

Road Warrior: Low gas prices generating new spin in Trenton

JANUARY 19, 2015, 8:49 PM
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Regular gas selling for \$1.95 a gallon at a Paramus Exxon station on Monday. TARIQ ZEHAWI/STAFF PHOTOGRAPHER

When opportunities arise like gasoline prices falling to well below \$2 a gallon, count on policy-makers to turn back-flips to get what they want - in this case, more money for the bankrupt state Transportation Trust Fund to pay for crumbling roads and bridges.

At a meeting in Newark last week, Transportation Commissioner Jamie Fox did a few political pirouettes of his own by citing the recent “overnight” closure of the Prospect Street bridge in Dover as a prime example of the pressing need to replenish the trust fund “while gas prices are low.”

“We couldn’t safely move a car or truck across,” the commissioner told the North Jersey Transportation Planning Authority, adding that there were more than 500 other spans and a few tunnels “waiting to be fixed,” too. But repairs can’t be made on schedule, he said, because the fund has borrowed to its limit.

In Dover, in Morris County, these assertions left local officials scratching their heads.

“We’re being made an example even though this bridge isn’t eligible for state trust-fund financing,” said Town Administrator Donald Travisano.

But Travisano's disappointment was tempered with gratitude. Lacking state funds to replace the bridge, Fox successfully sought \$4.8 million in federal money from the Transportation Planning Authority just prior to his speech. Mayor James Dodd said he was grateful, too, but he made a point of correcting the commissioner.

"They closed that bridge the day before Thanksgiving, not overnight," said the mayor.

A Fox aide shrugged off such differences, adding that motorists care more about driving on safe roads than "whether repairs are made with federal or state funds." Still, the exercise represents yet another example of the decades of political somersaults that Trenton has engaged in to finance road repairs without raising the state's unpopular 10.5-cent-a-gallon motor-fuels tax.

Fox, a longtime Democratic operative who served an earlier term as transportation commissioner, has gone down this slippery slope before. He saw how former Gov. James McGreevey sought political cover by impaneling a blue-ribbon committee that recommended a 12.5-cent hike. Christie's predecessor, Democrat Jon Corzine, toyed with privatizing toll roads. Each governor backed off after voters seemed ready to hang them in effigy.

So they relied on borrowing, as did Christie, a strategy that nearly wrecked the state's bond rating. Since his first election in 2009, the governor has steadfastly opposed any tax increases. And Fox stopped short last week of saying the gas tax should be increased.

But times change, and roads wear thin.

As of July, the trust fund will be spending all its revenue on interest, not infrastructure. The American Society of Civil Engineers says nearly 70 percent of the state's roads are in poor or mediocre condition. Although they're currently safe enough to carry cars, major sections of 527 of New Jersey's 6,564 bridges, including 40 in Bergen County, 32 in Passaic and 22 in Morris, are considered in poor condition, according to the U.S. Department of Transportation's 2014 National Bridge Inventory.

Normally, after holding out for five years, a governor could use his political capital to support a tax increase in his lame-duck term. But as a potential GOP presidential candidate next year, Christie has much to lose, since similar gas-tax debates are raging in several other states. If his Republican allies in the Legislature are to sign off on a gas tax hike, they'll want some other tax reductions in return, such as cuts in the inheritance tax, which Democrats oppose. Others believe the combined 14.5-cent tax (including a 4-cent per gallon levy on petroleum refiners and distributors) should be converted to a percentage comparable to the 7 percent sales tax.

Average below \$2

While gas at many stations in Bergen-Passaic has been under \$2 a gallon for weeks, the average price in the two counties did not drop below \$2 until Monday, when it hit \$1.996 — more than \$1.25 a gallon less than it was a year ago. New Jersey's average price dropped below \$2 over the weekend.

By the numbers

(Average price per gallon)

Bergen-Passaic		New Jersey
\$1.996	Monday	\$1.986
\$2.002	Sunday	\$1.994
\$2.456	Month ago	\$2.434
\$3.267	Year ago	\$3.260

■ **N.J. now has the 23rd lowest average gas price in the nation.**

Lowest prices*

Missouri: \$1.751

Oklahoma: \$1.790

Kansas: \$1.799

Texas: \$1.838

New Mexico: \$1.868

Highest prices*

Hawaii: \$3.324

Alaska: \$2.822

New York: \$2.513

California: \$2.507

District of Columbia: \$2.484

* Average prices for regular gas per gallon

Source: AAA Fuel Gauge;
compiled by Melanie Anzidei

Bottom line: Although most polls show voters want better roads, they agree with the governor by a wide margin that the taxes to maintain them should remain the same — even with unleaded gas as low as \$1.70 a gallon in some cases.

What's left to do?

Since Fox came aboard, legislative leaders of both parties have begun a serious dialogue with the governor. And New Jersey's 1,500-member gas retailers group, long an opponent of a tax increase, has reversed its position, with one catch: It wants something stronger than legislation currently in place to ensure that gas tax revenue is used only for transportation improvements. The answer, "without question," said the group's president, Sal Risalvato, is a serious effort to amend the state constitution.

Judging by the polls, converting voters would probably require an equally serious effort.

So, at last Monday's Transportation Planning Board meeting, Fox played his trump card: If new funding isn't forthcoming, he might have to close bridges, and he might as well start in Morris, the governor's home county.

But as the governor and his staff know better than anyone, playing politics with a bridge, whether it is big or small, can be risky. The closures at the George Washington Bridge were widely believed to be payback over the refusal of Fort Lee's Democratic mayor to endorse Christie. A federal investigation into the closures is still ongoing.

And while the closing of Dover's bridge is unlikely to spawn investigations, it suggests that these kinds of back flips might not prove any more popular than raising taxes or privatizing toll roads.

Even though Fox engineered a federal funding agreement to fix the bridge, Mayor Dodd — a Democrat who endorsed Christie for reelection — focused instead on the way his tiny bridge had been closed.

"The bridge was closed permanently without notice," he said. "That hampered emergency services and clogged our downtown. Now they say construction will be completed in a year, but we all know it'll take longer — much longer."

Big break for drivers may not last

The average gasoline price in New Jersey went below \$2 a gallon over the weekend.

"It will stay there for days or weeks," said Tom Kloza, the global chief of energy analysis for the Oil Price Information Service, who believes prices will not fall much further. "We are near a first bottom," he said.

In other words, "it will not be a 'V'-shaped recovery," he explained.

Instead, the price will likely drift in New Jersey this winter, "by nickels and dimes" above and below the \$2 a gallon mark.

As usual, look for prices to move higher during the warmer months when demand increases, he said.

"[It] will go up in the spring, probably in March or April, but I think the highest it will get is going to be in the \$2.30 to \$2.50 range," he said.

According to a new analysis by his company, cheaper gas will result in a \$140 billion increase in disposable income for American consumers this year.