

Public Hearing on Transportation Funding Crisis

Friday, June 18, 2010

Gateway High School

Southwestern Pennsylvania Commission (SPC)

Commissioner Charlie Camp – SPC's Chairman

SPC Written Testimony on the Transportation Funding Crisis

Hello, I am Charlie Camp, Beaver County Commissioner and Chairman of the Southwestern Pennsylvania Commission. I am pleased to offer testimony today on behalf of my Commissioner colleagues and the SPC.

We recognize that the State TAC Transportation Funding Study from this May provides details on the extensive needs of roads, bridges and transit statewide and the growing backlog. Testimony by the region's PennDOT Districts, local governments, our transit authorities and other interested parties provide valuable local perspectives on transportation needs in the region.

Local roads are also a significant part of the crisis and need to be addressed on two levels. As noted in the TAC report, local road maintenance, which is funded through liquid fuels tax, is an important part of the system. Local government members of SPC own more major roads and bridges on the Federal Aid system than anywhere else in the state--all of which requires continuing maintenance.

Transit agencies also have a bridge maintenance problem similar to the PennDOT and locally-owned bridge problems. For example, the Port Authority of Allegheny County owns and maintains 80 bridges, many of which are major structures, and more than half of which are more than 50 years old.

Other programs, such as the State Rail Freight Assistance Program, that receive state transportation funds, also need to receive continued support. The rail system is integral to the southwestern Pennsylvania economy, moving large volumes of freight by rail, which lessens highway congestion and saves the roads from additional wear and tear.

As we all know, there's a funding gap. It shouldn't be a surprise to anyone. Past, present and future, the money that is being provided falls short of the overall needs using the current system of replacement. The backlog of deficiencies started in the 1960s and has continued to grow. Multiple attempts have been made to close the funding gap, but until the state or federal governments agree on sizable revenue increases, the backlog of deficiencies will continue to grow. Past revenue measures haven't measured up.

Transportation revenue has been static or declining for many years now, and is losing ground to inflation. Al Biehler, Pennsylvania's Secretary of Transportation, noted in a May 2010 newsletter that the Construction Bid Index increased by 80% from 2003 to 2008. Flat revenues eroded by inflation translate into about half the projects or maintenance work for the money that is being provided.

Current funding levels, on paper at least, have the capacity to adequately fund our preservation programs, the work that is needed to keep "good" roadways or bridges in good condition. Preservation work ensures that these facilities will safely reach their intended "old age". However, the next two most important funding priorities are not being met: to replace roads and bridges when they reach "old age" and fixing the accumulated backlog of deficient facilities. Significantly more solutions are required each year just to stay even with the aging and crumbling roads, bridges, buses and transit facilities. But the biggest need of all in terms of the amount of money required is now the backlog of deficient roads and

bridges – the ones that were patched instead of rebuilt because there wasn't enough money at the time.

SPC estimates using current replacement /repair methods show preservation needs for roads and bridges in the SPC region is about \$232 million annually. Rebuilding facilities as they wear out each year requires another \$276 million. To fix the backlog in twenty years requires another \$402 million a year, for a total of \$910 million. But, current spending averages about \$450 million each year in the TIP, which is only about half of the identified maintenance needs (excluding transit).

Attacking this accumulated maintenance burden with a budget that is short on resources compromises each of these three maintenance areas and leads to faulty outcomes. When preservation is short-changed, roads and bridges deteriorate sooner than their design life. Roads and bridges that are patched instead of replaced accumulate a growing backlog of deficient roads and bridges. The high cost of putting patches on patches, year after year, takes away from the money that could and should be used to address the basic problem. **State estimates for fixing the backlog now take the form of "reaching the national average" of "bad" bridges over a period of twenty years with current resources.**

Beyond the highly visible problems of road and bridge maintenance and transit operations and capital programs, the TAC report and the realities of the overall transportation system also draw attention to needs for new construction to address growing congestion like the Freedom Road Project, safety improvements like Route 28, local roads and bridges like Veterans Bridge in Beaver county, and traffic signal upgrades such as the Ohio River Boulevard , to name just a few of the additional areas that require increased transportation funding to achieve our vision of a system that supports the region's economy and the communities within it.

Overall, the number representing overall statewide transportation needs is enormous. The May 2010 TAC report update mentions \$3.5 billion per year. Because this is such a huge number, a series of smaller funding steps and changes to the current system are probably going to be required to reach the overall total.

The TAC report offers many revenue ideas, all of them useful in particular circumstances. From the report it appears that gas taxes and registration/license fees appear to be the only revenue sources that will produce sufficient revenues, that are fair in sharing the costs, and can generally be applied to the multiple areas of need. An effective solution will probably require a look at both of these sources. A local option tax may be a possible option for addressing the problem of purely local roads, bridges and transit but we cannot do anything alone. We need the state's leadership and help for such an extensive problem. We all know that most people don't distinguish who owns a particular road or bridge - they just want to know that they are being planned and maintained responsibly in the most cost efficient way possible.

Regardless what the state chooses to do, the report from the state TAC itself shows the need is extensive and urgent. The state may be the only government in a position to address a problem of this magnitude that has such widespread public impacts. A recent American Society of Civil Engineers report

shows that the transportation crisis affects all 50 states. We need to be mindful that the federal government hasn't done anything about revenues in twenty years. The burdensome federal regulation cause pointless delays while adding little or no value to many projects and/or their eco-systems. Lack of action at the federal level is forcing every state to begin to answer the same funding questions as Pennsylvania. Waiting for the federal government to act may just make the problem harder and more expensive to solve.

Because of political and economic realities, the state (or federal) government will probably need to act multiple times in steps before transportation needs can be adequately funded. Providing \$472 million a year in revenues, if the transportation needs are \$3.5 billion, is the equivalent of providing only 1.3 cents where a dime is needed. It may be that an increase of \$472 million a year is the best that is attainable at this time. If so, then it is clear that similar fund-raising efforts will have to be repeated over multiple years with regular discipline.

We recognize that hand in hand with raising revenues there is a need to change the current system to one that uses more common sense and local trust than triple federal review and oversight. Monitoring and grading systems need to be developed and used to demonstrate accountability for the funding being provided. The collection, distribution and use of this money must be transparent to the taxpayer so that they can see what their dollars are buying. We need to show the public that the projects being built are the best projects - and that projects are moving efficiently from planning to construction, demonstrating on an ongoing basis that maintenance and replacement programs are using best practices and are cost effective. In short, we need to add performance measurements that show the money is being well spent.

We want to recognize PennDOT for their efforts on the administrative processes that guide the programs: Focusing on Maintenance, Building Asset Management Tools, Increasing Project Accountability, Speedier Environmental Reviews (Linking Planning and NEPA), Improved Contract Management, Innovative Maintenance Practices, Project Right-sizing and many others. These behind-the-scenes improvements are less visible than the projects themselves, but are just as important in maintaining appropriate accountability for the vast sums of money that are needed. PennDOT and the regional planning organizations such as SPC have made a good start, but more must be done.

SPC thanks and recognizes the Commonwealth for its ongoing work in highlighting these transportation issues.

SPC also joins with the STC and PennDOT in bringing this serious problem to the attention of the public and other local elected officials. We value their input in a public discussion of possible solutions. We recognize that this discussion will be extensive and complicated, but we are committing ourselves to work together with you over the long haul to resolve these issues.