

**Report to P-4 President John Vitale and the P-4 Council on  
The 11<sup>th</sup> Annual Conference of the  
National Association of State Highway and Transportation Unions  
(NASHTU)**

**The National Fight to Preserve Public Sector Functions  
Taking Our Message of Reform to the Nations Capitol**

From April 27 through April 29, 2010, Kevin Ng and I had the privilege of representing our fellow members in CSEA/ SEIU Local 2001 at the 11<sup>th</sup> National Association of State Highway and Transportation Unions (NASHTU) Annual Conference in Washington, DC. As affiliates of NASHTU, we have sent a delegation to this conference each year since NASHTU's inception. We discussed and networked on the issues of; Inherently core-designated public sector functions like public inspection of construction projects using FHWA Funds, contracting-out, privatization and public-private partnerships (PPP's/3Ps), and we discussed solutions for preventing outsourcing at both the Local and Federal level.

The National Association of State Highway and Transportation Unions (NASHTU) is dedicated to ensuring that federal transportation dollars are spent on cost-effective, safe projects that serve the public interest. NASHTU is comprised of 36 unions and associations representing hundreds of thousands of state and locally employed transportation engineers, construction managers and inspectors, technical workers and related public servants from throughout the United States. Our collective goal, as stewards of the taxpayer money, is to ensure that public transportation dollars are spent wisely on cost-effective, efficient and safe projects that serve the public interest.

Sixty-one attendees from seventeen states came together for this year's conference, and it is clear that we are not alone in our fight to keep public sector work public. Due to the continued worldwide economic climate, the conference began with disheartening news from the different states delegates reporting on the continued tough times all of the states are facing. Comparing with others, ours is very similar, but some are worse off than Connecticut.

**Highlights on the 1<sup>st</sup> day Conference**

Salutations and welcoming remarks were given by Shabbir Ahmed, President, Professional Engineers in California Government (PECG). He thanked all attendees for making the effort to attend this year's conference and encouraged all to keep up the good fight upon returning to our individual states post-conference.

**John Garamendi** California Congressman - (D-CA) began the Conference by commenting on the need for more federal funds to be appropriated for transportation spending. Our nation's roads, bridges and highways are in dire need of repair – and this needs to be done before we spend funds on new initiatives. Without increased funding, desperately needed repairs and new initiatives will be further delayed and we are already underinvested in our nation's transportations systems. He reported that as an example of how people feel on this issue, California taxpayers are supporting an \$0.08/gallon tax

increase to improve the crumbling transportation infrastructure. The stimulus bill is currently supporting much of the transportation job market and will continue to do so till approximately November of 2010. The stimulus bill was a short-term fix to a long term problem and we need to concentrate on and implement more long term solutions, specifically on how to continue to fund transportation improvements. He further commented on how the new Surface Transportation Act (STA) will fund approximately four to five billion dollars to purchase light rail systems and busses. The new bill will address highway capacity and DEP permitting (if this passes there may not be the need for additional permitting from the State's DEP agencies), and will be created in a way to avoid lawsuits from stakeholders. Under the STA the repairing of roads and bridges will not need new permits. He acknowledged the need to increase the gas tax but indicated it would fail due to political pressure – a common theme we heard throughout the conference. He ended by saying he would like to see additional taxes from “big oil” companies by adding a \$5.00/barrel tax for infrastructure.

Subsequent speakers were:

**Larry Willis** , Secretary Treasurer of Transportation Trades Department, AFL-CIO. Mr. Willis reported that part of the 2.2 trillion dollars of stimulus funds used for transportation initiatives have already created a number of jobs in America. Local DOT's are facing very tight deadlines to use the stimulus funds. At the time of his presentation, only one state (Maine), had obligated and spent their entire stimulus appropriations. He also indicated not only is there a need to improve the highway system, but we also need to invest in airports, public transit, high speed rail and watercourses. The surface Transportation Redevelopment Act (STRA) will spend approximately one-half a trillion dollars to create six million jobs in the next six years. However the House will need to secure funding sources to accomplish this. The STRA is currently in the House for discussions. It is anticipated that the first draft will be revised and will undergo many revisions until agreement can be reached. It is anticipated that the administration will release the final draft of the STRA before Labor Day. He reinforced that funding is the main issue. The House can currently appropriate 58 billion dollars for transportation – but that is far short of the 120 billion that is needed right now. He recommends raising the gas tax to fund the STRA but as we heard - no political will in DC to do this. He spoke against using Public Private Partnerships (PPP's) to fund this initiative. According to a GAO Report the State's will lose valuable assets and the ownership of out assets by foreign investment speculators is not in our best interest for transportation or Public Safety.

Panel Discussion:

**Kathy Dedrick**, Senior Policy Director for Transportation, Senate Committee on Environment and Public Works,

**Jim Kolb** - Staff Director, House Committee on Transportation and Infrastructure, Highway and Transit Subcommittee

**Daniel Zeitlin** from Congresswomen Rosa DeLauro's office.

Dennis Houlihan from AFSCME led the panel in discussion on issues facing congress including federal stimulus 2010 transportation authorization financing and infrastructure

banking. The national infrastructure development bank act would fund and create a bank that would direct public and private dollars toward infrastructure projects of national or regional significance. The congress passed a “lighter” version of the transportation act to extend SAFETY-LU. To get to the end of the next year, they transferred \$20 Billion from the Trust fund to support current spending on transportation. These funds should be replaced once the full bill is passed some time next year. They are currently working on a long term transportation policy relating to Highway issues, currently awaiting a public hearing – hopefully by the end of the year. The bill has moved from the sub-committee to the full committee. The wording for the Surface Transportation Bill (STB) that passed an initial vote last June is trying to address with accountability and reform measures on transportation projects. The State’s need to continue to justify the entire stimulus funding each received. It also contained language to address PPP’s that involve federal dollars; specifically – (1) A PPP would have to benefit the public, (2) A PPP would have to have a funding plan and (3) A PPP would have to create jobs. As specified earlier, they do not have the 218 votes needed to raise the gas tax. All PPP’s would need to have more restriction and oversight to guarantee that Public Investment Dollars are invested wisely and still provide Value to the taxpayers. The short-term solution for transportation funding is to issue a huge amount of treasury bonds and then re-pay it over a long period of time, (mortgaging our children’s future). In addition to bonds, Congresswoman DeLauro wants to create an infrastructure bank. This would use public dollars (employee pension funds as an example) and allow State’s to borrow from the bank to fund transportation projects and pay it back over a 30-year period. The interest the State is charged would be based on the rate of Treasury notes. To borrow – the state would have to ensure they have a plan to pay back (raise the gas tax \$0.05/gallon for example) to pay off the debt. The bank would have 9 executive members including an audit committee and a risk management committee. This is being suggested as the existing funding source is not adequate and cannot support our current spending. We need more creative funding mechanisms. Another concept is to borrow money when the economy is bad (like the current climate) and pay it back when times are good. This is meeting much resistance as many in congress are in disagreement since we have already incurred so much debt and they do not want to continue down this path.

**John Porcari** – Deputy Secretary of US Department of Transportation  
Secretary Porcari reported that all the States obligated the 26 billion in ARRA funds. Transit included 8.6 billion, aviation 1.1 billion, maritime 700 million and provided 2.2 million jobs that would not have happened without all the hard work from State Employees. He stressed that more attention is needed for high-speed rail initiatives. President Obama has already pledged \$800 million towards new high-speed rail systems and all products used in these initiatives must be “Made in America”. The transportation bill is up for renewal and will provide increased flexibility to the States and will reward the States for: (1) Fix It First before expansion, (2) Livability – integrating transit into local communities, Safe Routes to School, crosswalks Etc. (3) Safety Council to determine all modes of transportation upgrades in the community, (4) support for intermodal projects such as access to airports, important to all cities as we examine how we move people and goods in a fast and economic way, (5) environment – reduction in greenhouse gasses in transportation initiatives, working with DEP and HUD towards lane use development and expansion where possible. He further elaborated on the outsourcing of labor. FHWA is

looking to ensure that public safety is the single highest priority. He indicated that the outsourcing movement would lose confidence from the public – especially when it relates to safety. He feels that public sector workers or local municipal employees must inspect all federal projects and that is how we will restore public confidence. These jobs need to be done by public sector employees for the sake of public safety. He further stressed the need for development of a consistent and continuous effort to reduce green house gasses in our future transportation projects. While he recognizes the need for consultant and contactors to assist State DOT's in inspection of construction projects, and that the Gross Domestic Product (GDP) will take a hit if all inspection was done by public sector employees, there needs to be recognition that there has to be in place solid policies and procedures to ensure that inherently governmental functions are not performed by contractors for the sake of preserving and ensuring public safety.



*NASHTU Delegate Stephen P. Livingston with  
John Porcari - Deputy Secretary of US Department of Transportation*

**Geraldine Madrid-Davis** – Executive Director, National Public Pension Coalition  
Ms. Madrid-Davis addressed the convention on the subject of pension plans for public sector employees. There is a formidable movement in our Nation to eliminate pensions for public sector employees. This attack is going to continue- and must be dealt with swiftly and incessantly. Because the costs associated with managing pension plans has increased, we all need to be working together to determine what are the threats to our pension plans. Many of the State have moved away from pension plans and have adopted 401K's for their new employees. This is a flawed ideology however because 401K's were meant to supplement pension plans, (much like Connecticut's 457 Deferred Compensation Plan) not to replace pension plans. With the uncertainty of Social Security, 401K's and 457 Plans were designed to augment the pension plan system when we move into retirement. She noted how back in 2006 the trend seemed to be moving towards having States contribute less toward pension plans while the employees were required to work more and accomplish more with less resources and pay out less benefits. This movement is to make State employee plans to be more of a "Look Alike" model to existing private pension plans. Almost every State is under funding their pension plans and the States are looking to change the rules for any and all new future employees. One example she offered as to

what is being done is in Texas, teachers who are retired, in order to preserve their pension benefits, are as part of their retirement, volunteering in the schools to assist the existing teacher base which is reducing the cost of hiring full time teachers to municipalities.

**Katherine Cox** – Director of AFSCME Health and Safety Program

Ms Cox addressed the conference on the need for OSHA standards to be updated. There have been no significant changes to the standards and guidelines since Federal OSHA's creation approximately 40 years ago. In many states (she listed ct as one) public employees are not covered by Federal OSHA standards. These states often have their own OSHA-like agency but often the state standards are less than the federal. She listed several cases where workers died due to poor working environment.

**Timothy Walz – Congressman (D-MN)** - Transportation and Infrastructure Committee

In his second term, Representative Walz reinforced what we already knew - that there is no political will in this congress to raise the gas tax. His perspective is that the general public is “with us” on the need to spend federal dollars on our aging transportations systems, provided the decisions are smart choices and the right decisions for these times. The current gas tax system cannot be sustained due to hybrids, electric vehicle and increasing fuel efficiency. The also indicated that the current Federal DOT need to undergo a complete and serious re-organization. He went on to indicate that the congress is lacking federal funds to support the rehabilitation and expansion of our transportation systems, and seem to be focused to shifting this burden to the State and local levels of government because they have the “know how” to spend their transportation fund in a wiser manor than the Federal Government. His committee is not against private sector partners. He noted their contributions in the areas of development of solar power, electric cars, hybrid private and transit vehicles and promotion of clean energy. He supports borrowing funds now at lower rates and spending to improve transportation systems, and pay the funding back when the economy is better. In a comparison between the United States and China, he indicated how we in the U.S spend 0.5% of our GDP on transportation initiatives while in China they spend between 7.0 and 9.0% of their GDP on transportation. He finished up by really stressing to the convention attendees that that if you think the DC crowd gets it – don't you believe it.

Report Back to NASHTU – Update on NASHTU Activities Over the Last Year:

**Dennis Houlihan – AFSCME**

**Nadine Westcott – Professional Engineers in California Government**

PECG returned to Washington DC in August 20089 for a meeting with DOT Secretary Ray LaHood. The previous year he had addressed the convention as was boasting of the accomplishment of the stimulus bill and how many “additional boots on the ground” his administration could report. Conference attendees informed him that these we mostly private sector jobs and public sector jobs were not part of that equation. His philosophy was that he really did not care where the jobs were created – just that they were created. We respectfully disagreed with his position. He said that he was willing to have a discussion on our viewpoint at a later date – thus the August visit by PECG to DC. They had productive conversations on the subjects of; outsourcing, cost comparisons, public confidence as it relates to public safety and the Presidents directive to OMB to develop and implement guidelines on outsourcing. OMB's draft was released in late July and was formulated on two parts – (1) Reducing the percentage of work for private sector companies and (2) a memorandum on “How to Manage the Workforce”. Specifically, determine the type of work that should be done by the private sector - and – ensure that the work done by the private sector is subject to cost benefit analysis. It is hopeful that all federally funded transportation construction projects would be included in the final rule. One of

the latest items from OMB is they are attempting to develop a definition of what is to be identified as “Inherently Governmental Functions”. The most pressing issue is the cost benefit analysis and public sector inspections are inherently governmental. NASHTU is seeking to have this language included in the next authorization bill. Lastly – we are still pushing Filner’s Bill – HB 2104 – we currently have 5 co-sponsors.

### **Highlights on the 2<sup>nd</sup> day conference**

#### **Dr. Judy Chu - Representative (D-CA)**

Dr Chu was only briefly able to address the convention. She stressed that she ran on a platform of making transportation a priority while she is elected to congress. She also recognizes the need for the inspection of transportation construction projects to be done by public sector employees. She noted how it is easy and commonplace for the general public to make villains out of the public sector workers – but for us to stand strong and she knows that we do great work – we should be proud of the tasks we do and for us to go back to our prospective states and keep on protecting the taxpayers investment in transportation.

**Earl Blumenauer - Representative - (D-OR) – House Ways and Means Committee**  
Representative Blumenauer is very concerned on the timing of the transportation bill. The infrastructure is crumbling and too little is being done to get a new bill passed. He stressed the need for us to look at other modes of transportation including watercourses and air travel. He believes there is public support for a transportation overhaul from assets and administration. He supports defining ‘Accountability and balance’ once the federal funds channel down from the congress to the states. He firmly believes that we need to eliminate the gasoline tax and find some other source of revenue (VMT as an example). He believes that a VMT tax is not too far away – possibly 10 to 15 years – but that the VMT tax needs to be fair and equitable. The VMT Tax Pilot Program in Oregon is working favorably. In 1 to 2 years any state in the nation will be able to participate in the pilot program if they would like to. Any States seeking to participate in the VMT Pilot Program should contact his office. He would like to see VMT as part of the next authorization bill.

Before the morning session was over, we were one of three states invited to conduct a PowerPoint presentations. Ours was entitled **“Attacks on Public Sector Workers. Connecticut – A Case Study”** It was well received by the NASHTU delegation. (A special thanks to Danny Medress’ hard work on the PowerPoint). A copy of the PowerPoint presentation will soon be found on <http://www.nashtu.us/> or a digital copy can be obtained from Stephen P. Livingston by sending a request to [slivingston4@cox.net](mailto:slivingston4@cox.net)



*Stephen P. Livingston presenting to NASHTU*

### **Lobbying on Capitol Hill**

We spent much of the afternoon conducting grassroots lobbying of our Connecticut Congressional delegation on House Bill 2104 – Public Inspection of Transportation Construction sponsored by California Representative Robert Filner. The previously Cost-Benefit Analysis Bill has been forgone in favor of having this language worked into the authorization bill rather than having it as a stand-alone bill. In addition, we also lobbied against the practices of so-called public-private partnerships (PPP's/P3s) and design-build, which have proven to waste transportation funds, delay projects and allow private contractors to inspect their own work.

We were only able to meet with congressional staffers – however it should be noted that Congressman Larson's office promised to contact us later in the day to set up a meeting but they failed to follow through and as a result we were not give access even to his staff. This was a great disappointment as I am a registered Democrat from his district. A copy of a letter from delegate Stephen Livingston, co-signed by CSEA/SEIU Executive Director Bob Rinker indicating our dissatisfaction with the lack of attention Congressman Larson's office Staff show us is attached to this report.

On the last day (3<sup>rd</sup>) conference, we participated in a round table discussion on our common issues and challenges. The primary focus of our discussion was determining what we all must do to keep our coalition in NASHTU going forward!

Kevin and I were honored and privileged to have been given the opportunity to represent our Union brothers and sisters at this National Forum, to present on the successes Connecticut has fought so hard to achieve and to lobby our Connecticut Delegation in Washington DC on the issues important not only to our Local, but to the Labor movement on a whole.

Respectively submitted,

**Stephen P. Livingston**

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