



## TRANSITION ISSUES FOR THE OBAMA ADMINISTRATION STATE OF NEW YORK



*The State of New York is committed to rebuilding a strong partnership between the federal government and states. This partnership was once a source of America's strength. In the immediate aftermath of the September 11th attacks, for example, the federal government worked with New York and other states to shore up security and get our economy back on track. No institutions play a more central role than states in strengthening our economy or providing critically needed services to our citizens.*

*Today, just as we did on September 11th, New York finds itself at the center of a crisis. The turmoil on Wall Street has devastated our economy. Because Wall Street provides 20 percent of our State's tax revenue, we now estimate a state budget gap of \$47 billion over the next 4 years. We promise to be a strong partner in getting our struggling economies back on track. Below, you will find issues that are believed to be critically important to bring about change to the nation and the states.*

### TRANSPORTATION IN NEW YORK STATE: HOW THE FEDERAL GOVERNMENT CAN HELP

#### **Invest in Infrastructure to Create Jobs and Stimulate the Economy**

It is critically important for the United States to rebuild its national transportation infrastructure – its highways, bridges, roads, ports, air, and passenger and freight rail systems – to improve safety, decrease congestion, bolster our long-term global competitiveness, and ensure that our economy continues to grow. This is particularly important for states in the Northeast where the state-of-good-repair needs are staggering due to infrastructure that has reached or surpassed a century in service. A robust federal infrastructure investment program will help strengthen the U.S. economy and potentially provide millions of U.S. jobs at a time when the housing and construction industries are slowing. New York supports the creation of a National Infrastructure Reinvestment Bank to expand and enhance existing federal transportation investments.

#### **Strengthen Funding for Core Infrastructure Maintenance and Rehabilitation**

The structure of existing federal programs makes it difficult for states to fund cost-effective preventative maintenance strategies to preserve infrastructure assets. Increased federal bridge program funding will help States address the growing backlog of structurally deficient bridges. As the national Interstate system surpasses fifty years in age (many parts of New York's system are much older), the federal government must consider fully funding rehabilitation and, when necessary, reconstruction, of the Interstate highway and bridge system. We must bring bus and rail transit systems to a state of good repair and provide funds for system expansion to meet unprecedented growth in transit demand in both rural and urban areas. A robust transit system will help reduce our reliance on fossil fuels and reduce GHG emissions. Finally, increased federal funding for technology and other strategies to reduce congestion will help States get the most capacity out of the existing transportation system.



### **🗳️ Support Intercity Passenger Rail**

Passage of the Passenger Rail Investment and Innovation Act this year means that much needed long-term federal investment in passenger rail may soon be a reality. New York State urges the new administration to fully fund the authorized programs for Amtrak operations and capital programs, the new state capital grant program for intercity rail, and high-speed rail initiatives. Infrastructure improvements are needed along New York's Empire Corridor to reduce travel time and improve reliability for travelers from New York City thru Albany to Buffalo and Montreal. Funding is also needed for equipment and operating costs to increase service frequencies.

### **🗳️ Funding for Multimodal Solutions for Projects of National Significance**

Projects of regional and national significance, such as the I-287/Tappan Zee Bridge corridor in New York, require multimodal solutions and innovative financing options, as their cost is beyond a state's ability to fund through traditional federal modal programs. Funding should also be focused on projects that address major freight bottlenecks that impact interstate commerce. In New York, these bottlenecks include access to JFK airport (Van Wyck Expressway), the Gowanus Expressway, the I-90/I-290 interchange in Buffalo, NYC cross-harbor freight movement, and rail/highway access to the Port of NY.

### **🗳️ Prevent Auction of Flight Slots at NYC-area Airports by FAA**

Despite near-unanimous opposition from elected officials, airlines, passenger advocates, GAO and its own internal review team, the FAA stubbornly continues to push forward with its proposal to auction slots at JFK, LGA and EWR airports – all operated by the Port Authority of NY & NJ. Requiring airlines to enter auctions for takeoff and landing slots they already own will lead to higher costs that will be passed through to passengers in the form of increased ticket prices. Slot auctions would also force airlines to operate between large markets in order to make the slot purchase viable economically, which will result in fewer flights to dozens of small communities and the total loss of air service to and from the New York metropolitan airports for some. If successful, FAA may elect to pursue the same strategy at congested airports elsewhere in the country. The State of New York and the Port Authority have argued for a strategy that expands capacity by overhauling air traffic control technology, as well as improving customer service.

### **🗳️ Increase Federal Transit Commuter Tax Benefit**

New York supports efforts to make commuting by mass transit as attractive as commuting by car by increasing the federal transit tax benefit of \$115/month to the same level as the current parking benefit of \$220/month.

### **🗳️ Restore a Comprehensive Federal Approach for Sustainable Transportation**

Organize USDOT to address a multi-modal and inter-modal balanced and connected system for moving people and goods ("One DOT") by reviving the Intermodal Joint Program Office in the Secretary's Office (OST). This comprehensive approach can better align transportation policy with Environment and Federal Climate and Energy Security Policies. In particular, USDOT should develop needs based formulas for distributing highway funds to reward states for low GHG emissions rather than allocating funding based on fuel use or VMT, which reward states for gasoline consumption. Second, provide climate change funding to augment transportation activities that reduce energy use and GHG emissions, including intercity passenger rail and transit. Finally, retain the CMAQ program to continue funding to improve air quality.



## **NYS Stimulus Investments**

**New York has identified over \$1 billion in multi-modal transportation needs across the state as candidate investments under a federal economic stimulus program, excluding MTA needs.**

### Highways & Bridges

New York has identified about 40 highway projects in our five year capital program totaling about \$300 million that could be ready to obligate within 180 days of enactment. That list of projects is continually changing as project schedules are adjusted and other unforeseen circumstances arise.

Further, in response to the Governor's November 3, 2008 directive to reduce state spending, we have been directed to advance only those projects with at least 75 percent federal funding plus essential safety projects. The safety exemption is defined as "Design and construction work that if delayed will result in a structural failure, an inability to react to an emergency situation, or the continuation of a significant threat to public safety." Examples of projects that would meet this definition:

- Bridge work in response to inspection flag conditions which require action within a specified period of time.
- Emergency standby contracts to address major disruption/damage to highway or bridge infrastructure (e.g., from crashes or natural events).
- Replacing or repairing non-functioning traffic control devices, roadside safety appurtenances (e.g., guiderail and bridge rail) and/or pavement markings.
- Culvert repair or replacement.
- Embankment Stabilization/Slope Failure Repair.

As a result, 55 projects totaling \$282 million have been taken off this year's letting program.

Finally, New York has \$250 million in projects that are currently not on the program for which federal funds could be obligated within 180 days, such as:

- Signal timing
- Guiderail and "Rustic Rail" replacement in-kind
- Culverts - especially three sided cement box replacements that provide important environmental benefits. (Would require cooperation of COE)
- ADA compliance projects
- Facility repairs, such as rest areas, highway residencies, and equipment maintenance facilities.
- Pavement projects (1R and 2R) with limited design requirements
- Bridge maintenance.

Local governments are currently identifying their short term highway investment needs.



## Transit

There are \$200 million in non-MTA bus replacements and \$10 million in Empire Corridor rail projects. These represent options to purchase additional vehicles in existing bus purchase agreements. The vast majority of purchases will be diesel hybrids.

## Rail

NYS DOT has two ready to go intercity passenger rail projects worth \$40 million. Another \$24 million could be quickly obligated for preliminary engineering for nine additional intercity passenger rail capital investment projects.

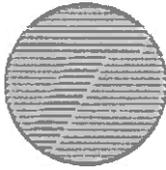
## Aviation

New York supports the National Association of State Aviation Officials (NASAO) recommendation of \$600 million in new Airport Improvement Program (AIP) funds included in the House-passed stimulus package.

Without stimulus funding, delivery of NY's multi-modal capital program will be delayed.

### **Provisions that can Expedite Infrastructure Investments**

- 100% federal funding- states, local governments, and transit agencies have cut capital programs due to lack of funds.
- Provide flexibility in fiscal constraint requirements of STIPs/TIPs. The whipsaw of state and local funding cuts and federal rescissions on one hand and economic stimulus funding on the other hand makes capital program administration a nightmare.
- Expedite the issuance of Army Corps of Engineers permits. This is the single most time consuming and unpredictable step in capital project development.
- Expedite FTA grant process by having continual acceptance of stimulus grant applications by FTA (rather than quarterly applications).
- Permit stimulus funds to be used for highway maintenance projects using state forces under where and when contracts (not site specific).
- Direct resource agencies to expedite the review of stimulus projects and work cooperatively to resolve issues in a timely fashion. It would be helpful to form special teams in resource agencies to expedite review of stimulus projects and, more importantly, work cooperatively at the national and local level on efficient and effective programmatic approaches for stimulus program delivery.



## New York State Department of Transportation POLICY RECOMMENDATIONS

### Near Term Recommendations (30-90 days)

- Enact Transportation Stimulus Package – All modes.
  - 100% federal, no matching requirement.
  - Provide broad project eligibility under existing federal transportation programs. No need to create a WPA for transportation infrastructure – instead use existing USDOT-State-Local partnerships to distribute and administer transportation stimulus funds. State DOT's for highway funds; transit agencies for transit funds.
  - Provide fast track grants-in-aid rather than reimbursements to State DOT's to expedite the delivery of highway and transit stimulus aid to local governments while still ensuring adequate internal controls and public involvement.
  - Provide funds to augment existing transportation construction apprenticeship programs to provide training and retraining programs for the un- and under-employed.
  - Provide federal funds to create a program to motivate young people to choose professional careers in infrastructure fields. Modeled on the “Teach for America” program, a “Build America” program would provide tuition assistance and internships to program participants followed by a three-year employment commitment with federal salary support at federal, state and local government transportation agencies to develop, train, and employ entry level planners, engineers and other infrastructure program professionals.
- Fully fund new Intercity Passenger Rail Programs enacted in HR 2095 starting with FY 09 Appropriations. Improved regional passenger rail services can provide relief for airport/airway capacity.
- Repeal the proposed auction of slots at NYC metro airports.
- Release FY 09 Transit formula and Aviation Improvement Program (AIP) grants under the Continuing Resolution. FTA and FAA are withholding distribution of these funds.
- Complete FFY 2009 Full Year Appropriations – Even with Stimulus, regular modal infrastructure project planning and programming needs to continue and grow to account for inflation. Do not impose proposed \$400 m rescission of highway spending authority previously proposed in draft FY 09 appropriations legislation. Repeal the end of SAFETEA-LU requirement for an \$8 billion highway program rescission.
- In close cooperation with Northeastern governors, implement the new federal requirements to issue an RFP for alternative service on the Amtrak Northeast Corridor (NEC) and to evaluate the responses to the RFP.
- Provide Climate Change Funding as an augment for transportation activities that reduce Energy Use and GHG emissions, including intercity passenger rail and transit.



## **Longer Term, Policy and Authorization Recommendations (1<sup>st</sup> year)**

- Organize USDOT to address a multi-modal and inter-modal balanced and connected system for moving people and goods (“One DOT”). Consider reviving the Intermodal Joint Program Office in OST.
- HTF Shortfall - Identify funding to address solvency of the Highway Account of the Highway Trust Fund for FY 10. New York could lose as much as \$900 million in federal highway funds if not addressed. The projected insolvency of the Mass Transit Account in FY 11 must also be addressed.
- SAFETEA-LU Reauthorization
  - Retain Strong Federal Role
  - Priority for Fix it First - Increase funding for core highway and transit infrastructure formula programs to repair and replace existing infrastructure.
  - Retain the Bridge Program to help ensure sufficient bridge investment.
  - Include a Bold Initiative for Interstate System Reconstruction – Much of the system in Northeast and Midwest is at the end of its design life and needs reconstruction or replacement, especially bridges and viaducts in most urban areas.
  - Transit Rail Modernization – Bring urban rail transit systems to a state of good repair.
  - Increase and Diversify Federal Funding
  - Invest Wisely
    - Each state’s investments should be guided by sound asset management principles rather than a simplistic “worst first” approach. A worst first approach, as proposed in Oberstar’s Bridge bill, would yield more deficient bridges in NY than an asset management approach over a five year period.
    - Establish a national program to eliminate bottlenecks to improve interstate commerce and travel, including access to major ports of entry and border crossings – with projects selected by criteria, not earmarks. (examples could include the cross harbor freight solution, I-287/TZ corridor multimodal project, Van Wyck Expressway access to JFK airport, Moynihan Station, Peace Bridge).
    - Mobility/Congestion relief solutions should be mode neutral. Consistent with sustainability principles, federal funds should be invested in improving operational efficiency and transit before considering highway capacity investments. Expanded highway capacity should reflect smart growth land use planning principles.
    - Streamline and reduce the cost of the Transit New Start project development process for subway and commuter rail transit projects. Expedite implementation of New Starts Program reform recommendations currently under development by FTA and APTA.
    - Work closely with states and transit operators to build consensus on performance measurement methodologies.



- Invest Sustainably
  - Align transportation policy with Environment and Federal Climate and Energy Security Policies. Develop needs based formulas for distributing highway funds that reward states for low GHG emissions rather than allocating funding based on fuel use or VMT, which reward states for gasoline consumption.
  - Retain the CMAQ program to continue funding to improve air quality.
- Implement New Amtrak Law (HR 2095) - Work closely with Northeast governors on implementation including:
  - Convene the NEC Infrastructure and Operations Advisory Commission to develop goals and recommendations for the NEC's future as well as for a commuter cost allocation methodology within two years.
  - Develop national metrics and standards for performance-based service.
  - Develop a nationwide standardized cost-allocation for state-supported routes.
  - Address the safety aspects of HR 2095.
- Increase Airspace Capacity, especially in NYC metro area. Modernize the air traffic control system.

