

**Downstate Transportation Issues Speech
By Attorney General Eliot Spitzer
For Delivery at the Regional Plan Association's
16th Annual Regional Assembly**

**May 5, 2006
Waldorf=Astoria Hotel, New York**

Thank you, Bob. And thanks to the staff of the Regional Plan Association, Peter Herman, the Board of Directors, and all of you here this morning for your commitment to the future of a strong, sustainable Metropolitan region. From the first Regional Plan in 1929, which led to much of the region's highway, transit, and rail network, to its most recent Third Regional Plan which made the case for reviving the East Side Access and Second Avenue Subway projects, the RPA has consistently pushed government, business and the broader civic community to focus attention on the region's transportation infrastructure. Our transportation infrastructure is probably the single most important factor in establishing and sustaining our regional economy. I also want to especially acknowledge the presence this morning of Richard Ravitch and Robert Kiley, two former Chairmen of the Metropolitan Transportation Authority who contributed greatly to the mass transit system we rely on today.

Over the last several years, RPA, and the Empire State Transportation Alliance - a unique partnership of business, labor, civic, and academic organizations RPA helped create - have provided pivotal leadership in influencing state and regional transportation policy. From conceiving and advancing the conceptual transportation plan for Lower Manhattan weeks after 9-11 to generating key support for last year's Transportation Bond Act—the RPA and ESTA have made a difference.

I am very appreciative of these accomplishments. They have demonstrated how much can be done when organizations - public, private and non-profit, downstate and upstate, highway and transit, labor and management - work together for the common good. Together, we will build on these successes, and create a new chapter of transportation investment and governmental reform.

These partnerships are especially important as we think about the themes of today's conference on security and disaster preparedness. As I have spoken about these issues across the state, I have always emphasized the interdependence of our communities during times of crisis. Transportation systems are a critical element in every aspect of the issues you'll be discussing today—prevention, response and recovery—and regional planning that reaches across jurisdictions and sectors is at the heart of the any successful strategy.

Breaking down barriers to plan for times of crisis holds lessons for us during ordinary times as well. Understanding transportation as one means to many ends – a cleaner environment, more affordable housing, and most importantly, a vibrant and globally competitive economy – means thinking boldly and creatively. New York was built on

bold investments at several critical junctures in our transportation system, securing our role as a national and global center of commerce, culture and communication. Nearly two centuries ago, Governor DeWitt Clinton led a successful campaign to build the Erie Canal, which made New York a focal point for national and international trade. A century ago, we built the world's largest metropolitan subway and commuter rail networks, which allowed the whole downstate region to grow and prosper into the 20th century. Around the middle of the century we built an extraordinary highway network as well as three of the nation's leading airports. And, a generation ago, with strong leadership from Governor Hugh Carey, the State Legislature, and Dick Ravitch, we began to reinvest, rebuild and restore our transit and commuter rail networks, making possible the prosperity of recent years.

It is now our generation's turn to make bold investments for the future.

To quote the RPA's Third Regional Plan, we are a region at risk in terms of transportation infrastructure. We have not added significant capacity to our transportation systems since the days of Fiorello LaGuardia and Robert Moses. Experts estimate that our economy can generate as many as half a million new jobs in Manhattan by 2025. But right now, our highway and transit network has little to no additional capacity left to get more people into the city to access these jobs. New York City's population is expected to grow by more than a million people in the next two decades and the region by as many as two million people—provided we have the infrastructure to support this growth. If we do not add capacity to our transportation systems, we will put a ceiling on economic and population growth in New York State.

We face this risk in large part because political gridlock and a dysfunctional transportation planning process that has produced too many competing transportation priorities. The author Robert Caro's great biography of Robert Moses legitimately criticizes the autocratic approach of New York's past infrastructure czar. But I have often said that another biography of Robert Moses could be written that would be titled: "At Least He Got it Built." And that's what we need today: A real commitment to get things done—to get it built.

We must invest now in the transportation infrastructure the region needs to support continued growth of jobs and economic activity in the downstate region. We must cut through the political gridlock and get things done as part of a coherent vision of smart transportation policy. To do that, we must do these six things: First, prioritize and move the megaprojects; second, make dramatic system improvements within our current infrastructure; third, promote smart growth in our cities and suburbs; fourth, keep tolls and fares affordable; fifth, improve safety and security; and sixth—to make all this possible—implement significant institutional reform.

PRIORITIZE AND MOVE THE MEGA PROJECTS

First, we should have a clear set of investment priorities and a concrete set of milestones to measure our progress. Bob—I don't how far out you plan the agenda for RPA annual

conferences, but I would hope that I could stand before you at the 2014 annual conference of the RPA and report that this is what we have accomplished between 2006 and 2014:

After decades of delay, we will have completed the first segment of the Second Avenue Subway—from 63rd Street to 96th Street—and the Long Island Railroad East Side Access project with its vital Mainline Corridor Improvements, otherwise known as the “Third Track”.

The Federal Transit Administration rates the Second Avenue Subway and East Side Access as two of the best transit projects in the country. But because of competing priorities and an absence of commitment, instead of moving towards completion, these two projects have not yet even begun their construction phase.

Each of these projects is essential to providing the expanded transit capacity needed to support the half a million new jobs that can be created in Manhattan’s central business district in the next twenty years. Over the much longer term, the Second Avenue Subway must extend from the Bronx to Brooklyn, helping to support continued dramatic growth in those boroughs.

Provided that the East Side Access project includes the critical Third Track component, the East Side Access project will dramatically increase commuting capacity from Long Island into New York City *and* support the growing need for commuting from New York City to jobs in Long Island. Providing adequate capacity for reverse commuting must be a critical part of the region’s future transportation plan. The East Side Access project, unfortunately, is a good illustration of the political gridlock that has stalled too many vital projects in the region. In order to meaningfully increase transportation capacity, the East Side Access project must include the new third track for the Long Island Railroad. That’s why Newsday, the Long Island Association, and every major planning group so strongly support the Third Track. Without the Third Track, we would be spending nearly \$7 billion just to have existing traffic stop at Grand Central instead of Penn Station.

But parochial interests in the New York State Senate currently are blocking a decision on the Third Track. Too many timid political leaders are engaging in classic avoidance behavior by saying “let’s postpone the decision for another day.” I say, let’s resolve this now, so we don’t wind up spending \$7 billion and find out we’ve gotten very little for our investment. I’m also confident that we can minimize impact to residential and commercial property as the project proceeds.

Outside of New York City, one of our most immediate priorities is to embark on the construction of a new bridge with a strong transit component to replace the Tappan Zee, a structure now well past its useful life. Replacing the Tappan Zee Bridge is not only essential for public safety, it is critical to the future economic growth and environmental health of the Mid-Hudson region.

Replacing the Tappan Zee Bridge will cost at least \$5 billion and perhaps several billion dollars more if we add rail capacity. We have to look at robust public sector financing models such as the Florida Turnpike Enterprise model as well as other alternative financing mechanisms such as public private partnerships that can expand financial resources for replacement of the bridge. Collective bargaining protections, prevailing wage agreements, and long-term guarantees regarding toll increases would have to be addressed thoroughly in exploring any of these options.

Increased airport capacity is another crucial factor in expanding economic activity in the New York Metropolitan area. I applaud Port Authority Chairman Tony Coscia for moving this need higher on the public agenda. The development of Stewart Airport in Orange County as a viable regional airport should be an integral part of this strategy. The airport's development is an important part of the economic development strategy not only for the mid-Hudson region but the entire metropolitan area as well. Both rail and improved highway access to Stewart Airport are critical to the long-term development of this facility as a major regional airport.

We should be clear that the first phase of the Second Avenue Subway, East Side Access with a new Third Track for the Long Island Rail Road and a replacement Tappan Zee Bridge are the top priorities for Albany's funding of major new transportation expansion projects in the metropolitan region over at least the next five years.

The big question, of course, is do we have the money to complete the projects. I believe that the replacement for the Tappan Zee Bridge can be funded through financing backed by toll revenue--whether as part of a robust public sector financing model or an alternative financing mechanism. The first phase of the Second Avenue Subway and East Side Access projects are funded through 2009 as part of the MTA's most recent five year billion capital plan. It is expected that remaining funding for these projects will come from additional funds from Washington, the Port Authority or from the State in the next MTA capital plan for 2010-2014. This makes it all the more essential that Albany get its fiscal house in order, so we can invest in these projects that are so critical to continued economic growth in the downstate region.

There are other important projects to the region that should be advanced provided that they can be built without hindering the completion of our top three priorities. I'm confident that many of these projects can, in fact, move forward because they mostly do not rely heavily on funds from Albany.

I support Mayor Bloomberg's proposed Number 7 line subway extension which will open up the far west side for further development—including a newly expanded Javits Convention Center. The Number 7 line extension will be financed by New York City funds created by incremental tax revenues generated by this project.

As this conference symbolizes, it is essential that New York and New Jersey cooperate on vital regional transportation issues. New Jersey Transit's agreement to become the anchor tenant at Moynihan Station is allowing that important project to move forward as

a new transit hub. In that spirit, I also support the proposed New Jersey's Trans Hudson Tunnel commuter rail project with participation by the Port Authority. This is an important regional project that the Port Authority should help finance along with providing an equivalent level of funding to a comparable New York project of regional significance, such as the Second Avenue Subway, East Side Access or the Lower Manhattan-to-JFK rail link project.

The JFK rail link is a part of what should be our top economic development priority in the region—which is to ensure the economic vitality of Lower Manhattan. We should complete the Draft Environmental Impact Statement for the JFK rail link so that we can better evaluate the cost of the project, as well as the expected economic benefits.

SYSTEM IMPROVEMENTS

The capacity expansion represented by the megaprojects is important, but we must not let these projects detract from work on a number of critical system improvements that enhance our existing infrastructure. The majority of these improvements require either minimal funding, are strong candidates for funding in the next Federal reauthorization if we can collaborate effectively with other metropolitan regions, or have substantial funding in the 5 year state transportation plan passed last year.

We should aggressively advance the use of Bus Rapid Transit. As Los Angeles, Boston, London, and other cities have demonstrated, Bus Rapid Transit can be an extremely effective means of public transportation with significant transportation and economic development benefits, at a fraction of the cost of commuter rail, light rail, and subways.

We should undertake several important regional initiatives in partnership with New Jersey and Connecticut. Enabling what the experts call regional transit interoperability could make possible a one seat ride from New Brunswick in New Jersey to Mineola on Long Island, or connecting an MTA or New Jersey Transit bus from Staten Island to the Hudson Bergen Light Rail Line. There are significant technical and institutional hurdles to surmount in implementing this kind of transit interoperability, but their cost can be much lower than building new capacity, since we would be using the existing infrastructure and equipment.

A number of cities around the world, including London, Toronto, and Sydney, are rebuilding themselves from the waterfront in. All of these places are creating new ferry services that are fully integrated with regional rail and bus systems. We should integrate and rationalize our existing transit and ferry system to support development of our waterfront on a regional basis, from Poughkeepsie to Staten Island, Connecticut to Long Island, and possibly even including Governor's Island. Where it is financially feasible we should expand this service. Where a large operating subsidy is not required, we should start new ferry services.

With projects that have regional significance like the megaprojects and the Cross Harbor Freight Tunnel, we need to ensure regional support for a joint Federal agenda in Washington. More than ever, we compete in the global economy more as a region than as individual states, and we should act as such.

Our regional leadership must also come together to resolve the long-standing impasse over Amtrak's budget and the threatened future of the Northeast Corridor lining New York to Boston and Washington. Amtrak is one of the Northeast's critical transportation links. We must use the combined leverage of the region in Washington to ensure that Amtrak's financially viable Northeast Corridor not be held hostage to other concerns regarding the Amtrak system.

Our transportation policy must not be limited to moving people alone. It is essential that we also address the need to move growing quantities of freight over an already taxed infrastructure system. It is expected that truck traffic will increase 20 percent in the next ten years. The economic and environmental impacts of increased congestion must be taken into account in our transportation planning. Other regions around the nation have developed and in some cases have already implemented ambitious programs to move freight, including the Alameda Corridor project in Los Angeles, the CREATE project in Chicago, or the FAST project in Seattle. These projects have promoted rail freight as an alternative to trucking.

We must explore all our options to address this growing challenge. In that vein, we should complete the long overdue Draft Environmental Impact Statement to better assess the feasibility of the Cross Harbor Freight Tunnel as part of a regional freight program. We should build on the outstanding work of Congressman Jerry Nadler to secure significant Federal aid for regional freight initiatives in the next Federal transportation reauthorization.

PROMOTING SMART GROWTH

I've talked throughout New York State about the need for Smart Growth as an integral part of our transportation and economic development policies. A key to smart growth is building housing around existing public transportation infrastructure.

Thinking about transportation in the context of the environmentally sustainable development is a big part of what "smart growth" is all about. We should create incentives and provide technical support for counties and towns to ensure that land use and transportation planning are integrated. But we should also recognize smaller smart growth initiatives, encouraging walking, biking and other alternatives as part of our regional fabric. Smart growth involves starting a planning process with a vision of what we want our communities to look like in a few years' time, and then thinking comprehensively about the housing, commercial development, transportation and environmental infrastructure that's needed to make that vision a reality.

KEEP TOLLS AND FARES AFFORDABLE

In developing transportation policy, we must be realistic about the constrained resources we face. We must recognize that we cannot fund system capacity expansion at the expense of maintaining our core transportation infrastructure. We cannot repeat the great mistake of the Seventies and early Eighties when our failure to maintain our core transportation system led to system wide failure which threatened the basic viability our region. The maintenance of our core infrastructure must be our first priority. And we must keep tolls and fares affordable.

That's why my greatest transportation concern looking forward is the projected \$900 million MTA operating budget deficit in 2009. This deficit is the direct result of not funding the 2000-2004 MTA capital program with pay-as-you-go funding, but instead putting it "on a credit card" and using borrowed funds. As numerous transit advocates and fiscal watchdogs warned would occur, the MTA now faces ballooning interest payments as a result of disproportionately financing its 2000-2004 capital program with debt. It will not be easy to wean the state off this "buy now, pay later" philosophy, but we must work to do so.

Our mandate should be to keep fare and toll increases to the minimum necessary, examining all other revenue producing and cost reducing measures before considering service reductions and other measures that directly impact service to the public. We must work with the City of New York and the other member counties of the MTA to ensure they do their part to maintain financial support to the MTA at an adequate level so as to minimize future fare and toll increases.

The MTA's value pricing Metrocard fare policies are a good start in finding innovative strategies to control the cost of fares and tolls. We should look for other ways to augment traditional sources of revenue, including leveraging the MTA's real estate assets, licensing, and providing new services. We will also conduct an intensive financial review to find opportunities to control costs and improve efficiencies.

IMPROVE SAFETY AND SECURITY

As this conference will focus on today, our state transportation agencies must work closely with federal, state and local law enforcement agencies, as well as federal and local transportation agencies, to deal with issues of system security, as well as vehicular and pedestrian safety.

We learned after 9/11 the importance of having resiliency, redundancy and capacity in our transportation systems. New York impressed the world when it reopened Lower Manhattan for business only a week after the attacks. We were able to do this because we had redundancy in our transportation systems serving Lower Manhattan. One of the less obvious virtues of the new megaprojects we are planning for the region in the years to come is the redundancy they will create to protect this region and ensure its rapid recovery from disasters—whether natural or man-made.

But we must also build new security and resiliency into every aspect of our transportation systems. We will undertake a review, to be completed within 90 days after a new Governor takes office, to ensure that the combined efforts of the State transportation and local, State, and Federal law enforcement and emergency management agencies are providing the highest levels of safety and protection to reduce vehicular and pedestrian accidents and are implementing all relevant plans on a timely basis.

IMPLEMENT DRAMATIC INSTITUTIONAL REFORM

None of the five initiatives I have mentioned can happen without a sixth – dramatically reforming our transportation institutions. For much of their history, organizations such as the MTA, the Port Authority, New York State’s own Transportation Department and the Thruway Authority were world-class leaders in their field. Sadly, this is no longer the case. We must restore these organizations to their previous standard of professional excellence. We’ll appoint individuals to executive and board positions based on professional excellence and experience, and not patronage. We’ll create a downstate transportation cabinet that assures the all the agencies are coordinating their initiatives and integrating their respective transportation networks.

If elected Governor, I will appoint a task force to review the current state of workforce development and labor relations in all of the State’s transportation agencies and make recommendations for their improvement. The transit strike illustrated the depth of labor-management conflict at the New York City Transit Authority. But the fact that twenty three percent of all TWU employees faced disciplinary charges in 2005, a truly astonishing figure, indicates that the problems there go much deeper than just this contract dispute.

CONCLUSION

Let me conclude by saying that New York has a proud history of being the world’s leader in transportation. We have the people, the knowledge, the skills, and the institutional capability to be a world leader in transportation again. If you look at our subway system, our airports, our port, you could say that this kind of ambitious development is almost in our genes. I look forward to helping be a part of this generation’s great transportation achievements.