

Testimony

On Behalf of the

Pennsylvania Chamber of Business and Industry

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On

Pennsylvania's Transportation Funding Needs

House Transportation Committee

Honorable Joe Markosek, Chairman

Honorable Rick Geist, Minority Chairman

May 27, 2010

Chairman Markosek, Chairman Geist and other distinguished members of the House Transportation Committee. I am Stephanie Catarino Wissman, Director, Government Affairs for the PA Chamber of Business and Industry. We appreciate the opportunity to provide testimony regarding the Commonwealth's transportation funding needs.

The PA Chamber of Business and Industry is the largest broad-based business advocacy association in the state, representing thousands of businesses of all sizes and across all industry sectors, comprising nearly 50 percent of the private workforce. We recognize that having a modern, safe and efficient transportation system is necessary for the free flow of commerce and the mobility of residents of and visitors to the Commonwealth.

Providing adequate funding for transportation is an essential function of government, and failing to properly address the Commonwealth's aging infrastructure will have significant economic and quality-of-life implications.

Managing congestion on over 41,000 miles of roadways that are maintained by the Commonwealth is essential to the safety of its citizens and a vital part of the efficient distribution of products and services. The PA Chamber acknowledges that roads are not the only answer to Pennsylvania's transportation challenges. A comprehensive solution will employ multiple modes of transportation in the most effective configuration- including roads, freight and passenger rail, air, transit and water.

The PA Chamber also recognizes that it is time for a new vision for transportation policy. There is a need to change the conversation when addressing the needs of Pennsylvania's aging transportation infrastructure. Policy makers need to effectively communicate the connection between transportation infrastructure, economic growth, and maintenance of our quality of life. Prudence and necessity dictate that Pennsylvania consider a variety of possibilities for funding transportation needs.

PA Chamber member companies support a number of funding options, including a reasonable increase in the Motor Fuels tax, which represents a true user fee and would provide a dedicated funding source for infrastructure projects. Due to increased federal fuel efficiency requirements, revenues from the tax have declined from needed levels. Other concepts favored by the PA Chamber include public-private partnerships, the tolling of newly created highways and strategic borrowing.

One funding option being entertained by the governor that does not have PA Chamber backing is his proposed Oil Company Gross Profits Tax- the second attempt by the administration to enact such a tax. The PA Chamber opposes singling out individual industries for taxation, which in this case would include small businesses that deliver home heating oil.

The PA Chamber recognizes that lawmakers face no small task in finding viable funding sources for Pennsylvania's transportation system at a time when the Commonwealth faces so many other significant fiscal challenges. The PA Chamber is prepared to work with elected officials to find

common ground among the many ideas that have been put forth in order to ensure a reliable and efficient transportation system.

Again, thank you for allowing the PA Chamber of Business and Industry the opportunity to testify on behalf of its members.