

COMMONWEALTH OF PENNSYLVANIA  
HOUSE OF REPRESENTATIVES  
HOUSE TRANSPORTATION COMMITTEE

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In the Matter of:                   :  
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The Sunset Review of the           :  
:  
Pennsylvania Parkway               :  
:  
Commission                           :  
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Pages 1 through 14                   Main Capitol Building  
  Harrisburg, Pennsylvania

Wednesday, August 26, 1987

Met, pursuant to notice.

BEFORE:

AMOS K. HUTCHINSON, Chairman

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WITNESSES

TESTIMONY

Richard D. Dario

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FORM 1

P R O C E E D I N G S

1  
2 CHAIRMAN HUTCHINSON: We will now go to the  
3 Sunset of the Pennsylvania Parkway Commission. That is one  
4 of the many things you probably (word inaudible) computer.  
5 You would see a lot of the things that still--one time,  
6 it must be fifteen years ago, about when Mark Cohen came to  
7 Harrisburg, and he used two or three words in a computer and  
8 you ought to see all the junk--acts that he had just by three  
9 words and I forget what words they were.

10 I think Gallen did that one time when we--when he was  
11 chairman of the State Government Committee and he did away  
12 with about fifteen or twenty different things.

13 The first witness will be Richard D. Dario.

14 MR. DARIO: Yes, sir. Thank you very much, Mr.  
15 Chairman. We appreciate being here. John Rowe is with me  
16 from our staff. He is the Chief Analyst on our staff.

17 I have a very brief presentation which I will run  
18 through with your permission, sir.

19 I would like to begin by saying that--remind the  
20 committee that what I will be discussing today represents the  
21 work of the Legislative Budget and Finance Committee staff and  
22 does not necessarily represent the conclusions or the point of  
23 view of the members of the Legislative Budget and Finance  
24 Committee.

25 CHAIRMAN HUTCHINSON: Amen.

1 MR. DARIO: Our Sunset performance audit work in  
2 relation to the Parkway Commission was carried out in the fall  
3 of 1986.

4 Our work related to this Commission was completed  
5 in late November and our report was released on December 16,  
6 1986.

7 A copy of the report was subsequently provided to  
8 each member of your committee.

9 This project was unique in the sense that our  
10 assignment was to conduct a performance audit of an organiza-  
11 tion that no longer exists.

12 We found that written records and documentation  
13 pertaining to the Commission were scarce and that few  
14 individuals were even aware of the legal requirement for a  
15 Parkway Commission.

16 We did, however, receive excellent assistance from  
17 officials and staff of the Pennsylvania Department of  
18 Transportation as well as from the consulting engineering firm  
19 which prepared feasibility studies in the 1950's and 1960's  
20 pertaining to the roadway which the Parkway Commission was to  
21 operate.

22 As established by the General Assembly in 1941, the  
23 Parkway Commission was to construct, operate and maintain a  
24 scenic mountain ridge parkway in the Pocono Mountains.

25 This roadway, which was variously referred to as the

1 Rim Parkway, the Pocono Mountain Memorial Parkway and the  
2 Pennsylvania Parkway, appears to have been intended as a  
3 limited access scenic highway designed primarily for tourists  
4 and recreational travel.

5 Proponents of the parkway concept cited the potential  
6 economic benefits of such a roadway and comparisons were made  
7 with scenic highways in other states such as Skyline Drive and  
8 Blue Ridge Parkway.

9 The three member Parkway Commission was to finance  
10 the construction of the parkway through the issuance of revenue  
11 bonds which were to be repaid from tolls collected from patrons  
12 of the parkway.

13 Upon repayment of the bonds, the parkway was to be  
14 turned over to the Department of Transportation for maintenance  
15 as a nontoll roadway within the State highway system, and the  
16 Parkway Commission was to be dissolved.

17 Studies of the engineering and economic feasibility  
18 of constructing the proposed parkway were undertaken in 1954  
19 and 1966.

20 The initial study, which was described as exploratory  
21 in nature, concluded that a parkway could be economically  
22 feasible and called for appointment of the Parkway Commission  
23 and completion of additional detailed feasibility studies.

24 A Commission was appointed in 1966, and further study  
25 of the parkway concept was authorized. The consulting

1 engineers retained by the Commission concluded that the  
2 proposed parkway would involve construction costs at that time  
3 of between \$20 and \$32 million and could not be self-supporting  
4 as a toll facility.

5           Upon concluding that the parkway would be a deficit  
6 operation if constructed, the consulting engineers recommended  
7 that other means be sought to make the parkway a reality.

8           We did not find any record, however, of Commission  
9 action taken in response to the 1966 feasibility study or of  
10 any actions which may have been otherwise taken relative to the  
11 Commission or the parkway since that time.

12           Several highways which provide scenic travel  
13 opportunities have since been constructed in the region in  
14 which the parkway was to be located, including one route that  
15 is maintained by the National Park Service as a scenic and  
16 recreational highway for passenger vehicles.

17           We discussed the concept of an additional scenic  
18 roadway in the Poconos with State transportation planning  
19 officials.

20           These individuals expressed the opinion that an  
21 additional scenic roadway in the Poconos is not needed and  
22 would not be financially feasible.

23           Our discussions with Department of Commerce  
24 personnel and the executive director of a group which  
25 represents local tourism interests in the Poconos also

1 resulted in the lack of strong support for rekindling the  
2 idea of a Pocono Mountain Parkway.

3 Not surprisingly, we concluded that elimination of  
4 the requirement in law for a Pennsylvania Parkway Commission  
5 would not significantly harm or endanger the public health,  
6 safety or welfare.

7 That concludes my prepared remarks. I would be  
8 happy to answer any questions that you may have.

9 CHAIRMAN HUTCHINSON: Are there any questions of Mr.  
10 Dario?

11 REPRESENTATIVE : Yes, just one question.  
12 For the Parkway Commission, how much does this cost the State  
13 a year to continue this Parkway Commission?

14 MR. DARIO: It is not costing anything to continue  
15 it at the present time. There were expenditures in the past  
16 but there are not presently any expenditures.

17 REPRESENTATIVE : Just that it exists.  
18 The feasibility study is done. It is on the shelf and it  
19 just continues to exist without doing any function?

20 MR. DARIO: That is correct, sir.

21 REPRESENTATIVE : Thank you, Mr. Chairman.

22 CHAIRMAN HUTCHINSON: Is there any money left any  
23 place at all?

24 MR. DARIO: There is not to our knowledge any money  
25 that is presently still set aside for the Parkway Commission.

1 There was money set aside back in the 1940's. That money was  
2 apparently spent or lapsed.

3 The records were not complete. There was also money  
4 expended during the 1950's and 1960's, but there is no money  
5 remaining at the present time.

6 It has either been spent or lapsed.

7 CHAIRMAN HUTCHINSON: Any other questions?

8 REPRESENTATIVE Yes.

9 MR. DARIO: Yes, sir.

10 REPRESENTATIVE Dick, you say there was no  
11 interest by anybody, nobody stepped forward. Is there a  
12 small group?

13 MR. DARIO: Well, I should clarify that. I think  
14 that there is still a belief among individuals, for example,  
15 folks that we talked to, really, virtually everyone we talked  
16 to from the Department of Transportation to the Department of  
17 Commerce to local tourism persons, that it will be a nice  
18 idea to have a facility of this type, but the costs are so  
19 much greater now than they would have been.

20 For example, the Department of Transportation told  
21 us that they estimate roughly that it would cost approximately  
22 \$800 million now to construct this type of facility.

23 The local tourism people told us that there would  
24 be real problems with the environmental concept of now putting  
25 this through some lands which are considered to be lands which



1 would be affected environmentally.

2 So I think that basically what people said is if  
3 there is any intention to move ahead with this you really  
4 have to study it in the context of today's world and that  
5 anything that has been done in the past really would be a  
6 washout in a sense as far as costs and considerations.

7 So it is just a question of--and I think that  
8 combined with the fact that there are now considerably--there  
9 are additional roadways in that area, such as the interstates  
10 and also the National Park Service operated roadway, that it  
11 really is questionable whether it would be worth the effort.

12 This is the way people basically related it to us.

13 REPRESENTATIVE Well, if at that time  
14 it was told it wasn't feasible I doubt very much that you  
15 would get people to pay a toll.

16 MR. DARIO: Precisely. It was to be a deficit  
17 operation even in 1966 when they estimated the construction  
18 cost at about \$30 million.

19 So it is really highly questionable. It would  
20 certainly take considerable investment.

21 REPRESENTATIVE Well, after all these  
22 years, if there is not interest I just can't see maintaining  
23 it.

24 REPRESENTATIVE Just curious. In 1967  
25 they had set out an engineering construction schedule. I

1 guess it is interesting to me that they came that close to  
2 actually constructing this and didn't proceed.

3 MR. DARIO: Oh, yes.

4 REPRESENTATIVE Do you know what the  
5 politics were. Did you get a sense of that from the records  
6 as to who--was the Governor opposed to this or what happened?  
7 Why did this stop?

8 CHAIRMAN FUTCHINSON: That was Scranton and he  
9 comes from that area.

10 REPRESENTATIVE That is what I am asking.

11 MR. DARIO: I don't really think that--we had no  
12 reason to believe the Governor was opposed to it. There was  
13 an individual by the name of Senator Montgomery Crow that was  
14 the sponsor of this in 1941.

15 He has now passed away, so we didn't have an  
16 opportunity to talk with him. But we did talk with his  
17 sister, as a matter of fact, and we did get some background  
18 through that mechanism, plus we have uncovered a news  
19 article and so on which John is showing me here.

20 But there was a committee appointed. They did take  
21 an aerial survey of the area, you know, amid some local  
22 publicity and so on.

23 I think it was just a case probably from our point  
24 of view that when the feasibility study came out and said it  
25 was to be a deficit operation, when initially they thought it

1 would not be.

2           Initially they thought it would be able to pay for  
3 itself. I think that is probably when interest was lost.  
4 The feasibility study said that over the 36-year period of the  
5 bonds, there would be a net deficit and the State would have  
6 to kick in money out of the motor license fund.

7           I think that is really when the idea died.

8           CHAIRMAN HUTCHINSON: Well, in the 1950's under  
9 Leader, I think                            was the Secretary of Highways.  
10 He was also on the Turnpike Commission.

11           He came from Scranton. You see that is about the  
12 time that they built that other from Norristown up to  
13 Scranton. They did that after the war. It probably was in  
14 the early fifties.

15           MR. DARIO: I see.

16           REPRESENTATIVE                            And then 80 went across  
17 there after that.

18           CHAIRMAN HUTCHINSON: Yes.

19           MR. DARIO: For example, Henry Harro who was, of  
20 course, Secretary of Highways under Scranton was apparently  
21 supportive. There is a picture of him here, seemingly  
22 supportive and he was a member of the Commission and so on.

23           But I really think that the feasibility took the  
24 air out of it.

25           CHAIRMAN HUTCHINSON: There was never a feasibility

1 study finished?

2 MR. DARIO: Oh, yes. There were two finished. There  
3 was one finished in 1954 and there was one finished in 1966.  
4 The one in 1966 is the one that indicated that it would be a  
5 deficit operation.

6 It was done by Michael Baker Associates, the  
7 engineering firm that is the primary engineering firm of the  
8 Turnpike Commission.

9 That is when interest seemed to die, following that  
10 1966 feasibility study.

11 CHAIRMAN HUTCHINSON: Well, what we have to do now  
12 is take a vote on it or hands. Do we have to write a bill  
13 terminating it or does it automatically die?

14 MR. DARIO: No, it will automatically die. I  
15 think what your committee needs to do, however, is to file a  
16 report, indicating--if it turns out--

17 CHAIRMAN HUTCHINSON: We had a hearing.

18 MR. DARIO: That's right. And if it is your belief  
19 that there is no reason to have the Commission continue then  
20 you would so say that.

21 CHAIRMAN HUTCHINSON: Who do we file that report  
22 with?

23 MR. DARIO: I believe you have to file it with the  
24 House Chief Clerk.

25 CHAIRMAN HUTCHINSON: I know that we had one before.

1 MR. DARIO: I think you have to present a report to  
2 the General Assembly.

3 CHAIRMAN HUTCHINSON: That would be just probably--I  
4 know what would happen if we put a new bill in and add stuff.  
5 So all we would have to do is write a resolution or--

6 MR. DARIO: Or a report or whatever? Really it  
7 will definitely die by itself. I think the only responsibility  
8 your committee has is to officially indicate you have  
9 considered it.

10 CHAIRMAN HUTCHINSON: Bury it. Make it a decent burial.

11 MR. DARIO: Exactly.

12 CHAIRMAN HUTCHINSON: Any other things?

13 Thank you, Richard.

14 MR. DARIO: Thank you very much, sir. I appreciate  
15 it.

16 (Whereupon, the hearing was closed.)  
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I hereby certify that after House of Representative personnel tape recorded these hearings, they were transcribed by me, to the best of my ability.

COMMONWEALTH REPORTING COMPANY, INC.

BY: Kay Succa  
Kay Succa

FORM 1

REMARKS OF RICHARD D. DARIO, EXECUTIVE DIRECTOR OF  
THE LEGISLATIVE BUDGET AND FINANCE COMMITTEE,  
AT THE AUGUST 26, 1987, PUBLIC HEARING  
OF THE HOUSE TRANSPORTATION COMMITTEE PERTAINING  
TO THE SUNSET REVIEW OF THE PENNSYLVANIA PARKWAY COMMISSION

Thank you for inviting us to be here today. Accompanying me is John Rowe, Chief Analyst on our staff.

As you may know, the members of the Legislative Budget and Finance Committee do not play a direct role in the sunset performance audit process. Therefore, the audit finding that I will be discussing today represents the work and conclusions of our audit staff and does not necessarily represent the point of view of any of the members of the Legislative Budget and Finance Committee.

Our sunset performance audit work in relation to the Parkway Commission was carried out in the fall of 1986. Our work related to this Commission was completed in late November, and our report was released on December 16, 1986. A copy of the report was subsequently provided to each member of your Committee.

This project was unique in the sense that our assignment was to conduct a performance audit of an organization that no longer exists. We found that written records and documentation pertaining to the Commission were scarce and that few individuals were even aware of the legal requirement for a Parkway Commission. We did, however, receive excellent assistance from officials and staff of the PA Department of Transportation as well as from the consulting engineering firm which prepared feasibility studies in the

1950's and 1960's pertaining to the roadway which the Parkway Commission was to operate.

As established by the General Assembly in 1941, the Parkway Commission was to construct, operate and maintain a scenic mountain ridge parkway in the Pocono Mountains. This roadway, which was variously referred to as the "Rim Parkway," the "Pocono Mountain Memorial Parkway" and the "Pennsylvania Parkway," appears to have been intended as a limited access scenic highway designed primarily for tourists and recreational travel. Proponents of the parkway concept cited the potential economic benefits of such a roadway and comparisons were made with scenic highways in other states such as the Skyline Drive and Blue Ridge Parkway. The three member Parkway Commission was to finance the construction of the parkway through the issuance of revenue bonds which were to be repaid from tolls collected from patrons of the parkway. Upon repayment of the bonds, the parkway was to be turned over to the Department of Transportation for maintenance as a non-toll roadway within the state highway system, and the Parkway Commission was to be dissolved.

Studies of the engineering and economic feasibility of constructing the proposed parkway were undertaken in 1954 and 1966. The initial study, which was described as exploratory in nature, concluded that a parkway could be economically feasible and called for appointment of the Parkway Commission and completion of additional detailed feasibility studies. A Commission was appointed in 1966, and further study of the parkway concept was authorized. The consulting engineers retained by the Commission con-



cluded that the proposed parkway would involve construction costs at that time of between \$28 and \$32 million and could not be self-supporting as a toll facility. Upon concluding that the parkway would be a deficit operation if constructed, the consulting engineers recommended that other means be sought to make the parkway a reality. We did not find any record, however, of Commission action taken in response to the 1966 feasibility study or of any actions which may have been otherwise taken relative to the Commission or the parkway since that time.

Several highways which provide scenic travel opportunities have since been constructed in the region in which the parkway was to be located, including one route that is maintained by the National Park Service as a scenic and recreational highway for passenger vehicles. We discussed the concept of an additional scenic roadway in the Poconos with state transportation planning officials. These individuals expressed the opinion that an additional scenic roadway in the Poconos is not needed and would not be financially feasible. Our discussions with Department of Commerce personnel and the executive director of a group which represents local tourism interests in the Poconos also resulted in the lack of strong support for rekindling the idea of a Pocono Mountain Parkway.

Not surprisingly, we concluded that elimination of the requirement in law for a Pennsylvania Parkway Commission would not significantly harm or endanger the public health, safety or welfare.

Thank you very much for your attention. We will be pleased to try to answer any questions that you may have.