

**Pennsylvania House of Representatives
Transportation Committee
Saint Joseph's University
10 a.m.**

**Testimony by Kevin L. Johnson, P.E.
President, Traffic Planning and Design, Inc.
On behalf of
The CEO Council for Growth US 422 Project Group**

Thank you Chairman Markosek and Chairman Geist. It's a pleasure to be here today representing the CEO Council for Growth.

My name is Kevin Johnson, I am President of Traffic Planning and Design, Inc., a 130 member transportation engineering firm headquartered on the US 422 Corridor in Pottstown. I am a member of the CEO Council for Growth US 422 Project Group, a coalition of chambers of commerce, township officials, businesses and citizens committed to improved mobility along the US 422 corridor in Southeastern Pennsylvania.

The CEO Council for Growth, an affiliate of the Greater Philadelphia Chamber of Commerce, represents over 50 companies in Pennsylvania, New Jersey and Delaware bringing together top business executives from the region to set and implement an economic development agenda that creates growth and nurtures collaboration among the many economic development interests.

A safe and viable transportation network is essential in regional efforts to promote job creation and a strong economy. We share your concern that the rejection of Pennsylvania's application to toll Interstate-80 now threatens implementation of the state's transportation investment strategy by delaying critically-needed funding for the state's roads, bridges and transit systems. We applaud Chairman Markosek, Chairman Geist and members of the Committee for their prompt response to this fiscal challenge and for their efforts to identify sustainable transportation funding solutions.

Today, I am pleased to talk with you about an exciting opportunity that we have identified to optimize the development and management of transportation assets and services along the US 422 corridor.

In 2009, the CEO Council made improvements to the US 422 corridor one of its top infrastructure priorities, actively advocating for the timely completion of the only multimodal transportation project in the region: highway improvements to reduce congestion on the US 422 corridor between King of Prussia and Douglas Township and the extension of commuter rail service from Norristown to Reading.

Why 422? Simply put: the corridor serves as the economic breadbasket of the region. With over a half a million jobs in Montgomery County and more than 250,000 jobs in Chester County, 28 percent of the Gross Southeast Regional Product is generated in these two counties alone. By 2030, the 422 corridor is expected to add another 30,000 jobs.

Tragically, the corridor is choking on itself. Congestion on US 422 is strangling the area with 15 mile back-ups daily on the highway and overflow onto parallel local roads. There is no room for businesses to expand or new companies to locate.

And as you well know, there is no federal or state money forthcoming to the area to help with infrastructure improvements. Today over half of the region's long-range major capital investment plan for the five Southeastern Pennsylvania counties is consumed by existing assets that need to be rebuilt or replaced and the number of major new investments that expand capacity is extremely limited, due largely to fiscal constraints.

Unfortunately, the problem is only exacerbated without full funding of Act 44. Along the US 422 corridor, the new proposed bridge over the Schuylkill River in Valley Forge will not be built, the reconstruction of a bypass at Pottstown will not be constructed and numerous other projects that would do so much to relieve congestion and promote the movement of goods and people will not happen.

Increasingly, public officials around the country are recognizing new opportunities to optimize the development and management of transportation assets and services in partnership with private entities. Transportation agencies around the country are experimenting with public-private partnerships to deliver, operate, maintain and, in some cases, even finance highway and transit infrastructure.

To help address the long term improvement and expansion of the Commonwealth's transportation infrastructure, the CEO Council supports Public Private Partnerships that foster innovation and create new options for developing and funding Pennsylvania's transportation infrastructure. We believe key provisions of P3 legislation should include:

- Transportation funding raised in a region through a Public Private Partnership should be used for infrastructure improvements only;
- Evaluating proposals (both solicited **and** unsolicited) from private entities must be done through a process that engenders public confidence and is completed in a timely manner;
- Allow authorizing public agencies to enter into long-term agreements with private parties for the construction, operation and maintenance of transportation projects;
- Clarify the roles and responsibilities of public agencies in overseeing projects and P3 arrangements with private entities, including regulation of tolls.

P3's can provide substantial benefits that may include accelerating project development and construction, transferring construction and performance risk, providing more efficient operation and superior service, introducing new technologies, and even attracting net new investment capital. In Southeastern Pennsylvania, there are a number of major projects that potentially could benefit from a P3 approach, particularly the US 422 corridor.

In the final analysis, if our region is to reduce its highway and transit investment backlog, it will need to be more pro-active in identifying new revenue sources and utilizing new project delivery / asset management techniques. P3's can play an important role in

expediting projects, bringing innovation and, under certain circumstances, even attracting additional capital.

Thank you Mr. Chairman.