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RPA STATEMENT ON CANCELLATION OF ARC

(New York, NY) – Regional Plan Association – an independent planning organization representing the tri-state region – today released the following statement regarding the cancellation of the Access to the Region’s Core tunnel project:

Governor Chris Christie today announced he would stand by his decision to cancel the Access to the Region’s Core tunnel project – the largest public transit project underway in the nation – citing the inability of the State to cover potential cost overruns.

The decision deals a blow to New Jersey’s future economic outlook and will cost the state millions of dollars in the short run. The State will lose out on an astonishing \$6 billion in matching contributions from the federal government and Port Authority and will have to refund \$350 million in already-spent funds. Further, cancelling the project now condemns future taxpayers to a higher bill for the project, which must eventually proceed.

Unfortunately it does not appear as though the Governor gave responsible or serious consideration to any proposals to phase the project, reduce project costs, introduce private funding or accept additional funds from the federal government to help cover overruns, including options that would defer any additional cost to the state until after the project was generating substantial economic and tax benefits. This lends credence to the argument that the State wants to divert already-committed ARC monies to other one-shot uses to plug the ailing Transportation Trust Fund, which runs out of funding in mid-2011.

The tunnel would have opened New Jerseyans’ access to Manhattan’s lucrative job market, raised tax revenues for the state and local governments, boosted property values, provided a more reliable and faster commute to hundreds of thousands of NJ TRANSIT commuters and drivers, and saved on greenhouse gas emissions.

Going forward, RPA will work with federal and state officials on redirecting the funds to other high priority and publicly supported projects in the region, which could include such worthy projects as Phase II of Moynihan Station, a new one-seat PATH ride from Lower Manhattan to Newark airport and Phase II of Second Avenue Subway.

“The decision to cancel ARC is an extremely short-sighted and destructive move and a tragedy for the State of New Jersey,” said Bob Yaro, president, Regional Plan Association. “ARC was desperately needed by the residents who now face limited access to the most lucrative job market in the nation, less reliable commutes and more congested roadways at the Hudson River crossings for the next generation. U.S. DOT went to extraordinary lengths to deal with cost concerns. The blame for the loss of this essential project lies entirely with Governor Christie.”

Tom Wright, Executive Director of RPA, said “New Jersey still needs ARC. Unless transit capacity under the Hudson River can grow with demand, New Jersey has a hard cap on its economic

potential. With the 70,000 additional daily riders who would have used ARC, New Jersey would be more connected to New York City and the expanding global economy, companies and workers would continue locating in the Garden State, home construction would pick up, and the value of homes near transit stations would rise by an estimated \$18 billion. All of this has been jeopardized by this decision.”

“This decision is an unfortunate one for New Jersey residents who are now guaranteed to lose out on increased economic development at home and access to the growing and most lucrative job market in the nation,” said Rob Freudenberg, New Jersey Director, Regional Plan Association. “Going forward, we will be tracking where ARC monies are spent on behalf of the taxpayers.”