

Testimony of Michael Hawbaker on behalf of the Transportation Construction Industries
Before the Joint House Transportation and Policy Committee
June 1, 2010

Mr. Chairmen, My name is Michael Hawbaker. I am Executive Vice President of Glenn O. Hawbaker, Inc., of State College, PA. I am here on behalf of the Transportation Construction Industries, the unified voice of the materials and construction industries in Pennsylvania. TCI represents a broad array of interests including hot mix asphalt firms, aggregates producers, concrete, contractors, materials suppliers, equipment dealers, services purveyors and consultants.

We also support the Keystone Transportation Funding Coalition which has developed a vision of a 21st Century transportation program. The vision was developed with input from highway and public transit advocates, smart growth advocates, organized labor, the general business community, agriculture, system users such as AAA and AARP, bicycle and pedestrian advocates, aviation systems and others.

Similar to the Transportation Advisory Council, the KTFC vision of a 21st century comprehensive plan: would boost PennDOT's annual construction program for maintaining existing highways from its current \$1.5 billion per year to \$2.0 billion. Both highway and transit capacity projects would be funded by a nearly \$2 billion increase in funding. Finally, annual county and local governments would rise from \$360 million to \$1 billion per year. The benefits of such action would be:

- Better quality of life
- Safer PennDOT roads
- Improved public transit, congestion relief
- Local tax relief
- Economic development (jobs)

The American Road & Transportation Builders Association has quantified the impact of doubling Pennsylvania's transportation capital construction program. The study concluded that doubling transportation investment creates more than 50,000 jobs in Pennsylvania, more than half of which are in industries other than construction, such as manufacturing and health care.

In order to pass such a comprehensive vision for transportation we must move past convention wisdom that would say we cannot accomplish such an investment in the Commonwealth. Some of this conventional wisdom would have us believe that:

1. *We should wait to see what Congress does on transportation Reauthorization.* There is no indication from any corner that Congress will act soon on a transportation bill.
2. *The 2009 Stimulus was a transportation bill.* Of the \$14 billion in stimulus (ARRA) money received by the Commonwealth only \$1 billion was for transportation, and that money has been spent. ARRA was a one time program that barely kept the industry afloat in the midst of a foundering commercial market. Jobs in construction are down 25 percent from 2008.
3. *We can solve this with efficiencies and cost savings.* Secretary Biehler has outlined more than \$500 million in savings in PennDOT over the past several years. This is a \$3.5 billion problem.
4. *We can't do it in an election year.* Why not? This year's elections will be about jobs creation. There is wide support for action that produces 50,000 new jobs and will improve mobility.

###