



NEW JERSEY DEPARTMENT OF TRANSPORTATION

**NJDOT Commissioner James Simpson
FY 15 Budget Testimony
Assembly Budget Committee
Monday, April 28, 2014**

Mr. Chairman and members of the committee, on behalf of Governor Christie, I thank you for the opportunity to testify before you today on the proposed FY 15 Transportation Capital Program.

This is my fifth budget hearing. It is an incredible honor and privilege to be a public servant and the Commissioner of Transportation in this great state.

The proposed \$3.7 billion program enables NJDOT and NJ TRANSIT to advance projects and programs that promote safety, mobility and a state-of-good-repair for the millions of New Jersey residents who rely on the state's transportation network.

The overall program is funded primarily by the state Transportation Trust Fund, federal, and third-party resources, with \$2.5 billion supporting the DOT program and \$1.2 billion supporting TRANSIT.

Before I get into budget details, I would like to take a moment to recap a few topics that dominated the Department's agenda over the past several months.

Winter Season 2013-2014

This past winter was tough on our roads, tough on our crews and tough on our budget.

Over the past 15 years, nothing came close to the weather we experienced in terms of events requiring a response by DOT salt or plow crews. We dispatched crews for 50 separate storms or threats of dangerous road conditions.

Through April 21, our costs reached a staggering \$138 million, about the same as the combined cost of the previous three seasons.

We went through 496,000 tons of salt, nearly twice the amount we needed last year.

We used 1.3 million gallons of liquid calcium chloride, and 587,000 gallons of brine, again, significantly more than the winter of 2012-2013.

Unlike other jurisdictions in New Jersey and in other states, NJDOT never ran out of salt, despite heavy demand and supply shortages among our vendors.

Road salt is an essential component of our strategy to keep motorists safe and to maintain economic activity. In January, when we recognized logistics problems with our primary vendor in getting salt from its stockpile in Port Newark to its customers, we intervened with useful tactics to speed deliveries.

When it became apparent in early February that the logistics problem had morphed into a supply problem, meaning that the vendor did not have enough cargo ships scheduled to arrive in New Jersey to meet demand, we identified alternate supplies and procured them.

Our efforts took us to vendors or stockpiles in Utah, Virginia, Delaware, Maine, Canada and the Great Lakes.

In my former life as a CEO of an international transportation company, thinking globally was part of the job. I even called Morocco, and freight forwarder in Paris about Russian salt.

I think we're all familiar with the saga of the 40,000 tons of salt in Maine, and the foreign-flagged vessel, the Anastasia, that could have been used to transport it to Newark if only the federal government had granted a Jones Act waiver, so I won't go into details.

I bring it up simply to indicate that we responded swiftly and aggressively to avert a potentially catastrophic situation and to protect New Jersey residents.

We plan to increase our salt storage capacity from the current 164,000 tons to better withstand

shortages associated with spikes in demand and gaps in deliveries.

Chairman Schaer, I want to personally thank you and Speaker Prieto for your leadership in sponsoring Assembly Resolution 88, that urged the U.S. Congress to clarify, in matters of public safety, the granting of waivers to the Jones Act.

Public safety for U.S. citizens should trump a 100-year-old maritime law. If anyone believes otherwise, just look at what happened on the Pennsylvania Turnpike just outside of Trenton on February 14, where they had a 100-car pileup, and the consequences of not having enough salt.

Pulaski Skyway

More recently, we have been intensely focused on the \$1 billion-plus Pulaski Skyway rehabilitation project and especially on our efforts to minimize inconvenience for 40,000 motorists who have been displaced from the northbound travel lanes.

It is the biggest project in the history of NJDOT.

The Pulaski Skyway opened to traffic in 1932. Over the years it has fallen into disrepair. It has been rated as structurally deficient since 1983. In the past 20 years, more than 600 bridges have failed in the U.S. We don't want Pulaski to be one of them.

Work to replace the bridge deck got under way on April 12 and will continue for two years. During this time, the Skyway has been closed to northbound vehicles.

To help the media and the public understand the urgency of the project, I took reporters and camera crews up on a lift five days before the closure, to get a close look at the floor beams and stringers supporting the bridge deck.

The massive steel floorbeams were riddled with holes. Corrosion from years of exposure to water and salt has left the beams looking like Swiss cheese.

Closing the northbound lanes was the best of several options that we considered. Given the condition of the bridge, we needed to select a construction option that moved along the work as quickly as possible, and that enabled us to accommodate traffic as best we could.

Our construction plan keeps southbound lanes open. That traffic will be shifted to the newly rebuilt northbound side of the bridge deck next year, giving the contractor the opportunity to rebuild the southbound side of the bridge deck.

This gets all southbound Skyway traffic onto a sturdy new bridge deck in a year's time, and restores northbound travel on a new bridge deck in two years.

NJDOT's project team and I have worked closely with Newark, Kearny, and Jersey City law enforcement and administration officials to try to mitigate anticipated impacts on local streets. The Department will continue to work closely with our partners to resolve issues that arise in the coming months and years.

We have made numerous improvements to roadways – some obvious and some quite subtle – to create additional capacity for those who need or choose to travel by car.

We also have worked with NJ TRANSIT, the Port Authority, and private bus and ferry operators to create additional opportunities for those who want to switch to public transportation.

Our goal was to identify an alternate route or mode for all of the 9,600 vehicles that travel northbound on the Skyway during the morning peak period of 6-9 a.m. Our efforts identified accommodations for 13,600 vehicles.

Route 35

Before I get back to budget numbers, I'd like to update you on our project to rebuild Route 35, which was destroyed by Superstorm Sandy in October, 2012.

To date the FHWA has provided the Department with \$310 million in funds, with FEMA providing another \$10 million.

Chief among the projects funded with FHWA resources is the 12.5-mile Route 35 project on the Barnegat Peninsula, where we are building a new, two-foot-thick highway, as well as a completely

new drainage system. The FHWA has been a tremendous partner through the Sandy recovery and rebuilding process, and is providing 80 percent of the \$265 million cost.

We held a press conference in March to provide local officials and residents with a progress report, and to reveal the Complete Streets plan we have developed to improve access and safety for pedestrians and bicyclists.

Harsh winter weather and unforeseen complications associated with underground utility lines has slowed work, but the three contractors who have been awarded different sections of the project have made a lot of progress since the start of construction last fall.

We are working to complete the project as expeditiously as possible while at the same time optimizing travel on the highway during busy summer seasons.

Despite space constraints, NJDOT was able to create a plan that includes dedicated bike lanes along nearly ten miles of the 12.5 mile length of the project.

Where bike lanes are not feasible, we will install roadside signs and paint symbols on the travel lanes to alert motorists of the presence of bicyclists, and to encourage everyone to safely share the road.

Pedestrian safety will be improved with:

- 63,000 linear feet of new or replaced sidewalk along Route 35 northbound
- 1,200 ADA ramps at intersections
- 200 pedestrian countdown heads at crosswalks
- and a pedestrian hybrid beacon just north of the Route 35/Route 37 interchange to promote safe access to a public beach on the bay in Seaside Heights

Now, back to the budget

The \$3.7 billion program comprises the following sources and amounts:

- Federal \$1.46 billion
- State funds (TTF) \$1.23 billion
- PANYNJ \$375 million for DOT projects
- PANYNJ \$615 million for PA projects in NJ
- Other \$38 million (to NJ TRANSIT)

My remarks will focus on the \$1.9 billion NJDOT capital program. The DOT budget is supported by:

- \$755 million from the TTF
- \$776 million from federal sources
- \$375 million from the Port Authority, which funds NJDOT projects that benefit the Port Authority's region.

Building and repairing roads and bridges are the bread-and-butter of the Department. This work, along with Local Aid grants, provides us with opportunities to advance important public safety, mobility, and improved quality-of-life objectives throughout the state for motorists, pedestrians and bicyclists.

The Department has more than \$6.5 billion in projects in concept development, preliminary engineering or active construction, including more than 100 projects currently in construction. As I've mentioned:

- Pulaski Skyway Rehabilitation \$1 billion-plus
- Route 35 Reconstruction \$265 million

And also:

- \$900 million for Direct Connection, a project in Camden County that will greatly improve safety and operational performance by linking two segments of I-295 at the interchange with Route 42/I-76

- \$700 million for the Route 7/Wittpenn Bridge project in Hudson County that replaces a lift bridge over the Hackensack River in Kearny and Jersey City and improves the Fish House Road interchange.
- \$350 million for the Route 72 Manahawkin Bay Bridges project that links the mainland to Long Beach Island in Ocean County. We are building a twin, parallel span over Manahawkin Bay and will rehabilitate the existing structurally deficient bridge and are providing Complete Streets access for pedestrians and bicyclists from Stafford to Ship Bottom.

The FY 15 capital program increases our investments in pavement by 27% over the current year, to \$305 million, and increases our investments in state and local bridges by 4%, to \$759 million.

Consistently high investment levels in roads and bridges have become a hallmark of the Christie Administration.

The projects we are funding, from the largest to the smallest, are moving the needle in the right direction when it comes to roadway and bridge condition.

Roads

The DOT is responsible for 13,300 lane-miles of roadways in New Jersey. Our asset management strategy, to rebuild where needed and perform preventive maintenance to extend the life of roads in good condition, has paid handsome dividends.

In 2008, just 47% of our roads were rated acceptable. Now that figure stands at 58%. In addition, pavement rated in good condition, which was at an all-time low of just 10% percent in 2005, now is up to 28%.

Maintaining current investment levels will enable us to reach our goal of 80% in good or fair condition by 2021.

Because of the harsh winter, we have seen a lot of potholes and have made it a priority to repair them

as quickly as possible. We have leased 13 pothole-filling machines to supplement the efforts of our maintenance and operations crews.

We normally fill about 160,000 potholes per fiscal year, at a cost of about \$2 million. Through April 24, we filled 234,000 potholes at a cost of \$2.7 million.

The \$305 million for roadway assets includes approximately \$15 million to resurface the 11.5-mile New Jersey portion of the Palisades Interstate Parkway, even though that road is not the DOT's responsibility.

Bridges

We own or maintain 2,574 bridges and are investing \$759 million in state and local bridges in FY 15.

In 2010, when 330 of our bridges were rated structurally deficient, we set a goal for ourselves to cut that number in half, to 165 bridges by 2021. The number now stands at 293, or 11 percent of our inventory.

The condition of a bridge driving surface is an important factor to assess the overall condition of a bridge. We maintain 36.4 million square feet of bridge deck.

14.4% of total surface area was rated deficient in the beginning of 2011. We had reduced that to 11.8 percent by the start of this year.

Local System Support

Local System Support includes a variety of grant programs provided to local governments and to the three Metropolitan Planning Organizations. Total support in FY 15 is \$411 million, about the same as last year.

DOT administers most of it -- \$359 million -- with NJ TRANSIT administering \$52 million.

Of DOT's share of Local System Support, \$329 million is devoted to direct grants to municipalities and counties through roughly a dozen federal- and state-funded programs. The balance supports MPO planning efforts.

Four significant grant programs – Municipal Aid, County Aid, Local Bridges Future Needs, and Local Aid Infrastructure Fund – all of which are state-funded, will continue to distribute a total of \$190 million to municipal and county recipients.

Other popular grant programs – Safe Streets to Transit, Bikeways, and Transit Village – will be held steady at \$1 million each.

Safe Routes to Schools, a federally funded grant program, receives \$5.2 million, while another federal program, Local Safety/High Risk Rural Roads, will receive \$10 million, twice the funding in FY 14.

Dredging

There are 216 state channels in nine counties, covering a distance of 200 nautical miles.

As you may know, NJDOT has taken the lead in managing a priority program for the dredging of state navigation channels. We announced a multi-year program in March to return New Jersey's waterways to a state-of-good-repair.

Superstorm Sandy increased silting throughout New Jersey's Marine Transportation System and heightened the urgency to develop and implement this program.

State channels are the routes that boaters, emergency services, and commercial fishermen and fleets use to operate safely between lagoons or marinas, the Intercoastal Waterway, and the ocean.

We have targeted 11 areas that include 25 channels for dredging this year, are working to develop storage capacity for dredged materials at three locations, and are in the process of acquiring another two locations at an estimated cost of \$24.5 million.

In addition, we are responding to significant silting in the Barnegat Inlet. We have expedited a study to assess our options to dredge Double Creek Channel and are working with resource agencies to expedite permits for the two channels used by the State Police Marine Services Bureau – Key Harbor

and Barnegat Beach.

We are working with the US Army Corps of Engineers, Stockton Coastal Research Center, the State Police Marine Services Bureau, Island Beach State Park, and other state and federal agencies.

We also are working with experts in the field to implement dredging and storage capacity development in the most effective, efficient, and environmentally appropriate manner.

Safety

Safety is the Department's top priority. We use initiatives, projects and programs to advance safety, and we measure our efforts through statistics.

Total fatalities on all New Jersey roadways, including state, county, and local roads, fell 8 percent in 2013 as compared to 2012, to a total of 544 fatalities.

Pedestrian fatalities fell 18 percent, to 133, while bicyclist fatalities remained unchanged at 14 for the year.

One way we are attempting to improve safety for pedestrians and bicyclists is through our Complete Streets initiative. We require our designers and engineers to preserve or add facilities such as sidewalks or bike lanes in new construction projects wherever possible.

Part of the initiative involves encouraging counties and towns to adopt and implement Complete Streets policies as well. So far, 90 municipalities and six counties have followed the DOT's lead. We are developing a curriculum to assist municipalities in their efforts to implement their policies.

The FY 15 budget includes \$111 million in federal and state funds for safety programs, up 8% from the current year. This funding is spent by the Department on state highway projects, including crossover median protection, and safety improvements along high-risk rural roads. The funding also supports grants to local governments for their safety projects.

The Department is currently updating its strategic highway safety plan. Our goal is to better coordinate a wide range of safety initiatives into a unified program.

We will strengthen our partnerships with MPOs, Law and Public Safety's Division of Highway Traffic Safety, and police and EMS stakeholders at the local level.

Our objective is to create a safety asset management plan that devotes resources at the state, county and local levels where they are needed most, with investments driven by crash data.

We believe that this new, programmatic approach will help us to capture more federal Highway Safety Improvement Program (HSIP) money that could be available to New Jersey.

That concludes my remarks. I welcome your comments and questions.

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