

**Written testimony of the  
Transportation Construction Industries (TCI) coalition**

**To the House Transportation Committee's  
Hearing on House Bill 2593**

**June 27, 2008**

Robert E. Latham, Executive Vice President  
Associated Pennsylvania Constructors/TCI Spokesman  
June 26-27, 2008

**Chairmen Markosek and Geist, and members of the Committee:**

As you know, the Transportation Construction Industries coalition is the unified voice of the highway construction industry in Pennsylvania. Our membership constitutes a broad array of interests including asphalt hot mix, aggregates, concrete, contractors, materials suppliers, equipment dealers, services purveyors and consultants. Our members employ approximately 60,000 Pennsylvanians. We appreciate the invitation to provide these comments regarding the legislation governing the proposed lease of the Pennsylvania Turnpike (House Bill 2593).

The industry acknowledges the efforts of members of this committee, your Senate counterparts, the leadership of both houses and the administration in the creation and enactment of Act 44 nearly one year ago. The consensus is that Act 44 reduced the previously identified \$1 billion annual highway funding gap by less than half. Consequently, while the Act diminished the severity of the funding crisis, the crisis continues.

The TCI coalition has not taken a "for" or "against" position on the proposed Turnpike lease, or any other individual funding mechanism, including Act 44. We believe that debating individual, incremental funding methods is counterproductive. The fact that we are no closer to a comprehensive solution than we were a year ago corroborates that point.

Debating the merits of one inadequate funding source versus another inadequate funding course muddles the issue and pits individual geographic regions and motorist classifications against one another. Tolling Interstate 80, a politically difficult proposition under the best of circumstances, garners even less support when residents of the I-80 corridor feel that they have been unduly burdened in order to ease a statewide problem. Similarly, those who rely regularly on the Turnpike would bear the brunt of the cost under a Turnpike lease, while other regions and motorist classifications would get a free pass. Under such conditions, debating one approach over the other dooms any effort to build a consensus.

We continue to believe that the Pennsylvania Economy League provided us with the best blueprint in its 2006 transportation study, when it said there is no single panacea to the funding crisis, and that a comprehensive solution would likely include a combination of tolling, higher license and registration fees, increased gasoline taxes, prudent borrowing, local taxing options and public-private partnerships.

A comprehensive plan would distribute the burden across all geographic regions and classifications of motorists, thus moderating the impact on any specific region or group. Most importantly, it would solve the current problem and provide an essential tool for economic growth.

While a comprehensive solution cannot be achieved without increasing the cost to the motoring public, the price to a typical motorist, under a comprehensive approach, is much lower than many people seem to realize. The TCI coalition proposed a funding plan to the Senate Transportation Committee in April 2007. Our plan adopted the existing Turnpike and I-80 tolling plan, raised the gasoline tax by 8 cents per gallon and increased license and registration fees. To a motorist who drives 15,000 miles per year in a vehicle that averages 25 miles per gallon, the cost would be about \$8 per month.

Moreover, an additional \$8 per month is acceptable to a majority of the public, according to the public opinion polling we have conducted. In a March survey, instead of asking respondents about specific funding methods, we asked simply how much they would be willing to pay to repair and expand Pennsylvania's highway system – an additional \$8 per month, \$15 per month, \$20 per month, or no amount, because there is no need to repair or expand the highway system.

A total of 56 percent of the respondents said they were willing to pay at least an additional \$8 per month. Of that, 11 percent said they would pay an additional \$15, and 6 percent said an additional \$20.

If most people are willing to pay at least an additional \$8 to solve this problem, how they pay it becomes secondary. Yet many policymakers continue to perceive that raising the gas tax or license and registration fees are too unpopular to be considered. At least in the case of user fees, those who consume more of an asset pay proportionately, and those who wish to pay less have some measure of choice and control. Refusing to consider any and all funding sources ensures that a comprehensive solution remains well out of reach.

The cost for failing to solve this problem is immense, and certainly much more than \$8 per month. Several months ago, this committee heard testimony from Jack Schenendorf, vice chair of the National Surface Transportation Policy and Revenue Study Commission, who said the U.S. should be investing at least \$225 billion per year in surface transportation – roughly three times the level of current investment – to accommodate economic growth.

Mr. Schenendorf pointed out that America's prosperity for the last half of the 20<sup>th</sup> Century was fueled largely by the excess capacity in the surface transportation systems built by our parents and grandparents. Today, that excess capacity is gone, and the condition of those systems has deteriorated significantly. At a time when we should be expanding the capacity of our highway system, we are not even keeping up with the maintenance of the existing system.

*TCI testimony—HB 2593*

*June 27, 2008*

*Page 3*

America's prosperity until the turn of the century was the legacy to us of our parents and grandparents. What will our legacy be? What is our vision for Pennsylvania's future mobility?

The biggest flaw in either Act 44 or a Turnpike lease is that neither solves the problem. We will not resolve this critical public policy issue until we stop debating incremental measures and focus on a comprehensive solution.

On behalf of the TCI coalition, thank you again for the opportunity to provide the Committee with the industry's view on this matter.

###