

JOINT COUNCIL No. 16

INTERNATIONAL BROTHERHOOD OF TEAMSTERS



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MEMORANDUM IN OPPOSITION: I-84 TRANSFER

On behalf of the Teamsters Joint Council 16 representing 125,000 workers in 33 local unions, we strongly oppose Governor Paterson's budget proposal mandating that the State of New York assume control, operation and maintenance of I-84.

I-84 is an approximately 70-mile stretch of Thruway that runs through Orange, Dutchess and Putnam counties in New York. For years, I-84 has served as a critical artery for travelers from Northern New England to New York City, running through Pennsylvania, New York, Connecticut, and Massachusetts. I-84 carries approximately 30,000 vehicles per day through Orange County and almost 50,000 per day through Dutchess and Putnam counties.

In 1991, due to the State's financial crisis in the early 1990's, the State transferred control, operation and maintenance of I-84 to the New York State Thruway Authority, who has maintained the highway ever since. The NYSTA has the training, personnel and equipment needed to properly maintain I-84. The Teamsters vehemently oppose the proposed transfer of authority over the roadway from the Thruway Authority to the Department of Transportation out of concern for the wellbeing of NYSTA employees, the integrity of I-84, and the cost to NYS taxpayers.

Although the Governor has not itemized his plan on how to achieve nearly a \$4 million savings in 2011-12, we can only assume that it, in part, is due to hiring new, cheaper employees. His proposal would thus cause 85 currently employed and experienced NYSTA employees to lose their jobs. In this current economic climate and crisis, many, if not all of them, would lose their pay, their benefits and would not be eligible for retirement. In short, the Governor proposes to put 85 people out of work to hire cheaper, less experienced workers.

Since the roads in New York become more expensive to maintain over time due to the weather conditions, the maintenance needs of I-84 will increase from year-to-year. This will only be exacerbated by the State's failure to mimic the NYSTA's "Bare-Pavement Policy," mandating that roads affected by snow and ice be cleaned to the pavement. Increased workload can only be addressed in three ways: increased personnel (adding more

salary and benefit costs to the State); increased overtime (adding more costs to the State), and/or; ignoring the increased maintenance needs and have the road deteriorate.

As mentioned above, under State control, more snow and ice left on the highway will be acceptable than is today. While it is arguable that maintaining a road to an inferior standard is cheaper in terms of labor and supply costs, the impact of the State's policy on I-84 will be costly. First, roads that contain more snow and ice will cause slower traffic, more accidents and more delays. Each of these inevitable traffic events costs additional money to ameliorate and has an adverse impact on the environment. However, these traffic events pale in comparison to the health and safety risk posed by taking a main arterial roadway like I-84 and changing the level of service on that road that commuters, patron and taxpayers are used to getting.

The Governor's proposal calls for the hiring of only 54 people to maintain I-84, as opposed to the current staff of 85. Yet this measure ultimately will not save the taxpayers' money. The State will assume the cost of salary and benefits for 54 new D.O.T workers. Factoring in current trends, that cost will increase at a rate of 3% for salary and 15% for benefits, for each year these new employees are hired. That fact alone will cause the projected savings to diminish over time -- not increase as the Governor alleges. Further, the State will need to purchase new equipment, maintain that equipment and provide training for the new employees. Training of new employees usually requires more senior employees to take time away from their existing job and train at a premium and/or on overtime. Again, the cost to train these new employees and to purchase and maintain new machinery will cause the projected savings to decrease, not increase in the first 2 to 3 years. And as previously stated, the effects of weather on I-84 will only increase the costs of maintaining it. What's more, if the State assumes total control of the I-84, then they assume total liability. Considering the State would not have a "Bare-Pavement Policy" as the NYSTA does, we are interested to see if the State has accounted for the cost of possible property damage and personal injury claims that are sure to increase under the State's inferior maintenance standard.

Local 72 proposes that the State and the NYSTA maintain its current agreement. However, these agreements should be negotiated on a more permanent basis. Having to deal with this issue from year-to-year seems unnecessary and causes an adverse impact to those 85 NYSTA employees on I-84 whose working lives depend on these agreements. A longer-term, more permanent agreement may provide some economic relief to the State that is more certain than the projected, yet unsupported, savings in the Governor's proposal. Further, it appears that the State bears the entire, or a significant, financial burden when it comes to financing capital projects on I-84. The State should work with the NYSTA on this issue. The NYSTA has the capabilities to do more work in-house. With additional employees, training

and equipment, the NYSTA could perform many more projects with existing employees. It is clear that work performed in-house, under most circumstances, is significantly less-expensive than contracting work to private companies. Negotiating a relationship where the NYSTA maintains the I-84 long-term and the NYSTA could do more work in-house, will, over time, cause a much more significant and certain savings to the State than what the Governor now proposes.

In conclusion, Local 72 objects to the Governor's proposal that would return I-84 back to the State. This proposal, in the end, may cost the State's taxpayers more money, will lead to unnecessary job loss and will cause public health and safety issues. If the State and the NYSTA were to work out a longer-term agreement and negotiate having the NSYTA perform more capital projects in-house, the State could save a significant amount of money without compromising service and safety.