transit.

20 Our understanding -- our
21 recommendation is that bus rapid transit be
22 available on the bridge when the bridge opens
23 in 2018. I believe BRT is fully funded for
24 that phase, to be able to do that, which is

1 \$91 million. And that is in this budget, I
2 believe, in DOT.

3 CHAIRWOMAN YOUNG: Thank you.

4 As you also pointed out in your
5 testimony, there is language in the Executive
6 proposal that would move funding for the
7 Canal Corporation from DOT over to the
8 New York Power Authority. So I was wondering
9 about that. That's been in place since 1992.
10 What are the benefits of making that move?

11 INTERIM EX. DIR. LEHMAN: First of
12 all, it's revenue-neutral. And it's, again,
13 realigning under our core businesses.

14 I think the Canal Corporation really
15 does have a natural nexus with the Power
16 Authority. They do operate hydroelectric
17 facilities along the Canal Corporation. Both
18 organizations, their core business is water
19 resources, it is hydroelectric power, and
20 it's tourism, because the Power Authority has
21 its visitor center. So that's part of their
22 focus. Once upon a time the canal was about
23 commercial vehicles; now it's more about
24 recreational vehicles and tourism.

1 INTERIM EX. DIR. LEHMAN: So I think
2 it's revenue-neutral. I think they will --
3 and you can talk to the Power Authority
4 specifically, but that will come from the
5 budget to the Power Authority, and then we
6 will take back Troop T, which again is very
7 core to our business. And, you know, having
8 had events just last week and this week and
9 working with them across the state, we are
10 working closely with Troop T on a very
11 regular basis. So again, I think that
12 realigns our core businesses very well.

13 CHAIRWOMAN YOUNG: Thank you.

14 And I do have one final question, and
15 it's related to the Canal Corporation. As
16 you know very well -- again, Western New
17 Yorker -- there are several historical canal
18 bridges that are in need of repair, and most
19 of them would be in Senator Ortt's district.

20 So DOT has been maintaining those
21 bridges in the past. And how would that be
22 paid for in the future, and would the Power
23 Authority be the source of funding to make
24 sure that those historic bridges are

1 maintained, and also they're important from
2 an economic and tourism sense also?

3 INTERIM EX. DIR. LEHMAN: Mm-hmm.

4 Last year we actually did sign an
5 agreement with DOT relative to the DOT being
6 responsible for the capital investments on
7 those bridges, and that the Thruway was
8 responsible for the operation and the
9 maintenance. And so it's envisioned, with
10 the transition with Canal Corporation, that
11 that contract would just be novated. And so
12 our responsibilities would go to Power
13 Authority, and the DOT would remain with the
14 responsibilities they have in the memorandum
15 and the agreement we have now.

16 CHAIRWOMAN YOUNG: Okay, thank you.

17 CHAIRMAN FARRELL: Thank you, Senator.

18 Commissioner, the mass transit force
19 made recommendations for the bus rapid
20 transit across the Tappan Zee Bridge
21 replacement. Is there a funding in the
22 budget proposal for this purpose?

23 INTERIM EX. DIR. LEHMAN: My
24 understanding, there is. It is not in the

1 Thruway's budget proposal. We have a small
2 amount allocated towards that project, but it
3 is in the budget proposal.

4 CHAIRMAN FARRELL: And so you don't
5 know if it's -- is Phase 1 fully funded?

6 INTERIM EX. DIR. LEHMAN: Phase 1 is
7 fully funded. It's my understanding that
8 it's fully funded.

9 CHAIRMAN FARRELL: And when will the
10 service, then, the new BRT system begin?

11 INTERIM EX. DIR. LEHMAN: We are
12 recommending that they begin when we open the
13 bridge in 2018.

14 CHAIRMAN FARRELL: Give me that date
15 again?

16 INTERIM EX. DIR. LEHMAN: 2018.

17 CHAIRMAN FARRELL: 2018, okay.

18 The 2015-2016 enacted budget included
19 Article 7 legislation that authorized shared
20 service agreements between the Thruway
21 Authority and DOT in emergency situations.
22 Has that shared service authorization been
23 utilized?

24 INTERIM EX. DIR. LEHMAN: Yes, it has.

1 And it's probably being utilized as I speak
2 right now, with the potential Nor'easter
3 coming to New York.

4 We are regularly sharing resources.
5 With the two lake-effect storms we've had in
6 the past two weeks, we've actually been able
7 to utilize some of the new equipment that DOT
8 had in big snowblowers, to be able to
9 preposition them in areas where we had very
10 heavy lake-effect snow bands in the 4 to
11 5 inches an hour, and were able to keep the
12 road open.

13 So we've been using them. We've been
14 working together on our plans and how we
15 coordinate better. They've been kicking the
16 tires on some of our plans; we've been
17 helping them with some of theirs. And so
18 there's regular meetings, there's regular
19 sharing of information and actually people
20 and equipment.

21 CHAIRMAN FARRELL: The Executive also
22 has additional Article 7 legislation that
23 would create two new tax credits which would
24 reimburse half the cost of tolls paid by the

1 frequent travelers of the Thruway and all of
2 the cost of tolls paid by the farm vehicles.
3 Does the Thruway anticipate traffic growth
4 related to these tax credits?

5 INTERIM EX. DIR. LEHMAN: We are
6 actually having one of our traffic
7 consultants that do our revenue work for us
8 look at that very issue. We believe that it
9 probably will drive more traffic to the
10 Thruway. And we also believe it will drive
11 more traffic to E-ZPass, which makes it more
12 cost-effective for us to be able to handle
13 that. So I do believe that it is going to
14 drive traffic some; we still do not have the
15 results from the traffic modeling based on
16 this type of activity in other parts of the
17 country.

18 CHAIRMAN FARRELL: And the program
19 would only work -- you have to have E-ZPass
20 to take it?

21 INTERIM EX. DIR. LEHMAN: Correct.

22 CHAIRMAN FARRELL: Yes, that will
23 raise it.

24 Questions? Any other questions?

1 Senator.

2 CHAIRWOMAN YOUNG: Yes. Senator
3 Joseph Griffo.

4 SENATOR GRIFFO: Thank you,
5 Chairwoman.

6 Director Lehman, thank you for being
7 here today.

8 Canal Corporation when it was under
9 the Thruway, what was the subsidy, the
10 complete subsidy, to have that housed under
11 the Thruway?

12 INTERIM EX. DIR. LEHMAN: Going back
13 again to what we were talking about, we were
14 talking about \$85 million was the cost, both
15 from an operations and maintenance standpoint
16 of the canal as well as the capital that was
17 spent on an annual basis. So that's about
18 what we were spending.

19 SENATOR GRIFFO: So it was costing you
20 \$85 million to have the responsibility of the
21 Canal Corp., correct?

22 INTERIM EX. DIR. LEHMAN: Correct.

23 SENATOR GRIFFO: And then the state
24 was assuming \$85 million in cost to State

1 Police and other support services?

2 INTERIM EX. DIR. LEHMAN: State Police
3 and the operating subsidy to the Thruway,
4 correct.

5 SENATOR GRIFFO: So that's where
6 you're seeing that offset right now?

7 INTERIM EX. DIR. LEHMAN: Correct.

8 SENATOR GRIFFO: So then the new cost
9 of that \$85 million will basically be borne
10 by the Power Authority?

11 INTERIM EX. DIR. LEHMAN: It's our
12 understanding that what this will do is it
13 will basically just be a budgetary
14 transfer of --

15 SENATOR GRIFFO: But how? If those
16 costs were being actually incurred, how could
17 they not incur significant costs themselves,
18 having now the responsibility and authority
19 over the Canal Corporation and everything,
20 maintenance and other responsibilities that
21 go along with that?

22 INTERIM EX. DIR. LEHMAN: Well, I
23 believe they will be getting -- it's a
24 revenue-neutral transaction three ways. So I

1 believe the budget will support the Power
2 Authority for that amount.

3 SENATOR GRIFFO: So based on the idea
4 of long-term stability, using the one-time
5 surplus, now the bank settlement, you're
6 projecting that by 2020 the rates can stay
7 the same. Was there ever any consideration
8 given -- and you're doing this in tier
9 approaches, apparently. Was there any
10 thought given to just a across-the-board
11 reduction or freeze, rather than having all
12 these tiers with tax credits and things of
13 that nature?

14 INTERIM EX. DIR. LEHMAN: I think
15 we're always looking at the financial -- the
16 whole financial planning of what we do at the
17 Thruway. And we have -- the Thruway was
18 built in the 1950s. It's more than 60 years
19 old. It sees 250 million vehicles a year and
20 8 billion miles traveled on it. It is
21 getting old, it is being much more
22 capital-intensive as far as being able to
23 maintain it at a state of good repair. And
24 it is the backbone, so we need to be able to

1 maintain it.

2 So I think we're always looking at
3 ways of cost cutting, but we do have a
4 570-mile-long asset that needs a lot of
5 tender, loving care.

6 SENATOR GRIFFO: And when you compare
7 that to other states across the country, have
8 you done those type of analyses, other states
9 that operate similar highways, and what their
10 tolls are compared to ours?

11 INTERIM EX. DIR. LEHMAN: Yes, we have
12 done that. And even in the peer states in
13 the region, our tolls average, I believe,
14 4.7 cents a mile, and that's much lower than
15 all our peers. I mean, significantly
16 lower -- in a lot of cases, a half or a third
17 of what our peer states are.

18 So we're doing everything we can to
19 keep the toll rates low and to maintain the
20 infrastructure.

21 SENATOR GRIFFO: And could you just --
22 and just two quick questions. Who
23 recommended this removal of the Canal Corp.
24 from the Thruway to the -- was that something

1 you recommended, the Thruway suggested that?
2 Or did that come from -- can you share the
3 thinking behind how this change was made?

4 INTERIM EX. DIR. LEHMAN: I think
5 there's been a lot of discussion over the
6 years on that. And I wasn't privy to a lot
7 of those conversations. I'm pretty new to
8 this seat, it's a few days old. But I think
9 there's been a lot of discussion over the
10 years about where it would make the most
11 sense from a core-business standpoint.

12 And I do know that our director, Brian
13 Stratton, is very supportive of this, because
14 he sees the synergy of the move.

15 SENATOR GRIFFO: Now, beyond the
16 upkeep, the capital costs, beyond upkeep, you
17 may be looking at new initiatives. Is there
18 any consideration being given to adding
19 additional exits using E-ZPass only as a
20 possibility?

21 INTERIM EX. DIR. LEHMAN: I think that
22 is in our longer-term plan. I believe the
23 lessons we learned from the all-electronic
24 tolling at the New NY Bridge, at the Tappan

1 Zee, really is going to help us formulate
2 better plans. There's a lot of improvements,
3 I know in the past there's been studies done
4 and, you know, it was multi-billions to be
5 able to do that, simply because the way the
6 geometry of the road works, to be able -- you
7 have to go slow where the toll plazas are,
8 because they're narrow and you have curves,
9 both horizontal and vertical.

10 So I think it's an expensive
11 undertaking, and we need to make sure that it
12 is the best, we get our best return on
13 investment before we do that. So we have
14 this next five-year capital plan to really
15 understand the issues and how much cost
16 savings we have and how effective and
17 efficient the system is, and then work on the
18 plan and how we do this in a more broad-based
19 system.

20 All-electronic tolling is the tolling
21 of the future. There's a lot of states that
22 have really embraced it. We have one of the
23 oldest, you know, backbones and interstate
24 systems in the country, and so that

1 modernization, we want to take it slow and
2 careful so we do get a good return on
3 investment.

4 SENATOR GRIFFO: Hundreds of millions
5 of dollars are being given to you this year
6 just to hold the line, basically, for four
7 years. When you know and recognize how
8 important this is economically as well as a
9 transportation network, I would hope that
10 we're looking now, under your direction with
11 your staff, at a much longer-term approach
12 for stability than just to say that hundreds
13 of millions of dollars which could be
14 invested in capital and free up other money
15 for you -- I can hear Daniel Patrick
16 Moynihan, his words ringing in our ears.

17 But we really need to provide much
18 more long-term stability costwise than just
19 four years, after spending hundreds of
20 millions of dollars. And I hope under your
21 leadership that will happen.

22 Thank you.

23 INTERIM EX. DIR. LEHMAN: I totally
24 concur. Thank you.

1 CHAIRWOMAN YOUNG: Thank you, Senator.

2 Next, any Assembly members?

3 CHAIRMAN FARRELL: Thank you.

4 CHAIRWOMAN YOUNG: Then we also have
5 Senator Marty Dilan.

6 SENATOR DILAN: Yes, thank you again,
7 Madam Chairperson.

8 My question is with regard to the tax
9 credit for E-ZPass riders you mentioned in
10 your testimony. I would like you to
11 elaborate a little more as to how this tax
12 credit will work, where is the money coming
13 from to pay for it, and what effect will this
14 have on your system? And then also presuming
15 that this tax credit modifies drivers'
16 behavior, and there is more use of the
17 system, what effect will that have on
18 maintenance of your system?

19 INTERIM EX. DIR. LEHMAN: Mm-hmm.
20 Okay. I think -- as far as details on the
21 tax proposal, I think that the budget is
22 looking to the Department of Taxation, that
23 they will have money in the budget to be able
24 to handle that.

1 As we're looking at it, if you look at
2 the breakdown, passenger vehicles paying \$50
3 or more in annual tolls, when we look at
4 that, that will impact about 900,000 drivers.
5 And there will be an annual savings to those
6 drivers of about \$97.

7 I think if you look at businesses and
8 commercial vehicles, there's more than 26,000
9 businesses that will benefit under that, and
10 they'll see about just under \$700 of average
11 savings.

12 And then the commercial trucks, based
13 on looking at all our records, there's just
14 under a thousand commercial trucking
15 companies that we feel will see a benefit,
16 and that benefit will average out at about
17 \$1800 per.

18 So it's providing to refocus on
19 getting people back on the main arterial, the
20 main backbone. It's also going to drive
21 E-ZPass usage. And from our perspective, we
22 have much higher percentages of E-ZPass usage
23 in the City and close to New York City. It's
24 much lower as we get more into upstate

1 New York. It's more effective for us and
2 more cost-effective to be able to run the
3 system with the E-ZPass, and so we're hoping
4 that that will help on the operational side.

5 From a maintenance side, as I told
6 you, we have a lot, a lot of miles traveled
7 on the system. I don't think you're going to
8 see a great bump in traffic. I do see that
9 we are going to have some bump in traffic.
10 And hopefully here in the next few months
11 we'll have more data of what that looks like.

12 And where we have our capital program,
13 our full five-year program detailed down to
14 the individual projects is on our webpage
15 right now.

16 We do look at that quarterly to see
17 what changes we have to make and, you
18 know, on an annual basis what changes we have
19 to make based on issues that we're seeing.
20 So over the past two winters where we've had
21 a tough spring, spring comes after a deep
22 thaw and we have issues with the roadway,
23 we've reprogrammed some things, basically
24 because we had to.

1 So I think we will be looking at all
2 that very carefully as we are looking at our
3 2017 element of our capital program to make
4 sure that in places that we're seeing more
5 wear and tear, that we can address it.

6 SENATOR DILAN: And this is a tax
7 credit that's being proposed for three years.
8 What happens after that?

9 INTERIM EX. DIR. LEHMAN: I don't know
10 what we're going to do beyond that, and I
11 think we're going to be looking at our models
12 to see what makes the most sense as the next
13 proposal.

14 SENATOR DILAN: Okay. You know, I
15 just see that in New York City we're talking
16 about congestion pricing and Move NY, and it
17 just seems strange that you're using taxpayer
18 dollars to invite more congestion on your
19 system. So I'm just concerned about that.

20 How do you react to that?

21 INTERIM EX. DIR. LEHMAN: I think
22 there's some concerns, but I think
23 realistically we still offer a really good
24 roadway network for a lot of that. And while

1 we do have some areas where we have capacity
2 issues, by and large they're a lot -- they're
3 not as challenging as some of the other
4 roadways. And so we really do want to drive
5 traffic -- I think, moving forward, we should
6 be looking at things like congestion pricing,
7 which we do at the Tappan Zee Bridge, and do
8 that more extensively across the system so
9 that we can kind of flatten out the peaks and
10 valleys on the roadway.

11 So I think as we're looking towards
12 the future, we'll be looking towards those
13 kinds of items.

14 SENATOR DILAN: Thank you very much.

15 CHAIRWOMAN YOUNG: Thank you, Senator.

16 CHAIRMAN FARRELL: That's it? Thank
17 you very much.

18 CHAIRWOMAN YOUNG: Senator Krueger.

19 CHAIRMAN FARRELL: I'm sorry.

20 CHAIRWOMAN YOUNG: Do not forget about
21 Senator Krueger.

22 SENATOR KRUEGER: I always like to try
23 to be the last.

24 So I appreciated very much the answers

1 to the question earlier, which was actually
2 news to me, that our toll costs per mile are
3 less than any other state's, because I think
4 sometimes in the rhetorical discussions that
5 take place, there's some perception that it's
6 just the opposite. So that was actually very
7 helpful.

8 Following through on the concerns
9 about the state now investing from the
10 General Fund in the Thruway Authority --
11 although we are arguably using the settlement
12 money -- the Governor is proposing a
13 four-year freeze on toll increases. But is
14 there anywhere in the budget that he's making
15 a multi-year commitment of state revenue
16 continuing to go into the Thruway Authority
17 beyond just this one year?

18 INTERIM EX. DIR. LEHMAN: No. I think
19 the intent is that based on what we need from
20 a cash flow and a capital to be able to
21 deliver that five-year program, that that
22 infusion from settlement funds this year will
23 work through those years so that it does
24 cover us till 2020.

1 SENATOR KRUEGER: So it's your
2 projection that based on the money coming in
3 this year, as the Governor proposed it, for
4 the following three years after that the
5 Thruway Authority will not need an infusion
6 of non-Thruway money to continue on your
7 commitment not to need a toll increase --
8 even though we're continuing the new tax
9 credit, which will actually lower your
10 revenue?

11 INTERIM EX. DIR. LEHMAN: The tax
12 credit will not lower the revenue. The
13 revenue will still be coming to the Thruway.

14 And so, again, we feel that based on
15 all the projections, that that is the intent.
16 It's our intent that that will hold us
17 through till 2020. And now it gives us the
18 opportunity to look to the future to see what
19 we do beyond 2020.

20 SENATOR KRUEGER: And you were right,
21 the tax credit doesn't come from your budget,
22 it comes from General Fund.

23 So what's the estimated cost to the
24 state of these two new tax credits?

1 INTERIM EX. DIR. LEHMAN: Three
2 hundred and forty million.

3 SENATOR KRUEGER: Per year?

4 INTERIM EX. DIR. LEHMAN: Over three
5 years.

6 SENATOR KRUEGER: Over three years.

7 INTERIM EX. DIR. LEHMAN: Correct.

8 SENATOR KRUEGER: Thank you.

9 Jumping to the Canal Authority being
10 moved to the Power Authority, and your
11 discussion of the fact that the Canal
12 Authority actually does generate electricity
13 through -- just double-checking the number --
14 quite a few small plants on the authority.
15 Do you believe that if the canal is moved to
16 the Power Authority it opens up new
17 opportunities for the State of New York to
18 increase the amount of hydroelectric power
19 produced on the Canal Authority?

20 INTERIM EX. DIR. LEHMAN: Absolutely.

21 I'm a real proponent of green energy.
22 My husband and I built a passive solar house
23 35 years ago, so I live this, and I'm a very
24 big proponent of green energy.

1 The technology in the last decade has
2 really improved to be able to do low-head
3 hydropower. Once upon a time you needed to
4 have big dams, like you have in Niagara or
5 like you have on the St. Lawrence, to be able
6 to really be effectively producing
7 electricity. Technology has come forward to
8 the point that you can use smaller, shorter
9 dams.

10 And so I believe they have great
11 opportunity to be able to take advantage of
12 that and provide a lot more. Right now they
13 generate about \$7 million worth of power from
14 what they do on the canal, and I think
15 there's great opportunity to be able to do a
16 lot more than that.

17 SENATOR KRUEGER: I agree with you
18 that it would be a very good thing. Every
19 opportunity we have for new green energy in
20 this state is a win for us.

21 We asked the Department of
22 Transportation commissioner what the actual
23 costs for the new bridge in Westchester -- I
24 don't know that there's an official name --

1 INTERIM EX. DIR. LEHMAN: The New NY
2 Bridge.

3 SENATOR KRUEGER: The New NY Bridge,
4 thank you. I keep forgetting that
5 terminology.

6 So he said that that's not his budget,
7 so he didn't know. Do you have an estimated
8 full cost for the build of the New NY Bridge?

9 INTERIM EX. DIR. LEHMAN: Yes, I do.
10 It is \$3.98 billion. It is what it is since
11 we've accepted the bid for the project. And
12 we are on target for opening it in 2018 and
13 staying within that budget.

14 SENATOR KRUEGER: And is there an
15 estimate of the debt costs and what that will
16 be for the state over time, from this
17 project?

18 INTERIM EX. DIR. LEHMAN: At this
19 point we have the TIFIA loan, which is a
20 federal loan, a low-interest, long-term loan.

21 We have what we received in the budget
22 allocation last year, which was about 750.

23 We will have some amount from this
24 year's 700 that is yet to be determined on

1 how much we'll go off for the system.

2 And then the remainder, we are still
3 looking for innovative financing. We always
4 have the ability to go back to how the
5 Thruway does and do our revenue bonds. But
6 we want to be able to keep -- and those are
7 paid with future tolls, so we want to keep
8 those down. So every innovative opportunity
9 we have, those -- if we do have the debt, it
10 will come on to the Thruway Authority, in our
11 bonding program.

12 SENATOR KRUEGER: Thank you. Thank
13 you for your testimony.

14 CHAIRWOMAN YOUNG: Thank you. Thanks,
15 Executive Director.

16 INTERIM EX. DIR. LEHMAN: Thanks.

17 CHAIRMAN FARRELL: Thank you very
18 much.

19 Good afternoon. New York Public
20 Transit Association, Capital District
21 Transportation Authority, Carm -- here in
22 front, you're not Mr. Basile.

23 RGRTA CEO CARPENTER: I'm not that
24 good-looking, no, Mr. Chairman.

1 CHAIRMAN FARRELL: All righty. Bill
2 Carpenter. How are you?

3 RGRTA CEO CARPENTER: Very good.

4 Thank you, Chairman Farrell,
5 Chairwoman Young, for giving NYPTA, the
6 New York Public Transit Association, the
7 opportunity to testify today about the
8 Governor's proposed 2016-2017 Executive
9 Budget.

10 My name is Bill Carpenter. I am the
11 chief executive officer for the Rochester
12 Genesee Regional Transportation Authority and
13 vice president for NYPTA. NYPTA members
14 include transit systems, private-sector
15 manufacturers and suppliers, state agencies
16 and community advocates.

17 Communities throughout New York
18 benefit from the services provided from more
19 than 100 public transit systems. Our members
20 serve urban and rural areas, enabling
21 mobility and connections that keep our state
22 moving. We know that the metropolitan
23 New York City area cannot function without
24 the high-quality transit services provided by

1 the MTA, and the same is true for cities and
2 towns in upstate New York and throughout the
3 state. Today more than ever, we need
4 high-quality transit to allow our citizens to
5 fully participate in economic opportunities.

6 Mobility choices provided by transit
7 systems support many of the state's important
8 programs -- economic development, job growth,
9 anti-poverty, housing, energy conservation,
10 and environmental protection. Well-planned
11 and thoughtful transit services are essential
12 to moving people to jobs in cities and
13 expanding suburban and rural areas, while
14 also providing access to healthcare, to
15 schools, to colleges and universities.
16 Transit provides our growing senior
17 population and people with disabilities the
18 freedom and choices they need to live their
19 lives and participate in society.

20 Transit ridership is growing in many
21 communities, and systems are responding by
22 making services easier to use and understand.
23 Innovative technologies are making fare
24 payment easier. Real-time information

1 applications are in many of our systems,
2 along with customer features that make using
3 the bus and trains inviting and appealing.
4 Our growing popularity is why we're asking
5 for an appropriate investment in transit so
6 we can provide more and better services to
7 our communities.

8 The Governor's Executive Budget
9 includes increases to transit operating aid.
10 This level of funding will allow transit
11 systems to maintain current services, but it
12 will not allow us to expand and meet customer
13 expectations that support the state's
14 economic development initiatives.

15 To allow transit systems to fully
16 support the economic opportunities that
17 citizens deserve, NYPTA recommends an
18 additional \$15 million in operating aid for
19 upstate transit systems and \$5 million for
20 downstate suburban county transit systems.
21 And a structural fix to upstate funding is
22 still needed so that future growth is not
23 constrained.

24 There's also a need for a multi-year

1 statewide transit capital program. For far
2 too long, the capital needs of upstate and
3 downstate suburban transit systems have been
4 an afterthought. All of us have diverted
5 federal capital funding to subsidize
6 operations. In essence, we're borrowing from
7 tomorrow to pay for services today. It's not
8 sustainable, and we're at a critical
9 crossroad. The time to fix this and to
10 invest in transit is now.

11 New York transit systems across the
12 state lack the consistent capital investment
13 needed that's led to worsening infrastructure
14 conditions and unnecessary maintenance
15 expenses. Let me give a couple of examples.

16 In Buffalo, where buses are supposed
17 to last 12 years, 46 percent of the buses are
18 beyond their useful life. Here in Albany,
19 20 percent of the buses are beyond their
20 useful life. They're twice as expensive to
21 maintain as newer buses.

22 In Rochester, our campus facility
23 where buses are maintained and washed,
24 fueled, the campus is 40 years old and we

1 lack the capital to renovate and expand the
2 campus.

3 In Syracuse and Nassau County, they
4 have 20-year-old CNG facilities for fueling
5 their buses that need to be replaced.

6 The Governor has committed \$8.3
7 billion to fund the MTA five-year capital
8 plan. His goal is to "transform the
9 Metropolitan Transportation Authority and to
10 dramatically improve the travel experience
11 for millions of New Yorkers and visitors to
12 the metropolitan region." We support this
13 initiative and the money to accomplish it.

14 But transit customers in upstate and
15 downstate communities deserve the same
16 transformation, and we're asking for the same
17 fully funded, multiyear capital program. In
18 total, our systems operate 3,000 buses and
19 serve over 170 million customers every year.
20 Three thousand buses, 170 million customers
21 outside the MTA. Collectively, we would be
22 the seventh-largest transit system in the
23 United States.

24 The Executive Budget proposed a \$295

1 million capital program for non-MTA transit
2 systems as part of the \$22 billion DOT
3 five-year program. We thank the Governor for
4 recognizing our work, but the proposed
5 funding is not enough to address the backlog
6 of infrastructure needs of our systems.

7 NYPTA recommends a state capital
8 investment of at least \$100 million per year
9 in upstate and suburban downstate systems, to
10 allow them to modernize their aging
11 infrastructure. To achieve this level and
12 provide funding to these systems in
13 proportion to state capital being provided to
14 the MTA, we're looking for the \$295 million
15 to be increased to \$545 million.

16 In rural transit service, transit
17 systems in the rural parts of the upstate
18 region are suffering from severe ridership
19 loss as a result of the state's change in the
20 way Medicaid transportation is arranged. The
21 decline in riders and revenue on rural
22 upstate systems has resulted in service
23 reductions to the general public and is
24 threatening the viability of services to

1 those who need them most. NYPTA recommends
2 the state provide additional funding to rural
3 transit systems so essential services can be
4 retained.

5 In conclusion, transit service
6 provides mobility for a growing customer
7 base. It allows everyone to participate in
8 the economic rebirth of our communities.
9 NYPTA members appreciate the funding and
10 support we receive. We ask for consideration
11 of the capital and operating needs of our
12 systems so we can do more. Increased
13 investments in transit will result in better
14 service and more cost-effective delivery of
15 that service. This investment will also
16 ensure thousands of jobs for state transit
17 manufacturers and suppliers. A fully funded
18 transit capital and operating plan helps all
19 New Yorkers have the mobility choices they
20 want and need.

21 On behalf of NYPTA and RGRTA, I urge
22 Governor Cuomo and the Legislature to support
23 a better network of transit systems in
24 New York State that can contribute to

1 economic growth. NYPTA is committed to
2 working with the Governor and all of you so
3 transit can continue to be a strong partner.

4 Thank you very much.

5 CHAIRMAN FARRELL: Questions?

6 CHAIRWOMAN YOUNG: Thank you very much
7 for being here today.

8 And you may have heard me question
9 Commissioner Driscoll earlier about upstate
10 transit and the fact that there does seem to
11 be a structural problem that needs to be
12 addressed and, in addition, the capital needs
13 that you have spoken of. He countered with
14 the Governor's proposal of \$5 million in an
15 increase. Could you give us your thoughts
16 in a more in-depth way about what that
17 \$5 million would do? Is that enough, what
18 other needs are there, and how can the
19 Legislature be helpful in this regard?

20 RGRTA CEO CARPENTER: Thank you for
21 the question, Chairwoman Young.

22 We were, as an industry -- since 2009,
23 funding was essentially held flat for a good
24 number of years. First a reduction in 2009,

1 and then slow increases to where we had flat
2 funding a number of years ago.

3 As the state economy has improved and
4 the poverty levels have also increased, the
5 urban transit systems are experiencing a
6 tremendous interest in services. Jobs are
7 being located in the outer suburban areas.
8 So where everyone would like to do more with
9 less, the fact of the matter is public
10 transit is being asked to do more to serve
11 our communities, to be the mobility
12 infrastructure.

13 The \$5 million increase proposed in
14 the Executive Budget does provide kind of a
15 baseline funding where we could continue to
16 maintain the services we have. But I've
17 received calls -- I'll just speak for RGRTA.
18 I receive calls on a regular basis from
19 places like Xerox in Webster that are adding
20 hundreds of jobs at a call center that we
21 don't serve right now. We didn't serve it
22 when they opened it. They're repurposing
23 manufacturing facilities to add jobs. These
24 are good-paying jobs for people who live in

1 the center of our community; how do we get
2 them there?

3 Those are the kinds of opportunities
4 we're looking for. Jobs are being expanded
5 where the factories are, where the land is.
6 We need to connect individuals.

7 The anti-poverty initiatives as well,
8 we're being asked to redesign how we do
9 systems. Rochester was the first community
10 to start an anti-poverty initiative, this
11 time last year. We're being challenged to --
12 you need to do things not just differently,
13 but you need to do different things. You
14 need to keep connecting people where they're
15 going to, so don't stop doing that, but we
16 have a need for additional services.

17 So that's where the increased ask
18 comes from, is for us to be able to be
19 partners in the success of economic
20 development.

21 CHAIRWOMAN YOUNG: Thank you very
22 much.

23 Senator Krueger has a question, or
24 more.

1 SENATOR KRUEGER: Okay. Thank you
2 very much.

3 I didn't really leave during your
4 testimony, I just hid behind you to drink my
5 soup.

6 RGRTA CEO CARPENTER: It's a better
7 side.

8 (Laughter.)

9 SENATOR KRUEGER: I agree with you on
10 the importance of mass transit as an economic
11 development tool in every region. I'm from
12 New York City. We wouldn't be the city we
13 are without our mass transit, even though
14 we're constantly struggling to get it to
15 function better and more. Your demands every
16 year don't seem unreasonable to me at all.

17 I'm curious, because this state has
18 been putting so much money into its Regional
19 Economic Development Councils -- and now
20 these competitive regional economic I guess
21 contests, so recently the Governor awarded
22 \$500 million each to three regions.

23 Is money coming into mass transit in
24 your territory through either of these two

1 big-bucket economic development programs?

2 RGRTA CEO CARPENTER: Thank you,
3 Senator, for the question.

4 The short answer is no. And when we
5 talk about that, what we're told is the
6 pockets of money that these come from, from
7 different economic development pots or energy
8 conservation pots, they're not mass transit
9 pots, they're not Department of
10 Transportation pots. So what the Governor
11 has done is collect different economic
12 development and other program pots.

13 I serve as the cochair for one of the
14 subcommittees for the Finger Lakes Regional
15 Economic Development Council. So I work well
16 in prioritizing the projects, I do include
17 projects that would benefit RGRTA if the
18 projects have scored well. But I've been
19 told the pots of money that go into the
20 Regional Economic Development Councils are
21 not pots that would help build bus facilities
22 or provide operating aid.

23 SENATOR KRUEGER: I appreciate the
24 answer. I guess this is more a rhetorical

1 statement than a question for you.

2 I have been fairly outspoken with my
3 concerns about how the New York State
4 government divvies up its budget money for
5 things we call economic development and have
6 been a bit cynical about ignoring certain
7 priority areas but having, seemingly every
8 year, new money for new competitions.

9 I think it's a shame that the State of
10 New York doesn't recognize the importance of
11 public transit, mass transit statewide as a
12 fundamental economic development tool. You
13 know, if you don't have the infrastructure,
14 they don't stay and they don't come. And
15 transportation infrastructure, for me, is a
16 no-brainer.

17 So I hope that whoever is listening,
18 that the State of New York as it defines what
19 we call economic development and when we
20 continue to do these Regional Economic
21 Council contests every year -- and perhaps
22 we'll see more, I guess, contests in general
23 for regions -- that please, please, please
24 recognize that mass transit/public

1 transportation has to be an allowable
2 activity within those funds. Because, you
3 know, you are here representing a very broad
4 universe of public and mass transit efforts,
5 and they all do need the money and deserve
6 the money.

7 And before, I asked the Thruway
8 Authority or I complimented the Thruway
9 Authority for knowing how little we actually
10 spend per mile or demand from people per
11 mile. Do you ever do any analysis of
12 New York State's investment in public
13 transportation compared to other states?
14 Because I feel that we probably are lagging
15 behind. Do you know?

16 RGRTA CEO CARPENTER: First of all, it
17 was a very good rhetorical question on
18 whether money from the economic pots should
19 come to mass transit. I'll just leave it at
20 that.

21 As far as how New York State compares
22 with public transportation, I serve not just
23 as vice president for NYPTA but also serve on
24 the board of directors for the American

1 Public Transportation Association. The
2 funding mechanisms across the 50 states are
3 very different, with some county non-property
4 tax, some on sales tax, some on income tax
5 and some on state funding.

6 So I don't know that as an association
7 we've ever been able to identify -- Ohio, as
8 an example, which passes sales tax
9 referendums to pay for their public transit,
10 would have much less public funding than
11 New York State. But other states that do a
12 heavy state funding, because of the MTA, New
13 York State does pretty well. Many other
14 systems have some local control of funding.
15 But it's really very different state to
16 state.

17 SENATOR KRUEGER: Thank you. Thank
18 you for your testimony.

19 CHAIRWOMAN YOUNG: Thank you.

20 CHAIRMAN FARRELL: Assemblyman Oaks.

21 ASSEMBLYMAN OAKS: Yes, thank you.

22 Just your last point in your
23 presentation talked about the rural
24 transportation and the issues of the changes

1 in Medicaid. And I think Senator O'Mara, in
2 an earlier part of today's discussion,
3 actually brought up this issue.

4 Could you just quickly explain what's
5 changed and what needs to happen to -- you
6 know, my interest is getting people to where
7 they need to be and also doing it in the most
8 efficient, cost-effective way, but ...

9 RGRTA CEO CARPENTER: I don't think
10 there's a simple answer to that, Assemblyman.
11 The Department of Health has some specific
12 guidelines they're trying to follow. The
13 consequences of those guidelines are public
14 transit is not getting the same opportunities
15 to provide transportation to Medicaid
16 recipients.

17 The loss of those rides -- because the
18 formula funding in many of these counties is
19 based on the miles and customers you carry,
20 you lose not just the Medicaid ride, but you
21 lose that other funding. So that in some
22 counties we're reaching the point where a
23 person can get a cab ride from home to the
24 doctor and back again, but when they want to

1 buy some food or get their prescription
2 filled, there's no longer public transit
3 access to get them where else they need to
4 go.

5 So that it needs to be looked at with
6 the full consequences that -- the change the
7 Department of Health made is one broker is
8 deciding who gets the -- who's the provider
9 for the transportation. And public
10 transportation is not getting as favorable a
11 treatment as it had prior to that change a
12 few years ago.

13 ASSEMBLYMAN OAKS: Thank you.

14 CHAIRMAN FARRELL: Thank you.

15 CHAIRWOMAN YOUNG: Thank you.

16 RGRTA CEO CARPENTER: Thank you very
17 much.

18 CHAIRMAN FARRELL: Associated General
19 Contractors of New York State, Mike
20 Elmendorf, president. 12:15.

21 MR. ELMENDORF: Good afternoon,
22 Chairwoman Young, Chairman Farrell, members
23 of the Legislature. Thank you for the
24 opportunity to be here today.

1 Thank you for your patience. It's
2 been a long day already, and out of
3 consideration for that I will dispense with
4 my formal testimony, which you have, and I
5 will summarize it and try to hit on some of
6 the key points for our industry.

7 I'm Mike Elmendorf, president and CEO
8 of the Associated General Contractors of
9 New York State. We're New York State's
10 leading statewide construction industry
11 association. We represent the vertical
12 building construction industry and the heavy
13 highway and civil contractors that build the
14 majority of the state's public and private
15 building infrastructure, our transportation-
16 heavy civil and environmental infrastructure
17 in every region of New York.

18 And as we look at Governor Cuomo's
19 proposed Executive Budget, there are
20 certainly a lot of good things there for our
21 industry. For the economy, there are some
22 things that I think we can improve upon and
23 there are some things that I think we have
24 some real concerns about.

1 Very broadly, I'll hit three areas, so
2 hopefully there's time for some questions and
3 time for me to get on my way and you all in
4 your collective ways, because again, we've
5 been sitting here for a while.

6 Starting with the MTA, we strongly
7 support the Governor's historic commitment to
8 help meet the really significant, real
9 documented capital needs of the MTA. He's
10 committed an additional \$8.3 billion to meet
11 the MTA's capital needs over the next five
12 years, and it just makes good sense to do
13 that. The MTA is critical to the New York
14 City and the broader New York City metro
15 region's economy, but more than that, it's
16 critical to the whole state's economy. And
17 I'll get to a broader discussion of this when
18 we talk about DOT and parity.

19 But New York City's economy drives the
20 state's economy to a significant degree, and
21 investing in the MTA creates economic
22 activity well beyond the MTA metro region, if
23 train cars are being built up in the far end
24 of the North Country and there's other impact

1 around the state. So you can't think about
2 these issues as upstate/downstate, and that's
3 why we strongly support the MTA investment.
4 And our contractors in that region who will
5 do that work, support it, and our contractors
6 elsewhere in the state support it as well.

7 Moving on to the Thruway Authority,
8 we're glad to see the Governor's commitment
9 to the Thruway. The Thruway is a vital
10 network for the state and for our economy. I
11 think it's fair to say, as we did last year,
12 that we have some concerns about what appears
13 to be a growing pattern of state subsidy of
14 what should really be and always was a
15 toll-supported system, and I think that that
16 is something that we're going to need to look
17 at. Because it's not really new money, when
18 you look at what the Thruway is getting, it's
19 dollars -- whether they're settlement dollars
20 or state dollars -- that are supplanting what
21 would be toll revenues within the Thruway
22 that have always supported their system.

23 And their system has real, substantial
24 needs. The Thruway is somewhat unique in

1 terms of their infrastructure because it was
2 all built at about the same time, and as a
3 result it's all coming of age at about the
4 same time and it has significant needs
5 developing at about the same time. And the
6 fact is if you go to Western New York,
7 there's now a stretch of the Thruway where
8 you actually have a reduced speed limit
9 because the conditions have gotten so bad,
10 because, due to a variety of reasons which
11 really are beyond the Thruway Authority's
12 control, there's been a delay of a
13 reconstruction project.

14 But I think that shows you what the
15 future of the Thruway is if they don't have
16 the resources to make the investments that
17 they need to in their system. And, although
18 nobody likes tolls, I think you have to
19 wonder what happens in 2020 when the cap
20 comes off the tolls. And realistically, we
21 may well be looking at a significant toll
22 increase, which is probably worse in the long
23 term for the economy and for motorists than
24 if you have reasonable incremental increases

1 that can meet the Thruway's needs.

2 One last point on the Thruway. We've
3 for a long time have been advocating for the
4 transfer of the Canal Corporation out of the
5 Thruway to somewhere else, and to the
6 Power Authority. We think it makes sense.
7 As Executive Director Lehman testified, it is
8 closer to the core function of the
9 Power Authority than it is to the
10 Thruway Authority, and it really should free
11 up resources for the Thruway Authority.

12 We're a little concerned that with
13 that transfer, the transfer of the costs for
14 Troop T that were effected last year are
15 being undone, which makes that
16 revenue-neutral. We'd like to see both of
17 those changes remain so that the Thruway has
18 additional toll revenue to invest into their
19 system.

20 And finally, I want to talk about DOT
21 and then have a conversation about parity.
22 Commissioner Driscoll testified this morning
23 that the Governor's proposed a \$20.1 billion,
24 five-year DOT capital plan. And he's

1 correct, it's the biggest DOT capital plan
2 that's been proposed yet, and that's a very
3 good thing. It's also a very good thing that
4 it's a five-year plan, because we haven't
5 actually seen one of those proposed since I
6 think the end of the last bond act in 2009 or
7 so.

8 So that's positive, and certainly the
9 action in Washington that has resulted in,
10 finally, the 10-year-overdue passage of a
11 surface transportation bill has helped make
12 that long-term planning possible. So we
13 thank our congressional delegation for that
14 as well.

15 But there's two things to look at. It
16 being the biggest program ever doesn't mean
17 that it meets the needs of DOT, and in fact
18 it's been since 2009 that we've had a public
19 needs assessment from DOT. And in 2009 they
20 said their five-year needs were \$25 billion,
21 and as you know, they got nowhere near those
22 resources. So those needs have only
23 increased because there's been deterioration
24 in the system since they didn't have the

1 resources necessary to meet those needs. So
2 that's number one.

3 Number two is the issue of parity.
4 And we were very glad to hear so many
5 questions and comments and so much discussion
6 earlier about parity. And I think it's
7 important to clarify a couple of things --
8 chiefly, what is parity and what isn't
9 parity.

10 Parity is a defined word. It's not a
11 term of art that was created to describe
12 something here, it's the state of being
13 equal. And in fact, that's what the DOT and
14 MTA capital plans were until 2009-2010, when
15 parity was broken. And you can see that, if
16 you look at the written testimony; there's a
17 chart in there.

18 And why is that important? Well, it's
19 important because both systems have needs.
20 The MTA's been out talking about their needs,
21 but DOT has significant needs too. Think
22 about the Tappan Zee Bridge. The Tappan Zee
23 Bridge gets a lot of attention. The Governor
24 deserves a lot of credit for advancing that

1 project. The bridge is in horrible shape, it
2 needs to be replaced, needed to be replaced a
3 long time ago.

4 The Governor tells a pretty amusing
5 story about driving over the Tappan Zee
6 Bridge and wondering if you should crack your
7 window or undo your seat belt or get ready to
8 swim because the condition was so bad. And
9 certainly it's half in jest, but the reality
10 is that bridge was in very poor condition and
11 something needed to be done.

12 What you may not realize is that
13 there's about six hundred bridges across
14 New York in the State DOT system, local
15 systems, and other authorities, that are in
16 as-bad or worse condition than the Tappan Zee
17 Bridge. So the needs for DOT are very clear
18 as well. They're as important as the MTA's
19 needs.

20 Now there's the issue of what number
21 is parity. Well, the DOT plan is
22 \$20.1 billion. The \$2 billion in Thruway
23 stabilization -- the \$1.3 billion from last
24 year and the \$700 million from this year --

1 has never been part of that calculation. It
2 is not part of the DOT capital plan, and it
3 should not be part of the parity discussion.
4 That's a separate issue.

5 So when you're talking about straight
6 parity, if the MTA capital plan is
7 \$26.1 billion over the next five years,
8 that's what the DOT capital plan should be.
9 And there is great documentation in both
10 systems to indicate that that need is there,
11 it should be funded. Both systems are
12 critical to our economy.

13 The other thing that parity isn't is
14 an upstate/downstate issue. It drives me
15 crazy when I hear people talk about it that
16 way, and I appreciate, Senator Krueger, your
17 comments and others' earlier about that. The
18 whole state relies on our statewide system of
19 roads and bridges. I go to New York City
20 regularly, I see roads and bridges. There
21 are needs. And in fact, if you look at the
22 DOT system, the biggest DOT project right now
23 in New York State is the K Bridge in New York
24 City.

1 I talked about the statewide impact of
2 the MTA system -- this is not an
3 upstate/downstate issue, it's not
4 upstate/downstate parity, it's not an upstate
5 road and bridge program, it is DOT/MTA
6 parity. It's what we always had. We have an
7 historic opportunity to restore it this year
8 and do the right thing for all the people of
9 the state and meet our infrastructure needs.
10 Our economies rely on it. Our economies
11 don't work if our infrastructure is failing.
12 We can't be open for business if our roads
13 and bridges are closed. We can't be open for
14 business if our transit systems are failing.

15 And so this is an opportunity for the
16 Legislature and the Executive to right the
17 wrong that occurred several years ago, due to
18 a variety of fiscal and other circumstances,
19 when parity was broken. Restore it, invest
20 in our infrastructure, and put people back to
21 work.

22 And so we were glad to hear the
23 Governor commit to achieving parity. It's
24 clear we've got some more work to do there,

1 we're not there in the Executive Budget, but
2 we're hopeful that with your support, and
3 ongoing conversations, that we can get there.

4 And if you look at the end of the
5 testimony, we have an incredibly broad
6 coalition of organizations that are
7 supporting parity. It's really pretty
8 extraordinary, because it's a lot of groups
9 and individuals that generally get paid to
10 argue with each other. Right? It's the
11 whole of the business community, the whole of
12 the construction industry, local governments,
13 the mayors, counties, farmers, organized
14 labor across the state, and the environmental
15 community, who all agree we need to fund the
16 MTA system and fund the DOT system equitably.

17 And so too do the people of New York.
18 Because there was a Siena College poll
19 recently that showed that 71 percent of
20 people, which is a big number on any issue,
21 agreed that both systems should be funded
22 equitably.

23 So that's a priority for us. We think
24 the budget is a good starting point in many

1 ways, but we think there's some room for
2 improvement.

3 And one last point. One thing I would
4 encourage you to look at, the budget proposes
5 the creation of a New York State Design and
6 Construction Office under the Dormitory
7 Authority, and we look forward to learning
8 more about exactly what the scope of that
9 would be. But if what it's going to do is
10 take control and management of construction
11 projects away from agencies like DOT, OGS,
12 State University Construction Fund and
13 others, I think we'd have some real concern
14 about that, because there's a long history of
15 our industry and our public partners in those
16 agencies delivering quality successful
17 projects, and we should be able to continue
18 to do that.

19 We can improve the process, certainly,
20 and we'd like to have those conversations
21 too, but we'd be concerned about the
22 authority for those projects shifting to this
23 new entity.

24 And with that, I will welcome any

1 questions.

2 CHAIRMAN FARRELL: Thank you.

3 Senator?

4 CHAIRWOMAN YOUNG: Thank you very much
5 for making excellent points regarding parity
6 and other issues, but especially parity and
7 the fact that we need to invest as a state in
8 our roads and bridges. We need to make sure
9 that we restore a five-year plan and that
10 there's parity in the process and the plan
11 and transparency also as far as what those
12 projects will entail.

13 So thank you for your input.

14 MR. ELMENDORF: Thank you, Senator.

15 Thank you.

16 CHAIRMAN FARRELL: Associated Builders
17 and Contractors, Joshua Reap, Director of
18 Government Affairs.

19 Josh?

20 MR. NOONAN: It's not Josh. Brian.

21 Josh couldn't make it this afternoon.

22 CHAIRMAN FARRELL: Somebody on my
23 staff's going to have a broken finger.

24 MR. NOONAN: Thank you, Chairwoman

1 Young. Thank you, Chairman Farrell. I know
2 you guys have been here a long time today, so
3 I'll try to keep our comments brief.

4 My name is Brian Noonan. I'm with
5 Associated Builders and Contractors. Our
6 organization represents nearly 400 merit shop
7 contractors throughout New York State.

8 I am here to express our support for
9 the Governor's ambitious plan to fix our
10 crumbling infrastructure. These improvements
11 include critical upgrades to everything from
12 roads, bridges and sewers to utilities and
13 waste water systems. Simply put, they add to
14 the quality of life to New Yorkers on a daily
15 basis.

16 Few here would disagree in saying that
17 these upgrades are badly needed, and have
18 been for a number of years.

19 The Governor's proposal is pegged at
20 roughly \$100 billion over five years. Given
21 that New York is close to its debt cap --
22 some estimates are we are within \$800
23 million -- it's clear that agencies and
24 authorities will be issuing bonds to cover

1 the cost of construction. While this is not
2 ideal, infrastructure improvements are a good
3 use of bonds.

4 So if we are going to bond this work,
5 then you have an obligation to ensure that
6 the taxpayers of this great state get the
7 maximum value for their investment. That
8 means putting these projects out to bid
9 without costly gimmicks like Project Labor
10 Agreements, otherwise known in the industry
11 as PLAs.

12 I will assume that most of you here
13 are familiar with PLAs. For those who are
14 not, these costly provisions are agreements
15 made between the owner of a project and the
16 building trades unions. They mandate that
17 the vast majority of workers on a job site
18 are from the union halls. Typically, this
19 means three out of every four workers. This
20 excludes workers who choose not to join a
21 union from working on the project.

22 They have also been proven to drive up
23 costs on a project upwards of 30 percent.
24 This comes from the diminished competition

1 that they create, along with antiquated
2 jurisdictional work rules that accompany
3 PLAs. You don't need to look far to see the
4 failure of a PLA on a publicly-funded
5 infrastructure project.

6 The Exit 122 rehabilitation project
7 along Route 17 had issued its bid when the
8 New York State DOT rescinded it and issued a
9 new one with a mandated PLA attached. The
10 project was delayed more than a year. While
11 New York received an initial low bid of
12 approximately \$65 million, this bid was put
13 aside in favor of one with the inclusion of a
14 PLA. When all was said and done, the total
15 project cost approached \$100 million -- over
16 \$30 million higher than the bid without the
17 attachment of a PLA. This is just one
18 example. There are, in fact, dozens more
19 just like it.

20 With the numbers being discussed here
21 today, the amount being wasted would
22 skyrocket from tens of millions to hundreds
23 of millions. The taxpayers of New York State
24 deserve the best value at the best price.

1 While we desperately need these investments,
2 we also need them done the right way. To
3 attach PLAs simply to appease certain groups
4 while excluding others is not good for
5 anyone.

6 By allowing for a free, open,
7 transparent bidding process, everyone has a
8 chance at work. This does not hurt anyone
9 the way that PLAs do, and everyone has the
10 same fair chance. Most importantly,
11 taxpayers will see their money go further and
12 more of these crucial upgrades can take
13 place.

14 While I am here, I would be remiss if
15 I did not also speak briefly on the Wicks Law
16 and the Scaffold Law. These regulations
17 drive up the costs of construction to the
18 detriment of taxpayers and customers across
19 the state, and have made New York one of the
20 most costly states in which to build.
21 Serious reform needs to be looked at in both
22 cases, and our organization would always be
23 willing to sit down with you and discuss
24 real, practical, common-sense solutions to

1 resolving some of the issues most prevalent
2 and problematic to the contractors of
3 New York State.

4 Thank you once again for your time.

5 CHAIRWOMAN YOUNG: Okay. Thank you
6 very much.

7 Anybody have any questions?

8 Okay. Very articulate. Thank you
9 very much.

10 MR. NOONAN: Thank you very much.

11 CHAIRMAN FARRELL: Thanks.

12 Tri-State Transportation Campaign,
13 Nadine Lemmon, director, New York/federal
14 policy.

15 MS. LEMMON: Good afternoon. Thank
16 you for the opportunity to allow us to
17 testify today.

18 My name is Nadine Lemmon, and I am the
19 New York and federal policy director for
20 Tri-State Transportation Campaign. We're a
21 policy and advocacy organization working on a
22 sustainable transportation future.

23 As transportation advocates, we of
24 course were thrilled to hear about the bold

1 plans the Governor has laid on the table for
2 infrastructure in this state. Many of the
3 proposals, like Third Track on Long Island,
4 revamping Penn Station, and the Hudson Links
5 transit system on the New NY Bridge, have
6 been on our wish list for years.

7 Unfortunately, as they say, the devil
8 is in the details, or in this case, the lack
9 of details in this Executive Budget. The
10 Executive Budget reveals that Governor
11 Cuomo's plan for funding the MTA's capital
12 needs is nothing but smoke and mirrors. This
13 budget contains no appropriation for the MTA,
14 not only this year but in any of the outlying
15 years. There is only a reappropriation of
16 the \$1 billion from last year's budget.
17 While we were supportive of the agreement
18 made this summer between Governor Cuomo and
19 Mayor de Blasio, we see now that the Governor
20 has had an entirely different idea of a
21 "fully funded" MTA capital plan.

22 The Executive Budget redefines the
23 concept of parity. Drivers will be getting
24 real dollars in their roads and bridges,

1 fixed as part of NYSDOT's capital plan, and
2 the New NY Bridge will be receiving \$2
3 billion total from the bank settlement funds.
4 Instead of comparable cash, the MTA will be
5 getting an IOU. This budget leaves the door
6 wide open to be funded with an unsustainable
7 level of debt financing for the MTA.

8 Drivers will be getting a toll
9 reduction worth \$340 million, according to
10 the Thruway Authority, while downstate
11 transit riders will be saddled with a transit
12 system facing an uncertain future. And
13 upstate transit riders will be getting an
14 underfunded capital plan as well.

15 We understand that every capital plan
16 has some debt, but the Executive Budget
17 introduces substantial risk to transit
18 riders. As history has shown, unsustainable
19 debt puts pressure on the MTA's operating
20 budget, increasing the likelihood of future
21 fare increases and service cuts, negatively
22 impacting low-income transit riders.

23 There is also the risk that projects
24 will be slowed down, or fall off the table in

1 later years, and the state's promised
2 commitment will be pushed off. The ambiguous
3 language in the Article 7 legislation leaves
4 the potential for no money to be put into the
5 MTA by the state until 2019. By 2019, as the
6 debt bomb explodes, the Governor's term and
7 potentially his commitment to this plan will
8 be ended.

9 There should be parity between the MTA
10 and roads and bridges, a different kind of
11 parity than you've heard today. The Capital
12 Plan Review Board needs to approve the MTA's
13 capital program immediately. It's a year
14 late. And real dollars need to be put into
15 the 2016-2017 budget, along with a clear
16 timeline and certainty of funding sources for
17 the plan.

18 We support NYPTA's testimony
19 concerning the non-MTA transit. Multiyear
20 capital funding is the key for establishing
21 stable transit systems, both upstate and
22 down. We applaud the Executive Budget for
23 including a five-year capital plan for
24 upstate transit, but that capital plan is not

1 fully funded. That's a \$1 billion capital
2 plan, it has a \$500 million gap, and the
3 Executive Budget only puts \$295 million into
4 that.

5 We are particularly concerned that
6 there is no capital funding for downstate
7 transit, suburban transit systems such as
8 Westchester's Beeline service and Nassau
9 County's NICE systems. Just this past
10 Sunday, 11 bus routes were cut, eliminated in
11 Nassau County, in part because there's a
12 \$7.5 million deficit in NICE's budget.

13 So in order to prevent similar cuts to
14 transit across the state, we urge you to
15 fully fund the \$500 million gap in NYPTA's
16 proposed five-year capital plan.

17 I really want to thank all of the
18 legislators today for hammering on the fact
19 that there is no list of projects coming out
20 of New York State DOT. If you'll allow me a
21 moment of being candid, it's ridiculous that
22 you have not gotten a list of projects, and
23 you haven't gotten it for the last several
24 years since I've been here. You've had a

1 list out of the MTA for their capital plan
2 since October of 2014. And Commissioner
3 Driscoll said today that you're not going to
4 see anything until the budget deal is done.
5 You shouldn't let that stand.

6 In March of 2015, the Legislature also
7 approved a two-year capital plan for New York
8 State DOT in your budget, the last budget
9 cycle, and we still haven't see the list of
10 projects for that. And the MOU that was
11 negotiated with the Governor's office has not
12 been signed, has not been released to the
13 public.

14 Details are sorely lacking in this
15 Executive Budget. There was mention that the
16 Hudson Links Transit across the New NY Bridge
17 is fully funded. There's a \$31 million gap
18 and we could not find the appropriation in
19 the budget. So this is problematic. It's a
20 new bus system that is expected to be
21 launched in 23 months. There should be an
22 appropriation. There should be a list of
23 projects.

24 A press release that came out of the

1 Governor's office on January 5th mentions
2 that New York State DOT's "Complete Streets"
3 funding will be used to partially fund the
4 \$100 million Downtown Revitalization
5 Initiative. To our knowledge, there is no
6 so-called "Complete Streets" funding unless
7 the Governor is referring to the dedicated
8 federal dollars that are coming out of D.C.

9 And if that's the case, if it's the
10 Governor's plan to siphon off these
11 much-needed dollars for downtown Hunger
12 Games, we would definitely encourage you
13 instead to have a dedicated fund of state
14 dollars for bicycle and pedestrian
15 infrastructure that is on top of what is
16 already being spent to the tune of \$20
17 million a year.

18 And thank you, Chairman Farrell, for
19 your question earlier to the commissioner as
20 to whether there was bicycle and pedestrian
21 funding in this budget.

22 And for the past several years the
23 Bronx community has been calling for the
24 inclusion of \$3 million in New York State

1 DOT's capital plan to fund the environmental
2 review of the reconfiguration of the Sheridan
3 Expressway. Again, without a detailed list
4 of capital projects, there is no way to tell
5 if this funding has been included in this
6 Executive Budget.

7 In conclusion, the opaque and
8 unregulated process for developing the
9 New York State DOT capital plan must change.
10 The State Legislature must statutorily
11 require the Department of Transportation to
12 submit a five-year capital plan, with defined
13 projects, that is subject to public review
14 prior to passage of the state budget and
15 require DOT to report on the progress of that
16 plan. The MTA does it; DOT can do it as
17 well.

18 New York needs its capital planning to
19 be done transparently, comprehensively, and
20 in a coordinated, long-term manner. The MTA
21 and DOT capital plans need to be submitted
22 for consideration at the same time, every
23 five years, based on a 20-year needs
24 assessment. Given that the MOU process has

1 clearly broken down, this needs to be a
2 statutory requirement. It is the only way
3 that we're going to be able to assure parity
4 in this system.

5 Thank you for your time.

6 CHAIRMAN FARRELL: Thank you.

7 CHAIRWOMAN YOUNG: Thank you.

8 CHAIRMAN FARRELL: Railroads of
9 New York, Incorporated, Scott Wigger,
10 executive director.

11 MR. WIGGER: Good afternoon. Thanks
12 for the opportunity to testify here today.

13 My name is Scott Wigger, and I am the
14 executive director for Railroads of New York.
15 We're an organization that represents the
16 freight rail industry here in New York State.
17 It's comprised of four Class I railroads --
18 cSX, Canadian National, Canadian Pacific, and
19 Norfolk Southern -- and 34 short-line and
20 regional railroads here in the state. Our
21 members directly employ over 3,700
22 individuals, and we allow our customers
23 access to the nationwide 140,000-mile rail
24 network, which gives access to both coasts

1 and all U.S. ports and shipment of goods.

2 Besides a substantial competitive
3 advantage that businesses enjoy that have
4 rail access and thus access to this network,
5 there's many environmental benefits that we
6 provide, such as reduced pollution, better
7 fuel efficiency, reduced highway congestion,
8 and less wear and tear on the roads.

9 In regards to the Governor's Executive
10 Budget proposal, in it is contained a
11 \$10 million allocation for freight rail
12 projects and another \$10 million allocation
13 for a mix of freight, passenger, and port
14 projects -- freight rail, passenger rail, and
15 port projects. We appreciate the work that
16 was done to reestablish this program three
17 years ago by the Legislature and the
18 Governor's office, but this has been at the
19 same funding level for those last three
20 years, the same \$20 million level since it
21 was reestablished.

22 RONY believes this budget year
23 provides a unique opportunity for us to fully
24 fund this program at a \$50 million level,

1 which is the level it was at during the
2 2005-2010 Bond Act years. We see increased
3 attention these days on transportation
4 infrastructure, and we appreciate that that's
5 a focus these days that we feel is very
6 important. However, when we look at the rest
7 of DOT's budget funding, we see all the other
8 modes -- roads, bridges, transit, airports --
9 all getting proposed increased funding
10 allocations, while the freight rail
11 allocations proposed remain flat.

12 So it's a little disconcerting for us,
13 but we still look forward to working with the
14 Legislature and the Governor's office to work
15 to build this up to the aforementioned
16 \$50 million level.

17 Just as with all modes of
18 transportation infrastructure, freight rail
19 infrastructure gradually deteriorates due to
20 time, wear and tear, and whatnot, and at the
21 same time it's project that freight rail
22 volumes are going to increase. Last year,
23 U.S. DOT put out a report saying they expect
24 freight rail volume to increase by 49 percent

1 by the year 2040, which just means putting
2 more strain on the system.

3 Our railroads invest heavily in
4 capital repair, maintenance, expansion
5 projects. There's direct economic benefits
6 when we do expansion projects, whether
7 providing enhanced services to existing
8 customers, providing rail access to
9 businesses currently without rail service, or
10 just locating a rail infrastructure in areas
11 of the state that currently lack access to
12 the rail network, so that when prospective
13 businesses are looking at the state to locate
14 their operations, like a manufacturing
15 facility requesting rail access, it's
16 certainly an incentive to locate here in New
17 York.

18 We certainly need help with state
19 funding to help with projects we can't
20 finance ourselves. You know, with the repair
21 projects, obviously, we have to do those
22 first, because the safety of our system is of
23 foremost importance. So as more and more
24 funding has to go for repair and maintenance

1 projects, that's less and less we have for
2 economic development projects.

3 So as such, we support the development
4 of this DOT five-year capital plan. We
5 support funding it at the same \$50 million
6 per year level, totaling \$250 million over
7 the five-year period. This long-term
8 investment planning would allow our railroads
9 to undertake more innovative capital projects
10 to expand economic development efforts and
11 also allow us time for better collaboration
12 with local businesses and economic
13 development organizations for better planning
14 and cost-effectiveness.

15 As far as the scoring, since we
16 reestablished this program, it's been scored
17 through the DOT scoring process and not the
18 Regional Council scoring process, which we
19 appreciate and certainly support. We
20 appreciate the efforts by the Legislature and
21 the Governor to keep it that way.

22 Just as with transportation
23 infrastructure investments in general, it's
24 hard to localize on a regional basis the

1 benefits any one project would have on the
2 entire statewide network. And the jobs is
3 often, you know, are you creative with our
4 customers, not necessarily with railroads
5 themselves, so that's hard to quantify as
6 well. Except for DOT, they are properly
7 positioned to keep scoring in this way.

8 As far as the needs of the system,
9 I've said this in past years before, the 2009
10 DOT rail plan puts the needs of the freight
11 rail network at about \$390 million per year
12 over a five-year period, totaling nearly
13 \$2 billion. About half of those identified
14 needs are just to keep the existing system in
15 safe condition and to bring it up to a state
16 of good repair.

17 What you'll see is what we did
18 recently, attached to my testimony, is we did
19 a survey of our own members just asking for
20 projects you can't do without state
21 assistance. And as you'll see, there's over
22 \$350 million worth of projects listed there.
23 They show short- and long-term needs, and
24 there's a variety of projects -- repair,

1 maintenance, economic development, and
2 expansion -- in all corners of the state. So
3 we hope this helps to illustrate the needs of
4 the system.

5 I appreciate the time today to come up
6 here and testify, and I am happy to answer
7 any questions you may have.

8 CHAIRMAN FARRELL: Thank you.

9 Any questions? Senator.

10 CHAIRWOMAN YOUNG: Yes. I know
11 Assemblyman Farrell reacted at first to the
12 thickness of your packet. He was worried you
13 were going to read every page. But I want to
14 thank you for the detail on the \$350 million
15 of shovel-ready projects that could be
16 undertaken across the state. It's very
17 helpful to the legislators to see what the
18 potential could be. So I just want to give
19 my thanks to you for that.

20 I'm glad to see there are projects for
21 Allegheny, Cattaragus, Chataqua, and
22 Livingston Counties in the mix, and I look
23 forward to working with you in the future.

24 MR. WIGGER: Great. Thanks.

1 CHAIRWOMAN YOUNG: Thank you.

2 CHAIRMAN FARRELL: Thank you.

3 SENATOR KRUEGER: Hi. I don't know if
4 you heard me when I asked the earlier
5 testifier whether public transit, mass
6 transit was defined as economic development
7 for the various economic development funds we
8 distribute throughout the state.

9 So I have the same question for you.
10 Is freight rail eligible to participate in
11 the regional economic councils or in the
12 regional \$500 million competitions that
13 have -- has rail freight gotten any money?

14 MR. WIGGER: Sure. Technically, yes,
15 we're eligible. But on a practical basis, it
16 just doesn't work.

17 Like I said, when you go through the
18 Regional Council process, they're looking at
19 their regions alone. Whereas when we do a
20 project, say the Portersville Bridge, for
21 example -- it's out in the western Southern
22 Tier area of the state -- that's really to
23 allow us to go from Buffalo to Albany more
24 consistently, instead of having to dip

1 through Pennsylvania. So if you're just
2 looking at it on that localized basis, you
3 won't see the benefits all around.

4 And also the fact that we're not
5 creating direct jobs with a maintenance
6 project or a repair project, that's not going
7 to score well at all. So unless we're
8 talking about like a manufacturer who wants
9 to come to this state and they want direct
10 rail access -- that's a project that would
11 score well, because those are some direct
12 jobs that would score. But otherwise, we're
13 just not competitive there.

14 SENATOR KRUEGER: Thank you.

15 So I come from New York City, and I
16 spend a lot of time talking to people
17 throughout the state about how we do a better
18 job of bringing New York State agriculture
19 down into New York City. I always describe
20 how I have a city of 9 million people who
21 want to eat what New York State produces, but
22 there's the constant struggles of the
23 trucking patterns of trying to truck so much
24 food into New York City and the lack of

1 competition with the costs because of that.

2 Are there specific efforts in rail
3 freight that would expand the ability, if you
4 were funded, to Ensure better access for
5 upstate agricultural producers to move their
6 food downstate?

7 MR. WIGGER: Well, the projects would
8 rest with the direct -- the rail companies
9 themselves, you know, the ones that serve
10 that area and that go from upstate to
11 downstate, because some are just
12 regionalized, some just go east-west. So it
13 rests with those companies.

14 But of course any good business is
15 going to look to expand their business, so
16 that's definitely an opportunity we see
17 there. You know, if we shifted from trucks
18 to rail, we're certainly available for that.

19 SENATOR KRUEGER: But none of these
20 projects specifically in this giant package
21 are specific to agricultural freight, or you
22 don't know what ratio of your rail freight is
23 agricultural?

24 MR. WIGGER: Off the top of my head --

1 yeah, I'm not sure, I'd have to look through
2 it again.

3 SENATOR KRUEGER: Thank you.

4 MR. WIGGER: Sure.

5 CHAIRMAN FARRELL: Thank you.

6 CHAIRWOMAN YOUNG: Thank you.

7 MR. WIGGER: Thanks.

8 CHAIRMAN FARRELL: New York State
9 Association of Town Superintendents of
10 Highways, Jeff Griswold, president; New York
11 State County Highway Superintendents
12 Association, Kevin O'Brien, president.

13 And the next person is Jeremy
14 Martelle. If you would come down now, it
15 would make it go quicker.

16 Good afternoon.

17 MR. GRISWOLD: Good afternoon,
18 Senator Young, Assemblyman Farrell, and other
19 members of the Legislature. I am Jeffrey
20 Griswold, president of the New York State
21 Association of Town Superintendents of
22 Highways, and I'm the Town of Preble highway
23 superintendent. With me, representing the
24 Town of Palmyra, also my first vice

1 president, is Michael Boesel.

2 We apologize, but at the same time
3 this is happening, County Highway
4 Superintendents President Kevin O'Brien is at
5 a swearing-in ceremony for their association.

6 We appreciate this opportunity to
7 submit testimony for your consideration as
8 you review the Governor's 2016-2017 budget.
9 We'd like to begin by thanking you, the
10 members of the Legislature, for your
11 steadfast support of local roads and bridges.
12 As you know, our collective membership is
13 responsible for ensuring the safe operation
14 of 87 percent of the state's public roads,
15 half of its bridges, and plowing not only our
16 huge system but over a quarter of the New
17 York State DOT's roads. Every time there is
18 a winter weather event, the hardworking men
19 and women of our local crews ensure New
20 York's drivers get to and from schools,
21 hospitals, work, and other destinations
22 safely.

23 We are pleased to see Governor Cuomo
24 propose increased funding levels in the

1 Executive Budget for the New York State DOT
2 capital plan and the new additional programs
3 for local and state bridges and roads. As
4 part of this proposed capital plan is a
5 \$1 billion PAVE-NY program to be split evenly
6 between the state and locals. Another new
7 program is the \$1 billion BRIDGE-NY to
8 replace and rehabilitate bridges. Like
9 PAVE-NY, we have been told the monies for
10 BRIDGE-NY will also be split 50/50 between
11 the state and the localities.

12 However, it is imperative to note that
13 this \$20.1 billion proposed five-year New
14 York State DOT capital plan funding level is
15 not enough to prevent the further
16 deterioration of New York's highways and
17 bridge system. The Governor's proposal
18 maintains the CHIPS funding level at \$438
19 million and \$39.7 million for Marchiselli,
20 but does not include the \$50 million extreme
21 winter recovery money we received last year.
22 There is also \$500 million for an Extreme
23 Weather Infrastructure Hardening Program for
24 investments in roadways statewide that are

1 susceptible to flooding, but it is not clear
2 how this funding would be distributed or if
3 local roads are eligible for a fair share.

4 Our associations support a five-year
5 allocation of \$3.7 billion, \$742 million
6 annually, in CHIPS/Marchiselli funding and
7 \$750 million, or \$150 million annually, for a
8 local bridge and culvert program.

9 The Executive Budget includes a
10 five-year, \$1 billion BRIDGE-NY program split
11 between the state and localities. This
12 proposal appears to be an improvement over
13 the current state and local initiative that
14 is part of the current budget. When the
15 first two years of the five-year \$750 million
16 program was allocated, New York State DOT,
17 who chose the projects without local input,
18 split the number of state and local projects
19 equally: 23 are locals, 23 state-owned.

20 However, the state bridge projects
21 total 55 percent of the funds, and just two
22 locally owned bridges in New York City
23 accounted for 66 percent of the local bridge
24 funding allocation. We're hoping that the

1 new BRIDGE-NY program is more effective in
2 achieving regional balance and maximizing
3 local decision making and flexibility, which
4 is why we are requesting the local BRIDGE-NY
5 funding be distributed through CHIPS.

6 We cannot emphasize enough the
7 importance that both local portions of the
8 PAVE-NY and BRIDGE-NY programs be distributed
9 through the CHIPS formula and be funded with
10 state dollars, not federal funds. By using
11 CHIPS as the funding mechanism for the local
12 side of the program, every municipality
13 across New York State will benefit. The
14 CHIPS formula is based on local highway
15 mileage for all municipalities and motor
16 vehicle registrations for counties and New
17 York City. This formula allows the local
18 highway superintendents and commissioners of
19 public works, the experts in their
20 localities, to make decisions on what road,
21 bridge and culvert rehabilitation and
22 reconstruction is most important.

23 We are also pleased that the Executive
24 Budget includes a five-year DOT capital plan

1 which will allow long-term predictable
2 funding levels and more effective planning.
3 This fall, for the first time, the
4 administration did not release a DOT
5 five-year capital needs analysis, which we
6 believe to be in excess of \$28 billion.
7 Traditionally, the funding levels for both
8 the DOT and MTA systems were based on
9 multiyear needs analysis and were released in
10 advance of the adoption of the five-year
11 capital programs.

12 Mike?

13 MR. BOESEL: I'm going to take over
14 from here.

15 In the fall, Governor Cuomo and Mayor
16 de Blasio announced an agreement to jointly
17 subsidize the MTA's nearly \$11 billion
18 funding gap for its proposed \$26.1 billion
19 2015-2019 five-year capital program. While
20 we are not clear on where the funding for
21 this state commitment of \$8.3 billion will
22 come from, we certainly appreciate this vital
23 investment in downstate transit.

24 We are hopeful that you and your

1 fellow legislators can work with us to ensure
2 that funding parity is restored between the
3 DOT's highway and bridge five-year capital
4 program and the MTA's capital program, with
5 each program receiving an equal funding level
6 of \$26.1 billion.

7 As you can see from the chart included
8 in our testimony, three of the last four
9 DOT/MTA five-year capital programs were
10 virtually identical in size. In the early
11 1990s, the Dedicated Highway and Bridge Trust
12 Fund was created to pay for New York State
13 DOT's capital program and the Dedicated Mass
14 Transit Trust Fund was created to assist the
15 MTA and other transit system capital
16 programs.

17 At that time, drivers statewide were
18 asked to have a portion of their gas taxes
19 and auto fees directed toward the Dedicated
20 Mass Transit Fund. Today, New York's drivers
21 pay hundreds of millions of dollars annually
22 to mass transit, about 90 percent of which
23 goes to the MTA. In return for drivers'
24 financial assistance to transit, it was

1 originally agreed that the DOT and MTA's
2 five-year capital programs would be similar
3 in size and would be negotiated
4 simultaneously.

5 Having a five-year highway and bridge
6 capital program that truly meets the needs of
7 our state's residents is our top priority.
8 We believe it is essential the MTA and the
9 DOT capital programs are equal and that a
10 significant portion of the resulting
11 additional funding be allocated directly to
12 local highway departments throughout the
13 state. To meet a greater portion of the
14 critical needs of the local transportation
15 system, we request a five-year allocation of
16 \$3.7 billion, or \$742 million annually, for
17 CHIPS/Marchiselli funding and \$750 million,
18 or \$150 million annually, for a local bridge
19 and culvert program.

20 The local systems' needs are great and
21 well documented. The New York State
22 Comptroller's studies indicate that a large
23 number of road mileage is deteriorating and
24 many bridges in the state are rated

1 structurally deficient and functionally
2 obsolete. According to the 2014
3 Comptroller's report, 34 percent of bridges
4 are deficient and 48 percent of road
5 pavements are rated fair or poor or getting
6 worse. The Comptroller estimates that there
7 will be \$89 billion in unmet local
8 infrastructure needs over the next 20 years,
9 with much of this shortfall on the already
10 deteriorating local transportation system.

11 In November of 2013, our New York
12 State Association of Town Highway
13 Superintendents conducted our own needs study
14 of the local transportation system. Our
15 analysis determined that, on average, local
16 governments outside New York City should be
17 spending \$2.32 billion annually on their
18 highways and bridges. Currently these
19 municipalities spend only about \$1 billion
20 annually, leaving an annual shortfall of
21 \$1.32 billion.

22 So what is needed now? In previous
23 years, even in tough economic times, the
24 Legislature has responded to the dire

1 conditions of the state's transportation
2 systems and augmented CHIPS and other local
3 transportation funding but more is required.
4 MTA/DOT parity will help provide the funding
5 needed to reverse the deteriorating
6 conditions of our local transportation
7 systems and make significant progress in its
8 rehabilitation.

9 We are urging support for a
10 significant increase for the CHIPS program to
11 help all municipalities in the state extend
12 the life of our assets and maintain our vast
13 system and an adequately funded local bridge
14 and culvert program that will provide direct
15 funding to local governments and add
16 flexibility needed to address local
17 conditions.

18 Our associations and the mutual
19 constituencies and communities we serve
20 appreciate the support of our state elected
21 officials who partner with us to insure we
22 all get the job done when it comes to
23 providing the public with a safe and
24 functional statewide transportation system,

1 one that supports jobs and economic growth
2 for our communities. We request that you and
3 your legislative colleagues make the same
4 state funding commitment of \$26.1 billion to
5 our roads, bridges and culverts as the
6 Governor has pledged to mass transit.

7 We look forward to continuing working
8 with you to make more state funding and
9 resources available to meet the critical
10 needs of our local transportation systems.

11 Thank you very much.

12 CHAIRWOMAN YOUNG: Thank you,
13 gentlemen.

14 CHAIRMAN FARRELL: Thank you very
15 much.

16 Question?

17 ASSEMBLYMAN OAKS: Yes, just a couple
18 of quick things.

19 Both, thank you very much for the
20 presentation and giving the perspective -- I
21 know you mentioned -- I think CHIPS in this
22 budget is at \$438 million, which would be the
23 same as what we had last year but without the
24 winter recovery monies. So in essence,

1 that's a reduction from what local
2 governments are going to receive.

3 But you lay out some of what we need
4 really need. Are we getting -- is your
5 message -- are we getting further behind in
6 maintaining our local roads because of
7 funding levels of where we are?

8 MR. GRISWOLD: In my small town just
9 south of Syracuse, we're holding our own if
10 we don't have another winter like we did last
11 year.

12 Due to the wisdom of the Legislature
13 last year, we did have the Winter Recovery
14 Fund two years in a row. This winter we've
15 been blessed with a lighter winter. I'm just
16 hoping in the spring I don't have something
17 that goes awry. It's going year to year;
18 there's no long term.

19 My big hope, with the energy prices
20 coming down -- for years they were
21 skyrocketing, double digits -- and I'm really
22 hoping that with some increased funding,
23 along with lower oil prices, aggregate prices
24 may hold off, we can get more work done to

1 make up for these years of not being able to
2 keep up. I mean, we have a golden
3 opportunity right now to be able to really
4 get some real work done that your
5 constituents and mine can really appreciate.

6 ASSEMBLYMAN OAKS: You talked about
7 the recommendation that the PAVE-NY program
8 as well as the BRIDGE-NY program be
9 distributed, those resources, by a CHIPS kind
10 of formula. We heard from the commissioner
11 today, one, that the bridges she didn't
12 allude to, that that would be considered, and
13 said that the other formula was being
14 determined for the PAVE -- your
15 recommendation would be to do the PAVE along
16 the -- using the CHIPS formula.

17 MR. GRISWOLD: Well, instead of using
18 specific projects, which, depending on how
19 this is laid out -- there are no details at
20 this time -- CHIPS statewide, whether you're
21 talking transportation or any other --
22 education or anything else -- CHIPS by and
23 large is very fair money. It's not an
24 upstate/downstate issue.

1 A lot of CHIPS money goes to New York
2 City -- we have no problem with that -- and
3 Long Island. It's equitable. And here we
4 keep talking parity, we talked equality -- I
5 think it's important that you understand that
6 this CHIPS formula is complicated as it can
7 be. I mean, we just hit the points -- is
8 what we generally believe, the county
9 associations would agree, I believe -- it's
10 fair.

11 And I think that's what we're asking.
12 We're not -- it's not a competition,
13 upstate/downstate. It's a fair, equitable
14 way of putting a program forward.

15 ASSEMBLYMAN OAKS: I think in your
16 presentation you also said that this last
17 year there was some of the choosing of
18 projects and whatever without input from
19 localities. The commissioner did mention
20 today that they would be looking for input
21 from local governments. Is there a best way
22 to do that, to give that input?
23 Recommendations, to be part of negotiations
24 or a part of recommendations to the Executive

1 of how that should happen?

2 MR. GRISWOLD: I can tell you that in
3 our testimony we said that it's very
4 frustrating and anybody sitting in our shoes
5 or outside of the metropolitan area would be
6 frustrated that while most of that local
7 funding that was deemed and said to be local,
8 62 percent of it went to New York City
9 bridges. And that's frustrating -- I
10 honestly don't know an actual formula or a
11 way of doing it.

12 I mean, you're basically going to
13 spread this money fairly as CHIPS, which is
14 our first choice. If you make it
15 competitive, you have your bigger departments
16 and bigger towns and like that that have
17 grant-writer-type people that can do it. And
18 myself, I am my own secretary of my small
19 highway department, so I do everything, soup
20 to nuts. So I would be relying on myself
21 to -- if it was a competitive basis, I
22 probably would have a tough time with it, to
23 be honest with you.

24 I hope that answered your question.

1 ASSEMBLYMAN OAKS: Thank you, and
2 thank you also for the work you do in your
3 local communities, but those you represent
4 across our state, in keeping our local roads
5 passable and in the best condition they can
6 within the restraints that you have. And
7 hopefully as part of this budget we can move
8 to giving you the resources to get us in a
9 better position.

10 Thank you.

11 MR. GRISWOLD: Thank you, Assemblyman.

12 CHAIRMAN FARRELL: Thank you.

13 Senator?

14 CHAIRWOMAN YOUNG: No questions.

15 Thank you.

16 CHAIRMAN FARRELL: To close, New York
17 Aviation Management Association, Jeremy
18 Martelle, president.

19 MR. MARTELLE: Good afternoon. Thank
20 you, Chairwoman Young, Chairman Farrell, and
21 members of the committees.

22 I am Jeremy Martelle, president of the
23 New York Aviation Management Association and
24 regional manager for CHA Companies, our

1 aviation division. NYAMA appreciates this
2 opportunity to testify on the 2016-2017
3 Executive Budget proposal as it relates to
4 the support of airports within the state.

5 NYAMA represents over 13,000 members
6 and affiliate members, 120 commercial service
7 and general aviation airports, fixed based
8 operators, consultants, engineers and other
9 aviation industries and professionals who
10 believe that serious economic development
11 efforts at the state and regional level
12 necessitates strong public investment in our
13 aviation assets and our facilities.

14 I would like to take this moment to
15 thank you and the members of the Legislature
16 for enacting significant aviation tax reform
17 last year as part of the final budget. This
18 action to restore our competitiveness with
19 our neighboring states is already yielding
20 tangible results, as a number of airports
21 have reported increased business developments
22 and business jet locations at their
23 facilities.

24 Airports are economic engines fueling

1 growth in the communities they serve.
2 According to the New York State Department of
3 Transportation's Aviation Bureau, the
4 aviation industry contributes over
5 \$50 billion in annual economic activity in
6 New York State and almost 400,000 state
7 residents work in aviation or
8 aviation-related industries. The economic
9 benefits of New York State airports are
10 impressive. As a whole, aviation generates
11 \$18 billion in payroll and \$4.5 billion in
12 state and local tax revenue annually.

13 This powerful economic engine and its
14 benefits to New York's citizens are
15 restrained by a critical lack of state
16 infrastructure investment, competition from
17 other states, and a sluggish state and
18 national economy.

19 The state's Airport Capital Program
20 for fiscal years 2010 through 2013 included
21 no capital improvement funding. This period
22 with no funding followed five years where the
23 airport capital program was funded at a level
24 of \$15 to \$17 million per year. It was only

1 starting with the 2013-2014 budget that the
2 State Aviation Capital Grant Program,
3 formally the AIR99 program, began being
4 funded at a level of less than \$10 million
5 annually.

6 While this reduced funding level has
7 provided some valuable financial assistance
8 for infrastructure projects at airports
9 across the state -- for example, funding
10 airport security improvements, repair of
11 existing facilities, and safety
12 enhancements -- it represents only half of
13 the traditional budget allocation which has
14 been set aside during previous years.
15 Additionally, over 130 public-use airports
16 across the state compete for a portion of
17 this lower level of funding, creating large
18 gaps in much needed infrastructure funding.

19 The Executive Budget continues
20 underfunding the capital grant program at
21 this level for the fourth consecutive year.

22 The Airport Improvement Program
23 Funding Transfer. The funding level in the
24 State Aviation Capital Grant Program is

1 further eroded due to the underfunding of the
2 state matching program for federal airport
3 capital improvement dollars. The Federal
4 Aviation Administration's Airport Capital
5 Improvement Program typically funded
6 95 percent of all eligible projects.

7 Recently, a change in the program now
8 provides only 90 percent federal funding
9 under the Airport Improvement Program to most
10 airports, instead of the 95 percent as in
11 previous years. What this has done is
12 doubled the required state portion of that
13 total grant. The federal funding that is
14 received by New York airports varies but is
15 typically between \$80 million to \$100 million
16 annually. Based on experience and recent
17 program data, it is anticipated that the
18 \$4 million budget allocation by the state to
19 cover its share of the federally funded
20 airport projects will likely be insufficient
21 and will be far short of what is needed.

22 This creates an uncertainty that all
23 available federal funding will be utilized by
24 New York going forward. New York can ill

1 afford to jeopardize receiving any of these
2 federal funds and seeing them diverted to
3 neighboring states that compete directly with
4 New York State's airports.

5 In the last three fiscal years, an
6 additional \$1 million to \$3 million has been
7 necessary to meet the state share match.
8 Regrettably, this AIP funding shortfall has
9 been made up by reducing the scarce capital
10 funds through the State Aviation Capital
11 Grant Program. Unless AIP is fully funded,
12 this funding gap in AIP is expected to
13 continue next year and beyond, siphoning
14 millions of scarce dollars from an already
15 financially marginalized state airport
16 capital funding program.

17 NYAMA urges the Legislature to fully
18 fund the airport improvement program match at
19 a minimum of \$6 million in the next fiscal
20 year budget. This will ensure that the full
21 amount of airport capital improvement funding
22 appropriated to the State Aviation Capital
23 Grant Program can be used for the important
24 purposes of that program and not to make up

1 the shortfall in the AIP match.

2 Perhaps the most significant aviation
3 initiative in the Executive Budget is the
4 Upstate Airport Initiative. Last year,
5 Governor Cuomo unveiled a comprehensive plan
6 to modernize and revitalize LaGuardia,
7 JFK International, Republic, and Stewart
8 International Airports, bringing them up to
9 21st-century standards for service, access
10 and amenities. The plan includes a massive
11 investment in these downstate airports.

12 NYAMA believes that there are other
13 airports in the state that should be
14 considered for targeted investments as has
15 been proposed for the downstate airports.
16 New York has a significant interest in the
17 continued vitality of general aviation and
18 community airports. Business aviation is a
19 critical tool for companies in New York to
20 conduct business, improve operational
21 efficiency, save money, and open
22 opportunities for areas not served by
23 commercial aviation. The success of business
24 aviation will encourage new business

1 opportunities and continued investment by
2 companies as well as bringing much-needed
3 jobs to all areas of the state.

4 This is why NYAMA is pleased that the
5 Executive Budget attempts to address this
6 need. The Governor is proposing \$200 million
7 for an Upstate Airport Economic Development
8 and Revitalization competition to accelerate
9 investments in commercial, passenger, and
10 cargo service airports resulting in the
11 creation of jobs and stimulating economic
12 development. The state will award five
13 airports approximately \$40 million each.
14 Grants will fund projects to enhance safety,
15 improve operations and access, reduce
16 environmental impacts, and create a better
17 passenger experience and leverage private
18 investments.

19 Although welcomed, NYAMA is concerned
20 that many of the over 120 airports we
21 represent will not have a legitimate
22 opportunity to fairly compete for this
23 funding, and we await the additional details
24 on the rules of this competition. NYAMA is

1 anxious to work with you and the Governor to
2 assure this significant infrastructure
3 funding reaches airports that establish the
4 need for support, enhances aviation business
5 development, creates new and permanent jobs,
6 and improves the state's economy as a whole.

7 As you are aware, many upstate
8 airports are constantly seeking to preserve
9 access to commercial service and connections
10 to major cities across the state and nation.
11 Over the last 10 years, these smaller
12 airports have seen their passenger boardings
13 decrease at a slow but relatively constant
14 rate. General aviation airports with no
15 scheduled airline service play a key role in
16 regional business and rely more heavily on
17 state funding for revenue-producing projects
18 like hangars and fuel farms. Many of these
19 aviation facilities face a daily struggle
20 just to continue.

21 For example, in 2014 New York State
22 DOT received a total of nearly \$30 million in
23 funding requests by 73 airports for critical
24 infrastructure projects. Out of the

1 73 airports, only 26 were awarded a total of
2 \$9 million under the State Aviation Capital
3 Grant Program. This demonstrates the huge
4 gap between what is required for airport
5 development projects and what is ultimately
6 available through the state budget.

7 As a result of the small number of
8 projects funded under the program, we know
9 the number of funding applications submitted
10 is artificially small. Many airports cannot
11 devote scarce resources to design and
12 engineer projects and go through the expense
13 of the application process if there is little
14 chance they will be awarded due to a lack of
15 significant program funding.

16 Based on the analysis of the
17 FAA-approved documents such as Airport
18 Capital Improvement Plans, Airport Master
19 Plans, and Airport Layout Plans, the New York
20 State Department of Transportation has
21 estimated that the state will need
22 \$4.3 billion to support its aviation goals
23 for the next 20-year period between 2010 and
24 2030, an average of \$215 million per year.

1 This investment is necessary to properly
2 maintain the system and allow airports to
3 attract passenger, cargo, and general
4 aviation services, therefore supporting the
5 Governor's economic development goals.

6 Although the federal Airport
7 Improvement Program grants provide some level
8 of funding, they average a total of less than
9 \$100 million per year and are limited to
10 certain types of projects with a large
11 allocation traditionally going to the
12 Port Authority airports. Ultimately, this
13 leaves us with an enormous funding shortfall
14 for airport development needs statewide.

15 Consequently, in order to meet ongoing
16 critical needs of airport infrastructure
17 improvements and developments and to address
18 growing needs going forward, NYAMA is seeking
19 State Aviation Capital Grant Program funding
20 of \$200 million, or \$40 million per year,
21 over the course of the next five years. We
22 are also calling for a fully funded state AIP
23 program at a level to match historical
24 federal funding under the FAA Airport

1 Improvement Program without the need to
2 divert funds from the State Aviation Capital
3 Grant Program. We believe a projected state
4 budget surplus heading into the next fiscal
5 year and a call by many for parity between
6 the New York State DOT and the MTA capital
7 plans will help make this level of funding
8 possible.

9 The cost of addressing the growing
10 needs of the overall transportation system is
11 great, but will only increase if we delay
12 action. New York State must invest now in
13 effective aviation infrastructure programs or
14 face much higher, perhaps prohibitive, prices
15 later when the decay has made the challenges
16 far worse.

17 The long-standing policy on federal
18 requirements for the use of proceeds from
19 taxes on aviation fuel was recently clarified
20 by the FAA. The FAA rule mandates that all
21 aviation fuel tax revenue collected by states
22 or local units of government, either an
23 airport sponsor or a non-sponsor, must be
24 spent on airports for aviation-related

1 programs.

2 The Governor's Executive Budget -- in
3 Part Z of the revenue bill -- proposes to
4 address the FAA fuel tax clarification that
5 such fuel tax revenues generated at airports
6 go for aviation purposes. The budget
7 proposal also appears to exclude sales of
8 fuel for use in commercial and general
9 aviation aircraft from local sales taxes and
10 from the prepayment of sales tax on motor
11 fuels. Because of the complex nature of this
12 issue and the questions it raises about the
13 financial impacts on airports, NYAMA is
14 seeking more details in order to formulate an
15 informed recommendation on this provision.

16 So I conclude that NYAMA and its
17 members across New York State support your
18 efforts to ensure that the state pursues
19 policies that are pro-growth and pro-job
20 creation. Strong state investment in our
21 airports is one of these winning strategies.

22 We look forward to continuing to work
23 with you and all our elected officials to
24 enhance our airports and aviation assets in

1 ways that create new jobs, increase economic
2 development, and improve airport services so
3 that all regions of New York can compete
4 effectively with other states for business
5 aviation, scheduled commercial service, and
6 to benefit all New York State's residents.

7 Thank you for your time.

8 CHAIRMAN FARRELL: Thank you very
9 much.

10 Any questions? Yes, Senator.

11 SENATOR KRUEGER: Thank you very much
12 for your testimony, and I know you're the
13 last one. Just two very different questions.

14 Your testimony talks about 120
15 airports, but earlier in discussions about
16 the competition where five could get money,
17 the number was more like 73, 74. How come
18 you have so many more airports than previous
19 testifiers?

20 MR. MARTELLE: We have 120 members,
21 and 73 -- if I understand your question
22 correctly, the 73 airports were the number of
23 airports that actually submitted for projects
24 under the Airport Capital Improvement

1 Program.

2 SENATOR KRUEGER: So that 73 number
3 was just entities that have applied in the
4 past for the state money?

5 MR. MARTELLE: That is correct. Not
6 everybody will apply, so that was part of our
7 concern. Not everybody is encouraged to
8 apply, because of the process and the amount
9 of money that is available for awarding these
10 projects under the capital program.

11 SENATOR KRUEGER: But it's your
12 understanding that for the proposed five
13 \$40 million projects, all 120 could apply?
14 Or only that subset of the 70-something?

15 MR. MARTELLE: All 120 airports could
16 apply. Whether or not they would be able to
17 rise to the level of being able to be
18 funded -- there are a lot of small GA
19 facilities that would find it probably
20 difficult to spend \$40 million. They would
21 be much more beneficial to be awarded a
22 \$100,000 or \$200,000 grant and be able to
23 meet their needs and invest that under that
24 type of program.

1 SENATOR KRUEGER: Thank you. And then
2 the final section of your testimony related
3 to Part Z of the revenue bill that -- I
4 hadn't gotten to Part Z yet, so thank you.
5 So apparently the feds changed the rules of
6 how fuel tax revenues can be used and that it
7 will have to be applied to aviation and the
8 airports.

9 I assume you think that's a good
10 thing, it will keep this revenue money at the
11 airports. Is that correct?

12 MR. MARTELLE: We would think that
13 that would be a good thing, but also we're
14 interested in how it can be -- all of our
15 member airports would be able to effectively
16 keep track of that and ensure that it's
17 tracked efficiently. I'm sure there's going
18 to be additional details that would have to
19 be ironed out as far as how it would be kept
20 track of.

21 SENATOR KRUEGER: And so we don't know
22 yet an estimate of how much money that would
23 be newly available to the airports, do we?

24 MR. MARTELLE: No. Not at this time.

1 I am not aware of that number.

2 SENATOR KRUEGER: Okay. And I gather
3 that you're concerned about the details; we
4 don't know how that would be divvied up.
5 Would it be based on the estimated volume per
6 airport, of planes coming in and out, or some
7 other formula?

8 MR. MARTELLE: That money -- the money
9 that's collected at the airport needs to be
10 reinvested in that airport.

11 SENATOR KRUEGER: So if you fuel up at
12 that airport, that share of the tax money has
13 to stay there?

14 MR. MARTELLE: For the local share,
15 yes.

16 SENATOR KRUEGER: Okay. And when we
17 talk about local, we're meaning local and
18 county versus the state share? Because in
19 some places you have state sales tax, county
20 sales tax, and even local.

21 MR. MARTELLE: Yes. I'm speaking of
22 the local, county -- and local tax. Not
23 necessarily the state tax.

24 SENATOR KRUEGER: Right, but

1 potentially the county and the local.

2 MR. MARTELLE: Correct.

3 SENATOR KRUEGER: Okay. Thank you
4 very much.

5 MR. MARTELLE: Thank you.

6 CHAIRMAN FARRELL: Senator?

7 CHAIRWOMAN YOUNG: Thank you.

8 CHAIRMAN FARRELL: Thank you. Thank
9 you very much.

10 MR. MARTELLE: Thank you.

11 CHAIRMAN FARRELL: We'll adjourn until
12 Monday at 9:30 a.m., when the hearing on
13 Health issues will be held. Thank you.

14 (Whereupon, the budget hearing
15 concluded at 3:13 p.m.)

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