

Public Hearing – March 21, 2018

Appropriations Committee, Commerce Committee, Finance, Revenue And Bonding Committee, Planning and Development Committee

Testimony Regarding the Report of the Commission on Fiscal Stability and Economic Growth

Dear Chairpersons and Members of the Committees,

I write to you to express my strong support for the recommendations of the Commission on Fiscal Stability and Economic Growth (the Commission) that relate to transportation investment and revenues, and to the condition of the Special Transportation Fund (STF). There is much that I support in the Commission's Report, and I admire the Co-Chairs and the Members of the Commission for their dedication and commitment to describing the state of Connecticut's economy and fiscal circumstances, but I will confine these remarks to the transportation sections of the Commission's report.

The Commission started its section on transportation and infrastructure, by noting that they are the "backbone of the Connecticut economy." It is well accepted that a fully functional transportation system is essential to the State's economic prosperity and fiscal stability. A multi-modal transportation system, characterized by safety, reliability, and connectivity, is the necessary prerequisite to the market accessibility, labor flexibility, and quality of life, on which economic prosperity and competitiveness depend.

I was privileged to serve on the Governor's Transportation Finance Panel (the Panel), chaired by former State Representative Cam Staples. It quickly became apparent to us that transportation-related revenues had to be augmented, in order to allow the Connecticut Department of Transportation (CT DOT) to undertake essential capital projects and to maintain services and operations that would assure and continue a state of good repair for Connecticut's transportation facilities.

As Cam Staples, Don Shubert, and I noted in a statement to the Commission, the current situation is dire. Today, the condition of STF is such that the Connecticut Treasurer cannot promote the issuance of transportation revenue bonds without a plan that increases rail and bus fares, reduces transit and commuter rail services, and makes drastic cuts to the State's transportation capital program.

In its recommendations the Commission recognizes the need for immediate actions to maintain at least a minimum level of transportation investments and operations and to authorize actions that will allow for more sustainable revenues to support this essential activity. The stagnation of federal surface transportation funding for more than a decade and current proposals by the Trump Administration make it clear that Connecticut can no longer rely on federal funding support to sustain its

transportation system. Our state, like others, is going to have to “do it on its own” and to carry a heavier transportation-funding burden.

The Commission’s revenue and reform recommendations closely track those of the Panel, and I urge favorable action on these recommendations by the General Assembly –

- Passage of the Constitutional “lockbox” amendment;
- “Replenishing” STF through an increase in the state gasoline tax, retention of the half cent of the sales tax currently contributed by the General Fund to STF, and immediate receipt by STF of the tax on new car sales;
- The authorization of tolls on Connecticut’s major highways, in order to establish a more sustainable source of revenue for transportation investment;
- Prioritizing those transportation projects that will bring the greatest economic and comparable benefits to the State and its residents; and
- Sufficient revenues that will support a capital program that will assure that Connecticut’s transportation infrastructure will achieve and maintain a state of good repair.

I urge support for the Commission’s transportation recommendations. Their enactment is critical to a safe and economically vibrant Connecticut.

Sincerely,

Emil H. Frankel, Member, Transportation Finance Panel, Formerly, Assistant Secretary for Transportation Policy, U.S. Department of Transportation, Formerly, Commissioner, Connecticut Department of Transportation