

The Star-Ledger

Jersey must press Hudson tunnel advantage

Monday, December 15, 2008

BY PHILIP BARBARA

During negotiations to renew federal transportation legislation in July 2005, Jon Corzine, then a U.S. senator, inserted a phrase into legislation that enabled NJ Transit to jump-start preliminary engineering of the trans-Hudson rail tunnel project.

That level of engineering traditionally follows environmental approvals, but with Corzine's key phrase, both stages were completed this year, 18 months sooner than originally anticipated.

NJ Transit is now poised to send workers in hard hats into the field to start construction.

The sped-up timetable looms large as a deepening national recession prompts Washington to craft a stimulus package worth hundreds of billions of dollars, much of which will be earmarked for public works projects that will employ people quickly -- such as within 90 to 120 days.

"We're ready to go in 120 hours," said Art Silber, the tunnel project chief at NJ Transit.

Because of the project's progress, the Federal Transit Administration is expected to issue a record of decision this month, formally concluding the environmental review of the \$8.75 billion tunnel project, also known as the Access to the Region's Core. This critical achievement is an implicit invitation to apply for \$3 billion in federal funds.

Receiving that environmental review hands Corzine and the state's congressional delegation a perfect opportunity to use their influence in Washington to get the project started and to win stimulus funding, even though, at this point before the stimulus bill has been finalized, garnering money for the project is speculative.

Two key pieces of local funding are already in place. After considering a variety of sources, the state this year found a way of committing \$2.75 billion, while the Port Authority of New York and New Jersey will devote \$3 billion.

NJ Transit appears intent on getting final design and field work started as soon as possible, and getting field work going probably will not depend on winning federal money. After the environmental review is received officially, NJ Transit can ask the Federal Transit Administration to allow it to launch the project using local funds, and digging can begin.

Even a stimulus package award of less than \$3 billion will, in the short run, propel the project significantly forward.

The tunnel will double the number of trains, to 48, to run per hour into Midtown Manhattan, giving 100 more New Jersey towns direct access. Trains -- more of them express -- would go to a new station below 34th Street, with easy access to Pennsylvania Station and subway and other commuter rail lines.

If groundbreaking occurs next year, the project could be completed by 2017.

The precise amount and the eligibility criteria of the stimulus package are not set, but President-elect Barack Obama has stressed that he wants the bill to fund "two-fers" -- infrastructure investments that do double duty, stimulating job creation in the short run while offering high economic and social returns in the long run.

Few projects meet these criteria better than the tunnel. Tunnel construction will employ 6,000 people a year during nine years of construction and lead to 44,000 permanent jobs within the region when completed, according to one study.

And in the increasingly service- oriented U.S. economy, the most powerful engine of its growth -- the New Jersey and New York region -- in the long run will have better access to intellectual capital. Workers' improved mobility is essential for this region to stay ahead of emerging overseas competitors.

New Jersey officials can also argue on Capitol Hill that the federal commitment of \$3 billion unlocks the full economic pump-prim ing power of the nearly \$6 billion in state and Port Authority funds.

The tunnel's \$8.75 billion price tag makes it the costliest project ever in the Federal Transit Administration's New Starts program, an agency spokesman said. More than 30 other transportation projects around the country have been chasing funds from this now-depleted pot, he said.

"This region is fortunate the ARC project has reached this stage at a time when construction jobs are desperately needed, with massive local funding in place and a federal stimulus program on the horizon," said Martin Robins, senior fellow at Rutgers University's Alan M. Voorhees Transportation Center.

In drafting the stimulus bill, Congress can classify projects and direct money into any federal appropriations program. It could replenish the New Starts kitty or fund projects on a transitional basis ahead of the renewal of the six-year federal transportation bill in 2010 or 2011.

"NJ Transit and the Port Authority are pushing on every possible federal funding front," said Silber. The \$3 billion total "might come from any federal pot or combination of pots."

Rep. James Oberstar, the Minnesota Democrat who now heads the House Transportation and Infrastructure Committee, helped shepherd Corzine's phrase into the legislation in 2005. He mused to a reporter then that his colleagues in Congress were impressed by New Jersey's ability over the years to secure transportation dollars.

In the next several months, the state will have a chance to uphold its reputation. This should be the tunnel's Capitol Hill moment.

Philip Barbara is an editor in Washington with Reuters. He may be reached at phbarbara@aol.com.