

TESTIMONY OF
LAWRENCE C. MALSKI, ESQUIRE, CHAIRMAN
PENNSYLVANIA RAIL FREIGHT ADVISORY COMMITTEE
JUNE 10, 2010

On behalf of the Pennsylvania Rail Freight Advisory Committee, I wish to thank Majority Chairman Markosek and Minority Chairman Geist for holding these vital hearings regarding the crisis in Pennsylvania transportation funding and for allowing me on behalf of the PA Rail Freight Advisory Committee to submit this testimony today.

The Pennsylvania Rail Freight Advisory Committee's mission is to provide the Legislature advice and recommendations on matters affecting the vital rail freight industry including funding in Pennsylvania.

It has become obvious that Pennsylvania transportation needs far outweigh the funding levels that have been provided and therefore as an answer to your first formal question we believe a financial crisis does exist.

Pennsylvania highway and rail infrastructure are the arteries and veins of the Commonwealth's economy. As they become deficient because of overuse and insufficient funding to expand capacity the entire State's economy and all of its industries suffer.

Evidence of the need for additional funding is demonstrated annually by the more than double or triple amounts of state rail freight funding that is requested through good applications to PennDOT's Bureau of Rail Freight that cannot be funded because of lack of funding. The jobs created and new industries that have moved into Pennsylvania or expanded are directly related to these Bureau of Rail Freight grants have been well documented over the years.

Inaction is not an acceptable solution for creating job growth and attracting new industrial development in Pennsylvania. It has been demonstrated and documented that increasing the funding levels of the State's RTAP funding and the RFAP funding which have been increased in recent years produce immediate jobs and economic growth in the Commonwealth. We highly recommend and request that the Governor and the Legislature continue their policy of increasing these funding levels of the RFAP and RTAP due to the immediate and significant economic benefits that they have provided the Commonwealth.

The last issue of how to solve the funding crisis is obviously the most controversial and difficult. Of course there are no silver bullets or quick solutions but surely a comprehensive approach with all options on the table is needed. Pennsylvania's crumbling highway infrastructure is the most pressing segment of the overall problem. It has been proven that each loaded railcar has the ability to take four to five trucks off our overcrowded highway infrastructure. This produces the dual benefits of reducing

highway congestion and reducing wear and tear on our highway infrastructure. This dual benefit along with the fact that the rail mode can move one ton of freight 436 miles on one gallon of diesel fuel emphasizes how directly helpful the rail mode can be in helping to solve the Commonwealth's freight infrastructure problems.

We again wish to thank you for your diligence in holding these hearings around the Commonwealth and we would like to reserve the ability to provide additional comments and recommendations to you throughout the course of the budget process.

TESTIMONY OF
LAWRENCE C. MALSKI, ESQUIRE, PRESIDENT
PENNSYLVANIA NORTHEAST REGIONAL RAILROAD AUTHORITY
June 10, 2010

On behalf of the Pennsylvania Northeast Regional Railroad Authority I wish to thank Majority Chairman Markosek and Minority Chairman Geist for holding these vital hearings regarding the crisis in Pennsylvania transportation funding and for allowing me on behalf of the PNRRA to submit this testimony today.

The PNRRA is a 100 mile regional rail system operating in four counties in Northeastern Pennsylvania. We provide daily rail freight service, through our contract private rail operator, the Delaware-Lackawanna Railroad, to over 25 active rail dependent industries which provide almost 2,000 jobs.

The sixty mile portion of our rail system between Scranton and the Delaware Water Gap also comprises the integral segment of the proposed Scranton to New York City rail passenger restoration project also known as the Lackawanna Cutoff Project.

I would like to convey our perspective on the Pennsylvania transportation funding dilemma by answering the Committee's five specific questions.

We believe funding for all forms of transportation in Pennsylvania should be increased. Funding for rail freight infrastructure on our regional rail system has allowed us to locate 9 new industries into the Commonwealth in the last 25 years. Our annual freight carloadings have increased by 1,323% from 562 carloads to almost 8,000 over this same period. These cold statistics translate into nearly a million trucks that have been taken off of the Commonwealth's strained highway network.

Congestion and highway maintenance funding limitations have negatively impacted not only our ability to market our region of the State as a freight distribution hub but also has directly negatively impacted the movement of Pennsylvania residents to jobs in adjoining regions and states. The prime example of this severe restriction on our growth and mobility is the dire condition of commuter traffic on Interstate 80 in Pennsylvania and New Jersey during rush hour. Over 20,000 Pennsylvania residents support the Northeast Pennsylvania economy with their households and families but must travel to New Jersey and New York City every morning to their places of employment. This interstate vehicular traffic has turned I-80 into a parking lot during rush hour with failed traffic conditions of stopped traffic on this interstate. This failed traffic condition continues to produce longer and more serious traffic delays as every year goes by.

The Scranton to New York City rail commuter restoration project over our lines and those owned by New Jersey Transit would directly and immediately start to alleviate this dire congestion problem by safely and efficiently eliminating over 6,000 commuters from this congestion nightmare in an environmentally beneficial way. The Scranton to New York City rail restoration has obtained its final environmental approval in the form of a

FONSI (Finding of No Significant Impact) from the Federal Transit Administration in November 2009 and is awaiting state and federal funding to proceed to construction. The States of New Jersey and Pennsylvania have also already invested over \$21 million to acquire the right of way for this project.

Inaction on this project and the many other highly beneficial and “shovel ready” transportation projects in Pennsylvania is no longer acceptable.

We are advocating an increase in funding for PennDOT’s very effective Bureau of Rail Freight to add more staff and to increase the funding levels of their RFAP and RTAP rail freight funding programs to twice their current funding levels.

We are also strongly requesting funding for rail transit programs and specifically request State funding for the Scranton to New York City rail passenger restoration project to free Pennsylvania residents from the gridlock which is choking our economy.

All sources of funding must be considered eligible for the increases that are needed to address the Commonwealth’s freight and passenger transportation needs including but certainly not limited to an increase in the gas tax and consideration of a weight/distance tax just to name two.

If Pennsylvania is to remain the Keystone State in transportation excellence, inaction can no longer be tolerated.