

Testimony before the  
New York State Joint Legislative Public Budget Hearing: Transportation

January 25, 2018  
Albany, NY

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Dear Members of the committee:

I want to thank you for holding this hearing and giving me an opportunity to submit testimony about the State's transportation funding needs.

New York State's transportation infrastructure is the lifeline for the state's economy and an absolute necessity to maintain and improve the quality of life for all New Yorkers. Some recent transformative projects, which will facilitate the rapid and efficient movement of people and goods throughout the State, are forward-looking investments in infrastructure, giving New York a major competitive advantage in the future. Yet with all of these positives, we still have a gap between investment and needs. To remain the Empire State, we need to address these needs sooner rather than later if we are to remain a transportation and economic leader.

Recent studies have shown that 50% of New York's paved roads are in fair or worse condition, and every day 17 million New Yorkers drive over bridges that are deficient. Poor road and transportation infrastructure adds to the cost of living and annoys travelers. Delays and substandard road conditions cause lost productivity, damage to vehicles, and injuries, as well as less time spent with our families and a significant increase in our carbon footprint. While everyone can agree that these deficiencies are unsatisfactory, we are encouraged by the renewed focus on this issue.

The 2016 DOT Capital Plan provided a significant, stable and much needed infusion of funding. The support for PAVE NY, Bridge NY and extreme weather hardening programs ensure that immediate needs can be addressed. The approval of continued CHIPS funding allows local road programs to be responsive to community needs, and we support the expansion of this program to levels necessary to address the pent-up need for local road repair. ACEC New York is optimistic that this most recent capital plan signals an ongoing commitment to predictable and robust funding. Additionally, last year's budget provided for additional funding for consulting engineering – we believe that investing in this fruitful partnership between public owners and private firms is the key to delivering high-quality projects in a rapid and cost-effective manner. We encourage continued development of and support for this partnership.

For many years, New York has relied on the federal government to deliver reliable and consistent funding programs for infrastructure. However, the current Federal political climate challenges the traditional assumptions regarding the federal government's position as a predictable partner, at least in the short term. We are encouraged that State-level stakeholders have indicated their willingness to continue to advocate for the State's needs, as well as their intent to deliver for the State's citizens.

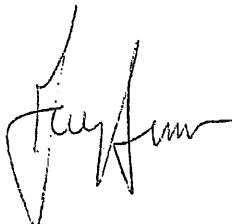
Legislative leaders and industry partners must continue to make clear to Congress that a long-term, stable transportation bills allow states such as New York to plan long-term capital programs on the state level. State and Federal administrations alike have focused on providing steady, gainful employment for the Nation's workers. FHWA has estimated that for every billion dollars spent on infrastructure, 28,000 jobs are created. These jobs will benefit workers across the skill and economic spectrum and bolster minority- and women-owned businesses. More jobs will positively influence spin-off economies and related service and material suppliers throughout the state. This investment will also result in new tax bases that will pay an immediate dividend. While improving the economy, investment will provide necessary rehabilitation and improvements to our deteriorating infrastructure, the decline of which negatively impacts public health and impairs our ability to compete nationally and globally. Sound infrastructure will attract businesses to invest in the city, while crumbling roads and bridges will make investment less attractive and could lead to an exodus of businesses and the jobs they create.

Government sources of funding are not the only solution, however. The traditional method of financing and developing transportation infrastructure projects was created to protect the public interest by providing substantial public sector oversight of public funds. However, by providing access to alternative financing sources like public-private partnerships (P3s), the state can facilitate the construction of projects that might otherwise have been delayed or not built at all. By infusing private capital, the State can offer vital transportation services without committing capital resources.

While P3s means different things to different people, the public and private sectors already work together to maximize the limited resources we have. Most, if not all, of the infrastructure related agencies in transportation, water, environment, buildings, education and other areas work with private sector design and construction companies to identify the best ways to deliver the development and services that we need. Cooperation is important, and it helps us be more effective and efficient. As with all public investments, the owner needs to carefully weigh the risks and advantages. When these projects can benefit the public, the public owner and the private sector partners, projects can proceed.

Utilizing alternative delivery methods are one way to accelerate the delivery of critical infrastructure projects. ACEC New York continues to engage with the legislature and State agencies to identify the best ways for design-build to be deployed and to investigate the suitability of other alternative delivery methods beyond traditional design-bid-build. ACEC New York believes that when done correctly, and on appropriate projects, design-build can reward efficiency and innovation, as well as bring about faster and more responsive solutions. This can also reduce disruption to the users and surrounding communities. These time savings can, in certain circumstances, lead to cost savings. ACEC New York urges the Governor and the legislature to continue to look at extending design-build in New York. We must note that our support of design-build is within the context of the reality that this method brings advantages only when applied to projects of appropriate scope and complexity, managed by sophisticated and experienced owners it is not a panacea and not appropriate for all jobs.

In these challenging times, we must not lose sight of the fact that New York State's infrastructure is a critical component of our ability to return to economic prosperity. To that end, ACEC New York is committed to working with our public counterparts to maximize the benefit of every taxpayer dollar spent on the State's transportation and infrastructure programs.

A handwritten signature in black ink, appearing to read "Jay Simson". The signature is fluid and cursive, with a large initial "J" and "S".

Jay Simson, CAE  
President  
ACEC New York