

# STATE OF CONNECTICUT

## DEPARTMENT OF TRANSPORTATION

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Office of the  
Commissioner

April 20, 2018

An Equal Opportunity Employer

The Honorable Dannel P. Malloy  
Governor  
State Capitol  
210 Capitol Avenue  
Hartford, Connecticut 06106

Dear Governor Malloy:

I am writing to inform you of the economic and other impacts of the rail and bus fare increases and service reductions that are necessary components of the Department of Transportation plan to balance the Special Transportation Fund for SFY 2019 due to the deficits and insufficient debt service capacity in the budget adopted by the Legislature in October 2017. This letter does not address the significant non-transit operating and capital reductions that also are in the SFY19 STF balancing plan. Nor does it address the comparable or greater actions required to balance the STF in SFY20 -23.

The Department held seven public hearings augmented by nine community meetings in Hartford, New Haven, Groton, New London, Danbury, New Canaan, Greenwich and Norwalk to obtain public input regarding the proposed budget actions. Over 400 people attended the public hearings. More than 650 comments were submitted in writing and by email; and one petition with 4625 signatures was submitted. The Department has copies of the complete written and oral testimony.

The evidence of the enormous harm that fare increases and service cuts will cause is compelling.

- The fare increases and service cuts will cause the loss of an estimated **6.5 million** trips a year and almost **2400** people unable to get to work, school and health care.
- The annual collective negative economic impact of the proposals is estimated at **\$117.8 million**.
  - The added costs of driving and additional travel time will cost \$30 million annually.
  - The economic impact to Gross State Product, due to lost employment productivity from the reduction in bus and rail service is \$64 million annually.
  - The additional annual hours of delay on I95 due to rail service cuts is \$13.6 million.
  - The additional annual impact to vehicle operating costs due to these rail service cuts is estimated to be \$10.2 million dollars.

These statistics tell only part of the story. These actions will gut all of the progress made in recent years to provide the options and connectivity for our citizens through the services of Shore Line East, the New Canaan Line, the Danbury Line and the Waterbury Line as well as bus and paratransit services across the state.

The real impact of these changes can be seen in the personal testimonies that illustrate as numbers and words cannot, the negative impacts for Connecticut residents and our economy. The inability to get to critical treatments like dialysis or access critical care by transit due to lack of facilities in key regions of the state would devastate individuals and families. Even the threat of the potential rail service cuts

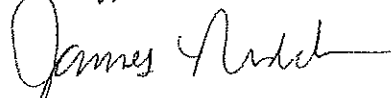
resulted in the decision not to buy a house in Connecticut, and the long term impacts of lack of affordable and available rail and bus service will cause people to make locational decisions to leave or to choose other states to live and work.

As Commissioner of the Department of Transportation with a mission to provide a safe and efficient intermodal transportation network that improves the quality of life and promotes economic vitality for the State and the region. I cannot support implementation of these bus and rail fare increases and service cuts. These actions would undo decades of investment in our transportation infrastructure and initiate an economic death spiral for our economy. However, I may have no choice. The obvious alternative to these draconian actions is to fully support the revenue needs of the Special Transportation Fund in this Legislative session to fully avoid the fare and service cuts and to restore funding for the critical capital investments needed for our transportation system.

I want to clearly emphasize that is critical that the revenue solution be sufficient to fully avoid the service and fare impacts in FY2019. A partial funding solution for FY2019 would force the Department into a new six to nine-month process to prepare entirely new budget proposals, hold hearings and perform the Federal program compliance requirements. The postponement would only result in magnifying the potential impacts since there would only be a partial year to achieve annual budget targets.

To summarize, I do not support any of the proposed fare increases or service cuts based on their impact on Connecticut riders or our economy. However, If the Legislature does not act to solve the Special Transportation funding shortfall by mid-May, the Department of Transportation will reluctantly take every step necessary to implement the changes in compliance with the commitments made to support the January 2018 sale of Special Transportation Obligation bonds.

Sincerely,

A handwritten signature in black ink that reads "James Redeker". The signature is written in a cursive style with a long horizontal flourish extending to the right.

James Redeker  
Commissioner