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NEW YORK
BUILDING
CONGRESS

March 31, 2010

The Honorable David A. Paterson
Governor, State of New York
State Capitol
Albany, NY 12224

Dear Governor Paterson:

On behalf of the New York Building Congress, I am writing to share our considerable concern about yesterday's announcement from the Department of Transportation that payments for State-funded transportation projects, except emergency and ARRA-funded projects will cease until a final budget is passed. Such a decision, particularly since there is no certainty about when the budget will pass, will have painful effects on both the State and contractors and their employees working on DOT projects.

The State requires that contractors continue to work without the guarantee of payment. Should this situation continue for any length of time, contractors and their employees working on virtually every road, bridge, and transit project funded by the State will be faced with diminishing cash reserves. Projects could be forced to shut down, and construction firms will be in a fight simply to survive.

The State has also announced that it will halt all new contract awards until the budget is resolved. This decision will also have significant negative impacts. Firms counting on these projects will see project start dates stretch out by several weeks and possibly months, further debilitating a vital industry dependent on transportation work. Furthermore, if contract awards are delayed too long, the contracts must be rebid, at which point the State could see higher costs from contractors, stretching DOT's budget even further.

A final direct consequence of this action will be to put the quality of our infrastructure at risk. Even DOT's recently released two-year capital plan acknowledges that under the best of circumstances, it will not have enough funding to maintain the existing level of state-of-good-repair on the State's roads and highways. Delaying work and increasing project costs will further reduce the scope of the capital plan.

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We strongly urge you and the legislature to act without delay to remedy this situation. Furthermore, the State's leadership must act now to make the difficult decisions on a final budget so that the building industry can return to work on the State's essential transportation infrastructure.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard T. Anderson", with a long horizontal flourish extending to the right.

Richard T. Anderson
President

cc: The Honorable Sheldon Silver, Speaker, New York State Assembly
The Honorable John Sampson, Democratic Conference Leader,
New York State Senate
The Honorable Herman D. Farrell, Jr., Chairman, Committee on Ways and
Means, New York State Assembly
The Honorable Carl Kruger, Chairman, Finance Committee,
New York State Senate
Robert L. Megna, Director, Division of Budget