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MEMORANDUM OF SUPPORT

BILL: S.909 (Libous) / A.4376 (Morelle)

SUBJECT: Bridge and Road Investment and Dedicated Fund Guaranteed Enforcement Reform Act (BRIDGE)

DATE: May 8, 2015

The Associated General Contractors of New York State, LLC (AGC NYS) the leading statewide trade association representing the construction industry strongly supports S.909 (Libous) / A.4376 (Morelle), the "bridge and road investment and dedicated fund guaranteed enforcement (BRIDGE) reform act".

The Dedicated Highway and Bridge Trust Fund (DHBTF) was created in 1991 to fund the reconstruction, replacement, and preservation of New York's roads and bridges. Since its inception, the fund pays out a higher percentage on state operations and debt service than it spends on capital projects. Over the life of the fund, capital spending for projects has dropped from 50 percent to just 25 percent of its total expenditures. The BRIDGE bill would make more money available in the DHBTF for capital projects by removing expenses related to the Department of Motor Vehicles totaling \$563 million and by phasing out payments to the Department of Transportation for snow and ice removal totaling \$199 million.

The Department of Transportation oversees a state and local highway system that encompasses over 113,000 miles and more than 16,000 bridges. Currently 49% of New York's bridges are rated as structurally deficient or functionally obsolete. This is considerably more than the national average of 24.1%.

Our system of roads and bridges is in crisis and fiscal reforms along with new resources are necessary in order to sustain our infrastructure. Restoring integrity to the Dedicated Highway and Bridge Trust Fund and eliminating non-capital expenditures will result in an extra \$762 million available annually for road and bridge capital projects.

A 2014 report by the Oregon Department of Transportation (ODOT) concluded that allowing its state's major roads, highways and bridges to deteriorate would result in significant reduction in job growth and reduced state gross domestic product (GDP) as a result of reduced economic efficiency. The report found that the cost of making needed road, highway, and bridge improvements is far less than the potential loss in state economic activity caused by a lack of adequate road, highway and bridge preservation.

AGC strongly supports and urges the swift passage of S.909/A.4376 because it would provide increased infrastructure investment for a safe, reliable and efficient transportation system which is critical to the economy of New York State.