

Banking Committee

Public Hearing – February 14, 2018

SB 70 An Act Establishing the Connecticut Infrastructure Bank

SB71 An Act Studying the Establishment of a Northeast Regional Infrastructure Bank

HB 5968 An Act Concerning the Establishment of the Connecticut Infrastructure Bank

In support

Dear Senators Bergstein, Representative Santiago, and Members of the Committee,

The Connecticut Construction Industries Association, Capitol Region Council of Governments, Transit for Connecticut, and the Connecticut Association for Community Transportation support these bills for the reason that the existing revenue streams and financing mechanisms sustaining the state's transportation programs cannot keep pace with the State's mounting transportation needs. An infrastructure bank would provide an additional means to help fill a growing gap between current revenue streams and much needed transportation investments. However, it is important to note that an infrastructure bank will not address the current revenue challenges facing the Special Transportation Fund. An infrastructure bank can be part of a comprehensive strategy.

A state infrastructure bank in Connecticut would provide funding for projects that are not easily supported through the existing federal and state public transportation and highway programs. It would enhance a long-term stable funding source by providing new financing mechanism and new funding for projects, which would leave more of the traditional funding in the core transportation formula programs.

In Connecticut, there are several mega-projects in the preliminary engineering process. Any one of those projects, by itself, could devour the state's current transportation revenue streams. If one or two of those projects are funded by an infrastructure bank, more resources would be available through the core programs and the state would be in a better position to meet its maintenance and expansion needs. Likewise, there are many other projects that ConnDOT has not begun to address due to a lack of funding sources. An infrastructure bank may be the ideal funding mechanism to fund one or more of those projects, which may not otherwise be delivered in the future.

An Infrastructure Bank could provide several benefits. It could fill a clear void that exists in federal and state transportation policy to support large-scale projects of regional significance. An Infrastructure Bank could bring more revenue from local and private sources into the infrastructure funding scheme. Likewise, the competitive process created under an infrastructure bank would help ensure that the best projects move forward. As such, we urge the General Assembly to pursue an Infrastructure Bank as a supplement to robust state public transportation and highway programs.

Connecticut needs to develop new revenue streams and financing mechanisms, such as an infrastructure bank to meet its transportation needs into the future. Establishing an infrastructure bank could be a valuable part of the comprehensive long-term plan to sustain

the transportation systems Connecticut needs. Additionally, the state infrastructure bank may also lend itself to other applications, such as Clean Water projects that are facing similar funding challenges.

We believe there is substantial potential in an Infrastructure Bank to leverage new infrastructure dollars and create a new merit-based process to select and deliver much-needed upgrades to our transportation systems. We stand ready to work with you as these proposals develop.

Thank you for this opportunity to testify today. This discussion is important to putting Connecticut's public transportation and highway programs on a solid foundation of fiscal stability.

Respectfully submitted:

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