

2:55 p.m.

PA House of Representatives Republican Policy Committee

414, Main Capitol Building Harrisburg, PA 17120 (717) 260-6144

> Rep. Joshua D. Kail Chairman

PA House Republican Policy Committee Hearing

"Infrastructure and Transportation: Paving the Way to Pennsylvania's Future"

March 9, 2023, at 1 p.m.

The Crane Room Grille 3009 Wilmington Rd. New Castle, PA 16105

Welcome and Pledge of Allegiance 1:00 p.m. **Cheryl Moon-Sirianni** 1:15 p.m. Executive Deputy Secretary, Pennsylvania Department of **Transportation** Questions for PennDOT 1:25 p.m. **Impacts of Infrastructure Panel Scott Boyd** 1:55 p.m. Board Member, Ellwood City Group **Vincent P. Tutino** 2:05 p.m. President, The Lindy Group **Chad Marsilio** 2:15 p.m. Chief Operating Officer, PGT Trucking Questions for Impacts of Infrastructure Panel 2:25 p.m.

Final Comments and Conclusion



Testifier Biographies

PA House of Representatives Policy Committee Hearing "Infrastructure and Transportation: Paving the Way to Pennsylvania's Future"



Cheryl Moon-Sirianni Executive Deputy Secretary, PennDOT

Cheryl Moon-Sirianni was appointed PennDOT's Executive Deputy Secretary in February 2023, the latest advancement in her over 36-year PennDOT career. Since November 2017, she had been serving as the District Executive at PennDOT District 11 – the first woman to serve in that role – which includes Allegheny, Beaver, and Lawrence counties with 8,500 miles of roadway, 1,800 bridges, four tunnels, and a staff of over 780 people.

Since starting with the department as a Civil Engineer Trainee and progressing through various positions, she has had the pleasure of working with many fantastic department staff, government partners, consultants and contractors in the

development and construction of significant regional projects which have improved safety and mobility, ensured commerce could traverse throughout our network and benefitted all our friends, families, visitors, and travelers throughout our communities.

Cheryl is a Lifetime Member of American Society of Highway Engineers, Second VP of the Engineers Society of Western PA, and Penn State Beaver Advisory Board and Women's Transportation Seminar member. She is a graduate of Penn State University and a registered professional engineer.

Additionally, she is a proud parent of her daughter Gina.

Scott Boyd Board Member, Ellwood City Group

Scott Boyd serves as a board member for the Ellwood Group.

Founded in 1910 and headquartered in Ellwood City,
Pennsylvania, Ellwood Group is a family-owned supplier of
metals and custom-engineered components for critical
applications worldwide. With a footprint spanning more than
25 locations across North America, Ellwood's founding
principle continues to stand firm: treating employees, industry
partners and customers like family.





Vincent P. Tutino President, The Lindy Group

Vincent Tutino, a member of the Lindy Paving team since its incorporation in 1979, assumed the role of President of The Lindy Group in 2003.

Mr. Tutino possesses over 20 years of experience in business management and accounting in the construction industry. Under his leadership and personal management style, Lindy sales have quadrupled to \$45 million and its number of asphalt plants has doubled.

Headquartered in New Galilee, Pennsylvania, The Lindy Group is a group of closely held companies.

These include Lindy Paving, Gulisek, PNM Trucking, Wilson Excavating, Castle Builders Supply, SealMaster, and Stateline Paving.

Lindy Paving, Inc. is widely recognized as the largest asphalt paving contractor and manufacturer in Western Pennsylvania. The addition of Lindy in 1998 complemented our distinct, family-owned representation of companies by expanding and consolidating all asphalt production and lay-down capabilities under one roof.

Chad Marsilio Chief Operating Officer, PGT Trucking

Chad Marsilio has been with PGT Trucking for over 13 years, holding various positions in Operations and Business Development. Chad leads PGT's Operational team, consisting of nearly 100 employees across the United States, and works closely with our partner, Penske Truck Leasing, overseeing PGT's maintenance program. Responsible for the successful daily operation of PGT, Chad ensures that we continue to provide quality transportation services and support our Proud Professional Drivers.



Chad is a member of the American Trucking Associations (ATA) and the Association for Iron & Steel Technology (AIST). A Beaver County native, Chad is a graduate of Blackhawk High School and Bucknell University, earning a bachelor's degree in Business Management.

PA TRANSPORTATION COMMITTEE HEARING – SCOTT R. BOYD FOR THE ELLWOOD GROUP, INC.

PERSPECTIVE ON THE ELLWOOD GROUP

ELLWOOD is a family of ten divisions and 25 manufacturing locations, all dedicated to supplying world-class problem solving, quality metals, and custom engineered components for critical applications around the world. Beginning with raw materials through finished machined and coated products ready for assembly, we provide the products that our customers require. Through continued growth and acquisition, ELLWOOD has become a leading vertically integrated company.

Our ten divisions are autonomous businesses: each has its own president and management team, responsible for leading all aspects of business strategy, policy, and execution. Each division is free to do business without commercial limitation. Some of the largest customers of one ELLWOOD division are the largest competitors of another division. Each division is responsible for earning its own profit and internally generating free cash flow to fund capital improvements.

Despite the decentralized nature of our business, the work that each division undertakes requires a special brand of know-how. Metallurgical expertise is the common bond that ties our divisions together and ensures the highest quality products for our customers.

Being union-free has been a powerful advantage to ELLWOOD. Labor and management have been on the same team for over a century—with no union to come between us. We treat our employees with dignity and respect, dialogue together, and join with them in continuous improvement efforts. It is our goal as managers to keep labor unions unnecessary at ELLWOOD companies by providing good pay, benefits, and job security over the long term. Our employees have reciprocated this trust by their own free choice—and given our company a priceless strategic asset as a result.

HOW WE WORK: At ELLWOOD Safety is more than a priority, it's a VALUE. ELLWOOD is committed to outstanding levels of performance in protecting our employees as one of our core values. The preservation of our employees' lives is the most important measure of success, and we can never rest in our vigilance. We strive to continuously improve and excel in our Health and Safety responsibilities.

At ELLWOOD, our goal is to not just comply with industry standards, but to exceed them. To achieve this, we are committed to adopting and implementing the core elements of OSHA's Voluntary Protection Program (VPP). These four elements help ELLWOOD to focus our efforts and achieve our goal of zero workplace injuries.

- Management Leadership and Employee Involvement
- Worksite Analysis
- Hazard Prevention and Control
- Training

WHO WE SERVE: ELLWOOD is proud to participate in important infrastructure projects that make our roads and bridges safer for travel and provide components for industrial transportation that allow our country to grow and flourish. At ELLWOOD, our employees are experienced in converting our customers' technical requirements into structural components for bridges, locks and dams, as well as crankshafts that power locomotive engines that move massive quantities of needed goods and supplies.

Aerospace, Defense and Space Exploration are other important markets that ELLWOOD is proud to serve. The extreme forces exerted on landing gears from the largest commercial passenger planes and the fastest military jets demand the absolute highest quality material. ELLWOOD steel is trusted to perform for every takeoff and landing as well as in aircraft structural components and rotating engine parts. Space launch rockets and vehicles also utilize highly engineered ELLWOOD forgings and components.

Automotive and Heavy Truck markets are also within ELLWOOD's market sphere. Our specialty tool and die steels are used by virtually every car and light truck manufacturer in North America. ELLWOOD's aluminum is used in vital structural members of trailers and in suspension and steering components of tractors.

Transportation and Infrastructure Opportunities from an ELLWOOD perspective

A. ELLWOOD employs 1400 team members in the state of PA and every one relies on road and highway infrastructure to make their way to and from work (we have been/are on site each day-no remote work). The condition

- and state of repair of this infrastructure fluctuates between barely passable to adequate, depending on season and which government entity is responsible. Our PA team members pay over \$5.75 million in employment taxes each year to the state and are sometimes frustrated with the lack of attention to the local infrastructure.
- B. It is worth noting the progress the state has made on repair and replacement of bridges, particularly in some of the rural communities in which our team members live and travel. The success of this program has had a positive impact.
- C. ELLWOOD manufactures large, engineered steel and aluminum components. These components need to be transported through PA to other states. PA's permitting requirements are some of the most restrictive that we encounter (i.e. weight permissible without a special permit, limitations on combination vehicles/multi trailer rigs). By nature, these large and heavy components require special equipment and handling and the restrictions imposed by PA cause ELLWOOD to incur extra costs and additional time for planning. For example, a PA permit to carry a heavy load over 65,000 lbs still restricts that load to one piece, whereas in OH up to three pieces are allowable.
- D. Virtually all public and private organizations have experienced challenges in hiring and retaining workers since the beginning of the pandemic in early 2020. ELLWOOD has certainly experienced hiring challenges unlike any in recent memory. The commercial trucking industry appears to have been acutely affected by a labor shortage that even preceded the pandemic. Anything the state can do to incentivize and promote training for the next generation of truckers could help to alleviate this constraint to doing business in PA. Additionally, an emphasis on STEM education in High School, Technical Schools and within Community Colleges would enhance the state's attractiveness to PA employers and help to attractive new businesses.

The Lindy Group Vince Tutino, President

The Lindy Group is a holding company containing the following:

Lindy Paving Inc.
Gulisek Construction LLC
Castle Builders Supply
Wilson Excavating & Utility Construction
P.N.M. Trucking, LLC
SealMaster of Hillsville

Neville Terminal Services

Mergers & Acquisitions

We are one of the largest asphalt paving contractors, and producer, in the state of Pennsylvania.

Our market is primarily in western PA, stretching from Lake Erie to Morgantown WV, and from Youngstown OH to Indiana PA.

We employ approximately 2,500 people to include, Union Operators, Laborers, Teamsters, Carpenters, Cement Finishers. Along with Engineers and a terrific Management Team.

Annually, the National Asphalt Pavement Association, presents "The Sheldon G. Hayes Award" for the best asphalt paving project in the country. It is presented to the contractor meeting the following criteria:

Must have the smoothest riding pavement.

Must have the highest quality asphalt mix designed produce.

The job must be 50,000 tons of asphalt or greater.

The job must be measured as a highly difficult construction project.

Lindy has won the five Sheldon G. Hayes awards, and s being considered in 2023 for a job we constructed on Interstate 90 in Erie County.

Over the past 50 years Lindy Paving is the only paving contractor in the country to win five awards

INFRASTRUCTURE INVESTMENT AND JOBS ACT

I'm here today to talk about the "Infrastructure Investment and Jobs Act" or IIJA from a contractor's Point of View in Western Pennsylvania

I'll briefly highlight details of the Bill, which is recognized as **The Bipartisan Infrastructure Law.** Signed into law November 15, 2021.

Biden's \$1.2 Trillion Infrastructure Bill Contains:

Roads and Bridges = \$110B

Safety = \$11B

Railroad = \$66B

Public Transit = \$38B

Electric Vehicle Infrastructure = \$7.5B

Electric Public Transit = \$7.5B

Reconnecting Communities = \$1B

Airports, Ports, Waterways = \$42B

Water Infrastructure = \$50B

Clean Drinking Water = \$55B

High Speed Internet = \$65B

Environmental Remediation = \$21B

Power Infrastructure = \$65B

Total \$539 Billion

As best I understand, The Balance of \$621 Billion will be allocated to:

- 1) States and local governments through a Grant program.
 - a. We need to take advantage of this.
- 2) And discretionary selection programs, by application.
- 3) These programs do not seem to be functional at this point.

IT'S ALL ABOUT PENNSYLVANIA

Federal Funding for Pennsylvania:

PA will receive \$4 billion from IIJA for the five-year period (2022 to 2026) Which is additional funding.

PA has been receiving \$9 billion from the previous infrastructure bills for the same five-year period and will continue to receive this from the IIJA also.

The \$13 billion will be used by Penn DOT for construction projects.

The average letting schedule will be \$2.6 billion a year, for 5 years.

State Funding for Pennsylvania:

Federal funded Projects requires a 20% state match.

This basically means Pennsylvania must come up with \$520 million each year over the next 5 years as a condition to receive the \$13 billion coming from IIJA.

The good thing PA has 70% of the \$520 million covered and only needs 30% additional taxes / revenue streams.

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$9 billion @ 20% = $1.8 billion / 5 years = $360 million a year $4 billion @ 20% = $800 million / 5 years = $160 million a year
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PA realizes heavily on our Liquid Fuel Tax to fund the 20% match for roads and bridges Unfortunately:

PA's Gas tax revenue continues to shrink due to electric vehicles, and alternate fuels.

2003 – 2006 Average Sales 163 million gallons.

2010 – 2013 Average Sales 126 million gallons.

2017 – 2021 Average Sales 114 million gallons.

Statement from Kim Ward in the Post-Gazette:

State leaders have long kicked around ideas for how to get away from massive transfers of money from the Motor License Fund to help fund the State Police. Those transfers grew to a peak of \$800 million in 2016 / 2017 and have declined since then to slightly more than \$500 million in the last fiscal year.

On this past Tuesday, Governor Shapiro addressed this \$5000 million during his budget speech / presentation:

His plan is simply will reduce the \$500 million by \$100 million for the Next 5 to 6 years, which frees up these funds for Penn DOT's use.

TALKING POINTS for DISCUSSION

The construction industry is pleased the IIJA was passed, and we will realize funding for 5 years. The scary part is what happens after 5 years.

The construction industry needs consistent funding programs to have confidence to invest in our businesses.

Most of these IIJA funds will go to maintain existing infrastructure.

If I remember correctly, there was a study several years ago that determined Penn DOT would need \$7 billion a year to keep up with maintaining and improving our infrastructure.

I believe Pennsylvania will be a front runner in the Grant Program, which seems to be very competitive with states across the country.

100% State Funded Projects may suffer if state revenues shrink / gas tax.

Penn DOT Maintenance; Under Funded

Manpower Shortage and Increasing Wages

Inflation Issues projects 20% greater in 2023 Eroding buying power by \$325 million per year.

Eastern PA vs Western PA

Chad Marsilio Testimony
Republican Policy Committee Hearing

"Infrastructure and Transportation: Paving the Way to Pennsylvania's Future"

Focus: Discussing the significant impact transportation and infrastructure have on Pennsylvania's future

Dear Members of the Committee:

I am Chad Marsilio, Senior Vice President and Chief Operating Officer at PGT Trucking, a multi-service transportation firm offering flatbed, dedicated, international and specialized services. PGT, which is in its 42nd year of business, operates in excess of 1,000 trucks and over 1,500 trailers, and was founded in and is currently headquartered in Beaver County. I was born and raised here in Western Pennsylvania, graduating from Blackhawk High School. I attended Bucknell University, earning my degree in Business Management, and joined PGT Trucking in 2010, holding various positions throughout my tenure here. In my current role, I focus on the successful operation of PGT, ensuring that we provide quality transportation services while supporting our truck drivers, and I also oversee our maintenance program through our partnership with Penske Truck Leasing.

With more than two decades of experience in the transportation industry, I appreciate the opportunity to bring you my thoughts on the impact transportation and infrastructure have on Pennsylvania's future.

Current Infrastructure Status

In November, members of the American Society of Civil Engineers produced the 2022 Report Card on Pennsylvania's Infrastructure to educate the public on the status of the infrastructure in the Commonwealth.

Overall, Pennsylvania's infrastructure received a 'C-', the same as the 2018 report card. While some progress is being made, we see that many challenges remain, directly impacting the transportation industry. Pennsylvania has some of the oldest infrastructure in the country, and new construction efforts are continually delayed by increased costs, parts and labor shortages and a growing backlog of emergency repairs. America's truck drivers are on these roads and bridges every day, struggling to navigate traffic congestion, changing detours and ever-present construction zones. Our state's infrastructure is a vital part of the supply chain, and transportation is one of the top industries in PA, providing jobs, services and materials to support our economy.

Challenges for the Transportation Industry

Western PA is known for its industrial contributions and strong cultural traditions, and its network of rivers, railroads and highways make it a centralized district for moving goods across America. Historically, the area has a rich background in steel, with Aliquippa, PGT's Headquarters, being home to one of J & L Steel's productive mills from 1905-1984. The Pittsburgh region continues to be influenced by its steel roots, and PGT ensures that this valued commodity is safely and efficiently transported to all over the country. PGT has been a core carrier for U.S. Steel, another Pittsburgh-based business, for more than four decades, and steel products account for approximately 70% of the freight hauled from PGT's Midwest Operations, which includes the Pittsburgh region.

PGT's Aliquippa terminal is one of eight terminal locations in Pennsylvania, supporting over 320 corporate employees and truck drivers who are based out of this state. Annually, on average, PGT trucks

and our drivers travel more than 10 million miles across Pennsylvania, making deliveries throughout the region to keep America moving.

However, as essential as truck drivers are to the economy, which we all saw during the height of the pandemic, trucking companies are forced to find alternative solutions in order to overcome the various infrastructure challenges our drivers face each and every day.

I'm sure many of you have noticed tractor trailers parked along on-ramps along the highway or pulled over in emergency pull-offs. Or maybe you've even noticed a few trucks parked overnight at your local Walmart or grocery store. By 5:00 p.m. each day, rest stops are full and overflowing with trucks as drivers look to shut down after a long day.

Lack of available truck parking has been in the top five of the American Transportation Research Institute's Top Industry Issues list since 2015. Without safe and reliable places for trucks to park, drivers are forced to shut down early, leaving valuable driving hours on the table; parking in unsafe locations that put themselves at risk; or at times, violating their hours of service regulations in search for somewhere safe to stop. Have you ever tried to sleep along the side of a highway? Without a safe and restful place to park, truck drivers are not getting enough rest, putting themselves at risk, along with the motoring public. Some drivers even leave the industry altogether, choosing to not deal with the daily struggle of parking.

Over the past several decades, we have witnessed a steady growth in the demand for freight transportation in the United States, driven by economic expansion and global trade. But with this growth, our highway capacity is struggling to keep up, placing an upward pressure on freight prices and delaying deliveries.

Truck drivers often encounter delays caused by the need to avoid substandard bridges or roads, detour around construction zones, or navigate through cities and towns that are not equipped to handle such traffic and heavy duty vehicles. This adds more time to their trip, increases their fuel costs and causes additional wear and tear on their equipment. As tractor trailers and cars work to find alternate routes, traffic becomes congested and bottlenecks, adding even more time to the trip and delaying delivery.

These freight bottlenecks are clogging America's economic arteries, with 87% of total truck congestion costs nationwide being caused by only 17% of National Highway System miles. And the costs are staggering: 1.2 billion hours of lost productivity for the trucking industry annually – the equivalent of 425,000 drivers sitting idle for an entire year—adding \$75 billion to the country's freight bill. This congestion causes trucks to burn an excess 6.87 billion gallons fuel—nearly 13% of their total fuel consumption—resulting in 67.3 million metric tons of excess CO2 emissions being released into the atmosphere.

In a time where the transportation industry as a whole is struggling to find drivers – current needs are over 60,000 – what can we do to make this a more attractive career choice? Professional truck drivers are worried about safety, they are worried about time away from home, and they struggle to get respect from the every-day motorist.

Providing a better overall experience for truckers is vital to keeping our supply chain moving. But with these daily challenges, less and less people want to do this job. However, we believe that PA has a bright future, built on the backbone of the hardworking men and women who support our economy through

transportation and infrastructure. We ask for our leadership to listen to the concerns of transportation companies and commit to getting results. Raising the grades on our infrastructure will require that we seek and adopt a wide range of solutions, preparing our state for the future.

Preparing for the Future

We need to replace our roads, bridges and overpasses. We cannot continue to repair crumbling infrastructure, patching pothole after pothole. We need infrastructure that can support the heavy use of our trucks and increased traffic. As we look to the future and consider electric transportation options, our roads must withstand the additional weight of these new vehicles.

We need new traffic patterns to alleviate congestion and bottlenecks. The small towns of PA, while beautiful and charming, are not meant to handle such heavy transportation demands.

We need rest stops with safe truck parking. Trucks cannot park in your average parking lot. We need commercial-sized parking along key highways, including restroom access. These areas need to be secured, well-lit and easily accessible. We cannot attract new entrants to the industry without having the systems in place to support them over the road.

We need to consider charging stations and hydrogen fueling options, preparing PA for the future of transportation and encouraging the growth of these industries.

Let's make PA the example for the rest of the country to follow. Our leaders need to take action and develop a clear vision for the future, supporting the transportation industry by fixing our infrastructure. Consider new approaches, materials and technologies to ensure our infrastructure can withstand the test of time, easily handling the ever-growing demand for freight. We all want the same things – for the goods and materials we use every day to be there when we need it, to keep our highways safe, and for everyone to return home to their families at the end of every day.

Unfortunately, the cost of doing nothing in these situations will result in loss of life. We must fund these projects and get our supply chain moving SAFELY and efficiently again.

Thank you for your time today and for your consideration as to how we can Pave the Way for Pennsylvania's Future.