

**NJDOT Commissioner James Simpson
FY 14 Budget Testimony
Senate Budget and Appropriations Committee
Wednesday, April 3, 2013**

Mr. Chairman and members of the committee, on behalf of Governor Christie I thank you for the opportunity to provide testimony and discuss with you the proposed FY 14 Transportation Capital Program.

As reflected in the FY 14 capital program, the proposed \$3.84 billion program I will discuss with you today includes \$2.61 billion in funding for NJDOT and \$1.23 billion for NJ TRANSIT.

On paper, the total program is \$620 million higher than last year's \$3.22 billion proposed program. That, however, is because we now are required to identify projects in our budget that leverage federal funds, even though they are not a part of our capital program. A prime example of this is the \$350 million we report for

the I-287/Goethals Bridge Replacement project, which is a Port Authority project.

This new federal reporting requirement accounts for the difference between the FY 13 program and the proposed FY 14 program. Adjusting for this new requirement, the proposed programs in FY 13 and FY 14 are virtually identical in size.

Before I get into budget details, I'd like to provide an update on Super Storm Sandy recovery, rebuilding and reimbursements.

Sandy

Prior to the October 29, 2012 storm, we readied 850 DOT employees and 425 contractor workers to begin the recovery process once the winds diminished.

Many of you have heard the statistics of what these men and women accomplished in the days and weeks following the storm,

especially along the Barnegat Peninsula, but let me point out just a few:

- We removed 27 structures and 114 vehicles or watercraft from highways and streets.
- We loaded 4,425 dump trucks truck with debris and hauled it away.
- We filled another 4,300 dump trucks with sand that had buried streets and roads, and screened that sand for municipalities to use to replenish their beaches.
- We filled 80 sinkholes along Route 35.
- We replaced 1,100 traffic signs that had been destroyed by wind or flood.
- We filled three breaches from Mantoloking to Point Pleasant where flood waters chewed new channels clear across the peninsula from the ocean to the bay.

The efforts of the men and women of NJDOT, and our contractors, were praised by mayors and other officials from numerous hard-hit towns, including Sea Bright, Mantoloking and Toms River. A front-page article in the December 19 edition of the Asbury Park Press hailed this response as “The Miracle on Route 35.”

NJDOT has identified \$988 million in costs associated with Sandy. That includes \$137 million for emergency repairs and \$851 million for capital projects to make vulnerable and damaged assets more resilient in the face of future storms.

FEMA funding covers costs associated with emergency responses to natural disasters. In our case that would include the work to remove debris from Route 35 and to make emergency repairs. Reimbursement rates for FEMA funding vary by type of activity and duration of the emergency work that is performed.

The Federal Highway Administration funding that is being made available to states that sustained damage during Superstorm Sandy supports permanent repairs and reconstruction work to

roadways that are part of the national highway system. These roads include interstate highways, U.S. highways and state highways. In our case, the reconstruction of the severely damaged 12.5 mile stretch of Route 35 will be supported by FHWA grants.

Among the capital projects that we will advance with FHWA funding are:

- the Route 35 reconstruction project from Point Pleasant to Berkeley in Ocean County (\$215 million)
- elevating the electrical components of the Route 71 Shark River and Route 7 Passaic River moveable bridges. The Route 71 bridge was knocked out of commission because the electrical equipment was flooded, not from any structural damage (\$15 million)
- the replacement of 220 aluminum sign structures throughout the state (\$105 million)
- drainage improvements along a section of Route 7 in Kearny (Hudson County) that floods with regularity (\$30 million)

Through March 7, NJDOT had received \$158 million in grant funds, including about \$10 million from FEMA and \$148 million from Federal Highway.

We remain engaged with our federal partners to secure the balance of our funding needs.

(Pause)

I would now like to turn your attention to other aspects of the FY 14 capital program. I will highlight road and bridge improvements, safety investments and Local Aid.

Road improvements

The proposed FY 14 budget programs \$318 million for pavement rehabilitation, resurfacing and preservation projects, about the same as last year.

Among these are 14 new “Fix-It-First” resurfacing or reconstruction projects throughout New Jersey worth \$96 million.

This investment level keeps us on pace to reach our objective of having 80 percent of NJDOT highway pavements in acceptable condition by the year 2021.

As of 2008, the percentage of acceptable pavement was 47 percent. It was at 50 percent acceptable in 2010 and now stands at 59 percent, a remarkable increase in a relatively short period of time.

I’d like to mention a few of the significant and strategically important projects this budget supports:

- Direct Connection

Last month we broke ground on this \$900 million Camden County project that will improve safety and operational performance at one of the busiest and complex interchanges in New Jersey,

where the current configuration of Interstates 295 and 76 and Route 42 has led to crash rates at seven times the statewide average. 250,000 vehicles travel through the interchange daily.

- I-80

We started this \$90 million project in August, 2012 and are on schedule to reach substantial completion by the end of 2014. We are completely rehabilitating all eastbound and westbound lanes along a four-mile stretch of the roadway in Parsippany-Troy Hills (Morris County) and are installing Intelligent Transportation System fiber optic cables.

- I-78

We will be completing this \$285 million project by early 2014. It involves a full-depth reconstruction of 8 miles of Interstate 78 in Union and Essex counties. This project was carried out in stages dating back to 2006. It included creating new connections between 78 and the Garden State Parkway.

- Route 35

As you know, Super Storm Sandy severely damaged a 12.5-mile stretch of Route 35 along the Barnegat Peninsula. Just last week we advertised for bids on one of three sections of the highway. We are communicating with local officials to carry out an aggressive construction schedule in a manner that minimizes inconveniences to local residents, businesses and visitors. We expect to substantially complete the \$215 million project before the start of the 2015 summer season. We are incorporating Complete Streets improvements, such as sidewalks, crosswalks and other safety features, where possible.

- Route 18 extension

We anticipate completing the \$57 million project to extend Route 18 from Hoes Lane to Interstate 287 in Piscataway (Middlesex County) in June 2014. The project, which includes Complete Streets features to improve pedestrian and bicyclist safety, is converting local roads into a four-lane arterial highway to improve access to Rutgers University, medical centers, high-tech research firms and warehousing operations. It complements an earlier \$100 million project that extended Route 18 from the Raritan River in New Brunswick to Hoes Lane.

Snow ops

While I'm on the topic of roads, I'd like to touch on a few other areas outside of repaving and rebuilding.

With winter weather finally behind us (I hope), we will be reporting final snow costs soon. It was an expensive season because there were so many storms that required us to mobilize our DOT and contractor forces.

As you can imagine, we must prepare to fight snow and ice based on forecasts, before the snow falls or the ice forms. We do not wait and hope the forecast is wrong before we call in our crews and the plow contractors to be ready to roll. We prepare based on the best information available because the safety of New Jersey motorists is our top priority. Forecasted snow or ice is treated as an emergency.

The DOT, under the Christie Administration, has a black pavement policy. Nothing less is acceptable. We strive to make

sure there is no snow or ice between a rubber tire and the road. This costs money, but as I've said before, "What is a life worth?"

Our costs for the 2012-2013 season have exceeded \$50 million thus far. This is a high number but allow me to offer some perspective. We mobilized for 37 events this season, including 24 that required full, statewide mobilizations of our employees and contractors.

Last year, our total costs were \$20.7 million, but we needed to prepare for and respond to just 13 events, and only three of them required a statewide mobilization.

This season, we spread 272 percent more salt than we spread last year; 306 percent more gallons of liquid calcium chloride; and we pre-treated our roads with 171 percent more gallons of brine than last year.

We mobilized more frequently this year than we did during the very harsh winter of 2010-2011. That season, which brought

huge amounts of snow, we spent \$56 million and mobilized for 28 events, including 10 statewide responses. We mobilized nine more times this year than that year, and had 14 more full, statewide mobilizations this year than in 2010-2011.

Another factor contributing to our overall costs this year is that we sought bids from contractors under a new, more competitive contract. This contract increased the average pay rate for the 1,700 contractors that help us plow and spread salt from \$138 to \$172 per truck per hour, and enabled us to more effectively compete for contractor services with other transportation agencies, as well as the private sector.

Even with the higher pay rates, it was difficult to obtain full coverage of all our routes. Some contractors who have been reliable partners in the past have gone out of business or reduced their fleet size. But through perseverance and a lot of phone calls, we got our routes covered. We also lined up on-call drivers to help keep DOT trucks rolling in the event of a major storm requiring multiple consecutive 12-hour shifts.

Clean Up NJ

I'll conclude this section of my testimony on roadways with a few words about potholes and our ongoing Clean Up NJ initiative.

As of last month, we had filled about 94,000 potholes with traditional manual methods as well as with "Pothole Killer" machines. By the end of June we expect to have filled about 170,000 potholes, the same number we filled in FY 12.

Since we launched Clean Up New Jersey in the summer of 2010, NJDOT crews and DOC inmates have collected 10,000 tons of litter from our highways. That's 20 million pounds of trash, or enough to bury an entire football field in a mound of trash 25 feet high.

Our crews are wrapping up an initiative now in which every mile of state highway was cleaned of litter over the last month.

We will aggressively attack graffiti this spring and in FY 14, and carry out the other maintenance activities, such as mowing and brush clearing, that help keep New Jersey roadways neat and attractive.

We look forward to continuing our productive partnership with Corrections, whose inmate crews have for the past two years performed litter pick-up and close-cut weed and grass trimming around sign posts, guiderails, etc.

We also look forward to another successful year of the Urban Youth Corps program. We are reviewing grant applications now and anticipate awarding 12 grants of \$32,000 each to community groups to carry out urban gateway beautification projects.

Bridge improvements

The FY 14 budget provides \$787 million for state and local bridge needs, or nearly \$100 million more than was programmed last year.

There are approximately 6,500 bridges in New Jersey of at least 20 feet in length. Of those, NJDOT maintains about 2,400.

The investment levels proposed for FY 14 keep us on track to reach our goals of having 94 percent of DOT bridges and 94 percent of bridge deck surface area in acceptable condition by the year 2021. We are currently at 90 percent acceptable condition for our bridges and 88 percent acceptable for our bridge decks.

Just as we do for pavement, we track the condition of our bridges through an asset management system that helps us prioritize our investment dollars.

A few highlights for FY 14 include:

- Pulaski Skyway

This \$1.2 billion project to rehabilitate the historic 3.5-mile long bridge will consist of ten separate contracts. This 80-year-old bridge links Newark to Jersey City and provides an express route

to and from the Holland Tunnel for 67,000 vehicles per day. Funding is being provided by the Port Authority.

The first of 10 contracts is under way. Workers are removing concrete to inspect the steel on a section of the skyway.

The second contract, with an estimated \$160 million project cost to rehabilitate the Conrail and Hoboken viaducts, will be advertised this spring.

At the end of this project in 2020, we will have a virtually new skyway with an anticipated service life of 75 years.

- Route 72 Manahawkin Bay Bridges

In January we announced that the Manahawkin Bay Bridges project is moving into the construction phase. The first of four construction contracts will be awarded soon, with construction starting later this spring. The entire project is expected to be completed in 2020 at a total project cost of about \$350 million.

This bridge is of strategic importance because it provides the only motor vehicle route on and off Long Beach Island. The project has been designed to provide redundancy, with a twin span to be built along side the existing main bridge. The existing span will then be rehabilitated. Pedestrians and bicyclists will have safe access along the entire causeway, from Stafford to Ship Bottom.

- Route 3 Passaic River Crossing

This project has as its centerpiece the replacement of a structurally deficient moveable bridge with a fixed span. We awarded the contract in June, 2010 and expect project completion in the summer of 2014. Total project cost is about \$205 million.

Route 3 is a major commuter route to New York City, carrying about 142,000 vehicles per day. It provides connections to the Turnpike, the Garden State Parkway, Route 46, Route 21 and Route 17. It also accommodates traffic heading to and from the Meadowlands sports complex and the adjacent American Dream retail and entertainment complex.

All three travel lanes in each direction will be open to traffic during Super Bowl week.

- Route 7 Wittpenn Bridge

This project is under way. It replaces a moveable bridge that links Kearny and Jersey City on either side of the Hackensack River with a new moveable bridge. The scope of work also includes improvements to the Route 7 interchange with Fish House Road and a sidewalk for continuity with the East Coast Greenway.

We expect to complete work on the second of four contracts by the end of 2014 and complete the project by the end of 2019. Construction alone is expected to exceed \$500 million.

Local Aid

I'll conclude my remarks with a few words on Local Aid. Each year, the Local Aid program supports about 400 grants to help counties and municipalities advance projects with no burden on local property taxpayers.

The Local Aid program consists of about 10 different grant programs that are funded by state or federal dollars. These grants fund a variety of projects to improve roads, bridges and other infrastructure.

Some target Transit Village districts while others improve safety for pedestrians and bicyclists along the route they walk or ride to school or to public transportation facilities.

A total of \$311 million in grants will be distributed in FY 14 under the proposed program.

The biggest grant programs – Municipal Aid, County Aid, Local Bridges and Local Lead – account for \$275 million and remain funded at the same levels as last year.

That concludes my prepared remarks. I would be pleased to respond to any questions or comments.