
Public Hearing

before

SENATE TRANSPORTATION COMMITTEE

SENATE COMMITTEE SUBSITUTE SENATE CONCURRENT RESOLUTION No. 1

(Proposes dedication of petroleum products gross receipts tax and certain amounts from sales tax on revenues from the sale of new motor vehicles for transportation purposes)

LOCATION: Committee Room 1
State House Annex
Trenton, New Jersey

DATE: May 30, 2000
1:00 p.m.

MEMBERS OF COMMITTEE PRESENT:

Senator Andrew R. Ciesla, Chairman
Senator Shirley K. Turner



ALSO PRESENT:

Peter R. Manoogian
*Office of Legislative Services
Committee Aide*

John Hutchison
*Senate Majority
Committee Aide*

Patrick M. Gillespie
*Senate Democratic
Committee Aide*

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SENATOR ANDREW R. CIESLA (Chairman): Good afternoon, ladies and gentlemen. I'd like to welcome you all to the public hearing, in compliance with our Senate rules, which provides for a hearing in order to consider Senate Committee Substitute for Senate Concurrent Resolution No. 1, which proposes an amendment to the State Constitution.

As most people are familiar, the process of actually dedicating additional moneys to the transportation system, at this time, from certain petroleum gross receipts tax and certain sales tax revenue, requires the holding of a hearing. Today we're meeting that constitutional requirement.

This resolution is also referenced in Senate Committee Substitute for Senate Bill 16 (1R), which is entitled the Congestion Relief and Transportation Trust Fund Renewal Act of the Year 2000. This is a very important bill for the State of New Jersey, as it continues the funding for our Transportation Trust Fund, dedicating certain funds for that specific purpose.

And I'm pleased, as our first speaker today, is the sponsor of this particular measure, critical to the State of New Jersey -- Senate President, Senator Don DiFrancesco.

Senator.

SENATE PRESIDENT DONALD T. DiFRANCESCO:

Thank you, Mr. Chairman.

Whether we want to admit it or not, whether politicians talk about it or not, particularly this time of year, I think, transportation is one of the most important challenges we face as a state, maybe as a nation -- but as a state today, and I know you agree with me on that. And so, in an effort to address

this issue, I thought that we should initiate this bill accompanied by this concurrent resolution.

This bill would make -- would allow New Jersey -- would allow our department to invest \$4 billion in our transportation infrastructure over the next four years, hopefully to relieve traffic congestion, to address other issues relating to transportation without raising taxes.

As part of this package -- or part of this legislation, we constitutionally dedicate existing revenues, ensuring a stable source of funding, which everyone has always supported for the last, at least, 15 years, to preserve and develop this infrastructure for the future, again without raising taxes.

We dedicated \$100 million from the petroleum products tax the first year, and \$200 million each year thereafter, or the sales tax dedication would be \$80 million the first year, \$140 million the second year, and \$200 million thereafter. These revenues would be added to the currently constitutionally dedicated revenues of 9 cents from the motor fuels tax for transportation purposes.

Now, I think it's equally important to point out that this proposal contains, really, the most significant planning process based on policy goals that really ever was developed in this Transportation Trust Fund.

For example, for the first time, the Fund would have to include a requirement that the Department of Transportation implement the Fund in a manner that conforms to a five-year capital investment strategy, a program which sets certain priorities in improvement projects.

The proposal specifically states that the funding contained in the bill must be dispensed, with certain policy goals in mind. So therefore, this

legislation provides a strong statement of guidance for the Department of Transportation to follow.

Now, it achieves the appropriate balance of providing that direction that we hoped we could provide, while at the same time providing the Legislature with the necessary flexibility to address the changing transportation needs of the state in the future.

For example, under this proposal, the Department will be directed to focus on key transportation goals. For example, improving safety and unlocking congestion, eliminating the backlog in road and bridge repair, decreasing bus pollution, and reducing truck traffic, and providing paving and bike path project funding.

This proposal also requires the DOT Commissioner to employ energy-efficient technology to improve traffic signal operation, to avoid commuter delays, and to reduce air pollution. It directs the Commissioner to develop a program of incentives for businesses to adopt policies to encourage their workers to car pool or use mass transit, and it supports innovative alternatives, such as telecommuting.

Inclusion of these goals in the proposal is a key change from transportation funding proposals of the past. We're charting a responsible course, we believe, for a responsible future, which addresses the myriad of goals necessary to truly improve the entire transportation network.

This proposal's gained the support of more than 20 business, labor, and professional transportation groups, including the Chamber of Commerce, the AFL-CIO, the New Jersey Business and Industry Association, the Association of Counties, the Laborers' International, among many others.

I know that they agree that by dedicating these funds specifically to transportation projects -- will restore the fiscal integrity of the Fund. Future administrations will no longer face the temptation to siphon off motor fuels tax revenues to balance the State budget.

This bill changes the focus of the Fund by appropriating more dollars on a pay-as-you-go basis. Obviously, if you've ever bought a car or house using a loan, you know that when you borrow money, you have to pay interest on the principal.

My proposal relies on less borrowing of large sums of money that later we would have to pay sizeable interest on. For the first time, we're putting a break on the interest -- the amount of debt that the State is accumulating.

Today's public hearing is the first step toward asking New Jersey voters to help the Legislature restore the public's trust in the Transportation Trust Fund by returning this Fund to its original purpose, the construction of capital projects to improve our transportation infrastructure.

We're attempting to redirect the focus of this Fund, so that it most effectively meets our evolving transportation needs, so that this bill will help us establish a blueprint to ensure that this Fund is most effective in providing the tools necessary for New Jersey -- with a transportation infrastructure that will carry us into the 21st century.

Thank you very much, Mr. Chairman. I appreciate it very much.

If we have any questions.

Fire away.

SENATOR CIESLA: No questions, Senator. I just want to congratulate you for putting together the broad coalition of support for this initiative. It's obviously important and vital for the State of New Jersey. It does what you've described and more, in my estimation, and hopefully we'll, today, be able to put it in a position to make it one step closer to being enacted.

So I thank you for taking the time.

PRESIDENT DiFRANCESCO: Thank you, Senator.

I just want to quickly add -- I know that there have been some concerns about the amount of pay-as-you-go that we have in the bill. I would only suggest that, from my standpoint, we have to prepare ourselves mentally, that this issue is just as important as a lot of other added spending issues that are in the proposed budget already. We are spending more money in many different areas. We're proposing to spend more money -- the Governor's Office, the Senate, the Assembly -- in many different areas. We're proposing even, and there are bills moving, to cut taxes further.

In the past, people have always said, "Well, how do you-- We can't increase this program without raising taxes." That is not true. This is as much a priority as any other part of our State budget. We know that people expect it. We know that people demand it. We know that with respect to our quality of life -- to our infrastructure -- is absolutely a No. 1 priority, equal to all the other priorities. That's why I keep saying that we need to do this. And we need to do it without raising taxes. Our surplus is sufficient to allow us to do that.

Thank you very much, Mr. Chairman.

SENATOR CIESLA: Thank you very much, Senator DiFrancesco. We appreciate those remarks.

The next individual to testify will be Ken Afferton, from the New Jersey State Chamber of Commerce.

MICHAEL A. EGENTON: Chairman, Michael Egenton. I'm Assistant Vice President with the New Jersey State Chamber of Commerce. I'm going to defer my time to Ken Afferton. Ken is the Chairman of the State Chamber's Transportation Committee. He's with the engineering firm of Edwards and Kelcey.

KENNETH AFFERTON: Thank you, Michael.

Thank you for the opportunity to speak before you on this very important legislation.

I come before the Committee representing several interests. First, as Michael said, I am the Chairman of the Transportation Committee of the State Chamber of Commerce. The Committee and its members are vitally interested in the continuance of the Transportation Trust Fund because of the critical role it plays in the economy of our State.

I'm also an officer in the consulting firm of Edwards and Kelcey. Our firm works on improvements to the transportation system on a daily basis and has a broad perspective as to the degree of transportation needs that exist in our state. The needs for basic infrastructure rehabilitation and expansion are indeed extensive. If New Jersey is to have a reasonable shot at addressing these needs, the Transportation Trust Fund must be renewed, and it must have reliable, continuing income sources.

Based on my preceding comments, it is clear that I, and the groups that I represent, are very supportive of the proposed legislation. The allocation to the Transportation Trust Fund of the revenues from the petroleum products gross receipts tax and a portion of the sales tax on the sale of new motor vehicles provides the necessary influx of moneys to achieve renewal of the Trust Fund. The intent, through public referendum, to constitutionally dedicate those revenues to the Trust Fund means that, with public approval, there will be new, long-term, continuing funding for transportation. This is both necessary and good for New Jersey.

However, I must note that, even with this proposed substantial, new allocation of revenues to Transportation, the job of the Legislature in this area is not done. The level of transportation needs, in reality, far exceeds the State and federally funded capital investments that will be possible with this new revenue influx. Also, there will continue to be an extensive reliance on bonding to pay for Transportation's annual capital programs. Thus, there will be the accompanying extensive growth in the State's transportation-related debt.

Clearly, the Legislature must come back to this funding issue again within the next three to four years. At that time, hopefully, there will be sufficient courage, in a part of the Legislature, to identify a means for returning the Trust Fund to a more sustainable pay-as-you-go basis, as was intended by its developers, Commissioner John Sheridan and the late Senator Walter Rand.

Thank you for your attentiveness to my comments and for the opportunity to address you.

If you have any questions with regard to my comments, I'd be happy to respond.

SENATOR CIESLA: Ken, no thank you. I know, you and I have spoken, along with Michael, previously. Obviously, I share your concern that clearly, at the moment, this is a fund that is necessary in order to ensure the improvements in the State of New Jersey. But clearly, in the future, the issue of debt needs to be addressed. And we're going to have to find a way to ensure that the debt service does not become so onerous as to be counterproductive. So your comments are very well taken.

MR. AFFERTON: Thank you.

SENATOR CIESLA: Thank you very much, gentlemen.

The next group will be Phil Schifano, from the Utility and Transportation Contractors Association; Bob Bryant, as well as -- I'd like to call Carol Fulton, from the AGC of New Jersey.

Phil, good afternoon.

PHILIP SCHIFANO: Thank you, Mr. Chairman.

Good afternoon. I am Phil Schifano, President of the Utility and Transportation Contractors Association, and also an officer in Schifano Construction, of Middlesex, New Jersey.

UTCA numbers approximately 1200 member firms active in all phases of heavy, highway, site, utility, marine, environmental remediation construction throughout the State of New Jersey. Our association strongly supports the constitutional dedication of the resources identified in SCR-1.

The cornerstone of stability for New Jersey's Transportation Trust Fund has been the prior constitutional dedication of the revenue sources

needed to fund the Transportation Trust Fund program. Constitutional dedication of these proposed revenue sources will allow Transportation planning officials, namely the New Jersey Department of Transportation and New Jersey Transit, to properly develop the five- and ten-year intermodal transportation plans for New Jersey. From initial planning to actual construction, project bidding takes five to ten years. Without guaranteed funding resources, transportation planning officials cannot properly move forward long-term planning strategies, nor can our construction industry develop the resources and devote those resources to transportation improvements without having a long-term funding source.

Constitutionally dedicating the funding sources for the Transportation Trust Fund is needed in order to prevent the utilization of these funds for different purposes in the future. We need to put the trust back in Transportation Trust Fund.

In addition, we believe future bond holders will look more favorably to funding bond purchases that are supported by constitutionally dedicated revenue sources rather than resources that are only statutorily directed for a short period of time.

UTCA believes that the voters of New Jersey should be allowed the opportunity to decide the issue of Transportation Trust Fund constitutional dedication of the State's petroleum gross receipts tax and State sales tax on new cars. Those who vote are the payers of these State fees, and they should have the right to decide where their money should be directed for use.

Thank you.

SENATOR CIESLA: Thank you very much, Mr. Schifano. I appreciate the testimony, and I also appreciate the continual support of the Utility and Transportation Contractors Association. I think it helps our legislation get better -- directionally correct.

MR. SCHIFANO: Thank you for those comments.

SENATOR CIESLA: Carol.

CAROL M. FULTON: Good afternoon, Mr. Chairman. I appreciate the opportunity to speak with you today.

I'm here to represent the Associated General Contractors of New Jersey and the New Jersey Asphalt Pavement Association. Our members are strongly in favor of the constitutional dedication of SCR-1, much for the same reasons as Phil Schifano just pointed out so succinctly.

We believe that the constitutional dedication is the only way to ensure that the funding provided by Senate Bill 16, which provides a stable source of funding for transportation projects, will be used for its intended purpose.

Additionally, the general public has, historically, been in favor and been willing to vote in favor of constitutional dedications on many other vital issues. So we ask, too, that the voters be given the opportunity to decide on this important issue.

Thank you.

SENATOR CIESLA: Thank you very much, Carol.

I just wanted to point out, for the record, that the Concrete and Aggregate Association also wishes -- has submitted testimony and wishes to be recorded as supporting this fund renewal.

So thank you very much for your testimony.

The next individual will be Bill Neil, from the New Jersey Audubon Society, followed by Jeff Tittel.

Bill, good afternoon.

WILLIAM NEIL: Good afternoon, Mr. Chairman. Thanks for the opportunity to comment.

We tried to get into the last hearing and didn't get further than the hallway.

JEFF TITTEL: We were stuck in traffic.

MR. NEIL: But we're here today. And as I look through the room, so many jobs are at stake with this. And we want to make it perfectly clear to the public, and to yourself, that much of this money should be spent. And the question is, can we pin down how that's going to be spent to protect the environmental interest. And we wanted to do this through a series of amendments offered by Senator Kenny. We support those amendments. We're going to stay out of the issue of constitutional dedication.

So we want to reassure people in the audience today that much of the funding is heading in the right direction, but we fear that, without language that narrows the amount of discretion possible, based on what's happened in the past, and for some things that we've seen that troubled New Jersey Audubon a great deal -- the resolution on Route 55-- That's why we're pursuing the amendments prior to passing this bill, that we are -- Route 55 would be prohibited by the language we're seeking.

And as you know, Senator, that proposed route and that resolution would direct a new road project -- very expensive -- through some of the most

environmentally sensitive habitats in the state. And a fair reading is, that would have a very, very difficult time clearing the Federal agencies.

But that's why we want that language and assurance that the Legislature is in step with the powerfully expressed sentiment of the citizens of New Jersey -- that they don't want to see more sprawl.

So, for a lot of the spending in this bill, things are heading in the right direction, but we have those grave reservations and want to see those amendments added on -- the Tri-State has submitted previously, and Senator is now sponsoring, too.

That's our position.

SENATOR CIESLA: Thank you very much, Bill.

MR. TITTEL: So we oppose SCR-1 until amended.

SENATOR CIESLA: I understand, and I feel better now that you've conditioned them with that admonition.

MR. TITTEL: I think, for the Sierra Club also, it's not the Transportation Trust, it's that we don't trust DOT. Given the history in New Jersey, over the past 30 years-- When you give a blank check to an agency, we tend to regret it later.

What our biggest concern is, that we keep rewarding the mistakes of the past, that bad planning and overdevelopment will get the transportation dollars, instead of rewarding good planning, urban revitalization, fixing and repairing roads that are dangerous and bridges that are falling down, versus new projects. And what we'd like to see is that the moneys on the spending side are tied, very similar to the Bridge Bond Act that passed last year, which we supported, where there was a list of projects. We knew where the money

was going. There were good projects, for the most part, including mass transit and repairing bridges and things of that nature.

Right now, what we're really concerned about is that a billion dollars, given the need out there, is actually -- a year -- is actually a small amount of money. We want to make sure that the problem areas in the state, pedestrian safety, mass transit, are taken care of first, before we start looking at new road projects or widenings that are going to cause more sprawl.

The problem we've seen in the state over the years is that a road is built originally for interstate commerce, then it becomes a commuter road, then it becomes a destination with an edge city and a mall. And then we just keep widening and widening. We're trying to build our ways out of it, and we never do. Or we have a rural area, and we get strip mall development. And the next thing you know, we want to bypass, and on the bypass road, you get box stores and more office parks.

We need to manage growth in the State of New Jersey. We need to protect environmentally sensitive and rural areas. And we need to fix those areas of the state where there are problems. And we want this money to go forward, but we want to do it in a smart way and not keep repeating the histories of the past.

Someone once said that if you do the same thing over and over again and expect a different outcome, that's the definition of insanity. We have to end that. We need to be sane and rational about where our money goes, and to put New Jersey to work, keep it growing and moving. Get people out of traffic, where it's appropriate -- where we can do some good, and protect our air quality and our land at the same time.

Thank you.

SENATOR CIESLA: Thank you, Jeff.

If you would just take a second.

MR. TITTEL: Sure.

SENATOR CIESLA: And in theory, I support everything that you've said. The difficulty is -- and I just wanted to share with you some of the comments that have been shared with me by my legislative colleagues -- is the need to renew this Fund is paramount, and it needs to occur in a political, maybe not so perfect, process.

You had mentioned the fact that while there should be rules in planning, and they should be done in a way so that we can achieve the type of goals that you've outlined-- Some of my colleagues that vote for this particular legislation, and are voted into office or out of office by the people that they represent, are a little less enthusiastic about sending the money to only areas that might not be where they geographically reside. And what we need to do, as a government, is to give the assurances to those particular individuals that they're going to get a little bit of the improvement money as well. It's only fair, and it's right, because we can't deprive people of the needed improvements in areas of the state. And until that assurance is done by, I would imagine, the administration, I don't know that we would have the political muscle to move what you're describing.

MR. TITTEL: I think that there's, I think, a certain amount of misunderstanding in the process because if you look in every legislator's district, there are enough projects where you have roads that are in desperate

need of repair, or to be upgraded for safety reasons or bridges that are falling down -- that every legislator will be getting funding out of this pot of money.

I think that the difference comes into, do we put that money into fixing a bridge on Route 47, or do we put it into building a Route 55? Do we put the money into creating a rail system down at the shore, like MOM, or do we put that money into a highway cutting through some wetlands somewhere? And I think that's where, I think, we need to have a little bit of room to work with, so that we can really deal with those roads. And every district has roads that need upgrade and improvements -- need fixing, versus putting in projects that are going to create more sprawl and more overdevelopment.

SENATOR CIESLA: I tend to agree that you're right in your theoretical analysis of what needs to be done.

MR. TITTEL: Well, one of the--

SENATOR CIESLA: Maybe when we work in the future, we should be able to get closer to that.

MR. TITTEL: One of the ways that I think helped during the Bridge Bond Act was that there was actually a list of projects that went along with it. And we saw the list, and we thought the list was a good list.

SENATOR CIESLA: Right.

MR. TITTEL: And we supported it. Maybe that's something that we should be looking at, since there's really only a short-term -- four-year funding -- that the capital budget, each year, should be certified to that effect. Something along those lines.

SENATOR CIESLA: Okay.

MR. NEIL: Senator, in terms of the specific projects-- I drive Route 31 almost every day, and have done so for about 10 years, and it's the line widening there that I would question. And I wonder whether other Hunterdon residents experience that it's a two- or three-year delay under construction -- center divider -- going from two lanes to four. But the number of additional lights that are going-- This is widening in anticipation of increased commercial highway development because they're tearing down single-family homes along the road, and it's going commercial. But the commercial's not there yet. But this is sprawl all the way between Flemington and Clinton. The number of lights that end up on that road will mean that, even with wider lanes, the commute time is dropping, even with the improvements. And I think, probably, a lot of residents are questioning, as I am, whether that was the way to spend the money. It's certainly not going to speed my trip, when I'm going to triple the number of lights I experience in a 10-mile stretch.

So we're asking those hard questions. With so many existing roads needing just the basic tie-rods to be strengthened in bridges to physically be replaced because they're going -- in danger to collapse, you look at a project like this, and you say, "It's serving developers, but it's not speeding my commute." And I guess the horror story we all have in mind is Route 206 in Hillsborough, which has ceased to be a State highway. You simply can't-- You lose a half hour every time you go through the series of driveways and lights every 300 feet.

So that's our worry. The money's got to be spent for the right things. There will be plenty of jobs coming out of this. The question is, can we spend it in a better way than we have in the past.

SENATOR CIESLA: Thank you very much.

MR. NEIL: Thanks.

SENATOR CIESLA: We appreciate your testimony.

The New Jersey Laborers', Joe McNamara, doing it as a group, I think, with the International Union Operators -- Mark Longo; and Tom Ober, from the New Jersey State Council of Carpenters; and Kevin Jarvis, from the AFL-CIO.

And maybe, gentlemen, just for the record, if you could identify yourself prior to speaking. I know it will help our transcriptionist.

JOSEPH McNAMARA: Yes, Mr. Chairman.

My name is Joe McNamara. I'm Director of the Laborers-Employers Corporation Education Trust. And this afternoon I will also, besides representing the Trust Fund, and my Chairman, Ray Pocino, who is also Vice President of the Laborers' International Union of North America, I've been asked to make some statements on behalf of organized labor that's represented here. Obviously, our comments are going to be very similar and in strong support of SCR-1, so I will do that.

With me today, from the Laborers' Union, representing -- besides Ray Pocino -- John Hibbs, the President and Business Manager of Local 472; Frank DiAntonio, President and Business Manager of Local 172; Tom Ober, who is to my right, who is President of the State Council of Carpenters. Mark Longo is here representing Ken Campbell, of the Operating Engineers Union,

and I know Kevin Jarvis is here representing Charles Wowkanech, the President of the AFL-CIO.

So I've got a major responsibility here to represent these groups.

And these groups -- the organized labor -- the groups that I've referenced, are the workers that have built New Jersey's extensive and comprehensive transportation system. And I'm very pleased to be here today to offer some comments on this resolution.

First, I'd like to thank the Chairman and the Committee for releasing S-16 and SCR-1. Investment in our transportation infrastructure, as the Senate President said, is probably the most critical issue you're going to be facing, and the State of New Jersey will be facing, over the next five to ten years. So we're very pleased that you've done that.

We cannot carry out-- Without refinancing the Transportation Trust Fund, we can't carry out the necessary transportation projects, particularly those outlined by the Senate President in his four-year, \$4 billion capital program.

But today, I'd like to make a few comments. And I do have some written testimony on behalf of some of the people that I mentioned earlier. I would like to offer a few comments, specifically on the purpose of this hearing, which is SCR-1, which is the dedication of revenues from the sales tax to help finance the Transportation Trust Fund.

Our industry, as I mentioned earlier-- And I believe the general public strongly supports the dedication of revenues from the General Fund and the gas tax to finance the Transportation Trust Fund. Without the dedication, the potential exists, and it's happened in the past, and we're so adamant for

dedication, that money's needed for transportation -- necessary important transportation projects. And I think everyone here, whether they've got some concerns or not about dedication, agree that we have to make the investments in the transportation infrastructure. And if not, these funds get diverted to other programs -- will not be able to carry out that program.

And really, in essence, Mr. Chairman, we then renege in our responsibilities to the citizens of New Jersey by not putting in place the proper investment.

And I think others have said, and I think the Senate President did, if we do not dedicate these funds, do not carry out the programs, the impact on our economy and our quality of life could be devastating. I mean, our transportation infrastructure is the economic foundation of New Jersey. It creates jobs. It provides new business and economic development. It also enhances our environment. Investments in transportation and improvements help flow traffic, reduce congestion, and do help the environment, also.

And if New Jersey is going to compete, and we are a major player in the world's economy, we must have an efficient, safe transportation system. And we can't do without a stable source of funding. So dedication, of course, is critical to that. And we urge you to support that.

One last comment. If this is approved by the Senate, it will go to the voters in November. The public has never rejected dedication of funds for transportation purposes. If they know it's going for transportation-- We have to keep the trust in the Transportation Trust Fund. The only way to do that is to make sure there is a stable source of funding. So we think it's important that the Senate and the Assembly, the Senate in particular, move on this and

move in a bipartisan fashion so that there is strong support for dedication. Without it, we may not be able to get the strong support we need in November.

So again, thank you for allowing us to make the comments. And we hope that you move forward.

SENATOR CIESLA: Joe, thank you very much for touching on the major points that we all are concerned with.

I know we're joined by Senator Turner. I don't know if she has any questions. (negative response)

If not, thank you very much.

Welcome, Senator.

SENATOR TURNER: Thank you very much, Mr. Chairman.

SENATOR CIESLA: Janine Bauer, from the Tri-State Transportation Campaign.

Good afternoon, Janine.

JANINE BAUER: Good afternoon, Senators.

As you know, we sought amendments to Senate Bill 16, and our-- We were not able to reach a satisfactory conclusion on those amendments and the language that we were seeking, essentially. We have requested that there be protection for special areas of the state, specifically, rural farmland and environmentally sensitive areas -- protection against development induced by new highways. Also, we ask that the fix-it-first principle to guide DOT's spending be written into that law, since that law, SCR-1, provides the funding that will go to transportation projects. We are withholding support for SCR-1, and we are hopeful that, either on the floor or in the Assembly version of the

Transportation Trust Fund renewal, we will continue to make some progress on this.

We specifically asked for particular goals to be written into the bill, goals and objectives that I think everyone agrees upon. In fact, they are DOT's goals and objectives. Principally, there's at least half the bridges in the state, of various types, who are in serious disrepair. The road pavement surface is in such poor condition that we were recently ranked 47 out of 50 in the nation -- 47th worst traffic-- Bottlenecks exist all over, such that we have one of the longest commutes in the nation, despite being one of the densest states. Pedestrian fatalities continue to comprise 22 percent of all traffic fatalities in the state, making New Jersey the second most dangerous place to take a walk in the country. And the 200 lane miles the Governor asked to be built in her second inaugural address -- here she is coming to the end of her term. Just 80 have been put in place. The new light rail in Hudson County took 18 years to get from concept to operation. That's way too long. And finally, New Jersey Transit's bus fleet is still run on dirty, sooty, and now we know, carcinogenic diesel fuel, though 31 transit operators around the country, including Los Angeles, New York City, and Long Island, have switched, or are switching, major portions of their urban transit bus fleet to CNG or other alternative or clean fuels.

What we want to see is more of a bargain for the motorist and transit riders in New Jersey. We want to know where the money is going. Right now, we don't know where the money is going. I'm pleased to see the Senate President's statement today, where he devoted six full paragraphs, including five on the first page of his statement, to our issue -- that is, where

the money is going and what the plan is going to be for spending this money. However, because S-16 does not, in fact, either answer that question or direct the money to be spent to those fix-it-first goals, we just can't go along with SCR-1 at this time.

I regret that position very much. I certainly hope this doesn't turn into a partisan issue, but I think we really need to do something more like what we did with the bond issue. I do think that the time is right, now, to settle this debate, not two years from now or four years from now. And I do, again, request that that -- that the billion dollars a year, which ought to be spent, of course-- We'd support a big capital program, in fact, a bigger one if it could occur because there's a lot of transportation needs in New Jersey. The money will be spent. In fact, our agenda is a more labor-intensive agenda than sort of new highways and greenfields.

But at this point, that's our position.

SENATOR CIESLA: Thank you much, Janine.

MS. BAUER: Thank you.

SENATOR CIESLA: Are there any questions? (no response)

Thank you.

MS. BAUER: Thank you.

SENATOR CIESLA: Dr. Henry Ross and Edward Zarnock of the Union County Alliance.

HENRY ROSS, Ph.D.: Thank you very much, Mr. Chairman and members of the Committee.

My name is Dr. Henry Ross. I'm President of the Union County Alliance, and I'm here with Ed Zarnock, President of the AFL-CIO Union

County Central Labor Council. We're here to express our very strong support for SCR-1 on behalf of our organization, the Alliance.

I would just like to say, our Alliance is a bipartisan coalition of every major sector in our part of the state. Our Board of Directors is comprised of top leaders from business, government, labor, academic institutions, and civic groups.

As a matter of good public policy and wise economic development strategy, we have consistently supported transportation investment as one of New Jersey's paramount strengths. Indeed, it's a core asset for quality of life and as an engine for economic growth.

Transportation and infrastructure investments lie at the heart of Union County's own long-range strategic plan for economic revitalization. And that position was recently reaffirmed by the honorary cochairs of the Union County Alliance, Senate President Donald DiFrancesco and Senator Raymond Lesniak, at the Union County Leadership Conference, sponsored by the County of Union, in December, 1999.

As a result of this emphasis, we're beginning to see some spectacular results. I would just like to ask you to look at the current issue of *New Jersey Business*, the magazine of the New Jersey Business and Industry Association. The feature article about Union County's recent successes demonstrates the tight link between infrastructure investment and economic growth. Dr. James Hughes of Rutgers University has also documented our dramatic turnaround in a special millennium report he just completed for Union County.

However, the plain fact is that a major source of funding for transportation comes from the Transportation Trust Fund, which will expire in just a few weeks.

The Alliance Board has consistently expressed its concern about this issue with State leaders and has urged that this critical source of funding be maintained, and indeed reprioritized, to benefit the most heavily congested regions of the state for projects such as light rail.

That's why we strongly favor Senator DiFrancesco's proposal to renew the Transportation Trust Fund, and to dedicate the proceeds of certain existing taxes for this purpose, namely the petroleum products gross receipts tax and the sales tax from the sale of new motor vehicles.

Taken as a whole, Senator DiFrancesco's proposed \$4 billion investment would refocus the State's transportation policy on relieving traffic congestion, and it would restore the fiscal integrity of the Transportation Trust Fund without raising new taxes or fees.

Senator DiFrancesco's innovative plan cuts the amount of debt the fund can incur each year by \$200 million. And it calls for use of the Transportation Trust Fund to help reduce sprawl development, to foster increased use of mass transit, and to encourage telecommuting.

For all these reasons, we respectfully urge the most favorable consideration of SCR-1 in order to provide the needed funding for the renewal of the Transportation Trust Fund, as called for in S-16.

And those conclude my comments. I'd just like to turn it over, very briefly, to Ed Zarnock, who is the Treasurer of the Union County Alliance

and the Chairman and President of the Union County AFL-CIO Central Labor Council.

EDWARD ZARNOCK: Get it right, Hank. Get it right.

Senators, I'm privileged to be here. My concern is that we need a stable source of funding. I'm not only President of the Union County Central Labor Council -- and I work closely -- and I'm Treasurer of the Union County Alliance, that helped fund that organization, but I'm a business agent, and have been for 32 years, of the Operating Engineers Local 825.

I put in an excess of 60,000 miles a year, driving the length and width of the State of New Jersey. I know how long it takes me on the road where it used to, to where it does now.

I know the congestion. I see the deterioration. And if we don't get a stable source of funding, I think we're going to be in very big trouble here. I think the economic availability of what we're doing in Union County, with the Union County Alliance -- the projects that we have, the projects the State has, the position of the Senate President-- I think all this can go forth if we have a stable source of funding for the Transportation Trust Fund, and we wholeheartedly endorse it.

Thank you very much.

SENATOR CIESLA: Thank you very much, Mr. Zarnock, Dr. Ross. Thank you.

Two individuals left. The first is the New Jersey Association of Counties, Andrew Bondarowicz.

ANDREW BONDAROWICZ: Thank you, Mr. Chairman, for giving us the opportunity to speak on this issue, again.

My name is Andrew Bondarowicz. I'm the Legislative Director for the New Jersey Association of Counties. NJAC has been a longtime supporter of a stable, long-term funding solution to the State's transportation needs.

To date, the local government, including municipalities and counties, have received \$1.5 billion from the Transportation Trust Fund. Of this, \$741 million has been appropriated to counties. With counties maintaining over 7500 centerline miles of the State's secondary roadways and over 4500 bridges around the state, you can see that transportation is a very important issue to county government in the State of New Jersey.

A long-term funding solution will allow counties to plan prospectively. We have heard from numerous speakers prior to myself that it takes a number of years to see a project go from conception to completion. With a long-term solution, this will allow counties to spend more time to plan to make sure that our investments in transportation are not only serving our current needs, but are also capable to handle the future needs of the State and the county residents.

Thank you.

If there's any other questions--

SENATOR CIESLA: I have none.

Senator? (no response)

Thank you, Andrew. I appreciate your encouraging testimony.

And the final individual who has signed up to testify -- and if there's someone else, I would suggest you fill the form out quickly -- is, I believe, Tim McGough, from the CEC of New Jersey.

TIMOTHY F. McGOUGH: Hello, Senators, and thank you, Mr. Chairman.

My name is Tim McGough, and I'm here as a representative of CEC-NJ, Consulting Engineers Council. I also serve as the Engineering -- Consulting Engineering Representative to the UTCA Legislative Coalition. And as you know, we've been very actively pursuing a long-term stable funding source for transportation funding in New Jersey. I am an officer with the consulting firm of Schoor DePalma and work actively in the industry.

As I said, I'm representing CEC-NJ. We are an organization that is made up of 140 employers, representing 5000 employees, thereabout, and their families. I'm here to testify in favor of SCR-1. CEC-NJ supports this constitutional amendment as a first step toward addressing the need for a stable transportation funding source.

This constitutional amendment, and accompanying bill, will provide four years of funding for continued transportation needs in New Jersey, and we are certainly supportive of that. But we'd like to call for continued action now to solve the long-term stable funding source issue that will still remain unaddressed. We need to have a funding source that New Jersey can look to permanently and long-term so that they can adequately plan for transportation needs.

My organization's support for this bill and our commitment to working with both houses of the Legislature is based on current figures, which show that the transportation needs in New Jersey currently outstrip the available funding by a level of 10 to 1 over the foreseeable future, at least into the next decade.

Thank you very much. And if there's no questions, I'm through.

SENATOR CIESLA: Thank you very much, Tim.

MR. McGOUGH: Thank you.

SENATOR CIESLA: Senator? (no response)

Seeing none, that concludes the testimony from the public.

I ask Senator Turner, who was gracious enough to take time out of her schedule to attend this meeting with me, if she has any comments.

SENATOR TURNER: I think that we've heard a great deal today, and I think that everything that was said today is right on target. And I think we all realize how important transportation is to not just the residents in this state, but also to the economics of this State. And I'm looking forward to us renewing the Transportation Trust Fund and ensuring that we have long-term funding for the Trust Fund.

So I appreciate your testimony here today.

SENATOR CIESLA: Thank you very much, Senator.

And I'd like to thank each and every one of you for your testimony. Thank you for making it brief, to the point. We certainly have heard your message, those pro, those con, those somewhere in the middle. And like Senator Turner, I know that this is directionally correct, and I'm pleased to say thank you.

This hearing is concluded.

(HEARING CONCLUDED)