NEW YORK STATE JOINTLY HELD CONFERENCE

NEW YORK STATE FORUM/TOWN HALL

ROUNDTABLE DISCUSSION
"ROUTE 219: ROAD TO OUR FUTURE"
COMPLETION OF ROUTE 219/CONTINENTAL 1 TRADE CORRIDOR

Mahoney State Office Building
65 Court Street
Buffalo, New York

October 20, 2011
10:00 a.m. to 1:00 p.m.

PRESIDING:

Senator Catherine M. Young
Chair

SENATE MEMBERS PRESENT:

Senator Mark Grisanti

Senator Patrick M. Gallivan

Senator Timothy Kennedy

Senator George D. Maziarz

ASSEMBLY MEMBERS PRESENT:

Assemblyman Dennis Gabryszak

Assemblyman Joseph Giglio

Assemblyman Robin Schimminger

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Buffalo Niagara Medical Center

SENATOR YOUNG: Welcome to our roundtable discussion on the completion of Route 219, our "roadway to our future."

I welcome you; I thank you for being here today.

And, I also want to thank my colleagues who have joined us.

First we have, Senator Mark Grisanti.

SENATOR GRISANTI: Good morning, everybody.

SENATOR YOUNG: We have Senator Patrick Gallivan.

SENATOR GALLIVAN: Good morning.

SENATOR YOUNG: Senator Tim Kennedy.

SENATOR KENNEDY: Good morning.

SENATOR YOUNG: And my assemblyman, Senator -- or, Assemblyman Joe Giglio.

ASSEMBLYMAN GIGLIO: Good morning.

SENATOR YOUNG: So, good morning, and I thank all of you for joining us.

We felt this was extremely important to hold today, for a number of reasons.

There's no more urgent need in our community, in our state, in our country, right now, than growing the economy and growing more jobs.

And, this project would accomplish those

goals.

I've been involved with the completion of Route 219 since the mid-1990s, when I was a Cattaraugus County legislator.

And, it's been a long battle. It's actually spanned more than 40 years.

And I have to tell you that, in the last 10 years, we've made more progress on the completion of Route 219 than any other time during that 40-year time period. So, I believe that we're on a roll.

Last fall, I was very happy to open another 4.2-mile section of 219 that goes down to Ashford in Cattaraugus County.

Unfortunately, in 2009, however, Governor Paterson and DOT announced that they would be delaying the next section. We need to do an environmental impact statement, costing about $6 million, and, that was suspended indefinitely.

We need to get that back on track. And I believe, very strongly, that Governor Cuomo understands how critical this is to our economic future; that this would bring jobs, opportunities, commerce to Western New York. It's a 1,500-mile stretch of road that goes all the way, from Toronto,

down to Florida.

Think of the opportunities that that would open for our region, because access, transportation, and infrastructure are some of the key elements that we need.

So, I'm very pleased that we have so many stakeholders from our community here today: business leaders, labor leaders, people from academia, and so on, who understand that this is a crucial issue for Western New York, and for our future.

So, I'd like to welcome you again.

And I'd also like to invite some of my colleagues, if they would like to make an opening statement.

SENATOR GRISANTI: Thank you.

SENATOR YOUNG: Senator Grisanti.

SENATOR GRISANTI: Yes, thank you, Senator Young.

First of all: Welcome; good morning.

I want to thank our staffs, especially Catherine, for putting this together, and making sure that everybody was properly notified. I think they've done a terrific job.

You know, if I had a $6 million check I could write right now, I would absolutely do it, because

this is something that's not only vital for the economic growth of the -- this community, but regions going south.

But having the north-south connector is vital. Everything's east-west, and takes you, pretty much, out of your way. I've driven that road many, many times. And I've said, just recently, in my travels, that you need a faster and better route to complete the north-south connector.

And this is absolutely something that must be done. It's linking communities. As I said, it's less time.

It's something that, as you -- you know, you may have known, I have a pretty loud voice in the New York State Senate. I don't shut up. People were telling me that they were sick and tired of hearing "UB 2020" coming out of my mouth every time I spoke.

UB 2020 passed.

So, maybe this -- well, not maybe. Maybe this legislative session, "219 expansion" will come out of my mouth every single time, because, what's important here is the creation of jobs, and it's vital for our transportation, and for economic growth.

So, I'm going to fight, and do everything I can.

And I'm sure that our Western New York delegation also understands how important it is, and we're all going to be on board with this project.

So, thank you again for being here, and for the testimony.

And we have now, the infamous Senator George Maziarz, who is now entering the room.

Don't everybody stand at once.

And, we'll continue on from there.

So, I don't know if Senator Gallivan would like to make a comment, but, the floor is yours.

SENATOR YOUNG: Thank you.

Thank you, Senator Grisanti.

Welcome, Senator Maziarz. We're glad to have you here.

SENATOR MAZIARZ: Thank you very much.

Thank you, Senator.

SENATOR YOUNG: Senator Gallivan, would you like to say something?

SENATOR GALLIVAN: Thank you, Senator Young.

Good morning, everybody, and thanks for being here today.

Last November, shortly after I was elected, I was -- I was honored to be invited to the opening of the 4.2-mile stretch of 219. And, I jumped in the car with Senator Young, and took a ride down the road, with no cars in front of us.

It was beautiful.

Reminded me of my trooper days, when we were doing presidential protection, but, that's beside the point.

I was around all the people who had been involved for so many years, and around the excitement of the day, and the importance of the day.

And I recognize the importance of us continuing to realize this project, so that we have that connection from Toronto to Miami, and remain committed to working towards that end.

So, I look forward to hearing the speakers today; and as we move into the next session, trying to work to make it a reality.

Thank you.

SENATOR YOUNG: Thank you, Senator.

Senator Maziarz, would you like to say something?

SENATOR MAZIARZ: I'm sorry I'm late.

[Laughter.]

SENATOR MAZIARZ: I'm sorry.

No, I just want to thank Senator Young for convening this meeting.

This, obviously, is very important to the economy of all of New York State, really; obviously, particularly the western part of the state.

And, I'm just happy to be here, and working closely with Senator Young, and my colleagues, to make this a reality.

Thank you.

SENATOR YOUNG: Thank you, Senator.

Senator Kennedy?

SENATOR KENNEDY: Yes, thank you very much.

And, again, to those that helped to put this together, thank you very much.

Obviously, we all in this room understand the importance of realizing the 219 expansion.

I look forward to hearing your remarks.

And, I welcome you all to the 58th State Senate District.

SENATOR YOUNG: Thank you, Senator.

Thank you for letting us come here.

[Laughter.]

SENATOR YOUNG: We appreciate it.

Right now, we have the sole representative of the New York State Assembly, and that's Joe Giglio.

Joe, Assemblyman, would you like to say something?

ASSEMBLYMAN GIGLIO: Just a few things.

As you can see how lonely it is in the Assembly Minority.

But besides that, living in Cattaraugus County, and being that next part of the connector, and seeing all my friends and neighbors, from where we're from in the 149th here, makes me believe, even stronger, that we're on our way.

And, with your help, we can get there.

And we're here today to listen, and I look forward to the testimony.

Thank you.

SENATOR YOUNG: Thank you, Assemblyman.

I misspoke, because now we've just by joined by another Assembly member, and that's Dennis Gabryszak.

Would you like to say something this morning?

We kind of caught you off guard.

ASSEMBLYMAN GABRYSZAK: Good morning.

And, that's fine. I'm just ready to get the input.

As my colleagues said, I think it's very important that we do what we can to push 219 through, so, I'm just looking forward to hearing what you have to say.

SENATOR YOUNG: Appreciate it.

I would ask the people giving testimony to go to the "hot seats," over there. That's the table where we have the microphones.

And, I do want to mention before we call our first speaker, we've talked a lot about the economy and infrastructure this morning, so far, and we'll talk some more about it.

I do want to stress, however, that completion of Route 219 is a safety issue too, because, unfortunately, we've had a lot of accidents, a lot of deaths and injuries, along that stretch, especially in Cattaraugus County.

So, a lot of people from the community are committed to this project, also for those reasons.

So, with that being said, I would like to welcome our first speaker.

She's a real dynamo. She has been putting her heart and soul into completing 219; and that's, Meg Lauerman. She's project manager of Continental 1, which is a bi-national coalition

dedicated to developing a trade and travel corridor from Toronto to Miami.

So, thank you, Meg, for coming here today, and for being a driving force behind this project, and also today.

MEG LAUERMAN: Thank you so much. Really, I appreciate that.

Good morning to everyone.

Thank you to everyone for being here today.

I'm Meg Lauerman, project manager.

And, I'm on the board -- also on the board of the Route 219 Association.

So, I -- I'm very honored to do double-duty there.

I really appreciate the opportunity that Senator Young has given us today to explore the issues around completing Route 219, and the Continental 1 trade corridor.

Thanks, too, Senator Grisanti, as well as, Kennedy, Maziarz, Gallivan; and, of course, Assemblymen Gabryszak and Giglio.

I really appreciate, not only the work you've done today, but everything that you've done, uhm, listened to, and supported us with, in the past couple of years, as we push to get the SEIS

reinstated.

I want to turn your attention this morning to a really transformational project: the completion of Route 219.

This has been an exciting week for Route 219.

This roundtable has drawn speakers and experts from labor and industry, from education, a really astute group of witnesses, and the legislators interested in leading Western New York to a prosperous future.

Additionally, as later speakers will expand on, the Western New York Regional Economic Development Council's bi-national logistics working group has in -- concluded, the $6 million needed for the SEIS as a top priority phase one -- for phase one funding.

This three-year study needs to be completed in order to start up with the next phase of construction.

I'm going to give you a little bit of background.

Continental 1, as Senator Young said, is a bi-national multi-state coalition. We're dedicated to the development of, not just Route 219 in New York, but the entire corridor.

Most of that is complete. We have just 167 miles to go, only 20 of that in New York. The vast majority of the miles to be completed are in Pennsylvania.

Our primary objective is to act as an economic development catalyst in the region.

We believe this most critical ingredient for our future economic development is the completion of a safe and fuel-efficient limited-access highway, from Toronto, all the way down to Miami.

We've raised over $600,000 in Continental 1 in the past, and that's been -- that's just through private donors, mostly in New York and Pennsylvania.

While improved safety and increased efficiency of transportation are important, our supporters' main goal is, support economic development.

Connection is the key to our economic future.

Western New York will benefit from the new jobs in logistics, higher education, manufacturing, high-tech innovation, healthcare, tourism, construction, and the service sector. Their employment will be our economic development.

We've had a lot of good news lately: Over 84 percent of those in Western New York and

Western Pennsylvania support the completion of Continental 1.

84 percent is a huge number. And I don't know of any other initiative in Western New York that can really have that kind of support.

Really, there's -- it's -- we are always honored to have those who disagree, but the vast majority of us really want the jobs that are going to come with the completion of 219.

In Pennsylvania, that section is moving forward as well.

The northern portion, Bradford has just completed an over $100 million project, to resurface, and change, their section of 219.

In the southern half, a $350 million project is about to go back online, that was also pulled, like ours, when the economy went bad.

So, I also want to mention, that the Marcellus Shale drilling that's going on in Western Pennsylvania, is really a game-changer for Continental 1.

The heavy trucks that are used to haul water, really degrade the roads. So, a four-lane interstate is definitely going to be a better way to carry that heavy water.

Whether or not we have drilling in Western New York, those trucks are going to affect our roads as well.

So, completing 219 is a safety issue, and it's an issue for long-term planning.

In order to resume construction with -- let's say, in five years, we need to plan now for this transformational project.

We're fortunate that Senator Young has asked several innovative experts to share their thoughts on funding.

It's a complex and challenging issues, and we have some of, really, the best minds in the region today, to really share what they think is the best way to go forward.

We're also really fortunate that Senators Maziarz and Young were nice enough to introduce myself and a couple members of our board to State Senator Fuschillo.

I'm very honored to say, that he has pledged his support for the 219 project, and, he's pledged to support inclusion of funding in the next capital plan. And, we look forward to testifying at the budget hearings in January.

Once again, I urge you to support allocation

for the $6 million.

And, I would be honored to have any questions.

Thank you.

SENATOR YOUNG: Thank you, Meg.

I just have a couple of questions, and then I'll turn it over to my colleagues.

I do want to clarify, too, Senator Fuschillo is chair of the Senate Transportation Committee; recently, in Western New York, to talk about key transportation projects. And, we're very happy to have his support also. So -- especially, as we start the new session and the new budget in January.

SENATOR GRISANTI: Yes.

SENATOR YOUNG: I was wondering what the commitment -- you touched on it, but what's the commitment from the other states, as you go throughout the 1,500-mile route?

MEG LAUERMAN: Well, Continental 1 is, Toronto to Miami. Most of the states have Continental 1.

It's Route 95, you know, down in Florida.

Toronto, the QEW is being expanded.

Our commitment is extraordinarily high.

If you think it's important here, go to

Southern Pennsylvania. That is their everyday front-page issue: completing Route 219.

Pennsylvania, West Virginia, and Maryland are all really working together, in a consortium, to complete their section of 219. And, it's really the top issue in that area.

So, we're not in it alone. Other states are working just as hard, if not harder, than we are.

SENATOR YOUNG: And you see a renewed commitment in Pennsylvania?

MEG LAUERMAN: Absolutely.

SENATOR YOUNG: Okay.

MEG LAUERMAN: A northern, and southern, that would be two different projects.

SENATOR YOUNG: So that's why it's really important that New York State renews its commitment also?

MEG LAUERMAN: Right.

Everyone really looks to us to be the leaders.

Right now, we're following a little bit, but any movement we have here in New York is really going to spur them to move on their sections.

SENATOR YOUNG: Thanks, Meg.

Could you be a little bit more specific about

the economic benefits to Western New York?

Are there a number of jobs that could be associated with the project, for example?

MEG LAUERMAN: Yes. This an issue, I think we can all agree, that's been studied to death.

There would be at least 7,000 direct jobs, just in New York, with the completed Route 219.

And that's -- that's an old figure from 2003, but -- and it's also part of a national study.

So, in my mind, that's a bare minimum.

SENATOR YOUNG: That's a bare minimum.

And, then, on top of that, there are, for example, Holiday Valley, some tourism destinations --

MEG LAUERMAN: Right.

SENATOR YOUNG: -- that would benefit also?

MEG LAUERMAN: But that doesn't -- yeah, that 7,000 really doesn't begin to touch on the jobs that would be brought in, because, more students would be able to attend our colleges, let's say.

Or, that their local hospitals would have a wider reach on who they would bring in to work here, because, doctors want to work in Olean, but they also want to be able to go up to Toronto for the weekend.

Route 219 would really make Olean a more attractive place.

SENATOR YOUNG: And other places all around New York --

MEG LAUERMAN: That's right.

SENATOR YOUNG: -- and Western New York?

MEG LAUERMAN: Yes.

SENATOR YOUNG: Thank you.

Senator Grisanti, did you have some questions?

SENATOR GRISANTI: I have no questions.

I just thank you for being here.

And, I thank you for being a strong advocate, and pushing this forward, and keeping it on the radar screen.

Thank you.

MEG LAUERMAN: Thank you.

SENATOR YOUNG: Any of my colleagues?

SENATOR GALLIVAN: I do.

SENATOR YOUNG: Okay, Pat; Senator Gallivan.

SENATOR GALLIVAN: Meg, could you just clarify the 7,000 jobs?

Is that after construction, or it includes construction jobs, so they would be 7,000 permanent jobs?

MEG LAUERMAN: Those are 7,000 permanent jobs.

SENATOR GALLIVAN: With the economic development that would --

MEG LAUERMAN: Right.

SENATOR GALLIVAN: -- come about as a result?

MEG LAUERMAN: That's right.

SENATOR GALLIVAN: Okay, thank you.

SENATOR YOUNG: Thank you.

Senator Kennedy?

SENATOR KENNEDY: Ah, yes.

Meg, thank you very much.

I just wanted to take this opportunity to thank you for your advocacy. I know you've been working on this for a long time. And, it's great to see that we're finally get something movement in the Senate, with the commitment from the Chair of the Transportation Committee.

I've worked with you on this issue, back to my days in the Erie County Legislature, so I know you've been on the forefront of this. And, I just wanted to extend my gratitude.

MEG LAUERMAN: Well, you know, not to echo your own words back you to, Senator, but, Western New York, for the last several years, as you

have been saying very strongly, has not gotten our fair share of construction funding.

And, it would -- it would bring some equity to the table for, at the very least, to get the SEIS on board.

SENATOR YOUNG: Thank you.

MEG LAUERMAN: Thank you.

SENATOR YOUNG: Our next speaker is Mr. James Manno, Jr., vice president of sales and marketing with Sonwil Distribution Center, Incorporated.

Thank you so much for being here.

JAMES MANNO, JR.: Good morning.

SENATOR GRISANTI: Good morning.

JAMES MANNO, JR.: Thank you for the opportunity to be here to represent, what I will call, a very important constituent to this whole effort; and that would be, the private sector, and the ability to move goods and services throughout Western New York, and on, down.

As you've commented, there's a lot of route, east and west; not much going north and south. And, yet, we all know that this part of the world is where the vast majority of population of consumers are, not to mention, Southern Ontario and Toronto.

I'd like to speak on a couple of fronts.

I represent Sonwil Distribution, and we are a logistics provider, a family-owned business. Been in Western New York for over 60 years.

We've had the opportunity to see the growth of a lot of our current customers, who are very large, national, international, customers, as well as local.

But, recently, a significant amount of interest from the northern part of the border, with companies that are wanting to move into the U.S. to tap into the consumer base, and actually get a foothold on what is, still, you know, the largest economic opportunity that they'll have.

And, with the border, and the opportunity to have the 219 going from Toronto, significant advantage for those businesses that are trying to get a foothold in the U.S.

The border and the border crossing aside, the other opportunity is, that, if we look at, Sonwil made an investment about three years ago at the Lakeside Commerce Park.

Why is that important? It's in the backyard of the CSX intermodal yard.

CSX is a huge provider of rail service

throughout the United States, but significant growth in the Ohio, and New York State, into Canada, over this past three or four years.

We strategically located there because we do utilize CSX and rail for a significant amount of our customer base.

That Ship Canal Parkway facility has, on a daily basis, anywhere from 100 to 175 trucks, in and out, 24 hours a day, 6 days a week.

Our ability to be able to utilize a route that would take customers, and their products and services --

Thank you, Meg, I'm going to do you a little more justice now.

[Laughter.]

JAMES MANNO, JR.: -- their products and services, north and south, is important.

To be able to bring product up from the ports of New York and New Jersey, to Buffalo, as a stopping point for intermodal, is in the very near future.

So, our ability to take those containers off of that rail, put them on trucks and move them north-south, and specifically, into the Toronto marketplace, is something that the rail is actually

counting on.

So, they're very interested in knowing what's going on with road improvements, and connections or links, to major metropolitan and consumer areas.

I also represent the Buffalo Niagara Enterprise, and Buffalo Niagara Partnership Logistics Council.

Jack Ampuja, who's in the audience, myself, co-chair of that.

That's made up of a number of logistic professionals from companies in Western New York.

This is our number one topic: How do we become more cost-effective and efficient in moving goods and services, from where they're produced, to the end user?

So, that supply chain, and the ability to utilize road, is very, very important.

Those of you who understand what's going on at the transportation industry, realize that it's important to take fewer -- less time to get products to market, reduce the number of trucks that are on the road; which means, make sure that they only have a shorter distance to go, or more direct route. And, the number of drivers is shrinking dramatically, for those of who want to drive

over-the-road long-haul.

So, anything you can do to shorten that connection between the manufacturer of the goods and the user of that consumer product, is going to only add to the ability to still make sure you can get your product to market.

With all the growth we're talking about, economically, from bringing in manufacturing here, you have to have -- it's a "chicken and egg." You have to have the ability for them to be able to produce -- and, yes, energy, low-cost labor, education of the work force -- but if they can't get their products, from where they're manufactured or warehoused, to the consumer, you know, a low-cost, efficient way, they'll go where they can.

So, it's one of those critical elements in the whole equation to establishing Western New York as, truly, an opportunity for people to grow their businesses, stay here, and to bring new businesses here.

SENATOR YOUNG: Great.

Any questions?

Yes, Mr. --

SENATOR KENNEDY: Jim, thank you very much for your leadership on this issue, for your

leadership in the community, and in the business sector especially.

Sonwil is right in the heart of the 58th District that I represent. I've had an opportunity, as you know, to tour the facility.

It's an extraordinary example of how the expansion of the 219 could have a direct impact on creating jobs here, not just in the infrastructure, and the expansion of the infrastructure, but, rather, in the logistical nature of your business, in the distribution business. And it is a business, and it's a growing business. And Sonwil is a perfect example of the distribution business growing.

It's my understanding that the footprint of Sonwil is going to double in the course of the next couple of years, if not sooner.

And, so, with that, there are jobs; with that, we need to make sure that we're doing our part to ensure the viability of your business, and other businesses like it.

And so, again, I appreciate your commitment to this work.

And I guess, getting to my question, it is, if you could, just further explain, rather than I,

the -- where we are in history, as it pertains to the expansion of the Panama Canal, the New York Harbor, the infrastructure that we have here in Buffalo and Western New York; how that's going to impact the distribution industry, your business, and other businesses like yours, and help create jobs; again, not just in the infrastructure expansion, but also in what comes after that expansion.

JAMES MANNO, JR.: I would be glad to, and, thank you.

And, thank you. Sonwil is very proud to be a part of what's been a community that's been, probably, shortchanged, as far as what it has as opportunities and assets to help with the whole development of manufacturing and distribution.

But, more importantly, and I'm not sure how many of you in the room know, five or six years ago, the decision was made for CSX to put an investment in the intermodal yard.

At that point in time, there was a strategy that was put in place, bringing some partners together: the Port of New York/New Jersey, CSX, the legislative groups here in Western New York, the mayor's office, the county executive, and the private sector; which is one of the reasons why,

again, we located where we did, our warehouse, at Ship Canal Parkway.

What was coming, was the expansion of the canal. And with that, was going to come the ability for something that's very important to global economics, and that's the ability to move product: more product, per vessel, shorter period of time, globally, from anywhere in Asia, to China, to South America.

These ships are being built as we speak, in anticipation of being able to move through the canal, which has to be widened and deepened in order to do that. That work is almost done.

What that's going to do, is increase the amount of products and services that are going to be imported and exported via the canal, and the East Coast. The Port of New York/New Jersey, Carolinas, are going to be the beneficiaries of that.

Beneficiaries, in what respect? What it means is, that, while some would look at the Port of New York and New Jersey, and say, very congested, very difficult to determine how you could grow those areas, Port of New York and New Jersey decided with CSX, that if they could find a way to move those

products as they come on shore, in the port, and move them north, to a location as strategically positioned to shorten the distribution of those products and services; to be able to bring products, by container, to a port, to a destination, to a distribution facility, where they can be broken down, re-sorted, put on trucks, and distributed, would be very advantageous.

We've been chosen to be one of those destinations, if not, the destination for that to happen.

So, increased traffic through the channel, increased opportunity through the Ports of New York and New Jersey, opportunities for CSX to move goods and services via rail and container, to Buffalo, to the intermodal yard, increased opportunity for distribution out of Western New York.

What's going to come with that, is going to be the opportunity for growth in jobs in the logistics area; in evaluated-services area, where you're doing fulfillment, repackaging, light assembly.

And, in addition to that, and in the room, we do have some people that are very familiar with foreign-trade zone, and what that advantage is to

bringing goods and services in.

Sonwil is in the very final stages of being foreign-trade-zone certified.

What will that bring? Lower-cost opportunities to bring goods and services from offshore into the U.S., reducing the cost of tariffs and duties, and the opportunity to reassemble or distribute, just in time; which is critical today in the world of consumer purchasing.

So, yeah, a significant opportunity.

And it's probably, spring of next year, that we're going be sitting down with CSX, and their intermodal team, to talk about how we further that strategy.

Something else that's sort of, uhm -- uhm, quietly below the radar, CSX has just has been contracted by Maersk, the largest ship line in the world, to be their dedicated rail source for the United States.

So we're looking at the opportunity to talk about this with Maersk, who controls where large international companies move their goods and services internationally.

So, there are a number of pieces that are coming together. It's sort of the puzzle, and it's

starting to formulate, but, with that, is going to increase the opportunity.

And, the importance of Western New York is, the close proximity of Toronto and Southern Ontario.

So, I hope that answers sort of where you were looking for --

SENATOR KENNEDY: Perfectly. Thank you.

SENATOR YOUNG: Anyone else?

SENATOR GRISANTI: Jim, just a comment; and I'd flip this in reverse, and see if you agree with me.

There has been talk, considering that Niagara Falls Airport has the third largest runway in the world, and it's underutilized;

And, Pearson Airport in Toronto, as you were just saying, and in New York, those particular ports are extremely congested.

With the expansion of 219, you know, there's not a problem with us bringing goods. There are people that want to bring goods into Niagara Falls.

JAMES MANNO, JR.: Uh-huh.

SENATOR GRISANTI: The problem is, the plane does not want to leave empty.

So, you can bring, whether it's perishable, or whatever the products, or whatever they are, we

can get it in here, but the plane doesn't want to leave empty.

So, with your particular distribution site, and the completion of 219, and goods that you have coming in, on rail, or what have you, would probably make it more advantageous than to ship it, faster, to fill those planes.

I mean, you can have -- there's -- in other words: There's not one large manufacturing company that can fill a plane to leave the airport. But there are probably several businesses that have products, that if there's some sort of a conglomeration, where you're together, on moving those products out; or, because you have the 219, and you're talking about the rail bringing in, you could probably bring products up to the airport, and ship it out through Niagara Falls.

Wouldn't that be the case?

JAMES MANNO, JR.: Very much so.

I mean, it's one of those: We want to increase exports. In order to increase exports, you have to have imports. -- because, you have to have the equipment that moves both ways.

SENATOR GRISANTI: Right.

JAMES MANNO, JR.: So, in respect to that,

the cost of moving empty, versus full, is a deterrent to bringing in anything in the first place.

So, the access to that route, the ability to move from, Toronto, Southern Ontario, to a location where that product can be stored, co-mingled, and ultimately shipped out in bulk, or in large quantity, certainly would be advantageous.

SENATOR GRISANTI: Okay.

JAMES MANNO, JR.: And the key is, everybody who ever comes to Western New York, you tell them: It's only 20 minutes.

Literally, it's only 20 minutes, to get from any part of Buffalo, or Western New York, the eight counties, you know, to other side.

SENATOR GRISANTI: Right.

JAMES MANNO, JR.: So the key is going be, to be able to have infrastructure to support that, at the Niagara Falls International Airport, and tieing that into 219 shouldn't be difficult, because you've got the main route. Now you just need to have the, sort of the offshoots, to able to tie into that.

SENATOR GRISANTI: Right.

All right, appreciate it.

Thanks, Jim.

SENATOR YOUNG: Anyone else?

Thank you, Mr. Manno.

JAMES MANNO, JR.: You're welcome.

Thank you.

SENATOR YOUNG: Our next speaker is Alan Pero. He's international supervisor of the International Union of Operating Engineers, No. 17. Work on all kinds of large road and bridge projects; and, also, high-profile construction projects across Western New York.

Welcome.

ALAN PERO: Senator Young; Senators Grisanti, Kennedy, Maziarz, Gallivan; Assemblymen:

I thank you for the opportunity to represent my organization, and present to you our concerns in what we believe to be the value that would be added, to not only our membership, but to the community, as a result of the Continental 1 continuing to be constructed.

By way of background:

My name is Alan Pero. I am the international supervisor for the International Union of Operating Engineers, Local No. 17, located in Lakeview, New York.

The geographical jurisdiction of Local 17

includes counties of Erie, Genesee, Orleans, Wyoming, Cattaraugus, and Chautauqua.

Our craft jurisdiction includes two-fold:

One, as boiler technicians in buildings, such as the one we're in today;

But in addition to that, we are heavy-equipment operators. We build roads, bridges, buildings, and do significant work within the quarries in Western New York.

As many of you know, in the previous three years, it's been the most difficult financial times since, I understand, the Great Depression.

I recently heard a statistic, relative to the unemployment, that suggested, there hasn't been a period of time in which there have been consecutive years of 10 percent of unemployment since the '30s.

The members that I represent, on average, in a good employment season, perhaps work 1,400 hours per year.

In the last three years, many have only averaged 1,100.

But I think more importantly, it's better to understand, those brothers and sisters that have averaged less than 100 hours of employment

opportunity. Less than 100 hours of opportunity certainly has had a drastic impact on their earnings, but more importantly, it affects other items, such as health-and-welfare benefits.

Compounding this downturn of employment opportunities for our membership, Region 5, the region that covers Buffalo Niagara, has been impacted by the loss of revenue of $167 million, plus or minus.

In addition, this year alone, the Buffalo Niagara region for the New York State Thruway Authority has lost $183 million of employment opportunity.

So, in totality, we've lost the opportunity for $350 million worth construction in the Western region, while our roads and bridges continue to deteriorate and create safety concerns, for our families; our families that reside in this community.

In the construction industry, manpower generally runs, approximately, 35 percent of the overall cost. So when you look at the impact lost of 350 million, it equates to about $122 million of employment opportunity.

When you give consideration to the

compounding effect of the construction dollar in the community, there are billions of dollars of impact as a result of this in Western New York.

So while I recognize we were here to talk about the value of the 219, I think that highlights the significance of a project, such of this magnitude, being approved. There's a great need for employment opportunities here.

My last sentence, I put: What would it mean to the local community? Simply, the economic engine that has been missing in Western New York since the demise of big steel.

I witnessed it in a city I once resided in: Pittsburgh.

There was a street called "East Street," and our northwestern community could not make it into the city.

The local community responded to that by building the bypass for the 279.

As a result of that, you know, Pittsburgh is an outstanding economic -- outstanding city as a result of the economic opportunity resultant of the construction of that particular roadway.

I see the same occurring here with the 219.

Let's give consideration to, a few weeks ago,

in the town of Ellicottville, what a fantastic festival for the community in Western New York.

But, I like to ask, if you may, Senator Gallivan, in your prior years of law enforcement, give consideration to, not the negative impact to this city, or the town, by improving the ingress and egress of those that are visiting the city; imagine, at least, as I stammer, excuse me, a different scenario, where, you know, if anyone has ever attended that event, you have parking up to two miles away, just to go in and enjoy the festivities.

Imagine, on that small narrow two-lane stretch of highway, those tens of thousands of automobiles trying to get in and out of Ellicottville.

So it's not that the extension of the 219 would have a negative impact on the town and its festivities, it would provide value to that community, by bringing safety: safety for ingress, safety for egress.

Perhaps increased economic opportunity, as those folks that are turned off, because of the difficult nature in attending the event, will now perhaps see it's a great event to continue to go to.

I want to talk a little bit about, at least from my perspective, the value of the 4.2 miles that recently was completed.

I understand that the value of that project was about $130 million.

So, again, utilizing my calculations, at 35 percent, at $130 million, is representative of the employment costs for that particular project, that project represented $45 million for labor.

Operating engineers, labors, iron workers, heavy carpenters; members of our local community. Members that reside here. Members that pay taxes here. Members that are concerned, just as we are, of the safety for our loved ones as they travel.

I included an example given by Dr. Michael Waldren. He's a professor from North Carolina. And I certainly am not going to bore you by reading all of it. I just want to read one small paragraph on page 2, if I may.

"When workers with new dollars spend some of those new dollars in local restaurants, supermarkets, local malls, department stores, those dollars become income to the owners and workers in those enterprises. Likewise, these owners, workers, and local restaurants, supermarkets, and other

shops, will, in turn, spend some of their new dollars on locally produced goods and services; so, those dollars become income a third time, to the local citizens."

So, earlier, we heard Ms. Lauman -- Lauerman, excuse me, testify, that the construction, or the completion, of this roadway would create 7,000 new jobs.

In addition to the construction jobs, 7,000 individuals, to spend new dollars, on a continued basis, in our community.

Why wouldn't we want to build this?

I thank you again.

SENATOR YOUNG: Thank you, Mr. Pero.

Any questions?

Okay.

Thank you so much.

ALAN PERO: Thank you, again.

SENATOR GRISANTI: Thank you.

SENATOR YOUNG: Next speaker, Ms. Kathryn Friedman, Ph.D., Esquire, deputy director, University at Buffalo Regional Institute.

Thank you so much for being here.

DR. KATHRYN FRIEDMAN: Thank you.

Well, good morning.

First, I'd like to thank you, Senator Young, for inviting me to speak to you today.

I'm going to take the next five minutes to present a North American overview of why Continental 1 represents an opportunity for growth to Western New York.

And, although my remarks are big picture, and my two slides are quite simple, I hope that these demonstrate the practical consequences for the Buffalo Niagara region.

In today's globalized economy, we often hear about the importance of the Canada-U.S. relationship, which is often characterized as one where we make "stuff" together.

This "stuff" flows over the international border via complex continental intermodal transportation patterns and linkages, which are the crux of the twenty-first century economic exchange.

These intermodal transportation patterns can cut both ways for Western New York.

Let me see what I've got here.

Hang on.

I just have two slides.

(Slide being shown.)

Okay, on the one hand, you have initiatives, like North America's Super-Corridor Coalition, commonly referred to as "NASCO."

NASCO is a tri-national non-profit coalition that is lobbying to create a 2,400-mile multi-modal transportation network, stretching, from Canada, through the United States, and deep into Mexico.

NASCO is comprised of both public and private stakeholders, including departments of transportation from state and local governments, and private enterprises, such as freight forwarders and trucking companies.

This coalition has drafted plans for an intermodal trade route strategically linking ports in Mexico with intermodal rail hubs and inland ports through the use of Interstate Highways 35, 29, and 94.

This proposed trade route would direct the flow of trafficking goods from Canada, south, through the Ambassador Bridge in Detroit-Windsor, bypassing Buffalo Niagara, and then through the midwest to Laredo, Texas, and then across the Mexican border.

It is being pitched as a means to spur increased commercial activity along the routes

slicing through the Midwest, but also as a means to facilitate the use of the Mexican-Pacific coastal ports as an alternative to the overburdened Ports of Long Beach and Los Angeles.

As you can see in my slide, the bi-national Buffalo Niagara ports of entry are cut out of this system.

(New slide being shown.)

Continental 1 is a counter to NASCO that presents opportunity for the regional economy.

Establishing a four-lane trade-and-travel corridor, stretching from Miami, Florida, in the U.S., to Toronto, Ontario, in Canada, would, first, ensure that the bi-national region maintains its place as a critical link in Canada-U.S. trade flows;

And, second, secure access and mobility for businesses engaged in cross-border trade in the Buffalo Niagara region, and beyond.

This positioning is vital to maintaining and strengthening the region's strategic location in global and continental trade.

With close to $645 billion worth of goods annually flowing across the Canada-U.S. border, 30 percent of which crosses here in the bi-national Buffalo Niagara region, this is a position, in my

view, that we want to leverage.

Thank you.

SENATOR YOUNG: Thank you so much, Dr. Friedman.

Does anyone have any questions?

SENATOR GRISANTI: I would just say, Doctor, that what I just saw there, pictures do speak a thousand words; and, that NASCO would definitely not be good for our area whatsoever.

So, by just seeing that, you know, was proof that you need to get this project moving, because, and to tie in with the other things, I mean, you're talking about, with the canal expansions, and everything else, that will be beneficial, as we just heard from our other speakers, for this corridor.

But, the other corridor that you showed, with NASCO, not -- not something to be good for this area whatsoever.

So --

DR. KATHRYN FRIEDMAN: That's correct.

SENATOR GRISANTI: And that's underway I, take it?

DR. KATHRYN FRIEDMAN: Yes, yes.

SENATOR GRISANTI: Okay.

Thank you.

DR. KATHRYN FRIEDMAN: Thank you.

SENATOR YOUNG: I would like to point out, that we've been joined by our colleague, Assemblyman Robin Schimminger.

Thank you for being here today.

ASSEMBLYMAN SCHIMMINGER: Thank you, Cathy.

SENATOR YOUNG: Okay, thank you very much, Dr. Friedman.

Our next speaker is Dr. Steven F. Mayer, assistant professor, College of Business Administration, and, director of technology, Commercialization Clinic, at Niagara University.

Welcome very much, Dr. Mayer.

DR. STEPHEN F. MAYER: Well, thank you very much.

And, I would like to thank the Senators and the Assembly members for hosting this meeting this morning.

I wanted to take -- I have some written testimony, but I've entered that into the record, and you'll have all of that.

I'd like to take a little bit different tact with you, if I might, this morning; maybe a, sort of a bigger-picture tact. And, I would like to talk to each one of you on the dais, about what it is, as

legislators, and as policymakers, what it is you can do to help move this along.

I've been involved with Continental 1 since early 1990s.

I am the former general manager of the Peace Bridge, for 10 1/2 years. So, not only am I battle-scared by that experience, I'm also like to think that I'm battle-hardened by that.

As a -- I've spent 35 years in the infrastructure business, working all over the world. And I still do; travel about 2,000 miles a week, throughout North America, Middle East, and different places.

I had the distinct pleasure, a few years ago, of speaking to then-Governor Paterson's SAM Commission -- the State Asset Maximization Commission -- looking at public-private partnerships.

The genesis of that, of course, is the Tappan Zee Bridge, which is a strategic asset of New York State, and something that really, obviously, has to be dealt with.

The -- and at Niagara University, of course, I'm a college professor, but I also work in a technology commercialization clinic, so I get to see

how businesses with trying to commercialize existing or new technologies in new ways, and grow this area.

So here's what I'd just like to focus on; here's what I'd like to focus on with you today:

We've done a lot of studies in this area.

We've done a lot of studies.

Peace bridge alone, probably 35 to 45 million dollars worth of environmental studies, engineering work.

It's all good stuff.

The technical issues are rock solid. The environmental issues are sound. Good work has been done.

Think about, broadly, for a minute, and where we stand in New York State: New York State is a -- has a tremendous strategic tapestry for international trade, tourism, and travel.

If you work from the eastern part of the state, say, from the Plattsburg Crossing, they're served by I-87.

The crossings over the St. Lawrence are served by Interstate 81.

We, here, don't have a real north-south route, an efficient one. We have an east-west route.

So, for many years, 219's been on our radar screen. In fact, you know, and everyone in this audience knows, that this has been the lifelong passion for a lot of people. The 219 associations have been in existence for over 50 years.

So, we're soldiering on, and you've got to give people a lot of credit for having, you know, the dedication, and the willingness, to -- that sort of stick-to-it-ness.

I have a chance, I work a lot, as I said, throughout North America; and, in particular, especially in Canada, the U.S., and, again, overseas, and I work on public-private partnerships.

And I was thinking, when I commented back in '08, I looked at: What is really stopping, or creating problems for, these projects to move forward?

Again, it's not about the engineering work. It's not about the studies. And I'm not saying that because I'm also a professional engineer.

At the end of the day, it comes down to very tough decision-making.

And I will tell you the commonalties that I see, and what my recommendations are for the State of New York.

First, they start with institutional issues, the legal framework.

So, for example: Do we have public-private partnership legislation in New York State?

The answer is: No.

30 other states -- "30 other states" -- do, as of the spring of this year.

Design-build legislation: The whole area of alternative project delivery, do we have that?

Not very well.

Maybe we're testing it, but it's not engrained in the legal, you know, in law, and it's not used. It's used in most other cases.

The other is, the right organizational structure: Who should deliver this project? New York State DOT.

If there's anybody here from the Thruway Authority, they'll probably shoot me.

Maybe the New York State Thruway Authority should be here.

Maybe part of 219 should be tolling.

I know tolling's anathema to talk about, but I will tell you this: Worldwide, major infrastructure projects are being built with user fees, because the public recognizes that, okay, you

have to pay for this infrastructure.

They really care about two things, by the way:

I don't want to stop to pay a toll. Mobility's important to me;

And, anything I'm paying for any piece of infrastructure, I want the money to go back into that infrastructure.

Study after study after study, has demonstrated that.

The -- so, those are important things.

Here's where I'll conclude:

We have this toolbox. This toolbox is not as big as it could be.

You, as legislators, and policymakers, have to figure out a way to expand that toolbox: alternative project delivery, public-private partnerships.

I used to work with a fellow who used a quote, that I steal from him all the time: We're talking, now, about the art of the possible.

We need to be creative; we need to get on with these issues, and not find refuge in study after study after study, but, get on with it, and get on with the policies, and the -- because it's

important to our region, it's critical to our region.

I see it all over the world.

People look at pieces of infrastructure, like Continental 1, 219, and they view it in a strategic trade context. It's part of that whole mosaic, if you will, of what we need to do, to improve our competitiveness.

On that note, I'll shut up, and take any questions or comments you might have.

SENATOR YOUNG: Thank you, Dr. Mayer.

I just want to comment: You mentioned the Tappan Zee Bridge. And Meg Lauerman mentioned that Senator Fuschillo, Chair of the Senate Transportation Committee, was here recently; and I serve on that committee too.

And I want to assure that you we're looking at creative ways to find solutions. And, the public-private partnerships are an area that we've identified as a real opportunity to advance transportation needs in the state.

So, I appreciate, very much, you brought that up.

DR. STEPHEN F. MAYER: Thank you.

SENATOR YOUNG: Good.

Anyone else?

Thank you very much.

ALAN PERO: Thank you.

SENATOR YOUNG: Very beneficial.

Our next speaker is Mr. John Manzella, president of Manzella Trade Communications, Incorporated.

Thank you for being here.

JOHN L. MANZELLA: Senator Young, thank you very much for the invitation.

Distinguished Senators and Assembly members, thank you very much.

What I'd like to do, is provide a bit more background, looking at our competitive advantage, and how 219 enhances that competitive advantage.

We have some real assets here in Western New York that sometimes go overlooked.

Since the building of the canal in 1825, we've acquired the assets, the infrastructure, and the efficiencies to become a world-class logistics center, or a logistics hub.

And I think, if developed correctly, this can generate sustainable economic growth, and create well-paying jobs for this region, well into the future.

Now, when I want to talk about the assets and infrastructure, I'm talking about the major railroads; the international bridge crossings; the federal and state highway system, which we're talking about; two international airports; one port; et cetera, et cetera, et cetera.

Now, these facts are well documented by statistics and reports put out by the Greater Buffalo Niagara Regional Transportation Council, the World Trade Center Buffalo Niagara; there's a number of studies that all confirm and document these facts.

There's also a very, very important point here that's been brought up on a couple occasions now, and that's our proximity to Canada, and our role as an international gateway.

As a result of this combination of factors, we've attracted custom brokers, consultants, lawyers, accountants, bankers, who all understand international business.

So, right within the confines of Western New York, we've got a knowledge base of people that understand international business very, very well, unlike many other places.

We've also got, of course, the freight

forwarders, the warehousing, and fulfillment operations.

So the question comes up: How are we different than other logistics hubs?

How are we different than SmartPort in Kansas?

How are we different?

And we have, here, a unique value proposition that I don't believe any other region has; and that is, we could offer companies -- whether they're domestic companies, Canadian companies, foreign companies, Chinese companies -- we could offer them the ability to establish one location to penetrate two markets.

So, if a company's interested in reaching half the U.S. population and half the Canadian population within a one-day truck drive, Western New York is an ideal location.

Now, this can further be developed to support light manufacturing and assembly operations, sort of like a northern Maquiladora.

My first book was on U.S.-Canada free trade, in '89. And since then, I wrote two books on NAFTA.

And, we've seen the development of the North American Free Trade Agreement, and we've seen

the development of the Maquiladoras.

I'm talking about a more sophisticated Maquiladora.

So there's -- when you talk about logistics, you begin adding light manufacturing, you began adding assembly. You then incorporate the benefits of foreign trade zones. You then incorporate more back-office services.

And when say "back-office services," I'm talking about services -- sales, support, fulfillment -- jobs that do not require face-to-face contact with the customer.

This is an ideal location.

So I think, overall, this is a very, very attractive value proposition to domestic and foreign investors; and more so, if it's developed properly.

Now, the question will be -- it has been raised often -- is: Why now? Why today?

Why not, 5 years ago? Why not, 10 years ago?

We've always had this competitive advantage, but there's a series of new trends that are recurring today that didn't exist, five years ago, four years ago, three years ago.

I'm just going to touch on a number of those, and we can go into detail later if you'd like.

I spend a good deal of time in China, in Jiangsu Province. And what I've seen, is that Chinese companies are beginning to follow the Japanese model -- although I never use the "J" word when I'm in China -- but, they're beginning to invest in brick-and-mortar.

For the last decade or two, they've been investing in long-term secure contracts for energy and minerals in Africa, Latin America, and elsewhere.

Now they're beginning to invest in brick-and-mortar in the U.S., just as the Japanese had done in the '80s.

So, establishing this as a logistics hub, a very competitive logistics hub, I think we could attract Chinese dollars to this area, in addition to other Asian dollars.

Number one.

Number two, this is mentioned earlier: The expansion of the Panama Canal is expected to be completed in 2014.

So what does this mean? Larger post-Panamax ships can pass through the canal with three times more capacity.

That's three times more containers. That's

12,500 twenty-foot containers. It's absolutely huge.

And as we all know, the Long Beach and LA ports are always congested. When there's an issue of a strike, business is held up for weeks or months.

By traversing the Panama Canal, and coming around to the East Coast, as Jim had mentioned, this provides another opportunity.

There's only three ports on the East Coast with 50-foot depths which allow for these heavy post-Panamax ships.

I know the Port of Miami has been lobbying federal members of Congress for funds, to dig, and they haven't received it.

But there's only three ports on the East Coast that can handle this traffic; and the Port of New York/New Jersey is one of those. And they're one of the biggest beneficiaries of this change of behavior.

So, instead of going to California, you come around. And it's, many cases, it's quicker.

So this means, we're talking about an excess flow, additional business, for the New York/New Jersey Authority -- Port Authority.

And we've met with them, and we've met with CSX; and we've talked about, perhaps, taking that excess, and processing that up here.

So, again, another tremendous advantage.

In addition, because of the hyper-competitiveness, especially since the post-recession ended here -- I mean, we're, actually, probably still in it -- but companies have been forced to specialize to a much greater and greater extent, and just focus on their core competencies.

So, what does this mean?

This means, if you're an engine manufacturer, you just focus on engines, and you contract out things that you don't have a core expertise in.

You core -- you focus out -- or, you contract out warehousing, you contract out distribution, you contract out logistics, because that's not your expertise. You stick within your core competency, because of the competition.

And this is the trend of businesses.

So, what does this mean?

This means, a logistics center, for example, has become a whole business unto itself. Extremely technically designed. It's amazing what you can do

now with some of these logistic centers.

We have that right here. We've got that at Sonwil. We've got that at many companies locally.

So the key is, to take advantage of this opportunity to continue to specialize and attract these types of companies.

Additionally, I mentioned China.

Chinese labor rates have increased about 18 percent annually.

Now, when you take this and combine it with the slow appreciation of the Chinese currency, the overall employment costs in China have increased 20 to 25 percent.

So, what does this mean?

It's not the haven for manufacturing as it was at one point.

So, for example: If your primary market is the U.S., and you manufacture in China, that's becoming a less-attractive incentive, to move to China to manufacture, to ship back here.

Now, if you're business is primarily focused on supplying the Chinese market, consumers in China, consumers in Asia, then that's still a valuable and attractive approach.

But if you're looking to manufacture

primarily for the U.S. market, the Chinese manufacturing and infrastructure is becoming less and less attractive.

Now, you take that, and you add increasing fuel costs. So we know, once the global economy really begins to take off, fuel is going to skyrocket.

Once you take those -- that into consideration, and other expenses related to long-distance-applied chain management, it's already been projected that manufacturing in the U.S. should increase as a result of this.

So, in other words: Companies will begin to back-shore products back to the U.S. So those companies that previously offshored products are likely to back-shore those.

If we have a very competitive logistics center here, and we're connected north, south, east, and west, we become a more attractive destination for that manufacturing.

And then, of course, the President, in 2010, announced the National Export Initiative; and the goal, of course, to double exports within five years.

So, we've got an effort here to double

exports in five years. This all plays in to our international gateway, our logistics center.

So when you talk about 219, we're connecting, much more efficiently, Western New York with points south. And this enhances our position to a much greater extent.

Now, Meg had mentioned that studies indicate, that we're looking at 7,000 jobs from this project.

Western New York has about 570,000 workers. About 520,000 are employed right now.

So, our unemployment rate is about the same as the national average, maybe slightly less. I haven't looked at the most recent statistics.

But when you combine all of these factors, and we're talking about pitching foreign companies to invest here, one location/two markets, it's a very attractive value proposition.

219 attracts investment, on both sides, but that's just one piece of a much larger picture, but a very, very important piece to make this all a reality.

So the 7,000 jobs, really, is a very small conservative factor.

I would estimate much larger.

Now, how do you apply metrics? How do you

come up with numbers?

It's sort of like pulling a rabbit out of a hat. You could ask three economists and get four or five different answers.

But the bottom line is: We're talking about providing an attractive environment to attract U.S., Canadian, and third-country investment.

And this really takes advantages of our competitive situation that we've had, again, since -- since the 1800s.

One more point here; and that is, that the U.S. and Canada no longer really produce goods for each other. We've teamed up, years ago, to produce goods for the world.

So, we have a nature of integrated manufacturing like no other two countries.

So, we work together. We have intracompany transferees crossing the border.

We've got products in the auto industry, for example, that may cross the border three times.

You may begin the production here, it may go to Canada for some sort of processing, it may come back here for something else, and then shipped off to an Asian customer.

So we don't really produce goods for each

other. We combine our qualities and our strengths, and produce goods for the world. This makes us much more competitive, as a region, against China, Asia, the European Union.

So, we're really talking about enhancing North American competitiveness when we talk about lengthening 219.

So, Western New York becomes the center of the universe when we're talking about enhancing North American competitiveness.

There's a number of other factors, but I've probably used up my five minutes.

SENATOR YOUNG: Thank you very much.

And, you touched on the fact that Meg's projections for 7,000 jobs may be a bit on the conservative side.

If it -- what's your opinion on that? How many -- do you think that's just a starting point?

JOHN L. MANZELLA: I do. I do.

And I think it's very difficult.

You can come up with methodologies and models, and, it's sort of like pulling a rabbit out of a hat. You've got so many variables that you really can't account for.

We can come out and make a statement, and

sound great. And then, in five years, look a little foolish.

I can't really say.

But I do know that, international investment flows, they become hyper-competitive. Companies no longer invest in a location because, they like the weather, or the people are nice, or they've got a great sports team. They invest for a very strategic competitive advantage.

And we have that very strategic competitive advantage in a logistics center.

And we've always had this advantage: We've got the assets, we've got the infrastructure, and we have the efficiencies.

The key is, to tell the rest of the world about this, and begin that cycle of development.

SENATOR YOUNG: Great.

Comments? Questions?

ASSEMBLYMAN SCHIMMINGER: Yeah, I've got one.

You've always got your eye on the future, and you mentioned the new expanded Panama Canal, and you mentioned Eastern Seaboard ports, which will benefit from the travel of the super-large container ships directly to those Eastern Seaboard ports. You mentioned Miami, you mentioned New York.

Up in Canada, up in Nova Scotia, there's a port called "Halifax."

JOHN L. MANZELLA: Right.

ASSEMBLYMAN SCHIMMINGER: Will there be an increase there? And would that increase into Halifax, also, in turn, come down and benefit our center?

JOHN L. MANZELLA: Halifax has had some issues, from what I understand, in the past.

They actually are the closest point between Europe and North America. So, if you're shipping goods from Europe, it makes a great deal of sense to ship right to Halifax.

ASSEMBLYMAN SCHIMMINGER: Uh-huh.

JOHN L. MANZELLA: So my guess is, that the very -- the majority of business going into Halifax is probably European trade.

So, I really can't comment. I wouldn't know if they would benefit.

I do know that New York/New Jersey is one of the prime beneficiaries of the expansion of the Panama Canal.

SENATOR YOUNG: Thank you.

Thank you very much.

JOHN L. MANZELLA: Thank you.

SENATOR GRISANTI: I myself am going to have to take leave. I've got to go to a matter in Niagara Falls; but, I look forward to receiving the materials from the other speakers that have yet to speak.

And I look forward to helping you, and with the help of our colleagues, moving forward, to get this expansion completed.

I just wanted to say, thank you, though, for coming here this morning.

Appreciate it.

SENATOR YOUNG: And I want to thank Senator Grisanti, and his office, because they took a leading role, leadership role, in helping put this together today.

SENATOR GRISANTI: Thanks.

SENATOR YOUNG: So, thank you, Senator.

SENATOR GRISANTI: Thank you.

SENATOR YOUNG: Our next speaker is Dennis Eshbaugh, president, and general manager, of Holiday Valley Mountain Resort & Conference Center.

DENNIS ESHBAUGH: I've been asked to narrow my comments relative to tourism, today; although, I do want to -- to make note of the point, that, in my involvement with Route 219 association, I tend to

look at Route 219 far greater than just its impact in tourism, albeit that Holiday Valley, of course, is in the tourism sector, and our primary work.

The first thing that I would like to do is, if we could maybe bring the lights down?

And I hate to do this to you, and put you in the dark, but -- but I think it's important to focus on what we have.

(Slide being shown.)

As Senator Young talked in her opening remarks, about having some momentum; and I think this photo is indicative of that, from last November.

And I think the photo credit should probably go to Rick Miller, who I saw earlier in this room.

But that was the opening of Section 5.

You'll see, actually, Senator Young in the center, and Senator Gallivan, and Assemblyman Giglio, with us, among many others.

But it was a great opportunity to open that 4.2-mile section, to recognize some significant accomplishments that took place, and it had to do, of course, with the first step of moving towards I-86.

(New slide being shown.)

It was -- it was a time, where, I think, the gentleman here from the New York State Department of Transportation, where they -- they engineered a marvelous twin span over a sure valley. They also dealt with some significant engineering challenges that probably made Section 5 one of the most difficult, and, hopefully, the hardest part behind us.

But, nonetheless, we can see we still have a long ways to go, in the dotted lines that are down here, between, just south of Springville, and reaching 86, and, ultimately, the Pennsylvania Line.

(New slide being shown.)

When we talk about tourism, and I will try to concentrate on that, we know that there are significant impacts. We know that, in terms of the Salamanca, or Seneca, Casino, that has had a huge economic impact in the Southern Tier.

We know that Holiday Valley, and Ellicottville, New York, attract about a million and a half visitors.

And while I'm proud to say that the core and the engine of that train is skiing, and almost half of those are skiers, I'm more proud to acknowledge that over half are not.

And I think that's a huge part of our success, in that we have moved beyond, of course, just a rather narrow winter-only business, but expanded the role of tourism in our community of Ellicottville, and all the things that go around it, beyond just skiing.

We also have some other huge sources of recreational access and importance with the state park and the significant number of visitors.

And probably something that maybe we lose sight of, as New York residents, our access to the Pennsylvania wilds.

I think the important part of tie-in to Pennsylvania is that it truly works both ways, and it is a north-south opportunity; that we have an equal opportunity for our people in New York State moving, of course, into PA, visiting some of those wonderful regions and wilds, as well as bringing their people to Western New York.

(New slide being shown.)

Economically, there is some things that are important.

We know from the Convention Business Bureau here, that they say, an average expenditure per sporting-event day is $120.

We know from the studies in New York State skiing, that an overnight visitor generates almost $250.

Probably more important is the overall impact. And the preliminary Tourism Economics Report, which is soon to be completed for 2010, shows, Western New York, the tourism value, being at $2,418,188,000.

A huge number; a significant number.

Probably equally important, although, I am from Cattaraugus County, and truly, the Southern Tier, that over half of that, 57 percent of that, is actually generated here in Erie County. And we certainly recognize the importance relative to tourism, and the ability, again, to move people north and south.

(New slide being shown.)

Now, again, I'll go back to our myopic view, and what we're best at Holiday Valley, which is skiing.

A picture, of course, that's close to my heart, if I've got the right photo up, and we did.

Skiing: To us, of course, snow, lake-effect snow, is great stuff. When we have 240 inches of snow in the course of a winter, it provides for

great skiing. It also provides for challenging driving.

(New slide being shown.)

We measure, ultimately, not so much by mileage, but time on the road. Safety, clearly, is critical.

I want to thank Ron Hayes and Frank Belletier (ph.) from the DOT for being here with us today.

And, also, I would be remiss not to acknowledge Pete Nixon, who we worked with, and, although, retired a year or two ago, still continues to be a supporter of this project. And it's great to have him here with us today.

Clearly, what the DOT has done, the challenges that they have overcome relative to engineering, the creation of a marvelous twin span bridge, that they did such a great job in safety and sight lines, you don't even know you cross it.

Although, that's somewhat disappointing to me because it's a truly marvelous structure. From a safety and engineering standpoint, it makes perfect sense.

(New slide shown.)

And then, finally, I will just close by

saying, that I think it's important for us to recognize what we have, to create a future brighter than maybe what we enjoy today, for the future of our children, for our community.

And, ultimately, that I hope that we can all work together, to fund the SEIS, and the future of 219.

Thank you.

SENATOR YOUNG: Thank you, Dennis.

And I want to personally thank you, because you have been a driving force behind 219 for many, many years. And it was a real pleasure to stand with you on the new bridge last November and be able to cut that ribbon.

So, thank you for all that you do.

DENNIS A. ESHBAUGH: Thank you.

Our next speaker is Art Hile, finance director, Americas and Asia-Pacific, from Dresser-Rand Group.

Welcome, Mr. Hile.

ART HILE: Good morning.

SENATOR YOUNG: Thank you for coming.

ART HILE: Thank you.

Thank you for the opportunity to talk to you today a little bit about what the potential

opportunities are for 219 to business. And particularly to industry; and Dresser-Rand in particular.

I do have a short presentation I want to walk through.

Thank you.

(Slide being shown.)

First, I want to give you a little bit of background about Dresser-Rand, for any of you who are not familiar.

Dresser-Rand is one of the largest global suppliers of specialized and customized rotating equipment in the globe. We serve a lot of the oil, the gas, petrochemical, and the process industries.

Worldwide client base stretches to 140 countries, and that's expanding with the recent acquisition of a company in Spain.

We operate 12 manufacturing facilities in 7 countries, and 39 service centers in 22 countries, all with numerous sales offices across the globe.

Three of our largest manufacturing facilities, probably about 50 percent of the manufacturing capacity today, are in the Southern Tier of New York and Olean and Wellsville and in the Painted Post. We have over

2,300 employees in those locations.

(New slide being shown.)

And in terms of Route 219, and what that means for industry, particularly in the Olean and Western New York area, there's three areas that I really wanted to point out.

First one is, is, and several others have talked about, logistics, but, getting product or materials into the facility.

Dresser-Rand manufactures very large items, and there's a lot of materials and supplies that have to come in today. And getting that there in the most cost-effective manner, understanding our competition is across the globe, and remain competitive, we need that cost-effective transportation and logistics.

Beyond just the cost, though, there's also a question of timing.

There's a cycle time involved with our product. Our product is customized. It's specifically engineered, and the cycle time is very important.

So, transit times, getting things around, is also extremely important.

Today, we're very tied in. If Route 86 does

not operate, we would be in a lot of trouble in terms of getting materials in and out.

So, reducing some transit times, which 219 would do for us, would increase our competitiveness, as well as the other local industry, in both directions.

It also opens new opportunities for Western New York companies.

Today, if I have a large item that requires an oversized load, and I need to move that to a supplier, if I wanted to send that to Buffalo -- to Buffalo for -- to a supplier, today it would have to go to Erie and turn the corner at 90, and then come all the way back. There is no way to get it quickly there.

So, it does -- it will open other opportunities in both directions, for suppliers to work with businesses in Olean, to Buffalo, to Bradford, all the way along.

(New slide being shown.)

The other area is, also, going out.

We talked about inbound freight.

Outbound freight, our -- this is, I think, a 20-axle trailer, going out.

We ship out 12 oversized shipments every

month. That's 3 a week, and about 150 per year.

Today, those all have to go out over Route 86.

If we're going to Canada, it doesn't matter. Then, once again, you're going to Erie and turning the corner; or going down to 390 and coming up, uhm, it's -- and, which makes it a real challenge in terms of moving freight in and out.

And should, from a risk-mitigation standpoint as well, if route -- if something happens and Route 86 is closed, or something like that, our freight doesn't go out.

It's going to definitely decrease transit times, avoiding the two-lanes road.

Like I says, our large equipment can't even go over the -- can't even go over any other roads, other than Route 86. But, getting stuff in quicker, and getting stuff out quicker to our customers, we do do, about 50 percent of the businesses is in parts. And it's critical, when a machine is down, to be able to get that back out to our customers.

And those go across the globe from Western New York.

It's, also, as we talked about, an alternative to the limited highway system we have

today.

(New slide being shown.)

And then, in another area, I'm -- I've heard a little bit touched on -- upon today, is that, we -- of those 2,300 employees, 700 of ours are professionals.

We do research and development in Olean, New York.

We have -- our product, because it is so engineered, we have lots of engineers.

Our sales group is located, as well, in Olean, and across the Southern Tier.

So, we have a lot of professionals in that area; and part of it's recruiting.

You know, we talk about 219, and we're talking about logistics and moving things; and, that's great. But, today, I can't -- I don't have access to those -- those individuals who want to live closer to Buffalo, but would be willing -- but are the right skill set, to come and work for a Dresser-Rand in Olean; because, today it takes too long for them to transit down to the Olean area for a job.

So, as a result, a lot of times, those jobs are going -- we have to go out, and we have to spend

more money, higher cost to Dresser-Rand, to recruit outside of the state of New York, outside of the general area.

So, I'm -- we're relocating people from across the U.S.

And, the other thing is, as an international company, we have customers coming in from across the globe. We have other employees from other locations coming in for training. And they don't -- today, they don't have that easy access to airports, and including, even Buffalo. You can get to Buffalo, but it is not the best route, having driven that this morning myself, from Bradford today, to here.

Also, the employees that we do have, you know, when you're trying to recruit someone to the Olean area, quick access to Buffalo, to the cultural amenities at Buffalo, and some of these other areas, would be served by Route 219.

(New slide being shown.)

And, last, expanding global business and trade.

We are a global company, and it will become more so.

We work across the globe, whether it's South America, Asia-Pacific, Europe, and most

recently, in Russia as well.

And as -- our equipment runs for 50 years, so that's a lot of parts that have to move over the years, and we have to get those out.

And getting access to; I'm glad to hear some of the logistics plans today that are with Buffalo, because that -- all that serves better what we're trying to do in terms of getting things out.

So, reducing those costs helps us to be competitive with the rest of the globe.

Large cities and access to the airports -- Buffalo, Toronto, Pittsburgh, Cleveland -- those become a lot more accessible with Route 219's completion.

Today, people, they drive; they'll drive to Buffalo, they'll drive to Elmira, they'll drive to Cleveland, they'll drive Pittsburgh, but, it's not the quick access. And it certainly isn't the -- when you bring a customer down, it takes them two extra days to navigate down to Olean.

SENATOR YOUNG: Okay, any questions?

I want to thank you, Mr. Hile. I know it's not an easy trip. I made it myself.

And, so, we really appreciate you coming today; and, also, for Dresser-Rand's investment in

the Olean area.

As you know, it's part of the life blood of that community. So, we really want to thank you for everything that you do.

ART HILE: Thank you.

SENATOR YOUNG: Our next speaker is Mr. Richard Forrestel, Sr. He's from Coldspring Construction Company, a member of the FAIR Committee.

And I want to welcome him, and especially remark on that magnificent engineering and construction feat of the twin spans.

RICHARD FORRESTEL, SR.: Thank you.

I guess I'm supposed to be in the hot seat here.

Good morning, everybody.

My name is, as Cathy said --

Pardon?

SENATOR YOUNG: Good morning.

RICHARD FORRESTEL, SR.: Good morning.

My name is Richard Forrestel, and I have been involved in this for a very long time. And I am pinch-hitting for son Steve, who is on a combination business-and-pleasure trip in Asheville, North Carolina. And I found out last night, that --

that I would have this opportunity to speak to you.

And, I'm very happy to do so.

I also -- I ought to comment on the fact that I look like I've been through a wreck, and I really have. It's six -- it was 51 years ago, and with complications. And I'm recently a product of Roswell and ECMC, but, I'm just healing up, so I'm good.

I apologize in a way; this is self-serving.

Steve said to me, when he talked to me last night, he said, you know: This is self-serving.

And I thought, well, sure it's self-serving. It certainly is. We've been involved in the business, and we've done two sections of 219. But, it's self-serving to every single person in this room; and to all of the people that are in this room, in this whole area.

This is a self-serving thing that -- function that we are doing, to have 219 built.

And it's -- we built this section, first, in '80, and '81 and '2, across the top of the hill, north of Genesee Road. And then, of course, more recently, the infamous section at Springville, with all of the resultant complications that were there.

But, as I sat at the ribbon-cutting, it's a

tribute to the Department of Transportation that that job was done, done correctly, and it's certainly not done the way it was designed, because they changed on the fly, many, many times.

And it was the most difficult project that we ever did, but the proof is in the pudding.

And, the result, to me is, although it was expensive for the taxpayers, it's, by far, the most difficult piece of the road, and in the whole of New York's section of 219.

And it's a wonderful thing to have that out of the way, because, to have that in the future, to have, would have been a disaster.

And, so, whoever made the decision, well, let's tackle -- maybe they just did it geographically, going south, but, whatever -- it was a brilliant move to tackle that job, and get it done with all of the resultant difficulties, because, it is done, and it is done right, and it will be there for a very long time.

I would be happy to answer anybody's questions about 219, and about either of the portions that -- that we did.

And, I can't stress the importance of 219, as the other presenters have done, because, well, for

one thing, I'm a skier; and I've been skiing, now, for 70 years. And I've used 219, going back and forth.

And it, just, the income that's generated, as was mentioned in Ellicottville, where there were a thousand people there last weekend, or the weekend before. And, it's a wonderful income producer for Western New York.

And it's a really, really bright spot for -- in the development here, and in Western New York.

So, anyways, I said I'd be happy to answer anybody's questions.

SENATOR YOUNG: Mr. Forrestel, how many people do you employ at your company?

RICHARD FORRESTEL, SR.: About 150.

SENATOR YOUNG: About 115? (sic)

So, when you talk about a self-serving, it benefits your company, but, your company provides jobs, and sustains families, and -- who go out and spend that money in the community and support other businesses.

Correct?

RICHARD FORRESTEL, SR.: That's --

SENATOR YOUNG: And pay a lot of taxes.

RICHARD FORRESTEL, SR.: -- a lot of jobs.

And they are good paying jobs too.

And, of course, it's all great work, Davis-Bacon work, but's it's -- so that they are good paying jobs.

And we've been in business, we just celebrated our 100th anniversary a few months ago.

And, we've -- I thought, sometime, I ought to add up what the economic impact has been, if all the 180, or whatever it is, jobs that we have done in 100 years. And, it would be a huge number.

SENATOR YOUNG: Uh-huh.

RICHARD FORRESTEL, SR.: I do know that; that we funded, to calculate it. But...

SENATOR YOUNG: Well, thank you.

Thanks, Mr. Forrestel.

And, again, congratulations. It was a very difficult endeavor to finish that section of 219, but, you did it.

And we really appreciate the fact that you could come today.

RICHARD FORRESTEL, SR.: Well, thank you.

SENATOR YOUNG: Tell Steve we said "Hi."

RICHARD FORRESTEL, SR.: And, let's hope that Section 6 comes.

SENATOR YOUNG: I'm very optimistic.

RICHARD FORRESTEL, SR.: Thank you.

SENATOR YOUNG: Thank you.

Our next speaker is Tom Buttafarro, and he's director of operations for the Office of the President at St. Bonaventure University.

So, he's reading a letter on behalf of President Sister Margaret Carney from St. Bonaventure.

THOMAS BUTTAFARRO, JR.: Senator Young, thank you for having me.

Sister Margaret had wanted to be here. This is a -- this has been a very important subject for her, but, unfortunately, her schedule didn't allow it.

So, she drafted some brief remarks and wanted me to represent them.

"Dear Legislators, and special guests:

"Route 219 is the lifeline between the Southern Tier and Buffalo. For too many years, this project has gone uncompleted, and it is time to take action and make Route 219 a four-lane highway, from Interstate 90 to Interstate 86.

"It is vital to the economics of, not only St. Bonaventure University and the Southern Tier, but to all of Western New York.

"I have broken down my comments into three important areas as they relate to St. Bonaventure University and the local community.

"SAFETY:

"In January, 2011, a freshman, excited to start a new semester at St. Bonaventure University, traveled with his family on Route 219. This young man's mind was filled with the idea of rejoining his new friends, and continuing his education at the school he loved. However, this excitement turned into a nightmare in a matter of seconds.

"The weather was bad that day, with frequent whiteouts, resulting in very poor driving conditions.

"At 1:30 p.m., a northbound vehicle lost control, slid on ice, while attempting to pass another vehicle, and collided head-on with the freshman's southbound vehicle.

"The freshman and his mother came out of the accident with only minor injuries, but his father died.

"Furthermore, according to the Cattaraugus County Sheriff's Department, there have been over 375 accidents on Route 219 since 2000.

Many of these accidents, like the one that took this father's life, could have been avoided if Route 219 was a divided four-lane highway.

"ACCESS:

"Tens of thousands of vehicles transport people between St. Bonaventure and Buffalo on Route 219 each year.

Students, families, faculty, staff, vendors, and others, use this main thoroughfare regularly for multiple services, including access to the Buffalo Niagara Airport.

"Also, as a Division I NCAA institution, there are multiple buses of athletes, and carloads of fans, that travel back and forth almost daily.

"Route 219 connects the rural Southern Tier with urban Buffalo, and, ultimately, the world.

"A four-lane highway would increase this access, making it easier, faster, and more importantly, safer. Vehicles would no longer have to travel on what many consider back-country roads, and would never be stuck behind slow-moving traffic or oversized trucks.

"A divided highway would solve this problem, and make passing safer for all vehicles, unlike the sad example of the freshman and his family.

"ECONOMICS:

"Western New York has long been one of the most economically depressed parts of the state due to declining population, negative economic growth, and a diminishing tax base.

"Completion of Route 219" --

"Completion of Route 219 would generate economic growth, by preserving and expanding existing industries through efficient access to markets and suppliers, and by making Southern Tier communities more competitive in attracting new industries.

"St. Bonaventure would also benefit economically from a four-lane highway from the Buffalo Niagara Airport. This faster and safer connection would be a great asset in attracting new students and retaining current ones.

"Increased economic growth for St. Bonaventure University will directly impact the economic stability of Cattaraugus County, the Southern Tier, and all of Western New York.

"The completion of Route 219 will be the New York State's portion of Continental 1, a multi-state and bi-national effort that will provide a trade corridor from Toronto to Miami.

"Finishing New York State's 20 miles of highways could lead to potential economic development for St. Bonaventure, the Southern Tier, and all of Western New York.

"CONCLUSION:

"Bad weather and poor driving conditions are part of living in Western New York; however, we can make Route 219 safer for all vehicles.

"A four-lane highway would also increase the economic possibilities for St. Bonaventure University, and Western New York.

"Now is the time to take action, fight for the funding, and make Route 219 a four-lane highway.

"Thank you."

SENATOR YOUNG: Thank you, Mr. Buttafarro.

THOMAS BUTTAFARRO, JR.: If you have any questions, I can --

SENATOR YOUNG: I think Assemblyman Schimminger wants to remark about Canisius College, or no?

ASSEMBLYMAN SCHIMMINGER: Well, you know, Canisius has the light-rail rapid transit;

Niagara has the power plant;

And, darn it, St. Bonaventure needs Route 219.

THOMAS BUTTAFARRO, JR.: Correct.

[Laughter.]

THOMAS BUTTAFARRO, JR.: Correct.

And this would definitely -- this would, obviously, be an economic stimulus for all higher education in all of Western New York, not just the Southern Tier as well.

SENATOR YOUNG: Exactly.

Very good, Mr. Buttafarro; thank you so much.

THOMAS BUTTAFARRO, JR.: Tom, I have a gift for Sister.

SENATOR YOUNG: We have one more speaker, Patrick Whalen.

And, the parking situation outside is extremely challenging today.

So, Meg, did you want to take a quick break, and -- or --

MEG LAUERMAN: (inaudible.)

SENATOR YOUNG: Okay.

So, why don't we -- is there -- there's not coffee out there anymore; right?

So, why don't we just take a really quick breather, and, Mr. Whalen, I'm sure will be here momentarily.

I'm hoping my own car is not towed away at this point. But, we'll have some lunch, and then we'll get back to our final speaker.

(A recess was taken.)

(The Roundtable resumed, as follows:)

SENATOR YOUNG: At this point, I would like to reconvene for our final speaker.

And it's, Patrick J. Whalen, chief operating officer from Buffalo Niagara Medical Center.

Thank you so much for coming. Thank you for combating the parking situation. And --

PATRICK J. WHALEN: Thanks for having me here.

SENATOR YOUNG: -- glad to have you here.

PATRICK J. WHALEN: I'm sorry I was late, but I did get a lunch. I was promised a lunch if I came, and I got it. So --

[Laughter.]

PATRICK J. WHALEN: Well, I guess I would like to start, by saying: My -- most of my life, my previous career, I was in the logistics business.

So, I know that you heard from Jim Manno, and I know Jim well. And I'm sure that I would concur with what he told you about the importance of Route 219.

It's critical to the continuation, really, of what we have in Western New York; and that is, that this is a center for global trade and logistics. And, obviously, a key component of that is a north-south link. That's one of the -- there's -- one of the things that's missing is a good north-south highway for truck traffic.

So, I know there was some questions. I heard, anyways, that there was some questions about logistics, and I'd be happy to offer my insight into what I know about logistics, after I talk about the medical campus.

So, I've changed careers completely.

Don't ask me how a guy in logistics gets to be a chief operating officer of a medical campus, but I'm sure glad it happened to me. It's a fun job.

The medical campus is a consortium of nine life-science industries, or organizations; the big three being, Kalida, Roswell, and the University of Buffalo, but there's six smaller ones that are very important, including the Buffalo Medical Group.

And Buffalo Medical Group I mentioned, because all -- probably, Buffalo Medical Group,

Roswell, and Kalida in particular, see patients. And those patients, the number of patients they can see, is a dwindling number, because our population continues to decline in Western New York. But, there's a lot of people in the Southern Tier in particular, that are underserved, and could be treated in Buffalo. A lot of them tend to go to Pittsburgh.

So, the completion of 219, I think, is very important.

As the medical campus develops -- in fact, I just left a meeting; the reason I'm late, and I apologize for that -- is, I was at a meeting, where we talked about a machine. There are six of them in the world, and we're considering, we're trying to figure out, how to bring the seventh to Buffalo. And the six places that they already exist are all household names. But, this machine focuses ultrasound and MRI, or combines ultrasound and MRI.

It's another example of things that are going on in Buffalo, such as robotic surgery. There are things being done in Buffalo today, in the medical field, that can't be done other places. Or not too many other places.

So, one notable thing would be, the

Global Vascular Institute that's about to open on the medical campus. And that will house of the -- the stroke functions that are, today, at Gates Hospital. But, the combination of those things on the medical campus allows for some critical mass.

Kalida has a plan to treat stroke victims, with a hub-and-spoke theory; so, that, if someone had a stroke in the Southern Tier, they might go to their local hospital. There wouldn't be time, perhaps, to get them to Buffalo.

But, the world-class surgeons now are coming to Buffalo, to practice medicine, because of the cutting-edge technology here.

So, if someone's at a hospital in the Southern Tier, and that's discovered, between the two doctors -- the doctor in the Southern Tier and the doctor at the Global Vascular Center in Buffalo -- that that patient needs to get to Buffalo, because he needs access to that world-class surgeon that's in Buffalo, it's pretty important to get them here efficiently.

And a completion of 219 would be very important to that.

So, I think that, the Southern Tier,

obviously, in most parts of the country, world-class people don't exist just everywhere. And they are existing now in Buffalo, and we need to provide access to those people; and, at the same time, the world-class people that we're recruiting to Buffalo need to see patients.

That's the whole idea behind the medical campus, is to consolidate all of that stuff, so that there's enough volume there so that the people can get good at what they do. We don't need brain surgeries taking place in eight different hospitals in Buffalo.

If we have it happening in two hospitals, then the surgeons that do it in those two hospitals get better at it.

So, that's what we're trying to do at -- in the medical campus.

And access to those patient on the Southern Tier is critical.

SENATOR YOUNG: Uh-huh.

PATRICK J. WHALEN: That's really all I have, in terms of remarks.

I'd be happy to answer any questions, on the medical campus, or on my previous life in logistics.

SENATOR YOUNG: When you recruit healthcare professionals, you know, is access to places, like Toronto, for example, is that something in the equation that they look at, those quality-of-life --

PATRICK J. WHALEN: Oh, absolutely.

SENATOR YOUNG: -- issues?

PATRICK J. WHALEN: Quality of life is especially important to doctors, and, uhm -- you know, on the medical campus, there's about 9,000 people that work on the medical campus now. And, everybody talks about the world-class surgeons. And there are, certainly, plenty of them, or not -- not plenty of them, but, there's a lot of them.

But, there's a lot of jobs on the medical campus, for all types of people.

The world-class people, though, that are being recruited by Roswell and the University of Buffalo and by Kalida, are extremely concerned about quality of life. That seems to be one of their number one things.

Really, as an aside to this hearing, we've talked with the people that do the recruiting at Kalida and Roswell -- I'm sorry, University of Buffalo, and Roswell in particular; and they have mentioned the lack of traffic congestion in Buffalo

as major tool in recruiting people here.

These doctors don't want to spend a half an hour in a traffic jam. And they do that in most of the places that we compete with.

So, large medical centers happen to be, usually, located in large cities that are -- have congestion, and, the docs spend a lot of time in traffic, and they hate.

So, quality of life is top of the list, really.

SENATOR YOUNG: Uh-huh.

Thank you.

Any questions?

ASSEMBLYMAN SCHIMMINGER: There's something -- you mentioned, you would take questions about the medical corridor.

Cleveland Biolabs, I think, was in the paper just in the last day or so --

PATRICK J. WHALEN: Yes.

ASSEMBLYMAN SCHIMMINGER: -- announcing their study; clinical study.

That's huge news, I take it; that they're on to the next step now?

PATRICK J. WHALEN: Yes, it is.

Cleveland Biolabs is an interesting story.

It's another recruiting story.

So, Roswell Park had an interest in recruiting a scientist -- his name is Andrei Gudkov -- to Buffalo.

Andrei worked at the Cleveland Clinic.

He said: I'd like to come to Roswell. The things you're working on are interesting to me. You seem to have more of a focus on it than the Cleveland Clinic does. However, I've started a company, and I'm not going go to Buffalo and work at Roswell, and leave my company behind in Cleveland.

So, Hauptman-Woodward had built their new building. Their old building was empty.

The Buffalo Niagara Medical Campus, Inc., the organization I work for, we bought the old Hauptman-Woodward building; spent $2 1/2 million of it, thanks to the State of New York, on that building.

And, Andrei now works at Roswell, and his company, Cleveland Biolabs, is located in Buffalo.

And, they moved about 30 people here. I think they're up to about 100 now.

And you're right, Robin; they are now entering, using humans to test their products.

So, they're -- it's an anti-radiation drug.

It shows great promise.

One of my fears, frankly, is that they get through this process, and some large corporation buys them, and they leave Buffalo.

But, in the meantime, it's -- they're a strong part of our campus.

ASSEMBLYMAN SCHIMMINGER: Keeping a company like that here is easier if they have ready-transportation routes going in every which direction --

RICHARD FORRESTEL, SR.: Absolutely.

ASSEMBLYMAN SCHIMMINGER: -- especially, south, 219.

RICHARD FORRESTEL, SR.: Absolutely.

And, uhm -- you know, there's a finite number of people that are candidates for their tests. And I'm imagining that some of those people are in Bradford or Olean, or other places along 219. And to get the easy access for those patients to get up here, to go to Roswell and be treated with the new technology that Cleveland Biolabs has developed, is important.

So, again, we have a shrinking population in Western New York. So, if we're going to -- if we're going to feed the engine, we have the medical

campus. We need access to farther and farther places.

That's a good point.

SENATOR YOUNG: Any other questions?

Thank you, Mr. Whalen, for joining us today.

RICHARD FORRESTEL, SR.: Thank you.

SENATOR YOUNG: Really appreciate it.

And I also want to thank everyone who came. This was an excellent turnout; a lot of participation.

But, I think what we've heard today is a very compelling case as to why we need to get the SEIS -- the environmental impact study -- underway; that we need to allocate the $6 million from New York State to make sure that that happens.

So, again, I want to thank everyone for being with us today.

(Whereupon, the Roundtable discussion concluded.)

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