

**Testimony of
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Before

**Pennsylvania House Transportation Committee
Hearing, State Transportation Crisis**

June 3, 2010 @ DeSales University, Center Valley, Pennsylvania

Note: Route 22 Coalition was formed in July 2005. Over 100 public officials, educators, and business/community leaders in the Lehigh Valley are part of the Route 22 Coalition. Our mission includes building support for funding to address our state transportation crisis.

Our Route 22 coalition was active in support of the I-78 extension through the Lehigh Valley, the Route 33 connection, and the Route 222 bypass.

For 15 years, our Coalition has sought to build public support for Phase I improvements to the Route 22 corridor between the Airport and Fifteenth Street exits.

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I. Pennsylvania's Transportation System Is In A Crisis!!

It has been repeatedly stated that the crisis facing our nation's bridges and highways was brought into sharp focus by the August 1, 2007 bridge failure in Minneapolis...this statement is not true in Pennsylvania! The crisis facing our state's infrastructure came into sharp focus many months before the I-35W bridge collapse.

On November 13, 2006, the Pennsylvania Transportation Funding and Reform Commission issued its 155-page report, which is the thoughtful work product of a nine-member, bipartisan Commission, appointed on February 28, 2005, by our forward-looking Governor.

The November 13 report repeatedly uses the word "crisis."

In October 2006, the Pennsylvania Economy League uses the phrase, "aging infrastructure," in its report.

In May 2007, the respected Urban Land Institute issued its report, "Infrastructure 2007 – A Global Perspective," calling our nation's infrastructure as a "looming crisis."

It is a fact that our transportation system is in a "crisis" mode. Regrettably, except in Pennsylvania, government leaders steer clear of addressing the problems. No one wants to confront the realities or future needs. It could mean raising taxes or finding new revenue sources and the politicians have enough problems closing budget gaps for health care, police, and schools while trying to get re-elected.

In fact, when has a government leader had the vision to talk about infrastructure? Has any presidential candidate delivered a policy plank on revamping and modernizing the country's roads, rails, airports, and power grids? Have you heard a bold address lately by a national leader about securing our economic future and maintaining our standard of living based on a grand new vision for the nation's infrastructure in the 21st century? Unfortunately, for many members of Congress, infrastructure policy amounts to securing an earmark of a few million dollars here and a few million dollars there for a new road project back in their home district.

But, in Pennsylvania, we have witnessed political leaders, led by Governor Rendell and this Committee, willing to participate in public debates about addressing our infrastructure needs and dedicated funding over a period of years, to address our transportation crisis.

On May 4, 2010, in calling a legislative statement, Governor Rendell forcefully stated the commitment and need this way:

Pennsylvania's long and proud history reminds us that confronting the challenges we face, through decisive action, makes all the difference to the people we serve. I believe that the same "can do" spirit still exists in Pennsylvania today.

We've done it repeatedly over the last eight years. And in doing so, we have dramatically improved our education system; we made investments in our private sector that are responsible in large part for our economy suffering less in this recession than any industrial state; we have become a world leader in green energy jobs and conservation; we have the best prescription drug program for our seniors in the nation; we are among a handful of states that offers health insurance to every child; and we created programs that are cited by Presidents and federal cabinet officials alike as models for the nation.

Working together, I am confident that we can ensure a better future for Pennsylvania and once again make history by giving our Commonwealth the most modern and efficient transportation network in the nation.

II. Federal Rejection of Tolling I-80 – A Serious Setback!!

In 2007, the Pennsylvania General Assembly, after long debate, enacted Act 44, a most important piece of legislation to address our transportation crisis. This I-80 tolling rejection by the U.S. Department of Transportation created a \$472 million hole in the state's transportation budget.

Over the life of Act 44, that means a loss of \$60 billion that will not be available to help rebuild and restore aging roads, bridges and public transit systems across the state.

If no additional money is provided to replace these funds, over the next four years, state-owned roads in need of repair will not be fixed. Structurally deficient bridges will not be repaired.

In addition to the Act 44 funding gap, the latest Pennsylvania Transportation Advisory Committee report shows the commonwealth needs to invest an additional \$3.5 billion annually from federal, state and local sources to meet current infrastructure maintenance needs.

Without additional funding, Pennsylvania will have no choice but to delay or cancel transportation improvements in every county – putting safety, convenience and on-time delivery on the back burner. The longer improvements are idled, the higher the cost to Pennsylvania taxpayers to fix them in the future.

III. Governor Rendell Urges General Assembly to Find Funding to Continue Recent Improvements to State's Transportation System

We know of no "silver bullets" to provide the funding needed to continue our attack on the transportation crisis. We doubt that, at the conclusion of this Committee's many hearings across the state, no "silver bullets" will have been presented – not even a bronze bullet.

But, a revisit to Governor Rendell's May 4, 2010 Address to the Special Session of the General Assembly is helpful in seeking possible solutions.

A. "Do Nothing" Option

This option was before the General Assembly in the year 2007 debate on transportation funding. Fortunately, this option was rejected. Instead, Act 44 was passed. We urge that the "Do Nothing" option again be quickly rejected.

B. Short-Term Fix – Borrow Billion Dollars

This option would fund the two year "Act 44 hole." As Governor Rendell stated in his May 4 Address: "[This option] would increase our debt service payments by \$80 million for the next two decades, but it would certainly provide the minimal level of funding and some breaking room."

Our Route 22 Coalition would support this option.

C. Option: "Solve Entire Act 44 Funding Problem"

This option would require the General Assembly to approve "new revenues" sufficient to fill the entire Act 44 funding gap for the next 46 years. Governor Rendell does not endorse this option because the level of funding that would result is far less than what is needed.

Our Route 22 Coalition would NOT support this option. The funding is not adequate. Equally important, we do not believe the Pennsylvania General Assembly will approve a bill calling for "new revenues" – as in "new taxes!"

D. Option: Public-Private Partnerships [P3's]

This option has several "pluses." There are precedents, e.g., Indiana Tollway; Chicago Skyway. This option, depending on "details," might be acceptable to a majority of the General Assembly.

But, the P3's cannot produce funds immediately or fill the entire funding gap we face over the next several years. Therefore, the Route 22 Coalition likely would not support this option.

E. Other Options:

1. Increase fees and charges for driver's license, vehicle registration.
2. Pursue tolling of I-95, I-80, and other Interstates, under terms and conditions acceptable to the federal government.
3. Both of the above and other options acceptable to Governor Rendell and General Assembly.

F. 800 Pound Gorilla Option: Increase Gas Tax

On page 7 of Governor Rendell's message on May 4 to the Special Session is a recital of some of the factors involved in a possible gas tax increase, including the fact that the Pennsylvania gas tax was last increased many, many years ago. The revenues that would be generated by a flat gas tax increase or uncapping the Oil Company Franchise Tax are substantial.

This option has several pluses:

- not a complex, new law;
- generates substantial revenues;
- a user tax; and
- tax increase long overdue.

There are several minuses, with this one big minus: almost every candidate running for Governor and General Assembly has promised: "no new taxes!"

IV. Route 22 Coalition Position

A leader of the Route 22 Coalition, in a recent The Morning Call op ed, writing in support of a Federal Gas Tax Increase, noted:

My research reveals that our 2008 consumption of gasoline was 138 billion gallons per year. Therefore, a 25 cent per gallon increase in the gas tax would raise \$34.5 billion a year of additional revenue to address of infrastructure crisis. In addition, numerous studies have confirmed that infrastructure projects provide the "biggest bang for the buck" in creating jobs.

What would such an increase cost the average driver? For a motorist who drives a 20-mpg vehicle 15,000 miles per year, the 25-cent increase would cost \$188 per year, or about 52 cents a day.

I submit that 52 cents a day is a small price to pay given the ripple effect it would produce in our economy. In other words, we will not only be fixing our deteriorating infrastructure but also providing gainful employment for numerous construction workers and employees in many support businesses.

The Route 22 Coalition, in advocating a gas tax increase, recognizes that there are alternatives that must be implemented to truly address our transportation needs. There are alternative modes of transportation, primarily mass transit, and different land development patterns, which would reduce our dependence on the automobile. There are also alternative billing mechanisms such as toll roads, vehicle mile fees in lieu of a gas tax and congestion management fees.

V. Recent Words of Wisdom from PennDOT's Experienced Secretary, Allen Biehler

PennDOT's able Secretary, in a Letter to Editor, The Express Times (a regional, daily newspaper) expressed these words of wisdom:

We stand at a crossroads, however. Thorough, credible research released in recent days shows Pennsylvania is short to the tune of \$3.5 billion a year to keeping transportation in good condition.

If the choice is that the status quo is acceptable, then we are in for a steady and accelerating decline...Not too far beyond, other consequences will be felt: more bridges closed or restricted; rougher pavement and severe disruptions to commuter rail systems as bridges and other components are closed. Then add in the lost jobs, diminished economic activity and ruined underpinnings of future prosperity.

This is the honest picture of where we stand. People simply have to decide where they want transportation to go, or not go. My hope is that they base that decision on the facts, not misguided perceptions, and make their voice heard in Harrisburg.

We endorse Secretary Biehler's comments. Our Route 22 Coalition will raise our voices in support of action this year to achieve reasonable, responsible legislation that prevents Pennsylvania's transportation crisis from becoming more serious.

Thank you for your considerations of this statement.

Bruce E. Davis, Esq.
Co-Founder, Route 22 Coalition

Highway system's preservation is vital, yet not enough money is being spent on it

"Rough roads ahead, fix them now or pay for it later" is the headline of a June 2009 report prepared by the American Association of State Highway and Transportation Officials. This highly regarded nonprofit, nonpartisan association is led by Allen D. Biehler, state Transportation Department secretary.

The report has not received the attention it deserves. Our highway system — interstate, urban and rural — is critical to our economy. Highways are a backbone of American life, connecting people, goods and services. But many roads, particularly in metropolitan areas and population growth centers, are in poor condition. Years of wear and tear, unrelenting traffic, an explosion of heavy trucks, weather conditions and delayed maintenance because of tight budgets and soaring construction costs have taken their toll on America's roads.

Pennsylvania's highway system is in a crisis condition, as well-documented in the 155-page report issued in November 2006 by PennDOT's Transportation Funding and Reform Commission, also led by Biehler. Pennsylvania has approximately 6,000 structurally deficient bridges. A significant number of Lehigh Valley bridges need priority attention. Interchanges are unsafe — think the Fullerton and MacArthur interchanges on Route 22. The commission concluded that \$1.7 billion in additional annual funding is needed to address our state's transportation crisis.

The comparison of the condition of regional highway pavement confirms why it is important for Pennsylvania and the Lehigh Valley to reverse years of underfunding our highways. How are we doing? Not well! The AASHTO report notes that our highways and bridges are aging, underfunded and inadequate to meet the demands we place upon them today, much less in the future. And across America, motorists are paying the price.

In Pennsylvania, for example, work is scheduled on more than 200 projects to repair and improve 608 miles of highway and nearly 200 bridges. The projects will be financed with \$1 billion in federal economic stimulus money combined with about \$2 billion in federal and state funds. This represents the most that PennDOT has ever

committed to construction in a single year.

Yet we are falling further and further behind the \$1.7 billion in additional annual funding cited as necessary in the November 2006 report.

You may ask: Is not the federal economic stimulus bill signed into law on Feb. 17 riding to the rescue? No! The \$787 billion economic stimulus bill will provide only \$27 billion for highway projects across the country, money that will barely make a dent in highway maintenance, preservation and reconstruction needs. The need is for all levels of government to invest \$166 billion each year in highways and bridges. More than half of that amount would be needed for system preservation. And America's highways demand more than short-term stimulus funds and quick fixes based on available funding. It

will require a greater and smarter investment of transportation dollars to ensure a new and better transportation program.

Continuing a focus on the economic stimulus bill, consider these points:

- Only 4 percent of the economic stimulus funding is dedicated to highways and bridges.

- Pennsylvania's \$1 billion allocation of federal stimulus funds will replace only 125 of our 6,000 structurally deficient bridges.

- If all of the transportation stimulus funds were allocated only to Pennsylvania's transportation crisis, it would take 48 years of stimulus funding — not the two

years in the current legislation — to replace just the bridges that today need to be replaced.

As the AASHTO report confirms, the American public pays for poor road conditions twice: first through additional vehicle operating costs and then in higher repair and construction costs. For the average driver, rough roads add \$335 annually to typical vehicle operating costs. In urban areas with high concentrations of rough roads, extra vehicle operating costs can be as high as \$746 annually.

This fall, the focus on dealing with our nation's highways and bridges will shift to Congress and a new five-year transportation funding law. The federal Highway Trust Fund is essentially bankrupt. The debate on long-term federal highway and transit funding will be vigorous. There will be competing demands for Medicare, Medicaid, Social Security and many others. Nevertheless, the case for greater federal infrastructure spending must be made.

The federal highway funding debate this fall should include: whether to continue reliance on the federal gas tax and if not, what alternatives; whether to expand the use of tolls; whether to move toward vehicle miles traveled pricing; and congestion access fees in certain major cities.

As Biehler said in the June AASHTO report: "We as stewards of the transportation system have no choice but to drive home the message that maintaining an acceptable condition for our highways — preserving the system — is vital to our country's future."

Bruce E. Davis is the co-founder of the Route 22 Coalition.



Bruce Davis

STATE OF OUR HIGHWAYS

The June 2009 AASHTO report highlighted metropolitan area highway pavement conditions using the latest Federal Highway Administration data.

Selected Urban Areas

	Poor	Mediocre	Fair	Good
Allentown-Bethlehem	15%	35%	24%	26%
Philadelphia	36%	36%	17%	17%
Pittsburgh	26%	32%	23%	20%
New York-Newark	54%	28%	10%	8%
Baltimore	44%	26%	11%	19%

Source: Federal Highway Administration/American Association of State Highway and Transportation Officials

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State highway and bridge funding likely to hit a crisis down the road

Earlier this month, state Transportation Secretary Allen Biehler testified before the Senate Appropriations Committee in support of Gov. Rendell's 2010-2011 transportation budget.

Biehler's testimony was sobering. He confirmed that in the year 2003 about 25 percent of state Transportation Department spending was to improve highway capacity, as in the proposed widening of Route 22 in the Lehigh Valley between 15th Street and Airport Road. This year, increasing highway capacity projects will receive only 5 percent of PennDOT's total budget.

This dramatic change in highways/bridges capacity funding vs. maintenance is reflective of reduced tax revenues, including the state liquid fuels tax — the so-called state gasoline tax of 12 cents per gallon that was last increased in 1997.

Pennsylvania has a transportation crisis. Nearly 25 percent of our state bridges larger than 20 feet are structurally deficient. Our 39,000 miles of state-maintained highway system are falling.

Who is to blame? Gov. Rendell? Yes, to some degree. But he has in recent years tried to stop or slow down the deterioration of our state's infrastructure. He has traveled extensively and spoken out often to support greater funding for highways and bridges.

What are the results? Part of the answer may be found in a recent New York Times op-ed about Rendell and infrastructure, in which he compared shoring up infrastructure to sledding uphill.

In the piece the governor was quoted as saying: "When I took over as governor, I was told that Pennsylvania led the nation in the number of structurally deficient or functionally obsolete bridges. We had more than 5,600 of them. So I put a ton of money into bridge repair. We more than tripled the amount in the capital budget, from \$200 million a year to \$700 million a year. And I got a special appropriation from the Legislature to do \$200 million a year extra for the next four years. The result? Well, the good news is that we re-

paired a lot of bridges. The bad news is that by the end of my sixth year, the end of 2008, the number of deficient or structurally obsolete bridges had gone from 5,600 to more than 6,000."

Regrettably, it appears Gov. Rendell may have lost some of his commendable "fix the infrastructure" fervor. His Feb. 9 budget message ran for well-over 60 minutes. There was not a single word about attacking our failing infrastructure.

The Nov. 13, 2006, report by the bipartisan Pennsylvania Transportation Funding and Reform Commission warned that at least \$900 million in additional state funding is needed each year, and every year for years to come, to deal with our state's infrastructure crisis. We are woefully behind and getting further and further behind each year.

Also of concern is the uncertainty of placing tolls on I-80. Pennsylvania questions, properly, whether the federal government will reject, for the second and perhaps last time, placing tolls on I-80.

If Washington again rejects the I-80 tolls, Turnpike Commission transfers to PennDOT would be cut in half, from \$900 million to \$450 million (\$200 million less for PennDOT and \$250 million less to mass transit agencies) — a huge hole!

The prospects for widening Route 22 largely depend upon the federal government's decision, expected shortly, on tolling I-80.

How about increased federal funding for our transportation needs? Most unlikely. President Obama's recently released 2010-11 budget proposed only a 2.1 percent increase in nationwide transportation spending. This most modest increase is against the backdrop of a nearly bankrupt Federal Highway Trust Fund. And, Congress has stated it will not consider renewal of federal aid to state highways, bridges, and mass transit legislation until after the November elections.

These troubling factors merit your awareness. Maintaining the status quo is not an acceptable option. So, how much of a fuss are you and I willing to make with our public officials in the Lehigh Valley, Harrisburg and Washington about attacking our transportation crisis?

Bruce E. Davis of Lower Macungie Township is co-founder of the Route 22 Coalition.



Bruce E. Davis

