

**Banking Committee**  
**Tuesday, March 2**

**Senate Bill 150: AN ACT ESTABLISHING THE CONNECTICUT INFRASTRUCTURE AUTHORITY**

Senator Kasser, Representative Doucette, Senator Bernhel, Representative Delnicki and members of the Banking Committee:

My name is Travis Woodward, I am an engineer with the Connecticut Department of Transportation and the president of the CSEA SEIU Local 2001 P-4 Council, a bargaining unit which includes our State's engineers, scientists, and information technology professionals. I offer the following testimony regarding Senate Bill 150: AN ACT ESTABLISHING THE CONNECTICUT INFRASTRUCTURE AUTHORITY.

CSEA members and other front-line workers in the Connecticut Department of Transportation, and throughout state service, have long called attention to the need to upgrade our State's aging highway infrastructure. While ideas like infrastructure banks and public-private partnerships have the potential to play roles in achieving that end, it is important that clear and well-defined safeguards are in place to ensure the protection of public safety and public dollars.

CSEA members appreciate that lines 159 through 163 of SB 150 recognize the vital role of the contracting provisions in Section 4e of the Connecticut General Statutes. Section 4e-16 includes taxpayer protections like the oversight provided by the State Contracting Standards Board and requirements for cost-benefit analyses. The State Contracting Standards Board and the other clean contracting language in Section 4e-16 will help ensure the resources and projects of the Connecticut Infrastructure Authority, and Connecticut taxpayers, are better protected from waste, fraud, and the actions of unworkly contractors.

We also suggest that any private entity that is awarded a contract through the Authority should provide a performance bond that is to be paid in advance and last for the term of the project. In doing so, real risk managers, such as the bond companies, will appropriately assess the risk and this will provide an additional protection for taxpayers.

Lines 167 through 194 of SB 150 detail the composition of the board of directors of the Authority. In the bill as written, the board will include a "representative of a labor organization appointed by the Governor". We respectfully suggest that the board of directors include at least one representative from each of the labor organizations representing workers in the Connecticut Department of Transportation. And at least one representative from each of the labor organizations that represent municipal employees who work in the areas of transportation, infrastructure, or public works. Additionally, all labor representatives should be appointed by the labor organization of which they are a member.

Lines 242 to 251 direct the board to submit a status report on the work of the Authority to the United States Department of Transportation and "the joint standing committees of the General Assembly having cognizance of matters relating to banking, commerce, energy and technology, the environment, finance, revenue and bonding and transportation." We believe a copy of this report also should be sent to the State Contracting Standards Board.

We would also like to call attention to lines 281 through 289 that will further protect taxpayer dollars and interests by barring bad contractors from being awarded contracts by the Authority. Contractors should not be able to evade the consequences of their actions by moving operations to another state. Contractors barred by other states or the federal government should have no role in our great state.

SB 150 makes several references to Public-Private Partnerships, sometimes called P3s. P3s are often sold to us as a fix to crumbling infrastructure, a way to boost economic growth, or a way to shift public risk to a private contractor. The reality is that when considering Public versus Public-Private Partnerships, always remember, it's either the taxpayers pay or the taxpayers pay.

Instead of contracting out an individual project as we do now, a P3 sells public assets to be administered by for-profit contractors. If loose P3 language exists, private contractors could assume quasi-governmental status and will place profits over the needs of the people.

When P3 projects fail, they fail badly, and taxpayers are left holding the bag. Often this debt is handed off to the next generation of taxpayers. The only way public-private partnerships work is with public trust and transparency. One of the most scandalous examples of P3s gone wrong is Texas Highway 130. This 30-year P3 was signed in 2006 and tasked with maintaining a 41-mile stretch of highway between Austin and San Antonio.

- Within several years of the company's "lease," the road was in desperate need of repair and lack of oversight caused nearby homes to flood;
- Although many of the companies involved made a lot of money on the deal, the private consortium that won the project itself filed for bankruptcy with \$1.6 Billion in debt; and
- Throughout the bidding process they were allowed to make their own traffic projections. Even after the company took control of the highway, this information was considered proprietary information and never made available to the public.

We believe the following principles should guide the approach to public-private partnerships:

- The public must maintain democratic control of infrastructure as well as the ability to make public policy decisions in the future. Contract clauses should not hinder governing bodies in their policy making responsibilities at any point during the contract term;
- Robust and broad public participation in decision-making processes is necessary to ensure infrastructure projects are chosen to meet priority community, employment and economic needs;
- Public infrastructure development, financing, maintenance and operation should be subject to broad public protections, full transparency and accountability to public institutions;
- Rebuilding infrastructure should strengthen the middle class and improve the living standards for those that build, maintain and operate the systems; and
- Rebuilding infrastructure should advance public goals and provide opportunities to lift disadvantaged populations out of poverty with good paying jobs and career-enhancing skills.

Improving Connecticut's transportation infrastructure in a timely and cost-effective manner is a goal shared by the dedicated workers I have the privilege of representing. As we discuss different ways to get where we need to, such as SB 150, I would like to point out to the members of this committee that cost-effectiveness evaluations conducted by the Connecticut Department of Transportation show that between FY 2016 and FY 2018 the state would have saved \$324,691,150 had CT DOT performed construction inspection and engineering services with state employees in lieu of outside consultants. Significant cost savings can be achieved if the work currently outsourced by the CT DOT is brought in-house.

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