

JOSEPH R. SCULLEY  
PRESIDENT

## **RE: Raised Bill 5393 AN ACT ESTABLISHING THE CONNECTICUT TRANSPORTATION FINANCE AUTHORITY TO MAINTAIN MAJOR STATE HIGHWAYS**

Chairmen Guerrera, Leone, Boucher, Ranking Member Carney, and members of the Transportation Committee, thank you for this opportunity to present testimony. I am Joe Sculley, President of the Motor Transport Association of Connecticut (MTAC).

MTAC opposes this bill because it is not necessary to establish a quasi-government body to maintain major state highways. The Connecticut Department of Transportation exists to maintain major state highways, though it increasingly appears they would prefer to focus solely on mass transit services. This is proven by the fact that more than 60% of its operating budget is spent on transit subsidies, as well as this table showing historical budgeting for transit subsidies:

Fiscal Year	% of DOT Budget for Transit Subsidies
2005	46%
2006	47%
2007	47%
2008	49%
2009	51%
2010	51%
2011	57%
2012	57%
2013	57%
2014	58%
2015	57%
2016	57%
2017	59%
2018	60%

### MORE BEAURACRACY

Section 2 calls for an executive director for the authority who “shall be an employee of the authority and paid a salary prescribed by the members.” This person will not be accountable to any constituents. They will accrue a large salary, fringe benefits, and pensions that will be paid for by Connecticut residents and businesses. Board members will accrue expenses that will be paid for by constituents, per paragraph (f) which states board members “shall be entitled to reimbursement for such member’s actual and necessary expenses incurred...”

Section 3, paragraph 5 discusses “retirement and collective bargaining” for employees. Section 4 goes into further detail about the ability of the authority to hire employees. Connecticut residents



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and businesses will be paying their salaries and benefits. Will the same practices that are crippling the state under the SEBAC agreement be implemented in this quasi-government body?

#### MORE DEBT

A major reason for this legislation is racking up more debt to be paid off by Connecticut residents and businesses. Section 2, paragraph (i) states “the authority shall continue as long as it has bonds or other obligations outstanding....” Needless to say, this quasi-government body will ensure that it lives in perpetuity while reaching into the pockets of Connecticut residents and businesses.

Connecticut has strained its finances to the point that it can’t sell bonds on Wall Street right now. If a family or a business reached their credit limit, they would have to make some tough choices. The state should be thinking that way as well, but this bill would just be opening up new avenues for debt that will be paid by Connecticut residents and businesses. Connecticut cannot spend its way out of a financial mess.

#### THE HONOR SYSTEM??

Section 3, paragraph (b) (13) reads that the Authority is empowered to “account for and audit funds of the authority and funds of any recipients of funds from the authority.” So, the Authority is empowered to audit itself. One needs to look no further than New York and New Jersey to realize that a quasi-government body cannot be trusted to audit itself.

#### REVENUE CAN BE DIVERTED; MOTORISTS USED AS PIGGY BANK

Section 3, paragraph (b) (22) states that revenue can be spent according to 23 USC 129(a)(3). According to that statute, “if the public authority certifies annually that the tolled facility is being adequately maintained, any other purpose for which Federal funds may be obligated by a State under this title.” Some of those projects include “construction of a transit project eligible for assistance....,” “Bicycle transportation and pedestrian walkways,” and “Control of noxious weeds and aquatic noxious weed.”

Claims that toll revenue cannot be diverted from the highway are not true. CT DOT already spends an unsustainable 62% of its operating budget (which is funded by highway users) on transit subsidies. Highway users currently get next to nothing for the taxes and fees they pay, and this proposal is adding insult to injury.

#### LACK OF PUBLIC INPUT

Section 3, paragraph (b) 23 calls for “one public information meeting in the general vicinity of the proposed toll location.” There have been estimates for 70-80 toll gantries across all highways in the state. Where would this ONE public information meeting be?

#### \$47 TO TRAVEL 10 MILES

Interstate 66 lanes in Northern Virginia recently implemented a similar (but not identical) scheme to what CT is proposing, and the result was tolls as high as \$47 to travel 10 miles. <http://www.governing.com/daily-digit/4675-toll.html> If the General Assembly allows CT DOT to

“implement tolls on Connecticut’s highways,” it is completely possible that the tolls could rise to these rates.

The system used on Interstate 66 is known as dynamic tolling. This bill allows for dynamic tolling in CT. From section 4, paragraph 7: “*(A) establishment of variable or dynamic toll rates that take into consideration the day of the week, level of congestion or anticipated congestions.*”

#### QUASI-GOVERNMENT BODY FAILURES

#### **Port Authority of NY/NJ – HUGE DEBT LOAD, NO OVERSIGHT**

“New York’s public authorities play an increasingly influential role in government yet they operate outside the traditional checks and balances that apply to state agencies,” DiNapoli said in a press release. “Some of these entities are repeatedly used in a way that circumvents borrowing limits and oversight. As a result, New York is shouldering a huge debt load issued by public entities operating in the shadows that voters never approved.”

-- Thomas P. DiNapoli, New York State Comptroller

<http://www.osc.state.ny.us/press/releases/jan17/011217.htm>

#### **NY Thruway – TOLL ROAD REVENUE DIVERTED**

The NY Thruway diverts toll road revenue and spends it on upstate canals. A federal judge has ruled that this is legal. While it might be legal, Thruway users probably agree it is not ethical. Connecticut has a strong history of diverting “highway user fee” revenue away from highways, and a quasi-government body will most certainly divert Connecticut toll road revenue away from highways if given the opportunity. <https://www.law360.com/articles/896970>

#### **PA NY/NJ – BRIDGE TOLLS DIVERTED**

The Port Authority of New York and New Jersey spent billions of road and bridge user money on the September 11 memorial. What does using a NY bridge or tunnel have to do with constructing a 9/11 memorial? A September 11 memorial, as great as it is, has nothing to do with infrastructure. “The escalating \$11 billion cost of the World Trade Center site redevelopment is one of the main reasons for the proposed toll and fare hike, and the Port Authority is already warning that failure to approve the toll hikes could jeopardize completion of the project.”

<http://www.njspotlight.com/stories/11/0808/0206/>

#### **PA Turnpike – FELONY CONVICITON, TAXPAYERS PAID LEGAL FEES**

Former turnpike CEO Joe Brimmeier pleaded guilty to felony conflict of interest in November and was sentenced to five years of probation. Taxpayers paid a Philadelphia law firm more than \$127,000 for Brimmeier's legal representation.

<http://www.mcclatchydc.com/news/nationworld/pennsylvania/mc-pa--turnpike-investigation-20151026-story.html>

#### CORRUPTICUT

Unfortunately, Connecticut earned this nickname over many decades. It has largely cleansed itself of that moniker. Creating a quasi-government body with the ability to tax, spend, hire, compensate, and more, will send Connecticut backwards in terms of transparent government.

Do not let “democracy die in darkness,” as the Washington Post would say. Reject this bill and ensure that elected officials are directly accountable to their constituents, rather than being able to deflect blame to a quasi-government body that they created.

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**ABOUT CT TRUCKING INDUSTRY:**

**85.8%:** number of Connecticut communities that depend exclusively on trucks to move their goods

**\$3.2 billion:** total trucking industry wages paid in Connecticut (2016)

**59,390:** trucking industry jobs in Connecticut (2016)

**\$53,430:** average annual salary in Connecticut (2016)

**\$8,258:** average annual CT-imposed highway user fees paid by tractor trailers

**\$8,906:** average annual fed-imposed highway user fees paid by tractor trailers