

Remarks
Commissioner James S. Simpson
Greater Atlantic City Chamber of Commerce
Transportation Forum
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Introduction

On behalf of Governor Christie, I thank you very much for the opportunity to address the Greater Atlantic City Chamber of Commerce today.

In the six months I've been Commissioner, I've been to Atlantic City five times already.

I feel right at home here.

And a couple of those visits were for winter storm operations, so it's good to be here for "Number 6" on a nice summer day.

The Governor's Agenda

With New Jersey ranked as having the 50th worst tax system in the nation for small businesses and entrepreneurs, this Administration is about:

1. It is citizen-centered. The citizen/customer counts and is valued!
2. We seek to create jobs and reduce taxes. We have a supreme location for job growth – NE Corridor, Ports, Aviation, world class roadways, first-rate universities, 23 Fortune 500 companies, top-notch research facilities, diverse and educated workforce – but our anti-business climate is a killer.
3. Transparency. We are committed to communication, dialogue, public involvement, open government. What you see is what you get.
4. Good stewards of the taxpayers' dollars. This is about being mindful of who we are working for, and respectful of how hard they work to make a decent living.
5. Restoring public trust. By doing the things I just mentioned, we will go a long way to first reducing distrust, and then restoring the faith of our citizens in government that works for them, not against them.

As the Governor has said himself -

“The reforms we make can make possible a new kind of leadership -- where New Jersey is number one in new business creation; where New Jersey is number one in job growth.”

And now is the time to seize this opportunity.

As Richard Florida states in his new book The Great Reset:

“We tend to view prolonged economic downturns in terms of the crisis and pain they cause.

But history teaches us that these great crises also represent opportunities to remake our economy and society, and to generate whole new eras of economic growth and prosperity.

In terms of innovation, invention and energetic risk taking, these periods of “creative destruction” have been some of the most fertile in history, and the changes they put into motion can set the stage for full scale recovery.”

It's time to think about transportation networks as strategic investments measuring all the societal benefits and ensuring we are maximizing return on the taxpayers' dollar.

All infrastructure is the skeleton of the global economy and transportation in particular is the circulatory system of the economy.

Good transportation (fast, reliable, cost effective) is a requirement for a highly productive society.

Economic Development

State spending was on a pace averaging 16 percent per year in increases over the last 20 years.

The Governor is stopping that trend, but a weak economy is still contributing to a deficit now projected at \$767 million over the next 13 months.

And only a few months ago, a report came out ranking New Jersey last in business climate. As the Governor said, it's not something we want to put on our Welcome Signs.

And while I am at, let me put a transportation angle on the economy we're in.

In 2000, Morristown Airport – an airport heavily used by New Jersey based business people -- had 268,000 flight operations – that's take offs and landings.

In 2009, it was 130,000. A 50 percent drop.

This is a perfect example of a universal axiom: Money Moves. People are fleeing New Jersey because they can't afford our taxes.

- *Where are they fleeing to?* Florida and Texas.
- *Why?* Because the tax structure is less onerous.

The Governor has consistently and clearly said: we can no longer compete with the kind of tax structure we have in this state.

There have been 115 tax increases and fee increases in the past eight years, which has driven us to a lost decade.

While others recovered in the aftermath of 9-11, we never did.

While others saw private sector growth, we did not.

While others have seen economic growth throughout their states, we did not.

And so, when the economic tsunami hit in 2008, New Jersey was already in a terrible position to deal with it than any of our neighbors.

And as a result, we sit with the highest unemployment in the region, with no private sector growth.

The Administration's response to this crisis has been swift:

- **Red Tap Review Commission**, chaired by Lt. Governor:
 - Established to find ways to spawn economic development.
 - Cutting red tape for businesses and developers.
 - Recommendations include eliminating unnecessary rules and regulations; reducing wait times for permits;

give municipalities more control over development within their borders.

- Recently launched **Choose New Jersey**:
 - A new non-profit corporation designed to market, promote and facilitate business attraction.
 - Chaired by Dennis Bone of Verizon.
 - Choose New Jersey is an independent, privately funded and managed organization created to aggressively promote New Jersey as a place to invest and do business.
 - It will advocate the state's core strengths:
 - Strategic access to local and global financial markets.
 - A highly trained, well educated workforce.
 - World class distribution network of our ports and airports.
 - Energy, communications and research infrastructure and facilities.

A New Jersey Transportation Angle

Because of its industrial heritage, New Jersey has some of the most extensive freight transportation infrastructure in the world.

All three modes are represented: highway, rail, and marine.

New Jersey boasts two of the largest seaports in the world, the finest warehousing, and the most sophisticated highway system east of the Mississippi.

New Jersey is the World's Gateway to the US, and it is the US Gateway to the world!

Over 80 percent of the goods entering New Jersey are destined for either use in manufacturing or retail sale in the region.

Some of the largest freight villages in the country are found in New Jersey along the NJ Turnpike.

Because we are a maritime state, surrounded by water on three sides, it is no coincidence that we have two of the largest seaports on the east coast.

The Port of New York and New Jersey, with most of its activity centered in Newark, Elizabeth and Jersey City, is a \$30 billion economic powerhouse for our state.

It is the third largest container terminal in the US, and boasts 250 miles of some of the deepest navigation channels in North America.

A South Jersey Angle

Last month, I attended the ribbon-cutting for new AC Expressway Interchange 17.

The project illustrates what NJDOT and sister agencies are doing statewide: creating connections, cutting travel times and improving convenience.

Roads exist to move people and goods from Point A to Point B in fastest, safest way possible.

Businesses make decisions on where to locate based on efficiency of road systems.

As head of international relocation company, I did just that, investing in NJ three times, in 1980s, 1990s and 2000's to take advantage of transportation networks that helped my business thrive in different parts of the state.

An interchange like that one might not seem to make a big difference on its own, but as part of an integrated network, it helps attract economic development.

You've all heard the real estate axiom that a property's value is based on three things: location, location and location.

New Jersey has location, as well as transportation and an educated and skilled workforce.

All three of those ingredients can be found right here. Just look at the transportation resources:

- The Expressway with Philly-AC access.
- NJ TRANSIT's AC Rail Line.
- South Jersey Port Complex.

- Direct Connect and Missing Moves – 295/42/76 – a \$1 billion dollar investment in South Jersey (NJDOT's biggest project!).
- Route 52 Causeway replacement – ongoing \$400 million investment.
- Planned rehab of the Route 72 Bridge to LBI – a \$200 million investment.

The Atlantic City International Airport

The airport, in fact, is a regional treasure. This administration recognizes its value and is working to maximize its potential as an economic engine.

And the news is upbeat -- the airport served more passengers in March this year than in any month in its history, and ridership in the first three months of 2010 was 20 percent above the totals for the first quarter of 2009.

I have met with two airlines interested in service here since becoming Commissioner – USA 3000 and Southwest.

We expect to break ground in October on the Terminal Expansion, a \$25 million project that will increase the size of the terminal by 50 percent and provide the airport with international capabilities.

We have the new AC Expressway-Airport Direct Connector – preliminary design began in March, 2010.

Despite its proximity, there is currently no direct access from the Expressway to the Airport (only via local roadways).

A direct connection will reduce congestion on local roadways and make the airport easier to get to.

Clearly, the airport can help us broaden the economic mix in a region that relies heavily on agriculture and tourism.

By working cooperatively with all stakeholders, we can use the airport to produce good jobs while at the same time protecting the environment.

Garden State Parkway Widening & Improvements

Interchanges 9, 10, and 11 Improvements

As you know, the Parkway connects to local roads at these at-grade, signalized interchanges.

This project will create true grade-separated intersections.

Bridges will carry the Parkway over the local streets.

Access to the Parkway northbound and southbound will be available at all three interchanges. The project will eliminate a traffic hazard and reduce congestion.

Construction is expected to begin in early 2011 and be completed by early 2013.

Interchange 30 to 80 Widening

The Parkway will be widened from two to three lanes in each direction.

Express E-ZPass will be added at the Barnegat Toll Plaza.

Schedule: The project is being done in three phases.

Construction on the first phase of the widening (Mileposts 63 to 80) began in June 2009 and is scheduled to be completed in August 2011.

Construction on the second phase widening (Mileposts 48 to 63) is scheduled to begin in mid-2011 and be completed by mid-2013.

Construction on the third phase (Mileposts 30 to 48) is not yet scheduled.

THE TTF CHALLENGE

The challenge we face with the TTF reminds me of an old quote by the great Marine General Chesty Puller. To paraphrase General Puller – “it’s in front of us, it’s behind us, it’s on either side – there’s no way it can escape us now!”

Simply put, we have to go at the issue like General Puller faced his adversaries.

The TTF has been part of the transportation landscape in New Jersey since the day of its enactment in 1984.

The Governor has clearly and forcefully indicated there will be no gas tax increase.

Now, I am not going to advocate a gas tax - but what other people do . . .

- TTF takes in \$895 million/year
- TTF spends \$1.6B/year – 5 years \$8B
- Federal support for capital program and TTF – \$3.2B/year

What we need to do NOW

Prioritize our capital spending

1. safety
2. fix it first
3. congestion mitigation through I.T.S.
4. expansion

Cost Benefit Analysis, multimodal (BRT –vs- rail) approach
(barges –vs- highway) – performance and efficiency that supports economic growth

Eliminate wasteful projects/programs while maintaining geographic equity earmarks

Streamline the transportation agencies/authorities to free up money for pavement and transit (Aviation Department, ESP)

800 years for Rome to build its roads! Streamline State Permitting for Public Benefit Projects (8 years \$58M for Parkway expansion)

Procurement Reform (price and other factors)

Change legislation to allow Design Build project delivery – shorten project development

PPP's – Scudder Falls Bridge – and other innovative financing (TIFIA) – need legislation

Federalize more transit projects - \$4.1B on the TTF

Lobby Congress for Liberty Corridor Nationally – Critical Commerce Corridor

Review all funding sources dedicated for transportation

Enhance revenue from Turnpike Authority and dedicate to Transit (rest stops)

Intelligent Transportation Systems –vs- new pavement

Seek additional assistance from PANYNJ and look at all the other bi-state authorities

Closing

I'd like to close today with a quote from the NJDOT Annual Report for 1982, which was issued in the spring of 1983 by former Commissioner John Sheridan.

The report stated the following:

“This was a critical year as the Department faced the crises of inadequate funding, crumbling facilities, and rising transit fares. We encountered the hardships of funding shortages for maintenance and construction staff reductions and inadequate operating funds for public transit.”

Wow, it's interesting that nearly 30 years later, we're having a similar conversation.

But what did Governor Kean, Commissioner Sheridan, and all interested stakeholders do about it?

They created the TTF in 1984 and addressed the problem.

And we're going to do the same thing with renewing the TTF.

If we do not renew the TTF, then – Game – Set – Match. That's it.

But we have always found a way to ensure that the TTF remains the reliable, stable source of revenue for transportation that we need.

I'm convinced that our economic recovery will be closely tied to continued investment in and stewardship of one of the finest transportation system in the world.

And with your help I am sure we will get it done. Thank you.