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New Jersey Groups Call for a Permanent Fix for the State's Transportation Fund

"The Transportation Trust Fund, the primary source of money paying for road, bridge and transit repairs, as well as new transportation projects in the state, is nearly bankrupt. In FY2015, the state will have spent nearly the same amount to service its transportation debt as it spent on transportation projects.

The Transportation Trust Fund is not only going broke, but it is badly broken. Successive administrations have over leveraged the fund so that it consists entirely of borrowed funds, instead of a balance of pay-as-you-go funding and longer-term bonding. Many organizations, including the above, have thoroughly documented this situation.

Fortunately, the issue is receiving attention from policymakers in Trenton who are beginning to float a variety of funding proposals. The governor and the legislature are expected to adopt a final funding solution early next year, in time for New Jersey to maintain its transportation programs and continue receiving its share of matching federal funds.

To inform the debate, the public needs to fully understand the current state of the TTF and any new funding proposals, in terms of what they will mean for our roads, bridges and transit system as well as the impact on taxpayers today and in the future.

We call on the state to share with the public the answers to the following questions about today's TTF:

- What funds are dedicated to the Trust Fund now?
- How much money will those sources generate in the next five years? Ten years?
- What are the TTF's current debt obligations?

- How much money is required annually to meet these obligations for each of the next five years? Ten years?
- How much TTF revenue will remain after debt payments for each of the next five years? Ten years? Or is there a deficit?
- How are the ratings by Moody's and S&P impacting the amount of debt service that needs to be paid and future bonding?

The answers to these questions will help us understand where we are and how we got here so that we don't repeat the same mistakes again and we don't saddle future taxpayers with having to solve this problem in another three years, five years or ten years.

But understanding the current situation is only half the story. The capital program has been at a historically stagnant level of \$1.6 billion annually for the past ten years, below the rate of inflation and behind the demonstrated need to keep the state's road, bridge, and transit infrastructure in a state of good repair.

We know that new revenue must be raised to solve this crisis, but what can the public expect to get for the additional money it will be asked to pay? We call on the state to openly answer the following questions as new revenue sources are debated and the amount of revenue to be raised is calculated:

- How big of a transportation program is anticipated/needed for each of the next ten years?
- Will this program size maintain or improve the current infrastructure conditions?
- Will this program size maintain or improve the current operating conditions?
- Will this program include funding for new large-scale projects, such as light rail extensions or a trans-Hudson tunnel?
- How much of this program will be funded with new debt?
- How much of this program will be "pay-as-you go"?
- What are the potential sources of new revenue?
- How much transportation spending will those revenues support in the next five years? Ten years?
- What will be the total amount of transportation-related debt in each year for the next twenty years?
- How long can the proposed program sustain itself with projected revenues before having to go back to the public for more money?

In order to keep New Jersey's economy strong and its commuters safe, new revenue sources must be identified to replenish and sustain the state's nearly bankrupt transportation fund. New Jersey residents deserve a robust transportation capital program that not only addresses the state's current needs but will also set a fiscally responsible path for funding future infrastructure needs. The state's overreliance on debt and one-shot fund transfers is an impediment to future transportation planning and a threat to economic growth and quality of life for residents and commuters.

We support the discussions currently underway in the Assembly Transportation and Independent Authorities Committee and within the executive and legislative chambers to address the transportation funding crisis. As these discussions progress, we urge policymakers to review and answer the above questions and to share those answers with the public. The public has the right to know what it is paying for and a responsibility to pay for what it gets."

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The Tri-State Transportation Campaign is a nonprofit advocacy organization working toward a more environmentally sustainable, fiscally sound, and socially just transportation network in New Jersey, New York and Connecticut. www.tstc.org

New Jersey Future is a nonprofit research and policy group advocating smart growth, environmental preservation, neighborhood revitalization and transportation choice. www.njfuture.org.

Regional Plan Association (RPA) is the nation's oldest independent, not-for-profit regional planning organization that improves the quality of life, economic competitiveness and sustainability of the 31-county New York-New Jersey-Connecticut region through research, planning, and advocacy. www.rpa.org

New Jersey Policy Perspective (NJPP) is a nonpartisan, nonprofit research organization that aims to create a New Jersey with economic opportunity for all and widely shared prosperity. www.njpp.org

ATU – Largest labor union representing transit and allied workers in the U.S. and Canada – fights for the interests of its hardworking members and promotes mass transit. www.atu.org