

**Report to P-4 President John Vitale and the P-4 Council on  
The 10<sup>th</sup> Annual Conference of the National Association of State Highway and  
Transportation Unions (NASHTU)**

**Building Alliances**

**Taking Our Message of Reform to the Nations Capitol**

From April 28<sup>th</sup> through April 30 2009, Kevin Ng and I had the privilege of representing our fellow members in CSEA/ SEIU Local 2001 at the 10<sup>th</sup> National Association of State Highway and Transportation Unions (NASHTU) Annual Conference in Washington, DC. As affiliates of NASHTU, we have sent a delegation to this conference each year since NASHTU's inception. We discussed and networked on the issues of; contracting-out, privatization and public-private partnerships (PPP's/3Ps), and we discussed solutions for preventing outsourcing at both the Local and Federal level.

NASHTU is comprised of 38 unions and affiliates from 20 states and the District of Columbia representing hundreds of thousands of state and locally employed transportation engineers, construction managers and inspectors, technical workers and related public servants from throughout the United States. Our collective goal, as stewards of the taxpayer money, is to ensure that public transportation dollars are spent wisely on cost-effective, efficient and safe projects that serve the public interest.

Sixty-five attendees from fifteen states came together for this year's conference, and it is clear that we are not alone in our fight to keep public sector work public. Due to the present worldwide economic climate, the conference began with depressing news from the delegates reporting on "concession packages" that each of their own states are facing. Comparing with others, ours is very similar.

Highlights on the 1<sup>st</sup> day conference

Maryland Congresswoman Donna Edwards (D-MD) began the Conference by reporting that Washington is aware that State budgets are strapped and our infrastructure is collapsing due to the lack of investments in transportation. She serves on the Transportation and Infrastructure Committee and the Subcommittee on Highways and Transit. She knows first hand of the transportation problems as she is a victim" of having to use public transportation to get from her home to DC on a regular basis and is committed to support transportation initiatives. She further indicated that there would be major changes from the existing transportation bill (SAFETEA-LU). Under the reauthorization bill, the federal government is focusing on the subjects of rail, public transit, traffic safety, air pollution, security and maintaining the existing highways. She acknowledges that the current federal gas tax is unable to support the Transportation Trust Fund (TTF), which uses to fund the SAFETEA-LU program; congress needs to provide both long and short term funding strategies. Increasing the current federal gas tax by 10 cents/gallon can provide short-term relief on the TTF. However, using the Vehicles Miles Traveled (VMT) tax may be a long-term solution to fund the TTF. Last year, the federal government granted 4 million dollars to the State of Ohio to conduct a pilot program for the Vehicle Miles Traveled (VMT) program.

Subsequent speakers were:

Mark Sheahan, President of the Professional Engineers in California Government (PECG) who indicated that NASHTU needs to stay committed to the elimination of the practice of awarding no-bid contracts. This practice perpetuates cost overruns and allows of a lack of oversight. These are core governmental tasks that need to be conducted by governmental, public sector employees.

Dennis Houlihan from AFSCME and Kathy Dedrick, Senior Policy Director for Transportation, Senate Committee on Environment and Public Works discussed the Federal Stimulus Legislation (ARRA) and the Transportation Reauthorization Legislation. The bill has not been reduced to text at the time of this report. Ms. Dedrick reported that the bill structure needs to be revamped to be more accountable and include performance measures. Congestions need to be addressed, particularly in freight and safety needs to be a priority. The bill will need 66 billion dollars to maintain current programs. A federal gas tax increase and possibly using VMT as a taxable option are currently being explored. A useable VMT tax program is at least 10 years out and there currently is no will in DC to raise the federal tax on gasoline. So finding a mechanism to fund the Highway Trust Fund will be a monumental challenge as it will be a six year bill. Ms. Dedrick further indicated; that donor States need to understand that the federal highway program must distribute federal dollars to donee States; the congress has taken issue with situations like Chicago and Indiana selling toll roads to private concerns; there is interest in channeling federal transportation funds directly to RPO's and MPO's rather than going through State DOT's and let the RPO's and MPO's manage the funding themselves and there is approximately a 50-50 split on the concept allowing design build.

Mr. Ed Wytkind, President of the Department of Transportation Trades Department, AFL-CIO, discussed "the era of the labor movement" under the Obama administration. Mr. Wytkind also addresses the concerns on our nation's transportation system. He indicated that it will take approximately 2.25 trillion dollars to completely overhaul and then and additional 500 billion dollars to maintain our nation's transportation system, respectively which is based on the American Society of Civil Engineers (ASCE) data. The transportation bill must increase the federal gas tax - there is no other way at this time to raise the necessary revenue to fund the legislation. He further discussed the possible funding sources for the next federal transportation reauthorization bill (the current SAFETEA-LU legislation will expire on September 30, 2009). On PPP's, they have become a distraction. States are actually "selling bridges". We must ask the question, "What problem are we solving by implementing the PPP concept?" PPP's have a role, but it should be well defined. Currently, 30,000 workers a day are losing their jobs; mass implementation of PPP's is not the mechanism to correct that trend.

Jack Basso, Director of Management and Business Development of AASHTO, spoke on the need to get "back to basics". The transportation Trust Fund is broke. The challenge will be determining how much funding will be needed, what we will use it for, how will revenue be generated and what role the Federal Government will play in its use. Mr. Basso commented that the good news is that there is a high priority to the infrastructure authorization and

that it is underway. The bad news, again, is that the Highway Trust Fund is broke and there is no support to raise the gas tax.

Massachusetts Congressman Stephen Lynch (D-MA) spoke on the need to redirect federal resources. Congressman Lynch is an Ironworker by trade and a card carrying member. He keeps a pair of work boots in his DC office to constantly remind him not to lose sight of his roots. He elaborated on the lack of oversight on spending in Iraq has squandered federal resources that could have and should have been used here at home.

Terence Letko, Program Director for Office of the Assistant Inspector General Acquisition and Procurement Audits spoke on the role of his office, auditing instances of suspected misuse of resources. Their office is ready to assist and is always a resource if anyone suspects misuse of federal dollars. Reports of suspected misuse can be made anonymously.

In the afternoon, one of the speakers was the Honorable Ray LaHood, U.S. Secretary of Transportation. Secretary LaHood's primary goals is implementing President Obama's priorities for transportation include safety across all modes, restoring economic health and creating jobs, sustainability - shaping the economy of the coming decades by building new transportation infrastructure, and assuring that transportation policies focus on people who use the transportation system and their communities. One point of concern with Secretary LaHood is his favorable views on public private partnerships or PPP's. This stance is in direct contrast to NASHTU's position that while PPP's may have their place - they should not be the benchmark for conducting business. When he was questioned on his position on PPP's by one of the NASHTU delegates from another State, Secretary LaHood orated "Well, I guess you and I have a fundamental difference of opinion on this subject." However - on a positive note the Secretary indicated he would be willing to have a discussion with the NASHTU leadership on this very subject.

Bruce Quintero and Dennis O'Campo - Senior Special Agents Investigative Operations from U.S. DOT Office of Inspector General (DOT/OIG) discussed several cases where they investigated misuse of Federal Transportation funds. Some times suspected fraud investigations don't turn up any credible information, however most of the time suspected misuses end up being substantiated.

Jennifer Munt, Public Affairs Director, AFSCME Minnesota Council 5 spoke on the need for member involvement and eliminating member apathy with respect to fortifying union member involvement and strengthening commitment to union ideals and goals.

#### Highlights on the 2<sup>nd</sup> day conference

We spent most of the morning to discuss the advantage and disadvantage on PPP's and the practice of design-build and heard stories on Pennsylvania Turnpike (I-80) from our speakers whom were:

Burce Blanning, Professional Engineers in California Government addressed the toll road situations previously mentioned in this report. These action raise revenue for the short term, but then the revenues collected from daily operations go directly into these foreign

companies coffers. PPP's have not worked. Toll roads depend on congestion as a revenue stream. It is and has been a goal of transportation to eliminate congestion, so the toll road concept is no longer viable for increasing revenues.

Rich Ferlato, AFSCME, commented on how foreign investors are seeking inflation proof, non-volatile investments which makes public assets enticing. The stock market and/or hedge funds are currently much too volatile for their liking - thus they are drawn to infrastructure.

Michelle Vaugh, Senior Associate, PEW Center on the States, reported how, with proper management and evaluation, some aspects of PPP's can be good. Many States were watching Pennsylvania as they attempted a PPP. What happened was:

- 11/2009 Needed 1.7 Billion for additional needs
- 7/2007 Act 44 passed
- 5/2008 Winning bid of 12.8 billion announced
- 9/2008 Albertis and Citigroup withdrew bid
- Today - still have the deficit

For thought - did policy makers have the information they needed to make proper decisions? Did they have; (1) decision making process, (2) deal making process, (3) proper financial analysis and (4) oversight and management of the PPP? What Pennsylvania did right was they identified needs, conducted due diligence prior to negotiation bids and the bidding process was well run and produced a quality bid process. However the process was undermined because; (a) Rendell administration was at odds with the general assembly, (b) there was a lack of legislation, (c) financial assumptions were overly optimistic, (d) no state plan for funds to be invested, (e) short term perspective applied to a proposal with long term implications.

Scott Amey - General Counsel, Project on Government Oversight reported that contracting out is a front burner issue for his office. There have been between 250 billion and 500 billion in contracted out activities since the terrorist attacks of 9/11/2001. The Department of Defense currently contracts out 40% to 45% of the work they are charged with carrying out.

Before the morning session was over, we were one of three states invited to conduct a PowerPoint presentations. Ours was entitled "**How We Got Here and Where We Are Going in Connecticut?**" It was well received by the NASHTU delegation. (Thanks for Matt O'Connor's hard work on the PowerPoint). A copy of the PowerPoint presentation will soon be found on <http://www.nashtu.us/> or a digital copy can be obtained from Stephen P. Livingston by sending a request to [slivingston4@cox.net](mailto:slivingston4@cox.net)



Stephen P. Livingston presenting to NASHTU

We spent much of the afternoon conducting grassroots lobbying of our Connecticut Congressional delegation on two bills - Public Inspection sponsored by California Representative Robert Filner and Cost-Benefit Analyses sponsored by Michigan Representative Carolyn Cheeks Kilpatrick to have them included in the next federal transportation reauthorization bill. In addition, we also lobbied against the practices of so-called public-private partnerships (PPP's/P3s) and design-build, which have proven to waste transportation funds, delay projects and allow private contractors to inspect their own work.

While we met with the staff of some of our delegation, Congressman Chris Murphy (D-CT 5) and Joe Courtney (D-CT 2) actually made time to meet with us and to listen to our issues.



**P-4 Council Member Kevin Ng, Congressman Chris Murphy, and Council Member Stephen Livingston lobbying at the Congressman's Washington, DC Office**



**P-4 Council Member Kevin Ng, Congressman Joe Courtney, and Council Member Stephen Livingston lobbying at the Congressman's Washington, DC Office**

On the last day (3<sup>rd</sup>) conference, we participated in a round table discussion on our common issues and challenges. The primary focus of our discussion was determining what we all must do to keep our coalition in NASHTU going forward!

Kevin and I were honored and privileged to have been given the opportunity to represent our Union brothers and sisters at this National Forum, to present on the successes Connecticut has fought so hard to achieve and to lobby our Connecticut Delegation in Washington DC on the issues important not only to our Local, but to the Labor movement on a whole.

Respectively submitted,

**Stephen P. Livingston**

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