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Lackawanna
Coalition

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RAILGRAM

Feds Hold High-Speed Rail Workshops; No Mention of “ARC” Project

By **ALBERT L. PAPP JR.**

The Federal Railroad Administration (FRA) held a High-Speed Corridor development workshop on Tuesday, June 2 in Philadelphia. It was the last of seven sessions in a nationwide series designed to elicit ideas from transportation officials, contractors and other stakeholders about how to begin implementation of the \$9.3 billion for intercity passenger rail grants provided in the American Recovery and Reinvestment Act (ARRA) signed by President Obama on Feb. 17.

Of the \$9.3 billion, the \$8 billion in capital grants has been described as a “down payment”; with the remaining \$1.3 billion designated for Amtrak. Then on April 16, President Obama, Vice President Biden and Transportation Secretary LaHood held a press conference and officially proposed the administration’s “Vision for High-Speed Rail in America.”

The purpose of the FRA workshops was to examine how to spend the \$8 billion over the 10 FRA-designated corridors (100 to 600 miles in length); and how grants should be administered, with the goal of yielding demonstrable benefits in infrastructure, equipment and service enhancements over the next several years. By June 17th, the FRA has to publish guidelines for three funding “tracks”:

- 1.) “Projects” which are “ready to go” where preliminary engineering and environmental assessments are complete,
- 2.) “Corridor programs” that have completed plans for specific lines with accompanying cost projections and
- 3.) “Planning” where non-ARRA funds are used to prepare states for future rounds of ARRA grants. The FRA must obligate all ARRA funds by September, 2012 and spend this money by 2017.

Speakers included Joseph Szabo, the recently confirmed FRA administrator, Karen Rae, his Deputy, Paul Nissenbaum, FRA Director of the Office of Passenger and Freight Programs and Stephen Gardner, Amtrak’s VP of Policy and Development. These speakers drove home the point that the STATES will be the focus of the competitive discretionary grant program. The route selection process will be driven by the level of preparedness the states have developed and the FRA will base its selection on that criteria. Amtrak clearly indicated that it wants to be the operator of any new or improved rail service offerings—and that includes the yet-to-be-built California high-speed line.

Each workshop featured a presentation by a speaker highlighting a “regional” summary of all rail projects now underway. Anne Stubbs, the Executive Director of the Coalition of Northeastern Governors (CONEG) did the review. While it was comprehensive, she conspicuously omitted any reference to the ARC project—clearly the largest and costliest in the region—and made only passing reference to the Lackawanna Cut-Off service restoration to Scranton. New York Senator Charles Schumer has now publicly endorsed the extension of the Cut-Off to Binghamton with possible future consideration of a Syracuse link.

In the question and answer portion of the program, Coalition Chair Alan expressed his view that the rail advocacy community, as representatives of the riding public, should be given “a real seat at the table” during all phases of the decision-making process.

Transit Funding and the NJ Political Process

By **JIM RALEIGH**

There are a number of ongoing discussions about the New Jersey Transportation Trust Fund Authority (TTFA) and the Transportation Trust Fund (TTF). The Authority is an independent agency of New Jersey state government whose stated mission is to finance the cost of “planning, acquisition, engineering, construction, reconstruction, repair, resurfacing, and rehabilitation of the state’s transportation system” through the Transportation Trust Fund also known as the Transportation Capital Program.

The Authority’s funding process is directed at issuing sufficient bonds to reimburse NJDOT or NJ Transit expenditures previously requested and authorized by the Legislature. The funding of the TTF is revenue equivalent of 10.5 cents of the motor fuels tax, the petroleum products gross receipts tax, a portion of the general sales tax, “good driver” registration surcharge fees, heavy truck fees, and contributions from the New Jersey Turnpike Authority and South Jersey Transportation Authority.

Over the years, a significant amount of bonds have been issued. The TTF funds are part of the legislative process each year,

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resulting in a “balanced” budget signed by the Governor at the end of June. The Budget has two components, an operational budget and a capitol construction program. Some of the TTF has been used for operations, repair and construction of the transportation infrastructure, and to pay the debt service. The 2009 Budget has just been adjusted downward, based on the various incomes that are expected to close the 2009 Budget by June 30, 2009.

Also by June 30, the 2010 Budget for operations and capital spending must be prepared by the Legislature and signed by Governor Corzine. Sometimes the Budget that is submitted to the Governor is reduced by the “red line” veto. The Governor can only cut items in the budget and cannot add any items.

The TTF has been a discussion item for several years in the budget committee and other meetings. By 2011, all of the anticipated revenues will be needed to pay the bond debt service.

Therefore, at the end of June, the results of the legislative procedure are made public and analyzed by the various media. The subject may be debated in the political process leading to the elections in November. This year the elections are for Governor, Lieutenant Governor (new this year), and all 80 members of the State Assembly.

For some time, there has been an acknowledgement of the need for future construction funding. It has become a question of when this will be considered by the Governor and the Legislature. Many people continue to ask that, given how the TTF has been used for purposes other than construction. They also ask how people can be sure that any new fund raising from such as another gas tax will be used for construction in the future.

Some action may be taken after the November election, but may be influenced by the results. Changes to the funding of what has been the TTF will require a majority vote of not only the State Assembly, but also the New Jersey State Senate to be sent to the Governor.

Report From The Chair

By **DAVID PETER ALAN**

One of the effects of the current economic downturn is that transit is in trouble everywhere in America. Transit providers all over the nation are short of money, especially operating funds. Scores of cities have suffered service cuts, while transit fares are rising almost everywhere. St. Louis alone lost an astounding 45% of its bus service a few months ago, along with some light rail service. It is true that the Obama Administration is far friendlier to rail than the Bush Administration had been, but the economic benefits will go primarily to the capital side of transit, not to the operating side.

New Jersey Transit is struggling to find the \$10.8 billion that it will cost to build the proposed “ARC” and Portal Bridge Projects, including \$3 billion for the proposed deep-cavern terminal alone. This facility is slated to be built 20 stories below 34th Street in Manhattan, and will not connect into Penn Station. Not only will Amtrak and NJT trains on the Northeast Corridor Line be denied access to the planned new tunnels, but Morris & Essex and Montclair-Boonton Line riders will be permanently evicted from the existing Penn Station and forced into the deep cavern. NJT management acknowledges that the climb from that facility to street level will take seven minutes; the same time it takes for a train to go nonstop from Newark to South Orange.

One of the ways the Corzine Administration plans to raise money to build the mega-project, including the deep-cavern terminal, is to apply a portion of revenue from highway tolls collected on the Garden State Parkway and New Jersey Turnpike to fund the project. This is a perfect example of a good idea used for the wrong purpose. Looking at the big picture, toll roads and

transit are both parts of an overall transportation system. It is reasonable to expect that motorists and truckers should pay their fair share of the cost of mobility in general.

Good transit, providing frequent service at reasonable fares, gives people an incentive to ride transit instead of taking their automobiles onto the roads. This ultimately reduces the cost of maintaining the highways and eliminates the need for costly road-widening projects that provide traffic lanes that are actually used for only a few hours each weekday.

The Corzine Administration projects that Parkway and Turnpike tolls will provide \$1.25 billion for NJT’s capital plans. That amount would provide a tremendous amount of transit service if it were used for the operating side of transit, instead. Tolls currently provide funding for highway maintenance, which is part of highway operations. It makes sense

that the same revenue source also be used for transit operations. Using highway toll revenue for transit operations would allow NJT to restore the service that has been eliminated during the past few years, on the M&E Line and elsewhere. It would also allow for needed service expansions, including weekend service on the Montclair-Boonton Line.

Frequent transit service means better mobility. This is what the people of New Jersey deserve, and it makes sense to use highway tolls to help pay for it.

NYC Subway and Bus Fares to Go Up, But It Could Have Been Worse

By **DAVID PETER ALAN**

The subway and bus fare in New York City will increase from \$2.00 to \$2.25 on June 28. A fare increase was widely expected, due to financial difficulties at the Metropolitan Transportation Authority (MTA). Regular riders now pay \$7.00 for four rides, or \$1.75 per ride. A four-ride MetroCard will cost \$8.00, or \$2.00 per ride. For commuters, the price of a monthly MetroCard will increase from the current \$81 to \$89. A day pass will cost \$8.25, remaining at fifty cents more than the cost of three base fares. Fares on Metro-North and the Long Island Rail Road will increase, as well.

It could have been worse. MTA officials circulated a plan this past spring that would have raised the base fare to \$2.50 and severely reduced service. The proposed cuts would have eliminated three subway lines and over 20 bus routes, including routes on Sixth Avenue and the Eighth Street Crosstown. Overnight service would have been eliminated on several other lines. These cuts have been averted, because other means of raising revenue will be implemented.

Morris & Essex and Montclair-Boonton Line riders connect with MTA subways and buses at Penn Station. Hoboken riders can connect with MTA transit by taking PATH to any of its stations in Manhattan. They can also take the Hudson-Bergen Light Rail to 34th Street in Bayonne and connect with the MTA’s S89 bus to Staten Island during peak commuting hours. A joint HBLRT/MTA pass is available for paying both fares on a single card.

Railgram

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