NEW ENGLAND REGIONAL COUNCIL OF CARPENTERS

United Brotherhood of Carpenters and Joiners of America

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TESTIMONY OF GLENN MARSHALL BEFORE THE TRANSPORATION COMMITTEE, AUGUST 19, 2009, CONCERNING THE ARRA STIMULUS

Senator DeFronzo, Representative Guerrera and members of the Transportation Committee, my name is Glenn Marshall. I am the President of Carpenter's Local Union 210, which covers western Connecticut, and I am also the District Business Manager for the Connecticut Carpenters. Thank you for giving me an opportunity to update the committee regarding our concerns about the American Recovery and Reinvestment Act.

According to economists the current recession officially began in late 2007, but it wasn't until August/September of 2008 that we saw the impact on our membership and on our contractors. As work finished up on projects in the fall and winter of 2008, carpenters were laid off and there were very few new projects to send them to.

So, we were extremely hopeful when the new Congress quickly enacted the $787 billion American Recovery and Reinvestment Act, and President Obama signed it into law in February. We were hopeful that our contractors and our members would be going back to work in time for the summer construction season.

Unfortunately, it hasn't quite worked out that way.

Today, the official unemployment rate for Connecticut is 8.1%, but the numbers are much worse for Connecticut construction workers. For example, we have 800 carpenters currently out of work in Connecticut. We have more than 4,000 active members—so our unemployment rate is at least double the overall unemployment rate for Connecticut. To make matters worse, many of our carpenters have been unemployed for more than a year.

The results of this long-term unemployment are catastrophic for our members and their families. Foreclosure rates are up significantly in our state, particularly in Bridgeport, where more than 7% of the homes have been in foreclosure since 2005. Unemployment insurance is ending for some because Connecticut has not had an employment rate of over 8% for three consecutive months. And finally as partisan bickering continues in Washington over health care, more of our members and their families are losing eligibility for health insurance because they have been out of work for so long.

We were happy to see that two of the largest transportation projects, namely the Amtrak bridge in Branford and the Trumbull/Fairfield Merritt Parkway project totaling more than $140 million of the $202 million awarded to the state for transportation projects, were finally started this month.

There is only one problem. No carpenters have been hired yet on the Trumbull/Fairfield Merritt Parkway project, and few will be. That is because the so-called "shovel-ready" projects are primarily pavement improvements. According to a recent report from the General Accounting Office, nearly 70% of the transportation money in the stimulus bill has gone to pavement improvements or widening. Only 10% of the stimulus transportation money has gone to bridge improvements or replacement---projects that employ far more carpenters than just paving.

So, it doesn't surprise me that a recent USA Today poll found 57% of adults surveyed nationwide say the stimulus package is having little or no impact on the economy.

I walk into my office every morning and have to tell my fellow carpenters that there are no jobs. We have longtime Connecticut construction companies that are shutting their doors. The other companies are just barely hanging on, with skeleton crews, hoping to stay in business until this so-called Great Recession finally comes to an end. And when a project does go out to bid, the competition is cut throat. This spring, for instance, a Bridgeport school project went out to bid and there were nearly 100 bidders.

So, I urge the members of the committee, the General Assembly, representatives from the agencies and the Administration to do what they can to get Connecticut back to work. Resolve the budget stalemate so that the bonding package can be approved. Support efforts in Congress to pass the reauthorization of the Federal Highway Bill as soon as possible, since it will create jobs on major projects.

Thank you for your time. I will be happy to answer any questions.

Specific Projects:	
CT Children's Medical Center	$875,000
New London	$2,004,538
Norwich	$1,699,588
Waterbury	$3,000,000

Project Based Rental Assistance **$48,256,866**

Description: the Section 8 Program was authorized by Congress in 1974 and developed by HUD to provide rental subsidies for eligible tenant families (including single persons) residing in newly constructed, rehabilitated and existing rental and cooperative apartment projects. HUD will use the money provided to fund contract renewals on a full twelve-month cycle. There are 140 contracts throughout Connecticut will be fully funded. This will avoid the payment disruptions that have occurred in recent years and enable owners to maintain their properties in an acceptable condition.

Connecticut	$48,256,866

Highway Infrastructure Investment **$302,053,956***

The funds are available for transportation projects including resurfacing and pavement preservation projects, traffic signal system upgrades, bridge projects, transit projects, and intelligent transportation systems.

State Transportation Projects	$202,376,150
Specific Projects:	
Trumbull/Fairfield - Merritt Parkway Projects	$70,800,000
Branford - Route 1 Amtrak Bridge	$73,000,000
Statewide Resurfacing Projects	$18,800,000
Northwestern CT Bridge Joint Replacements	$5,000,000
Enfield - Route 5 Bridge over I-91	$7,000,000
Westport - Hales Road Bridge over Metro North	$4,300,000
Old Saybrook - Balwin Bridge Joint Replacement	$3,342,000
Ashford - Route 89 Bridge over Mount Hope Rvr	$1,450,000
Statewide - Repair/replace overhead sign supports	$6,000,000
Manchester - Traffic Control Signal at Slater Street	$270,000
Statewide - Traffic Signal Installation	6,900,000

(Communities where projects will occur: Ashford, Clinton, Columbia, Darien, Fairfield, Granby, Haddam, Hartford, Hebron, Ledyard, Marlborough, Naugatuck, New Britain, Newington, Norwich, North Stonington, Old Saybrook, Plainville, Plymouth, Redding, Ridgefield, Shelton, Stratford, Trumbull, Wallingford, West Haven, Westport and Windham)

Statewide - Roadside Safety Improvements	$3,500,000

****Sub-allocated Funding*** ***$90,616,187***

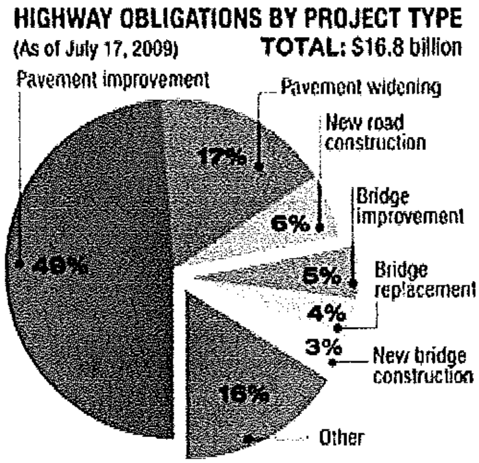
McGraw_Hill CONSTRUCTION ENR

Repaving Projects Dominate ARRA Highway Funding

08/12/2009
By Tom Ichniowski

State highway agencies have taken the term "shovel-ready" to heart, so far devoting nearly half of the American Recovery and Reinvestment Act dollars to pavement improvements, according to a recent report from the U.S Government Accountability Office.

That information has drawn a mixed response in Congress. House Transportation and Infrastructure Committee Chairman James Oberstar (D-Minn.) says the focus on such projects was expected. But Rep. John Mica (Fla.), the committee's top Republican, wants to see more stimulus funds used for large projects.



Source: GAO analysis of FHWA data
Highway obligations by project type

In another stimulus development, the U.S. Dept. of Transportation's Inspector General issued an Aug. 6 advisory, raising questions about some Federal Aviation Administration ARRA airport grants. But DOT Deputy Secretary John D. Porcari was quick to defend the grants.

Testifying before Oberstar's committee on July 31, Katherine A. Siggerud, GAO's managing director for physical infrastructure issues, reported that, as of July 17, $8.3 billion, or 49%, of the $16.8 billion in ARRA highway obligations, had gone for pavement improvements. Pavement widening accounted for another $2.8 billion, or 17%. Only $1.1 billion, or 6%, had been obligated for new road construction and another $1.2 billion, or 7%, for new bridge construction and bridge replacements.

Mica said he didn't fault state agencies for picking "low-hanging fruit" by using stimulus aid for paving. But he added, "We have very few projects on the horizon of a large, significant nature that will employ people long-term....Unfortunately, the stimulus package is just leaving the big projects behind."

Oberstar said there had been "hand-wringing" by economists that ARRA projects were "quick hitters," but added that was expected. He said longer-term highway projects would be covered by the six-year surface transportation bill he has proposed.

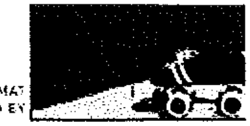
Siggerud told the committee complicated projects will take longer to build. "That is why you see such a high percentage of repaving and rehabilitation because these are the projects that could be bid quickly and done during this construction season," she said.

On the aviation front, DOT's IG office reports "the economic merit of some FAA-approved [ARRA airport] projects may be subject to question and some projects may involve recipients with histories of grant management problems." The IG cited six grant-winning projects that scored lower on FAA's National Priority Rating system than the percentage goal the agency had set for priority ARRA consideration. The IG said the projects' "economic merit—a key ARRA requirement—may be questionable." Grants include $28.6 million to Akiachak and Ouzinkie, Alaska; as well as $9.9 million to Findlay Airport, Ohio; Wilbur Airport, Washington; Skyhaven

Airport, Warrensburg, Mo.; and an airpark near Dover, Del.

"FAA carefully ensured that each grant issued using recovery-act funding fully complied with applicable statutory requirements," DOT's Porcari said.

The New York Times



May 17, 2009

Connecticut Foreclosure Crisis Appears to Be Worsening

By CHRISTINE HAUGHNEY and JANET ROBERTS

BRIDGEPORT

FOR Sandra and Curtis Davis, one of their most vivid memories is the blustery October afternoon in 1998 when they moved into their two-story clapboard colonial on a tree-lined street here. Ms. Davis said that they were “over the moon happy” about “finally putting down roots.”

These days, they are grappling with an equally vivid nightmare: that the sheriff will knock on their door and announce that the bank is their new landlord.

For nearly two years since they got their first foreclosure notice, the Davises said, they have been trying to hold onto their home. The latest effort was to file for bankruptcy to buy themselves time to renegotiate their debt, a move they made after learning that their home was scheduled to be put up for auction for a third time.

“This could have been solved a long time ago,” Ms. Davis, 41, a registered nurse who works at a nursing home in Stamford, said on a recent weekday morning, sitting on her worn, tan dining room carpet while pulling manila folders and foreclosure handbooks from a green trash bag. “Our hands are really tied right now.”

More than 27,000 homes in Fairfield, Hartford, Litchfield and New Haven Counties were in some stage of foreclosure between January 2005 and August 2008, according to an analysis by The New York Times of data from the Warren Group. These counties have fared better than other parts of the New York metropolitan area. Their 3.3 percent average foreclosure rate falls below New York City’s rate of 4.6 percent and Long Island’s 3.7 percent rate.

However, there are indications that the foreclosure crisis could be worsening in Connecticut, based on statewide data on mortgage delinquencies showing that in March, 4.8 percent of the mortgages held by Connecticut homeowners were at least 90 days past due. That is up from 2.7 percent a year earlier.

This gives Connecticut the 13th-highest delinquency rate among the 50 states, according to First American CoreLogic, which collects data on about 85 percent of the nation’s residential mortgages. Connecticut’s rate is about the same as New York State’s and below New Jersey’s and far below the rate in Florida, where more than one in five homeowners are behind.

But Connecticut has its share of foreclosure problems, spreading through its cities and touching its wealthier suburbs.

Just as occurred elsewhere in the region, the analysis of foreclosure data in Fairfield, Litchfield, Hartford and New Haven Counties shows that neighborhoods with large numbers of minority homeowners have been hit hardest. These are the same neighborhoods where bank data shows a high level of subprime lending practices in recent years. In the four counties studied by The Times, census tracts with mostly black or Hispanic populations had foreclosure rates more than triple the rate in mostly white areas.

The cities of Bridgeport, New Haven, Waterbury and Hartford accounted for roughly one-fourth of the foreclosures in the four counties during the 44 months The Times analyzed. Though pockets of all four cities have recorded some of the worst foreclosure rates in the region, politicians and housing counselors call Bridgeport the epicenter of the foreclosure crisis in the state. More than 7 percent of homes in the city have been in foreclosure since 2005.

Wealthier, mostly white suburbs have not been immune to the crisis. Detailed mapping analysis by The Times shows that the rate of foreclosures has increased in New Milford, Canaan and Torrington. Delinquency rates in those areas also have increased — by 50 percent or more in the past year.

"I see foreclosures in all of the towns in the judicial district," said Judge Douglas C. Mintz of Superior Court for the Stamford Norwalk Judicial District, who presides over the foreclosure docket in Stamford. "There's certainly foreclosures occurring everywhere."

But there are also thousands of Connecticut residents who are struggling to keep up appearances and technically avoid foreclosure. Attorney General Richard Blumenthal said he is finding that his office struggles to get ashamed homeowners to admit that they have become victims of fraud. They hold a "general perception about wealth" that they shouldn't have money troubles, Mr. Blumenthal said.

In many cases, the state's wealthier residents manage to avoid foreclosure by enlisting lawyers early in the process. Eileen Pate, a Greenwich-based lawyer, represents one family who fell into foreclosure after using their home to finance their two children's Ivy League educations. She is helping them negotiate an agreement with their bank to modify the loan.

Then there are wealthy residents who are resorting to short sales — selling their houses, under an agreement with their lenders, for less than the amount of the mortgages — to avoid foreclosure and destroying their credit.

Burt M. Hoffman, a Stamford-based lawyer, said he had been inundated by builders, investment bankers and corporate executives trying to do short sales of homes with mortgages worth more than $2.5 million each in the past two months. During the same time last year, he said, he did not have any deals for mortgages exceeding $1 million. He said homes in Greenwich, Darien and New Canaan are "sustaining the most severe impact."

The state has taken some recent steps with immediate fixes like foreclosure counseling and longer-term solutions like job training programs, State Senator Bob Duff of Norwalk said. But he said that many of these programs had been overwhelmed by the number of people who now are unemployed and struggling to pay their mortgages.

The Obama administration has only recently put together the pieces of its two-month old plan to help homeowners avoid foreclosures and so it is too early to say what impact the program may have here.

For now, many foreclosure counselors and agencies said they did not have enough resources to help all of the homeowners seeking help and they had trouble keeping up with changing programs and regulations.

Joan Carty, president and chief executive of the Stamford-based Housing Development Fund, said it is especially difficult because many Connecticut residents did not have standard government loans backed by Fannie Mae or Freddie Mac. Instead, many of them took out private loans that enabled them to take out larger mortgages.

For some homeowners, it has been a challenge to get help after foreclosure. Tiffany Hinson, 37, said she went into foreclosure on her four-bedroom ranch in Manchester in late 2007 after she fell behind on her mortgage because she had missed work after her divorce. She first hired an agency for $1,700 to help her negotiate with her bank, but it was shut down by a federal investigation, and Ms. Hinson fell behind even more.

Then she contacted a foreclosure counseling group that she said she found through the state's foreclosure hot line. The group was supposed to restructure her mortgage, but she said her counselor sent the paperwork to the wrong fax number and the courts technically foreclosed on her home in February. After contacting several local politicians and working with Neighborhood Housing Services of New Haven, Ms. Hinson said she was finally able to get her home out of foreclosure.

She said she is now waiting for her lender, Aurora Loan Services, to accept her mortgage payments again.

"You don't have to sit back and let your home be taken away," Ms. Hinson said. "It just makes me sad that people don't know."

The Davises, who have six children ranging in age from 5 to 18, acknowledge that choices they made over the years contributed to their financial problems. Their original monthly mortgage payment on the four-bedroom house, which they bought for $101,000 in 1998, was $956 — a payment they easily managed on Ms. Davis's salary as a nurse and Mr. Davis's job at the Clairol plant. But in 2004 and 2006 they took out additional mortgages to finance car payments and pay off dental bills, ultimately consolidating the debt into a $1,500-a-month adjustable rate loan.

They fell behind after illnesses in 2005 forced them to take time off work, and their interest rate rose to 11.2 percent in 2006. Ms. Davis said they could not keep up with plans that raised the payments to roughly $3,500 a month. Records show that Wells Fargo started foreclosure proceedings in February 2007.

The Davises said they have tried a succession of strategies to renegotiate their loan. In August 2007, they contacted the Neighborhood Assistance Corporation of America in Jamaica Plain, Mass., which submitted an application to modify their loan. Darren Duarte, a spokesman for the group, said the Davises's servicer, HomEq, did not cooperate. Brandon Ashcraft, a spokesman for HomEq, said that its recidivism rates track well below those reported by the larger industry.

Next, the Davises said, they contacted Julissa Soto, a housing counselor with the housing advocacy group Acorn in Bridgeport. According to the Davises, Ms. Soto told them that if they sent a $10,000 "good-faith" payment, the bank would give them a deal starting at $2,813 a month with an 11 percent interest rate.

But the Davises declined to pay that much money, fearing they would need the money if they had to move. Ms. Soto did not respond to telephone calls or e-mail messages.

Finally, the Davises hired Gary Seymour, a bankruptcy lawyer, who told HomEq its good-faith payment demand was too high. Mr. Ashcraft said that it is standard for HomEq to request these payments.

On Mr. Seymour's advice, the Davises filed for bankruptcy and sued their mortgage holder, Wells Fargo, arguing that it did not technically own the mortgage when it began foreclosure proceedings.

Ms. Davis has reached out to their families for help, but they, too are under financial stress.

"They've been praying for us," Ms. Davis said. "But nobody has any money. Everybody is pretty much struggling themselves."